ANNEXURE GOVERNMENT ORDER NO.PWD 172 CRM 97,
DATED: 20.8.1998

POLICY ON RO D DEVELOPMENT IN KARNATAKA

PREA LE

1.01 Karnataka which is the eighth largest state in the Country has a total geographical area of about 1,91,791 Sq.Km. accounting for over 5.8 percent of the total area of the country. Located in the South Western part of India, it shares its boundary with Goa and Maharastra in the North, Andhra Pradesh along the East and Kerala and Tamil Nadu in the South.

An estimated 50 million people reside in 27,028 inhabited villages and 254 towns and urban agglomerations within the state resulting in a population density of 234 persons per Sq.km. While 69 percent of the State's population is in rural area, the share of population residing in urban areas has been increasing steadily over the past few decades.

1.02 Due to the growth oriented policies of the Government, the real Net State Domestic Product (Net SDP) has registered an average annual growth rate of 8.1 percent. The real Percapita Income has increased from Rs.1,520 in 1980-81 to Rs.2563 in 1995-

At this level of economic growth, the impact on road traffic has been significant on the National Highways, there has been about 10-12 percent increase in traffic each year, while on State Highways, the annual growth of traffic has been about 12-15 percent. The traffic on Village Roads and Other District Roads has also registered an increase of 10 to 12 percent per annum. Not only does the existing roads need widening and strengthening to match the current and future traffic demands, but new roads also need to be constructed to improve accessibility, reduce distances and decongest existing roads.

tow ... policies of State Government are clearly directed faster pace of economic development. This

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is reflected b the numerous initiatives taken recently by the Government Important among these are:

i) A revised industrial and information technology policy at attracting Greater industrial investments and generation of employment.

ii) Decentralisation of industrial activities from the Bangalore Metropolitan Region to industrial growth centres at Hassan, Hubli-Dharwad and Raichur.

iii) Commissioning of Konkan Railway and its imminent impetus to the economic development of the west coast region in Karnataka.

iv) Implementation of mega irrigation projects in the Krishna River basin.

v) Major thrust towards augmentation of power generation and transmission.

vi) Major thrust towards Ports upgradation and development.

vii) Major thrust towards increasing tourism and associated activities within the State.

viii) Improving agriculture production and marketing.

1.04) A sustained programme of road development, rehabilitation and maintenance needs to be quickly initiated not only to minimise the diseconomies and regional imbalances but also to ensure that the desired economic growth is not constrained by a poor road Infrastructure..

2.0 ROADS IN KARNATAKA:

2.01 The State has a hierarchy of roads which have been classified according to their functional importance and these are National Highways (NH), State Highways (SH), Major District Roads (MDR), Other District Roads (ODR) and Village Roads (VR), which is also in the descending order of the hierarchy.

The State has 1,22,489 Kms. of roads made up of 2,357 Kms of National Highways (NH), 11,035 Kms. of State Highways (SH), 28,311 Kms. of Major District Roads (MDR), 2,090 Kms. of Other District Roads (ODR) and 78,696 Kms. of village, forest and irrigation roads. The bulk of the road traffic is carried by the NH and SH which constitute 11 percent of the State Road Network.

Nearly 71 percent of SH is single lane, 22 percent is intermediate lane and only 7 percent is two lane in width. Among the MDR's 98 percent .. single is single lane while only 2 percent is wider than single lane. Almost all the SH (99.9%) is surfaced while 65 percent of MDR's are surfaced. Almost all the village and rural roads are single lane in width and a majority of it is unsurfaced.

2.02 In the recent past, the State has been allocating about Rs.600 million per annum for road rehabilitation works. With this level of funding, the State has not been able to widen/ strengthen, resurface the roads more so the State Highways, commensurate with traffic needs.

At current levels of funding and rate of implementation, the time required for rehabilitating the entire State Highway network would require over a few decades. In this period, the State would have inherited a fairly large road network and the backlog of roads requiring rehabilitation would continue to be significant.

