

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5212
ANSWERED ON:25.04.2003
MONITORING OF EXTERNAL AID
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the details of the loans taken by the State Governments from various foreign financial institutions during the last three years;
- (b) whether the Union Government are monitoring the loans taken by the State Governments from those foreign financial institutions; and
- (c) if so, the details thereof indicating the procedure adopted by the Government ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a) Under the provisions of the Constitution, the powers of a State extend to borrowing only within the territory of India. Also, under the VII Schedule of the Constitution, 'Foreign Loans' come under the Union list. Thus, State Governments cannot receive financial assistance from foreign countries/institutions directly.

The external assistance in respect of projects implemented in various States are obtained by the Central Government and passed on to the States as Additional Central Assistance. The details of loans taken by the Central Government from various foreign financial institutions during the last three years are annexed.

(b) Yes, Sir.

(c) The monitoring is done by the Administrative Ministries of the Central Government, concerned Credit Divisions and the Project Management Unit in the Department of Economic Affairs (DEA). DEA holds regular meetings with executing agencies and donors. Some of the steps taken by the Government to improve aid utilization are ensuring adequate provisioning for externally aided projects in the budgets of State and Central Govt., streamlining of procurement procedures, disintermediation of flow of external aid to Central Public Sector Undertakings, strengthening of Project Monitoring Units in some States and Central Ministries, appointment of Nodal Officers for the States and regular review of projects with respect to quality at entry, etc.

ANNEXURE

(REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 5212 DATED 25.4.03)

LOANS TAKEN BY GOVERNMENT FROM FOREIGN FINANCIAL INSTITUTIONS

Amount in Rs. Crore

S.No.	Loan Title	Agreement Date	Donor	Amount	State(s)
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1	AP Economic Restructuring	4.2.99	IBRD	1266.71	AP
2	AP Power Restructuring Project	5.3.99	IBRD	882.87	AP
3	AP Economic Reform Program	15.3.02	IBRD	595.65	AP
4	PPF-AP Forestry Management Project	10.12.01	IDA	7.15	AP
5	Delhi Water Supply & Sanitation	16.8.99	IBRD	10.82	Delhi
6	Gujarat Power Sector Dev. Prog.	14.12.00	ADB	683.84	Gujarat
7	Gujarat Power Sector Dev. Project	14.12.00	ADB	911.79	Gujarat
8	Guj. Earthquake Rehab. & Reconstrn.	26.4.01	ADB	2382.6	Gujarat
9	Gujarat State Highway Project	18.10.00	IBRD	1736.96	Gujarat
10	Karnataka Urban Dev., Coastal Env.	19.5.00	ADB	797.81	KTK
11	Karnataka State Highways Impr.	26.7.01	IBRD	1715.47	KTK
12	Karnataka Economic Restructrn. Prog.	26.7.01	IBRD	357.39	KTK
13	Karnataka Eco. Restructrn. Prog.-II	15.3.02	IBRD	238.26	KTK

14 Karnataka Water Supply Mgnt. & MS 23.12.99 IBRD 6.49 KTK
 15 Modern. Govt. & Fiscal Reform Kerala 16.12.02 ADB 967.83 Kerala
 16 Kerala State Transport Project 6.5.02 IBRD 1233.99 Kerala
 17 Mumbai Urban Transport Project 5.8.02 IBRD 2240.54 Mah.
 18 MP Public Resources Mgnt. Program 14.12.99 ADB 1081.83 MP
 19 MP Power Sector Development Project 21.3.02 ADB 953.04 MP
 20 MP State Roads Sector Dev. Program 5.12.02 ADB 145.17 MP
 21 MP State Roads Sector Dev. Project 5.12.02 ADB 725.88 MP
 22 Integrated Watershed Dev. (Hills II) 14.7.99 IBRD 367.82 Multistates
 23 Rajasthan Urban Infrastructure Dev. 1.12.99 ADB 1081.83 Raj.
 24 Rajasthan Power Sector Restructrn. 27.2.01 IBRD 820.61 Raj.
 25 Second Tamil Nadu Urban Development 14.7.99 IBRD 454.37 TN
 26 UP Power Sector Restructuring 19.5.00 IBRD 683.84 UP
 27 UP Fiscal Reform & Pub. Sec. Restrtn. 16.5.00 IBRD 575.66 UP
 28 Uttar Pradesh State Road Project 19.2.03 IBRD 2361.52 UP
 29 Calcutta Environmental Improvement 18.12.01 ADB 1191.3 WB
 30 WB Corridor Development Project 10.12.02 ADB 1016.23 WB
 31 Calcutta Water Sply Sew. & Drainage 23.7.99 IBRD 10.82 WB
 32 AP Economic Restructuring Project 4.2.99 IDA 1021.73 AP
 33 AP District Poverty Initiatives 12.5.00 IDA 493.47 AP
 34 AP Economic Program 15.3.02 IDA 608.01 AP
 35 AP Community Forest Management 8.10.02 IDA 548.12 AP
 36 Gujarat Emergency Earthquake Reconrn. 4.6.02 IDA 2282.24 Gujarat
 37 Livelihood Security-Earthquake Guj. 18.2.02 IFAD 70.13 Gujarat
 38 Karnataka Economic Restrtn. Program 26.7.01 IDA 354.57 KTK
 39 Karnataka Watershed Dev. Project 26.7.01 IDA 475.57 KTK
 40 Second KTK Rural Water Sply & San. 8.3.02 IDA 716.37 KTK
 41 Karnataka Economic Restrtn. Prog II 15.3.02 IDA 243.81 KTK
 42 Karnataka Community-Based Tank Mgnt 4.6.02 IDA 512.86 KTK
 43 Kerala Rural Water Sply & Env. San. 4.1.01 IDA 298.22 Kerala
 44 Mumbai Urban Transport Project 5.8.02 IDA 400.67 Mah.
 45 MP District Poverty Initiatives 5.12.00 IDA 501.2 MP
 46 Integrated Watershed Dev. (Hills II) 14.7.99 IDA 217.83 Multistates
 47 UP Health Systems Development 19.5.00 IDA 488.7 Multistates
 48 Third Technical Education Project 18.10.00 IDA 291.08 Multistates
 49 Tech./Engg. Edn. Quality Improvement 4.2.03 IDA 1211.64 Multistates
 50 Jharkhand-Chhatisharh Tribal Dev. 25.6.99 IFAD 100.06 Multistates
 51 Mizoram State Roads Project 6.5.02 IDA 304.51 Mizoram
 52 Orissa Water Res. Consolidation Pt-H 18.12.00 IDA 208.34 Orissa
 53 Rajasthan Dist. Poverty Initiatives 12.5.00 IDA 446.44 Raj.
 54 Rajasthan Second Dist. Primary Edn. 27.7.01 IDA 352.17 Raj.
 55 Rajasthan Water Sector Restructuring 15.3.02 IDA 662.19 Raj.
 56 Maharashtra Health Systems Dev. 14.1.99 IDA 557.57 Mah.
 57 Uttar Pradesh Sodic Land Recl.-II 4.2.99 IDA 807.02 UP
 58 UP Fiscal Reform & Pub. Sec. Restrtn. 16.5.00 IDA 555.37 UP
 59 UP Water Sector Restructuring 8.3.02 IDA 704.33 UP