

## 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) and semi-concessional lending through International Bank for Reconstruction and Development (IBRD). The assistance from Asian Development Bank (ADB) is also semi-concessional. 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 **43<sup>rd</sup>** in the series, contains a comprehensive account of economic assistance received by the Government of India from friendly foreign countries, International Institutions and other Organisation right from 1951-52 onwards upto 2004-2005.

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 authorizations, cumulative drawals, cumulative repayments and cumulative interest payments in addition to details of drawal, repayment and payment of interest during the year. Effective loans from Austria, Belgium, Germany, France, Italy, Spain and Netherlands have converted in Euro currency with effect from 01-04-2002. Debt in respect of Austria, Australia, Belgium, Canada, Denmark, Spain, Italy, Kuwait, Netherlands, Saudi Arabia and Sweden have been fully prepaid during 2004-2005.

4. Part III contains five Statements (1 to 5) reflecting donor-wise summary of loans/Grants authorizations, utilisation, repayment of Principal and payment of Interest during the year and upto 2004-05 in respective loan currency, undisbursed value of Grants and disbursed and outstanding debt. This part also exhibits General terms & conditions of External Loans and Commitment Charges paid during the year. Part IV of the Brochure contains Statements 6 to 23 providing period based information on classified Disbursed and Outstanding Debt in US\$, Plan year-wise summary of authorization, utilisation and debt servicing payments, disbursements ratio of loans and grants, ten year details of disbursement, repayments, payment of interest and disbursed outstanding debt in Rupee terms for Govt. loans and four year details for Non-Govt. loans, all in Rupees. Undisbursed balances at the close of preceding 4 years have also been provided in Rupees for purpose of comparison. Part V contains Statements 24, 25 and 25A 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. Part-VII contains three graphs on Net Flow, overall External Aid and Receipt & Debt Servicing of Major Donors during the F.Y. 2004-2005.

5. The total external receipt on Government Accounts including grants during 2004-2005 is **Rs. 15,976 crores** and the total repayment made during 2004-2005 is **Rs. 7,102 crores**. The total external debt on sovereign account as on 31<sup>st</sup> March, 2005 is Rs. 1,91,182 crores, the debt outstanding in respect of major donors viz. IBRD, IDA, ADB, Japan and Germany is Rs. 16,512 crores, Rs. 103,704 crores, Rs. 6,168 crores, Rs. 42,275 crores and Rs. 11,216 crores respectively.

6. 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 '**caaa@alpha.nic.in**'. Soft copy of the Brochure can also be accessed on our static website address: <http://www.finmin.nic.in/caaa> or dynamic website at <http://aaadmof.gov.in>.

## **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 and repaid.

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

## Chapter 2

### AUSTRALIA

2.1. Australian Development Assistance to India started in the year 1951. This is channeled through the Australian Agency for International Development (AusAID). The Bilateral Development Cooperation with Australia has been discontinued in pursuance of Government of India's new guidelines on bilateral development cooperation dated 12<sup>th</sup> September 2003. However, the following project would continue till 2005:

“Gangtok and Shillong Urban Water Supply and Environmental Sanitation Projects” (Letters were exchanged on 30.10.2003).

2.2. The following schemes will continue under the new guidelines:

- (i) Under “South Asia Community Assistance Scheme (SACAS)”, Government of Australia provides small grant assistance for grassroots 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 and the concerned state Government CAPART.
- (ii) Under “AusAID NGO Cooperation Programme (ANCP) scheme, Australian NGOs get funds from Government of Australia and in turn they provide support to Indian NGOs under Government of Australia's global activity. These funding counts towards Australian ODA to India and Indian NGOs have been supported under this scheme for the last 20 years. AusAID will submit in every six months a list of the projects alongwith names of NGOs supported under the Programme.
- (iii) Though autonomous bodies which are largely fully funded by Government like ICAR, CSIR, NDDDB and such others would not be permitted to avail of bilateral development assistance under the new guidelines for future development cooperation, there can be technical cooperation undertaken by these organizations if the contribution of the bilateral partner are of technical nature and the component for provision of equipments/ hardware on these are insignificant compared to the total project cost. However, clearance of Department of Economic Affairs would be required before signing the new project agreements. CSIR, ICAR & NDDDB have Memorandum of Understanding with Australian Centre for International Agricultural Research (ACIAR) which is an Australian Governmental Agency engaged in the field of agricultural research with the aim of achieving more productive and sustainable agricultural systems through collaborative research partnerships.

2.3. The estimated Budget Australian ODA to India in 2005-2006 is Australian Dollar 10 million. The estimate includes an indicative country programme estimate of Australian Dollar 5.5 million (which includes Gangtok and Shillong Urban Water Supply and Environmental Sanitation Project and other multilateral programmes) and an estimate of Australian Dollar 4.5 million on other programmes like AusAID NGO Cooperation Programme and programmes of ACIAR.

2.4. Details of Loans and Grants are given in Annexure "A" & "B" respectively. The entire debts outstanding on Government Account have been prepaid on 20.10.2003.

## Chapter 3

### AUSTRIA

3.1. Austria has been extending bilateral development assistance to India since 1962-63 through Government and other credits. The assistance has been provided for financing the import of capital goods, components, machinery and services of Austrian origin.

3.2. The total bilateral development assistance given by Austria up to 31<sup>st</sup> March 2005 is as follows:

		<u>Million A.Sch.</u>
(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	371.01
	<b>Total</b>	<b>1680.89</b>

3.3. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept "tied" aid any longer.

3.4. Austria is a non-G-8 EU country. In terms of new policy for bilateral development cooperation announced on 20.09.2004, ODA from Austria can be resumed if it commits minimum US\$ 25 million p.a. for development cooperation assistance to India. Austria has not yet responded to our new policy.

3.5. The details of credit, utilization and debt servicing payments are given in Annexure-A. The details of grants are given in Annexure-B. The entire debts outstanding on Government Account have been prepaid on 20.10.2003.

## **Chapter 4**

### **BELGIUM**

4.1. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations autonomous organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept tied aid any longer. Consequently, it was decided not to accept any fresh bilateral development cooperation from Belgium. Currently, there is no on-going project under Indo-Belgium Bilateral Development Cooperation Programme.

4.2. Belgium is a non G-8 EU Country. Therefore, ODA from Belgium can be considered in terms of the revised policy on bilateral development cooperation announced on 20.09.2004 if Belgium commits minimum bilateral development assistance of \$25 million per annum to India. Belgium has not so far responded to our new policy announced on 31.12.2004.

4.3. Details of Loans and Grants are given in Annexure “A” & “B” respectively. Entire outstanding of Belgium have been prepaid on 20.10.2003.

## Chapter 5

### CANADA

5.1. Canadian Bilateral Economic Assistance to India started in 1951. Till March 2005, the total Canadian Bilateral Economic Assistance to India has been of the order of Canadian Dollar 2.743 billion. The Bilateral Economic Assistance mainly comprised Development Assistance, Food and Technical Assistance. Canadian Assistance has been channelised through the Canadian International Development Agency (CIDA). The assistance extended by CIDA since 1<sup>st</sup> April 1986 has been in the form of grant.

5.2. The present Canadian bilateral assistance is provided in the form of grants and is available for implementing projects.

The CIDA assistance is of three types:

- (a) Projects with MOUs with Government of India (total 5 projects)
- (b) Projects without MOUs with Government of India (total 6 projects)
- (c) Projects under special funding mechanism (Canada Fund) without MOUs with Government of India (1 project)

5.3. The disbursement of Canadian assistance during the last two years i.e. 2003-04 and 2004-05 was as under:

Year	(Amount in C \$)			
	With MOU with GOI	Without MOU with GOI	Special Mechanism	Total disbursement
2003-2004	15,624,767	6,987,236	600,000	23,212,003
2004-2005	12,621,678	5,553,407	1,300,000	19,475,085

5.4. The Canadian Bilateral Assistance is extended mostly in the form of technical assistance and the assistance through the receipt budget of Government of India is quite negligible. Canada is also assisting NGOs outside the bilateral development programme.

5.5. Canadian assistance which was used to be project assistance for meeting the import/local cost requirements of specific project and non-project assistance for purchase of miscellaneous goods, industrial commodities, fertilizers and food assistance was given new orientation under the CIDA's country framework for India established in the year 1991. As a result of this the emphasis of Canadian assistance has shifted to softer aspects, such as linkages development.

5.6. The main objectives of CIDA's country policy programme for India are: (i) to promote economic and social policy reforms; (ii) to contribute to India's capacity to promote environmentally sound development; (iii) to assist in building a stronger economic relationship between private sectors of both the Countries.

5.7. Although Government of India has decided to accept bilateral development assistance from all G-8 countries, including Canada, the CIDA has notified to phase out their current bilateral aid program by 2007. The Government of India has also, in October 2003, prepaid the entire Canadian Loan of C\$ 419.941 million, against the loans taken by Government of India during 1966-1984.

5.8. Details of Loans and Grants are given in Annexure "A" & "B" respectively. The entire debts outstanding on Government Account have been prepaid on 20.10.2003.



## 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 utilized. 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 utilized. 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 Rs. 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 have 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 Agreements on 18-4-2000:-

- (i) Tripartite Arrangement between Ceskoslovenska Obchodni Banka (CSOB), Govt. of India and Narodna Banka Slovenska(NBS);and
- (ii) 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. Total Assistance extended and utilization:

(As on 31.03.2005)

Loan - DKK 1148.95 M + US\$ 3.89 M

Grant - DKK 714.37 M

Total utilization =DKK 1863.32 M & US\$ 3.89 M

#### 7.2. Nature and details of assistance:

At present Danish assistance is entirely in grant for local cost projects that also includes Technical assistance in the form of Services, Consultancy & Training etc. Aid is disbursed by the official aid agency DANIDA (Danish International Development Agency)

#### 7.3. Disbursement in the last 3 years:

	2002-03	2003-04	2004-05
D. Kroner million	82.97	67.68	20.41
Rs. in crore	(54.75)	(49.37)	(15.68)

#### 7.4. Sectors in which assistance is offered:

Assistance is offered in the fields of Agriculture, Health & Family Welfare Rural, Drinking Water & Sanitation and Environment & Forest. Danish assistance is presently concentrated in Tamil Nadu, Karnataka, Madhya Pradesh and Chhattisgarh.

#### 7.5. Aid Policy, including objection:

Assistance is provided for poverty alleviation and social development. India has prepaid DKK 258.236 million (US\$ 71.76 million approximately) on 20.10.2003 to Government of Denmark covering the total outstanding amount on Danish loans. India has no further debt liabilities in respect of Denmark.

#### 7.6. Terms and Conditions of Assistance:

At present no loan is available. Grant is provided to the Government of India from which the aid is passed on to the States on Standard Terms. For projects implementation by Central PSU's, the terms of passing on the assistance is decided on case-to-case basis.

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**7.7. Future strategy:**

As per Government of India's policy on external assistance, there will be no further bilateral development cooperation at Government level with Denmark. The Government of Denmark and Government of India have mutually agreed to phase out Danish development programme in India by 31.12.2005.

7.8. Details of Loans and Grants are given in Annexure "A" & "B" respectively. The entire debts outstanding on Government Account have been prepaid on 20.10.2003.

