

## INTRODUCTION

The External Assistance made available by the donor countries/institutions is mainly used for financing development projects which involve capital investment of a high magnitude. External Assistance takes the form of transfer of cash or technical know-how or both. The need for external assistance was felt even at the earliest stage of economic planning in the country. This Brochure, which is the 38th in the series, contains a brief account of economic and technical assistance received by the Government of India from friendly foreign countries, International Institutions and other Organisations during the financial year 1999-2000 and for the period upto 1999-2000.

2. The assistance extended by foreign countries/institutions has been indicated loan-wise/grant-wise in different annexures. These indicate the total authorisations under each country/institution, cumulative drawals, cumulative repayments and cumulative interest payments in addition to details of the drawal, repayment and payment of interest during the year. For statistical purposes, separate appendices have been included giving details of country/institution-wise drawals, repayments, interest payments, commitment charges paid. Figures relating to authorisations at average exchange rates of the year concerned are also incorporated. Details of debt outstanding in Rupees covering a period of ten years are shown in separate Appendix - X.

3. *Statements I to IV* at the beginning give comparative details of cumulative authorisations, drawals, closing pipeline as on 31.3.2000, repayments and debt outstanding as on 31.3.2000 at Ex-IMF Parity rate as well at current rates. *Statement V* shows disbursement ratio during the years 1996-97 to 1999-2000 in US\$. *Statement VI* indicates the external debt outstanding as on 31.3.2000 in US dollars classified as Concessional/Non-Concessional. *Statement VII* shows the Plan-wise summary of foreign loans and grants. Multilateral/Bilateral, Loan-wise and Grant-wise details in donor currencies are available in Annexures I to III. Appendices I to XVIII give the details of disbursements, debt service payments, debt outstanding, summary analysis of external assistance, state-wise disbursed/undisbursed foreign assistance. Appendix XIX indicates exchange rates. Appendix XX gives a brief resume of general terms and conditions of external loans. Appendix XXI gives the donor-wise and project-wise data relating to payment of commitment charges during the year 1999-2000.

4. 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. Queries can be sent on e-mail 'caa@alpha.nic.in'. Information can also be accessed on our website address <http://www.nic.in/finmin>.

## 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 Uttar Pradesh. The Loan amount of UAE Dirhams 68 Million (US\$ 17 Million) for the project has been fully drawn.

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

## Chapter 2

### **Australian Development Assistance to India**

2.1 Australian Development Assistance to India started in the year 1951. The aid, on grant basis, was earlier concentrated in Agriculture and allied sectors. The Australian Aid Programme was extensive during the 50s and 60s. During the 70s it varied with the amount of food aid given. Assistance to India under bilateral aid programme was minimal during the early 80s and was deleted altogether in 1986.

2.2 A new initiative in Indo-Australian bilateral relations was taken in February 1989, when a Memorandum of Understanding was signed for providing concessional loans to finance development project in India. The objectives of the MOU are to:

(a) ensure effective procedure for funding projects which have been agreed as important in India's development programme: and

(b) facilitate the use of Australian goods and services for the developmental purpose through concessional finance packages.

2.3 As per the MOU, the Ministry of Finance (DEA) and Australian International Development Assistance Bureau (AIDAB), now Aus AID, are to meet at least once a year to discuss and allocate priorities amongst projects and to review the Memorandum and the funds provided by it.

2.4 In October, 1990, two agreements on bi-lateral co-operation were signed with the Australian Government. These were (i) Agreements on Development Co-operation and (ii) MOU relating to the Small Activity Scheme. Australian aid to India is extended under the aegis of the above agreements.

2.5 Australian Assistance covers the following sectors : (i) Railways , (ii) Telecommunications, (iii) Energy, (iv) Mining, (v) Coal, (vi) Food Processing, (vii) Environment, (viii) Health and (ix) Transport. The Small Activity Scheme extends to cover the social sectors also. Under this programme, funds are extended to the NGOs as well.

2.6 Aus AID have committed an estimated total aid flow of AUS \$ 19.3 million (49 crores) to India for the financial year 2000-01. This includes AUS \$ 14.5 million (Rs 37 crores) under the bilateral programme to India. The remaining AUS \$ 4.8 million is for Global NGO Programmes in the areas of Poverty Alleviation, Women Development etc. implemented through Australian NGOs.

2.7 Some important projects shortlisted for implementation in near future include Urban and Rural Water Supply Schemes in Himachal Pradesh, Madhya Pradesh and North East, Watershed Management in Rajasthan, MP and HP and HIV-AIDS Control programme in Delhi and North East..

2.8 Under the Australian assistance to India since 1951, more than 2500 officials have undergone training/higher studies in Australia till December, 1999. At present Indo Australian Training and Capacity Building Project(IATCBP) is being implemented under which various sub projects relating to training and capacity building in diverse sectors are being implemented. A total amount of AUS \$ 15 million is estimated to be spent over 3 years i.e during 1.4.1999 to 31-3-2001 by the Govt. of Australia for this project.

2.9 Govt. of Australia had also imposed economic measures in the aftermath of the Pokhran II. But now, they have lifted the suspensions on the non-humanitarian grant to India in the month of May, 2000 during the annual budget presentation in Australia. Now, Australia is the first country to have lifted the suspensions on non-humanitarian grants to India after the India's Nuclear Explosion in May, 1998.

2.10 The Australian ODA to India in previous years (channelised outside Government budget) is given below :

(In A \$ Million)

Year	Disbursement Amount
1993-94	15.8
1994-95	20.4
1995-96	24.6
1996-97	21.7
1997-98	20.2
1998-99	19.2
99-2000	18.7
2000-01	19.3

2.11 The details of Loans and Grants are given in Annexure I and II respectively.

### Chapter 3

#### Austria

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

3.2 The total assistance given by Austria upto 31<sup>st</sup> March,2000 is as follows:

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

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

#### Chapter 4

### **BELGIUM**

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

4.2 The 20<sup>th</sup> State to State credit agreement with Belgian Government was signed on 30-3-1993 for B Fr. 250 million. Belgian Government has provided an assistance of B Fr 129.514 million for the installation of a Medical Cyclotron in Calcutta in August' 2000.

4.3 The details of loans and grants are given in Annexure I and II respectively.

#### Chapter 5

### **CANADA**

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

5.2 Since 01 Apr 1986, all CIDA assistance has been in the form of outright grants. The three main objectives of CIDA's country policy programme for India are :

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

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

5.4 CIDA is assisting various on-going bilateral projects such as India Canada Environment Facility Project, Capacity Development of Revenue Administration Project and Energy Infrastructure Services Project. During 1999-2000, MoUs were signed for two projects namely, Canada India Institute Industry Linkage Project (CIDA's grant assistance- C \$ 8.6 Million) and Environmental Institutional Strengthening Project (CIDA's grant assistance – C \$ 5 Million). Canada is also funding various NGOs directly.

