

**U.S. ECONOMIC ASSISTANCE TO
INDIA
1951 TO 1987**

**USAID/NEW DELHI
PROGRAM OFFICE**

APRIL 1988

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
NEW DELHI, INDIA

I. INTRODUCTION

The United States Agency for International Development (A.I.D.), working with cooperating countries, carries out and supports development projects and programs which are intended to enhance the utilization of human and economic resources, increase productive capacities and improve the quality of human life.

The means by which A.I.D. implements these programs include support for improved training and management, technology transfer, expanded role for the private sector including joint private enterprise activities between the United States and developing countries, and greater reliance on private voluntary organizations for delivering social services. A.I.D.'s projects and programs work with and through the government of the collaborating country.

The Foreign Assistance Act of 1961, as amended, authorizes A.I.D. to administer--normally on a bilateral basis--two kinds of development activity: Development Assistance and Economic Support. In addition, A.I.D., in cooperation with the U.S. Department of Agriculture and the Department of State, also implements Public Law 480 (P.L. 480) that provides for the sale of agricultural commodities on concessional terms (Title I), the donation of agricultural commodities (Title II), and the provision of food under Food for Development Programs (Title III).

To implement its economic assistance programs in developing countries, A.I.D. utilizes the following tools authorized by the Foreign Assistance Act: loans on concessional terms repayable in dollars and grants to cooperating countries; specific grant authorities for U.S. and developing country research and educational institutions, and reimbursements for international transportation costs of private, registered U.S. voluntary agency shipments of humanitarian supplies; housing and other credit guarantee programs, including agricultural and productive credit; international disaster assistance; and development research into and evaluation of the process of economic development.

A.I.D. also provides assistance (under Title XII, Chapter 2, Part I of the Foreign Assistance Act of 1961, as amended) to support institution-building programs for the development of national and regional agricultural research, education, and extension capacities in developing countries; build and strengthen human resource skills for agricultural and rural development; support international agricultural research; and strengthen the capacities of land and sea grant and other eligible U.S. universities to participate more extensively in A.I.D. programs overseas. The primary purpose of this assistance is to prevent famine and to promote freedom from hunger.

II. DEVELOPMENT ASSISTANCE

A.I.D. focuses its development assistance programs on critical problem areas in sectors which affect the majority of the people in developing countries. The areas of concentration are:

Agriculture, Rural Development, and Nutrition - to alleviate starvation, hunger and malnutrition, through rapid, sustained growth in agriculture. Besides meeting food requirements, agriculture has a central role in overall development. It represents the major market for non-agricultural goods and is an important generator of foreign exchange. Agriculture is a principal source of investment capital and labor for a modernizing industrial sector. Critical to this process is the need for a constant stream of new, cost reducing technological innovations increasing the productivity of agricultural and rural resources, thereby providing an economic base for growing employment and food requirements.

Health - to improve primary health care through projects designed to lower mortality rates; to reduce the incidence of serious communicable diseases; and to plan the allocation of financial and human resources in health so that poor groups have better access to preventive and curative health services.

Population Planning - to address problems of rapid population growth and to expand voluntary family planning services at the village level through programs that provide and promote safe, effective, affordable, acceptable family planning services.

Education and Human Resource Development - to expand access to basic education through programs in health, nutrition, family planning, and agriculture. Specifically, A.I.D. supports low-cost primary education; the use of mass media and communications technology; and the development of informal education and training approaches.

Private Sector, Energy and Environment - to support selected development activities that deal with a wide range of development concerns which do not fall within the above categories. Examples include projects that assist cooperating countries with national energy problems and projects that lessen the effects of rapid urbanization, including employment and income problems, environment improvement, and promotion of private enterprise in dealing with such activities directly and in collaboration with U.S. private sector

III. FOOD FOR DEVELOPMENT (P.L. 480)

Background. There are two U.S. statutory sources of food aid: Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, and Section 416 of the Agricultural Act of 1949, Public Law 81-439. P.L. 480 provides for two basic types of food aid-concessional (Title I) and grant (Title II).

Title I - provides U.S. surplus food for sale in local commercial markets on concessional credit terms under bilateral agreements.

Title II - makes food available on a grant basis and is provided through private and voluntary organizations, the United Nations Food and Agriculture Organization, World Food Program and through various government-to-government programs to benefit needy people directly from programs such as Maternal and Child Health, Food for Work and School Feeding.

Title III - (authorized under Title III and financed under Title I) establishes Food for Development programs offering special incentives to low-income countries and gives special emphasis to improving the access of food for poor people.

Section 416 - donates agricultural commodities and products acquired by the Commodity Credit Corporation (CCC), a corporate agency within the Department of Agriculture, to foreign governments and public and non-profit private voluntary organizations as well as international and local agencies for assistance to needy persons outside the United States.

IV. A.I.D. ORGANIZATIONAL STRUCTURE

A.I.D. performs its functions under an Administrator who is charged with central direction and responsibility for all U.S. foreign economic assistance and development programs.

A.I.D. consists of a central headquarters staff in Washington, D.C., and missions and offices overseas. A.I.D. country missions (A.I.D.'s) are subject to the direction and guidance of the chief U.S. diplomatic representative in the country and the direction and supervision of the appropriate geographic A.I.D. Assistant Administrator located at the central headquarters in Washington.

The United States Agency for International Development Mission in India was established in 1952. The Office of the Mission Director of USAID/India is located within the Embassy of the United States of America, West Building, Chanakyapuri, New Delhi.

