

**12th Finance Commission's recommendation for transfer of external aid to States**

942. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Twelfth Finance Commission has recommended for transfer, with effective from 1.4.2005, all external aids received from agencies, like the International Development Agency and the Asian Development Bank, to States directly in the form it is received, i.e. loan or grant;

(b) if so, the details in this regard and Government's reaction thereto; and

(c) the details of external aid released to the States currently with the details of such aid released in the shape of loans and grants during the last three years, year-wise, State-wise and agency-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Government of India has decided that in case of new projects signed on or after 1st April, 2005, the external aid will be passed on to States on back to back basis on the same terms and conditions on which these are received from external agencies. However, in case of going projects signed on or before 31st March, 2005, on which disbursements are currently underway, external aid will be transferred as per the existing arrangements in the form of Additional Central Assistance (ACA) i.e. in the loan/grant ratio of 10:90 to the special category States and 70:30 to non-special category States.

(c) External assistance is provided by the donors in their respective currencies, and is first credited to the 'Consolidated Fund of India' and then released to States in Indian Rupee terms in the form of ACA. A statement indicating State-wise release of ACA in the form of loan and grant and the release position agency-wise (for the more important donors) is given in Statement-I and II.

**Statement I**  
**Release of ACA for Externally-aided Projects**

(Rs. in crore)

Sl. No.	States	2002-03		2003-04		2004-05	
		Loan	Grant	Loan	Grant	Loan	Grant
1.	Andhra Pradesh	1327.19	578.50	1720.65	1288.41	704.43	523.89
2.	Arunachal Pradesh	0.22	1.99	0.47	4.21	0.89	8.05
3.	Assam	5.13	46.20	46.83	421.42	29.35	264.16
4.	Bihar	0.45	0.19	0.00	0.00	0.00	0.00
5.	Chhattisgarh	7.85	3.36	3.30	1.42	6.21	2.67
6.	Goa	0.00	0.00	0.00	0.00	0.00	0.00
7.	Gujarat	635.74	305.06	911.60	465.74	620.48	273.37
8.	Haryana	70.47	50.42	27.00	12.26	28.84	43.78
9.	Himachal Pradesh	3.40	30.59	2.18	19.65	3.83	34.43
10.	J&K	3.78	34.05	3.04	27.32	2.86	25.74
11.	Jharkhand	0.00	0.00	0.74	0.32	0.71	0.31
12.	Karnataka	316.16	147.45	516.04	230.99	645.38	281.36
13.	Kerala	511.07	219.03	113.82	48.78	513.71	220.02
14.	Madhya Pradesh	514.57	220.53	416.92	178.68	313.60	137.13
15.	Maharashtra	258.68	119.15	194.31	84.60	274.46	119.81
16.	Manipur	1.02	9.16	1.07	9.61	6.74	60.65
17.	Meghalaya	0.81	7.30	1.03	9.26	1.60	14.44
18.	Mizoram	2.09	18.82	2.65	23.81	7.62	68.58
19.	Nagaland	0.38	3.39	0.41	3.73	0.69	6.23
20.	Orissa	276.28	345.61	299.91	160.64	678.74	427.67
21.	Punjab	78.34	33.58	62.16	26.90	68.61	29.40
22.	Rajasthan	156.42	117.35	356.88	203.84	432.00	196.08
23.	Sikkim	0.42	3.76	1.34	12.02	0.92	8.29
24.	Tamil Nadu	188.81	80.92	157.96	67.70	130.11	55.76
25.	Tripura	0.09	0.80	0.27	2.42	0.25	2.22
26.	Uttar Pradesh	496.37	212.98	419.19	183.54	340.09	157.96
27.	Uttaranchal	20.07	180.64	11.52	103.66	6.58	59.22
28.	West Bengal	440.10	191.13	261.66	199.94	499.06	377.71
TOTAL:		5315.91	2961.96	5532.95	3790.87	5317.76	3398.93

**Statement II****Agency-wise release of ACA for Externally-aided Projects\***

(Rs. in crores)

Sl. No.	Agency	2002-03	2003-04	2004-05
1.	ADB Asian Development Bank	1395.36	2042.66	1655.34
2.	EEC E.E.C.	29.73	20.40	66.65
3.	GOCA Canada	1.24	0.00	0.00
4.	GODE Germany	96.89	89.68	41.26
5.	GODK Denmark	25.64	17.03	5.24
6.	GOFR France	45.19	24.94	52.69
7.	GOJP Japan	1471.62	1095.41	1296.68
8.	GONL Netherlands	82.19	182.99	31.59
9.	GONO Norway	0.00	0.00	1.23
10.	GOSC Switzerland	2.69	0.66	37.84
11.	GOUK United Kingdom	346.88	410.99	363.16
12.	IBRD IBRD	2130.72	2838.83	2202.09
13.	IDA IDA	2415.83	2292.23	2548.98
14.	IDF IDF	0.00	0.00	0.46
15.	IFAD IFAD	43.22	27.50	11.35
16.	OPEC O P E C	16.01	2.75	0.00
17.	UNFPA U N F P A	2.33	0.69	8.44
TOTAL		8105.54	9046.76	8323.00

\*Based on information supplied by Controller of Aid Accounts and Audit.