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

5.6 The details of assistance extended as loans and grants upto 1999-2000 are given in Annexure I & II respectively.

## Chapter 6

### REPUBLIC OF CZECH & REPUBLIC OF SLOVAK

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

6.2 The first credit of Rs. 33.20 crores dated 24.11.59 was intended for imports from Czechoslovakia of equipment and spares for various projects of the Heavy Engineering Corporation Ltd., BHEL, Tiruchy and Hyderabad units and the same was fully utilised. The second credit of Rs.63 crores dated 11.5.1964 was meant for projects such as Ennore Thermal Power Project of Tamil Nadu State Electricity Board, Ramagundam Thermal Power Project, Talcher Fertilizer Project of the Fertilizer Corporation of India, various projects under the Heavy Engineering Corporation Ltd., and this credit too was fully drawn. The third credit of Rs.80 crores dated 5<sup>th</sup> December, 1973 comprised Rs.50 crores as project segment and Rs.30 crores as component segment for financing import of components from Czechoslovakia by Indo-Czech Project. The total utilisation against the third credit was only 60.80 crores as on 31.8.90. The balance amount of Rs.19 crores had lapsed.

6.3 The terms of the credit for repayment for the Project Segment is over 15 years (inclusive of a grace period of 3 years) and in the case of the Component segment the repayment is over 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. The last Trade and Payment Agreement signed on 17.1.1991 remained valid for a period of 2 years with effect from 1.1.91.

6.5 By an agreement dated 11<sup>th</sup> May,1962 Czechoslovakia has also provided technical assistance to India for total value of Rs.0.95 crores for the establishment of the Central Machine Tools Institute at Bangalore. The total utilisation amounted to Rs.0.63 crores in the form of machinery and equipment, tools and essential spares.

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

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

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

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

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

## Chapter 7

### DENMARK

7.1. Denmark has been giving assistance to India since 1963. The assistance has been in the form of soft loans, tied grants for large value projects and grants for local cost projects. Upto 31.3.2000, a total of Dkr.5244.84 million has been committed by Denmark to India, of which Dkr.1326 million is loans and Dkr.3918.84 million is grants. At present DANIDA assistance is entirely in grant.

#### ***Loan Assistance***

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

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

#### ***Grant Assistance***

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

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

7.6 **Grant for PSD (Private Sector Development) Programme:** This is one of the instruments for Industrial Development to support long term collaborations between Danish and Indian business enterprises. Agreement for a Pilot phase initially in the area of Food Processing were signed with Denmark in 19-11-93 for DKK 58.70 million. Subsequently, on 16-12-96 Government of India signed an agreement for the Main Phase under this Programme covering all Sectors all over India. No specific allocation has been made by Denmark for the Main Phase agreement and as such the disbursement entirely depends upon the absorption capacity.

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#### **Technical cooperation Agreement**

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

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

## Chapter 8

### FRANCE

8.1 The Government of France started extending economic assistance to India in 1968 and total French assistance from April 1968 to March 1999 amounted to FF 15443.857 million( approximately) comprising Project assistance of FF 12935.302 million, non-project assistance of 1800.817 million, a grant of FF 297.55 million and a debt relief credit of FF 410 million.

8.2 The French assistance at present is tied to the imports of goods and services. French Government makes commitments only against specific projects where contracts have been won by French companies and where a substantial value of French products/services are to be imported. We used to sign an umbrella protocol Agreement with the French Government fixing allocations for specified projects. Separate financing agreements were then concluded for each project. However, due to change in French Government policy, no annual protocol is signed and assistance is considered on a project to project basis.

8.3 Under the Indo-French Financial Protocol signed on 23-11-1998, French provided an amount of 68.8 million mainly for the following projects :-

	(Mil FF)
- Management of Water Supply, Calcutta –	- 36.0
- Centre for Laser Application in Mysore	- 13.8
- Impact of Mining activities in the Subarnarekha Basin	- 19.0
<b>Total</b>	<b>68.8</b>

8.4 Out of the above amount FF 34.4 million is Treasury Loan repayable within a period of 30 years including a grace period of 10 years at an interest rate of 0.47%. The remaining amount is in the form of export credit available at OECD Consensus rate.

8.5 The details of credits such as authorisation, utilisation, debt service payments etc. are given in Annex. I & III and details of grants given at Annex. II.

## Chapter 9

### Germany

9.1 The Government of Germany has been providing assistance for India's economic development since 1958. Till 31.3.99, FRG has extended a total financial assistance of the order of DM 15182 Million. Out of this DM 2315 Million was provided as loans outside GOI budget (Non-Government loan), DM 11970 Million as loan through Government and DM 897.6 Million as grants. Presently Germany provides both technical and financial assistance to India.

9.2 The German soft credit is provided at an interest rate of 0.75% p.a. and is repayable over a period of 40 years including a grace period of 10 years. The Export Credit (commercial credit) is provided at prevailing market rates and is repayable over a period of 10 years including a grace period of 5 years. For a particular project, the commercial credit is provided as a mix of soft and commercial loan as a composite financial cooperation loan (also termed as Second Window). The funds under this window are available for projects in the areas of power, coal and railways etc.

9.3 The financial assistance extended by Germany has been utilised for projects in the field of Housing, Power, Environment, Forest, Rlys., Telecommunication, Rural water Supply, Energy, Water Resources and towards the cost of import of capital goods, fertilisers etc. The present focus of German assistance is on rural development, agriculture, Environment and industry, infrastructure, especially power and transport, human resource development especially health and education.

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

#### **Technical Assistance.**

9.5 The Government of Germany also provides technical assistance as grant for projects involving assignment of experts, training facilities abroad and import of small project related equipments. Presently German technical assistance is available for projects in the field of environment and natural resources protection, technical training, higher education and applied research, improving productivity and competitiveness of Indian industry and for poverty alleviation projects etc.

9.6 The details of loans and Grants are given in Annexure I and II.

## Chapter 10

### **HUNGARY**

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

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

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

## 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, now 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 later 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 against the claims for disbursement an amount of US\$ 255.18 million had been received.

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

## 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 had 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 credit effective.

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

## Chapter 13

### ITALY

13.1 During 1966 to 1976 Italy had provided government credits of Lira 33,125 Million for Fertilisers and Debt Relief. Apart from this, Italian assistance was mostly in the form of supplier's credits. The amount of Supplier's credit offered upto 1981 was US\$ 401 million against which the utilisation upto 30<sup>th</sup> September 1982 was US\$ 328 million. This facility was available only upto 30<sup>th</sup> September, 1982 and is not operational any more.

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

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

13.4 During the Indo-Italian Cooperation meeting held on 5<sup>th</sup> June, 1996, the Italian side committed 100 billion Italian Lira soft loan with 60% concessionality. Out of this, 50 billion Lira of the above mentioned sum has been allocated for establishing an open credit line for financing supplies of capital goods and related technical assistance for the development of the Indian Small and Medium Enterprises. Government of India has designated National Small Industries Corporation of India for this credit line. The Financial Convention for the 1<sup>st</sup> tranche of 10 billion Lira was signed by the National Small Industries Corporation on 21-3-2000 and the letter of Guarantee was signed by DEA on 28-4-2000. The credit line has become operational since 17-7-2000 and will be valid up to 16-7-2001. The remaining LIT 50 billion is to be used for financing Water Supply and Solid Waste Management Project in West Bengal.