V. USAID IN INDIA: MAJOR THEMES

U.S. Development Assistance to India resumed in 1978 after a hiatus of about six years. Averaging slightly below \$100 million per year (\$85 million in Fiscal Year 1985), the total of this assistance from FY 1978 to FY 1987 was approximately \$814 million. U.S. budgetary difficulties forced reduction in the U.S. development assistance levels to \$86 million in FY 1986 and \$57 million in FY 1987. Development Assistance plus P.L. 480 Title II food aid in FY 1987 was \$147 million. From the beginning of the indo-U.S. relationship in 1951, the total value of assistance including food aid comes to approximately \$12 billion.

The changes in India since the United States first initiated an economic assistance program in 1951 have been marked in virtually every field. The population in 1951 was 361 million; in 1987 it is close to 800 million. India is the second most populous country in the world and, if present trends hold, will become the most populous early in the next century.

As a development agency, the United States Agency for International Development Mission (USAID) works closely with the Government of India to help solve some of the most critical problems of Indian development. Although the USAID carries out development policies of the United States, the policy objectives are consistent with those of the Government of India. The USAID shares India's concern for rapid economic development and the eradication of poverty. Thus, the USAID supports substantial programs in improved management of irrigation and water resources as a means of increasing the productivity of the resource base and rural incomes. In the health field, India has launched a major effort to improve the health conditions of mothers and children, a program which the USAID supports with various research, training, and modern rural management systems technology. India has taken dramatic steps in recent years to arrest the deterioration of the environment and the physical resource base of rural production. USAID's program of social forestry is a significant part of that effort.

India's enormous investment in science and technological capacity is reinforced by USAID's programs in both the health and agricultural sciences, in energy technology and increasingly the commercialization of research and development technology. As the Indian economy expands its reliance on the market and the private sector, the USAID program provides modes but increasing support to market-oriented financial institutions such as the Industrial Credit and Investment Corporation of India (ICICI) and the Housing Development Finance Corporation (HDFC).

While financial transfers remain an important part of the USAID program in India, the importance of dollars has declined in

relative and absolute terms in recent years. Moreover, massive technical assistance is no longer appropriate as Indian institutions have become well developed. Increasingly, the development relationship between India and the United States is characterized by a more mature collaborative exchange in which strengths of one are matched to the strengths of the other. This collaboration extends across all sectors of A.I.D. engagement including agriculture and irrigation, health, population, and science and technology.

A list of the current A.I.D. assisted projects in India by sector is attached.

An overall summary of U.S. economic assistance to India, 1951-1987 together with annual summaries of commitments for fiscal years 1978 to 1987, and an annex giving brief descriptions of the projects, are attached.

DPP:6676B

LIST OF CURRENT AID-ASSISTED PROJECTS

1. IRRIGATION

Maharashtra Irrigation Technology and Management
Madhya Pradesh Minor Irrigation
Irrigation Management and Training
Hill Areas Land and Water Development
Maharashtra Minor Irrigation

2. FORESTRY

Maharashtra Social Forestry
National Social Forestry

3. AGRICULTURAL RESEARCH

Agricultural Research

4. HEALTH, NUTRITION & FAMILY PLANNING

Private Voluntary Organizations for Health-I (Rupee Grant)
Integrated Child Development Services
Family Planning Communications and Marketing
Contraceptive Dev./Reproductive Immunology
Biomedical Research Support
Child Survival Health Support
Vaccine & Immunodiagnostic Development
Private Voluntary Organizations for Health - II

5. SCIENCE & TECHNOLOGY

Alternative Energy Resources Development
Program for the Advancement of Commercial Technology
Program for the Acceleration of Commercial Energy Research

6. OTHER

Development and Management Training
Private Sector Housing Finance (HDFC)*

* Financial Gurantees.

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SUMMARY OF U.S. ECONOMIC ASSISTANCE TO INDIA
1951 THROUGH SEPTEMBER 30, 1987
(In Million U.S. Dollars)

<u>Type of Assistance</u>	<u>Amount Obligated</u>
1. Technical Assistance Program:	
(a) Development Grants	665.5
(b) Loans (repayable in rupees)	148.1
2. Development Loans: ^{a/}	
(a) Dollar Loans repayable in rupees	502.3
(b) Dollar Loans repayable in dollars	3,304.3 ^{b/}
3. Wheat Loan of 1951 (repayable in dollars)	243.7
4. Other Development Grants	5.0 ^{c/}
5. Economic Support Fund Grant	7.0
6. PL 480 Title I Agricultural Commodity Sales:	
(a) Rupee Payable Sales	4,076.8 ^{d/}
(b) Convertible LC Credit Sales (repayable in dollars)	423.8
(c) Dollar Credit Sales (repayable in dollars)	244.9
7. PL 480 Title II Food Aid Grants (Donations through U.S. Voluntary Agencies and CLUSA)	2,097.9 ^{e/}
8. Other Food Aid Grants (Vegetable Oil)	12.1
9. Disaster Relief Grants (through Voluntary Agencies)	7.8
10. Miscellaneous Relief Grants	5.5
11. Triangular Trade Sales (repayable in rupees)	5.8
12. U.S. EXIM Bank Loans (repayable in dollars)	686.8 ^{f/}
TOTAL:	12,437.3 ^{g/}

See footnotes on next page.