## Chapter 8

### FRANCE

#### 8.1. Total assistance extended and utilization:

(As on 31.03.2005)

(Figures in million)

Assistance: FF 4652.863+Euro 1097.117

Utilization: FF 4652.863+Euro 1094.652

#### 8.2. Nature and details of assistance:

French assistance is mainly in the form of loan to procure goods and services of French origin. No local costs are financed in the French package.

#### 8.3 Disbursement in the last three years:

(Figures in million)

Year	2002-2003		2003-2004		2004-2005	
Disbursement	Euro	10.670	Euro	7.000	Euro	9.046
	Rupee	516.720	Rupee	378.150	Rupee	513.390

#### 8.4. Sectors in which assistance is offered:

The assistance is offered in sectors like environment, urban, water and sanitation, Agro-food industries, Fisheries etc. Other areas in which French have so assisted is in procurement of equipment for hospitals and Railways.

#### 8.5. Aid policy including objectives:

French aid is tied to imports of French goods and services. French commitments are made for specific projects where contracts are awarded to French companies. Local costs are not financed under French aid.

The policy announcement of 20 September 2004 has included France (by virtue of being a G-8 country) in the list of countries from which development assistance would be acceptable to India. However, while India welcomes development assistance from France, it would still not receive tied aid.

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**8.6. General requirement/pre-conditions of eligibility for aid:**

There is no regional priority in case of French aid.

**8.7. Major projects assisted/being assisted so far:**

- (i) Dulhasti Power Project
- (ii) Assistance to NALCO
- (iii) Supply of equipments to Sanjay Gandhi PG Institute of Medical Science
- (iv) Namchi Hospital Sikkim
- (v) Sea Bass Breeding & Culture, Tamil Nadu
- (vi) Digital Mapping Information System Bangalore
- (vii) Water Management Project for Jaipur.

8.8. The details of Loans & Grants provided by the France are given in Annexure "A" & "B" respectively.

## Chapter 9

### GERMANY

9.1. The Government of Germany has been providing Bilateral Assistance 1958. Bilateral Development Assistant provided by the Government of Germany is as follows:

(Amount in Million)			
Item	Commitment made upto 31.03.2004	Commitment made during 2004-05*	Commitment made upto 31.03.2005
Loans outside GOI Budget (Non-Government Loan)	DM 249100 and Euro 49.00	Euro 43.50	DM 249100 and Euro 92.50
Loans through GOI	DM 12363.90 and Euro 212.70	Euro 30.50	DM 12363.90 and Euro 243.20
Grants	DM 947.70 and Euro 29.80	Euro 19.00	DM 947.70 and Euro 48.80

\* Excluding funds reprogrammed from earlier commitments.

9.2 The Republic of Germany 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 grant.

9.3. During the Indo-German Annual Consultations – 2005 held in New Delhi in the month of May, 2005, German delegation have suggested to concentrate the cooperation on the following priority areas:

- Energy (Energy Efficiency, Renewable Energy, Support to Sectoral Reforms);
- Environmental Policy, Protection and Sustainable Use of Natural Resources (Natural Resources Management, Industrial and Urban Environmental management); and
- Economic Reforms (Financial Systems and Services Development, which includes Rural Financing – Micro Financing, cooperation banking, etc., Urban Infrastructure financing, SME Financing and Enterprise development, which includes SME Development, Rural Enterprise Development)

In addition, it was also agreed to include Social Security Systems as an area of interest for future cooperation.

9.4. The existing Indo-German Bilateral Cooperation is largely focused in the states of Madhya Pradesh, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, West Bengal and Orissa though Germans are willing to offer development cooperation in other parts of the country as well, particularly in the states of North-Eastern Region and Uttranchal. The Indo-German Annual Consultations-2005 was held in New Delhi on 10<sup>th</sup> to 11<sup>th</sup> May, 2005. The progress of ongoing projects was reviewed and new and future projects were discussed during the meeting.

9.5. The details of Govt. loans and grants & Non Govt. loans provided by the Germany are given in Annexure-“A”, “B” & “C” respectively.



## **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 was 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. As on 31.03.2005, nothing is outstanding out of Hungarian Aid.

## **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 was repayable in 31 equal semi-annual installments 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 credit and the conditions thereof are given in Annexure A. As on 31.03.2005, nothing is outstanding out of Iran Assistance received.

## **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. As on 31.03.2005, nothing is outstanding out of Iraq Assistance received.

## Chapter 13

### ITALY

13.1. 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.

13.2. Since 1981-82, a total of US\$ 161.2 Million and DM 144.2 Million of soft credit have been utilized. The credit carries an interest rate of 2% per annum and was repayable over in 20 years including a grace period of 10 years.

13.3. During the Indo-Italian Cooperation meeting held on 5<sup>th</sup> June 1996, the Italian side committed 100 billion Italian Lira soft loans with 60% concessionality. Out of this, 50 billion Liras has been allocated for establishing a credit line to National Small Industries Corporation Ltd. The Financial Convention for the 1<sup>st</sup> trench of 10 billion Liras was signed by National Small Industries Corporation Ltd. on 21.03.2005. M/s. NSIC request for availing the balance 40 billion Liras has not been accepted by the Government in view of the new development cooperation policy with bilateral partners enunciated in 2003. The remaining 50 billion Lira (Euro 25.82 million approx.) is to be utilized for financing “Water Supply and Solid Waste Management Project in West Bengal”.

13.4. The Table given below indicated the commitments till last year:

Sl. No.	Total commitments up to 2004-2005	Commitments made for 2004-05	Total commitments up to 31.03.2005
1.	Italian Lira 113.125 billion	Nil	ITL 113.125 billion
2.	US\$ 161.187 million		US\$ 161.125 million
3.	DM 144.200 million		DM 144.200 million
4.	Euro 25.820 million		Euro 25,820 million

13.5. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept “tied” aid any longer.

13.6. Government has since revised the policy on bilateral development assistance. As per revised policy Government of India will accept assistance from all G-8 countries namely USA, UK, Japan, Germany, France, **Italy**, Canada and Russian Federation as well as the European Commission. NSIC has requested DEA to reconsider the proposal to avail of the balance amount of Liras 40 billion. Government of India has prepaid all past Italian loans in full on **02.01.2004**.

13.7. The details of the loans are given in Annexure-“A” and “C” respectively.

## 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 1<sup>st</sup> October 1999, J-EXIM and OECF have merged and a new agency Japan Bank for International Cooperation (JBIC) is the channel for both ODA operation as well as the international economic operations function of Government of Japan.

14.2. Japanese ODA loan assistance to India is received through JBIC and Grant Aid and Technical Cooperation is received through JICA (Japan International Cooperation Agency).

14.3. Cumulative Japanese ODA loan to India has reached Yen 2193.67 Billion on commitment basis till 2004-2005 (i.e., about Rs. 85,492 crores at current exchange rate of 100 Yen=Rs. 38.96).

14.4. During 2004-2005, disbursements of ODA Yen loans amounted to Yen 70.085 Billion (about Rs. 2908 crores), at the exchange rate prevailing at that time.

14.5. Outstanding Debt to Japan as on March 2005 was about Rs. 42,275 crores.

14.6. In FY 2004-2005, loan agreements for eight projects (detailed under) have been signed with JBIC on 31.03.2005 for an amount of Yen 134,466 million (about Rs. 5600 crores).

#### **List of Projects selected and signed under FY 2004-05 ODA loan package**

<b>Sl. No.</b>	<b>Name of Project</b>	<b>Amount in Million Yen</b>
1.	Delhi Mass Rapid Transport System Project (VI)	19,292
2.	North Karanpura Super Thermal Power Project (I)	15,916
3.	Rajasthan Minor Irrigation Improvement Project	11,555
4.	Tamil Nadu Afforestation Project (II)	9,818

5.	Karnataka Sustainable Forest Management and Biodiversity Conservation Project	15,209
6.	Ganga Action Plan Project (Varanasi)	11,184
7.	Bangalore Water Supply and Sewerage Project Phase (II-I)	41,997
8.	Uttar Pradesh Buddhist Circuit Development Project	9,495

14.7. Presently there are 31 ongoing projects with Japanese assistance. The loan amount committed for these projects is Yen 422.781 billion (i.e. about Rs. 16,465 crores at current exchange rate of 100 Yen=Rs. 38.9) (detailed under).

**List of ongoing JBIC Assisted Projects**

(Amount in Million Yen)

Sl. No.	IDP Number and Name of the Project	Location	Loan Amount	Date of signing/closing	
<b>Ministry of Power</b>					
1.	(IDP-116) Northern India Trans. System Project	Centre	8497	25-02-1997	03-06-2006
2.	(IDP-119) Tuirial Hydro Electric Power Project	Mizoram	11695	25-02-1997	18-06-2009
3.	(IDP-120) Simhadri Thermal Power Project	Andhra Pradesh	19817	25-02-1997	24-06-2007
4.	(IDP-138) Simhadri Thermal Power Project-II	Andhra Pradesh	12194	30-03-2001	07-06-2008
5.	(IDP-140) Simhadri Thermal Power Project-III	Andhra Pradesh	27473	13-02-2002	26-03-2009
6.	(IDP-142) Simhadri & Vizag Transmission System Project-II	Andhra Pradesh	6400	10-05-2002	02-08-2009
7.	(IDP-143) West Bengal Trans. System Project-II	West Bengal	3127	10-05-2002	02-08-2009
8.	(IDP-144) Simhadri Thermal Power Project-IV	Andhra Pradesh	5684	31-03-2003	22-08-2009
9.	(IDP-147) Bakreswar TPS Unit Extension Project	West Bengal	36771	31-03-2003	31-07-2009
10.	(IDP-152) Purulia Pumped Storage Project-II	West Bengal	23578	31-03-2004	18-06-2009
11.	(IDP-153) Dhauliganga HE Power Plant Constn.Project-III	Uttaranchal	13890	31-03-2004	12-07-2009
12.	(IDP-156) Umium Stage –II Hydro Power Stn. Ren. & Mod. Project.	Meghalaya	1964	31-03-2004	18-06-2012

<b>Ministry of Environment and Forests</b>					
13.	(IDP-146) Punjab Afforestation Project-(II)	Punjab	5054	31-03-2003	31-07-2009
14.	(IDP-148) Rajasthan Forestry of Biodiversity Project	Rajasthan	9054	31-03-2003	31-07-2010
15.	(IDP-149) Yamuna Action Plan Project –(II)	Delhi, UP, Haryana	13333	31-03-2003	31-07-2010
16.	(IDP-158) Intg. Natural Resource Magt. & Pov. Red. Project.	Haryana	6280	31-03-2004	18-06-2014
<b>Ministry of Urban Development</b>					
17.	(IDP-121) Delhi Mass Rapid Transport System Project	Delhi	14760	25-02-1997	21-10-2007
18.	(IDP-122) Kolkata Transport System Project	West Bengal	10679	25-02-1997	29-12-2005
19.	(IDP-123) Kerala Water Supply Project	Kerala	11997	25-02-1997	03-06-2006
20.	(IDP-139) Delhi Mass Rapid Transport System Project-II	Delhi	6732	30-03-2001	07-06-2008
21.	(IDP-141) Delhi Mass Rapid Transport System Project-III	Delhi	28659	13-02-2002	27-03-2009
22.	(IDP-145) Delhi Mass Rapid Transport System Project-IV	Delhi	34012	31-03-2003	31-07-2009
23.	(IDP-151) Delhi Mass Rapid Transport System Project-V	Delhi	59296	31-03-2004	18-06-2008
24.	(IDP-157) Bisalpur-Jaipur Water Supply Project (Transfer System)	Rajasthan	8881	3-03-2004	19-10-2013
<b>Ministry of Water Resources</b>					
25.	(IDP-126) Rajghat Canal Irrigation Project	Madhya Pradesh	13222	25-02-1997	29-05-2006
26.	(IDP-154) Rengali Irrigation Project-II	Orissa	6342	31-03-2004	18-06-2011
27.	(IDP-155) KC Canal Modernisation Project-II	Andhra Pradesh	4773	31-03-2004	18-06-2012
<b>Ministry of Rural Development</b>					
28.	(IDP-111) Attapaddy Wasteland Project	Kerala	5112	25-01-1996	26-03-2008
<b>Ministry of Textiles</b>					
29.	(IDP-133) Chhattisgarh Sericulture Project	Chhattisgarh	2212	12-12-1997	05-02-2007
30.	(IDP-134) Manipur Sericulture Project	Manipur	3962	12-12-1997	28-07-2005*



<b>Ministry of Tourism</b>					
31.	(IDP-150) Ajanta Ellora Conservation & Tourism Dev. Project -II	Maharashtra	7331	31-03-2003	31-07-2011
<b>Total</b>			<b>422781</b>		

\* Proposals for extension are under consideration of Government of Japan.

