

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:395
ANSWERED ON:25.02.2000
WORLD BANK LOAN TO ORISSA
MADHAVRAO SCINDIA;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have approached the World Bank for securing loans at low interest for relief and rehabilitation of Orissa cyclone victims and restoration of their economy; and

(b) if so, the details thereof indicating the response of World Bank thereto and the terms of loan sought and accepted by the World Bank?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a) and (b) : Upon a request from the Government of Orissa, the World Bank has been approached to provide loan assistance for cyclone reconstruction and hazard mitigation in Orissa. The World Bank has proposed a three-phased approach in this regard. In the first phase, an amount of about US \$ 100 million could be utilised for undertaking work of immediate nature in the sectors of power, irrigation, other infrastructure, housing, etc. The second phase could include a larger investment on the sectors mentioned above. In the third phase, long-term hazard mitigation works could be undertaken to improve the State's capacity to handle such emergencies in future. The details like final loan / credit amount, terms and conditions, etc would be known only after negotiations have been completed and the projects approved by the World Bank.