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Footnotes:

- a/ Loans are repayable in 40 years with 2% interest during the first 10 years grace period and 3% during 30 years repayment period.
- b/ Includes Development Loan of \$ 3.0 million to Serum Institute of India, Pune.
- c/ Includes grants to CLUSA, HUDCO, CARE, CRS, and Serum Inst. of India.
- d/ 1. Actual amount of P.L. 480 proceeds deposited by the Government of India under all rupee payable sales agreements totalled Rs. 22,430.8 million. Of this, actual amount utilized for Cooley Loans to private enterprises totalled Rs. 1,244.0 million; for loans and grants to Government of India Rs. 18,118.2 million; and for U.S. Government uses Rs. 3,068.6 million. While rupee loans to Government of India have been fully repaid (pursuant to the Indo-U.S. Rupee Agreement), some of the loans to private borrowers (Cooley Loans) are still outstanding.
2. The Indo-U.S. Rupee Agreement signed on February 18, 1974 between the Government of India and the U.S. Government provided for the disposition of U.S.-owned PL-480 Title I rupees held in deposit with banks and those prepaid by the Government of India under all outstanding loans repayable in rupees. Under the terms of the Agreement, the U.S. Government additionally granted Rs. 16,804 million to the Government of India -- roughly two-thirds of India's rupees debt to the U.S. -- which have been used for financing various economic development projects during the first three years (1974 to 1977) of India's Fifth Five Year Plan. (Roughly Rs. 8,000 million, mostly of non-P.L. 480 funds were retained for U.S. Government uses.)
- e/ Excludes ocean freight, estimated 20% to 40% of commodities value; excludes gift commodities provided through the World Food Program.
- f/ Represents cumulative authorizations net of cancellations and sales and write-offs through June 30, 1986.
- g/ Excludes grants from U.S.-owned Rupees, such as: (1) \$16.4 million in equivalent rupees provided to U.S. private voluntary agencies in India in support of their programs of assistance in self-help activities approved under Section 204 of P.L. 480 Title II; (2) \$ 13.7 million in equivalent rupees provided to St. John's Medical College & Hospital, Bangalore, for construction of physical facilities; (3) \$ 20.0 million in equivalent rupees provided for support of Government of India-approved Indian private voluntary organizations' projects designed to improve and expand health, family planning, and nutrition services for the poor; and (4) excludes Housing Investment Guaranty of \$115.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

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U.S. ECONOMIC ASSISTANCE TO INDIA

COMMITMENTS IN U.S. FISCAL YEAR 1987
(October 1, 1986 to September 30, 1987)

Project/Activity

(For Project Description, see Annex "A")

<u>Project Title</u>	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Loans</u>	
Hill Areas Land & Water Development (0489)	8.0
National Social Forestry (0495)	11.5
Family Planning Communications and Marketing (0485)	(34.0)
2. <u>Development Grants</u>	
Agricultural Research (0470)	3.0
Irrigation Management & Training (0484)	4.2
Family Planning Communications & Marketing (0485)	7.2
Development & Management Training - I (0487)	1.78
Biomedical Research Support (0492)	4.0
Program for Acceleration of Commercial Energy Research (0494)	5.0
Program for Advancement of Commercial Technology (0496)	2.02
National Social Forestry (0495)	1.0
Contraceptive Development/Reproductive Immunology (0500)	3.4
Vaccine & Immunodiagnostic Development (0503)	3.0
Private Voluntary Organizations for Health - II (0511)	3.5
3. <u>Total Development Assistance:</u>	23.6
4. <u>P.L. 480 Food Aid</u>	
Title II Gift Commodities through U.S. Voluntary Agencies	90.0
5. <u>Other Food Aid Grants</u>	
Agricultural Gift commodities under Section 416 of the U.S. Agricultural Act through the Indian Dairy Corporation for drought relief assistance.	9.0
Agricultural Gift Commodities under Section 416 of the U.S. Agricultural Act through the Mother Dairy's Fruit and Vegetable units for assisting small farmers.	3.1

contd.

6. <u>Other Grants</u>	<u>Amount Obligated</u> (In Million U.S.Dollars)
Grant to the Cooperative League of the U.S.A. (CLUA) in support of its program of assistance to the National Cooperative Development Corporation (NCDC) in improving the management of cooperative oilseed processing units in India and to provide training to Indian cooperative officials.	0.4
Development Grant to the Serum Institute of India Research Foundation (SIIRF) for research related to the development and pilot production of a measles vaccine as well as research related to the development and pilot production of an improved rabies vaccine.	0.4
Development Grant to the Cooperative for American Relief Everywhere (CARE) in support of its development assistance programs in India in the primary health care sector specifically focussed on Child Survival interventions.	0.4
7. <u>U.S. Export Import Bank Loans</u>	--
GRAND TOTAL:	<u>126.9</u> <u>a/</u>

a/ Excludes Housing Investment Guaranty of \$25.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
 COMMITMENTS IN U.S. FISCAL YEAR 1986
 (October 1, 1985 to September 30, 1986)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Grants</u>	
Agricultural Research (0470)	3.0
Alternative Energy Resources Dev. (0474)	2.0
Irrigation Management & Training (0484)	6.5
Biomedical Research Support (0492)	3.7
National Social Forestry (0495)	1.8
Program for the Advancement of Commercial Technology (0496)	2.58
Child Survival Health Support (0504)	22.0
Rajasthan Medium Irrigation (0467)	(0.2)
Integrated Rural Health & Population (0468)	(7.0)
Madhya Pradesh Social Forestry (0475)	(0.8)
2. <u>Development Loans</u>	
Hill Areas Land & Water Dev. (0489)	24.0
National Social Forestry (0495)	21.0
Madhya Pradesh Social Forestry (0475)	(6.1)
3. <u>Total Development Assistance:</u>	<u>72.48</u>
4. <u>Development Loan to Serum Institute of India</u>	3.0 <u>a/</u>
5. <u>Economic Support Fund:</u>	
Grant to Govt. of India for import of computer technology and systems, and related technical assistance from the U.S.	7.0
6. <u>PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	94.6
7. <u>Other Grants</u>	
Grant to the Cooperative League of U.S.A. (CLUSA) in support of its program of assistance to the National Cooperative Development Corporation (NCDC) in improving the management of cooperative oilseed processing units in India and to provide training to Indian cooperative officials.	0.8
Development Grant to Cooperative for American Relief everywhere (CARE) in support of its assistance programs in India focussed on child survival interventions.	0.3
8. <u>U.S. Export-Import Bank Loans</u>	-
GRAND TOTAL:	<u>178.18 <u>b/</u></u>

a/ Serum Institute loan has been reduced to \$1.0 million as of October 1987.