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

## 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 are being channelised through the OECF. With effect from 1<sup>st</sup> October, 1999, J-EXIM and OECF have merged and the new agency Japan Bank for International Cooperation (JBIC) is the channel for both-ODA operations as well as the international economic operations functions of Government of Japan.

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

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

14.4 Salient features of OECF assistance are as given below:

1. Soft loans, which are mostly project tied, carry an interest rate of 1.8%. For general environmental projects, the interest rate is 1.3% while for special environment projects it is 0.75%. The tenure of the loans is 30 years for the first two categories and 40 years for the special environment category.
2. Japanese loan assistance is available for financing upto 85 per cent of the project cost either in foreign exchange or local cost.
3. Since 1993-94 for the OECF loan package, all procurement is on general untied basis. No price preference to indigenous bidders under ICB is permitted.
4. In the earlier years OECF assisted projects were concentrated in the infrastructure sectors like Power, Fertilizers, Telecommunication, Railways, Industry, Irrigation, Ports etc. In recent years, however, OECF(now JBIC) has shown willingness to finance projects in soft sectors like Environment and Health etc.

14.5 Consequent upon the nuclear test conducted by India in May 1998, Government of Japan imposed economic sanctions on India and froze Yen credit for the year 1998-99. After a number of high level discussions with the Government of Japan, only one project named Bakreswar Thermal Power Station Unit-3 Extension Project-II of West Bengal Power Development Corporation limited, Calcutta could be pledged and signed on 24-03-1999 for an amount of Yen 11,537 million. The sanctions however did not affect utilisation of existing credit lines.

14.6 During the visit of the Japanese Prime Minister to India in August, 2000, pledge for the following two on-going time-slice JBIC assisted projects have been made :-

<b>Project's Name</b>	<b>Loan Amount (Yen Million)</b>
(i) Simhadri Thermal Power Station Project	12,194
(ii) Delhi Mass Rapid Transport System Projects	6,732

The loan agreement for these projects have not yet been signed.

#### JAPANESE GRANT ASSISTANCE

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

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

14.8 The total quantum of Japanese grant aid ranges between 3 to 4 billion Yen per year. The details of grant aided projects during 1999-2000 are at Annexure II. The grant aid for new projects has been frozen since May' 98 following Japanese economic measures against India. However, Govt of Japan have given indications that they might consider some grant aid proposals during the year 2001-02. Subsequently, some proposals have been posed to the Japanese side in January, 2000. Their response in this regard is still awaited.

14.9 Govt. of Japan gives Debt Relief Grant Assistance to the tune of Yen 2 to 3 billion per year. This is of non-project type and can be utilized for import of equipment, spares and raw materials as per agreed terms between the two Governments. This is a type of grant assistance given twice a year by the Govt of Japan to compensate the excess interest paid on Japanese loans in earlier years. This is not affected by the Japanese sanctions.

14.10 Grant Aid of Japan to India is extended through Japan International Co-operation Agency (JICA). JICA also co-ordinates programmes relating to development studies, feasibility studies, project type technical cooperation, expert dispatch programme and training of personnel from government and semi-government organizations of various sectors in Japan.

14.11 Govt of Japan also provides technical assistance under Green Aid Plan through Japan External Trade Organisation (JETRO). The principal policy of this plan is to support the self-effort of the Developing Countries to cope up with the issues in the area of energy and environment.

## 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 Kalinadi Hydro-Electric Project Phase-I in Karnataka, which has been fully utilised by October, 1978. Since then the Fund has extended loans for various projects namely : Kopy Hydro Electricity Project (KD 9.4 million), Anpara 'A' Thermal Power Project (KD 16 million) and Anpara Power (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 to the end of 1999-2000 KD 82.353 million have so far been utilised.

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

15.5 The utilization and debt servicing details of the loans, are given in Annexure-I. The details of Grants are given in Annexure II.

## Chapter 16

### **NETHERLANDS**

16.1 Netherlands has been extending economic assistance to India since 1962-63 mainly in the form of general purpose credits, debt relief assistance and supplier's credits. The total value of loan assistance provided by the Netherlands upto 31-03-2000 amounts to NLG 2604.95 million including NLG 12 million out of Industrial Development Fund. The total general purpose and specific programme extended by the Netherlands upto 31.3.2000 amounts to NLG 2448.76 million. Apart from financial assistance Netherlands also provides technical assistance grants for expert services, for appraisal of projects and training. The Technical assistance is not reflected in the budget.

16.2 From 1985, the Netherlands have provided Official Development Assistance (ODA) under a system whereby aid commitments are made on the basis of a four year rolling plan, with annual disbursement ceilings. The Netherlands earlier provided assistance under an annual cash ceiling (calendar year basis) which upto 1991 amounted to NLG 200 million, which was divided into loans and grants on roughly 50:50 basis. From 1992 onwards, the Netherlands assistance is completely in the form of grants and disbursements against earlier loan commitments which will be disbursed out of grant funds.

16.3 The major sectors in which Dutch assistance is received are Environment, Drinking Water Supply, Irrigation and Water Transport. Dutch assistance is concentrated in the states of U.P., Kerala, A.P., Gujarat and Karnataka. Dutch assistance can be used for financing imports from the Netherlands and for local costs projects mutually approved in the social sectors aimed at benefiting target groups comprising the economically weaker and deprived sections of the society. A substantial part of the assistance accounts for financing local costs of rural drinking water supply projects and import of equipment in the shipping sector.

16.4 Due to recent changes in the policy of the Netherlands Government, henceforth the Dutch assistance will be focussed in a few States of India. In addition, a Sectoral Approach to development cooperation will replace the Project Approach. The Sectors selected will be in consultation with the State Governments.

16.5 The details of loans and grants are given in Annexure I and II respectively.

## Chapter 17

### **NEW ZEALAND**

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

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

17.3 The Government of New Zealand have also extended assistance for the All India Institute of Medical Sciences, New Delhi, Matrigara Dairy Project (West Bengal), the

setting up of an artificial breeding centre 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 attachment to the All India Institute of Medical Sciences and the provision of small items of equipment to AIIMS. Development assistance to India is now limited to the provision of training awards.

17.5 The details of Grants are given in Annexure II.

## Chapter 18

### **NORWEGIAN ASSISTANCE**

#### ***Background***

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

#### ***Areas of Cooperation***

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

#### ***Norwegian Aid Policy for India***

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

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

**18.5 Allocation & disbursements of Norwegian assistance to India since 1998-99.**

No amount was pledged by Norway at the India Development Forum (IDF) meeting since 1996.