14.8. A list of 19 projects has been posed to Government of Japan for funding under ODA 2005-06 package following by a supplementary list of 6 projects (List as under). Government Mission from Japan is expected to visit India in August/September 2005 for holding discussions with Government of India. During this discussion Government of Japan is expected to shortlist the projects for JBIC funding in FY 2005-2006.

<b>List of Project Proposals for FY 2005-06 ODA Loan Package [posed to Government of Japan on 25.04.05]</b>		
<b>Sl. No.</b>	<b>Name of Project</b>	<b>Amount Rs. in Crores)</b>
<b>Ministry of Environment &amp; Forests</b>		
1.	Yamuna Action Plan-III	1431
2.	Orissa Forest Sector Development Project	450
3.	Ganga Action Plan-II for Lucknow, Allahabad and Kanpur	800
<b>Ministry of Power</b>		
4.	Purulia Pumped Storage (Phase-III)	581
5.	Kotilibhel HEP – Phase-IA	1500
6.	Rural Electrification Project of REC	450
7.	Distribution Upgradation in Bangalore City and Kolkata	516
<b>Ministry of Urban Development (Water Supply &amp; Sanitation)</b>		
8.	Sewerage, Infrastructure services in towns of Bhubaneswar, Cuttack, Sambalpur and Behrampore in Orissa.	1213
9.	Augmentation of water supply & sanitation in Goa	681
10.	Comprehensive Water Supply & Sewerage Scheme of Pondicherry.	163
11.	Greater Guwahati Water Supply Scheme	399
12.	Solid Waste Management Project in Kolkata Metropolitan Area	300
<b>Ministry of Urban Development (Urban Transport)</b>		
13.	DMRTS – Phase-II	4523

14.	Bangalore Metro	1500
<b>Ministry of Commerce &amp; Industry</b>		
15.	Development of ICD at Gurgaon	-
<b>Ministry of Shipping</b>		
16.	Upgradation of Iron Ore facility in Vishakhapatnam Port	200
<b>Ministry of Water Resources</b>		
17.	Swan River Flood management and Integrated Land Development and Watershed Management Project	484
<b>Ministry of Tourism</b>		
18.	Development of Buddhist Circuit in India	5570
19.	Integrated Development of Hampi.	-

<b>Supplementary List of Project for FY 2005-06 ODA Loan [posed to Government of Japan on 20.05.2005]</b>		
<b>Sl. No.</b>	<b>Name of Project</b>	<b>(Amount Rs. in Crores)</b>
1.	Kottiyam-Kumarakom Eco-city Project	200
2.	Sri Guru Ramdas Urban Development Project	-
3.	Bangalore Water Supply Project Phase-II	1062
4.	Water Supply, Sewerage and Solid Waste Management Project for Patna City, Bihar	1492
5.	Restoration and Management of Hussain Sagar Lake at Hyderabad, Andhra Pradesh	270
6.	Gujarat Forestry Development Project Phase-II	944

14.9. Apart from JBIC loan, Japan also gives grant aid of the following kinds:

- General grant
- Cultural grant, and
- Grants Aid for fisheries.

14.10. Government of Japan provides Grant Aid for Construction of facilities and procurement of products and services necessary for development projects. The main target fields of Grant Aid include basic human needs such as Medical Care/Health, Water Supply, and Rural/Agricultural Development as well as Human Resource

Development such as education and researches, which otherwise cannot be covered by yen loans. **Grant Aid for General Projects** is provided for development of hospitals, schools, roads, bridges, irrigation facilities and public transportation vehicles. **Grants Aid for fisheries** is provided for fishing facilities, training boats, fishing port facilities etc. that lend themselves to the promotion of the fishing industry.

<b>List of on-going Projects with Japanese Grant &amp; Technical Assistance</b>			
<b>Category</b>	<b>Name of Project</b>	<b>Location</b>	<b>Cost /Component</b>
<b>Grant in Aid</b>			
1.	Project for Construction of Diarrheal Research and Control Centre at NICED.	Kolkata, West Bengal	JY 2134 Million/ Construction
<b>Project Type Technical Cooperation</b>			
1.	Project for Strengthening Extension System for Bivoltine Sericulture in India (Phase-III) with duration from 30.04.2002 to 30.04.2007 being implemented by Central Silk Board, Bangalore.	Karnataka, Andhra Pradesh & Tamil Nadu	Japanese Experts/ Equipment/ training of Indian Counterparts
2.	Project for Prevention of Diarrheal diseases being implemented by ICMR at NICED, Kolkata (Phase-II) with a duration from 01.07.2003 to 31.06.2008.	Kolkata, West Bengal	Japanese Experts/ Equipment/ training of Indian Counterparts
<b>Development Study</b>			
1.	Integrated Pollution Abatement and River Basin Management in Ganga Basin.	Varanasi, Kanpur, Allahabad and Lucknow (UP)	Japanese Expert
2.	Augmentation of Water Supply and Sanitation for Goa State	Goa	Japanese Expert
<b>JICA-NGO Partnership Programme</b>			
1.	Creation of new type of producer consumer relationship and common property resources through the linkage of urban-rural women Self help Groups.	Vishakhapatnam, Andhra Pradesh	Rs. 11,514,000 (through FCRA route)

2.	Improvement of Extension System for Sustainable Integrated Agriculture and Agricultural Extension Workers' Training at grass roots level for Small Scale Farmers in North India.	Allahabad, UP	Rs. 20,832,000 (through FCRA route)
3.	Project for Improvement of Sanitation and Raising of Community Consciousness in Public Primary Schools in India.	Ghat Block, Chamoli District of Uttaranchal	Not mentioned.

**Statement of Commitments and Disbursements for the last few years.**

{Japanese grant assistance (FY April –March) in Japanese Yen Million}

Financial Year	Committed Amount	Disbursement
2000-2001	53	650.00 (Rs. 25.00 crores)
2001-2002	125	606.00 (Rs. 23.00 crores)
2002-2003	0	242.00 (Rs. 9.50 crores)
2003-2004	844	57.78 (Rs. 2.25 crores)
2004-2005	2134	876.00 (Rs.36.50 crores)

14.11 Grant Aid of Cultural Heritage is extended by Government of Japan for supply of equipment, construction of facilities such as museum, shed for excavation cultural assets and relics, and facilities to be utilized for the restoration and preservation of Cultural Heritage. Cultural Grant Aid is extended by Government of Japan for promotion of cultural activities, education and research in the recipient countries with the objective of supporting the preservation of indigenous traditional culture and introducing Japanese culture overseas and thereby promotes cultural exchange between Japan and India. A new scheme namely Cultural Grant Aid (Facility Project) has been started from the fiscal year 2006. The eligible projects are construction or renovation of the facilities, which contribute to the promotion of culture and higher education and related equipment. Projects having some relationship with Japan will be given priority.

14.12. Under **Japanese Debt Relief Grant**, Debt Relief Grant Assistance used to be received to the tune of Yen 0.2-0.3 billion per year. This is a non-project tied grant 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 is as under:

<b>Year</b>	<b>Amount in Yen Million</b>
1998-1999	207.000
1999-2000	147.060
2000-2001	52.850
2001-2002	124.820
2002-2003	85.042

The grant is to be exclusively utilized for import of equipment and material in areas of low profitability and address basic human needs such as health, education, environment etc. **This Grant scheme has since been discontinued from the year 2003.**

14.13. Government of Japan also provides small assistance to Indian NGOs under its **Grassroots Funding Programme** through FCRA route. Japanese Embassy coordinates this and Department of Economic Affairs gives no-objection subject to FCRA clearance of the NGO from MHA, political no-objection of MEA and technical no-objection from the line Ministry, the concerned state government and CAPART.

14.14. Japan International Cooperation Agency (JICA) facilitates implementation of grant aid programme of Government of Japan. JICA also implements Technical Cooperation programme and provides approximately Rs. 35-40 crores to India in a Financial Year by way of technical cooperation. The main components of Technical Cooperation are (i) Technical Cooperation Projects, (ii) Development Study, (iii) Dispatch of Expert, (iv) Follow-up Cooperation Programme, (v) Training of Indian Government personnel.

14.15. Government of Japan, through JICA, has launched the following new Technical Cooperation Programmes through NGOs with Government of India's approval:

- (i) **JICA Partnership Programme** – This will have two types of components
  - (a) Japanese NGO/Institution/Local Government through JICA will support Indian Organization with Japanese expert personnel, equipment provision and financial support through FCRA route;
  - (b) Japanese NGO/Institution/Local Government through JICA will provide training of Indian personnel in Japan.

(ii) **Community Empowerment Programme:**

Department of Economic Affairs gives no-objection subject to FCRA clearance of the NGO from MHA, political no-objection of MEA and technical no-objection from the line Ministry, the concerned state government and CAPART.

14.16. Government of Japan also provides technical assistance under **Green Aid Plan (GAP)** through their Ministry of Economy, Trade and Industry (METI). The principal policy of this plan is to support the self-help effort of the recipient country to cope with the issues in the areas of energy conservation. The areas of cooperation are prevention of water pollution, air pollution, treatment of wastes and recycling and energy conservation and alternative energy source. 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. Under GAP, formalization of documents for implementation of Cope Dry Quenching Project by TISCO, which would be the first project to be implemented under Clean Development Mechanism (CDM), is being examined in Department of Economic Affairs. The financing of such Model Projects comes through METI of Japan outside Japanese ODA.

14.17. Details of Loans and Grants are given in Annexure “A” & “B” respectively.

## **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 utilized by October, 1978. Since then the Fund has extended loans for various projects namely: Kopyly 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 utilized.

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'. The entire outstanding debts of Kuwait have been prepaid during 2003-2004.

## Chapter 16

### THE 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 credit. 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. From 1992, onwards Dutch assistance was completely in the form of Grants. Apart from financial assistance, Netherlands also provided technical assistance grants for experts' services, for appraisal of projects and training. Under their ORET programme, Dutch Government provided grants to subsidise development related exports from Netherlands for development projects. The grants covered 35% to 40% of the project (import) cost with the balance 60% to 65% to be arranged by the implementing country from internal or other sources.

