

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

UNSTARRED QUESTION NO:332

ANSWERED ON:24.02.2010

COST AND TIME OVERRUNS OF PROJECTS

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

- (a) whether the Government has conducted any appraisal of the large or major central sector projects;
- (b) if so, the outcome thereof;
- (c) the factors responsible for the cost and time overruns in respect of the projects identified by the Government; and
- (d) the remedial steps taken by the Government in this regard?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE), IN THE MINISTRY OF COAL AND STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a)&(b) As on November 2010, out of 589 projects costing Rs. 100 crore and above 321 projects have reported time overruns. The cost overrun in these delayed projects is of the order of Rs.31,957 crores.

(c) The main factors causing time and cost overruns include; delay in award of contract, delay in supply of equipment, delay in completion of works by contractors, delay in acquisition of land, change in scope, inadequate infrastructure, cost escalation, exchange rate variation and increase in cost due to delays.

(d) The remedial measures taken by the Government for timely completion of the projects are:

- (i) in-depth review of projects on monthly and quarterly basis by the Government;
- (ii) follow up with the State Governments in respect of problems relating to land acquisition, rehabilitation related issues, forest clearances, infrastructure facilities, ensuring law and order at project sites, etc.;
- (iii) setting up of Empowered Committees in the administrative Ministries for review of departmentally executed projects;
- (iv) inter-ministerial coordination for resolving unresolved problems;
- (v) setting up of Standing Committees in the Ministries/Departments to fix responsibility for time and cost overruns;
- (vi) appointment of nodal officers for each project with continuity of tenure; and
- (vii) issue of guidelines on standard bidding documents.