

**GOVERNMENT OF INDIA
MINISTRY OF EXTERNAL AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO.4075
TO BE ANSWERED ON 23.12.2015**

LINE OF CREDIT

**4075. SHRI GAJENDRA SINGH SHEKHAWAT:
SHRI P. P. CHAUDHARY:**

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) whether the Government is satisfied with the progress of projects being undertaken in foreign nations under the extension of Lines of credit by India over the past three years and if so, the details thereof;**
- (b) if not, the reasons and remedial measures taken/being taken therefor;**
- (c) whether there have been delays, cost escalations or allegations of corruption in the implementation of such projects and if so, the details thereof and remedial measures that are being undertaken in this regard, country-wise;**
- (d) whether the Government has taken cognizance of the fact that a few Indian companies are getting majority of the projects from foreign nations under such lines of credit;**
- (e) if so, the facts in the matter; and**
- (f) the percentage of lines of credit per country that have been disbursed as against the amount committed in Bilateral and Multilateral meetings and the steps undertaken to disburse the remaining amounts?**

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
[GEN. (DR) V. K. SINGH (RETD)]**

- (a) Yes, the Government of India is reasonably satisfied with the progress in implementation of Lines of Credit supported by India in foreign nations over the past 3 years. [Note: The Line of Credit is not a grant but a 'soft loan' provided on concessional interest rates to developing countries, which has to be repaid by the borrowing government. The LOCs also helps to promote exports of Indian goods and services, as 75% of the value of**

the contract must be sourced from India. The projects under LOCs are spread over different sectors (Agriculture, Infrastructure, Telecom, Railway, Transmission/Power, Renewable Energy etc.)]

(b) & (c) The actual implementation of LOC projects in various countries is dependent on local factors, such as prevailing political & social conditions, statutory clearances by the borrowing Governments, making available land and other infrastructural support. In many cases, the borrowing governments may not wish to proceed with the LOC or change the purpose or are unable to provide detailed information regarding the project through a proper Detailed Project Report / Feasibility Study.

The Government has approved the new Indian Development Assistance Scheme (IDEAS) in December 2015. The scheme includes provisions to provide better terms of credit, which will be attractive to many developing countries, who are now seeking alternative means of finance. Several changes have been made in the operational guidelines such as making a DPR, or Feasibility Study essential for project proposals, strengthening of monitoring system, pre-qualification of competent companies and requirement of regular reports by the borrowing governments. In addition, regular monitoring is also being carried out by borrowing Governments, Project Management Consultants (PMCs), implementing agency and Indian Missions abroad to ensure projects are executed in a timely manner. These changes should improve the implementation of projects undertaken through these LOCs.

(d) & (e) It is true that in past some Indian companies had been awarded a majority of the projects under Lines of Credit, based on requests received from borrowing governments. However, several LOC projects have also been executed by a variety of other companies, especially public sector organisations like RITES, IRCON, WAPCOS etc. PMCs/Contractors are selected by the borrowing Government through an open competitive bidding process, as per the procurement laws of the borrowing country and prescribed LOC Guidelines of Government of India. Only Indian Companies/firms can bid for executing the LOC projects.

(f) The percentage and amount of credit disbursed per country so far, as against the amount committed in Bilateral and Multilateral meetings is enclosed at Annexure. The disbursements for each LOC are linked to the progress and completion of project milestones.

**Amount committed and disbursed to countries
under Line of Credit by India**

S No.	Country	Amount of Credit committed (in USD mn)	Disbursements until 30 Nov, 2015 by Exim Bank (in USD mn)	% of disbursement under the LOC
1	Angola	85.00	79.35	93%
2	Benin	72.61	30.77	42%
3	Burkina Faso	261.50	49.94	19%
4	Burundi	84.39	25.53	30%
5	Cameroon	79.65	37.21	47%
6	Cape Verde	5.00	-	0%
7	Central African Republic	89.19	41.77	47%
8	Chad	108.40	61.08	56%
9	Comoros	41.60	7.80	19%
10	Cote d'Ivoire	136.30	60.36	44%
11	D.R.Congo	494.94	235.90	48%
12	Djibouti	49.13	32.79	67%
13	Eritrea	20.00	19.95	100%
14	Ethiopia	1,004.54	558.03	56%
15	Gabon	81.69	4.35	5%
16	Gambia	170.58	32.48	19%
17	Ghana	393.26	169.99	43%
18	Guinea Bissau	25.00	9.96	40%
19	Guinea	35.00	-	0%
20	Kenya	161.60	28.58	18%
21	Lesotho	9.70	8.69	90%
22	Liberia	144.00	0.81	1%
23	Madagascar	25.00	25.00	100%
24	Malawi	156.50	155.18	99%
25	Mali	253.00	152.39	60%
26	Mali & Senegal	27.70	27.67	100%
27	Mauritania	87.48	6.77	8%
28	Mauritius	812.50	72.70	9%
29	Mozambique	639.44	192.45	30%
30	Niger	96.54	40.75	42%
31	Nigeria	100.00	-	0%
32	R. Congo	214.90	55.00	26%
33	Rwanda	200.05	79.87	40%
34	Senegal	288.28	130.68	45%
35	Seychelles	28.00	3.95	14%
36	Sierra Leone	90.00	43.90	49%

37	Sudan	737.07	592.21	80%
38	Swaziland	57.90	45.99	79%
39	Tanzania	523.04	140.58	27%
40	Togo	110.10	24.78	23%
41	West Africa	500.00	242.55	49%
42	Zambia	89.03	75.22	84%
43	Zimbabwe	115.60	11.98	10%
44	Afghanistan	50.00	-	0%
45	Bangladesh	2,862.00	222.35	8%
46	Cambodia	102.12	49.79	49%
47	Iran	200.00	85.79	43%
48	Lao PDR	153.83	86.30	56%
49	Maldives	80.00	14.36	18%
50	Mongolia	20.00	-	0%
51	Myanmar	747.59	248.18	33%
52	Nepal	1,350.00	71.52	5%
53	Sri Lanka	1,734.16	1,001.57	58%
54	Syria	225.00	87.52	39%
55	Vietnam	191.50	70.53	37%
56	Belarus	55.60	55.57	100%
57	Cuba	12.76	-	0%
58	Guyana	94.10	28.38	30%
59	Honduras	56.50	26.63	47%
60	Jamaica	7.50	7.50	100%
61	Nicaragua	67.53	3.00	4%
62	Panama	10.00	-	0%
63	Suriname	47.05	46.49	99%
64	Fiji Islands	125.78	48.50	39%

Note: There is usually a time lag between the commitment to a LOC and actual disbursement to begin, which happens only after the preparation of Feasibility Report/Detailed Project Report, finalization of contracts etc. Subsequent disbursement is linked to the progress in the implementation of the project. Since a number of LOC projects are long-gestation infrastructure projects, disbursements usually take place over a period of several years.
