

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) No, Sir.
(b) and (c). Do not arise.

Export of Cotton under O.G.L.

3520. SHRIMATI SUMITRA MAHAJAN: Will the Minister of TEXTILES be pleased to state:

- (a) whether the export of Cotton has been allowed under OGL;
(b) if so, the reason thereof;
(c) the arrangement of making an export of old and new arrival of cotton during 1994-95; and
(d) the steps are being taken to fix up reasonable prices of cotton both in local market and foreign market?

THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) and (b) Raw Cotton is freely exportable subject to terms and conditions specified in Public Notice No. 15-ETC (PN)/92-97, dated 31.3.93, issued under the EXIM Policy 1992-97. This has been done keeping in view the interests of textile industry, handloom & powerloom weavers and is subject to availability, demand, supply and prices prevailing in the Indian market *vis-à-vis* those in the international market.

(c) The exporters are free to procure cotton from old stocks or new arrivals of cotton in the market for export as and when permitted.

(d) Each year, Govt. announces Minimum Support Prices for different varieties of cotton based on cost of production and various other factors for the domestic cotton grower. Govt. of India does not have any control over price of cotton in the foreign market.

[Translation]

Smuggling on Indo-Nepal Border

3521. SHRI SUKDEO PASWAN : Will the Minister of Finance be pleased to state :

(a) whether the Government have conducted or propose to conduct any survey, inquiry or study for unabated free trade between India and Nepal so as to check the smuggling at Indo-Nepal Border; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) and (b) Trade between India and Nepal at Indo-Nepal Border is conducted in terms of Treaty of Trade and Transit between Government of India and HMG Nepal through Land Custom Stations specified for the purpose. Trends of smuggling on Indo-Nepal Border and measures required to deter the same are evaluated

from time to time to ensure prevention and detection of smuggling.

[English]

Setting up of "Agri Business Consortium"

3522. SHRI SOBHAN ADREESWARA RAO VADDE: Will the Minister of FINANCE be pleased to state:

(a) whether the announcement for setting up "Agri Business Consortium" to give boost to the agricultural development leading to higher exports benefitting particularly small farmers has since been made; and

(b) if so, the details of the objectives, targets fixed and the amount disbursed to help the farmers, as on March 31, 1995 Statewise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) Yes, Sir.

(b) The details of the Aims and objectives of Small Farmers "Agri Business Consortium" (SFAC) are given in the attached statement. As on March 31, 1995 no scheme had been sanctioned under SFAC.

STATEMENT

Aims and Objectives of 'Small Farmers' Agri Business Consortium

- (i) to catalyse agro-industrial growth in different parts of the country based on principles of ecological sustainability, economic efficiency and social equity;
- (ii) to undertake or assist in undertaking programmes for employment generation, growth and diversification of agriculture and agro-based industries to increase food production and export of agriculture products, in both primary and processed forms;
- (iii) to organise technology transfer through training and extension involving non-government organisations and farmers associations;
- (iv) to sponsor specific and relevant research projects and technology demonstrations;
- (v) to organise input, material supply and production services through public, private and cooperative sector;
- (vi) to identify and promote post-harvest processing/manufacturing units in the public, private and cooperative sectors;
- (vii) to promote organisation of marketing chains both for domestic and export marketing;
- (viii) to build a cadre of skilled managers for managing the affairs of various units being established as a

- part of the development process;
- (ix) to accelerate the development of rainfed, drought-prone, eastern and hilly regions;
 - (x) to encourage efficient use of marginal lands and augmentation of bio-mass production through agro and farm forestry;
 - (xi) to revive and strengthen local institutions of the farming community as instruments of decentralisation/development process in agriculture sector;
 - (xii) to promote measures for increasing the utilisation of irrigation potential, water conservation and its efficient management;
 - (xiii) to organise/catalyse the primary producers in suitable groups towards the performance of activities related to the achievement of the objectives of the consortium;
 - (xiv) to influence Government policies for correcting the terms of trade to make them favourable for agriculture, thereby increasing the flow of resources and augmenting the rate of capital formation in agriculture sector;
 - (xv) to pave the way for establishment of integrated producers' organisations with forward and backward linkages;
 - (xvi) to assist and promote programmes aimed at conservation of the environment and natural resources; and
 - (xvii) to prepare, print and publish papers, periodicals, monographs and books in furtherance of the objectives of the society.

Unutilised Foreign Aid

523. SHRI NAWAL KISHORE RAI :

SHRI GUMAN MAL LODHA :

Will the Minister of FINANCE be pleased to state:

(a) whether the major part of the financial aid received from foreign financial institutions including World Bank remained unutilised during the past years;

(b) if so, the amount sanctioned by each of the foreign financial institution for the development of the projects during the years 1992-93, 1993-94 and 1994-95 respectively and the percentage of the sanctioned amount utilised during the above period;

(c) the commitment charges paid to the different financial institutions towards the unutilised amount during the above period, year-wise and institution-wise; and

(d) the steps taken by the Govt. to improve the utilisation of external loans and implementation of foreign aided projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):

(a) the project tied external aid is received as reimbursement on the basis of utilisation. As such no amount received is left unutilised.

(b) The total amount sanctioned as per fresh loan agreements, on Govt. account by foreign financial institution and the percentage of utilisation out of above mentioned sanctioned amount during 1992-93 to 1994-95 are enclosed in the *statement*. The sanctioned amounts pertain to project cycles of various projects which may extend upto 3-7 years. The disbursements are related to the implementation of various projects over the number of years.

(c) The total commitment charges paid to foreign financial institutions for the total unutilised amount, including the projects sanctioned during the above period, year-wise and institution-wise is as follows:—

	(Rs. Crores)		
	1992-93	1993-94	1994-95
IBRD	40.18	34.79	24.25
ADB	21.68	29.04	31.80

(d) Ensuring adequate provisioning for externally aided projects, release of ACA as 100% additionality, advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediating of flow of external aid to Central PSU's Portfolio Rationalisation and setting up of Project Management Unit in the Department of Economic Affairs are some of the steps taken by the Govt. to improve aid utilisation.

STATEMENT

The amount sanctioned by loan Agreements and the disbursement percentage of the sanctioned amount utilised in respect of foreign financial institutions during the years 1992-93, 1993-94 and 1994-95 respectively.

Institution	Amount of Loan (Rs. in Crore)	% age of sanctioned amount utilised during the period.
1	2	3
1. I.D.A.		
1992-93	3353.04	52.56%
1993-94	2213.73	8.64%
1994-95	3668.70	5.36%
2. I.B.R.D.		
1992-93	1538.98	8.77%