16.2. Under the reoriented bilateral development assistance policy enunciated by Government of India in 2003, ODA from the Dutch was discontinued. As a reaction to the announcement the Netherlands Government decided to withdraw from the seven on-going projects. The Department of Economic Affairs has, accordingly, decided to discontinue receiving assistance in respect of the following seven projects with effect from 01.04.2004.

- (i). Green Hyderabad Environment Programme in Andhra Pradesh
- (ii). Andhra Pradesh Training Women in Agriculture (ANTWA)
- (iii). Water & Sanitation Management Organization (WASMO) in Gujarat
- (iv). Reconstruction of Rural Water Supply & Sanitation in earthquake affected areas of Gujarat
- (v). Ganga Action Plan Support Project in U.P.
- (vi). District Primary Education Programme in Gujarat – Expansion (through the World Bank)
- (vii). Modernizing Government Programme & Fiscal Reform in Kerala (through the Asian Development Bank)

16.3. The expenditure incurred on the project implementation till 31.03.2004 have, however, been disbursed by the Netherlands Government. The remaining Dutch component in the above seven projects is being funded by the Government of India. The following two on-going projects continued receiving Dutch assistance after 31.03.2004:

- (i). Ghogha Water Supply & Sanitation Project II
- (ii). Mahila Samakhya Project



16.4. Netherlands is a non G-8 EU country. Therefore, ODA from Netherlands can be resumed in terms of the revised policy on bilateral development cooperation announced on 20.09.2004 if the Netherlands commits minimum bilateral development assistance of \$25 million per annum to India. The Netherlands has not so far responded to our new policy announced on 20.09.2004.

16.5. Details of Loans and Grants are given in Annexure "A" & "B" respectively. The entire debts outstanding on Government Account have been prepaid on 20.10.2003.

## **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 has 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.

17.5. The details of Grants are given in Annexure B.

## **Chapter 18**

### **NORWAY**

18.1. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations autonomous organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept “tied” aid any longer.

18.2. Government of India reviewed the existing policy of bilateral development cooperation and in September, 2004 it was decided that bilateral development assistance will be accepted from all G-8 countries.

18.3 Regarding the countries of the European Union outside the G-8. Bilateral Development Cooperation from such countries which provide minimum bilateral aid package (of US\$ 25 million per annum) to India will be accepted.

18.4. Norway is a non-G 8 and non-EU country. Therefore, it does not fall in the realm of the revised policy on bilateral development cooperation announced on 20.09.2004.

18.5. The details of Loan and Grant record are given in Annexure “B” & “C” respectively.

## **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 utilized 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. Nothing is outstanding since 1990-1991.

## **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 letter of 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. Nothing is outstanding since 1985.

## **Chapter 21**

### **SAUDI ARABIA**

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 (Jawaharlal 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. The entire outstanding debts of Saudi Fund have been prepaid during 2003-04.

## **Chapter 22**

### **SWEDEN**

22.1. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations autonomous organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept “tied” aid any longer.

22.2. Government of India reviewed the existing policy of bilateral development cooperation and in September, 2004 it was decided that bilateral development assistance will be accepted from all G-8 countries.

22.3. Regarding the countries of the European Union outside the G-8. Bilateral Development Cooperation from such countries which provide minimum bilateral aid package (of US\$ 25 million per annum) to India will be accepted.

22.4 Sweden is a non-G-8 country. Since Sweden is a member of EU, it can resume ODA to India if it commits minimum assistance of US\$ 25 million per annum.

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

## Chapter 23

### SWITZERLAND

23.1. The Government of Switzerland has extended bilateral assistance to India since 1960. The total bilateral development assistance, excluding grants, given up to 31.03.2005 has been of the order of approx. Swiss Francs (SFR) 289.14 million, details of which are given below:

	(SFR Million)
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
<b>Total</b>	<b>282.638</b>

23.2 The Sectoral priorities of the SDC's programme in India had been:

- (a) Improved land use
- (b) Dairy Farming and Livestock Production
- (c) Development of Cottage Industry
- (d) Human resources Development and Research
- (e) Environment and Renewable Sources of Energy

23.3 The Assistance committed by Switzerland since 1966 is as under:

Sl. No.	Year of Agreement	SS	Remarks
1.	1996-1997	Rs. 39.197 crores	
2.	1997-1998	Rs. 37.200 crores	
3.	1998-1999	Rs. 45.000 Lakhs	TC Grant Project-Meat Sector in Kerala
4.	1999-2000	Rs. 17.970 crores	
5.	2000-2001	Rs. 26.000 crores	NABARD-VII
6.	2001-2002	Rs. 4.270 crores	ISP (NRM) AP
		SFR 1.560 Million	Ext. agreement of ECOFRIG
7.	2002-2003	Rs. 4.320 crores	ISP-Sikkim
		SFR 3.393 Million	HIDECOR

23.4. Swiss aid routed through the Government of India budget has not been substantial, being mainly in the form of technical assistance or in kind, and in quite a few cases has been routed through Swiss voluntary agencies. The disbursement of Swiss assistance since 2000-01 through Government of India's budget is as under:



Year	Disbursements (Rs. in Crores)	
	Grant	Loan
2001-2002	2.57	0.00
2002-2003	0.72	1.07
2003-2004	0.03	0.00
2004-2005	12.09	14.33

23.5. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations autonomous organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept “tied” aid any longer.

23.6. Switzerland is a non-G-8 Non-EU country. Therefore, official development assistance from Switzerland shall not be acceptable in accordance with the revised policy on bilateral development cooperation policy announced on 20.09.2004. Presently, Swiss assistance in India is mainly directed towards NGO projects. During the year 2004-2005 Switzerland has supported several NGO projects in India.

23.7 The details of Loans and Grants are given in Annexure “A & B” respectively.

## **Chapter 24**

### **SPAIN**

24.1. In 2003, Government of India decided to discontinue taking development assistance from bilateral development partners other than Japan, UK, Germany, USA, EC and the Russian Federation. The bilateral development partners, from whom it was decided not to receive development assistance at Government level, were advised to consider providing their development assistance to non-government organizations autonomous organizations and Universities, etc. in India. It was also suggested to them that they may consider routing their development assistance through UN and multilateral development agencies. Development assistance for on-going projects could continue till their completion. It was also decided not to accept tied aid any longer. Consequently, it was decided not to accept any fresh bilateral development cooperation from Spain. Currently, there is no on-going project under Indo-Spanish Bilateral Development Cooperation Programme.

24.2 Spain is a non G-8, EU Country. Therefore, ODA from Spain can be considered in terms of the revised policy on bilateral development cooperation announced on 20.09.2004, if Spain commits minimum bilateral development assistance of \$25 million per annum to India. Spain has not so far responded to our new policy announced on 20.09.2004.

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

## Chapter 25

### UNITED KINGDOM (UK)

25.1. The Government of United Kingdom (UK) has been providing Bilateral Development Assistance to India since 1958. At present UK is the largest external development partner in terms of grants. The assistance is distributed through the Department for International Development (DFID), Government of UK.

25.2. The bilateral assistance from UK is provided in the form of grants by way of Financial Cooperation (FC) (routed through GOI budget) and Technical Cooperation (TC), which includes direct payment by DFID for consultancy services, experts, training etc. (which is not routed through GOI budget).

25.3. The priority areas of UK assistance are mainly in social sectors viz. Health & Family Welfare, Rural Development, Environment, Slum Development, Education and programmes relating to achieving Millennium Development Goals (MDGs).

25.4. The actual disbursements of UK assistance through GOI budget during 2003-2004 and 2004-2005 were Pound 158.141 million (Rs. 1279.944 crores) and Pound 180.764 million (Rs. 1506.934 crores) respectively.

25.5. The following are the fresh commitments made by DFID during 2004-2005:

<b>(Pound in Million)</b>		
<b>Sl. No.</b>	<b>Name of the Project</b>	<b>Total Commitment</b>
1.	National AIDS Control Programmed (NACP), Phase-II	87.74
2.	Sarva Shiksha Abhiyan	190.00
3.	Orissa Public Enterprises Reform Programme, Phase-II	30.48
4.	Support for Capacity Building for Poverty Reduction (CBPR)	7.00
5.	Reproductive Child Health (RCH), Preparatory Phase	20.00

25.6. The details of DFID assistance received are given in Annexure-“A” (for loans) and Annexure-“B” (for grants) 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. Repayments 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.

26.4 **Repayment of former USSR credits** - 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 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 No fresh agreement has been done between Government of Russian Federation and Government of India during the current year. However, the utilisation of the assistance for Kudankulam Nuclear Power Project upto 2004-2005 was Rs. 2487 crores.

26.6 The details of loans, their utilization and debt servicing thereof 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 27.02.1975 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 1976-1977.

27.2. Details of loan, Utilisation and debt servicing thereof are given in Annexure-A. Nothing is outstanding since 1992 onward.

## Chapter 28

### UNITED STATES OF AMERICA (USA)

28.1. United State bilateral development assistance to India started in 1951 and till March 2005, the total assistance extended to India has been of the order of approximately US\$ 14.7 billion. The assistance mainly comprises development assistance, agricultural commodities and technical assistance. US assistance is mainly administered through the US Agency for International Development (USAID). The assistance extended by USAID at present is entirely in the form of grants.

28.2. Utilization position of US assistance during the last five financial years is as under:

(Amount in US\$ Million)

Year	Grant through Budget	Grant as Technical Assistance	Grant on Account of food aid	Total Grant
2000-2001	16.634	10.320	96.600	125.554
2001-2002	14.040	14.770	72.000	100.790
2002-2003	12.158	12.256	57.602	80.918
2003-2004	28.256	17.197	55.319	100.772
2004-2005	19.230	17.569	41.700	78.499

- \* Food aid/agriculture commodities is given through US NGOs like: CARE-Cooperative for American Relief Everywhere and CRS-Catholic Relief Services.

#### Important Projects - (Grant through budget)

- Innovations in Family Planning Services (IFPS)- implemented in the States of Uttar Pradesh, Jharkhand & Uttaranchal (Total grant \$ 225 million)
- AIDS Prevention & Control (APAC)- implemented in the States of Tamil Nadu & Pondicherry (Total grant \$ 25.25 million)
- AVERT (relating to HIV/AIDS)- implemented in the State of Maharashtra (Total grant \$ 41.5 million)
- Disaster management Support Project (DMS) (Total grant \$ 16 million).

#### (Grant as Technical Assistance):

- Technical Assistance & Support Project (Total grant \$ 30.22 million)
- Energy Conservation and Commercialization (ECO) (Total grant \$ 55 million)

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- Financial Institutions Reforms and Expansion (FIRE) (Total grant \$ 72 million)
- State Fiscal Reform Management Project (REFORM) (Total grant \$ 20million).

28.3. Initially, the main thrust of US bilateral development assistance to India was on projects, which were designed to strengthen key institutions and transfer of resources for infrastructure programmes in agriculture and social forestry. Since mid-1980, however, the priority has been diversified to include science and technology dimensions focusing specifically on the commercialization of technology. Health and Family Welfare and Disaster management have also been included in the top priority areas. USAID assistance to India is not state focused.

