

GOVERNMENT OF INDIA

MINISTRY OF EXTERNAL AFFAIRS

**LOK SABHA**

**UNSTARRED QUESTION NO.3532**

TO BE ANSWERED ON 17.03.2021

**DEVELOPMENTAL ASSISTANCE**

3532.SHRIMATI PRENEET KAUR:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government is providing any developmental assistance to any of our neighbouring countries at present;
- (b) if so, the names of the countries, the project/projects, along with the financial assistance being provided along with the details thereof;
- (c) whether the Government proposes to extend any economic assistance to our neighbouring countries, in order to facilitate their economic recovery, in the light of COVID-19 pandemic and if so, the details thereof;
- (d) whether the Government has identified any imminent cross-border ecological challenge/challenges that demands urgent regional cooperation; and
- (e) if so, the measures taken/being taken by the Government to address these issues along with the details thereof?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS**

**[SHRI V. MURALEEDHARAN]**

(a) Yes.

(b) Under the Neighbourhood First Policy, development cooperation is an important component of our engagement with neighbouring countries. There is a specific focus on regional connectivity initiatives which act as force multipliers for regional growth and development while enhancing people to people contact and enhancing economic cooperation. While undertaking these projects, Indian expertise is showcased in project planning and implementation in a wide range of areas covering both infrastructure development as well as socio-economic development. Developmental assistance to neighbouring countries is carried out mainly through Lines of Credit, Grant-in-aid & capacity building programs.

(i) Lines of Credit: Development assistance in the form of concessional Lines of Credit is extended by the Government of India under the Indian Development and Economic Assistance Scheme (IDEAS) through the Exim Bank of India. 45 Lines of Credit worth US\$ 14.53 billion covering 263 projects have been extended to 7 countries in our neighbourhood namely Bangladesh, Nepal, Sri Lanka, Myanmar, Maldives, Mauritius and Seychelles. About 46 % of our Lines of Credit amount and 44.42 % of our

Lines of Credit projects are in the neighbourhood. These projects cover varied sectors like roads, railways, power, ports and shipping, telecom, health, education and aviation.

(ii) Grant-in-aid: The Government has committed to a number of bilateral projects in the last five years under grant-in-aid in our neighboring countries of Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal, Sri Lanka, Mauritius and Seychelles. The projects span different sectors such as connectivity, energy, roads, agriculture, infrastructure, education, culture, capacity building, security and training. These projects are taken up based on the developmental needs of our neighbouring countries and our overall strategic interest in the region.

A substantial part of our grant assistance to neighbouring countries is for connectivity and infrastructure development projects which promote cross-border connectivity. India also provides substantial financial and technical assistance for implementation of High Impact Community Development Projects (HICDPs) in key areas of education, health, irrigation, rural infrastructure, disaster management and livelihood development in all of our neighbouring countries.

Major projects in the region are –

Nepal: The first cross-border petroleum products pipeline from Motihari (India) to Amlekhgunj (Nepal); construction of four Integrated Check Posts at Biratnagar, Birgunj, Nepalgunj & Bhairahawa equipped with modern facilities to ensure seamless movement of trade and people; the Terai Road project; Jaynagar-Bijalpura-Bardibas rail link; Jogbani-Biratnagar rail link & Raxaul-Kathmandu rail link; the construction of National Police Academy at Panauti; Nepal Bharat Maitri Polytechnic Institute at Hetauda; construction of 70 higher secondary schools and about 147 health facilities.

Bangladesh: The 12 km Agartala-Akhaura rail link; dredging of inland waterways; India- Bangladesh Friendship Pipeline and construction of India-Bangladesh Maitri Setu. India is also supplying 109 ambulances as a humanitarian gesture.

Myanmar: The Kaladan Multi Modal Transit Transport Project and the Trilateral Highway connecting India, Myanmar and Thailand; Upgradation of Womens Police Training Centre at Yamethin; reconstruction assistance to Rakhine State Development Programme (RSDP) and assistance to Border Area Development Programme.

