

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1584
ANSWERED ON:01.12.2006
WORLD BANK LOAN TO ANDHRA PRADESH
Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

- (a): whether the World Bank has recently sanctioned loan to the Government of Andhra Pradesh for various schemes/projects; and
- (b): if so, the details of schemes/projects for which loan sanctioned alongwith the quantum of amount and the terms and conditions thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (PAWAN KUMAR BANSAL)

(a) & (b): The most recent World Bank loan to Government of Andhra Pradesh is a loan of US \$ 220 million, sanctioned on 13.2.2004, to support reform programme in Andhra Pradesh for improving poverty monitoring and pro-poor policy formulation and implementation; implementing structural measures to foster economic growth; restructuring and privatizing public enterprises; improving fiscal discipline, the composition of spending public expenditure management, and financial accountability; strengthening governance; and facilitating sectoral reforms in education, health and power sectors. The loan is a blend of components from International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) each having a commitment of US \$ 110 million. For the IBRD loan, the repayment period is 20 years including a grace period of 5 years, and its interest rate is based on 6 months` LIBOR plus a variable spread, and a commitment charge of 0.75%. For the IDA credit, the repayment period is 35 years including a grace period of 10 years and there is a service charge of 0.75% and commitment charge of 0.35%.