



## The 'High' way to progress

DR PR SWARUP ON WHAT NEEDS TO BE DONE FOR PROPER IMPLEMENTATION OF INDIA'S HIGHWAYS PROGRAMME

**“TRAINING THE WORKERS, DEVELOPING A STRONG CADRE OF CONTRACTING AGENCIES, ENCOURAGING THE MATERIAL & EQUIPMENT MANUFACTURES, AND EDUCATING THE MANAGERS SHOULD BE TAKEN UP FORMALLY AND VIGOROUSLY.”**

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**One of the most vital prerequisites** of a robust economic growth and social integration of a nation is an effective road transport system. The National Highway Development Programme (NHDP), one of the largest infrastructure development programme envisages an investment of over Rs220,000 crore (for the National Highways alone), to be completed by 2015. An estimated quantum of about 20 km of highways per day needs to be executed to meet the stipulated targets.

If one looks at the overall picture, certain facts emerge. Although the project is of vital importance, it is not progressing as expected, and there are cost and time over runs. The project is facing several contractual disputes, impeding the progress of work. There is a case for evolving financial mechanism to meet the substantial resource based requirements and also the need for revamping the procurement and regulatory systems.

Even if we have all the monies, the best procurement systems in place and a very conducive regulatory system in position, could one really say that, the task in hand would be accomplished as targeted? The answer certainly is in negative.

In all, highway length of about 9066

km is being constructed presently and another lot of 26,523 km is yet to be awarded to the contracting agencies. The annual average output, so far has been close to 1500 km. This leaves us with an average output of about 7300 km/year to be achieved.

The available resources are woefully short, when compared with the requirements (see table), and by any stretch of imagination, the tasks in hand, could not be completed as scheduled, irrespective of availability of financial resources. What then are the possible ways to address the issue? The first priority should be capacity building. Training the workers, developing a strong cadre of contracting agencies, encouraging the material & equipment manufactures, and educating the managers should be taken up formally and vigorously by NHAI and the Ministry of Road Transport & Highways.

It is also critical to review the ongoing disputes resolution systems. As a project progresses, the contractual disputes mount up. Majority of these remain unresolved, in spite of a fairly long passage of time having been spent. The Ad-hoc mode of dispute resolution has brought the situation to a sad pass, where NHAI and the contracting agencies continue spending substantial funds without being able to resolve the disputes on time. Alternatively, institutional mode of dispute resolution should be adopted.

NHAI shall, in due course of time, own assets valuing at Rs300,000 crore, which would only continue to remain remunerative if maintained properly. The servicing of borrowings would depend upon the state of health of these assets. Maintenance System, and more so, the organizations to maintain these assets, need development, and NHAI would do well, if some action on this front is seen. **CWI**

The requirements	
EQUIPMENT	WORTH RS19,400 CRORE
CONSTRUCTION MATERIAL	WORTH RS17,500 CRORE
MANPOWER (EXECUTION)	5.6 LAKH WITH 1.2LAKH PER YEAR
MANPOWER (MANAGERIAL)	8900
NUMBER OF LARGE CONSTRUCTION COMPANIES FOR CONTRACT VALUE >RS400 CRORE & ABOVE	150
NUMBER OF SMALL COMPANIES FOR CONTRACT VALUE RS100 CRORE OR LESS	600