Afghanistan: Grants-in-aid assistance to Habibia School and Indira Gandhi Institute of Child Health in Kabul; Shatoot Dam Project; supply of spare parts/refurbishment of old buses; rehabilitation of 16.9 kilometres road connecting Band-e-Amir to Bamyán-Yakawlang Highway; construction of 4000 houses for returning Afghan refugees; establishment of Afghan National Agriculture Sciences and Technology University (ANASTU) at Kandahar.

Sri Lanka: More than 60 grant projects have been completed in different parts of Sri Lanka and 20 projects are at various stages of implementation. This includes, Indian Housing Project; Emergency Ambulance Service; Jaffna Cultural Centre (JCC); Dickoya Hospital in Hattona; Renovation of 27 Schools in Northern Province; Construction of Multi-Ethnic Tri-Lingual School in Pollonaruwa; Construction of Surgical unit at Batticaloa Teaching Hospital; Construction of Buildings for Faculty of Kandian Dancing at Pallekelle under Sri Dalada Maligawa and restoration of 28 culture heritage sites.

Maldives: India is committed to support 9 large infrastructure and socioeconomic projects in the Maldives through the LoC – Water and Sewerage facilities for 34 islands; Road and Reclamation in

the southernmost atoll of Addu; Cricket Stadium in Hulhumale; Cancer Hospital; Upgrade of public sector fish processing industry; Construction of a new port in Gulhifalhu to decongest existing Male Port; Construction of a network of bridges and causeways under the Greater Male Connectivity Project (GMCP); Expansion of the Hanimaadhoo Airport, and; the Expansion of Gan Airport in Addu. In addition, India is supporting more than 30 community-level projects under grant schemes including the High Impact Community Development Projects (HICDPs); Construction of Institute of Security and

Law Enforcement Studies (ISLES) and Financial package of US\$ 1.4 billion has also been extended in December 2019 which includes budgetary support, investment in Treasury Bills, Currency Swap and Lines of Credit.

Bhutan: Financial assistance for transitional Trade Support Facility to boost bilateral economic and trade linkages; financial support in terms of loans and grants for ongoing three Hydro Electric Projects.

India also provides scholarships for capacity development of students and professionals from our neighbouring countries at all levels of education in a wide range of disciplines.

(c) For early economic recovery from the shock of COVID-19 pandemic, India has helped Maldives by extending the US\$ 400 million Currency Swap Agreement between RBI and the Maldives Monetary Authority for another year in July 2020. Financial assistance of US\$ 250 million has also been provided as budgetary support to Maldives through investment by the State Bank of India in Maldives Government bonds of the same value on concessional terms. Further, an air travel bubble has been established between India and Maldives in August 2020. This will help revive the Maldives tourism industry and boost economic activity, thereby helping them in economic recovery. A regular cargo ferry service between India and Maldives was launched on 21 September 2020. India has assisted Sri Lanka in its efforts to fight the COVID-19 pandemic. It has extended a \$400-million currency swap facility to Sri Lanka to ensure financial stability of the country during the COVID-19 pandemic.

Moreover, in order to mitigate the unprecedented impact of COVID19 pandemic, the G20 Finance Ministers and Central Bank Governors, at a meeting held on 15 April 2020, agreed on the issue of suspension of debt service payment by official bilateral creditors for the poorest countries that request forbearance. In accordance with this, G20 Debt Service Suspension Initiative, Government of India has offered debt suspension relief to countries in the neighbourhood.

India has also supplied essential medicines, medical supplies and food items to our neighbouring countries. Reacting swiftly to the Covid-19 pandemic, India provided them nearly Rs 20.1 Cr worth of medical aid/ humanitarian assistance in the form of medicines, PPE kits, test kits and medical equipment. With the availability/approval of vaccines, India has extended developmental assistance in the form of "Made in India" vaccines to our neighboring countries. Till date, Bangladesh, Myanmar, Nepal, Bhutan, Maldives, Mauritius, Seychelles, Sri Lanka and Afghanistan have received nearly 179 lakh doses (nearly 18 million) of vaccines, out of which more than a third (62 lakh doses or 6.2 million doses) have been provided on a grant basis and the rest have been provided through facilitated contracts or the WHO/Covax facility.

(d) & (e) Developmental needs of our neighbouring countries and our overall strategic interests in the region including climate change are given due consideration while offering developmental assistance, in consultation with concerned line ministries.