

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7281

ANSWERED ON:13.05.2005

WORLD BANK LOAN

Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

- (a) whether World Bank Loan proceeds are passed to the concerned States to which World Bank has sanctioned loan/ assistance during each of the last three years and current year;
- (b) if so, the details of such grant/ loans and interest payable thereon, State-wise;
- (c) whether the rate of interest on loan are very high;
- (d) if so, the details thereof;
- (e) whether the Government has made any request to World Bank to reduce the interest rate; and
- (f) if so, the response of the World Bank thereto?

Answer

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

- (a) Yes, Sir.
- (b) A statement is attached.
- (c) IBRD loans are cheaper than commercial external borrowings.
- (d) Does not arise.
- (e) No, Sir.
- (f) Does not arise.

Loan/ Credit/ Grant Assistance Approved by the World Bank for State-sector projects during FY 2002-03 to FY 2005-06 (upto April 2005) - in US \$ Million

S.NO.	PROJECT NAME	ASSISTANCE TYPE	STATE	FY	APPROVAL DATE	IBRD	IDA	IDF	TOTAL
	COMM. AMT.	COMM. Amount	AMT.						
	AMT.	AMT.							
1	Andhra Pradesh Economic Reform Program II	Loan/Credit	Andhra Pradesh	2003-04	10-Feb-04	110.0	110.0	0.0	220.0
2	Andhra Pradesh Rural Poverty Reduction Project	Credit	Andhra Pradesh	2002-03	20-Feb-03	0.0	150.0	0.0	150.0
3	Andhra Pradesh Community Forest Management Project	Credit	Andhra Pradesh	2002-03	16-Jul-02	0.0	108.0	0.0	108.0
4	Assam Agric-	Credit	Assam	2004-05	14-Dec-04	0.0	154.0	0.0	154.0

Loan/Credit

16	Rajasthan	Credit	Rajasthan	2003-04	11-Mar-04	0.0	89.0	0.0	89.0
Health Systems Development Project									
17	Tamil Nadu	Credit	Tamil Nadu	2004-05	16-Dec-04	0.0	110.8	0.0	110.8
Health Systems Project									
18	Tamil Nadu	Road Loan	Tamil Nadu	2003-04	17-Jun-03	348.0	0.0	0.0	348.0
Sector Project									
19	Tamil Nadu	Grant	Tamil Nadu	2003-04	22-Sep-03	0.0	0.4	0.0	0.4
Rural Water Supply and Environmental Sanitation									
20	Tamil Nadu	Grant	Tamil Nadu	2003-04	11-Mar-04	0.0	0.6	0.0	0.6
Empowerment and Poverty Reduction Project									
21	Allahabad	Loan	Uttar Pradesh	2003-04	14-Oct-03	240.0	0.0	0.0	240.0
Bypass Project									
22	Uttar Pradesh	Loan	Uttar Pradesh	2002-03	19-Dec-02	488.0	0.0	0.0	488.0
State Roads Project									
23	Uttaranchal	Credit	Uttaranchal	2004-05	#####	0.0	69.6	0.0	69.6
Decentralized Watershed Dev- elopment Project									
24	Uttaranchal	Grant	Uttaranchal	2004-05	11-Nov-04	0.9	0.0	0.0	0.9
Rural Water Supply and Environmental Sanitation Project									

World Bank`s assistance is available through International Bank for Reconstruction and Development (IBRD) Loans and International Development Association (IDA) Credits.

Interest is payable only on the IBRD Loans which is LIBOR + 50 basis points.

IDA Credits carry no interest but a service charge of 0.75% is levied.

No Interest is payable on grants.

