

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

STARRED QUESTION NO:343
ANSWERED ON:23.12.2015
Aid by Britain
Saraswati Shri Sumedhanand

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government is aware that Britain's traditional aid programmes to India for various projects are likely to end by December, 2015;
- (b) if so, the reasons therefor and the aid provided by Britain during the last three years including the current year;
- (c) the major projects and programmes likely to be adversely affected by the said move;
- (d) whether efforts have been made/are being made by the Government to restore the said financial aid to India by Britain; and
- (e) if so, the details and outcome thereof?

Answer

THE MINISTER OF EXTERNAL AFFAIRS
(SHRIMATI SUSHMA SWARAJ)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 343 REGARDING "AID BY BRITAIN" FOR ANSWER ON 23.12.2015

(a) & (b) The Government of UK announced on 9 November 2012 that its development relationship with India would change after 2015 and will move from financial grant aid projects to technical assistance programmes. This was announced after holding consultations with India on giving a new direction to the bilateral development partnership after 2015. It was agreed that the existing financial grant projects will be completed responsibly as planned by 2015 and technical cooperation would continue by sharing skills and expertise or in investments in private sector projects. The new component Private Sector Development Initiative (PSDI) introduced in 2011 to promote private sector investment in eight low income States of the Country (viz. Madhya Pradesh, Odisha, Bihar, West Bengal, Chhattisgarh, Jharkhand, Uttar Pradesh and Rajasthan) will also continue.

UK Department for International development (DFID)'s India specific plan was for the period 2008-2015. During the first phase of DFID's Operational Plan for India (i.e. 2008-09 to 2010-11), commitment of £825 million (approximately INR 8,000 Crores) was fully utilized. UK Government through DFID has provided the following financial aid for the Government sector programmes during the period 2013-14, 2014-15 and 2015-16 (up to 18/12/2015).

(INR Crore)

2013-14	2014-15	2015-16
---------	---------	---------

855.01	601.77	190.06
--------	--------	--------

(c) Presently, there are 26 Government sector projects/programmes with DFID assistance at the Centre and in the States of Madhya Pradesh, Odisha, West Bengal and Bihar. These projects are primarily in the areas of health, education, urban reforms, governance reforms etc. Over 89% of the Financial Assistance committed by DFID for these projects has already been utilized. The unutilized funds under DFID's commitment for financial assistance projects are in the process of being reallocated to Technical Assistance programmes. Such reallocation of funds from Financial Assistance projects to Technical Assistance programmes will not require change in the Detailed Project reports (DPRs) of the projects and the reallocation will be effected through new Memorandum of Understandings (MoUs).

In the years 2014-15 and 2015-16, five new agreements have been signed for Technical Assistance projects in the areas of agricultural reforms, urban infrastructure, energy access etc.

(d) & (e) The development partnership between India and UK is under transition with focus shifting from Financial Assistance projects to Technical Assistance programmes by sharing skills and expertise or investment in private sector projects. Technical cooperation will focus on policy cooperation and skills exchange in areas such as growth, trade and investment, education and skill development, health, governance, capacity building, monitoring and evaluation. The programmes will be implemented in consonance with India's

policies and guidelines on technical cooperation.