

UNDP Suggestion to Support Large Sized Projects

477. SHRI H.B PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether India has strongly opposed the suggestion that the United Nations Development Programme should support large sized projects instead of smaller and concentrate in fewer sectors; and

(b) if so, the details regarding the other suggestions and the support extended by other countries in this regard?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a). Yes, Sir, at the latest meeting of UNDP Governing Council that suggestion has been strongly opposed.

(b) UNDP assistance has been usually for relatively smaller complementary technical assistance projects to fill up technological gaps or for human resource development in developing countries. Some donor governments were interested in closer monitoring of projects and the suggestion to have fewer projects of larger dimensions could be with this end in view. Such an approach could adversely affect the developing country governments' freedom to identify projects according to their need priority and local conditions.

This was supported by delegates from many other developing countries.

Rehabilitation of Small Scale Units by IDBI

478. SHRI AMARSINH RATHAWA: Will the Minister of FINANCE be pleased to state:

(a) whether many small scale units are in trouble and many have been closed down;

(b) whether the Industrial Development Bank of India (IDBI) is planning to organise "rehabilitation camps" for the benefit of sick small-scale units to restart;

(c) if so, the details thereof; and

(d) the other measures being taken to save small scale industrial units from closures due to lack of funds ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). As per the latest report received from Reserve Bank of India (RBI), there were 128687 sick units in the small scale sector as at the end of June, 1986. The RBI have issued detailed guidelines to banks, from time to time, concerning various aspects of industrial sickness. The RBI has emphasised upon the banks to detect sickness at the incipient stage and to coordinate their efforts with the term lending institutions. It has also been impressed upon the banks that the working capital requirements of the industrial units should be tied up well in advance of commissioning of the projects and need-based financial assistance should be provided to them. Separate parameters for judging viability of small scale units and for grant of reliefs and concessions to them for their rehabilitation have also been laid down by the RBI. The Industrial Development Bank of India has reported that it had organised meetings at three places - 2 in Maharashtra and one in Tamil Nadu during the year 1986-87 in order to create a better awareness of the facilities available under the rehabilitation refinance scheme and to find solutions to specific problems of SSI units. Similar meetings are proposed to be organised by Industrial Development Bank of India in future, at selected centres.

Utilisation of Funds for Various Projects

479. SHRI SYED MASUDAL HOSSAIN: Will the Minister of PROGRAMME IMPLEMENTATION be pleased to state: