

**GOVERNMENT OF INDIA
STATISTICS AND PROGRAMME IMPLEMENTATION
LOK SABHA**

UNSTARRED QUESTION NO:1489
ANSWERED ON:24.07.2002
CENTRAL PROJECT
CHANDRA NATH SINGH;CHANDRAKANT BHURAO KHAIRE;SADASHIVRAO DADOBA MANDLIK

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether his Ministry has reviewed recently the projects implemented by the Union Government;
- (b) if so, whether one-third of the projects of Union Government are running far behind their fixed target and the cost of about half of the projects has increased a number of times;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the steps taken for timely completion of projects?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI VIJAY GOEL)

(a) & (b) As on 1st April, 2002, 455 projects costing Rs. 20 crore and above are being monitored by the Ministry of Statistics & Programme Implementation. Of these, 221 projects have reported cost overrun of 69.4% with respect to the original cost and 159 projects have reported time overrun, ranging from 1 to 225 months with respect to the originally approved schedule. The sector-wise break-up showing cost and time overrun is given in the enclosed Statement.

(c) The reasons for cost and time overrun vary from project to project. In general, the reasons for time overrun include delay in land acquisition, delay in award of contracts, delay in supply of equipment, lack of infrastructure, law and order problems and fund constraints. The reasons for cost escalation include changes in rates of foreign exchange and other statutory duties, high cost of land acquisition, change in the scope of the project and initial underestimation of the original project cost and general inflation.

(d) The steps taken in regard to the timely completion of projects in order to reduce time and cost overruns include:

- i) review of projects on monthly as well as quarterly basis by the Government to identify the constraints and to resolve the problems affecting the implementation of projects;
- (ii) indepth critical review of the progress by the project authorities and the Administrative Ministries and follow up with the State Governments for acquisition of land, rehabilitation related issues, expediting forest clearances and provision of infrastructure facilities like water and power, ensuring law & order at project sites, etc., follow up with manufacturers for expediting supply of equipment, with contractors, consultants and other agencies concerned to minimise delays;
- (iii) inter-ministerial coordination for resolving problems of inter-ministerial nature;
- (iv) appointment of a nodal officer for each project coterminous with the duration of the project;
- (v) setting up of an Empowered Committee in the administrative Ministries concerned for resolution of problems;
- (vi) yearly updating of cost of the project to tie up fund requirement; and
- (vii) making available matching funds to complete the projects in advanced stages of implementation as per schedule.

**ENCLOSURE TO THE ANSWER TO LOK SABHA UNSTARRED QUESTION No.1489 DUE FOR ANSWER ON 24-7-2002
EXTENT OF TIME / COST OVERRUN IN PROJECTS WITH RESPECT TO ORIGINAL SCHEDULE**

(AS ON 01-04-2002)

S.No.	SECTOR	NO.OF PROJ- ECTS	TOTAL COST (RS. CRS)		PROJ. WITH COST OVER RUN				PROJ. WITH TIME OVER RUN				
			ORIG- INAL COST	ANTIC- IPATED OVER- EASE	COST - ORGI. COST	%INCR- IPATED COST	NO. IPATED MONTHS	ORIG. (NO)	ANTIC- RANGE				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1.	ATOMIC ENERGY	7	21043.3	24356.3	15.7	1	3447.1	6760.0	96.1	3	184.1	184.1	21- 81

2. CIVIL AVIATION	11	432.4	487.4	12.7	5	149.8	212.2	41.6	6	261.2	266.0	9- 27
3. COAL	54	10035.8	10647.2	6.1	7	2597.5	3735.5	43.8	18	4841.6	5722.9	12- 225
4. FERTILISERS	3	473.4	632.8	33.7	1	350.0	509.4	45.5	1	350.0	509.4	17- 17
5. I & B	4	168.4	215.8	28.2	1	34.2	81.6	138.9	4	168.4	215.8	36- 165
6. MINES	3	2598.8	2598.8	0.0	0	0.0	0.0	0.0	2	2118.8	2118.8	6- 30
7 STEEL	7	813.2	852.0	4.8	4	582.6	621.3	6.7	5	681.2	712.3	5- 58
8. PETROLEUM	44	35262.4	36915.3	4.7	6	10592.4	12620.7	19.1	12	3710.5	3349.4	1- 20
9. POWER	38	36251.7	54480.7	50.3	13	20883.4	39121.6	87.3	15	12170.7	29868.8	4- 157
10. HEALTH & FW	3	159.9	780.9	388.2	3	159.9	780.9	388.2	2	140.9	691.8	48- 72
11. RAILWAYS	205	28743.0	43674.8	51.9	148	21363.7	36434.0	70.5	50	8716.2	13516.7	2- 156
12. SURFACE TRANSPORT	62	36369.9	38876.1	6.9	26	3250.6	5986.7	84.2	32	3490.9	5633.2	1- 132
13. TELECOMMUNICATION	6	259.9	259.9	0.0	0	0.0	0.0	0.0	3	122.2	122.2	12- 72
14. URBAN DEVELOPMENT	8	5186.8	9296.6	79.2	6	5130.1	9240.0	80.1	6	5076.8	9083.2	6- 67
TOTAL	455	177798.7	224074.5	26.0	221	68541.2	116103.9	69.4	159	42033.4	71994.6	