**Impact of Pokhran-II**

18.6 As an immediate reaction to Pokhran-II, Norway decided to freeze all aid to India except those directed towards Poverty Alleviation Programmes. On 15<sup>th</sup> February, 1999, the Norwegian Ambassador has informed us in writing that restrictions imposed on Norwegian facilities for export credit guarantees to India have now been lifted and that exporters can again be granted new export credit guarantees. The position conveyed to us in February 1999 has been brought to the notice of Ministry of Commerce for further necessary action at their end. Norway has since lifted the sanctions on 20-10-2000.

18.7 The details of Grants are given in Annexure II.

Chapter 19

**POLAND**

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

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

19.3 The rupee payment arrangement with Poland has now ceased to exist with effect from 1.1.1991. From 1<sup>st</sup> 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-I.

Chapter 20

**ROMANIA**

20.1 The Peoples Republic of Romania started its financial and technical assistance to India in 1958. Upto 31.3.84 two credits for a total amount of Rs.45.59 crores were extended out of which Rs. 5.59 crores were for the establishment of refinery at Gauhati with a capacity of 0.75 million tonnes per annum and Rs. 40 crores were for economic and technical cooperation. Against the latter credit of Rs. 40 crores, only one contract for purchase of 10 ships was signed in 1969 for value of 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 are in progress

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 1<sup>st</sup> January 1986 to 31<sup>st</sup> 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 1<sup>st</sup> April 1993, the trade with Romania is being conducted in freely convertible currency.

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

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

21.3 The total commitments made by the Saudi Fund at the end of March 2000 totalled Saudi Riyals 766.641 million. Out of this, Saudi Riyals 630.915 million have been utilised by the end of 1999-2000.

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

## Chapter 22

### **SWEDEN**

#### **Background :**

22.1 India has been a recipient of Swedish assistance since 1964 although Sweden joined the Aid India Consortium as a full member only in 1969. The terms of Swedish Assistance have become progressively softer over the years. After 1976, Swedish assistance is in the form of a 100% grant and is mainly focused on the Social Sector and the energy Sector. In addition to grant assistance, Swedish Government has extended soft loans, for large power sector projects. Earlier, Sweden used to allocate 0.91 per cent of its GDP for development cooperation. This was reduced to 0.7% of its GDP in the last

year. The aim, however, is to restore the level to 1 per cent of the GNP as soon as the Swedish economy so permits. Despite the cut in the Swedish aid budget, taking into account SIDA grant-in-aid and concessional credits available from other Swedish Organisations, India becomes the largest recipient of Swedish assistance not only among the Asian countries but also among African and Latin American countries.

#### **Future strategy for Indo-Swedish Development Cooperation (1997-1999)**

22.2 The strategy for Indo-Swedish Development Cooperation in the three year period of 1997-1999 covered by the new Development Cooperation Agreement dated 28.11.1996 focuses on poverty alleviation and infrastructure. The broad areas of Swedish assistance are :-

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

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

#### **IMPACT OF POKHRAN-II**

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

## Chapter 23

### SWITZERLAND

23.1 The Government of Switzerland has been giving economic assistance to India since 1960. The total assistance excluding grants given upto 31.03.2000 has been of the order of approx. SFR 311.753 million, details of which are given below:

	<i>(Sw. Fr. Million)</i>
First Transfer Credit	123.640
Second Transfer Credit 1966	30.827
Third Transfer Credit 1973	37.286
Swiss Mixed Credit 1983	60.000
Swiss Mixed Financing 1991	60.000
<b>TOTAL</b>	<b>311.753</b>

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

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

23.3 Agreements for projects totalling Rs.39.179 Crores were signed during 1996-97. During 1997-98 agreements totalling Rs.37.20 Crores were signed. During 1998-99 only one T.C grant project-Meat Sector in Kerala - for Rs 45 lakhs was signed. During 1999-2000, agreements worth Rs 17.93 crores were signed for –(i) Indo-Swiss Collaboration in Biotechnology, (ii) Indo-Swiss Project Sikkim, Phase-II, (iii) Indo-Swiss Project, Orissa Phase-IV.

23.4 The details of loans and grants are given in Annexure I & II respectively.

## Chapter 24

### SPAIN

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

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

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

24.4 Details of loans are given in Annexure I.

## Chapter 25

### UNITED KINGDOM

25.1 The Government of UK has been providing bilateral assistance to India since 1958. Such assistance was in the form of loans upto 1975 and thereafter in the form of grants. Bilateral assistance from UK to India is governed by a cash disbursement ceiling which is decided on the basis of expenditure likely to be incurred on the projects agreed by UK for each financial year. The actual drawal through the Government of India budget during 1998-99 was Pound 36.905 million. The drawal during 1999-2000 was around Pound 42.134 million.

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

*(Pound in million)*

Projects	Tied Costs	Local Costs	Total
Calcutta Slum Improvement Project State. IC	-	2.352	2.352
Western Ghats Forestry Project	-	18.070	18.070
Andhra Pradesh Energy Efficiency Project Grant 1994	42.700	-	42.700
Eastern India RainFed Farming Project Grant, 1995	6.631	-	6.631
Cuttack Urban Services Improvement project	-	11.490	11.490
Orissa Power Sector Reform	42.500	-	42.500
Orissa Family Welfare Project (Ph.III)	-	1.748	1.748
Polio Eradication Project	-	47.500	47.500
Andhra Pradesh District Primary Education programme	-	42.500	42.500
West Bengal District Primary Education programme	-	37.700	37.700
Cochin Habitat Improvement Project	-	11.469	11.469
Karnataka Watershed Development Project	-	4.489	4.489
Western India Rain Fed Forming Project(Phase II)	-	15.090	15.090
AP Urban Services for the Poor project	-	66.086	66.086
AP rural Livelihood Project 1999	-	40.076	40.076
Orissa Rural Livelihood	-	23.00	23.00
Partnership for Sexual Health in AP, Gujrat, Kerala & Orissa	-	18.940	18.940
Polio Eradication 1999	-	37.394	37.394
Shiksha Karmi Project Phase III	-	17.140	17.140
UK India Forestry Training	-	93.6	93.6
West Bengal District Primary Education Project(Expansion Phase)	-	30.00	30.00
Lok Jumbish Phase III	-	31.430	31.430
Revised National TB Control Project In AP	-	8.120	8.120

25.3 The details of loans and grants are given in Annexure I & II respectively.

## Chapter 26

### **Russian Federation**

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

26.2 Until April 1977, the credits were repayable in 15 to 16 years, inclusive of a grace period of 3 to 4 years, with interest at the rate of 2.5% per annum. Repayment of credit given after that date is over a period of 20 years, inclusive of grace period of 3 years and carry a 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 rate of interest would be 4%. Repayment period of credit would be 14 annual installments starting 12 months after the scheduled dates of commissioning of first and second power units of the NPS.

