

US Assistance to India

USAID

USA has been extending economic assistance to India since 1951. US Development Assistance is channelized through US Agency for International Development (USAID). Presently, US Development Assistance is received in the form of grant and is available as project assistance.

USAID's development assistance budget for India for U.S. fiscal year 2009 was \$95.581 million (including food aid of \$13.5 million). Total Assistance disbursed by USAID in 2009-10 was of the order of US \$ 35.72 million as compared to US \$ 36.74 million disbursed in 2008-09.

Under PL-480 (Title II), USA has been donating agricultural commodities as outright grant. USAID has disbursed a total amount of US \$ 11.00 million in 2009-10 as compared to US \$ 11.93 million disbursed during 2008-09.

Total Number of on-going projects with USAID assistance is 8. The four priority areas of US assistance are: economic growth, health, environment & energy, and disaster management. USAID assistance is not State focused. All the projects are central projects and they are being implemented in the states of Maharashtra, Tamil Nadu, Uttar Pradesh, Jharkhand, Karnataka and Pondicherry.

USTDA

Since 1981, U.S. Trade and Development Agency (USTDA) has provided more than \$28 million in funding for cooperation projects with both public and private sector sponsors in India. USTDA's program strengthens the U.S.-India relationship through closer economic ties, support for its infrastructure development objectives particularly in clean energy, transportation and environment, and engagement in important technical and trade areas in growth sectors important to both of our economies. Current priorities include energy and climate change, water/environment, transportation (especially aviation), agriculture, and standards cooperation.

FORD FOUNDATION (FF)

The Ford Foundation is a private, non-profit, philanthropic organization operating in India through MoU signed in January 1952 when it opened its first international field office at New Delhi. In 1970s however when the multilateral funding took prominence in the India's development Ford Foundation started restricting its activities from operating its own projects to a role as a grant maker to Indian organizations carrying

out their own programmes. The Ford Foundation has been extending grant assistance to various Indian NGOs/institutions since 1952 for implementing projects/studies etc. in the areas of health, rural development, social sector, education, culture etc. 85 project proposals involving total grant of \$ 24 million have been cleared in 2007-08 as compared to 59 project proposals involving total grant of US \$ 13.4 million in 2008-09. In 2009-10, 57 cases involving total grant of US \$ 11.95 million in 2009-10.

Indo-US CEO Forum

The Indo-US CEOs Forum was constituted (*during the visit of Indian Prime Minister to the US in 2005*) as part of the India-US Economic Dialogue, Co-chaired by Shri Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, Government of India and Mr Allan Hubbard, Assistant to the President of the United States & Director, National Economic Council, US. The CEO's forum had submitted its first recommendations to the two governments on the steps required to deepen bilateral economic relationship, during the visit of President Bush to India in March 2006.

The position of Government of India on these recommendations was firmed up in consultation with the concerned Departments/ Ministries and conveyed to the Forum. After the visit to USA of FM in October 2006, a list of 14 'doable' items was prepared with the approval of PMO. Follow up action on each of these items are being undertaken. Some of the actions suggested have been accomplished.

The next Indo-US CEO Forum was held on September 24th, 2007 in New York. On April 7, 2008 the co-chairs of Indo-US CEO Forum, Mr Ratan Tata and Mr Bill Harrison have submitted a jointly drafted document titled 'Recommended Next Steps'. These are being presently examined by the various GoI Ministries and the US Government. On the last occasion, PM's approval was taken in respect of action recommended to pursue issues/items identified as feasible. The Indo-US CEO Forum meeting was proposed to be held on 14th October 2008 at New York; however the same got postponed indefinitely.

The reconstituted India-US CEOs Forum (12 CEOs from each side) met in Washington on 23 November 2009 on the sidelines of Prime Minister's State visit. The meeting was co-chaired by Shri Ratan Tata on the Indian side and Mr. David Cote, P resident, Honeywell on the US side. The last meeting of the Indo-US CEO Forum was held on June 22nd, 2010 in Washington.

Indo-US Financial & Economic Forum

The Indo-US Financial & Economic Forum was set up under the aegis of March 2000 Joint Declaration by the Indian Prime Minister and US President. The Forum provides for a general framework for facilitating regular discussion on issues surrounding financial sector developments, investment, and macroeconomic policy. The Forum

envisions annual Cabinet level meetings at Finance Minister/ US Treasury Secretary level and sub-cabinet level discussions.

Under the arrangement so far four **Cabinet level and four Sub-Cabinet** level meetings have been held. The Cabinet level meetings have been held on 14th September 2000 (Washington DC) 22nd November 2002 (New Delhi), 9th November 2005 (New Delhi) and 30th October 2007 (New Delhi). The topics in the **fourth Cabinet Level** meeting ranged from financial services, banking, insurance, pensions to security and corporate bond markets.

The FEF meeting of the technical group was held in June 2008 in Washington DC with Indian delegation being led by Joint Secretary (Capital Market) and Joint Secretary (Banking). The US and Indian members of the FEF Regulatory Dialogue will soon provide a written report to the US and Indian Finance Ministers summarizing the concrete achievements made since this meeting.

Under Indo-US Financial & Economic Forum, a Regulatory Dialogue was held on 9th and 10th December 2009 in New Delhi. The discussion in the Regulatory Dialogue focused on various issues related to financial, banking, insurance sector, and commodity markets. From Indian side JS (CM), JS (Banking), JS (Insurance), SEBI, RBI, Forward Market Commission (FMC), IRDA, PFRDA participated in the dialogue. US side was represented by US Department of the Treasury, Federal Reserve Board, Securities and Exchange Commission (SEC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Commodities Futures Trading Commission (CFTC), and National Association of Insurance Commissioners (NAIC).

The Financial & Economic Forum has proved to be an excellent forum for sharing of views between the two sides at political, senior executive and regulators levels.

Financial and Economic Partnership

The Expanded Indo-US Financial and Economic Partnership was launched in New Delhi on 6th April 2010 under the co-chairmanship of Mr. Pranab Mukherjee, Finance Minister of India and Mr. Timothy F. Geithner, Secretary of the US Treasury. The Partnership focussed on three broad areas for discussions – macroeconomic policy, financial sector and infrastructure finance. The Partnership envisions annual Cabinet level meetings at Finance Minister/ US Treasury Secretary level and sub-cabinet level discussions.

The Cabinet level discussion focussed on the global developments with special emphasis on US and Indian economies, including monetary and fiscal policies, financial sector regulation, capital flows and capital controls, infrastructure finance and public-private partnership.

The Working Groups on Macroeconomic Policy and Financial sector also met in the afternoon on 6th April 2010. The Working Groups on Macroeconomic Policy and Financial sector were led by Mr. Kaushik Basu, Chief Economic Adviser and Shri R. Gopalan, Department of Financial Services, respectively from the Indian side.

The agenda of the Working Group on Macroeconomic Policy were capital flows, the financial sector and the real economy connections & implications for advanced and emerging economies, and asset price and bubbles: counter-cyclical monetary policy.

The agenda of the Working Group on Financial sector were (a) Debt Markets which included debt management, infrastructure finance/public private partnerships and corporate bond market development, (b) Regulatory Issues which included banking, pension and insurance reform, foreign participation in the financial sector/roadmap and US financial regulatory reform and (c) Financial Inclusion.