

EXTERNAL ASSISTANCE

This Annexure gives in brief, the nature and magnitude of assistance in the form of loans, grants and commodities received from friendly foreign countries and International Organisations. The estimates of receipts of external assistance and of repayments of principal and interest payments during the years 2001-2002 and 2002-2003 are summarised in the following table:—

	<i>(In crores of Rupees)</i>		
	B.E. 2001-2002	R.E. 2001-2002	B.E. 2002-2003
A. Loans*	11463.10	11297.50	11333.82
B. Cash Grants	656.76	790.93	824.36
C. Commodity Grant Assistance	41.06	35.07	34.73
(i) Food	...	...	...
(ii) Others	41.06	35.07	34.73
D. Total(A+B+C)	12160.92	12123.50	12192.91
E. Repayments:			
(i) Loans	9598.25	9243.36	10563.46
(ii) Trust Fund	...	...	...
(iii) Special Credit	...	...	...
F. Total	9598.25	9243.36	10563.46
G. External Assistance (Net of Repayments)	2562.67	2880.14	1629.45
H. Interest Payments			
(i) Loans	4458.34	4317.15	4319.79
(ii) Trust Fund Borrowings	...	...	...
(iii) Special Credit	...	...	...
I. Total	4458.34	4317.15	4319.79
J. External Assistance			
(Net of Repayments and Interest Payments)	-1895.67	-1437.01	-2690.34
* Includes receipts under Revolving Fund	699.75	100.00	150.00

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

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

I. AUSTRALIAN DEVELOPMENT ASSISTANCE TO INDIA

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

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

<i>(In Aus \$ million)</i>	
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
1999-2000	18.7
2000-2001	19.3
2001-2002	19.2

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

Sl.No.	Name of the Project	Amount in Aus \$ Million
1.	Railway Technology Project	5.455
2.	Primary Education Enhancement Project through UNICEF	10.400
3.	Directorate General of Mines Safety	2.600
4.	Bangalore Water Supply & Environmental Sanitation Master Plan Project	7.524
5.	Indo Australian Training and Capacity Building Project	15.000

II. BELGIUM

Belgium has been providing assistance since 1962-63. However, over the years the quantum of assistance has declined considerably.

2. The 20th state- to-state credit agreement with Belgian Government was signed on 30.3.1993 for BFr. 250 million.

III. CANADA

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

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

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

The important ongoing projects assisted by CIDA are:-

Tree Growers Cooperative Project, India Canada Environment Facility Project, Capacity Development of Revenue Administration Project, Energy Infrastructure Services Project, Institute Industry Linkage Project and Environment Institutional Strengthening Project. These projects involve technical assistance and funds are not routed through the budget.

At present, only a small amount of aid is routed through budget.

IV. DENMARK

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

2. India has been receiving Danish aid since 1963. Up to 31.3.2001, a total of DKK 5273.14 million has been committed by Denmark which includes loans and grants.

3. During the year 2001-02 (from 1.4.2001 to 31.12.2001) no new agreement has been signed with the Govt. of Denmark. However, a new agreement, namely, MP Women in Agriculture (MAPWA), Phase II is currently under consideration with fresh commitment of DKK 17.49 million (Rs.8.74 crore). The Agreement is expected to be signed during this Financial Year.

4. Against an estimated receipt budget of Rs.22.25 Crore for the year 2001-02, a total of Rs.25.96 Crore has been received in Government of India account up to November 2001 from the Govt. of Denmark by way of disbursement out of the committed aid.

V. FEDERAL REPUBLIC OF GERMANY

Germany is one of the largest donors to India. Germany provides financial assistance as well as technical assistance to India. Germany has committed an amount of DM 628.8 million (DM 81.4 million as grant, DM 130 million as soft loan and DM 417.4 million as commercial loan) as financial assistance and DM 35.5 million (grant) as technical assistance by way of new commitments and by reprogramming earlier commitments during the year 2001.

2. The agreements for DM 369 million were signed during December 2000 to December 2001, which included DM 35.1 million as grant, DM 200.7 as soft loan and DM 133.2 million as commercial loan.

3. The total disbursement during 2001-02 (till November, 2001) is DM 192.106 million (excluding TC). The disbursement includes disintermediated projects.

