

[19 August, 2004]

RAJYA SABHA

- (iv) setting up of Empowered Committees in the administrative Ministries for review of departmentally executed projects;
- (v) setting up of Standing Committees in the Ministries/ Departments to fix responsibility for time and cost overruns;
- (vi) appointment of a nodal officer for each project with continuity of tenure;
- (vii) issue of guidelines on standard bidding documents for adoption; and
- (viii) inter-minister coordination for resolving unresolved problems.

Cost overrun in Central projects

1778. SHRI MOOLCHAND MEENA: Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

- (a) whether Government have managed to curtail cost overrun in Central projects and avoided Rs. 120,000 crores of extra expenditure over a 10 year period;
- (b) if so, whether cost overruns in Central projects have come down from Sixty per cent in June, 1991 to Twenty two per cent in March, 2003;
- (c) if so, the efforts being made to further curtail the cost overruns in the projects;
- (d) the projects which are being completed in time; and
- (e) whether any time-bound programme has been fixed for these projects to complete them in time to avoid cost overruns?

THE MINISTER OF STATE OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI OSCAR

FERNANDES): (a) In the last 12 years, the extra expenditure of Rs. 1,09,000 crore has been avoided as a result of decline in cost overruns in Central projects.

(b) As per the latest Status Report, the cost overruns in Central projects have come down from 62 per cent in March, 1991 to 22 per cent in March, 2004.

(c) The following efforts are being made to further curtail the cost overruns in the projects:

- (i) adoption of two-stage clearance system and stricter appraisal of project reports before investment approval;
- (ii) taking up of projects for implementation only after funds have been fully tied up;
- (iii) indepth review of projects by the Government on monthly and quarterly basis;
- (iv) setting up of Empowered Committees in the administrative Ministries for review of departmentally executed projects.
- (v) setting up of Standing Committees in the Ministries/ Departments to fix responsibility for time and cost overruns;
- (vi) appointment of a nodal officer for each project with continuity of tenure; and
- (vii) issue of guidelines on standard bidding documents for adoption.

(d) During 2003-04, 19 Central projects were completed in time.

(e) Yes, to avoid cost overruns, all projects have pre-determined schedule of milestones for completion.