28.4. The four priority areas of US development assistance are:

- **Economic Growth:** Financial market reforms, state fiscal reforms, urban financial management;
- **Health:** Reduce fertility, reproductive health, healthier families, prevention of HIV/AIDS and infectious diseases, child nutrition;
- **Environment & Energy:** Better access to clean energy and water, power distribution;
- **Disaster Management:** To increase capacity in the Indian public and private sectors in all phases of the disaster cycle and thereby support the initiatives of Ministry of Home Affairs efforts to usher in a new culture of disaster prevention.

28.5. At present there are 11 on-going projects supported by USAID. A statement showing the financial details is as under:

**(Amount US \$ in Million)**

Sl. No	Project No	Project Title	Agreement period	Assistance Committed	Grant obligated	Cumulative Disbursed as on 30-06-2005
1.	0544	HIV/AIDS Prevention <b>AVERT</b>	30.09.99-30.09.06	41.50	8.40	5.504
2.	0525	Aids Prevention and Control ( <b>APAC</b> )	30.09.92-31.03.07	25.25	17.46	13.675
3.	0527	Innovations in Family Planning Services ( <b>IFPS</b> )	30.09.92-30.09.08	225.00	119.46	103.500
4.	0496	Programme for Advancement Commercial Technology Child & Reproductive Health ( <b>PACT /CRH</b> )	30.08.85-31.07.07	49.55	27.15	23.840



5.	0530	Trade in Environmental Services & Technology/ Clean Technology Initiative <b>(TEST/CTI)</b>	30.09.92-30.09.07	29.95	24.59	24.106
6.	0531	Financial Institutions Reforms and Expansion <b>(FIRE)</b>	27.09.93-30.09.07	72.00	53.05	43.870
7.	0534	Greenhouse Gas Pollution Prevention <b>(GEP)</b>	10.04.95-30.09.08	39.00	34.00	29.550
8.	0542	Energy Conservation and Commercialization <b>(ECO)</b>	28.01.00-30.09.07	55.00	29.62	17.336
9.	0515	Technical Assistance Support Project <b>(TASP)</b>	31.08.88-30.09.08	30.22	24.78	21.069
10.	0545	State Fiscal Reform Management Project <b>(REFORM)</b>	30.09.02-30.09.08	20.00	7.80	2.665
11.	0546	Disaster Management Support Project <b>(DMS)</b>	30.09.03-30.09.07	16.00	4.71	0.117
		<b>Total</b>		<b>603.47</b>	<b>351.02</b>	<b>285.232</b>

28.6. Under PL 480 line of commodity assistance, the US had been providing concessional sales of food commodities to India; providing agricultural commodities to be used in schools' mid-day meals, pre-school child feeding and nutrition programmes and oilseeds grower cooperative development; and depositing revenues generated from sale of certain grant commodities in the National Renewal Fund (70%) and to the ICICI (30%) for supporting its Agricultural Commercialization and Enterprise (ACE) credit programme.

28.7. Details of Project Agreements/Amendatory Agreements signed during 2004-2005 are as under:-

**(Amount US\$ in Million)**

Sl. No.	Project Title	Agreement Period	LOP funding raised vide the Amendatory Agreement	Grant amount obligated	Date of signing of Amendatory Agreement
1.	AIDS Prevention & Control Project <b>(APAC)</b>	31.03.2007	Nil	4.05	30.06.2004 – 17.03.2005
2.	Innovations in Family Planning Services <b>(IFPS)</b>	30.09.2008	Nil	10.59	11.08.2004 – 24.08.2004
3.	Program for Advancement of Commercial Technology /Child and Reproductive Health <b>(PACT/CRH)</b>	31.07.2007	Nil	1.75	10.04.2004

4.	Financial Institutions Reform and Expansion Project ( <b>FIRE</b> ).	30.09.2007	5.00	2.65	09.09.2004
5.	Greenhouse Gas Pollution Prevention Project. ( <b>GEP</b> )	30.09.2008	Nil	1.55	19.07.2004
6.	Energy Conservation and Commercialization ( <b>ECO</b> )	30.09.2007	Nil	6.36	11.08.2004 – 28.09.2004
7.	Technical Assistance Support Project ( <b>TASP</b> )	30.09.2008	7.22	1.78	17.12.2004
8.	State Fiscal Reform Management ( <b>REFORM</b> )	30.09.2008	Nil	3.77	21.07.2004 – 28.09.2004
9.	Disaster Management Support Project ( <b>DMS</b> )	30.09.2007	Nil	1.00	26.07.2004

28.8. The details of Government Loans, Grants and Non-Government loans are given in Annexure A, B & C respectively.

## **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 utilized upto 31<sup>st</sup> 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

### ASIAN DEVELOPMENT BANK (ADB)

30.1. 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.

30.2. 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 31<sup>st</sup> December 2004 Asian Development Bank have approved 84 loans (for public sector projects) amounting to US\$ 14.157 billion of which 4 were cancelled without signing, two cancelled before effectiveness, 3 loans were discontinued after signing, 43 have been closed and 32 are ongoing. The ongoing loans have a net loan amount of US\$ 6594.7 million. The lending for India as on 31<sup>st</sup> March, 2005 was provided from the Bank's Ordinary Capital Resources for (1) Transport & Communications Sector (2) Energy Sector (3) Financial Sector (4) Multi-sector (5) Industry and non fuel minerals (6) Social Infrastructure and (7) Irrigation.

#### **Technical Assistance**

30.3. The Asian Development Bank also provides technical assistance in the form of grants or loans or a combination to facilitate the transfer of resources and technology to the developing member countries. ADB has approved a Technical Assistance of US\$ 110.461 (cumulative) million to India as on 31.12.2004.

30.4. Following loans were approved by the ADB Board during financial year 2004-2005:

Sl. No.	Loan No.	Name of the Project	Amount US\$ in Million
1.	2141	Assam Governance and Public Resource Management Program	125.00
2.	2142	Assam Governance and Public Resource Management Project	25.00
3.	2154	National Highways Sector-II Project	400.00
4.	2152	Power Transmission (Sector) Project	400.00
5.	2151	Multi-Sector loan to Jammu & Kashmir	250.00
6.	2159	Chhattisgarh Irrigation Project	46.10
		<b>Total</b>	<b>1246.10</b>

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

## Chapter 31

### EUROPEAN COMMISSION (EC)

31.1. The European Union (EU) earlier had 15 countries as its members; Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and UK. It has now added 10 more in April, 2004 namely, Estonia, Czech Republic, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia. The EC has been extending assistance to India since 1976. The EC assistance to India is entirely in the form of grants and is currently focused on the areas of environment, public health and education. In the initial stages, EC's development assistance was in the form of project financing. However, with the Support of Health & Family Welfare Sector Programme, EC shifted their strategy to Sector-based approach. EC has again made a change in their strategy by adopting a Partnership approach with one or two Indian States in order to deploy bulk of their resources in these States for health, education & environment programmes.

31.2. The EC supported Health and Family Welfare Sector Development Programme, under their Sector Investment Programme (SIP), is being implemented with the aim of reforming the health care system in India focusing primary health care services. The SIP is an integral part of the Government of India's National Family Welfare Programme together with Reproductive and Child Health (RCH) and Safe Motherhood and other schemes. EC's assistance for this project is Euro 240 million.

31.3. Education sector has the largest outlay in EC's development assistance to India. The District Primary Education Programme (DPEP), implemented partly with EC assistance of Euro 150 million, came to an end in December, 2002. As an extension of this programme, EC made a commitment of Euro 200 million to the Sarva Shiksha Abhiyan being implemented by the Government of India for the development of primary education covering 42 districts in the country. The other development partners, viz., IDA/World Bank and DFID, UK are also providing assistance of Euro 390 million and Euro 270 million respectively for SSA programme. In addition to SSA, one more programme in the education sector i.e. India-EU Scholarship Programme –ERASMUS MUNDUS is under implementation with a financial assistance of Euro 33 million. The project purpose is to foster linkages between the EU and India in higher education, encouraging and enabling Indian students to complete post-graduate studies in Europe. The total budget will be used to fund approximately 920 Masters Courses at EU universities.

31.4. EC has now shifted its development co-operation strategy from sector based approach to a partnership approach with one or two India States in order to deploy bulk of their resources in these States for health, education & environment programmes. Accordingly, the States of Chhattisgarh and Rajasthan have been mutually identified by the EC and Government of India for EC's State Partnership Programmes, for which EC has committed Euro 160 million. The Financing Agreement for the State Partnership Programmes is expected to be signed by the end of 2005.

## Chapter 32

### GLOBAL FUND ORGANIZATION

32.1. The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) is an Independent Public Private partnership working to increase funding to fight these three disease in countries in need. The secretariat of the Global Fund is in Geneva, Switzerland. Global Fund grant are managed by World Bank as its Trustee. The Trustee makes disbursement from the Trust Fund upon written instructions of the Global Fund.

32.2. The following 3 Grant Agreements have been signed between Global Fund and Government of India during 2003-2004. Those are:-

Sl. No.	Name of the Project	Date of Signing	Amount in (US\$ Million)
1.	Grant Agreement IDA-102-G01-T-00	30.01.2003	5.65
2.	Grant Agreement IDA-202-G02-H-00	09.02.2004	26.12
3.	IDA-202-G03-T-00	09.02.2004	7.08

32.3 The Global Fund has approved one more proposal on 02.06.2003 for Grant of US\$ 14.82 Million for “Expansion of effective public and private sectors intervention in HIV, TB and Malaria prevention and treatment in India”.

32.4 The details of grants are given in Annexure-A

## Chapter 33

### INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

33.1. 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 Nation's General Assembly and the fund has been set up as the 13<sup>th</sup> specialised agency of the United Nations. 163 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. India has been reelected to the Executive Board of IFAD (2003-05).

33.2. Up to 31.3.05, 11 projects with assistance from IFAD amounting to USD 303.16 million have been implemented. Presently 7 projects with a total assistance of USD 154.81 million are under implementation. The projects assisted by IFAD are as follows: -

<b>Sl. No.</b>	<b>Name of closed Projects</b>	<b>Amount in US\$ Million</b>
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 Project	25.01
5.	2nd 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
9.	A.P. Participatory Development Project	26.71
10.	Maharashtra Rural Credit Project	29.44
11.	Mewat Areas Development Project	15.00
	<b>Sub total (1)</b>	<b>303.16</b>

<b>Sl. No.</b>	<b>Name of Ongoing Projects</b>	<b>Amount in US\$ Million</b>
1.	Rural Women's Dev. Empowerment Project	12.20
2.	NE Region Community Resources Management Project	22.90
3.	Jharkhand-Chhattisgarh Tribal Dev. Programme	22.80

4.	National Micro-finance Support Programme	22.00
5.	Livelihood Security Project for Earthquake Affected Rural Households in Gujarat.	15.00
6.	Orissa Tribal Empowerment and Livelihood Programme	20.00
7.	Livelihood Improvement Project for the Himalayas	39.91
	<b>Sub total (2)</b>	<b>154.81</b>
	<b>Total (1) + (2)</b>	<b>457.97</b>

33.3. 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.

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



## **Chapter 34**

### **OPEC FUND**

34.1. 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.

34.2. The Fund has extended fourteen loans to India amounting to US \$ 218.800 million till the end of FY 2002-03, out of which US\$ 206.592 million have been utilised upto 31<sup>st</sup> March, 2004. 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.