VI. FRANCE

Government of France started extending economic assistance to India in 1968. French assistance is tied to imports of French goods and services. Grant assistance has been restricted to a few low value technical cooperation projects. French assistance is mainly in the form of mixed credit with soft treasury loan and export credit at OECD consensus rates of interest. French assistance in the form of mixed credits has been utilised for various sectors like Power, Coal, Railways, Petroleum and Natural Gas, Mining, Agriculture, Health, Water Supply etc.

2. The total French assistance committed from April 1968 to March 2001 amounted to FF 15443.86 million.

3. During the current year 2001-02, two Indo-French protocols have been signed on 4.12.2001 for a total amount of Euro 9.65 million.

4. As regards disbursement during 2000-2001, an amount of FF 103.744 million (Rs.64.985 crore) was utilised. In the current financial year (i.e. in 2001-02), an amount of FF 29.127 million (Rs.18.387 crore) has been disbursed upto November, 2001.

VII. ITALY

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

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

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

of basic child and maternal health care in rural areas, abolition of child labour through educational and training programmes and establishing regional centres for the disabled. In December, 1999 Italian Embassy informed that Italian Ministry of Foreign Affairs had allocated a grant of 20 billion Lira equivalent to US\$ 10.5 million as contribution for the implementation of a poverty alleviation project.

VIII. JAPAN

Japan is India's largest bilateral Aid Donor. For the ongoing projects the expected disbursement during 2002-2003 would be as under:

JBIC (erstwhile OECF)	Central Sector Rs. 2165.19 Crore
	State Sector Rs.2393.95 Crore
Grants-in-aid	Rs. 35 Crore

2. Japan also gives grant-in-aid of about Rs.3-4 billion normally on an annual basis. Individual imports are taking place under Japanese Debt Relief Grant Assistance. The details of such ongoing imports are as under:

Organisation	(Rs. Crore) Amount
EPTRI	2.48
NEEPCO	0.40
Regional Cancer Institute, Thiruvananthapuram	5.00
Indraprastha College, Delhi	2.00
Government of Maharastra for Karneer Taluka	2.10
Already disbursed upto 31.10.2001	22.94
Total	34.92

IX. KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

The Kuwait Fund for Arab Economic Development has been extending economic assistance to India since 1976. So far, the Fund has extended eight credits for an aggregate value of KD 92.300 million. The total utilisation of credits upto 31st March, 2000 is KD 82.353 million. These loans are for the following projects:

	(KD million)
(a) Kalinadi Hydro-Electric project Stage-I	15.000
(b) Kopili Hydro-Electric project	9.400
(c) Anpara Thermal Power Project Stage-I	16.000
(d) Anpara Thermal Power Project (Coal Transportation) Stage-II	9.000
(e) Thal Fertilizer Project	14.300
(f) South Bassein Project	14.600
(g) Kalinadi Hydro Electric Project Stage-II	7.000
(h) Kerala Fisheries Development Project for Prawn Culture	7.000
Total	92.300

2. So far credits at (a), (c), (d) and (e) have been fully utilised. The Kopili Hydro Electric Project had drawn loan to the extent of KD 8.938 million and for South Bassein Project to the extent of KD 11.615 million and the loan accounts had since been closed. Loan account for the Kerala Fisheries Development Project for Prawn culture has been shortclosed in 1998. The utilisation of credit under this project is for KD 0.538 million only. At present there is no project under implementation with Kuwait Fund Assistance.

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

X. NETHERLANDS

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

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

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

4. The disbursement during 2000-01 was NLG 40.221 million (equivalent of Rs.75.44 Crore approximately). The Netherlands Government had discontinued extension of macro-economic support post-1996. However, during December, 2001, Netherlands Government has disbursed an amount of NLG 70 million (approx. Rs.140 Crore) as a grant to remit a part of the installments of principal

and interest due in the year 2001. During 2001-02 (April-November) the disbursement has been NLG 68.120 million (equivalent to Rs.126.40 Crore).

5. Netherlands Government has provided NLG 94.426 million (equivalent Rs.173.69 Crore) for Reconstruction and Repair Programme of Primary Schools in earthquake-affected districts of Gujarat. Netherlands Govt. has also offered to provide grant assistance in the range of Rs.120 to Rs.150 Crore for the Earthquake reconstruction programme in Gujarat for "in-village water supply works".

