

(b) and (c) Proposals for utilising US \$ 35 million have already been prepared. Apart from the on-going projects, the proposals under Country Cooperation Framework-I (CCF-I) are Technology Management Programme, Leather Programme, Small Scale Industries Programme, Fiber & Handicrafts Programme, Food Security Programme, Rural Energy Programme and Environment Programme.

(d) (i) Infrastructure will be improved through certain initiatives relating to capacity building for infrastructure development and management.

(ii) Employment will be improved through technological upgradation and income generation for the poorer sections.

(iii) Technology improvement will address various sectors such as leather, jute, agriculture, electronics, environment, coir etc. Besides technology improvement, the focus of technology related programmes will be on improving technological entrepreneurship, technical human resource development and application of technology for rural transformation.

Utilisation of external assistance

1764. SHRI PRAFULL GORADIA: Will the Minister of FINANCE be pleased to state:

(a) the details of World Bank and externally aided projects implemented/being implemented in the country, State-wise;

(b) whether Government have received the performance report of these projects during the last two years in terms of targets set and achievements made;

(c) if so, the outcome thereof, State-wise and the reasons for less utilisation of aid in some States; and

(d) the details of the measures taken by Government for effective utilisation of external assistance?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The project-wise details of World Bank and other externally aided projects implemented since First Five Year Plan are available in the External Assistance Brochure-1996-97 published by Ministry of Finance. A copy of the Brochure is available in the Library of the House. The State-wise details of World Bank and other externally aided projects being implemented as on 31.10.98 is annexed in the Annexure. [See Appendix 185, Annexure No. 45]

(b) and (c) The performance review of on-going projects in the State sector is a continuous process and is undertaken in association with the concerned State authorities periodically. Some States like Andhra Pradesh, Maharashtra, Punjab, Rajasthan and Uttar Pradesh have shown satisfactory performance in the last two years while performance of States like Bihar, Kerala, Karnataka, Madhya Pradesh and Orissa have remained unsatisfactory during this period. Reasons for sluggish performance in some States are fund constraints, procurement and contracting delays, delays in land acquisition and other project specific issues.

(d) The Union Government has taken several steps for effective utilisation of external assistance, such as release of 100% external assistance as Additional Central Assistance (ACA) to the State in all sectors, release of advance ACA in the beginning of financial year, streamlining of the procedure for expeditious clearance of ACA claims, intensification

monitoring of projects through quarterly review of Externally Aided Projects by the Department of Economic Affairs with the States/Central Ministries, setting up of a Project Management Unit in the Department of Economic Affairs, strengthening Project Management Units/Project Monitoring Cells in nine States and Five Central Ministries, appointment of a Nodal officer for the State, fixing of time frame for different stages of procurement cycle for World Bank/Asian Development Bank aided projects, standardisation of bidding documents and their mandatory use for World Bank projects and regular review of projects with respect to quality at entry. A system of monitoring the projects on the basis of quarterly milestones of important activities has also been introduced.

Increasing level of NPAs of commercial banks and financial institutions

1765. SHRI SATISHCHANDRA SITARAM PRADHAN: Will the Minister of FINANCE be pleased to state:

(a) what is the estimated NPAs of Nationalised Commercial banks and financial institutions like IDBI, ICICI, IFCL, LIC, UTI and GIC for the last three years in terms of quantum and percentage thereof, institutions and year-wise;

(b) the details of action plan formulated to deal with ever increasing volume of NPAs;

(c) whether All Indian Banks Confederation have identified the factors responsible for steep rise of NPAs and suggested proposal to deal with the problem; and

(d) if so, what is Government's reaction to the proposal and action taken/proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) The statement indicating the gross Non-performing assets of Nationalised Banks, IDBI, IFCI and ICICI for the years 1995-96, 1996-97, 1997-98 is given in the statement. (See below)

(b) Banks have formulated documents of loan recovery policy prescribing, inter alia, the manner of recovery of dues and the norms for sacrifices/waiver. Banks have also initiated measures for reduction of NPAs through compromise, write off, through negotiated settlement to ensure maximum recovery at minimum expenses on basis of a transparent and well laid out policy. Some banks have set up independent Settlement Advisory Committee to scrutinise and recommend compromise proposals. Bank have also set up Recovery Cells at their Head Quarters to monitor recovery performance. Debt Recovery Tribunals (DRTs) have also been set up in places to assist speedy recovery of banks dues. The improvement of credit appraisal skills has also received attention. As a result these and other measures, the percentage of Gross NPAs of public sector banks came down from 18.01% during 1995-96 to 16.02% as on 31st March, 1998 and the net NPAs from 8.90% as on 31.3.96 to 8.13% as on 31st March, 1998. IDBI has formulated short term and long term action plans to deal with the problem of NPAs. IFCI has also reported that NPAs is regularly reviewed at different levels for remedial action. Information in respect of LIC, GIC & UTI is being collected.

(c) and (d) A representation from All India Banks Officers' Confederation has been received. Suggestions contained in the representation contribute inputs in the continuing exercise of formulating policy options.