

Executive Summary

As part of the strategy to secure the borders as also to create infrastructure in the border areas of the country, several initiatives have been undertaken by the Government of India, through the Department of Border Management under the Ministry of Home Affairs (MHA). These include construction of roads, fence, floodlighting, Border Out Posts (BOPs), Company Operating Bases (COBs) and deployment of technological solutions along the international borders, including the Indo-Nepal border.

India and Nepal share an open border of 1751 kilometres which runs along the five States, namely Bihar, Sikkim, Uttar Pradesh, Uttarakhand and West Bengal. Due to its open and porous nature, Indo-Nepal Border (INB) has become vulnerable to anti-national and anti-social activities. *Sashastra Seema Bal* (SSB), the designated border guarding force on INB, operated from Border Out Posts (BOPs) along the border but many of the BOPs were not connected by roads. The lack of road infrastructure severely limited the mobility of the troops as fast operations could not be launched against anti-National and criminal elements.

The Government of India (GOI) approved (November 2010) the construction/up-gradation project of 1377 km of strategic border roads along INB in the States of Bihar (564 km), Uttar Pradesh (640 km) and Uttarakhand (173 km) at a cost of ₹ 3853 crore with a time frame of five years with effect from 2011-12 for the completion of the project. The Indo-Nepal Border Road Project (INBRP) could not be completed till March 2016 due to pending land acquisition and delay in obtaining of environment, forest and wildlife clearances in three States. Accordingly, GOI accorded (22 February 2018) approval for extension of time upto 31 December 2019 for completion of ongoing work on 471.40 km stretches of INB roads free from encumbrance and upto 31 December 2022 for completion of balance work on 828.06 km stretches. Further, High Level Empowered Committee (HLEC) (December 2019/January 2021) extended the timeline upto 31 December 2022 for construction of roads on stretches free from encumbrance.

During the years 2011-2020, High Level Empowered Committee (HLEC) had approved 27 Detailed Project Reports (DPR) of 842.86 km of road length in the States of Bihar, Uttar Pradesh and Uttarakhand at a cost of ₹ 2656.93 crore and subsequently revised the cost to ₹ 3472.25 crore. Based on the approval of HLEC, MHA released funds aggregating ₹ 1709.17 crore to these States as of 31 March 2021.

A performance audit of Indo-Nepal border roads project covering the period from 2010-11 to 2018-19 updated up to March 2021 brought out that inadequacies in planning and financial management coupled with poor contract management and execution of works as well as lack

of synchronisation and coordination of activities resulted in undue delays as well as additional costs that resulted in non-achievement of the objectives of the project.

Some of the main points brought out in the Report are summarised below:

Project Planning:

- In West Champaran (Bihar), the proposed alignment approved by Cabinet Committee on Security (CCS) in September 2010 was in proximity with the INB touching Valmikinagar, which was on the northernmost side of the wildlife reserve area. Although the wildlife clearance under “Single Window System” was available for the border road, presuming that wildlife clearance would not be given by the Ministry of Environment, Forest and Climate Change (MoEFCC), RCD did not apply for the same and changed the alignment (April 2011). The alignment was shifted to the southernmost boundary (April 2011) of the wildlife reserve area more than 20 km away from the international border. Shifting of alignment did not serve the purpose of border road, as it was beyond the patrolling jurisdiction of the SSB.

(Paragraph 2.1.1)

- As on March 2021, 363 BOPs (81 *per cent*) were away from the main alignment of the proposed border road. Out of 363 BOPs, 125 BOPs were away at a distance of ranging one km to 20 km and 16 were away at a distance of more than 20 km. No provision was made to provide the connectivity to such BOPs which were away from the proposed border road.

(Paragraph 2.1.2)

- 15 bridges were constructed in the alignment of the roads along the Indo-Nepal border in Bettiah (West Champaran District) of Bihar before August 2016. After their construction, the alignment of the roads was changed by the Road Construction Department of Bihar. There was no clarity on whether the bridges were connected to the revised alignment. Audit team along with the engineers of the RCD, Bettiah (West Champaran District) conducted joint physical verification of three approachable bridges and found that the bridges were incomplete with no approach roads. The bridges remained unutilised (March 2021) as they were not connected to roads.

(Paragraph 2.1.4)

- There was considerable delay in acquisition of Land in the States of Uttar Pradesh and Bihar which led to non-completion of the project.