#### **Repayment of former USSR credits**

26.4 To address the issue of the rupee-rouble exchange rate following the dissolution of the USSR, bilateral arrangements were entered into between India and Russia in 1993. The agreement provided for the principal amount of the Rouble denominated debt as on 1.4.92 being converted from roubles to rupees using the exchange rate on 1.1.1990 as denominated by the old 1978 Protocol (Rouble 1 = Rs. 19.9169). The amount of the principal debt as on 1.4.92 was also converted from roubles to rupees using the exchange rate on 1.4.92 as determined by the 1978 Protocol (Rouble 1 = Rs.31.7514). The difference in the two rupee amounts as calculated above was rescheduled to be repaid in annual installments over a period of 45 years. This rescheduled portion carries no interest. It had no protection against any fluctuation in the value of the rupee for a period of 5 years. Thereafter, it was to be indexed to the SDR if the average annual depreciation of the rupee exceeded 3 percent over this 5 year period. Similar review was to be conducted at the end of every five year period. The non-rescheduled portion of the debt is the amount in rupees corresponding to the conversion of the rouble debt at the exchange rate as on 1.1.90. This amount is now denominated in rupees and repayments of the principal and interest on this portion of the debt are being effected by India in accordance with the schedule in force for each of the relevant Inter-Governmental credit agreements. The rupee payments in respect of principal and interest of this non-rescheduled portion of the debt are ,however, protected by adjusting the rupee amounts in line with changes in the rupee value of the SDR basket of 5 currencies. The rupee debt as above is being repaid through the export of goods and services from India to Russia.

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

Chapter 27

**UNITED ARAB EMIRATES**

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

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

Chapter 28

**UNITED STATES OF AMERICA**

28.1. The United States of America has been extending Economic Assistance to India regularly since 1951 except during the years 1972 to 1977. The US Development aid, and PL 480 assistance, are extended through the US Agency for International Development (USAID) and loans/export credit are extended by the US EXIM Bank etc The total assistance offered upto 31-3-2000 amounted to 11197.496 million and the broad break-up of the same is as under: This is made up of:

<b>Sl No</b>	<b>Particulars of Assistance</b>	<b>US \$ in Million</b>
1.	Technical Cooperation Mission(Development Assistance Loan of \$148.12 M & Technical Assistance & Grant of 461.21Million	<b>609.330</b>
2.	Development Loan Fund loans repayable in Rupees (Govt. Account \$439.71M & Non-Govt. Account \$62.63M)	<b>502.340</b>
3.	Aid Loan repayable in \$ (excluding Debt relief of \$97.93 M)	<b>3268.240</b>
4.	PL-480 Title I cover table currency credits(excluding Debt relief of \$5.55M)	<b>652.700</b>
5.	Export Import Bank loans(Govt loans \$346.66M, Non-Govt loans of \$292.29 M)	<b>638.950</b>
6.	PL-480 Title I Generating Rupee counterpart Fund excluding PL-480 Title II&III	<b>4354.770</b>
7.	Wheat Loans	<b>189.660</b>
8.	AID Grants (including \$322.13 M pertaining to 1971)	<b>878.026</b>
9.	Debt Relief in the form of refinancing credit Vide item No 3 above - 97.930 Vide item No 4 above - 5.550	<b>103.480</b>
	<b>Total</b>	<b>11197.496</b>

28.2 In the past, US assistance used to be in the nature of project and non-project loans, commodity assistance and grants. At present entire assistance from USAID is in the form of grants and are extended only for implementing projects. Non-project assistance from USAID is no longer available. The commercial credits have also been offered in the past by the EXIM Bank for financing certain procurement from USA. The details of loans and grants are given in Annexure I and II respectively.

### ***Impact of sanctions on US Development Assistance to India***

28.3 There has been no substantial impact of sanctions on US Development Assistance to India. Only three ongoing projects viz. Financial Institutions and Expansion (FIRE), Greenhouse Gas Pollution Prevention(GEEP) and Energy Management & Consultation (EMCAT) have been partially affected as a sequel to sanctions. However, the normal activities under these projects have since been restored. Two new projects viz. AVERT (\$ 41.5 million) and Energy Conservation & Commercialization (\$25 million) have been signed in 1999-2000.

## 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 21<sup>st</sup> January, 1960 was for an amount of Rupees 284.80 million and the same was entirely a Government to Government credit. The amount utilised upto 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)upto the terminal date of contracting (i.e. 31.12.1970 and therefore the balance amount of Rs. 288.38 million was treated as lapsed). Thus, total net 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 Yugoslavia 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-I.

## Chapter 30

### **EUROPEAN COMMUNITY (EC)**

30.1. The EC has been extending economic assistance to India since 1976. The EC assistance to India is entirely in the form of grant and can be used to finance the rupee as well as foreign exchange cost of identified projects. In the area of Development Cooperation, the cumulative total of EC's financial and technical assistance since 1976 is around ECU 1.60 billion.

30.2 Presently, EC assistance is being provided to projects in the sectors of Watershed Management, Irrigation, Forestry, Education and Health. There are two ongoing Central Projects in Education Sector (District Primary Education Project ) and Health Sector(Health and Family Welfare Sector Development Programme) with EC assistance of Euro 150 million and Euro 200 million respectively. In 1999-2000, EC has committed Euro 200 million, approximately Rs 900 crore for a new Sector Development Programme in Education Sector entitled Sarva Siksha Abhiyaan. The Financing Agreement is yet to be signed.

30.3 During the Indo-EC Sub Commission Meeting in Jan 1999, it was agreed that priority should be accorded to sectoral programmes with environment as the new focal area in addition to primary education and health

30.4. The disbursement of EC assistance for ongoing development cooperation projects during 1999-2000 was Euro 63.001 million.

30.5 The details of loans and grants are given in Annexure I and II respectively.

## Chapter 31

### **OPEC FUND**

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

31.2 The details of utilisation of loans and debt servicing payment thereof are given in Annexure I.

## Chapter 32

### **UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

#### **UNDP-Background**

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

#### **Funds Allocation**

32.2 UNDP derives the funds from voluntary contributions from various donor countries. India contributed US \$ 4.5 million per year to UNDP in 1999 & 2000. GOI also pays the local office cost over & above our annual contributions. India is the largest single contributor to UNDP core resources from amongst the developing countries.

#### **UNDP's Approach To Development**

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

## UNDP Assistance to India

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

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

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

### Programme Development for CCF(I)

32.7 The Government of India, in close cooperation with UNDP Country Office, has formulated the CCF(1997-2001). In India, it is felt that there is a strong case for approaching UNDP's SHD mandate through building on past or ongoing programme initiatives especially in the areas of technology management, which has been delivering good results. Interventions should as far as possible, focus on areas where there is a stated demand among end users.

