

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

UNSTARRED QUESTION NO:504
ANSWERED ON:26.02.2015
FINANCIAL ASSISTANCE LOANS FOR ROAD PROJECTS
Ahlawat Smt. Santosh

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

- (a) whether National and International Financial Institutions including the World Bank have been providing financial assistance/loans for the construction, development and maintenance of road projects under the National Highway Authority of India (NHA);
- (b) if so, the details of such projects for which financial assistance/loans have been received from these financial institutions during the last three years along with their current status and the quantum of financial assistance/loans provided for each of these projects, project-wise, year-wise and State-wise;
- (c) whether the World Bank's International Integrity unit has recently reported serious irregularities in some work of NHA projects including projects in Rajasthan;
- (d) if so, the details of irregularities brought out in the report, State-wise and project-wise and the Government's reaction thereto; and
- (e) the corrective measures taken in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI PON. RADHAKRISHNAN)

(a) and (b) International Financial Institutions including the World Bank have provided financial assistance /loans for the construction and development of some of the National Highways (NH) projects being implemented through National Highways Authority of India (NHA) and the Ministry of Road Transport & Highways through National Highways Interconnectivity Improvement Project (NHIIIP) in the States of Bihar, Odisha, West Bengal, Karnataka and Rajasthan. All these loans have already been disbursed and availed. For 4-laning of Patna-Gaya- Dobhi section of NH-83 in the State of Bihar, Loan Agreement with Japan International Co-operation Agency (JICA) was signed on 22.02.2013 and the work awarded on 24.12.2014 against the bid amount of ? 1231.98 crores. World Bank have provided Loan for construction & development of NH project in aggregate length of 1120 kms on NH-11 B, NH- 113, in the State of Rajasthan, NH-98, NH-106, NH-104, & NH-30 A in the State of Bihar, NH- 60 A in the State of West Bengal, NH-217, NH-200, NH-20, in the State of Odisha and NH-234 in the State of Karnataka under Phase - I of NHIIIP. The cost of these projects are ? 5193 crores and World Bank is providing the loan of US \$ 500 Million (? 2300 crores approximately). The work is being executed in 15 packages. No loan has been provided for maintenance work. The Loan has been declared effective from 05.08.2014, so disbursement by the World Bank under NHIIIP during the last 3 year is NIL. In the current financial year the disbursed loan amount by the World Bank is ? 5.46 crores till December 2014.

(c)to (e) No World Bank report has been received recently regarding irregularities in NHA projects. However, one World Bank Institutional Integrity Report regarding sanctioned practices by the Contractors was received in March 2012. The matter was investigated by Central Bureau of Investigation (CBI) and reports submitted on 18.09.2014 and 18.12.2014, but no case was registered in the matter. On their suggestions, NHA declared the concerned contractor as non-performer and also terminated the contract package at risk and cost of the contractor. The directions of CBI have been noted by NHA for implementation of the project and finalization of accounts for other package.