

EXTERNAL ASSISTANCE

This Annex 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 repayments of principal and payment of interest during the years 2012-2013 and 2013-2014 are summarised in the following table:-

(₹ In crores)

	Actuals 2011-2012	B.E. 2012-2013	R.E. 2012-2013	B.E. 2013-2014
A. Loans	26034.39	26047.94	18490.86	27646.27
B. Cash Grants	2873.45	2887.20	2761.62	1456.13
C. Commodity Grant Assistance	88.89
D. Total(A+B+C)	28996.73	28935.14	21252.48	29102.40
E. Repayment of loans	13585.88	15899.74	16276.46	17086.17
F. External Assistance (Net of Repayments) (D-E)	15410.85	13035.40	4976.02	12016.23
G. Interest Payment on loans	3501.29	3946.56	4073.23	4276.24
H. External Assistance (Net of Repayments and Interest Payments) (F-G)	11909.56	9088.84	902.79	7739.99

As per policy on Bilateral Development Cooperation, Bilateral Development Assistance is being accepted from all G-8 countries namely United States of America, United Kingdom, Japan, Germany, France, Italy, Canada and Russian Federation as well as from the European Union.

Those Bilateral Development partners, from whom it has been decided not to receive Development Assistance at Government level, have been advised to consider providing their Development Assistance through Non-Governmental Organizations and Universities, etc. in India. It has further been suggested that they may also consider routing their Development Assistance through multilateral development agencies.

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

A BILATERAL**I. 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 projects contributing to the Sustainable Management of Global Public Goods and preservation of bio-diversity.

AFD made fresh commitment of € 123 million (approximately ₹ 800 crore) in 2012 for financial assistance for implementing two projects in India.

II. GERMANY

The Federal Republic of Germany is providing financial and technical assistance to India since 1958. The present priority areas for Bilateral Development Cooperation are : energy, environmental policy, protection and sustainable use of natural resources, sustainable economic development.

The Government of Germany made fresh commitment of € 565.8 Million (approximately ₹ 3,700 crore) in 2012 for financial as well as technical assistance for implementing various projects in India. Government of India and KfW (Germany) have signed eight agreements (six loans and two grants) during 2012-13 (upto January 2013) with an undrawn committed amount of ₹ 4,554.60 crore.

III. ITALY

The project 'Water Supply and Solid Waste Management' in 16 towns in West Bengal with Italian Assistance is under implementation with an outlay of € 25.82 million. Implementation of the project has been delayed due to differences in modalities by the funding agencies.

IV. JAPAN

Japan has been extending bilateral loan and grant Assistance to India since 1958. Their loan assistance, Grant in Aid under Technical Cooperation is received through Japan International Cooperation Agency (JICA). Japan is the largest bilateral donor to India.

2. During the financial year 2012-13, JICA has committed to six infrastructure projects (Metro Rail, Freight Corridor, Highways and Water Supply Projects). During the year 2012-13, total receipts (upto January, 2013) amount to ₹ 4,082.52 crore leaving an undrawn committed amount of ₹ 54,577.40 crore.

V. RUSSIAN FEDERATION

Kudankulam Nuclear Power Project (KKNPP) is a two unit (2x1000 MW) Nuclear Power Project being built at Kudankulam, Tirunelveli District of Tamil Nadu, under the provisions of an Inter Governmental Agreement (IGA) signed between India and Russian Federation. As per agreement Russian Federation has extended a State Credit of US \$ 2600 Million.

VI. UNITED KINGDOM (UK)

United Kingdom has been providing Bilateral Development Assistance to India since 1958. This assistance is received mainly for achieving the Millennium Development Goal (MDG) in the areas of Health, Education, Slum Development, etc. The assistance from the UK flows to mutually agreed Government as well as Non-Government projects in the form of financial grants and technical cooperation. Presently, Odisha, Madhya Pradesh and Bihar are the States, where Department for International Development (DFID) is extending its assistance.

2. Presently, 18 projects are under execution with the assistance of DFID. During 2012-13, two new grant agreements were signed between Government of India and DFID and total disbursement from DFID amounts to ₹ 982.81 crore.

VII. UNITED STATES OF AMERICA

United States of America (U.S.A.) bilateral development assistance to India started in 1951. This assistance is mainly administered through the US Agency for International Development (USAID). USAID partners with Government of India to strengthen health systems; develop replicable models to extend food security; accelerate transition to a low emissions and energy secure economy; reduce greenhouse gas emissions through carbon sequestration by forests; assist individuals and communities to adapt to climate change; and improve the quality of basic education through teachers training and development. During the year 2012-13 (upto January, 2013), total receipts from USAID in the form of grants have amounted to ₹ 23.61 crore.

