

EXTERNAL ASSISTANCE

This Annex gives in brief the nature and magnitude of Assistance in the form of Loans, Grants and Commodities being received from friendly foreign countries and International Organizations. The estimates of receipts of external assistance and repayments of principal and payment of interest during the years 2014-2015 and 2015-2016 are summarized in the following table:-

(₹ In crores)

	Actuals 2013-2014	B.E. 2014-2015	R.E. 2014-2015	B.E. 2015-2016
A. Loans	25,416.23	28,175.04	30,407.47	34,373.35
B. Cash Grants	3,399.23	2,404.51	2,086.49	1,773.77
C. Commodity Grant Assistance	218.84	...	724.60	...
D. Total(A+B+C)	29,034.30	30,579.55	33,218.56	36,147.12
E. Repayment of loans	18,124.30	22,441.26	20,702.00	23,200.00
F. External Assistance (Net of Repayments) (D-E)	10,910.00	8,138.29	12,516.56	12,947.12
G. Interest Payment on loans	3,879.77	4,070.24	3,838.09	3,998.12
H. External Assistance (Net of Repayments & Interest Payments) (F-G)	7,030.23	4,068.05	8,678.47	8,949.00

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 being extended by different countries and organizations 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 has disbursed ₹ 214 crore in financial year 2014-15

II. 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. Government of India and Germany have signed twelve agreements during 2014-15 amounting to Euro 230 Million. The receipt of loan during 2014-15 is ₹ 378 crore and ₹ 12 crore for grants.

III. JAPAN

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

2. During the financial year 2014-15 JICA has appraised Uttarakhand Forest Resource Management Project. The disbursement during the year 2014-15 for Government loans was ₹ 4,774 crore.

3. Formal pledge of JICA loan from Government of Japan for the Guwahati Sewerage Project and PPP Infrastructure Financing Project has been received and Exchange of Notes has been signed. The loan agreement for these two projects will be signed in February/March, 2015.

IV. RUSSIAN FEDERATION

Under the current engagement, Kudankulam Nuclear Power Project is being executed. Units 1&2 have been built under an Inter-Governmental Agreement (IGA) signed in November 1988 and amended through a supplement in June 1998, wherein state credit up to US\$ 2600 Million, at an interest rate of 4% per annum, has been extended to cover the 85% portion of the cost incurred for the supplies and service originating from the Russian Federation. A protocol to the Agreement dated December 5, 2008 was signed in July 2012 for construction of additional nuclear power plants (Units 3&4) at Kudankulam, wherein Russian Federation has extended state credit of USD 4200 Million at an interest rate of 4% per annum.

V. UNITED KINGDOM (UK)

United Kingdom (UK) 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 DFID is extending its assistance. During 2014-15 total disbursement from DFID amounts to ₹ 557 crore.

VI. UNITED STATES OF AMERICA

USA bilateral development assistance to India started in 1951. This assistance is mainly administered through the US Agency for International Development (USAID), which partners with the 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.

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 focusing on raising funds on concessional terms with longer maturities. Cumulative Loan assistance to India from ADB since 1986 onwards is US\$ 31.28 billion for 189 projects. At present, 83 loans are ongoing with a value of US\$ 7528 Million. During 2014-15 disbursement from ADB amounts to ₹ 5,537 crore and ₹ 0.62 crore as cash grant. The Asian Development Bank keeps Rupee securities with the Reserve Bank of India, which can be encashed by it to meet its Rupee expenditure in India from time to time.

II. EUROPEAN UNION (EU)

The European Union (EU) has been providing development assistance to India in form of Grants. The priority areas include environment, public health and education. 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.

2. The major programmes of Government of India which has received/has been receiving EU aid along with other development partners include Sarva Shiksha Abhiyan (SSA) and National Rural Health Mission (NRHM)/Reproductive Child Health (RCH). In 2012, Government of India has signed an agreement with EU for the project "Sector Policy Support Programme for Elementary and Secondary Education" which will receive a grant of Euro 80 Million. At present, only four projects with the assistance of EU are under execution.

III. GLOBAL FUND ORGANIZATION

The Global Fund to fight AIDS, Tuberculosis and Malaria (The Global Fund/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 is a public-private partnership with Secretariat at Geneva, Switzerland. There are seven ongoing projects presently executed with the assistance of Global Fund. During 2014-15, an amount of ₹ 331 crore has been disbursed by GLF.

IV. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

International Bank for Reconstruction and Development (IBRD) aims to reduce poverty in middle-income countries and creditworthy poorer countries by promoting sustainable development, through loans, guarantees and non-lending services. India is receiving assistance from IBRD since 1949 and this is primarily being used for infrastructure projects (Power Sector and Roads). At present 32 Government Loans are under disbursement mode. Two Projects Loan of IBRD amounting to USD 150 Million have been negotiated in 2014-15. During 2014-15, IBRD has disbursed ₹ 2,907 crore as loan and ₹ 69 crore as grant.

V. INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional arm of the World Bank and plays a key role in the Bank's poverty reduction mission. IDA has 69 projects under execution. ₹ 6,239 crore as loan and ₹ 6 crore as grant have been disbursed by IDA in 2014-15. During 2014-15, 10 new agreements have been signed between Government of India and IDA.

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. IFAD has assisted in 27 projects in the Agriculture, Rural Development, Tribal Development, Women's Empowerment, Natural Resources' Management and Rural Finance Sector. 10 projects are at present under implementation. During financial year 2014-15, IFAD has disbursed ₹ 168 crore as loan. During 2014, agreement for a new IFAD assisted project – Meghalaya Livelihood and Access to Market Project (Megha-LAMP) has been signed.

VII. 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 new Country Programme (CP) would concentrate on four UNDAF outcomes namely Inclusive Growth, Governance, Sustainable Development and Gender Equality. The Country Programme is focused on economically backward States. The total resource allocation for the Indian Country Programme for 2013-2017 stands at US\$ 243.4 Million.