

## 5. EXTERNAL ASSISTANCE

This Annexure gives in brief the nature of External Assistance being received from Multilateral and Bilateral Sources. The estimates of receipts of external assistance and repayment of Principal and payment of interest during the years 2018-2019 and 2019-2020 are summarised in the following table:-

	(In ₹ crores)			
	Actuals 2017-2018	B.E. 2018-2019	R.E. 2018-2019	B.E. 2019-2020
1. Loans	48516.74	40882.39	40209.00	44673.00
2. Less-External loans for State Projects	13900.73	14016.00	13762.12	12262.05
A. Net External Loans (1-2)	34616.01	26866.39	26446.88	32410.95
B. Cash Grants	1436.56	1387.00	969.00	650.00
C. Commodity Grant Assistance	2145.64	1280.00	301.00	356.00
<b>D. Total(A+B+C)</b>	<b>38198.21</b>	<b>29533.39</b>	<b>27716.88</b>	<b>33416.95</b>
E. Repayment of loans	26685.27	29455.00	31340.00	35363.00
<b>F. External Assistance (Net of Repayments) (D-E)</b>	<b>11512.94</b>	<b>78.39</b>	<b>-3623.12</b>	<b>-1946.05</b>
G. Interest Payment on loans	5950.76	6188.00	7870.00	9765.00
<b>H. External Assistance (Net of Repayments &amp; Interest Payments) (F-G)</b>	<b>5562.18</b>	<b>-6109.61</b>	<b>-11493.12</b>	<b>-11711.05</b>

A brief write-up on the Assistance being extended by different countries and organizations is given below:

### (A) MULTILATERAL SOURCES

#### 1. WORLD BANK GROUP

The World Bank is one of the UN's specialised agencies. India has been accessing funds from the World Bank mainly through IBRD and IDA for various development projects.

##### (a) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

India is receiving assistance from International Bank for Reconstruction and Development (IBRD) since 1949. IBRD loans, though non-concessional, offer relatively favourable terms to commercial sources. IBRD Sovereign loans are primarily utilised for infrastructure projects and poverty alleviation, rural development and human resource development, etc. IBRD aims to reduce poverty by promoting sustainable development, through loans, guarantees and non lending services.

Some of the major on-going projects through IBRD assistance are NH Interconnectivity Improvement project, Water Sector Improvement Project, Swachh Bharat Mission Support Operation, Second Karnataka State Highway improvement project, Eastern Dedicated Freight Corridor-I project, etc. IBRD also provides sovereign guaranteed loans mainly to Power Sector CPSUs and PSBs.

##### (b) INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional arm of the World Bank and plays a key role in supporting the Bank's poverty reduction mission. IDA extends soft loans to its member countries. IDA funds are used largely in social sector projects that contribute to the achievement of Sustainable Millennium Development Goals. Some of the India's flagship development programs like PMGSY Rural Roads Projects, National Rural Livelihood Projects, Second Technical/Engineering Education Quality Improvement Projects, Secondary Education project and National AIDS Control Support projects are being financed by IDA credits.

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

ADB is a major regional financial institution established in 1966 and India is a founding member of ADB. It was decided to commence borrowing from ADB in 1986 to broad base our resources.

ADB'S operations now extend beyond the power, transport and urban sectors into financial institution sustainable livelihoods, skill development, and integrated water resources management, Agri-business Infrastructure Development Investment and Tourism. Some of the major on-going projects through ADB Assistance on Government account are MP District Connectivity Sector Project, Rural Connectivity Investment Program Project-3, South Asian Sub Regional Economic Corporations Road connectivity Investment Programme.

ADB also provides sovereign guaranteed loans mainly to Power Sector CPSUs and Financial Institutions.

## **3. EUROPEAN INVESTMENT BANK (EIB)**

EIB was established in 1958 under the Treaty of Rome to provide financing for capital investment. Lucknow Metro Rail is assisted by EIB.

## **4. NEW DEVELOPMENT BANK (NDB)**

NDB has been established by BRICS (Brazil, Russia, India, China and South Africa) countries in Shanghai, China. At present, three projects are on going with assistance provided by NDB.

