EXTERNAL ASSISTANCE

This Annexure gives in brief the nature of External Assistance being received from Multilateral and Bilateral Sources. The estimates of receipts of external assistance and repayments of principal and payment of interest during the years 2025-26 and 2026-27 are summarized in the following table: -

(₹ in crore)

Sl No.	Details	Actuals 2024-25	BE 2025-26	RE 2025-26	BE 2026-27
1	External Loans	120901.24	111013.36	111344.87	111818.08
2	Less- External Loans for State Projects	-18192.41	-22134.53	-22230.71	-21371.09
3	Net External Loans (1+2)	**102708.83**	**88878.83**	**89114.16**	**90446.99**
4	Cash Grants	648.57	1124.53	1638.97	2068.80
5	Commodity Grant Assistance	38.09	50.00	0.00	258.14
6	Total (3+4+5)	**103395.49**	**90053.36**	**90753.13**	**92773.93**
7	Repayment of Loans	-55438.04	-65388.45	-68651.80	-75061.91
8	External Assistance (Net of repayments) (6+7)	**47957.45**	**24664.91**	**22101.33**	**17712.02**
9	Interest payment on external loans	34162.03	37120.17	32821.53	35892.81
10	External Assistance (Net of repayment and interest payments) (8-9)	**13795.42**	**-12455.26**	**-10720.20**	**-18180.79**

A brief write up on the Assistance being extended by different countries and organization is given below: -

(A) MULTILATERAL SOURCES

1. WORLD BANK GROUP:

The World Bank is one of the UN's specialized agencies. India has been accessing funds from the World Bank mainly through IBRD and IDA for various development projects.

(a) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

India is receiving assistance from International Bank for Reconstruction and Development (IBRD) since 1949. IBRD loans though non-concessional are offered relatively on favorable terms compared to commercial sources. IBRD Sovereign loans are primarily utilized for infrastructure, poverty alleviation, rural development and human resource development projects. IBRD aims to reduce poverty by promoting sustainable development, through loans, guarantees and non-lending services.

Some of the major on-going projects with IBRD assistance are Second National Ganga River Project, Assam Resilient Rural Bridges Operation, Amaravati Integrated Urban Development Program, Gujrat Outcomes for Accelerated Learning (GOAL) Program

(b) INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional arm of the World Bank and plays a key role in supporting the Bank's poverty reduction mission. Now, India is out of the ambit of concessional Loans. Majority of the Projects being executed in our country are in Social and Education sector. The Jhelum and Tawi Flood Recovery Project are a major ongoing project.

2. ASIAN DEVELOPMENT BANK (ADB)

ADB is a major regional financial institution established in 1966 and India is a founding member of ADB. India started borrowing from ADB in 1986, to broad base our resources.

ADB's operations covers power, transport, urban sectors, financial institution, sustainable livelihoods, skill development, etc. Some of the major on-going project's funding by ADB on Government account are Visakhapatnam-Chennai Industrial Corridor Development Program, Madhya Pradesh District Roads II Sector Project, Karnataka State Highways Improvement III Project, Madhya Pradesh Irrigation Efficiency Improvement Project, Mumbai Metro Rail System Project and Delhi-Meerut Regional Rapid Transit System Investment Project-1 etc.

3. EUROPEAN INVESTMENT BANK (EIB)

EIB was established in 1958 under the Treaty of Rome to provide financing for capital investment. Some of the major on-going projects with EIB assistance are Bangalore Metro Rail Project - Line R6 – A, Pune Metro Rail Project and Bhopal Metro Rail Project-A.

4. **NEW DEVELOPMENT BANK (NDB)**

NDB has been established by BRICS (Brazil, Russia, India, China & South Africa) countries in Shanghai, China. At present Twelve Projects are ongoing with assistance provided by NDB.

Some of the major on-going projects with NDB assistance are Assam Bridge-II Project, Manipur Water Supply Project and Madhya Pradesh State Highways Improvement Project.