(Paragraphs 2.2)

- As a result of failure to obtain forest/wild life clearances in Uttar Pradesh and delay in finalization of Detailed Project Report (DPR) for Pancheshwar Dam on river Mahakali by the Ministry of Water Resources in Uttarakhand, as of March 2021, DPRs for only 842.86 km out of the targeted 1262.36 km of roads (67 per cent) were approved leaving DPRs for 419.50 km of road length (33 per cent) yet to be approved. MHA did not ensure that preparatory works such as land acquisition and Forest/Wildlife clearances were completed by the States before approval of DPR.

(Paragraph 2.4)

- In the approved DPRs, audit observed various deficiencies like deficient designing of road in Uttarakhand and overestimation in estimates of ₹ 11.93 crore in Uttar Pradesh.

(Paragraphs 2.5.1 and 2.5.2)

- There was delay of 10 years in signing of MoU with State Governments of Bihar and Uttar Pradesh.

(Paragraph 2.7)

Financial Management:

- Utilisation of funds was not properly managed as MHA released funds to the States though the unspent balance of previous years were not utilised by the State Governments. This resulted in blocking of funds with the State Governments during the years 2013 to 2016.

(Paragraph 3.1.1)

- MHA sanctioned ₹ 2.34 crore on inadmissible components like utility shifting and afforestation to the State of Uttar Pradesh. Further, the State Government had diverted/incurred expenditure on inadmissible components aggregating ₹ 13.41 crore.

(Paragraphs 3.1.3 and 3.1.5)

- MHA did not account for the interest of ₹ 36.74 crore earned by the State Government on unutilised central funds. Further, the advances and interest thereon aggregating ₹ 136.60 crore for mobilisation advance and equipment advance are yet to be recovered from the contractors in Uttar Pradesh and Bihar.

(Paragraphs 3.1.4 and 3.1.6)

- Due to the slow progress of construction of roads, the projects costs were increased by ₹ 831.30 crore in 21 stretches.

(Paragraph 3.2)

Contract management and Execution of works:

- The progress of the work of construction of roads in all the three States was slow and the road construction could not be completed despite the lapse of ten years i.e. 2011-2021. Out of targeted 1262.36 km road to be constructed along the Indo-Nepal border, only 367.48 km of road (29 *per cent*) has been completed (surfacing work) as of March 2021. The major reasons for delay in progress of work were delay in acquisition of land/forest clearance.

(Paragraph 4.1)

- Various irregularities were noticed in tendering process, such as not allowing minimum time for submission of bids, invitation and opening of bids before according Technical Sanction, delay in execution of contract bonds, non-evaluation of bidding capacity and irregular award of contract, etc.

(Paragraphs 4.2.1, 4.2.2 and 4.2.3)

- The work was awarded without ensuring land free from encumbrance which caused arbitration and termination of contracts at various stages. This led to stoppage of work on 408.98 km (396.98 km in Bihar and 12 km in Uttarakhand), i.e. 49 *per cent* road length of the approved DPRs, up to five years. In Uttar Pradesh, the work of 8 stretches were completed after a delay ranging upto 69 months from the target date of completion. In Uttarakhand also, there was time overrun of 49 months in completion of 12 km of road length.

(Paragraph 4.3)

- Many irregularities in execution of works such as excess payment on claim against carriage of earth, extra payment due to non-deduction of below Bill of Quantity (BOQ) value, excess payment for price neutralisation, excess and unauthorised payments on vehicles and unfruitful expenditure were noticed.

(Paragraph 4.4)

Quality Assurance and Monitoring:

- CCS Note envisaged that provision of the third-party inspection for the project was to be ensured for quality and timely completion of the project. However, it was not ensured either by the MHA or by the State Governments.

(Paragraph 5.1.1)

- In Uttar Pradesh, mandatory tests of samples at various road levels were not carried out as per norms leading to shortfall ranging from 28 *per cent* and 91 *per cent*. Further, there was substantial shortfall in field inspections by Chief Engineer and Superintending Engineers. This was fraught with the risk of sub-standard work.

(Paragraphs 5.1.2. and 5.1.3)

Recommendations

- MHA should enhance its efforts to ensure speedy completion of this strategically important project within the revised time schedule, so that the Indo-Nepal border is effectively managed by the border guarding force and benefits accrue to the general population along the border areas.
- MHA may consider construction of link roads as a distinct component of the project, which will significantly enhance the operational and strategic value of the border roads along the Indo-Nepal border.
- MHA may set up a co-ordination mechanism amongst all the stakeholders to resolve the pending issues of land acquisition and forest clearance to complete the project within the extended time schedule given by CCS.
- MHA may strengthen its monitoring mechanism to keep a strict vigil on the utilisation of funds by the State Governments
- MHA may incorporate third party inspection clause in MoU to boost quality assurance and strengthen its monitoring mechanism.

