

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:616
ANSWERED ON:25.11.2005
WORLD BANK AID
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

- (a) whether the World Bank has agreed to double its aid to India during the current financial year;
- (b) if so, the details thereof;
- (c) whether the World Bank Chief visited India in the month of August and September, 2005;
- (d) if so, whether any agreement has been signed;
- (e) if so, the details thereof; and
- (f) the terms and conditions thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S.PALANIMANICKAM)

- (a) & (b): The World Bank's Country Strategy for India (July 2004 - June 2008), mutually agreed between Government of India and the World Bank, envisages up-scaling of Bank's lending to India to US\$ 2.5 to 3 billion per annum in each these four years.
- (c): The World Bank President visited India during August 18-20, 2005.
- (d) to (f): The 'Maharashtra Water Sector Improvement Project' for loan amount of US\$ 325 million by International Bank for Reconstruction and Development (IBRD) was signed on 19.8.2005 in New Delhi in the presence of the Union Finance Minister and the President, World Bank. The loan is payable in 20 years inclusive of a grace period of 5 years. The interest rate is determined based on 6 months LIBOR plus a variable spread.