32.8 Since 1994, when Sustainable Human Development was adopted as the main goal of UNDP, a process has been underway to re-orient the Country Programme in accordance with this new mandate and the needs and opportunities in this regard in the country. A series of high-level programmes and policy review meetings during the last two years has prepared the base for more SHD oriented programmes under the Country Programme/Country cooperation Framework (1997-2001). CCF-I focuses on growth with equity with poverty alleviation and human development as central concerns. The CCF-I goals are to be achieved through the following twelve mutually reinforcing programmes in the thematic areas of employment and sustainable development with a focus on technology up-gradation and capacity building as a means to achieving the objectives.

32.9 The twelve programmes are :-

Revised Allocation(1999)

Food & Nutrition Security Programme	US\$ 10.166 million
Primary Education Support Programme	US\$ 8.700 million
Economic Reforms Support Programme	US\$ 1.840 million
Capacity Building Programme	US\$ 9.250 million
Community-Based Pro-poor Initiatives	US\$ 11.107 million
Technology Programme	US\$ 8.700 million
Energy Programme	US\$ 3.200 million
Environment Programme	US\$ 8.004million
Leather Sector Programme	US\$ 9.450 million
Fibres & Handicrafts Sector Programme	US\$ 6.940 million
Village & Small Industries Programme	US\$ 3.376 million

32.10 UNDP Executive Board has approved CCF-I document in its second Regular Session in March 1997. The UNDP Assistance under this document is valid for a period of five years from 1997-2001. The total resources likely to be available under CCF-I (along with the carry over resources of the previous cycle) will be of the order of US\$ 135 million.

32.11 For implementation of the programmes under CCF-I, National Execution guidelines (NEX) were issued on 1<sup>st</sup> July 1998. Majority of the fund flow are to be through Government of India Budget. C&AG Audit is introduced for the first time, therefore no audit para is pending.

32.12 As on 31-3-2000, 93 sub-programmes worth 77.8 million have been signed as per table shown.

Name of the Programme	Revised Allocation (1999)(US \$million)	Number of SPDs Signed	Amount Committed
Technology Management Support D/o S&T	8.73	7	8.8
Janshala Programme Primary Education D/o Education	8.70	6	6.56
Community based pro-poor initiatives M/o Rural Development	11.11	15	9.34
Environment Programme Support M/o Environment & Forest	8.00	19	8.00
Food Security programme Support D/o Agriculture & Co-operation	10.17	5	10.41
Leather – DIPP, M/o Industry	9.45	20	9.45
Rural Energy Programme Support D/o Non conventional Energy Sources	3.20	3	2.81
Fibres & Handicrafts-M/o Textiles	6.94	5	6.80
Small Scale Industries – D/o SST	3.38	2	3.42
Economic Reforms Programme - DEA	1.84	-	1.84
Capacity Building in Public Administration-DOPT	9.25	2	2.16
Stand Alone Projects of Health Programme	4.50	3	4.50
Stand Alone Projects	3.22	5	3.19
<b>Grand Total</b>	<b>88.48</b>	<b>93</b>	<b>77.81</b>

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

1. Since 1949, the United Nations Children's Fund (UNICEF) has supported programmes in India which assist improvement of the status of women and Children. UNICEF's current programme cycle for India covers the years 1985-90 and includes a total of \$ 175 million in general resource assistance and \$ 163 million in special resource assistance. During 1988-89 UNICEF provided assistance totalling approximately \$ 60 million, as compared to approximately \$ 43 million in the previous financial year.
2. The major themes of UNICEF's cooperation with the Government of India are health, education, drinking water and nutrition. The specific projects which receive greatest attention are integrated child development services, immunization, oral rehydration therapy and drinking water.
3. UNICEF assistance is provided both in the form of cash support to project activities and the provision of supplies and equipment. During 1988-89, a total of approximately \$ 19.2 million worth of supplies were procured locally in India of which approximately \$ 3.6 million were for export to other countries.

### **(B) WORLD FOOD PROGRAMME**

1. Cooperation between India and World Food Programme began in 1963, with the signing of the first project agreement. During the last 35 years, WFP has allocated over 1 billion U.S.dollars worth of food aid for 70 development projects (including project expansions) and 14 emergency operations and 2 relief and rehabilitation operations in India.
2. WFP is currently supporting three programmes in India in various states. One programme for "vulnerable women and children" covers the state of Assam, Madhya Pradesh, Kerala, Rajasthan and Uttar Pradesh in the form of support to the Integrated Child Development Services (ICDS) programme of the government. The second programme for "food security and development support to tribal and scheduled caste people" covers the states of Bihar, Gujarat, Madhya Pradesh, Rajasthan and Uttar Pradesh. The third programme for "rural development through irrigation and settlement" covers the states of Karnataka and Rajasthan.
3. WFP have provided assistance of about 27 million US dollars during 1999 While ICDS received 18 million US dollars, Food security and development support to tribal and scheduled caste people have received 8.7 million US dollars respectively.
4. Under the WFP India country programme (1 April 1997 to 31 March 2002), WFP will provide upto 350,000 metric tons and other assistance valued at US dollars 133 million US dollars, resources being available.
5. WFP assistance is aimed at raising the nutrition level, food security and quality of life of the poorest of the poor in rural areas, particularly the nutritionally vulnerable women and children.
6. In a supplementary nutrition project WFP supplies supplementary food to an estimated 2.6 million pre-school children, pregnant women and nursing mothers from low-income families. This is in the form of a micro-nutrient enriched blended food, both imported (corn soya blend) and produced in India ("Indiamix").

7. WFP provides family food rations at subsidised rates to labourers who work on government-run forestry and irrigation projects in the states mentioned above. The funds raised through the subsidised sale of rations are invested in socio-economic infrastructure, income-generating activities and employment-generating schemes designed to benefit the poorest sections of the people in the project areas. More than 160 million rupees were generated in the forestry and irrigation projects in 1999.
8. In a settlement project in Rajasthan, WFP provides free family rations and interest-free loans to previously landless or near landless settlers in the command area of the Indira Gandhi Canal to help them through the initial period of settlement and land preparation.