b/ Excludes Housing Investment Guaranty of \$15.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
COMMITMENTS IN U.S. FISCAL YEAR 1985
(October 1, 1984 to September 30, 1985)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Loans</u>	
Family Planning Communications & Marketing (0485)	18.0
Maharashtra Minor Irrigation (0490)	21.1
Biomedical Research Support (0492)	3.8
National Social Forestry (0495)	16.4
2. <u>Development Grants</u>	
Agricultural Research (0470)	4.0
Integrated Child Development Services (0476)	3.9
Irrigation Management & Training (0484)	2.0
Family Planning Communications & Marketing (0485)	2.0
Hill Areas Land & Water Development (0489)	3.0
Maharashtra Minor Irrigation (0490)	3.0
Biomedical Research Support (0492)	0.6
National Social Forestry (0495)	2.2
Program for the Advancement of Commercial Technology (0496)	4.0
Contraceptive Dev./Reproductive Immunology (0500)	1.0
3. <u>Total Development Assistance:</u>	85.0
4. <u>PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	94.1
5. <u>Other Grants</u>	
Grant to the Cooperative League of U.S.A. (CLUSA) to provide support for its continuing program development and backstopping activities for the strengthening of the Indian cooperative sector.	0.3
Grant to Catholic Relief Services (CRS) in support of its Targetted Maternal and Child Health Education Project (TMCHEP) in Madras zone aimed at improving health and nutritional status of children and mothers.	0.4
6. <u>U.S. Export-Import Bank Loans</u>	-
GRAND TOTAL:	179.8 <u>a/</u>

a/ Excludes Housing Investment Guaranty of \$25.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
COMMITMENTS IN U.S. FISCAL YEAR 1984
 (October 1, 1983 to September 30, 1984)

Project/Activity (For Project Description, see Annex "A")	Amount Obligated (In Million U.S. Dollars)
<u>1. Development Loans</u>	
Madhya Pradesh Minor Irrigation (0483)	9.6
Hill Areas Land & Water Development (0489)	16.0
Maharashtra Minor Irrigation (0490)	24.9
Integrated Child Development Services (0476)	5.0
Family Planning Communications & Marketing (0485)	6.0
<u>2. Development Grants</u>	
Madhya Pradesh Minor Irrigation (0483)	1.3
Hill Areas Land & Water Development (0489)	1.0
Maharashtra Minor Irrigation (0490)	1.0
Irrigation Management & Training (0484)	6.0
Agricultural Research (0470)	3.5
NCAER Rural Household Survey (0486)	0.1
Integrated Child Development Services (0476)	6.1
Family Planning Communications & Marketing (0485)	4.4
Development & Management Training (0487)	2.6
<u>3. Total Development Assistance:</u>	87.5
<u>4. PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	107.1
Title II Gift Commodities - through the Cooperative League of the U.S.A. (CLUSA)	20.4
Sub-Total:	127.5
<u>5. Other Grants</u>	
Grant to the Cooperative League of U.S.A. (CLUSA) to provide support for its continuing program development and backstopping activities for the strengthening of the Indian cooperative sector.	0.3
<u>6. U.S. Export-Import Bank Loans</u>	-
GRAND TOTAL:	215.3 <u>a/</u>

a/ Excludes Housing Investment Guaranty of \$20.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
 COMMITMENTS IN U.S. FISCAL YEAR 1983
 (October 1, 1982 to September 30, 1983)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Loans</u>	
Madhya Pradesh Social Forestry (0475)	11.0
Integrated Child Development Services (0476)	2.0
Madhya Pradesh Minor Irrigation (0483)	31.4
Irrigation Management & Training (0484)	10.0
Family Planning Communications & Marketing (0485)	10.0
2. <u>Development Grants</u>	
Rajasthan Medium Irrigation (0467)	0.75
Integrated Rural Health & Population (0468)	2.85
Agricultural Research (0470)	6.5
Madhya Pradesh Minor Irrigation (0483)	3.7
Irrigation Management & Training (0484)	3.0
Family Planning Communications & Marketing (0485)	6.6
Development & Management Training (0487)	1.2
3. <u>Total Development Assistance:</u>	<u>89.0</u>
4. <u>PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	102.8
Title II Gift Commodities - through the Cooperative League of U.S.A. (CLUSA)	10.2
Sub-Total:	<u>113.0</u>
5. <u>Other Grants</u>	
Grant to the Cooperative League of U.S.A. (CLUSA) to provide support for its continuing program development and back-stopping activities for the strengthening of the Indian cooperative sector.	0.3
6. <u>U.S. Export-Import Bank Loans</u>	17.5 <u>a/</u>
GRAND TOTAL:	<u><u>219.8</u></u> <u>b/</u>

a/ Represents net total during January 1982 - August 1983. However, Eximbank authorized total credits of \$33.8 million during this period for Cement plants, construction of Poly Filament Yarn plants and Airport Computer System Reservations.

