

GOVERNMENT OF INDIA
MINISTRY OF WATER RESOURCES,
RIVER DEVELOPMENT & GANGA REJUVENATION
LOK SABHA
UNSTARRED QUESTION NO. 3889
ANSWERED ON 03.01.2019

RELEASE OF BALANCE FUND FOR POLAVARAM PROJECT

3889. SHRI KONAKALLA NARAYANA RAO

Will the Minister of WATER RESOURCES, RIVER DEVELOPMENT AND GANGA REJUVENATION be pleased to state:

- (a) whether it is a fact that the Government has decided to pay attention to the matters of Polavaram Project and if so, the details thereof;
- (b) whether the Government has received the DPR-II of Rs.57,940 for approval and request from Andhra Pradesh for release of these balance funds immediately;
- (c) if so, the response of the Government in this regard; and
- (d) the steps being taken by the Government to complete the project as scheduled by May, 2019?

ANSWER

THE MINISTER OF STATE FOR WATER RESOURCES, RIVER DEVELOPMENT AND
GANGA REJUVENATION & PARLIAMENTARY AFFAIRS

(SHRI ARJUN RAM MEGHWAL)

(a) to (d) Polavaram Irrigation Project (PIP) has been declared as National Project under Section 90 of Andhra Pradesh Re-organisation Act, 2014. Ministry of Finance vide letter dated 30.09.2016 has communicated the approval for funding of the project by the Central Government in the following manner:-

“It will provide 100% of the remaining cost of the irrigation component only of the project for the period starting from 01.04.2014 to the extent of the cost of the irrigation component on that date.”

Accordingly, the Government of India is reimbursing the expenditure incurred by the Government of Andhra Pradesh (GoAP) on the PIP. The balance cost of irrigation component of the project was Rs. 7158.53 crore when the project was declared as National Project with effect from 1.4.2014 as per the presently approved cost of the project. Thereafter, Central Assistance (CA) of Rs.6764.16 crore has been released from time to time as per eligible proposals recommended by Polavaram Project Authority (PPA) and Central Water Commission (CWC).

Also, a proposal for release of Rs 393.51 crore was forwarded by PPA/CWC for reimbursement which was referred to Ministry of Finance. Ministry of Finance vide its letter dated 26th July, 2018 has sought certain clarifications primarily on two major issues –

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- (i) Audited Statement of Expenditure incurred by the State on the project till 31.03.2014 &
- (ii) Status of Revised Cost Estimates (RCE) of the project at 2013-14 Price Level. The State Govt. has not submitted the Audited Statement in this regard. Further release of funds is dependent upon compliance by the State Government on the observations of Ministry of Finance.

The Government of Andhra Pradesh submitted the second RCE amounting to Rs.57941 crore at 2013-14 Price Level to CWC during January 2018. The same was examined and subsequently set of observations were communicated to the Project Authorities from time to time. The approval of RCE is dependent upon satisfactory compliances by the State Government on the observations of CWC/CEA.

As intimated by the GoAP, the State is providing required funds for the payments of the PIP on top priority and is committed to completing the Polavaram project by December 2019.

Above apart, this Ministry has taken a number of steps for expediting the works which include:

- (i) Dam Design and Review Panel (DDRP) under the chairmanship of a former Chairman, CWC and an Expert Committee headed by Member (WP & P), CWC have been constituted on 13.6.2016 and 10.3.2017 (reconstituted on 07.06.2017) respectively to carry out regular monitoring of the project and to strive better coordination with DDRP/Contractor/PPA/CWC design units/Central Water and Power Research Station (CWPRS) in respect of various issues related to design and implementation of the project.
- (ii) A Monitoring Committee for Rehabilitation and Resettlement works with Secretary, Ministry of Tribal Affairs, Government of India as its Chairperson has also been constituted on 12.9.2017 to oversee the implementation of Land Acquisition and R & R works.
- (iii) PPA is mandated to convene regular meetings to review the work progress and resolve any pending issue for completion of the project as per schedule. Also, Water and Power Consultancy Services (WAPCOS) working as Project Management Consultant (PMC) for PPA, monitors the implementation of the project regularly.
- (iv) PPA has engaged Central Soil and Materials Research Station (CSMRS), New Delhi as quality consultant for the project which carries out review of all the Quality Control tests conducted by the Project Authorities.