## **5. ASIA INFRASTRUCTURE INVESTMENT BANK (AIIB)**

AIIB is multilateral bank, extending loans primarily in energy, transportation and telecommunications, rural infrastructure and agriculture development. At present, three projects are under execution with assistance provided by AIIB.

## **6. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)**

IFAD was set up in 1977 as the 13th specialised agency of the United Nations. IFAD has assisted in 32 Government projects in the Agriculture, Rural Development, Tribal Development, Women's Empowerment, Natural Resources' Management and Rural Finance Sector.

At present, total 18 projects assisted by IFAD are under implementation. Some of the major on-going projects are integrated Livelihood Support Project and Jharkhand Tribal Improvement and Livelihood Project.

## **7. GLOBAL FUND ORGANIZATION**

The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) is an international financing organization that aims to attract and disburse additional resources to prevent and treat HIV and AIDS, Tuberculosis and Malaria. The organization began operations in January, 2002. GFATM assisted programmes in India are implemented by Ministry of Health and Family Welfare. There are three on-going projects presently executed with the assistance of Global Fund Viz. Global Fund Assisted HIV Aid control Project 'Increasing Access and promoting comprehensive Care', 'Support and Treatment', 'Intensified Malaria Control Project-3' and 'Tuberculosis'.

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

The overall mission of the UNDP is to provide assistance to programme countries through capacity development in Sustainable Human Development (SHD) in the form of grant. The current Country Programme 2013-17 would concentrate on democratic governance, poverty reduction, HIV, energy & environment, sustainable development and gender equality. The Country Programme is focused on economically backward States.

## **(B) BILATERAL SOURCES**

### **1. JAPAN**

Japan has been extending official development assistance (ODA) to India since 1958. Japanese ODA in the form of loans, Grant Aid and Technical Assistance to India is received through Japan International Cooperation Agency (JICA). Japan is the largest bilateral donor to India. JICA projects are spread across sectors like Transport, Power, Irrigation, environment & investment promotion.

Some of the major on-going projects through JICA assistance are Delhi Mass Rapid Transport System Project, Dedicated Freight Corridor project, Kolkata East-West Metro project, Chennai Metro Project, Bengaluru Water Supply & Sewerage project, Bengaluru Metro Rail project, Ahmedabad Metro project, TN Transmission System Improvement Projects.

## **2. GERMANY**

The Federal Republic of Germany is providing financial and technical assistance to India since 1958. Financial Programmes assisted by Germany are implemented through KfW, the German Government's Development Bank and Technical Assistance Programmes are through GIZ. The present priority areas for bilateral Development Cooperation are: Energy, Environmental Policy, Protection and Sustainable use of Natural Resources, Sustainable Economic Development.

Some of the major on-going projects through KfW assistance are Sustainable Municipal infrastructure financing in Tamil Nadu, Shoohtong-Karcham Hydropower Project-HP, Green Energy Corridor Intra Transmission System in Himachal Pradesh, Andhra Pradesh and Himachal Pradesh, Forest Ecosystem climate Proofing.

## **3. RUSSIAN FEDERATION**

Development Co-operation between India and the Russian Federation (erstwhile USSR) started in the early sixties. Kudankulam Nuclear Power Project units 1&2 have been built under an Inter-Governmental Agreement (IGA) signed in November 1988 and amended through a supplement in June 1998. Unit No. 3 & 4 are under Construction.

A protocol No 2 to the Agreement dated December 5, 2008 was signed in July 2017 for construction of additional nuclear power plants (Units 5&6) at Kudankulam.

## **4. FRANCE**

The Government of France has been extending development assistance to India since 1968. French development assistance is being provided through the French Agency for Development (AFD). The priority areas for AFD financing in India are energy efficiency renewal energy, urban infrastructure (pubic transport, water). Some of the major on-going projects though AFD assistance are Kochi Metro Project preservation of bio-diversity, and Bengaluru Metro Rail Project-II.