

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3536

ANSWERED ON:20.08.2004

ADB ASSISTANCE TO INDIA

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Will the Minister of FINANCE be pleased to state:

- (a) whether Asian Development Bank has agreed to give seven billion Dollar assistance to India in the next five years;
- (b) if so, the details of terms and conditions thereof; and
- (c) the sectors likely to be benefited therefrom, State-wise?

Answer

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

(a) & (c) The recent Country Strategy and Program Mission 2005-07 of the Asian Development Bank (ADB) has proposed a tentative assistance program of approximately US \$ 6.3 billion to India during Calendar Years 2005 to 2007. These loans would be for various infrastructure projects in the sectors of Transport, Energy, Urban Infrastructure, Financial, Agriculture & Natural Resources and Law, Economic Management and Public Policy and will cover the States of Karnataka, Jammu & Kashmir, Madhya Pradesh, Uttaranchal, West Bengal and North Eastern States apart from Central Projects.

(b) The detailed terms and conditions of the specific loans are known only after the negotiations are held with the Bank and approved by the ADB Board. ADB loans are normally given for 20 and 25 years with a grace period of 5 years at a rate of interest, which is linked to LIBOR plus 60 basis points, and commitment charges and front-end fees as per Bank Policy.