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

## Chapter 35

### UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

35.1. United Nations Development Programme (UNDP) is the largest source of Development Cooperation in the UN System. It derives its funds from voluntary contributions from various donor countries. The overall mission of UNDP is sustainable human development through high priority to poverty alleviation, gender equity and women's empowerment and environmental protection.

35.2. UNDP canalizes its development assistance through Five Year Country Co-operation Framework (CCF). The First Country Co-operation Framework (CCF-I) ran from 1997-2002 in synchronization with India's 9<sup>th</sup> Five Year Plan.

35.3. The new Country Programme (CCF-II) synchronizes with India's 10<sup>th</sup> Five Year Plan and has two cross cutting themes of Gender equality and Strengthening of Decentralization. It will look at 4 thematic areas- (i) Promoting Human Development and Gender Equality (ii) Capacity Building for Decentralization (iii) Poverty Eradication and Sustainable Livelihoods (iv) Vulnerability Reduction and Environment Sustainability.

35.4. A list containing details of programmes approved so far under CCF II is as under:-

<b>Sl. No.</b>	<b>Name of the Project</b>	<b>Budget (in US\$)</b>	<b>Date of Approval</b>
1.	IND/02/-National Disaster Risk Management	5,000,000	27.08.2002
2.	Umbrella Support Project.	3,200,000	11.10.2002
3.	Vulnerability Reduction, through Community Employment & Control of Water in Marwar Region.	3,000,000	23.03.2003
4.	Endogenous Tourism	4,000,000	15.07.2003
5.	Renewable Energy for Rural Livelihoods.	4,000,000	27.08.2003
6.	Strengthening Sustainable Livelihoods for Biodiversity Conservation in Sundarbans.	500,000	22.09.2003
7.	National Programme on Promoting Conservation of Medicinal Plants & Traditional knowledge for enhancing Health & Livelihood Security.	2,000,000	22.09.2003
8.	ICT for Pro-poor Development	5,000,000	03.10.2003

9.	National Strategy for Urban Poor	5,000,000	04.11.2003
10.	Social Mobilization around Natural Resources Management for Poverty Alleviation	3,100,000	Dec.-2003
11.	Rural Decentralization & Participating Planning for Poverty Reduction.	1,500,000	23.03.2004
12.	Strengthening State Plans for Human Development	3,500,000	15.06.2004
13.	Promoting Gender Equality	600,000	06.07.2004
14.	Capacity Building for Access to Information	1,500,000	19.11.2004
15.	Capturing and Disseminating lessons from programme activities	600,000	07.12.2004
16.	Skills – Project on skills and knowledge for improved livelihoods and living standards	1,000,000	Jan. 2005

35.5 The details of grants are given in Annexure-B.

## Chapter 36

### UNITED NATIONS INTERNATIONAL CHILDREN'S FUND (UNICEF).

36.1. UNICEF's current programme cycle for India covers the years 2003-2007 with a budget allocation of US\$ 400.394 million from UNICEF's Regular Resources (RR) and Other Resources (OR), subject to availability of funds, to support the activities in the following areas:-

- Early child development through a focus on children under three years of age, and with special attention to early learning and care, low birth weight and malnutrition, sanitation and hygiene, routine immunization and safe motherhood interventions;
- Promotion of universal elementary education, particularly for girls, by concentrating on (a) girls from difficult backgrounds including scheduled castes and scheduled tribes, (b) enhancing learning achievements and (c) mobilizing community involvement in schools;
- Protection of children vulnerable to labour, trafficking and sexual exploitation, as well as promoting an enabling environment for addressing protection issues;
- Prevention of HIV/ AIDS among children through (a) imparting life skills to young people, (b) scaling up national efforts in the prevention of mother-to-child transmission and (c) advocating for policy development and community-based actions to respond to those affected by HIV/AIDS;
- Emergency preparedness and response to reduce vulnerabilities and support the continuity of sector interventions.

During the year January – December 2004, UNICEF provided assistance totaling US\$ 77.9 million to the Country Programme of Cooperation of against US\$ 92.4 million in 2003.

36.2. UNICEF is actively working with the Government of India and other partners such as WHO and Rotary, to eradicate polio. As of August 18, 2005 only 25 cases of polio were recorded in the country – the lowest number ever. As a result, India is on course to interrupt transmission of the virus this year. At the same time, Uttar Pradesh and Bihar remain the focus of the polio campaign as polio transmission has never been interrupted in those states.

36.3. UNICEF has social mobilization activities in more than 3,313 high risk areas of Uttar Pradesh in order to ensure no children are missed during the polio rounds. In

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Bihar, UNICEF works closely NGOs, ICDS, NSS and PRI to widen acceptance of the programme, provides IEC material to increase visibility, and works to ensure high level political support for polio eradication. UNICEF's support for intensive social mobilization, IEC materials and mass media at the national level and across high risk states is US\$ 14 million in the first half of 2005.

36.4. UNICEF continues to support the Government of India's Polio Eradication Programme through the procurement of 1.082 Billion doses of oral polio vaccine, at an anticipated cost of US\$ 150 Million to cover National Immunization Days (NIDs) and Sub National Immunization Days (SNIDs) from April 2005 to February 2006.

36.5. Under the Child's Environment Programme, being implemented in rural areas in 14 states, the majority of the programme's resources have been allocated to the home hygiene and sanitation components as well as the School Sanitation and Hygiene Education Programme throughout the 14 states. A total of US\$ 8,402,833 was spent in water and sanitation projects in 2004. With UNICEF support, the profile of School Sanitation and Hygiene Education (SSHE) has been significantly elevated in the water and sanitation sector. It is now effectively mainstreamed in national sanitation and water supply programmes.

36.6. The Child Development & Nutrition programme supports 16 states and aims to reduce and prevent malnutrition as well as to improve the developmental outcomes of children under three years of age, especially among the most marginalized groups. The total expenditure in 2004 on CDN programmes amounted to US\$ 7,850,863. Strengthening monitoring systems for early childhood development through enhanced ICDS facilities, salt iodisation and Vitamin A supplementation have been focus in 2004.

36.7. UNICEF India has prioritized girls' education in its current country programme and supports the Government's Sarve Shiksha Abhiyan (SSA), the national programme for Universal Elementary Education. Alternative education services are being explored to reach girls in particularly disadvantaged areas. UNICEF has also been promoting gender sensitive quality package of interventions for primary school education and also the parameters for 'Child Friendly' schools, such as (a) school and classroom environment (b) teaching learning processes (c) school community partnerships and (d) teacher training and teacher support. Total resources used in 2004 amounted to US\$ 9,451,749.

36.8. In 2004, UNICEF set up a dedicated HIV/AIDS Section with separate budget to support the Government's efforts to reduce the spread of HIV infection among children and to reduce the impact of HIV/AIDS on children, adolescents and families. The main focus has been on up-scaling PPTCT services which are now operational at 277 health facilities in India; prevent HIV infections among young people by raising awareness and promoting safe behaviours. The total expenditure in this sector in 2004 has been US\$ 2,767,157.

## Chapter 37

### WORLD FOOD PROGRAMME (WFP):

37.1. Since the inception of its first project in India in the year 1963, over a billion US\$ has been provided to the country by WFP, in the form of food and development assistance. During this period WFP has undertaken development projects which included support to the supplementary feeding through ICDS, forestry through food for work, livestock and dairy development, irrigation and rural development activities and assistance to natural calamities such as floods in Assam, Madhya Pradesh, etc; super cyclone in Orissa, earthquake in Gujarat and Tsunami Assistance in Tamil Nadu and Andaman and Nicobar Islands.

37.2. WFP-India implements its projects through five-year Country Programme (CP) cycle, keeping the inputs of the Five Year Plan of the Government of India. The current Country Programme (2003-2008) focuses on assisting the Government of India to improve their food based programme by creating replicable models to overcome the issue of food insecurity within the country. The priority for WFP operations in India is to address the specific problem of hunger and malnourishment amongst children and women. Consistent with the 10<sup>th</sup> Five Year Plan of the Government of India, the current CP focuses on nutrition, education for girls and asset creation in the regions with high levels of food insecurity and low levels of human development. The current CP has two major goals:

- To play a catalytic role in the country's efforts to reduce vulnerability and eliminate hunger and food insecurity among the targeted hungry poor.
- To promote and demonstrate models that provide immediate and longer-term food security in the most food insecure districts in the least developed states of the country.

#### 37.3. **The activities under the current CP include:**

- Improving the nutritional status of children and women (Support to the Integrated Child Development Services-ICDS). In 2005, 33,446 MT of blended food fortified with micronutrients will be distributed to 1,137,863 beneficiaries for approximately 300 days at ICDS centers in the states of Rajasthan, Orissa, Madhya Pradesh and Uttaranchal. Apart from the provision of the supplementary nutrition, the project also envisages to provide training in communication and behavior change and pre-school techniques; coordinate with the Health Department for provision of deworming services; establish linkages with two or more food assistance programmes for at least 25% families; awareness creation and mobilization techniques for child and community development and strengthen PRI/Mahila Mandals. WFP will also document the success stories of the model ICDS in the context of synergizing of food based programmes.

- Investing in human development, with special emphasis on girls (food for education). The aim of this activity is to contribute to the achievement of government goal of universal elementary education and assist the Ministry of Tribal Affairs in establishing a successful model for school feeding. A total of 10,482 MT/year is planned for distribution under this activity in the states of Orissa, Madhya Pradesh, Chhattisgarh, Rajasthan and Uttaranchal to approximately 674,360 school going children. The activities would include linking ICDS with the primary schools to facilitate enrolment; establish linkages with health services for deworming and provision of iron supplements; provide an enabling environment for children to be in schools by establishing linkages with other food assistance programmes; build capacity for a decentralized management through PRI/VEC and institute sound monitoring and evaluation system for good project management and documentation of results.
- Improving food security through disaster mitigation and the preservation and creation of assets (food for work). The primary goal of the activity will be to improve the long-term household food security of the most disadvantaged people through preservation and creation of assets like dug wells, ponds, field bunds and forests. It is estimated that a total of 11.704 million workdays will be generated in 2005 through this activity in the states of Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttaranchal and Uttar Pradesh through distribution of approximately 24,110 MT of rice, wheat and pulses benefiting approximately 620,187 beneficiaries.

37.4 A total 24,654 MT valued at approximately US\$ 4.6 million of food comprising of wheat, rice, pulses and India mix (micronutrient fortified blended food) was supplied in 2004.

## Chapter 38

### WORLD HEALTH ORGANISATION (WHO)

38.1. WHO continued to made significant input in providing technical assistance to the Government in its implementation of the National Health Programmes, during which gains in health development were further consolidated. A lot of ground has been covered and the country is marching steadily towards its goal of health for all with renewed commitment to fulfill the aspirations of the people for a healthier and better life.

38.2. WHO has been able to mobilize considerable resources in support of health development activities in India. The quantum of funds received & disbursed amounted to approx. US\$ 58.60 Million during 2004-2003, which comprises US\$ 47.2 Million from extra budgetary sources and US\$11.4 Million from the Regular Budget.

38.3. It is also mentioned that streamlining of budgetary mechanisms resulted in timely and optimal utilization of the programme budget with the lowest ever percentage of surrenders. The lists of areas benefiting from extra budgetary sources are indicated in table-I, and the main areas of WHO collaboration are listed in table-II.