b/ Excludes Housing Investment Guaranty of \$10.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
COMMITMENTS IN U.S. FISCAL YEAR 1981
(October 1, 1980 to September 30, 1981)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
<u>1. Development Loans</u>	
Rajasthan Medium Irrigation (0467)	20.0
Agriculture Development Credit (0466)	35.6
Fertilizer Promotion (0471)	35.0
Madhya Pradesh Social Forestry (0475)	3.0
<u>2. Development Grants</u>	
Madhya Pradesh Social Forestry (0475)	1.0
Integrated Rural Health & Population (0468)	9.4
NCAER Rural Household Survey (0486)	0.5
<u>3. Total Development Assistance:</u>	<u>104.5</u>
<u>4. PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	136.0
Title II Gift Commodities - through the Cooperative League of U.S.A. (CLUSA)	24.5
Sub-Total:	<u>160.5</u>
<u>5. Other Grants</u>	
Grant to HUDCO for Design and Analysis of Shelter Projects	0.1 <u>a/</u>
Grant to Private Voluntary Organizations for Health Projects (Rs.167.4 million from U.S. owned rupees)	(20.0)*
<u>6. U.S. Export Import Bank Loans</u>	34.4 <u>b/</u>
GRAND TOTAL:	<u><u>299.5</u></u> <u>c/</u>

*(Non-additive)

a/ Grant to support Housing and Urban Development Corporation and its clients to improve the analysis, design and implementation of low cost housing projects through the use of computers, technical services and training.

b/ Represents net total authorizations during July-December 1980. However, Eximbank authorized \$ 23.4 million credit for capital goods and services for oil exploration, and \$ 2.5 million for manufacturing titanium dioxide pigment.

c/ Excludes Housing Investment Guaranty of \$20.0 million for U.S. market borrowings of the Housing Development Finance Corporation (HDFC).

U.S. ECONOMIC ASSISTANCE TO INDIA
COMMITMENTS IN U.S. FISCAL YEAR 1979
(October 1, 1978 to September 30, 1979)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Loans</u>	
Rural Electrification (0462)	58.0
Malaria Control (0455)	10.0
Fertilizer Promotion (0471)	22.0
2. <u>Total Development Assistance:</u>	<u>90.0</u>
3. <u>PL 480 Food Aid</u>	
Title II Gift Commodities - through U.S. Voluntary Agencies	108.1
Title II Gift Commodities - through the Cooperative League of U.S.A. (CLUSA)	21.1
Sub-Total:	<u>129.2</u>
4. <u>Other Grants</u>	
Grant to the Cooperative League of U.S.A. (CLUSA) in support of its program of assistance to the National Dairy Development Board (NDDB) for the start up and initial implementation of the Oilseed Growers' Cooperative Project which, in turn is designed to establish an integrated system of oilseed production and marketing through finished consumer products, all owned and controlled by the small farmers who grow the bulk of the oilseeds.	0.4
Grant to the Cooperative League of U.S.A. (CLUSA) to provide support for its India office in continuing its program development and backstopping activities for the strengthening of the Indian cooperative sector.	0.2
5. <u>Disaster Assistance</u>	
Grant to voluntary agencies for emergency relief and rehabilitation operations during floods and cyclones	2.5
6. <u>U.S. Export-Import Bank Loans</u>	50.0 ^{a/}
GRAND TOTAL:	<u>272.3</u>

a/ Represents net total during July 78 - June 79. However, Eximbank authorized in FY 1979 a loan of \$50.0 million for Boeing Aircraft 747's and two loans of \$8.5 million each for multi-purpose projects.

U.S. ECONOMIC ASSISTANCE TO INDIA
 COMMITMENTS IN U.S. FISCAL YEAR 1978
 (October 1, 1977 to September 30, 1978)

<u>Project/Activity</u> (For Project Description, see Annex "A")	<u>Amount Obligated</u> (In Million U.S. Dollars)
1. <u>Development Loans</u>	
Gujarat Medium Irrigation (0464)	30.0
Malaria Control (0455)	28.0
2. <u>Development Grants</u>	
Technologies for the Rural Poor (0465)	2.0
3. <u>Total Development Assistance:</u>	60.0
4. <u>PL 480 Food Aid</u>	
Title I Credit Sales <u>a/</u>	26.4
Title II Gift Commodities - through U.S. Voluntary Agencies	107.4
5. <u>Other Grants</u>	
Grant to the Cooperative League of the U.S.A. (CLUSA) in support of its program of assistance to the National Cooperative Development Corporation (NCDC) in improving the management of cooperative oilseed processing units in India.	0.5
Grant to St. John's Medical College & Hospital, Bangalore, for construction of physical facilities (Rs. 125.7 million from U.S. owned rupees)	(13.7)*
6. <u>Disaster Assistance</u>	
Grant to voluntary agencies for emergency relief and rehabilitation operations during floods and cyclones.	5.1 <u>b/</u>
7. <u>U.S. Export-Import Bank Loans</u>	15.7 <u>c/</u>
	215.1
GRAND TOTAL:	215.1

* (Non-additive)

a/ This credit provided 60,000 metric tons of vegetable oils to India to help increase availabilities and to moderate rising prices.

b/ In addition, \$2.6 million worth of PL 480 Title II commodities were authorized for use by the Voluntary Agencies for relief operations.

c/ Represents net total during July 77-June 78. However, Eximbank authorized a loan of \$17.0 million during FY 1978 for cement and grinding plant equipment.

