

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

UNSTARRED QUESTION NO:4429
ANSWERED ON:04.08.2009
WORLD BANK CONCERN OVER NATIONAL HIGHWAY PROJECTS
Sule Supriya

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

- (a) whether the World Bank has expressed concern over laxity of construction, development and improvement works of National Highways and stopped/threaten to stop funding of projects including NH-28;
- (b) if so, the details thereof and the reasons therefor, project-wise;
- (c) the reaction of the Union Government thereto;
- (d) whether the Union Government has received any requests from developers regarding provision of grants for some road projects being bid out under phase III of NHDP; and
- (e) if so, the details thereof?

Answer

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

- (a) & (b) World Bank expressed concern over the slow progress in respect of some packages under Lucknow Muzaffarpur National Highway Project (LMNHP) of NH-28 in the States of Uttar Pradesh and Bihar. The concerns of World Bank were mainly poor performance of some contractors, work site safety arrangements and improving the contract management of NHAI.
- (c) A detailed time bound action plan has been drawn up to adequately address the concerns of the World Bank and enable early completion of the project. A proposal to restructure World Bank loan delinking four poor performing packages has been made. After restructuring, the balance works in these four packages would be completed from Government funds.
- (d) & (e) The developers had requested for release of entire 40% Viability Gap Funding (VGF) during construction period as against the existing provision of release of 20% VGF during construction period and balance 20% during Operation and Maintenance (O&M) period.