### **(C) WORLD HEALTH ORGANISATION**

1. WHO has had a significant input in the implementation of the National Health Programme, which strives to sustain the gains achieved in the past for improving the health care delivery system. In line with Declaration on Health Development in the South-East Asia Region, also endorsed by India, efforts are being made to develop national health plans and programmes to improve the health management information system and to integrate the policy guidance laid down in the Declaration into the national health policy and plan.
2. India played host to the Sixteenth Meeting of the Health Ministers of the countries of the WHO South-East Asia Region in September 1998, to achieve common goals for health development in the Region. Steps have been taken to include Women Health and Development (WHD) issues in the national development plans and the national health programme, focusing on advocacy, policy guidance, gender mainstreaming and integration of operational aspects of WHD in relevant programme areas. WHO's catalytic assistance has been utilized in strengthening the State Governments' capabilities in strategic planning, management, human resource development and improving overall health care delivery system to reach all, including the poor and other vulnerable groups.
3. A number of officials from various departments/ministries were trained in different health-related areas through WHO fellowship and study tours both within the Region and in Europe and America. WHO has supported integration of quality assurance activities in the functioning of laboratories by training laboratory personnel.
4. WHO has been promoting the rational use of drugs and has supported the Delhi Government in establishing an Essential Drugs list and to develop a Formulary. Similar activities have now been taken up by other States in India. Given the importance of traditional medicine, including homeopathy, siddha, yoga, unani and ayurveda system in the country, WHO has supported the Department of Indigenous Medicine and Homoeopathy in developing pharmacopea and standardization of drugs. It also plans to support the training of trainers and reorientation of health workers to the new Reproductive and Child Health programme of the Government of India.
5. The concern of the prevailing ill-health among women is being addressed through several programmes such as nutrition, reproductive health, maternal and child health and women health and development, particularly through investment in women's health as advocated by the Declaration for Health Development. In order to make an impact on infant mortality special emphasis is given to Neonatal care.
6. The Government of India is committed in its determination to accelerate the development of health services through its declared health policies and strategies within which the major shift in the emphasis is from curative to preventive and promotive aspects of health delivery services, from urban to rural populations, and from the affluent to the

underprivileged and underserved sections of the society. Inter alia, it also emphasizes a shift towards a more multisectoral approach, seeking to address health concerns within the overall social and economic development, in partnership with or with a greater involvement of private sector.

7. In line with the WHO's priority areas for support, adequate attention is being given to prevention and control as also eradication of specific communicable diseases. Notable among these are the Government's efforts for eradication of guineaworm, eradication of poliomyelitis, elimination of neonatal tetanus and control of measles and elimination of leprosy by the year 2000. An International Certification Team already certified India 'as free from Guineaworm' in year 2000. National capability to manage AIDs and STD Programmes in India has been one of the major outcomes of collaborative programmes. Similarly, the Revised National Tuberculosis Control programme (RNTCP) has been receiving continued support and the implementation of the Directly Observed Treatment, Short Course (DOTS) strategy is being supported for the demonstration areas. The DOTS programme has been expanded to cover 100 Districts at present. Thirty medical consultants have already been assigned to different States and districts to implement RNTCP.

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

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

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

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

12. The national capacity to manage the communicable diseases, particularly HIV/AIDS has considerably increased as a result of continuous technical and financial support provided by WHO. The national disease surveillance system has also received adequate attention. WHO has been assigned the task of preparing a concrete plan for communicable diseases surveillance along with the National Institute of Communicable Disease which would then be submitted to the World Bank for funding.

13. The level of surveillance achieved in polio, given the short time, has been unparalleled even in the Americas at the height of their polio eradication programme. WHO has been instrumental in providing the Ministry of Health and the donor consortium with technical guidance for conducting of National Immunization Days for eradication of polio. The National Polio Surveillance Project, with the help of Synchronized National Immunization Days, has managed to cover the entire targeted population groups with polio immunization, with a view to achieving its eradication as planned. Through the provision

of a large number of fellowships availed of by doctors, nurses and health managers at various levels, the human resources and creative potential have been enhanced. Institutions and laboratories have been strengthened through the provision of essential supplies and equipments. While capacity of selected institutions have significantly enhanced, training of nationals through various workshops and seminars have helped upgrade the skills and medical and para-medical staff.

14. WHO has been able to mobilize considerable resources in support of health development activities in India. The quantum of funds thus generated amounted to US\$ 25.2 million during 1998-1999. Most of these funds were utilized for programmes such as polio eradication, leprosy elimination, control of STD/AIDS and control of tuberculosis. During the year 2000 also, WHO is committed to generate extrabudgetary programmes in India.

15. During the biennium 2000-2001, WHO is expected to provide financial assistance to the tune of US\$ 13 million under the regular budget towards implementation of the WHO/Government of India collaborative programme in different health-related and disease prevention areas.

## Chapter 33

### **THE WORLD BANK (IBRD AND IDA)**

33.1 The International Bank for Reconstruction and Development (IBRD) was established in 1945 and began its programme of economic assistance in June 1946. Its member countries subscribe to its capital and its lending operations are financed primarily from its borrowings in the International capital markets, from retained earnings and the flow of repayments of its loans. IBRD provides loans to member governments at relatively cheaper rates than that available from international capital markets by leveraging its AAA credit rating. India has been major borrower of such intermediated loans from the IBRD. IBRD assistance to India commenced in 1949, and so far 174 development projects have been financed by IBRD in India with a total commitment of US\$ 26.1 billion. The current rate of interest per annum on IBRD loans ranges between 5.11% to 7.18% depending upon the currency mix of loan and year of negotiation.

33.2 The International Development Association was established in 1960, as an affiliate of the World Bank to make concessional long term loans. IDA credits carry no interest charge but a service charge of 0.75% is levied on the disbursed portion of the credit. Commitment charges on un-disbursed balances are fixed every year upto a maximum of 0.5%. The credits to India upto 30<sup>th</sup> June 1987 are re-payable in 50 years inclusive of a grace period of 10 years and those approved from 01 Jul 1987 are re-payable in 35 years inclusive of a grace period of 10 years. 234 development projects have been financed by IDA in India with a total commitment of US\$ 26.93 billion.

33.3. IDA assistance has focused on human development sectors like agriculture, irrigation, urban development, health and family welfare and dairy development. IBRD assistance has been extended to sectors, which are commercial in nature like Railways, Power, Fertilizer and Telecommunication. This categorization is not exhaustive or mutually exclusive. There are 78 IBRD and IDA assisted projects under implementation as on 30-9-2000.

33.4 The total amount of loan/Credit assistance extended by IBRD and IDA upto the end of March, 2000 stood at US\$ 44952.80 million as shown in the table below:

<b>(Net of Cancellation/Deobligation)</b>				(US\$ million)
<b>Sl. No.</b>	<b>Particulars</b>	<b>IBRD</b>	<b>IDA</b>	<b>TOTAL</b>
1.	Upto the end of First Five Year i.e. (31.3.1956)	120.14	-	120.14
2.	During Second Five Year Plan (1.4.1956 to 31.3.1961)	546.97	-	546.97
3.	During Third Five Year Plan (1.4.1961 to 31.3.1966)	273.38	577.65	851.03
4.	Yearly Plan 1.4.1966 to 31.3.1969	25.64	430.73	456.37
5.	During Fourth Five Year Plan (1.4.1969 to 31.3.1974)	197.03	1547.98	1745.01
6.	During Fifth Five Year Plan (1.4.1974 to 31.3.1978)	834.82	2356.80	3191.62
7.	Yearly Plan (1.4.1978 to 31.3.1980)	275.00	2062.14	2337.14
8.	During Sixth Five Year Plan (1.4.1980 to 31.3.1985)	4545.30	5704.81	10250.11
9.	During Seventh Five Year Plan (1.4.1985 to 31.3.1990)	9735.45	599.53	10334.98
10.	Yearly Plan (1.4.90 to 31.3.91)	912.00	950.97	1862.97
11.	Yearly Plan (1.4.91 to 31.3.92)	552.18	534.58	1086.76
12.	Eighth Plan(1.4.92 to31.3.97)	2721.50	4812.20	7533.70
13.	Annual Plan (1.4.97 to 31-3-98)	1165.00	929.00	2094.00
14.	Annual Plan (1.4.98to 31.3-1999)	688.00	854.90	1542.90
15.	Annual Plan (1.4.99 to 31.3.2000)	190.00	809.10	999.10
<b>Total</b>		<b>22782.41</b>	<b>22170.39</b>	<b>44952.80</b>

#### **WORLD BANK AND INDIA DEVELOPMENT FORUM**

33.5 The World Bank also plays a coordinating role in relation to external assistance to India, through the India Development Forum formerly known as Aid India Consortium which meets annually to discuss and determine aid commitments by the multilateral development funding agencies and bilateral donors.

