

GOVERNMENT OF INDIA  
MINISTRY OF EXTERNAL AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO.1817**  
**TO BE ANSWERED ON 03.07.2019**

**DEVELOPMENT COOPERATION WITH FOREIGN COUNTRIES**

1817. SHRI MANOJ KOTAK:  
MOHAMMED FAIZAL P.P.:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) the details of policy document and guidelines for India's development cooperation with foreign countries; and
- (b) the details of initiatives taken by the Government for furthering developmental cooperation during the last three years and the current year, country-wise?

ANSWER  
THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS  
[SHRI V. MURALEEDHARAN]

(a) Development cooperation is a key instrument in India's foreign policy. The scope and reach of India's development cooperation has seen considerable expansion in the past few years. Developmental cooperation with the partner countries is mainly being executed through instruments such as Grant assistance, Lines of Credit (LOCs) and Concessional Financing Scheme. One of the main instruments of India's development cooperation include LOCs. GoI LOCs are governed by a set of guidelines jointly developed by the Ministry of External Affairs and the Department of Economic Affairs (DEA) in the Ministry of Finance. These are the the guidelines under the Indian Development and Economic Assistance Scheme (IDEAS) and the latest version of the guidelines was issued on 07 December 2015. These guidelines may be accessed from the website of DEA. Grant assistance initiatives are undertaken in compliance with the General Financial Rules (GFR) of GoI and CVC Guidelines issued from time to time. Concessional Financing Scheme is governed by the 'Guidelines on Concessional Financing Scheme (CFS) to support Indian Entities bidding for strategically important infrastructure projects abroad' as revised in August 2018. These guidelines also are available on the website of DEA.

(b) The focus of development cooperation has been the countries in India's neighborhood and in Africa, though India is also expanding its development cooperation reach to South East Asia, East and Central Asia, the Caribbean, Latin America, Pacific Island Countries, etc. Since 2005-06 till date, 279 LOCs have been extended to 63 countries aggregating nearly US\$ 27.91 billion. Of these, 191 LOCs have been extended to Africa for nearly US\$ 11.58 billion, 54 LOCs have been extended to Asia for nearly US\$ 15.27 billion and the remaining 34 LOCs have been extended to countries in Latin America and Caribbean, Oceania and the region of Commonwealth of Independent Sates (CIS) for nearly US\$ 1.06 billion.

With a view to enhance our engagement with African countries, various development partnership initiatives were undertaken in the last

decade, especially after the India-Africa Forum Summit (IAFS)-III held in 2015. India announced LOCs of US\$10 billion for development projects at IAFS-III in 2015 to be spread over 5 years. Projects for developing infrastructure, public transport, clean energy, irrigation, agriculture and manufacturing capacity have been envisaged to be taken up under these LOCs. Projects are under various stages of implementation under the LOCs sanctioned for African countries after IAFS-III in 2015.

In the year 2015, guidelines governing GoI LOCs were revised with a view to improve efficiency and make the system robust and transparent. The rate of interest and tenor offered to developing countries has also been made more attractive. There has been marked improvement in the formulation and execution of projects since the new guidelines have come into effect and this has helped to speed up project implementation.

In connection with solar energy projects, a total of 27 specific projects in 15 countries have been identified for implementation with an estimated funding of US\$ 1,392.48 million under GoI LOCs. These project were announced at the International Solar Alliance Summit held in New Delhi on 11 March 2018.

In the year 2018, Project Preparation Facility (PPF) was set up to assist partner countries in coming up with viable projects that can be considered under LOCs since many countries need support in identifying, conceiving and preparing a proper project proposal. PPF provides a quick access and demand driven mechanism in this context. Expenditure for preparing the reports for project proposed under PPF are covered by the Government. 19 projects in 11 countries have been covered under the PPF mechanism in the last one year.

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