2.03 The State's allocation is about Rs.1,000 million annually for repairs and maintenance of PWD roads. With about 40,000 Kms. of roads to be maintained each year, the allocation is nearer to that recommended by the 10th Finance Commission, Comprising on the upkeep of road infrastructure. Out of this allocation 50% is earmarked for resurfacing and about 1500-2000 Kms. can be resurfaced out of nearly 40,000 Kms.

STATE ROAD DEV OPMENT POLICY OBJECTIVE:

3.01 In order to improve the road infrastructure in the State, the objectives of the road development policy considered relevant over the period 1998-2012 are

i) To progressively widen all the SH in the State to two lane width. Also take up Expressways and four laning in High Traffic Density Corridors.

ii) Strengthen the pavement to carry heavier loads and improve the geometrics to ensure better operating speeds.

iii) To priroitise those improvements on routes which provide linkgge to industrial growth centres, power generation centres, ports, agriculture produce market centres, heritage and tourist centres.

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iv) To provide all weather linkage to unconnected settlements.

v) To enhance safety on SH by improving accident prone stretches.

vi) To provide wayside amentities, conveniences and facilities to maintain the same.

vii) To provide bypasses around congested cities/towns.

viii) To replace railway level crossing by Road Over Bridge/Road Under Bridge.

ix) To maintain the existing/improved State roads to acceptable standards.

4.0 IMPLEMENTATION STRATEGY:

4.01 To achieve the stated objectives, the Government would have to make massive allocation over a significant period of time. Given the competing demands on the resources of the State and the consequential inability of the Government to make such commitments, the Government of India has announced major policy initiatives to invite the private sector to participate in infrastructure projects. To encourage the private sector to participate in such road infrastructure projects, the Government would offer these projects under three options namely;

i Projects which have the potential for direct revenue generation and assure good returns would be offered to the private sector either as a BOO/BOT/BOOT/Scheme without any guarantee from the Government.

ii) Projects which are not so commercially viable would also be offered as BOO/BOT/BOOT/Scheme to which the Government would participate on mutually agreed terms on a project to project basis, depending upon the merits of each case.

iii Projects which are commercially viable would be either combined with other viable projects and offered to the private sector or undertaken exclusively by the Government.

5.0 CONCESSIONS

5.01 Infrastructure Policy has been announced for private sector participation in infrastructureprojects including Roads/Bridges/Flyovers. The present policy on Road Development is exclusively announced to enumerate various projects in Road Sector that could be offered for private participation & concessions covered in the Infrastructure Policy will be extended.

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ROLE OF THE GOV   T:

..1) The Government would offer these projects through open competitive bidding and where such procedure does not evoke any response from the private sector, the Government may consider executing a Memorandum of Understanding with any qualified company which offers to undertake the project. In addition, when the investor comes on his own and when project is not viable, MOU could be considered.

ii An empowered committe of the Government will act as nodal agency to coordinate and facilitate speedy implementation of the project.

iii) Where necessary, the Government would be willing to propose amendment to existing acts and rules to facilitate private sector investment.

v) The Government through its designated department/board will assist the private investor in acquiring land for the project and resettlement and rehabilitation of affected people.

v) The Government would assist the private investors in Environment Clearances, relocation of utility services, removal of trees etc.

vi) In case of Rail Over/Under Bridges, Government would assist in getting clearance from Railways to allow private enterprises to build the ROB/RUB under Railway's supervision and finalising GAD.

vii) The Government would permit the private investor to collect and retain user charges during the concession period to recover the investment with a reasonable rate of return.

viii) Regulating au   y be considered to be constituted as and when f   n   sary by Government.

7.0 ROLE OF PRIVATE INV   RS:

i) The concession agre   t with the Government would generally be for a period upt   30 years depending on the financial viability of a proj   t. Minimum performance standards shall be guaranteed by th   ivate investor during the period of concession.

ii) The private investo   all have the freedom to fix and revise tariffs with   he ambit of existing statutes for charging users   acilities as provided in the project.

iii) The completed proje   hall be reverted to the Government at no cost at the e   of the concession period and in good operatable con   tion.

V.K. Rangan 20/8/98

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