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

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

XI. NORWAY

The Norwegian Development Assistance Program began in 1952. The assistance extended by Norway is through the Norwegian Agency for Development Cooperation and is received as grant which is available for implementing projects as well as technical assistance.

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

3. **Strategy of Development Cooperation :** Though the Norwegian aid portfolio for India has been small, the assistance provided by Norway has been very useful in implementing some important projects in the core social sectors like, education, child & women development, environment etc. Projects like, Women Development Program, Orissa Environment Program, Indo-Norwegian Environment Program. The Indo-Norwegian Institutional Cooperation Program has been very successful in supporting collaborative research projects by the various institutions of the two countries.

There has been a broad consensus between the two Governments that, given the small size of Indo-Norwegian development portfolio, it may not be worthwhile to focus on specific subjects or areas. Focus would be on the areas of institutional cooperation which has been very useful in capacity building and creation of community assets through mutual cooperation and exchange of technical knowledge.

4. **Disbursement of Norwegian Assistance :** No amount was pledged by Norway at the India Development Forum (IDF) meeting since 1996. As against a target of Rs.4.50 crore, the disbursement of Norwegian assistance through Government of India budget during 2000-2001 was of the order of Rs.5.32 crore and Rs.3.26 crore has been disbursed upto 31.12.01 of the current year.

XII. ABU DHABI FUND FOR ARAB ECONOMIC DEVELOPMENT

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

XIII. OPEC FUND FOR INTERNATIONAL DEVELOPMENT

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

2. The OPEC Fund has so far extended fourteen loans for a total sum of US \$ 218.800 million. The total utilisation of credits upto 31st March, 2001 is US \$ 197.997 million. These loans are for the following projects:

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

3. The credits at Sl.Nos.(1) to (5), (7) and (9) have been fully utilised. In respect of project at Sl. No. (6) Ramagundam Thermal Power Project Stage-II and Sl. No. (8) Rehabilitation of Fertilizer Project loans to the extent of US\$ 29.067 million and US \$ 5.351 million,

respectively were utilised. The loan accounts of the projects have been closed. Projects from Sl. No. (10) to (13) have been completed and their loan accounts are yet to be closed. The Project at Sl. No. (14) is still under implementation.

4. Credits at Sl. Nos. (2) to (6) carry no interest but only a service charge of 0.75 per cent per annum and are repayable over a period of 20 years including an initial grace period of 5 years. The credit at Sl.No. (7) for the Railway Modernisation Project is repayable in 14 years including a grace period of 4 years with interest rate of 3% and service charge of 1%. The credits at Sl.No. (8) to (11) & (14) are for 17 years including a grace period of 5 years with interest at the rate of 2% and service charge at 1% per annum. The credits at Sl. Nos. 12 & 13 are for 17 years including a grace period of 5 years with interest at the rate of 2.25% and service charge of 1%.

XIV. SAUDI FUND FOR DEVELOPMENT

Saudi Fund for Development, an autonomous legal entity, was set up with the objective of providing loans for developmental projects in developing countries and has so far extended four credits for a total value of S.Riyals 769.200 million. The total utilisation of credits up to 31st March, 2001 is SR 630.915 million. These loans are for the following projects:

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

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

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

XV. SWEDISH ASSISTANCE

India has been a recipient of Swedish Assistance since 1964 although Sweden joined the Aid India Consortium as a full member only in 1969. The terms of Swedish assistance have become progressively softer over the years. After 1976, Swedish assistance is in the form of a 100% grant and is mainly focussed on the social sector and the energy sector. In addition to grant assistance, Swedish Government, has extended soft loans for large power sector projects. Despite the cut in the Swedish Aid Budget, India remained the largest recipient of Swedish assistance till 1997.

2. Future Strategy for Indo-Swedish development cooperation

The broad priority areas of Swedish assistance are-

- Poverty oriented projects and programmes in the primary education and health sectors;
- Environment, including natural resources management and the modern/industrial/urban sector;
- Energy saving and other areas of importance to more efficient use of energy resources;
- Activities aimed at encouraging sharing of experiences and expertise between India and Sweden.