38.4. In its overall pursuit of responding effectively to the needs of member countries, WHO laid more emphasis on the Country Focus Initiative to improve the quality of its collaborative programmes.

#### Table-I

38.5. Overview of Extra Budgetary Funds Mobilized and Facilitated by WHO, India, 2002-2003

<b>S. No.</b>	<b>Area of Work/ Project/ Programme/ Purpose</b>	<b>Amount (US\$)</b>	<b>Name of the Donor/ Funding Agency</b>
1.	Disease Surveillance	1,652,841	USAID
2.	HIV/AIDS	80,352	AG Fund
3.	TB	4,406,020	CIDA
4.	NPSP	4,807,946	DANIDA
5.	NPSP	544,660	CDC
6.	NPSP/ Malaria/Emergency	7,774,424	DFID
7.	NPSP	1,762,429	Italy
8.	NPSP	7,540,218	Rotary International
9.	Emergency	105,000	Royal Netherlands Embassy
10.	Leprosy	1,862,709	Sasakawa Foundation



11.	Leprosy, HIV	1,237,701	World Bank
12.	HIV/AIDS	1,474,158	UNAIDS
13.	HIV/AIDS, VCT	15,000	UNAIDS
14.	NPSP	586,000	UNFIP
15.	NPSP	160,000	UNICEF
16.	NPSP, TB, Surveillance	12,413,731	USAID
17.	CHARCA	21,000	UNF (Per Annum)
18.	Hep- B	100,000	GAVI
19.	SARS (Maharashtra)	250,000	USAID
20.	LF	180,000	CDC
21.	Tobacco Control	210,630	UNF Project, WHO/HQ
22.	Environmental Health	59,109	UNICEF
23.	Child & Adolescent Health (IMNCI)	50,960	WHO (SEARO)
24.	Health Information Management And Dissemination	734,00	UNF/United Fund for International Partnership
	<b>Total (US \$)</b>	<b>47,295,622</b>	

***Table-II***

**WHO/India/ Collaboration**

**I. Core Programme Clusters**

[Communicable Diseases](#)

[Evidence & Information for Policy](#)

[Family & Community Health](#)

[Social Change & Non-communicable Diseases](#)

[Sustainable Development & Healthy Environment](#)

**II. Special Programmes**

[National Polio Surveillance Project](#)

[Revised National Tuberculosis Control Programme](#)

[Emergency & Humanitarian Action - Gujarat](#)

Emergency & Humanitarian Action - Rajasthan

Leprosy Elimination

Roll Back Malaria

Tobacco Free Initiative

Lymphatic Filariasis

[Health Internetwork](#)

### **38.6. Communicable Diseases (CDS)**

On the other hands new challenges have emerged. The outbreak of SARS particularly underscored WHO's vital role in networking and pooling global expertise and resources to address national or local problems.

38.7. Continued assistance was provided to the Government of India for the national Integrated Disease Surveillance Programme (IDSP).

38.8. Development Efforts have continued to strengthen the prevention and control of important communicable diseases. A special focus has been placed on the control of tuberculosis, malaria and HIV/AIDS, which continue to pose serious health challenges to the country.

38.9. Significant achievements have been made for capacity strengthening at all levels for disease surveillance and response, especially in the areas of epidemic prone diseases, vector borne diseases (dengue, JE), water borne diseases (cholera, ADD), zoonotic diseases (especially plague) and diseases nearing elimination/eradication (leprosy, kala azar, lymphatic filariasis and yaws) thereby reducing mortality and morbidity due to these diseases.

38.10. WHO collaboration has strengthened epidemic monitoring and evidence based planning of control programmes like Malaria, TB and AIDS. Also sensitization programmes for social mobilization in the community, decision makers and other sectors, and enhancement of capacities of NGOs and clinical management skills of clinical care providers were implemented. Support was provided for enhanced capacity of laboratory personnel in lab techniques and blood safety.

38.11. WHO is committed to work towards global health security and to foster action to reduce the impact of communicable diseases on health and socio-economic well-being of the people. It assists the country to be better equipped to detect, identify and respond rapidly to threats to national and global health security arising from epidemic-prone and emerging infectious diseases of known and unknown etiology, and to integrate these activities with the strengthening of their communicable diseases surveillance and response systems and national health programmes & services. In line with WHO's priority areas, adequate attention is being given to prevention and control as well as eradication/elimination of specific communicable diseases. Notable among these are the government's efforts for eradication of poliomyelitis and elimination of neonatal tetanus, leprosy, lymphatic filariasis and control of measles and hepatitis B.

38.12. Contributing to national capability to manage **AIDS** and STI programmes has been one of the outcomes of the WHO collaborative programmes. WHO has been

providing technical assistance to NACO in strengthening HIV surveillance, establishment of sentinel sites and targeted interventions, quality VCT services and training. WHO has also been providing technical assistance towards Anti-retroviral therapy as part of the HIV/AIDS care continuum.

38.13. 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 385 Districts / reporting units on 31 August 2003. Sixty three medical consultants have already been assigned to different States and districts to provide technical assistance to RNTCP.

38.14. The WHO has actively supported **leprosy** elimination activities of the GOI through the National Leprosy Elimination Programme (NLEP). WHO has provided technical support through state and zonal coordinators in high prevalence states and districts in the country. Through supply of drugs WHO has assisted in the provision of MDT therapy to all cases of leprosy.

38.15. Roll back **Malaria** (RBM) 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.

38.16. WHO is working closely with the Government of India in providing technical assistance to its **integrated disease surveillance**. WHO has been providing technical assistance to NICD for the National Surveillance Programme for Communicable Diseases (NSPCD). An epidemiologist and a microbiologist have been placed in NICD and they work with the NICD staff in implementing this programme in 101 districts of the country. Assistance is provided for training, monitoring and evaluation and also in outbreak investigations. WHO also assisted the GOI in developing an Integrated Disease Surveillance Programme. WHO's inputs into this has been in the development of an Operations Manual and also developing the Training strategy. WHO is continuing to provide technical assistance towards implementation of this programme. WHO is also continuing to provide technical assistance to the states of Maharashtra, Tamil Nadu, Orissa, Gujarat and Uttaranchal in disease surveillance activities. WHO has been in the forefront of introducing IT to disease surveillance in India. In Maharashtra, WHO has been supporting the use of GIS in surveillance in 13 districts. This involved customizing the WHO software – Health Mapper for the needs of Maharashtra and conducting training programme for the staff of these 13 districts. In these districts, GIS is being used as a regular tool for mapping outbreaks. WHO is in the process of computerizing the surveillance system in the states of Tamil Nadu and Maharashtra. Computers have been provided to the districts and the relevant staff has been trained in computer applications vis-à-vis surveillance. This has resulted in faster transmission of information in both

directions and prompt response in the management of outbreaks. WHO is supporting Operations research initiatives on the involvement medical colleges and private practitioners in public health surveillance in different parts of the country.

38.17. WHO continued its efforts in collaboration with the Government of India for achieving the level of surveillance under National Polio Surveillance Programme (NPSP) in India. 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 Government supported by WHO and the National Polio Surveillance Programme (NPSP) has been able to extend coverage of population groups with polio immunization, with a view to achieving its eradication, as planned.

### ***38.18. Family and Community Health (FCH)***

To address the issue of high mortality rates among children the national capacity for implementing the integrated management of childhood illness has been further strengthened. Considering that 20 per cent of the population in the country is in the adolescent age group, this area has received special attention, with the focus on life skills education. Reduction of maternal and newborn deaths promotion of skilled birth attendance and strengthening of reproductive health programmes received continued attention. Other areas of focus under Family and Community Health programme were neonatal health, infant and young child feeding, child rights and protection and adolescent health and development.

38.19. Technical support is provided to the design process of GOI reproductive and child health programme especially in the areas of maternal health, child and adolescent health, gender monitoring and evaluation etc. with able support from SEARO. Special emphasis was given to facilitate the inclusion of Integrated Management of Newborn and Childhood Illness (IMNCI), manual vacuum aspiration for safe abortions, community level skill birth attendants for ensuring safe deliveries and concept of adolescent friendly health services in India under RCH-II programme. To bring private practitioners into the IMCI fold, guidelines for private practitioners were developed. The most significant achievements are found in the areas of “Making Pregnancy Safer”, Nursing and Midwifery (OSD 001) and “Capacity Building amongst primitive tribes for improving access to health care services (OSD 002)”.

38.20. In the area of Making Pregnancy Safer (MPS), a course curriculum of “Life saving skills for emergency obstetrics care” has been developed and first training programme for medical doctors is being initiated at All India Institute of Medical Sciences, New Delhi. This would contribute to further operationalizing the first referral units to improve access to quality health services.

38.21. The Government of India observed the first National Safe motherhood Day on 11<sup>th</sup> April 2003. WHO supported the activity as it strengthens government's commitment to making pregnancy safer.

38.22. Through WHO collaboration, some progress has been made with regard to women's health and gender mainstreaming, although the implications of gender difference on public health are not yet well understood. While attention is being paid to reproduction, other aspects of women's health, particularly, the social, economic and cultural factors which impact women's health and access to care, are still neglected – what is needed is a broadening of the global agenda for women's health.

38.23. In order to improve the coverage of deliveries by skilled birth attendants, Government of India agreed to pilot the provision of Community Level Skilled Birth Attendant. A Core group was constituted which has developed the curriculum, training modules and AV aids for 12 months course. The scheme shall be implemented soon at some identified sites.

38.24. In Nursing & Midwifery, a consortium for PhD in Nursing has been established and Rajiv Gandhi University of Health Sciences, Bangalore has made necessary constitutional provisions for initiating the course. In addition, nursing management information system has been put in place and training module has been developed.

38.25. Under the "Capacity enhancement for improving access to health services", efforts have been made to ensure the sustainability of the project, several state governments have established 'corpus funds' which would take care of replenishment of medicines, training of community level workers and transportation costs.

38.26. An important achievement is found in the areas of "Addressing the training needs of improving Routine Immunization also along with introducing Hepatitis B vaccine (including maintenance of Cold Chain, Reporting AEFI & Injection Safety), initiating process of better performance monitoring & better vaccine management.

**38.27. *Sustainable Development and Healthy Environments (SDE)***

Based upon the focus of World Health Report 2002 – "Reducing risks, Promoting Healthy Life", WHO collaboration in implementation of Non-communicable Diseases Control (NCD) programme is based on the Global Strategy for Prevention and Control of NCDs to modify lifestyle-related risk factors. There are three key components of implementation: (a) surveillance of risk factors; (b) preventive activities, and (c) strengthening health care management.

38.28. The WHO collaborative programmes were relevant to the needs of the country. Some of the salient products are; Initiation of Non Communicable Disease Risk

factor surveillance in five sites, World Mental Health Survey in 11 sites, Epidemiological data and health care requirements of the elderly in 10 sites, community based survey of hearing impairment in 3 sites, community based cancer control programmes in 14 sites, expansion of cancer registry network, initiation of health promoting hospitals, community based oral health care programme and relevant human resource generation through in country and international fellowships.

38.29. Non-Communicable Diseases are emerging as major public health problems. Surveillance for common risk factors is being piloted in five regions of the country, which will help to provide data as well as strategies for non-communicable Diseases risk factor surveillance. Community based cancer control programmes are being supported through Regional Cancer Centres and medical colleges for prevention, early detection and palliative care for common cancers. Materials for audio-visual and print media for cancer control are being developed. Cancer registration is supported in four Regional Cancer Centres. Human resource development for cancer prevention and management has been undertaken.