USAID/NEW DELHI

SUMMARY U.S. ECONOMIC ASSISTANCE TO INDIA - 1951 THROUGH SEPTEMBER 30, 1977

<u>Type of Assistance</u>	<u>Obligations</u> (In Million U.S. Dollars)
1. Technical Assistance Program:	
(a) Development Grants	461.0
(b) Loans (repayable in rupees)	148.1
2. Development Loans:	
(a) Dollars Loans repayable in rupees	502.3
(b) Dollars Loans repayable in dollars	2,692.3
3. Wheat Loan of 1951 (repayable in dollars)	243.7
4. PL 480, Title I Agricultural Commodity Sales:	
(a) Rupee Payable Sales	4,076.8 <u>a/</u>
(b) Convertible LC Credit Sales (repayable in dollars)	423.8
(c) Dollar Credit Sales (repayable in dollars)	218.5
5. PL 480 Title II Food Aid Grants (Donations through U.S. Voluntary Agencies)	921.3 <u>b/</u>
6. Miscellaneous Relief Grants	5.5
7. Triangular Trade Sales (repayable in rupees)	5.8
8. U.S. EXIM Bank Loans (repayable in dollars, as of 6/30/77)	539.0
	<hr/>
TOTAL:	10,238.1 <u>c/</u>

a/ 1. Actual amount of PL 480 sale proceeds deposited by the Govt. of India under all rupee payable sales agreements totalled Rs.22,430.8 million. Of this, actual amount utilized for Cooley Loans to private enterprises totalled Rs.1,244.0 million; for loans and grants to Govt. of India Rs.18,118.2 million; and for U.S. Govt. uses Rs.3,068.6 million. While loans to GOI have been fully repaid, loans to private borrowers (Cooley Loans) are still outstanding.

a/ 2. The Rupee Agreement signed on February 18, 1974 provided for the disposition of U.S. owned PL 480 rupees held in deposit and those prepaid by the GOI under all outstanding rupee loans. Under the terms of the Agreement, the USG granted Rs.16.80 billion - roughly two-thirds of India's rupee debt to the U.S. - to be used to help finance various development projects of India's Fifth Five Year Plan. (Roughly Rs.8.0 billion, mostly of non-PL 480 funds, was retained for U.S. uses.)

(contd.)

Footnotes (contd)

- b/ Excludes ocean freight, estimated 28% (average) of commodities value; excludes gift commodities provided through the World Food Program.
- c/ Excludes \$ 16.4 million obligated for self-help activities approved under Section 204 of PL 480 Title II; Grants were made in equivalent rupees out of U.S. owned PL 480 Title I rupee holdings. (This is not counted as additional aid to India.)

SUMMARY OF U.S. ECONOMIC ASSISTANCE TO INDIA

Description of Development Assistance Projects (FY 1978-1987)

1. Malaria Control (386-0455)

Finances the import of insecticides, such as malathion and DDT, larvacides, and sprayers which will help the malaria control efforts of the Government of India. The project which was completed in December 1982, contributed to reducing morbidity and mortality from malaria.

2. Rural Electrification (0462)

Finances the construction of infrastructure for distributing electricity in backward areas, which will help to energize pump sets for increased agricultural production, develop small scale agro-based rural industries, and light village households and streets. The project, which was completed in September 1987, was implemented by the State Electricity Boards under the supervision of the Rural Electrification Corporation, a GOI undertaking.

3. Gujarat Medium Irrigation (0464)

Finances the construction of new and modernization of existing medium irrigation projects, which will help to increase food production and to decrease the risks of drought in the state of Gujarat. The project contributed to raising the levels of small farmer income, expanding rural employment opportunities, and increasing the availability of food to the rural and urban poor. The project was completed in June 1984. Overall the project achieved its objectives and commitments. The main achievement was that the medium irrigation schemes approved for assistance will cover a total area of 374,954 hectares as against the target of 149,000 hectares.

4. Technologies for the Rural Poor (0465)

Finances the costs of sub-projects and activities that support the application of science and technology to India's rural development. These projects were within the priority areas established by the Indo-US Joint Sub-commission and the priorities of the GOI. The project which was completed in June 1986, focused largely on the development of systems that permit harnessing of non-conventional energy sources and provided small amounts for activities in the health sector and exchange of scientific visits.

5. Agricultural Development Credit (0466)

Provides additional resources to the Agricultural Refinance and Development Corporation (now known as the National Bank for Agriculture and Rural Development) to support its program of refinancing loans by credit institutions such as cooperatives, land development banks and commercial banks, for minor irrigation activities including dugwells, tubewells, pumpsets, lift irrigation and land development. The project, which was

completed in June 1982, helped small farmers by increasing their agricultural production, income and employment through increased access to credit.

6. Rajasthan Medium Irrigation (0467)

Finances the construction of new, and modernization of existing, medium irrigation projects which will help to increase food production and to reduce the risks of drought in the state of Rajasthan. The project, which was completed in June 1986, is expected to irrigate an estimated area of 81,544 hectares. Other benefits which have accrued from the project are: 60 percent of total project costs were used in providing employment to rural people; higher yield in farms was achieved where water was made available; the building up of ground water potential occurred in several areas where dams were constructed, and farmers are sinking more wells for better control; and U.S. and in-service training for state officials and engineers responsible for design, construction, operation, analyses, and evaluation.

7. Integrated Rural Health & Population (0468)

This grant finances the construction of additional subcenters, primary health centers, rural centers, and quarters for female workers; training of additional village level workers, dais, and sub-center level workers; and expanded services and support systems including base-line survey and needs assessment, communications, management information, etc. The project, which was completed in December 1986, contributed to the Government of India's Model Plan for improved access to health and family planning services that promote fertility and mortality reduction in 13 districts of Maharashtra, Gujarat, Punjab, Haryana and Himachal Pradesh.

8. Agricultural Research (0470)

Supports the Indian Council of Agricultural Research (ICAR) in enhancing the capability of the Indian agricultural research system to conduct research on priority problems requiring key scientific and technological development through transfer of technical knowledge made possible by the collaboration of U.S. and Indian scientists and their institutions in solving identified research problems, and provision of scientific equipment and U.S. training for Indian scientists.