3. **Future Strategy of Development Cooperation:** SIDA has informed that the Swedish Government has decided to draw up a new guidelines for Sweden's Development Cooperation with India. A total assistance of SEK 75-100 million per year is envisaged. A new strategy would be finalised during 2002 and will come into effect from January 2003.

4. **Disbursement of Swedish Assistance :** At present most of the ongoing projects assisted by SIDA involve technical assistance for which funds are disbursed directly by the donor to the consultant etc. There has been no disbursement through the Union budget during 2000-01 and in the current financial year.

XVI. SWITZERLAND

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

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

XVII. UNITED KINGDOM

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

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

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

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

4. During 2001-2002 Grant agreement worth Pounds 209.432 million were signed upto January, 2002 for the following projects:—

(i)	Rehabilitation of cyclone/damaged LIP's in Orissa	GBP 5.350 million
(ii)	Governance Reform Programme in AP	GBP 5.872 million
(iii)	Orissa District Primary Education Programme	GBP 41.210 million
(iv)	Calcutta Environmental Improvement Project Grant 2001	GBP 28.300 million
(v)	Polio Eradication Programme Grant 2002	GBP 98.000 million
(vi)	Orissa Post Cyclone reconstruction of Primary School Project	GBP 30.700 million

XVIII. UNITED STATES OF AMERICA

The United States of America have been extending economic assistance to India since 1951. The assistance provided by the US through USAID is in the form of grant. The total assistance extended by the United States of America upto 31st March 2001 amounted to US \$ 11215.212 million.

2. The total assistance referred to above includes US AID's development assistance of US \$ 15.861 million authorised for US fiscal year 2001 which ended on 30th September, 2001 and covers the following 5 (five) Amendatory agreements, namely:

Sl. No.	Name of the Project	Grant Amount (US \$ million)	Date of Amendatory Agreement
1.	AVERT	0.767	28-8-2001
2.	FIRE	3.811	24-9-2001
3.	FIRE	4.983	24-9-2001
4.	GEEP	3.800	26-9-2001
5.	ECO	2.500	10-8-2001
Total		15.861	

Under PL 480 Title II program, commodity assistance of US \$ 79 million (approximate) (including freight) has been disbursed by USAID during US FY 2001(October 2000-September 2001).

XIX. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

The IBRD raises most of its money from bonds and other debt securities issued in the World financial markets, based on the guarantee of share capital subscriptions from its members. Other sources of Bank funds are shareholder's capital and retained earnings. IBRD loans, though non-concessional, are available at relatively favourable terms than commercial sources. The repayment period for IBRD loans is, at present, 20 years, inclusive of grace period of 5 year. The current rate of interest for new projects is 2.40% on Variable Single Currency Loans. The commitment fee on undisbursed balance is at present 0.75%. Unconditional commitment fee waiver of 0.50% is available to all borrowers on a yearly basis. An Up Front Fee of 1% of loan amount is also payable. Presently, interest waiver of 0.25% is offered to borrowers paying on a timely basis.

2. The cumulative lending by IBRD by way of loans upto 31.6.2001 is US\$ 28,797 million. The commitments were against projects in various sectors like Highways, Economic Restructuring, Power, Agriculture, Transport, Urban Development, Irrigation, Water Supply, Railways, etc.

3. During the year 2001 (upto 31st December, 2001) agreements for the following projects were signed with a loan amount of US \$ 1654 million**

Sl. No.	Name of the Project	Amount of Assistance (US \$ million)	Date of Signing
1.	Grand Trunk Road Improvement Project	589	27.07.2001
2.	Karnataka Economic Restructuring Program Project	75	26.07.2001
3.	Karnataka State Highways Improvement Project	360	26.07.2001
4.	Powergrid Systems Development Project-2	450	30.06.2001
5.	Rajasthan Power Sector Restructuring Project	180	27.2.2001
Total		1654	

** In addition to the above, project agreement for Gujarat Earthquake Reconstruction Project Phase I for US\$ 400 million (IDA: US\$ 303 million and IBRD: US\$ 97 million) was signed on 30.3.2001 and the funds were diverted from the ongoing projects.

