

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:1486
ANSWERED ON:03.08.2010
STRICTER NORMS FOR ASSISTANCE UNDER CRF
Naik Dr. Sanjeev Ganesh;Rao Shri Sambasiva Rayapati

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Union Government has recently issued directions to the State Governments to provide estimate details and detailed project plan for assistance under the Central Road Fund;
- (b) if so, the response received from the States in this regard;
- (c) whether the Union Government has taken this step after it detected misuse and underutilisation of the Central fund; and
- (d) if so, the details alongwith the extent to which it is likely to check misutilisation of funds and bring about marked improvement in the implementation of road projects?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N.SINGH)

(a) and (b): As per the instructions issued by the Ministry in March 2010, the procedure for identification, prioritization, preparation of detailed proposals for the projects under the Central Road Fund (CRF) scheme has been modified with effect from 01-04-2010 to stipulate submission of detailed estimates for the projects prioritized and finalized by the Standing Committee headed by the Secretary of this Ministry so as to facilitate accord of detailed technical and financial sanction including administrative approval by the Ministry for such projects.

The State Government of Bihar expressed their reservations against the above stipulations mentioning that this deprives the State Government of its federal rights since the fund accrues from the cess collected in which every State Government has a defined share.

The procedure has been modified as it was felt essential that the projects under CRF be sanctioned for the full cost and that cost be based on Detailed Project Report so that cost estimation is realistic as also there is no necessity for the States to bear the excess cost beyond 10% of the amount administratively approved, avoid downsizing the projects by some States to reduce scope of work and restrict the cost within the limit of 10% excess.

(c): No, Sir.

(d): Does not arise.