B MULTILATERAL**I. ASIAN DEVELOPMENT BANK (ADB)**

India borrows from the Asian Development Bank within the overall External Debt Management policy pursued by the Government of India. Loan provided by ADB are primarily in infrastructure, financial restructuring/microfinance and agriculture sector. At present ADB is the 2nd largest development partner among multilateral agencies. Cumulative Loan Assistance to India from ADB since 1986 onwards in terms of US \$ amounts to \$ 27.232 billion. At present, 69 projects are under execution. During 2012-13 (upto January, 2013), disbursement from ADB amounts to ₹ 3,971.27 crore with an undrawn committed loan of ₹ 24,518 crore.

II. EUROPEAN UNION (EU)

The European Union (EU) has been extending Development Cooperation assistance to India since 1976. The assistance is entirely in the form of grant. Health & Education are two priority sectors for India-EU Bilateral Development Cooperation.

2. EU implements Development Cooperation programmes through Country Strategy Paper (CSP). The CSP is based on EU objectives, on the policy agenda of the partner country and on an analysis of the country/region situation. The MoU for Multiannual Indicative Programme-II was signed on February 22, 2011 between European Union and India. Out of its total committed € 210 Million for Multiannual Indicative Programme-II, € 100-130 Million will be towards Education sector, € 50 Million for Health sector and € 30-60 Million for Joint Action Plan.

III. GLOBAL FUND ORGANIZATION

The Global Fund is a global public/private partnership dedicated to attracting and disbursing additional resources to prevent and treat HIV/AIDS, tuberculosis and malaria. The partnership between Governments, Civil Society, the private sector and affected communities represents a new approach to international health financing. The Global Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts dealing with three diseases. Over the period Global Fund has become the main source of finance for programmes to fight AIDS, tuberculosis and malaria. Global Fund has disbursed ₹ 643.89 crore during current Financial Year 2012-13.

IV. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

International Bank for Reconstruction and Development (IBRD) aims to reduce poverty in middle-income countries and credit worthy poorer countries by promoting sustainable development, through loans, guarantees and non-lending services.

2. India is utilising assistance from IBRD since 1949. Assistance from IBRD is primarily used for infrastructure projects (Power Sector and Roads). At present, 55 projects are under execution with the assistance of IBRD. During 2012-13, two new projects have been negotiated. Total disbursement from IBRD in 2012-13 amount to ₹ 3,044.73 crore with an undrawn committed amount of ₹ 33,977.96 crore.

V. 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. However, with effect from 1st July, 2011, IDA has changed terms of lending. Now Credits carry 1.25% interest and a service charge of 0.75% p.a. on disbursed amount. IDA assistance to India began in 1961. At present, IDA Credits constitute the largest stock of the external (Sovereign) loan portfolio. During 2012-13 (upto January, 2013), seven new agreements have been signed between Government of India and IDA. At present, 64 projects are under execution. During the current year, disbursement from IDA amounts to ₹ 2,932.53 crore with an undrawn committed amount of ₹ 36,972.12 crore.

VI. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

International Fund for Agricultural Development (IFAD) was set up in 1977 as the 13th specialized agency of the United Nations.

2. Since 1979, IFAD has assisted in 25 projects in the agriculture, rural development, tribal development, women's empowerment, natural resources' management and rural finance sector with the commitment of US \$ 797.3 Million (approximately). Out of these, 15 projects have already been closed. Presently, 10 projects with a total assistance of US \$ 378.8 Million are under implementation.

VII. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

The United Nations Development Programme (UNDP) is the largest channel for development cooperation in the UN System. The overall mission of the UNDP is to assist the Programme countries through capacity development in Sustainable Human Development (SHD) with priority on poverty alleviation, gender equity, women empowerment and environmental protection. The assistance provided by the UNDP is grant assistance.

2. The country-specific allocation of UNDP resources is made every five years under the Country Cooperation Framework (CCF) which usually synchronizes with India's five-year plans. The current Country Programme primarily concentrates on the United Nations Development Framework Agreement (UNDAF) goals, viz. democratic governance, poverty reduction, HIV and development, disaster risk management and energy and environment, focused on seven states that are economically backward: Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh.

3. The next Country Programme (2013-2017) which stands approved by the UNDP Executive Board, projects an outlay of US \$ 243.4 Million out of which the core resource is aimed at US \$ 49 Million and the non-core at US \$ 194.4 Million.