5. ASIA INFRASTRUCTURE INVESTMENT BANK (AIIB)

AIIB is multilateral bank extending loans primarily in energy, transportation and telecommunication, rural infrastructure and agriculture development. Important projects under execution with assistance of AIIB included. Bangalore Metro Rail Project - Line R6, Chennai Metro Rail Phase 2 - Corridor 5 Project, and AP Urban Water Supply Septage Mgt Improvement Project, Mumbai Urban Transport Project 3 etc.

6. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

IFAD was set up in 1977 as the 13th specialized agency of the United Nations since 1979, IFAD has assisted in 32 Government projects in the Agriculture, Rural Development, Tribal Development, Women's Empowerment, Natural Resources' Management and Rural Finance Sector.

Some of the major on-going projects are Competitiveness Improvement of the Agriculture and Allied Sectors Project in Jammu & Kashmir (JKCIP), Maharashtra Rural Women's Enterprise Development Project, Rural Enterprise Acceleration Project (REAP) etc.

7. GLOBAL FUND ORGANIZATION

The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) is an International Financing Organization that aims to attract and disburse additional resources to prevent and treat HIV and AIDS, Tuberculosis and Malaria. The organization began operations in January, 2002. GFATM assisted programmes in India are implemented by Ministry of Health and Family Welfare.

There are three on-going projects presently executing with the assistance of Global Fund. viz. Global Fund Assisted HIV Aid control Project 'Increasing Access and promoting comprehensive Care', 'Support and Treatment. Intensified Malaria Control Project-3" and 'Tuberculosis'.

(B) BILATERAL SOURCES

1. JAPAN

Japan has been extending official development assistance (ODA) to India since 1958. Japanese ODA in the form of loans, Grant Aid and Technical Assistance to India is received through Japan International Cooperation Agency (JICA). Japan is the largest bilateral donor to India. JICA projects are spread across sectors like Transport, Power, Irrigation, forest & environment and health.

Some of the major on-going projects through JICA assistance are Mumbai Ahmedabad High Speed Rail(HSR) Project, Dedicated Freight Corridor Project, Mumbai Trans-Harbour Link Project (MTHL), metro systems in Delhi, Bengaluru, Patna, Chennai, Mumbai and Ahmedabad, North East Road Network Connectivity Improvement Project, Chennai Seawater Desalination Plants etc.

2. GERMANY

The Federal Republic of Germany is providing financial and technical assistance to India since 1958. Financial Programmes assisted by Germany are implemented through KfW, the German Government's Development Bank and Technical Assistance Programmes are through GIZ. The present priority areas for bilateral Development Cooperation are: Energy, Environmental Policy, Protection and Sustainable use of Natural Resources, Sustainable Economic Development.

Some of the major on-going projects through KfW assistance are Environment Friendly Urban Development Programme in Ganga Basin, Climate Resilient Reconstruction after Flooding in Kerala, Phase II, Climate-Resilient Reconstruction after Flooding in Kerala, Phase-I, Integrated and green Urban Mobility for the Mumbai Metropolitan Region, Climate Friendly Modernization of Bus Services in Major Cities of TN-IV, Sustainable Urban Infrastructure Development-Chennai Storm Water Management etc.

3. RUSSIAN FEDRATION

Development Corporation between India and the Russian Federation (erstwhile USSR) started in the early sixties. Kudankulam Nuclear Power Project. Units 1 & 2 have been built under an Inter-Governmental Agreement (IGA) signed in November 1988 and amended through a supplement in June 1998.Unit No. 3 & 4 are under construction.

A protocol No 2 to the Agreement dated December 5, 2008 was signed in July 2017 for construction of additional nuclear power plants (Units 5&6) at Kudankulam etc.

4. FRANCE

The Government of France has been extending development assistance to India since 1968. French development assistance is being provided through the French Agency for Development (AFD). The priority areas for AFD financing in India are energy efficiency renewal energy, urban infrastructure (public transport, water).

Some of the major on-going projects through AFD assistance are Credit Facility Agreement for Nagpur Metro, Smart City Project, Pune Metro Rail Project and Surat Metro etc.

5. REPUBLIC OF KOREA

In October, 2016, Republic of Korea was accepted as a bilateral partner for development cooperation. Strengthening Multimodal Logistic Ecosystem (SMILE) has been disbursed and now in repayment mode.

***