

No. RW/NHIII/P/16/78

Dated the 21st May 1986

Subject: Clearance of proposals for construction of roads/bridges by PIB/EFC.

A copy each of the D.O. letter No. RW/N-8/GR/1373/W-NHV dated 17.6.85 addressed to the Secretary, Department of Expenditure and O.M. No. 1(1)/PF.II/85 dated 25.7.85 from the Ministry of Finance,

121.4/30

Department of Expenditure (Plan Finance II) Division addressed to this Ministry on the above subject is circulated herewith for information and guidance.

Encl. to letter No. RW/NHIII/P/16/78 dated the 21st May, 1986

No. RW/N-8/GR/1373/W-NHV

Dated the 17th June, 1985

Please refer to your DO letter No. 107/SE/85(I), dated the 1st April, 1985.

2. I will like to clarify that all the projects costing more than Rs. 10.00 crores are being put up by the Ministry to the Cabinet for approval.
3. Regarding Ahmedabad-Vadodra Expressway, I will like to mention that the decision in the Committee of Secretaries was taken keeping in view the size of Sixth Plan for National Highway sector. Later on in consultation with the Planning Commission and the Ministry of Finance construction of the Expressway was posed to the World Bank for financial assistance as it was thought that there will not be much difficulty in accommodating the project in the Seventh Five Year Plan.
4. In the last para of your letter you have indicated that Road Projects costing over Rs. 10.00 crores should be presented to the PIB for an investment decision. You know, the projects in the Roads sector pertain to improvements to the existing road network such as strengthening and widening of road pavements, construction of missing links and missing bridges and reconstruction of weak bridges. All these are not strictly new projects. It is only in rare cases that an entirely new project such as the Ahmedabad-Vadodra Expressway or a construction of bypass is taken up. I, therefore, feel that cases pertaining to the improvements to existing roads need not be subjected to PIB scrutiny. The normal approval of the EFC should be adequate for them. Of course, entirely new road projects such as Expressways and bye-passes could be put up to the PIB for clearance. We will, of course, subject the individual projects to economic analysis and present the results to the EFC.
5. I request you to give careful consideration to this suggestion and modify the instructions regarding scrutiny of all projects costing more than Rs. 10.00 crores by the PIB.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
(PLAN FINANCE II DIVISION)

No. 1(1)/PF.II/85

Dated the 25th July, 1985

To,

Secretary,
Ministry of Shipping & Transport,
Transport Bhavan.

OFFICE MEMORANDUM

Subject: Clearance of proposal for construction of Roads/Bridges by PIB/EFC.

Will Ministry of Shipping & Transport please refer to Secretary, Ministry of Shipping & Transport's D.O. No. RW/N-8/GR/1373/W-NHV dated June 17, 1985 addressed to Secretary, Department of Expenditure on the above subject.

The Department of Expenditure agrees to the proposals contained in para (4) viz. that cases pertaining to the improvements to the existing roads will be brought to EFC for investment decision. The new road projects will however be put up to PIB for investment clearance.
