

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:537
ANSWERED ON:25.11.2005
WORLD BANK LOAN QUESTION
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of FINANCE be pleased to state:

- (a) whether any agreement has been reached by the Government with World Bank for loan of \$325 million to Maharashtra in recent months;
- (b) if so, the terms and conditions laid down by the World Bank;
- (c) the projects to be undertaken under this loan; and
- (d) the time by which these projects are likely to be commenced?

Answer

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

- (a) Yes, Sir.
- (b) The loan from International Bank for Reconstruction and Development (IBRD) is payable in 20 years inclusive of a grace period of 5 years. The interest rate is determined based on 6 months LIBOR plus a variable spread.
- (c) The components under the Maharashtra Water Sector Improvement Project are:
 - (i) Water Sector Institutional Restructuring and Capacity Building
 - (ii) Improving Irrigation Service Delivery and Management
 - (iii) Innovative Pilots, and
 - (iv) Project Management
- (d) The project has been declared effective from September 29, 2005.