XX. INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

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

2. IDA commitments which are known as "Credits", presently have a 10-year grace period and are to be repaid over 35 years. The credits to India approved upto 30.6.1987 are repayable in 50 years, inclusive of a grace period of 10 years and those approved from 1.7.1987 are repayable in 35 years inclusive of a grace period of 10 years. IDA credits carry no interest charge but a service charge of 0.75% is levied on the disbursed portion of the credit. Commitment charges on undisbursed balances are fixed every year upto a minimum of 0.50%. However, commitment charges are being waived fully since 1989-90.

3. IDA assistance to India began in June 1961 and has been an important component of external assistance programme. Upto 30.6.2001, IDA's cumulative lending to India is US\$ 27.548 billion for projects in various sectors such as Education, Health, Nutrition, Water Supply & Sanitation, Poverty Alleviation, Agriculture, Energy, Technical Education, Watershed Development, Forestry, Environment, etc.

4. During the year 2001 (upto December 31, 2001) agreements were signed with a credit amount of US \$ 431 million. In addition, agreement for Gujarat Earthquake Reconstruction Project Phase I for US\$ 400 million (IDA: US\$ 303 million and IBRD: US\$ 97 million) was signed on 30.3.2001 and the funds were diverted from the ongoing projects.

XXI. ASIAN DEVELOPMENT BANK (ADB)

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

2. Ever since its inception in 1966, India had voluntarily refrained from borrowing from the ADB. However, it was considered desirable to diversify the sources from which we receive external assistance, and India started borrowing from ADB in 1986. The total value of loans upto 31.12.2001 approved by ADB for public sector loans amounted to US \$ 10.54 billion. The sectors for which loans have been extended by ADB are mainly Power, Petroleum, Ports, Railways, Roads, Telecommunications, Social (Urban Development). During the year 2001, loans for US \$ 1500 million have been approved by ADB for the following projects:

I. Gujarat Earthquake Rehabilitation and Reconstruction Project	US\$ 500 million
II. Madhya Pradesh Power Sector Development Program (Project Loan)	US\$ 200 million
III. Madhya Pradesh Power Sector Development Program (Program Loan)	US\$ 150 million
IV. Western Transport Corridor Project	US\$ 240 million
V. West Bengal Corridor Development Project	US\$ 210 million
VI. Private Sector Infrastructure Facility at National and State Level (PSIF-II)-IDBI	US\$ 100 million
VII. Private Sector Infrastructure Facility at National and State Level (PSIF-II)-IL&FS	US\$ 100 million

XXII. RUSSIAN FEDERATION

No fresh developmental agreement has been signed between Government of Russian Federation and Government of India during the current year. However, the utilisation of the assistance for Kudankulam Nuclear Power Project during 2001-02 and 2002-03 is expected to be Rs.64.35 crore and Rs.187.30 crore respectively.

XXIII. EUROPEAN COMMUNITY (EC)

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

2. EC assistance is being provided for ongoing projects in the sectors of Watershed Management, Irrigation, Forestry, Education and Health. There has been a shift of focus from project assistance to sectoral funding. There are two ongoing sector development programmes, one in Education Sector (District Primary Education Programme) with a total contribution of Euro 150 million (Rs.675 crore) and the other one is in Health Sector with a total contribution of Euro 200 million (approximately Rs.900 crore). EC has provided an amount of Euro 40 million (approx. 180 crore) for the redevelopment of earthquake affected health infrastructure services in Gujarat.

3. EC has, through an Agreement signed on 22.10.2001, committed Euro 200 million, approximately, Rs.900 crore, for a new Sector Development Programme in Education Sector entitled Sarva Shiksha Abhiyaan.

4. During the Indo-EC Sub-Commission meeting held in Brussels on 17.11.2000, it was agreed that priority would be accorded to Primary Education, Basic health and Environment sectors.

5. The disbursement of EC assistance for ongoing development cooperation projects during 2001-02 (upto 20-11-2001) is Euro 39.911 million (Rs.165.565 crore approximately).

XXIV. UNITED NATIONS FUND FOR POPULATION ACTIVITIES (UNFPA)

Commodity/Cash grant assistance of the value of Rs.17.85 crore is expected to be received during the year 2001-2002. Similar assistance to the tune of Rs.0.10 crore is also expected during the year 2002-2003.

