

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4921
ANSWERED ON:24.08.2001
UNUTILIZED FOREIGN AID
PRABHUNATH SINGH;RAGHUNATH JHA;SHEESH RAM SINGH RAVI

Will the Minister of FINANCE be pleased to state:

- (a) The external loan taken by the Government during each of the last three years, institution-wise;
- (b) The projects for which these loans were taken by the Government, State-wise;
- (c) Whether a large amount of this loan is lying unutilised;
- (d) If so, the reasons therefor;
- (e) Whether the Government have availed market loan at a higher rate of interest, where soft external loans remained unutilised;
- (f) if so, the reason therefore;
- (g) the commitment charges paid by the Government for the unutilised foreign loan; and
- (h) the steps taken by the Government to utilise the foreign aid timely?

Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a) The following external loan was taken by the Government from the Institutions indicated:

(US \$ in Thousands)

1998-99 1999-00 2000-01

IBRD 688000 190000 1353270
IDA 854900 804498 879580
ADB 0 500000 525000
IFAD 22900 22900 0

- (b) The information is given in the annexed Statement.

(c) & (d) 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 some unutilised amount at any point of time, reflecting the assistance in pipeline, which will be used as project implementation takes place.

The pace of utilisation is sometimes affected due to inadequate provisioning of funds by the implementing agency, procurement and contracting delays, delays in land acquisition and other project specific issues.

- (e) No, Sir. Government have not availed market loan at a higher rate of interest for schemes where soft external loans remained unutilized on account of reasons explained above in reply to parts (c) & (d).

- (f) Does not arise in view of reply given to part (e).

(g) Government paid the following Commitment charges:

Rs. in Crores

1998-99 47.59
1999-2000 41.78
2000-01 40.23

(i) Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Govt., streamlining of procurement procedures, disintermediation of flow of external aid to Central Public Sector Undertakings, quarterly review with Executing Agencies, setting up of a Project Management Unit in the Department of Economic Affairs, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects with respect to quality at entry.

ANNEXURE

STATEMENT REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 4921 DATED 24.08.2000
EXTERNAL LOANS TAKEN BY GOVERNMENT DURING LAST THREE YEARS

Amount in Thousands

S.No.	Loan Title	Agreement Date	Donor	Amount (US \$)	State (s)
1998-99					
1	National Agriculture Technology	22.6.98	IBRD 96800	BR, J&K, GUJ, KTK	MP, CTG, UP
2	UP Diversified Agriculture Support	30.7.98	IBRD 79900	UP	
3	Andhra Pradesh Economic Restructuring	4.2.99	IBRD 301300	AP	
4	Andhra Pradesh Power Sector	5.3.99	IBRD 210000	AP	
5	Maharashtra Health System Development	14.1.99	IDA 134000	MAH	
6	UP Sodic Land-II	4.2.99	IDA 194100	UP	
7	AP Economic Restructuring	4.2.99	IDA 241900	AP	
8	National Agriculture Technology	22.6.98	IDA 100000	BR, J&K, GUJ, KTK	MP, CTG, UP
9	UP Diversified Agriculture Support	30.7.98	IDA 50000	UP	
10	Kerala Forestry	13.8.98	IDA 39000	KER	
11	Orissa Health Systems Development	13.8.98	IDA 76400	OR	
12	Rural Women's Development	14.9.98	IDA 19500	BR	
13	North Eastern Region Community Res Mgmt	23.2.99	IFAD 22900	ASM, MGH, MNPR	
1999-2000					
1	Integrated Watershed Development `Hills`	14.7.99	IDA 50184	UP, PB, J&K, HP, HAR	
2	National HIV/AIDS Control	6.7.99	IDA 194754	RAJ	
3	UP.III DPEP	6.7.99	IDA 177660	UP	
4	Integrated Watershed Development	14.7.99	IBRD 85000	J&K, KTK	
5	Second Tamil Nadu Urban Development	14.7.99	IBRD 105000	TN	
6	Rajasthan District Primary Education	14.9.99	IDA 81900	RAJ	
7	Women & Child Development	23.2.00	IDA 300000	KER, RAJ	
8	Jharkhand Chhatisgarh Tribal Dev.	25.6.99	IFAD 22900	J&K, CTG	
9	Rajasthan Urban Infrastructure Dev.	1.12.99	ADB 250000	RAJ	
10	MP Public Resource Management Programme	14.12.99	ADB 250000	MP	
2000-01					
1	UP Fiscal Reforms & Public Sec. Restrctrng	16.5.00	IBRD 126270	UP	
2	UP Power Sector Restructuring	16.5.00	IBRD 150000	UP	
3	Gujarat Highway	18.10.00	IBRD 381000	GUJ	
4	Rajasthan Power Sector Restructuring	27.2.01	IBRD 180000	RAJ	
5	UP Fiscal Reforms & Public Sec. Restrctrng	16.5.00	IDA 125000	UP	
6	UP Health Systems Development Prog.	19.5.00	IDA 110000	UP	
7	AP District Poverty Initiatives	12.5.00	IDA 111000	AP	
8	Rajasthan District Poverty Initiatives	19.5.00	IDA 100480	RAJ	
9	MP District Poverty Initiatives	5.12.00	IDA 110100	MP	
10	Kerala Rural Water Supply & Sanitation	4.1.00	IDA 65500	KER	
11	Gujarat Power Sector Development	14.12.00	ADB 150000	GUJ	
12	Gujarat Power Sector Development	14.12.00	ADB 200000	GUJ	
13	Karnataka Urban Dev. & Coastal Env.Mgmt.	19.5.00	ADB 175000	KTK	