9. Fertilizer Promotion (0471)

Finances the import of fertilizers to ensure availability of sufficient supplies in remote areas for use by the weaker sections. The project, which was completed in December 1984, contributed a total of 225,807 metric tons of nutrients to help increase income and welfare of small and marginal farmers by increasing their agricultural production through expanded use of fertilizer and associated practices.

10. Alternative Energy Resources Development (0474)

Finances professional and technical services, equipment, materials, and travel for carrying out collaborative research projects which will expand India's technical capacity to exploit its alternative energy resources and to develop selected energy technologies to a stage of application.

11. Madhya Pradesh Social Forestry (0475)

Finances the establishment of a Social Forestry Directorate in the state of Madhya Pradesh to assist the state and the villages therein in managing non-traditional forest lands, community and private lands for increasing the supply of fuelwood, fodder and mixed plantation. The project, which was completed in March 1987, benefitted 3,720 villages by supplying 20 percent of their annual firewood needs, and plantations on 47,665 hectares of marginal or degraded land adjacent to villages were planted.

12. Integrated Child Development Services (0476)

Provides financial resources to expand and improve the Integrated Child Development Services Scheme (ICDS) of the Government of India, in addition to PL 480 Title II food commodity support provided through CARE, in order to alleviate young child malnutrition and mortality in Indian villages through delivery of supplementary feeding, nutrition education and health services to those children and pregnant/nursing women. The project will establish 4,000 improved village child care centers (Anganwadis), in Panchmahal district of Gujarat and Chandrapur district of Maharashtra.

13. Maharashtra Social Forestry (0478)

Supports expansion and strengthening of a social forestry extension organization and reforestation program in the state of Maharashtra to assist approx. 4,300 village panchayats in 27 districts in managing the lands to increase the supply of firewood, fodder, timber and other forest products. Also finances establishment of an information and technical unit to assist the state horticulture and social forestry departments in extension efforts; and helps in creation of nursery production, and plantation management skills in village communities. The project is expected to result in approx. 81,000 hectares of mixed plantations adjacent to rural villages.

14. Maharashtra Irrigation Technology and Management (0481)

Finances design and construction of approximately 13 new prototype medium irrigation sub-projects, to test and demonstrate innovations in design and operation of irrigation systems involving farmers/irrigators more actively. As a complementary to loan funding, grant will finance training and technical assistance as well as studies related to the project, and the services of a Resident Project Coordinator. The project is intended to improve the efficiency of surface irrigation in the state of Maharashtra.

15. Madhya Pradesh Minor Irrigation (0483)

Finances design and construction costs of 50 minor irrigation schemes to improve the efficiency of surface irrigation in the state of Madhya Pradesh. These schemes will be used to test and demonstrate innovations in design, construction and operation of irrigation systems involving farmers/irrigators more actively in the process. As a complementary to loan funding, grant funds will be used to provide technical assistance, training and field studies to improve the quality of irrigation planning, design, management and water distribution among farmers.

16. Irrigation Management & Training (0484)

Provides resources to strengthen selected Indian institutions and human resources responsible for management and efficient use of irrigation water through large scale training of in-service professionals and farmers in various aspects of planning, designing, distribution, optimal utilization, and management of irrigation water based on modern concepts and technology; action research studies on problems of irrigation systems and corrective interventions for improving their operation; adaptive research studies; establishment and strengthening of central and state training institutions; and optimum planning of river basin development using the systems approach and technological collaboration. Grant funds will support U.S. and Indian technicians, training, imported equipment and instruments, water resources planning and management, project evaluations, research studies, seminars and workshops.

17. Family Planning Communications and Marketing (0485)

The project will support Indo-U.S. collaborative activities in family planning aimed at enhancing the freedom of individuals to choose voluntarily the number and spacing of their children. Specific examples of the types of activities to be supported include oral contraceptive information materials development; contraceptive compliance research; family planning providers and consumers surveys; breast feeding research; operation research to increase the efficiency of family planning programs; research on the relative contributions of non-program and program factors in explaining the differentials among districts and states in contraceptive prevalence; child survival activities; development of a private social marketing program; provision of local systems development and management consultants to family planning information, education and communication projects.

18. NCAER Rural Household Survey (0486)

Provides resources for analyses of rural household survey data to be undertaken by the National Council of Applied Economic Research (NCAER). The project, which was completed in September 1986, was designed to analyze the trends over the 1970s in levels of income, its distribution, land ownership, relative positions of agricultural laborers and non-agricultural workers, etc., and the inter-relationship between economic variables and demographic behavior. The results of the survey will improve the understanding at the national level of rural household behavior and key trends in the rural economy as basis for rural development planning.

19. Development and Management Training (0487)

Finances training of middle and junior level government officials and a limited number of executives and technicians from the private sector, to strengthen the managerial and technical capabilities of public and private sector manpower in different areas. Most of the training will be short-term and will be conducted in India and, where appropriate, in the U.S. and other countries. Approximately 2,100 individuals are expected to be trained under this project.

20. Hill Areas Land & Water Development (0489)

Finances design and construction of minor and small-scale irrigation schemes (water-courses, field channels, land-shaping, field bunding, terracing, etc.) to introduce new approaches to land and water management, promote greater irrigation efficiency and expand the area under irrigation in the state of Himachal Pradesh, with emphasis on community involvement and chak development. Approximately 150 irrigation schemes covering 15,000 hectares will be constructed; and micro and water harvesting schemes will be developed on approximately 7,000 hectares. Cultivator groups will be organized and assisted by various extension schemes. Grant funds will support training, analysis and field studies, improvement of institutional capacities to plan, design and manage irrigation facilities and operation and maintenance of irrigation systems.

