

Ministry of Statistics and Programme Implementation
Government of India

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51 Infrastructure and other central projects worth Rs.23910 crore completed

Shri Oscar Fernandes, Minister of State (Independent Charge), Ministry of Statistics and Programme Implementation in a press briefing highlighted that in the last six months (by the end of September, 2004) 51 **central projects** costing **Rs. 23,910 crore** were completed. Sector-wise these include, 11 in Railways, 13 in Road Transport and Highways, 5 in Shipping and Ports, 2 in Urban Development, 1 in Power, 3 in Petroleum, 1 in Steel, 1 in Atomic Energy, 11 in Coal, 1 in Information and Broadcasting and 2 in Mines.

These projects are located in Andhra Pradesh, Assam, Goa, Gujarat, Himachal Pradesh, Jammu and Kashmir, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal, Delhi, Chattisgarh and Jharkhand. These projects would add new capacity of

- q 27.58 million tones of **coal production** per annum.
- q 53 kms of new rail line connecting **Jammu-Tawi and Udhampur**
- q 299 kms rail line Gauge Conversion of **Luni Barmar**
- q 62 kms of **Rail Line Doubling** in Orissa and Andhra Pradesh
- q **Electrification of 306 kms of railway** line in Gujarat and Maharashtra
- q 60 kms of metro network electrification in West Bengal
- q 334 kms of 4 or 6 laning of national highway network
- q **1000 MW capacity for power generation** through Nathpha Hydro-electric Power Project (Himachal Pradesh)
- q 1,15,000 tonnes per annum capacity for **production of aluminium** with **120 MW captive power** and 26,400 tonnes per annum capacity for production of special grade alumina.
- q **Manali Refinery expansion** to 3 million tones capacity

These infrastructure projects will have multi directional effect on the economic development of the country including creation of employment, development of the industry, etc. The infrastructure projects completed in rail and road transport sectors will improve the carrying capacities for freight traffic and movement of passengers.

Infrastructure is essential for growth. Efficient Project Monitoring alone can help facilitate early completion of the central projects. Recognising its importance, the Government has laid emphasis on this in its National Common Minimum Programme (NCMP) and has entrusted the Ministry of Statistics and Programme Implementation, the task of coordinating with all concerned departments, to achieve the objectives envisaged in the NCMP.

Shri Fernandes informed that overall cost overrun in projects is coming down as a result of several measures taken by the Government and constant vigil on projects under implementation. There are about 19 projects which contribute nearly 90% of the overall cost overrun in all projects. He further informed that there is a further saving of cost overrun in projects by 0.9% against 22.4% recorded in March 2004 with respect to the original approved cost. However, the overall cost overrun in all projects together with respect to the latest approved cost is only of the order of 6.3%. This resulted into cost reduction of over Rs. 1000 crore in all projects together.

Having already streamlined the monitoring procedures and mechanism, the Ministry advises other Ministries on the task of cutting down delays in project implementation as well as the resultant cost over-runs on mission-mode basis. Though, implementation of projects is the primary responsibility of the concerned ministries and PSUs under its control, the role of this ministry, as an independent Monitoring Agency, is to provide an unbiased picture of the projects under execution on the basis of structured reports. The present mechanism brings out a comprehensive picture of the cost and time over-runs of all projects sector wise, for the government to take note and issue directives for correction. Physical parameters are also compared with the pre-set targets. The Reports brought out by the ministry highlight critical implementation areas, which require immediate attention at different levels.

There are **605 Central projects** were under implementation, with an anticipated cost of **Rs. 2,67,815 crore**. Of the total projects, 22 are proceeding ahead of schedule, 140 on schedule, 250 behind schedule and 149 projects yet to be assigned a definite date of commissioning. According to the analysis carried out by the Ministry, a number of factors have contributed for the delays. In case of **232 Railway Projects**, the problems include fund constraints, land acquisition, delays in awarding contracts, supply of equipment and civil works, legal wrangles including law and order problems. In 77 other cases, the issues causing delays included fund constraints, land acquisition, environmental clearance, technology selection, award of contract, supply of equipment, delay in civil works, Geo-mining and law and order. Apart from these, it has been noticed that high cost of environmental safeguards and rehabilitation measures, higher cost of land acquisition, change in the scope of the project and under-estimation of original cost, have also contributed to time delays and cost-escalation. Several additional reasons have also been the contributing factors like, lack of supporting infrastructure facilities, delay in finalization of detailed engineering works, changes in scope, uncertainty in feed stock supply, pre-commissioning hurdles, technology related problems and geological surprises.

Some of the measures taken to check time delay and cost escalation include, re-prioritization of projects in the light of resource constraints; formation of core management team for every project costing Rs.50 crore and above; formation of Empowered Committee in each administrative Ministry and Departments; delegation of adequate financial and administrative powers; strengthening of monitoring at all levels; regular review in the administrative ministry; stricter appraisal of project sanction; appointment of Nodal Project Officer co-terminus with its completion; and setting up of Standing Committees to fix responsibility for time and cost overruns.

Several system improvement measures have also been introduced to upgrade the quality of project formulation, implementation, monitoring and control. Among these are; introduction of two-stage clearance to remove constraints during implementation, especially relating to land acquisition, clearances, detailed soil investigations, erection of linked infrastructure, feed stock, power and water supply etc. Standard Contract Management System has also been introduced to check disputes and thus avoid delays and cost escalations. Another important step relates to Project Management Software for efficient planning, implementation and monitoring as well as online computerised monitoring system which will help improve the quality of flow of information and allow remedial measures to be taken in time.