

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

STARRED QUESTION NO:159  
ANSWERED ON:02.08.2000  
DELAYED PROJECTS  
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**Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:**

- (a) whether the Government have appointed a Group of Ministers headed by Deputy Chairman of Planning Commission to check the cost overruns of delayed projects;
- (b) if so, the suggestions made by the Group; and
- (c) the steps taken / proposed to be taken by the Government for early completion of these projects?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS, PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI ARUN SHOURIE)

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

Statement referred to in reply to the Lok Sabha Starred Question No.159 due for 2.8.2000

Statement on Suggestions made by Group of Ministers regarding Delayed Projects

(a) & (b) At present, no Group of Ministers has been appointed by the Government to check cost overrun of delayed projects. However, in 1994, a Group of Ministers (GOM) had appointed under the Chairmanship of the Deputy Chairman of the Planning Commission. The suggestions made by the GOM are as follows:

Suggestions made by the Group of Ministers

- (1) Shelving of projects not taking off
- (2) (a) Setting up of the Central Empowered Committee
- (b) Re-prioritisation of the existing projects
- (3) New procedure for filling up of vacancies of Chief Executives and other related suggestions
- (4) Setting of Empowered Committees in the Administrative Ministries and working Group At district levels
- (5) On-line computerised PERT Programmes
- (6) Introduction of system of review meetings by Ministers
- (7) Introduction of stricter investment criteria

(c) Remedial steps taken to complete these projects include:

Based on the recommendations of the GOM, 13 Specific Measures were approved by the Cabinet Committee on Economic Affairs (CCEA) in February 1996. These measures are under implementation since then. The details of these measures are given in the Annexure. In addition, the following other remedial steps have been taken to cut delays and cost overruns in projects.

- (i) Monthly as well as Quarterly monitoring by the Government. This enables the monitoring agencies to identify constraints and help the management in taking remedial measures;
- (ii) In depth critical reviews of the progress by the Project Authorities and Administrative Ministries, coordination with the respective State Governments, equipment suppliers, contractors, consultants and concerned agencies;

- (iii) Reviewing the status of fabrication of equipment with suppliers as well as turnkey contractors;
- (iv) Inter-ministerial coordination and holding of facilitation meetings of concerned parties;
- (v) Setting up of Empowered Committee for speedy finalisation of contract packages, solving of land acquisition and other problems; and
- (vi) Making funds available to complete the projects on schedule.

#### ANNEXURE-1

#### SPECIFIC MEASURES TO CUT DELAYS IN IMPLEMENTATION OF PROJECTS

As originally approved by CCEA/COS As subsequently modified

1. Shelving/dropping or transfer to the private/joint sector projects unable to make progress. Considerations are lack of progress (i.e. where the On 27.12.1997, the CCEA expenditure incurred is 5% revised the definition of or less even after 60% of projects having 'lack of the gestation period is progress' as projects over).backward/forward where expenditure incurred linkages and other is 20% of anticipated cost relevant factors such as or less even after 60% of the strategic constraints the gestation period. in land acquisition, changes in govt. policies/market conditions, etc.
2. Overcoming of procedural The terms of reference of or legal hurdles inthe Central Empowered shelving/dropping or Committee were amended in transferring projects which January, 1998 in the light are unable to make progress.of change in the definition of lack of A Central Empowered progress. Committee should be set up to consider such projects.
3. Re-prioritization of projects in the light of resource constraints. RE-prioritization of projects likely to be completed in the 8th Plan to be left to the administrative Ministries/Deptts. CEC would re-prioritize projects costing Rs. 50 crores and more and spilling over into the 9th Plan.
4. Immediate steps to fill the Board level vacancies in the PSUs. The action to be taken by the PESB and to be reviewed by Secretary (C).
5. Formation of Core Instead of a Core Management Team for every Management Team, a nodal project. officer with minimum tenure of 5 years will be appointed for each project costing Rs.50 crores and above. 6. Formation of Empowered Empowered Committee only Committee in each for the Govt. owned administrative projects. Ministry/Department.
- 7 Delegation of adequate financial and administrative powers to field level executives.
8. Strengthening of monitoring at all levels.
9. Introduction of on- line computerised monitoring system. 10. Regular review in the Review of govt. owned administrative projects by the Empowered Ministry/Deptts at the level Committee and of PSSU of Secretary,owned projects in the Quarterly Review Meetings.
11. More strict appraisal and sanction of projects. Projects should be taken up for implementation only after detailed examination of the availability of land, state of preparedness and assured flow of funds. 12. Time limit for various clearances. Once the time limit is over, clearance should automatically be treated as given. 13. Yearly updating of the Financial Advisers of the sanctioned cost. concerned Ministries would be responsible for yearly Modalities to be finalised updating of project costs by a Committee of Member- (regarding projects Secretary, Planning costing above Rs. 50 Commission and Financecrores) and communicating Secretary. the result of such updating to the Planning Commission before the Annual Plan Exercise. They would also indicate whether the updated cost was different from the phasing of expenditure based on the completion cost.