21. Maharashtra Minor Irrigation (0490)

Supports design and construction of approximately 90 new irrigation schemes to increase irrigation efficiency in Maharashtra by improving the management and physical infrastructure of irrigation systems, quantitative expansion of improved schemes and qualitative improvements in the Irrigation Department, Agriculture Department and water user associations in the state. The project will inculcate the value of improved design criteria and construction procedures; study and test alternative technologies and management modes; and increase farmer understanding and acceptance of water management principles. Grant will finance research and technology development, including diagnostic analyses, research studies, pilot activities, training for farmers, irrigation and agricultural officials and other irrigation professionals; creation of eight new organizational units, a computer data management program, and the establishment of approximately 52 hydrological units.

22. Biomedical Research Support (0492)

To support the Government of India to improve rural health care in India by creating an epidemiological network through which relevant information can be gathered and evaluated and appropriate policy decisions can be made. Five critical areas identified for support under this project are: field epidemiology; laboratory support services; clinical epidemiology; management information system in malaria; and quality control of biologicals.

23. Program for the Acceleration of Commercial Energy Research (0494)

The Program for the Acceleration of Commercial Energy Research (PACER) Project will support selected research and technology development proposals while seeking to create an institutional environment for relevant technology innovation in the energy sector. The project will have three inter-related components. The first will provide financial support to consortia organized to undertake specific technology development programs. One such consortium will consist of a manufacturer in collaboration with a research institute and/or an end user and will have a significant financial stake in the venture. The second component will support a competitive research award program in topical areas defined by the first Component. The final component will support the formulation of technology strategies, policy analyses and information dissemination.

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24. National Social Forestry (0495)

The project will assist in building the capabilities of the four states of Uttar Pradesh, Rajasthan, Gujarat, and Himachal Pradesh, and the central government to evaluate the effectiveness of their social forestry programs, in order to raise incomes and employment among the rural poor by increasing production of small timber, fuelwood, fodder and other forest products and to arrest erosion of the national environment caused by deforestation.

25. Program for the Advancement of Commercial Technology (0496)

An experimental (PACT) project which will support acceleration of the pace and quality of technological innovation for products and production processes having application in industry, agriculture, health, energy and other areas beneficial to the development of India. These innovative applications will contribute to development of capability in the private sector to translate research already completed at the idea and laboratory stage into products and processes that will succeed in the market place.

26. Contraceptive Development: Reproductive Immunology (0500)

To finance collaborative research studies to continue search for better and more appropriate fertility regulation methods, particularly in three principal areas: sperm antigens; ovum specific antigens; and work begun under the Indo-U.S. Science and Technology Initiative (STI) on anti-luteinizing hormone releasing hormone, anti-follicle stimulating hormone, and anti-zona pellucida antigens. The project will provide for the visits of U.S. scientists to India and Indian scientists to the U.S., procurement and supply of laboratory equipment, training workshops and seminars in the U.S., and research costs.

27. Vaccine and Immunodiagnostic Development (0503)

The Project Purpose is to develop vaccines that will expand the range of diseases which can be prevented by immunization programs and to develop accurate, inexpensive diagnostic techniques for use in the Indian health care system. These improved techniques will be used to improve the quality of patient care and to generate valuable epidemiological information which is essential in improving the efficacy of immunization programs. The first and major component of the project funding will sponsor Indo-U.S. collaborative research to develop and test vaccines and diagnostic techniques for selected viral, bacterial and protozoal diseases. The second component will support the field trials of a recently developed synthetic peptide vaccine against the most deadly form of human malaria. The third component will contribute to support the Indian Centre for Epidemiological Research and Training an institution being created to facilitate the field testing of new medical technologies.

28. Child Survival Health Support (0504)

The project will assist the Government of India to significantly reduce infant and child mortality through reduction of deaths from immunizable diseases and their complications and deaths from dehydration due to diarrhea. This grant project will help to expand the proportion of children and women covered by immunization and oral rehydration therapy (ORT), and to improve the quality of the delivery of these interventions. Specifically the project will achieve a significant increase in coverage of children under one year age with DPT, BCG,

polio, and measles immunization, through a proposed grant to UNICEF, and of pregnant women with tetanus toxoid immunization. It will also support a national network of clinical ORT centers, promote the knowledge and established use of ORT in first line treatment of diarrhea in the household, and enhance the capacity of states to monitor and implement these programs.

29. Private Voluntary Organisations for Health (PVOH) - II (0511)

The Project aims at expanding and improving the basic and special preventive health, family planning and nutrition services for the poor by utilizing and strengthening the private and voluntary organizations to run integrated health programs primarily targetted at rural poor mothers and children. The second component of the project funding finances the Technical Assistance and Training for the PVOs.

30. Private Voluntary Organizations for Health (PVOH) - I (0469)

The Special Foreign Currency Appropriation (SFCA) grant from U.S.-owned rupees provides support to Indian private voluntary organizations in implementing their projects designed to expand and improve basic and special preventive health, family planning, and nutrition services for the poor.

31. PL 480 Title II Gift Commodities - through U.S. Voluntary Agencies

Gifts of U.S. blended food commodities of greater nutritional value have been imported for free distribution through U.S. Voluntary Agencies, such as CARE, CRS, CWS/LWR, working in India. These agencies assist government and private institutions in their programs of maternal/child health, school feeding, mid-day meals, food-for-work, and to support humanitarian/relief activities.

32. PL 480 Title II Gift Commodities - through the Cooperative League of the U.S.A.

Gift imports of U.S. vegetable oil have been provided to the Cooperative League of U.S.A. (CLUSA) in support of its program of assistance in developing India's cooperative vegetable oil sector. Under this program, U.S. donated oil is sold to generate local currency funds for development of oilseed production and marketing system owned and controlled by farmer cooperatives. The project which is being implemented by the National Dairy Development Board, is expected to contribute to ease the supply of edible oils in India.