

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:454  
ANSWERED ON:25.11.2005  
FOREIGN ASSISTANCE  
Jha Shri Raghunath

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the foreign assistance of about Rs. 64,000/- crore rupees meant for investment in power, roads, hospitals, etc. are lying unutilized for years and Government is paying commitment charges worth hundreds of crores of rupees to World Bank and other agencies.
- (b) if so, the reasons for not utilizing foreign assistance; and
- (c) the policy of the Government to utilize the entire foreign assistance?

**Answer**

Minister of State in Ministry of Finance (Shri S.S. Palanimanickam)

(a) to (c) A total amount of Rs. 68,423.64 crore committed as foreign loan assistance was not drawn at the end of year 2004-05. However utilization of the sanctioned foreign assistance for any project is a continuous process spread over its implementation period. As a result, there would be some unutilized amount at any point of time; these amounts will be utilized as the project implementation progresses. Moreover, the project implementation authorities like the Central Line Ministries/Departments, State Governments or the Public Sector Units

(PSUs) work under diverse constraints. 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 Government, streamlining of procurement procedures, disintermediation of the 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 etc. An amount of Rs.165.11 crore was paid as commitment charges during 2004-05.