33.6 Details of loans/ credits grants extended upto 31<sup>st</sup> March 2000, by IBRD and IDA, utilisation and debt servicing payments are given in Annexure I and III.

### Chapter 34

#### **IFAD**

34.1 The International Fund for Agricultural Development(IFAD) was set up in 1977 on the recommendation of the World Food Conference, which supported the setting up of an institution to finance agricultural development projects primarily for the expansion of food production in developing countries. The recommendation was endorsed by the United Nations General Assembly and the fund has been set up as the 13<sup>th</sup> Specialised Agency of the United Nations. IFAD present membership is 145 countries, classified in three categories-OECD group (Category I) OPEC Group (Category II), and Non-Oil developing countries (Category III).

34.2 Upto 31-3-2000, the International Fund for Agricultural Development (IFAD) has extended to India, Loans for total value of US\$ 345.26 million. The projects by IFAD are :-

S.No	Project Name	Amt (in US\$ million)
1.	Bhima Command Area Development Project	50.00
2.	Rajasthan Command Area Development Project	55.00
3.	Sunderban Development Project	17.50
4.	M.P Medium Irrigation Prproject	25.01
5.	II U.P Public Tubewells Project	35.30
6.	Orissa Tribal Development Project	12.20
7.	Tamil Nadu Women's Development Project	17.00
8.	A.P Tribal Development Project	20.00
9.	A.P Participatory Tribal Development Project	26.71
10.	Maharashtra Rural Credit Project	29.44
11.	Mewat Area Development Project	15.00
12.	Rural Women's Development & Empowerment Project	19.20
13.	North Eastern Region Community Resources Management Project	22.90
	<b>Total</b>	<b>345.26</b>

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

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

## Chapter 35

### TRUST FUND

35.1 The Trust Fund which is administered by the International Monetary Fund, Washington had extended to India a loan in US\$ equivalent to SDR 529.009 million (Rs. 537.51 crores) to provide balance of payment assistance. The loan is repayable in ten equal semiannual installments beginning not later than the end of the first six months of the sixth year and the loan is to be repaid in full at the end of the tenth year after the date of disbursement.

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

## Chapter 36

### INTERNATIONAL SUGAR ORGANISATION

36.1 Under Article 53 of the International Sugar Agreement 1977 which came into force with effect from 1<sup>st</sup> January, 1976 for a period of five years and was ratified by India which makes India entitled to interest free loans at the rates prescribed from time to time by the International Sugar Organisation on special stocks of sugar held in conformity with its minimum obligation under Article 46 of the Agreement. Loans are to be made on quarterly basis by the said organisation and are used for the exclusive

purpose of helping to defray the cost of holding the stocks. Out of total quantity of 2.5million MTRV to be held as special stocks under Article 46 of the Agreement, India has been given a quota of 1,25,357 metric tonnes Raw Value for accumulation. India created special stocks of 50,240 MTRV with effect from 1.1.1982 and subsequently increased it to the level of 1.25 lakhs MTRV upto 30.6.83. These special stocks are however subject to physical verification by Inspectors appointed by the said Organisation. First verification was conducted in September-November, 1982 to the satisfaction of I.S.O. India is to receive interest free loans in US\$ at the present ratio of 7 cents per Pound. Subject to the provision of Article 54 para 3 of the Agreement, these loans will be repaid in accordance with Article 53 para 3 of the Agreement unless earlier payment is required, pursuant to Article 53-2-3 of the Economic Rules. Repayment shall be made by crediting the amount due in US\$ to an Account designated by the Fund Manager of Stock Financing Fund.

36.2 During the years 1982-83, 1983-84 and 1984-85, India received a total assistance amounting to US\$ 1.25 million, 1.70 million and 0.97 million respectively.

36.3 The particulars of loan are indicated in Annexure I.

## Chapter 37

### **ASIAN DEVELOPMENT BANK (ADB)**

37.1 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.

37.2 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 1999 Asian Development Bank have approved 50 loans(for public sector projects) amounting to \$7830 million of which 23 loans were closed and 27 loans are ongoing. The 27 ongoing loans have a net loan amount of \$3876 million. The lending for India as on 31<sup>st</sup> December, 1999 was provided from the Bank's Ordinary Capital Resources. for (i) Transport & Communications Sector (ii) Energy Sector (iii) Financial Sector (iv) Multi-sector (v) Industry and non fuel minerals and (vi) social infrastructure

#### ***Technical Assistance***

37.3 The Asian Development Bank also provides technical assistance in the form of grants or loans or a combination of both, by making available the services of consultants or experts to facilitate the transfer of resources and technology to the developing member countries. ADB has approved a Technical Assistance of US\$ 56.82 million to India as on 31.12.1999

#### **Effect of Sanctions:**

37.4 Consequent on the Pokhran explosion of May ,1998, approvals for new loans by ADB were restricted to the basic human needs projects because of the policy of sanctions imposed by some of the developed member countries of the Bank. As a result of this, three loans of US \$ 625 million (UEIF-200 million, Karnataka Coastal – 175 million and MP Public Resource Management Program Loan – 250 million) were approved by the Bank

during 1999. However disbursements against ongoing loans were not affected by these developments.

37.4 The details of loans and debt servicing payment thereof are given in Annexure I and III.

## Chapter 38

### **FORD FOUNDATION AND ROCKFELLER FOUNDATION**

#### **FORD FOUNDATION**

38.1 The Ford Foundation has been operating in India since 1951. The Foundation assistance has mainly been in the form of institutional grants in certain priority sectors. The total institutional assistance received from the Ford Foundation since its inception upto 1982-83 was US\$ 142.89 million. Again in the year 1998-99, Ford Foundation had given a grant of US \$ 0.073 million as support for participation in International Film Festival and related seminars.

#### **ROCKFELLER FOUNDATION**

38.2 The Rockefeller Foundation activities in India have been terminated by the Government of India with effect from the end of March, 1976. The total amount of grants made available by the Foundation upto March 31,1976 in various fields such as medicine, natural sciences, agriculture, humanities and social science was US\$ 21.49 Million.