38.30. Surveillance systems and population based intervention strategies are being developed in ten industrial populations for cardiovascular diseases control. Guidelines are being developed for prevention and control of diabetic mellitus and chronic lung diseases. Multicentric studies are being carried out for estimating the prevalence of hearing impairment. Support is being provided for national blindness control programme. Infrastructure augmentation and capacity building for providing disability and rehabilitation services at district level has been supported. Community based rehabilitation for the disabled has been demonstrated. Data collection for occupational injuries and a trauma registry for Delhi have been initiated. Community based interventions for prevalence of dental caries and oral health care needs of the elderly are being addressed.

38.31. In the area of mental health and substance abuse, the lack of reliable data is a major limitation and a multicentric study has been initiated under the World Mental Health survey, to capture population-based prevalence of mental illness. Life skills development programme for adolescents have been developed and is being run through in Delhi, Sikkim and Jodhpur. Disability associated with mental health is being studied and mental health problems of urban migrant are being addressed. Rehabilitation of treated patients is being supported. Mental health needs of the elderly are also addressed.

### **38.32. Tobacco Free Initiative (TFI)**

In the area of tobacco control, the most significant achievement of GOI is the passing of the anti-tobacco legislation by both houses of the Parliament and receiving

Presidential ascent to become an Act. The Tobacco Control Cell of the Ministry of Health played an important part in this regard. The National Tobacco Control Cell is seen as a fine example of WHO-MOH&FW collaboration where the technical resources of WHO provides expert support to the Ministry in important aspects of tobacco control. The Cell has become the central hub of activities related to tobacco control and a trustworthy think tank for the MOH.

38.33. Tobacco Free Initiative is an area that has been accorded highest priority by WHO. The National Tobacco Control Cell, under the auspices of MOH, has been set up with WHO assistance and has become the focal point for all activities related to tobacco control in the country. The year 2003 has witnessed important milestones being crossed both at the national level in enacting of a comprehensive anti-tobacco legislation) as well as at the global level by the adoption of the Framework Convention for Tobacco Control. A concerted effort is being made to meet the challenges of creating awareness of the health hazards posed by the tobacco epidemic as well as to address, through research, key policy issues relating to the legislative and economic aspects of tobacco control. A comprehensive media strategy has been developed alongside the preparation and distribution of substantial IEC materials. A network of tobacco cessation clinics has been set up covering 13 centres. Advocacy efforts have continued in various ways – sensitizing the members of the state legislative assemblies, supporting various school-based and community based interventions by NGOs and through celebration of World No Tobacco Day at the national as well as the state levels. Studies have been initiated to understand the complex economic implications of tobacco control. As the rules for the national legislation gets framed, new challenges emerge in the form of enforcement of the anti-tobacco Act.

38.34. Recognizing the huge burden of injuries and violence in the country, WHO initiated several activities to reduce the burden and impact of injuries. An international course on road safety management was held in New Delhi in December 2002 which helped in creating a critical mass of change agents in the area of injury prevention and safety promotion.

38.35. To promote positive mental well-being amongst adolescents, eight modules entitled: Coping with Stress, Conflict Resolution, Strengthening Bonds with Others, Handling Peer Pressure, Self-esteem Enhancement, Dealing with Emotions, prevention of Harm from Alcohol and a trainer guide for implementation of these modules have been developed and field tested in India.

### ***38.36. Evidence and Information for Policy (EIP)***

WHO's collaboration focused on collecting, compiling, validating, analyzing, synthesizing, reporting and disseminating evidence-based health information, including analyzing and reporting national/regional health situation and trends.

38.37. Important achievements by GOI with WHO Collaboration were witnessed in Health Sector Reforms, Setting the Agenda on Health Insurance, Setting up of the National Health Accounts Cell in the MOH, Data strengthening and launching of the CBHI Website, Conduct of the WHS in 6 states, Push for revision of Essential Drug List, setting up of the pharmacovigilance, Meaningful studies under RPC and reducing the supplies component.

38.38. Through WHO Collaboration the Government has established national commission on macroeconomics and health.

38.39. Essential drugs, with the focus on quality, accessibility and rational use, blood safety, strengthening of health information systems and health research, were the other areas of WHO Collaboration in the country.

#### ***38.40. Sustainable Development and Environmental Health (SDE)***

In India, it is the poor who suffer disproportionately from unsafe environment conditions and food in security. Studies show that though most of the environmental interventions are cost-effective in achieving positive health outcomes, proper application and financing of a few well-targeted health interventions could save the lives of million of people, specially children in the country.

38.41. For WHO, the crucial area of work is to focus on health and make it a force for poverty reduction and economic growth. WHO, in collaboration with government agencies, is also assisting in putting health on top of the national sustainable development agenda with the focus on poverty reduction. More multidisciplinary interactions at both institutional and programme fronts are in need to enhance national capacity for action. Through health and environment initiative, WHO is assisting the member country in identifying and assessing health hazards and issues in priority areas such as clean water and air, environmental sanitation, food safety, use of chemicals, healthy environment for children etc.

38.42. In India, overall rapid increase in population along with uncontrolled urbanization is exposing large health risks associated with inadequate infrastructure such as crowded housing, lack of clean water supply and environmental sanitation facilities, vehicular, industrial and agro-chemical pollution and variety of other risks. Though environmental standards are being enforced and upgraded on regular basis, the conflict between growth and environmental protection still continues.

38.43. Environmental health issues, including safe water and sanitation as well as health care waste management, received attention through WHO collaboration. The country assessment report for water and sanitation sector was jointly conducted by the agencies of GOI and UN agencies. There is a demand from GOI to update the study and make it more broad based.



38.44. WHO provided technical and budgetary support in the various fields such as “Water for Sanitation and Health Programme, Arsenic contamination of groundwater, healthy cities, promotion of chemical safety, children’s environmental health, preparedness for chemical incidents, health care waste management and food safety. There has been increased awareness about the food safety measures but more needs to be done.

38.45. WHO has been instrumental in mobilizing funds for a pilot project in West Delhi slums on household-level disinfections and safe storage of drinking water. This project is demonstrating the effectiveness of point-of-use treatment of drinking water as a strategy for reducing childhood diarrhea.

**38.46. *Emergency Preparedness and Response (EHA)***

Noting the WHO technical input in the field of Emergency and Humanitarian Action (EHA), WHO Collaborated with the Government of India for various EHA activities. Collaborative activities were undertaken in the four Indian states – Orissa, Gujarat, Mizoram and Sikkim for strengthening EHA capacity through institutional support, Inter-state consultations, NGO’s initiatives and effective partnerships with UN agencies under the UNDMT program in India.

38.47. The WHO’s technical and financial support in Kutch district have been widely acclaimed by the Government of Gujarat. Based on effective WHO’s input, the Government of Gujarat has shown keenness to establish similar systems in other earthquake affected as well as in the other disaster prone areas. Also there has been a policy shift from response only to preparedness. They advocated the donor countries to mobilize WHO technical input for the following areas;

- a. Establish integrated disease surveillance within the framework of ongoing activity in India to include other communicable as well as non-communicable diseases prevalent to the state.
  - b. Relevant data available in the state may be put in the GIS (under practice by the WHO team at Gujarat). The remote sensing agency under the state Government could be made available to achieve the objective.
  - c. In view of the recurrent emergencies including transport accidents and disasters, WHO could provide necessary technical input to up-grade the existing health delivery system to take care of recurrent emergencies and disasters in the state including establishment of emergency response system in the existing teaching medical institutions in the state and to address long term public health consequences of disasters.
- Noting the effective WHO interventions and initiatives, a number of donors have shown keen interest in supporting EHA activities i.e. mental health survey in Gujarat, establishing disease and nutritional surveillance system in the four worst drought affected districts of Rajasthan.

## Chapter 39

### The World Bank (IBRD AND IDA)

**39.1. 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 those available in the 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 198 development projects have been financed by IBRD in India. India presently borrows under single currency loans on variable spread basis. The current rate of interest on IBRD loans is 4.20% (August 2005). 6 months commitment charges are payable on undisbursed loan amount @ 0.75%. However, IBRD has been notifying a commitment charge waiver of 0.50% since July 1991. A front-end fee of 0.50% is also payable on loan approvals after 1.7.2004. IBRD assistance has been extended to infrastructure sector like railways, power, roads & highways, telecommunications, etc. IBRD loans are repayable in 20 years inclusive of a grace period of 5 years.

**39.2. International Development Association (IDA)** was established in 1960 as an affiliate of 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. Commitment charges of 0.35% on the undisbursed credit amount are also levied. The credits to India upto 30<sup>th</sup> June 1987 are re-payable in 50 years, inclusive of grace period of 10 years and those approved from 1 July 1987 onwards are re-payable in 35 years inclusive of a grace period of 10 years. So far, 317 development projects have been financed by IDA in India, since its inception. IDA assistance has focused on human development and rural development sectors like agriculture, irrigation, poverty alleviation, health and family welfare education, etc.

**39.3.** The total amount of Loan/Credit assistance extended by IBRD and IDA upto 2004-05 is as under:-

(Amount US \$ in Million)

Sl. No.	PARTICULARS	IBRD	IDA	TOTAL
15.	Annual Plan (01.04.2003 to 31.03.04)	698.00	691.03	1389.03

16.	Annual Plan (01.04.2004 to 31.03.2005)	738.02	1331.45	2069.47
<b>Total External Assistance from beginning to 31.03.2005</b>		<b><u>38044.43</u></b>	<b><u>26687.77</u></b>	<b><u>64732.20</u></b>

**39.4.** The following table indicates details of agreements signed in the Agriculture/Rural Development/Transport/Education/Health/Emergency /Irrigation Sectors during the Financial Year 2004-05.

Sl. No.	Name of the Project signed during 1.4.2004-31.3.2005	Amount (US \$ in million)			Date of Signing
		IBRD	IDA	Total	
1.	Rajasthan Health System Project (HSDP)	0.00	89.00	89.00	03.06.2004
2.	Sarva Siksha Abhiyan	0.00	500.00	500.00	03.06.2004
3.	Uttaranchal Decentralized Watershed Development Project	0.00	69.62	69.62	30.07.2004
4.	Integrated Diseases Surveillance Project	0.00	68.00	68.00	23.09.2004
5.	Rural Roads Project (PMGSY-I)	99.50	300.00	399.00	08.11.2004
6.	Orissa Socio-Economic Development Programme	85.00	40.00	125.00	10.11.2004
7.	Madhya Pradesh Water sector restructuring Project	394.02	0.00	394.02	30.11.2004
8.	Tamil Nadu Health System Development Project(HSDP)	0.00	110.83	110.83	05.01.2005
9.	Assam Agricultural Competitiveness Project	0.00	154.00	154.00	14.01.2005
10.	Small & Medium Enterprise Financing and Development Project	120.00	0.00	120.00	14.01.2005
11.	Karnataka Urban Water Sector Improvement Project	39.50	0.00	39.50	18.2.2005
	<b><u>TOTAL</u></b>	<b><u>738.02</u></b>	<b><u>1331.45</u></b>	<b><u>2069.47</u></b>	

## **Chapter 40**

### **TRUST FUND**

40.1. 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 installments beginning not later than the end of the first six months of the sixth year has already been repaid in full.

40.2. 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.

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