

**GOVERNMENT OF INDIA  
RURAL DEVELOPMENT  
LOK SABHA**

STARRED QUESTION NO:530

ANSWERED ON:30.04.2015

CONSTRUCTION OF ROADS UNDER PMGSY

Karunakaran Shri P.;Mahendran Shri C.

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) the details of targets fixed and achieved under the Pradhan Mantri Gram Sadak Yojana (PMGSY) during each of the last three years, State/UT-wise;
- (b) whether there has been a considerable delay in achieving these targets, if so, the details thereof and the reasons therefor;
- (c) the financial assistance received by the Union Government from the World Bank for implementation of the PMGSY;
- (d) the modalities and terms and conditions to repay the loan to World Bank; and
- (e) whether the World Bank has imposed some conditionalities for the implementation of PMGSY and if so, the details thereof?

**Answer**

MINISTER OF RURAL DEVELOPMENT (SHRI BIRENDER SINGH)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Q.No. 530 due for answer on 30.04.2015.

(a) & (b): "Rural Roads" is a State subject and Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention of the central government to provide rural connectivity, by way of a single all-weather road, to the eligible unconnected habitations as per the core network. As per PMGSY programme guidelines, execution of PMGSY projects is the responsibility of the State Government. The details of targets fixed and achieved under PMGSY during each of the last three years, State wise is given at Annexure-I. Some States have reported relatively slow progress due to following reasons:

- (i) Inadequate capacity of the Programme Implementation Units (PIUs).
- (ii) Most of the construction materials such as aggregate, cement, steel, bitumen etc. are not locally available.
- (iii) Lack of contracting capacity as well as non availability of basic road construction equipment such as road roller, paver, crushing plants, dumper/ dipper, trucks etc. as well as skilled manpower in the region.
- (iv) Non-availability of land or the land falling under forest areas.
- (v) Limited working season in some States.

(vi) Law and order problem in some parts of the States.

(c): The World Bank has provided long-term loan to Government of India for construction and up-gradation of rural road works under PMGSY through Rural Roads Projects-I (RRP-I) from year 2005 to 2012 and Rural Roads Projects-II (RRP-II) from year 2011 to 2015. The Gross Budgetary Support (GBS) from Government of India for PMGSY programme includes assistance under External Aided Projects (EAP) by World Bank and Asian Development Bank (ADB). The Ministry of Economic Affairs has received assistance of US\$ 399.5 million for years 2005-2012 under the World Bank supported Rural Roads Projects-I (RRP-I) in 4 participating States- Rajasthan, Uttar Pradesh, Himachal Pradesh and Jharkhand. Further, an assistance of US\$ 1,400 million has been approved under ongoing Rural Roads Projects-II (RRP-II) for a 5 year period (2011- 2015), in 8 participating States namely Bihar, Jharkhand, Himachal Pradesh, Meghalaya, Punjab, Rajasthan, Uttarakhand and Uttar Pradesh. The scheduled completion of RRP-II is in November, 2015.

(d) & (e): The project sanctioned under RRP-II has been provided financial assistance from International Development Association (IDA) and International Bank of Reconstruction and Development (IBRD). The Terms and condition relating to the two credits (Financing) from IDA ( under the Credit A no. 4848-IN and Credit B- 4849-IN) are as follows:

(i) The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

(ii) The Service Charge payable by the Recipient on the Withdrawn Financing Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

(iii) The Recipient shall pay the Association interest on the amount of Credit A withdrawn and outstanding from time to time at a rate equal to three and one fifth of one percent (3.20%) per annum. Such interest shall accrue from the respective dates on which the amounts of Credit A are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Such interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The term and conditions related to the credit from IBRD (Credit no. 7995-IN) are as follows:

The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. Apart from this, the interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread.

The project will reimburse eligible expenditures incurred under the PMGSY rural roads program in the participating States. Eligible expenditure shall be based on receipt and payment module of the on-line computerized financial management and accounting system as a part of the OMMAS both for programme fund and administrative fund entered by concerned States and with no unreconciled Bank Authorization. Disbursements will be made twice a year in June (for October – March) and December (for April – September). Disbursements in the Loan are linked with satisfactory achievement of three Disbursement Linked Indicators (DLI) as given in Annexure II.