

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

UNSTARRED QUESTION NO:677
ANSWERED ON:08.07.2009
DELAY AND COST ESCALATION IN CENTRAL PROJECTS
Rao Shri Kavuri Samba Siva

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

- (a) the project-wise details of cost escalation and time over-run on account of delay in completion of central projects of various Ministries/Departments;
- (b) the corrective action taken to minimise cost and time overrun of projects; (
- (c) whether the Government proposes to formulate new guidelines and set up an effective mechanism to monitor high value projects to cut-down delays in project implementations; and
- (d) if so, the details thereof?

Answer

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

- (a) As on March 2009, out of 925 projects costing Rs. 20 crore and above on the monitor of the Ministry of Statistics & Programme Implementation, 423 projects of different infrastructure sectors are running behind their latest approved schedule. Cost overrun in 423 delayed projects is Rs.38663.67 crore, which is 15.35% of the latest approved cost of Rs.251912.73 crore. The cost escalation and time overrun for these 423 projects is given in Annexure-I.
- (b) The corrective steps taken by the Government to minimize cost and time over-run of such projects inter-alia include:
 - (i) adoption of two-stage clearance system and stricter appraisal of projects before investment approval;
 - (ii) taking up of projects for implementation only after funds have been fully tied up;
 - (iii) in-depth review of projects on monthly and quarterly basis by the Government;
 - (iv) 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.
 - (v) setting up of an Empowered Committee in the administrative Ministries for review of departmentally executed projects;
 - (vi) inter-ministerial coordination for resolving unresolved problems;
 - (vii) setting up of Standing Committees in the Ministries/Departments to fix responsibility for time and cost overruns;
 - (viii) appointment of nodal officers for each project with continuity of tenure; and
 - (ix) issue of guidelines on standard bidding documents for adoption.
- (c) No sir, As of now, there is no proposal to change the present monitoring system for central sector projects.
- (d) Does not arise.