

(d). Information is being collected and will be laid on the Table of the House.

ADB Lendings

4586. SHRI SANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether despite initial opposition, Union Government have accepted the Asian Development Bank (ADB) proposal linking future landings with social conditionalities;

(b) if so, the details thereof; and

(c) the rationale behind accepting ADB social clauses.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). India has all along been expressing its reservations on linkage of Policy/Operational issues with any conditionality. On the issue of General Capital Increase-IV, which unlike previous capital increases was linked to certain policy prescriptions and operational directions, India abstained along with 13 other Developing countries when this issue came for consideration in the meeting of the Board of Directors in April, 1994. Subsequently, this was considered by Governing Board of ADB and in the light of the clarification received by India that policy issues were open for discussion by the Board and in consideration of action taken by other Developing Countries, India supported the proposal in the final stage.

Cooperative Banks in Tamil Nadu

4587. SHRI P. KUMARASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether the National Bank for Agriculture and Rural Development propose to sign a Memorandum of Understanding with the Government of Tamil Nadu to strengthen the Cooperative Banks in the State;

(b) if so, the details thereof; and

(c) the amount of financial assistance proposed to be provided by the NABARD for the purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Yes, Sir. National Bank for Agriculture and Rural Development (NABARD) propose to sign a Memorandum of Understanding (MOU) with the Government of Tamil Nadu and the Tamil Nadu State Land Development Bank (TNSLDB), which caters to the long term credit structure to strengthen the cooperative banks in the State. The MOU will be executed after obtaining the concurrence of the State Government and the TNSLDB to the draft MOU. The main objective of the MOU is to help the cooperative banks to attain viability and make financially strong for maintaining continuous flow of credit for agriculture and rural development. Some of the aspects proposed to be covered in the MOU relate to viability, increase in the share capital contribution losses, management and organisation, audit systems and procedures and monitoring.

(c) NABARD has proposed to provide assistance by way of share capital loans to the tune of Rs. 14 crores to the State Government subject to compliance with the relative terms and conditions of the MOU. Additional refinance support is also proposed to be provided by NABARD to the extent