

T. R. PRASAD

D.O. No. 261/1/10/2000-Cab.

June 4, 2001

Dear Secretary,

The Cabinet Committee on Economic Affairs at its meeting held on 31.5.2001, expressed grave concern at the significant time and cost overruns in certain projects and observed that no specific action had been taken by the concerned ministries / departments to fix responsibility for the delays. The Committee, therefore, stressed the need to vigorously pursue inquiries relating to such cases so as to fix responsibility, unambiguously, wherever possible, for taking action against those responsible for delays.

2. In pursuance of the CCEA meeting held on 25.6.1998, the Planning Commission vide their d.o. dated 19.8.1998 (copy enclosed) has laid down a mechanism for fixing responsibility in cases of time and cost overrun of projects. This mechanism envisages the setting up of a Standing Committee in each ministry / department to examine the time and cost overrun of projects. The report of the Standing Committee and action taken thereon by the administrative ministry / department for fixing responsibility for delay, along with the proposal for RCE, are to be placed for consideration of CCEA. It has, however, been observed that quite often, in their action taken report, the ministries / departments simply state that such time and cost overruns, or causes thereof, will be avoided in the future, without specifically mentioning the punitive action taken or proposed, for the lapses of responsible officials.

3. All ministries / departments are, therefore, requested to strictly adhere to the procedure laid down by the Planning Commission in this behalf and incorporate in the CCEA notes a clear statement of the specific action taken / proposed to be taken by them in delayed projects, on the basis of the Standing Committee reports.

With regards,

Yours sincerely,

- Sd -

(T. R. Prasad)

Shri P. V. Jayakrishnan,
Secretary,
Min. of Environment & Forests.