XXV. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

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

2. During the year 2001-2002 cash grant assistance to the extent of Rs.70.92 crore is expected to be received. Similar assistance of the value of Rs.64.12 crore is expected to be received during 2002-2003.

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

Cash grant assistance is received for training of I.C.D.S. functionaries, training of doctors and non-formal education for women and girls. The total quantum of cash assistance during 2001-2002 is expected to be around Rs.1.55 crore.

XXVII. WORLD HEALTH ORGANISATION (WHO)

Commodity assistance to the extent of Rs.15.80 crore is anticipated to be received during the year 2001-2002. Rs.15.80 crore is expected during 2002-2003.

Statement 1
External Loans

(In crores of Rupees)

Name of the Country/ Institutions	Receipts			Repayments		
	Budget Estimates 2001-2002	Revised Estimates 2001-2002	Budget Estimates 2002-2003	Budget Estimates 2001-2002	Revised Estimates 2001-2002	Budget Estimates 2002-2003
Multilateral						
I.B.R.D.	2699.00	2702.85	2369.26	2938.00	2696.74	2956.83
I.D.A.	4933.90	5175.72	4525.95	2025.23	2023.54	2218.99
I.F.A.D.	63.58	120.21	69.02	27.30	27.27	28.32
A.D.B.	752.90	655.28	1626.88	630.23	582.93	717.10
E.E.C.(SAC)	...	...	...	4.84	4.97	5.19
O.P.E.C.	17.52	41.11	9.58	26.49	22.10	19.61
Total (Multilateral)	8466.90	8695.17	8600.69	5652.09	5357.55	5946.04
Bilateral						
Australia	...	...	...	7.66	7.66	7.90
Austria	...	...	...	9.37	10.36	10.57
Belgium	...	...	...	20.88	22.86	22.05
Canada	...	...	...	60.67	59.91	61.10
Czech & Slovakia	...	...	...	4.28	4.28	4.36
Denmark	...	...	...	25.21	26.47	27.96
Germany	40.90	41.06	173.60	475.12	497.50	493.82
France	36.71	26.37	13.65	198.46	235.89	733.18
Italy	...	...	...	84.85	86.41	87.36
Japan	2900.00	2460.55	2339.00	1726.70	1612.47	1800.64
Kuwait Fund	...	...	...	55.29	55.44	48.79
Netherlands	...	...	...	184.75	194.68	201.45
Saudi Fund	10.00	10.00	19.58	7.23	7.16	7.47
Sweden	...	...	...	156.08	162.58	173.18
Switzerland	...	...	...	18.90	20.14	16.76
Spain	...	...	...	18.96	19.02	19.55
U.S.A.	...	...	...	649.26	651.63	659.76
Russian Federation	8.59	64.35	187.30	242.49	211.35	241.52
Total (Bilateral)	2996.20	2602.33	2733.13	3946.16	3885.81	4617.42
Grand Total	11463.10	11297.50	11333.82	9598.25	9243.36	10563.46

Statement 2**Grants and Commodity Assistance from Friendly Foreign Countries and International Bodies***(In crores of Rupees)*

Name of the Country/ Institution	Budget Estimates 2001-2002	Revised Estimates 2001-2002	Budget Estimates 2002-2003
Multilateral			
I.F.A.D.	...	7.60	39.02
IDF Grants	10.00	2.74	...
Swiss Grant (IDA)	...	1.70	...
IBRD Japanese Grant (WB)	2.15	1.65	...
IDA US Dollars	...	11.86	...
Bilateral			
Canada	6.00	...	...
Denmark	37.18	53.02	61.33
France	1.33	1.02	0.55
Germany	114.51	115.42	216.43
Japan	40.15	34.92	35.01
Netherlands	75.88	144.72	103.37
Norway	9.00	13.85	9.02
Switzerland	...	2.64	...
U.K.	151.78	98.23	50.72
U.S.A.	90.14	64.72	10.26
E.E.C.	124.99	165.56	253.36
International bodies:			
UNFPA	0.30	17.85	0.10
UNDP	17.62	70.92	64.12
UNICEF	1.05	1.55	...
W.H.O.	15.70	15.80	15.80
UNESCO	0.04	...	...
Ford Foundation	...	0.23	...
GRAND TOTAL	697.82	826.00	859.09