

**GOVERNMENT OF INDIA  
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION**

**LOK SABHA  
UNSTARRED QUESTION NO. 553  
TO BE ANSWERED ON 05.02.2020**

**COST OVERRUN OF INFRA PROJECTS**

**553. SHRI MANISH TEWARI :**

**Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:**

- (a) whether Central Sector Infrastructure Projects worth Rs.150 crore or more have faced cost overruns;**
- (b) if so, the project cost overruns constitute what percentage of original project implementation cost;**
- (c) the key reasons for cost overruns for these infrastructure projects; and**
- (d) the corrective measures that the Government is taking to improve project implementation?**

**ANSWER**

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING (RAO INDERJIT SINGH)**

**(a) & (b) The Ministry of Statistics and Programme Implementation compiles time and cost overruns of on-going Central Sector Infrastructure Projects costing Rs. 150 crore and above, on the basis of information provided by the project implementing agencies on the On-line Computerized Monitoring System (OCMS). As on 01.12.2019, 400 projects out of 1698 on-going Central Sector Infrastructure Projects costing Rs. 150 crore and above are facing cost overruns worth Rs. 4.01 lakh crore which constitute 19.63 percentage of original project implementation cost. The details of these projects are available in the flash report at [www.cspm.gov.in/publications](http://www.cspm.gov.in/publications).**

**(c) The causes for cost overruns are project-specific and depend on a variety of technical, financial and administrative factors. As reported by the project implementing agencies on this Ministry's OCMS, the main reasons for cost overrun of the Projects are: delay in land acquisition, delay in environment and forest clearances, funding constraints, rehabilitation and resettlement issues, law and order problems, local body / municipal permissions, utility shifting, contractual issues, etc.**

**(d) The corrective measures that the Government is taking to improve project implementation are : Periodic review of projects under PRAGATI through video conferencing by Hon'ble Prime Minister; rigorous project appraisal; On-line Computerized Monitoring System (OCMS) for better monitoring; setting up of Revised Cost Committees in the Ministries for fixation of responsibility for time and cost overruns; regular review of infrastructure projects by the concerned administrative Ministries; and setting up of Central Sector Projects Coordination Committees (CSPCCs) in the States under the Chief Secretaries for removal of bottlenecks and for facilitating the speedy implementation of major projects.**

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