

Unutilised Foreign Assistance

700. DR. RAMKRISHNA KUSMARIA: Will the Minister of FINANCE be pleased to state:

(a) whether a large amount of foreign assistance is lying unutilised as on date;

(b) if so, the details thereof and the reasons therefor, State-wise and institution-wise; and

(c) the steps taken by the Government to ensure proper and speedy utilisation of foreign assistance?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) Foreign aid is largely project tied and therefore, utilisation of the sanctioned aid for any project is spread over the project implementation period. As a result, there would be unutilised aid at any point of

time, reflecting aid in pipeline, which will be absorbed as project implementation takes place.

The State-wise and institution-wise details are given in the annexed Statement-I and Statement-II.

Slower than expected utilisation of foreign aid is due to fund constraints, procurement and contracting delays, delays in land acquisition and other project specific issues.

(c) Some of the steps taken by the Government to improve aid utilisation are ensuring adequate provisioning for externally aided projects (EAPs), release of Additional Central Assistance (ACA) as 100% additionally, advance release of ACA to the States, standardisation of bidding documents and streamlining of procurement procedures, disintermediation on flow of external aid to Central Public Sector Undertakings (CPSUs), portfolio rationalisation and setting up of Project Monitoring Unit (PMU) in the Department of Economic Affairs (DEA).

Statement-I

(Rs. in Crore)

Sl.No.	State	Undrawn Balance as on 31.1.99
1	2	3
1.	Andhra Pradesh	5306.30
2.	Assam	494.58
3.	Bihar	996.48
4.	Gujarat	1618.40
5.	Haryana	1041.45
6.	Himachal Pradesh	53.55
7.	Karnataka	2425.03

1	2	3
8.	Kerala	1128.27
9.	Madhya Pradesh	511.31
10.	Maharashtra	2717.67
11.	Manipur	143.31
12.	Meghalaya	63.42
13.	Orissa	3274.54
14.	Punjab	162.77
15.	Rajasthan	805.15
16.	Tamil Nadu	3698.83
17.	Uttar Pradesh	2079.18
18.	West Bengal	3307.92
19.	Multistates	4407.73
Total		34235.89

Statement II***Institution-wise Undrawn Balance (as on 31.1.1999)***

(Rs. in Crore)

Sl.No.	Institution/Country	Undrawn Balance As on 31.1.99
1	2	3
1.	ADB	5438.27
2.	IBRD	13949.67
3.	IDA	17856.30
4.	IFAD	217.61
5.	OPEC	158.74
6.	AUSTRALIA	0.67
7.	BELGIUM	0.25
8.	FRANCE	638.51
9.	GERMANY	2555.86
10.	JAPAN	19514.15
11.	KUWAIT FUND	96.66
12.	NETHERLANDS	352.07

1	2	3
13.	SAUDI FUND	38.99
14.	SWITZERLAND	175.59
15.	CANADA	316.68
16.	DENMARK	740.87
17.	EEC GRANTS	2010.69
18.	SWEDEN	59.67
19.	NORWAY	68.66
20.	USA	1225.53
21.	UK	1554.12
TOTAL		66969.55

**Assistance to Industrial House by
Financial Institutions**

701. SHRI GEORGE EDEN: Will the Minister of FINANCE be pleased to state:

(a) whether the public financial institutions like ICICI, and IDBI propose to finance the big private industrial houses to modernise their industries;

(b) if so, the industry-wise break up thereof:

(c) whether these industries are running into losses; and

(d) if so, the industry-wise break up thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) Industrial Development Bank of India (IDBI) and ICICI Limited extend financial assistance to industries including those belonging to private industrial houses of modernisation etc. provided the proposals satisfy viability and other norms and if the assistance is within the prudential exposure limits. Apart from this, decision in this regard is also based on the needs and benefits of modernisation.

(c) and (d) Does not arise in view of (a) and (b) above.