



**PRESS RELEASE**

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**RTI Responses Reveal CWG Fiasco, Cost Overruns, Lack of Accountability**

The **Housing and Land Rights Network (HLRN)**, Delhi, since March 2010, has been filing applications under the Right to Information (RTI) Act with the Organising Committee of the Commonwealth Games (CWG) and concerned state and central government agencies in an attempt to understand the process and determine the total expenditure on the Games. While certain responses have been revealing and have brought to light the diversion of funds from the Special Component Plan as well as other outrageous cost figures, the RTIs have also drawn attention to a range of problems inherent in the CWG process.

Responses to a series of RTI applications filed by HLRN reveal:

- The lack of a centralised coordinating agency to execute decisions and monitor CWG related expenditures.
- Poor coordination between different agencies working on the Games.
- Discrepancy in data from different sources, and sometimes from the same department.
- Colossal expenditure on ‘beautification’ and streetscaping – up to Rs. 5 crore a kilometre.
- Insufficient information regarding total cost incurred on stadiums and infrastructure development.
- Failure to respond to all questions and to provide documents.
- Lack of accountability, clarity, transparency and full public disclosure of financial information.

When thousands of crores of public funds are being spent, it is unacceptable that not one agency or official in the Delhi government has any idea of what the Commonwealth Games are going to cost. Even members of the Congress Party have provided contradictory figures in Parliament. Sports Minister M. S. Gill stated that the Games would cost Rs. 11,494 crore while Minister of State for Urban Development, Jaipal Reddy, mentioned a cost of Rs. 28,054 crore. The Ministry of Tourism, on the other hand, estimates Rs. 87,500 crore, citing the source of the figure as Wikipedia (an online resource). The Director General of the Organising Committee (OC) in March 2010 had stated that the cost of the Games would be Rs. 10,000 crore. When asked by HLRN for details of this amount, the OC replied that, “...the break up of the figure cannot be provided by the OC.”

The RTI responses received by HLRN also divulge information on the following issues:

***I. Streetscaping and Beautification Costs***

- Mehrauli - Badarpur (MB) Road – Rs. 24.42 crore (Rs. 5 crore per kilometre);
- Subramania Bharti Marg – Rs. 1.28 crore per kilometre;
- Mother Teresa Crescent – Rs. 2 crore per kilometre;
- Mall Road to Chhatrasal Stadium – Rs. 8.17 crore (Rs. 2.25 crore per kilometre - to date);
- Roads around Yamuna Sports Complex and Games Village – Rs. 21.9 crore;
- Beautification of area around Indira Gandhi Indoor Stadium – Rs. 40.2 crore;
- Streetscaping and beautification of just four roads under PWD Zone M-1 – Rs. 7.84 crore;
- BHS Road – Rs. 5.17 crore (cost of tender); and
- Aurobindo Marg – Rs. 6.47 crore (cost of tender).

***II. Discrepancy in Data***

1. According to an RTI response dated June 28, 2010, from the Government of Delhi, Planning Department, the Delhi government received **Rs. 2,450 crore** from the Central Government for organising the CWG from the years 2007-08 to 2010-11. A reply from the Ministry of Finance, Department of Economic Affairs (Budget Division) dated July 15, 2010, stated that the allocation to the Delhi government for infrastructure

for the CWG for the years 2007-08 to 2010-11 was **Rs. 2,800 crore**. The Rs. 350 crore discrepancy in the figures is not clear.

2. The Finance Department, New Delhi Municipal Council, in an RTI reply dated August 2, 2010, details the total actual expenditure on the CWG up to June 2010 as Rs. **196.266 crore**. A mere addition of the various costs presented in the RTI, however, reveals that the total is actually **Rs. 392.365 crore**.
3. An RTI reply from Public Works Department (PWD), K.G. Marg, dated April 13, 2010, states the proposed expenditure for the Ring Road bypass from Salimgarh Fort to Velodrome Road as **Rs. 456 crore**. Another letter from the same department dated May 25, 2010, cites the proposed expenditure for the same as **Rs. 654 crore**.
4. For most departments, the total expenditure shown is generally less than the budgeted amount, which gives rise to the critical question as to why the Government of Delhi is constantly requesting more funds from the centre to organise the Games. For example, a reply from PWD, Maintenance Division M 153, shows a budget of Rs. 10 crore for 2009-10 and 2010-11 but an expenditure of only Rs. 5.59 crore. Delhi Tourism and Transportation Corporation Ltd. mentions that only Rs. 9.82 lakhs of a budget of Rs. 24.93 lakhs was spent on the Games in 2009-10.
5. The Organising Committee (OC) in a letter dated August 17, 2010 stated that the cost of the trip to the Taj Mahal for the 'CWG family' will be calculated only when such a trip actually takes place. A reply from the OC on April 1, 2010, however, mentions that the estimated cost of the trip is **Rs. 1.71 crore**, which is part of the interest bearing loan from the central government.
6. According to an RTI response from Municipal Corporation of Delhi (MCD), the cost of covering Sunahri Nallah and Kushak Nallah for creating a parking facility near the Jawaharlal Nehru Stadium is **Rs. 325 crore**. The Central Vigilance Commission, however, mentions that the cost of covering the Nallahs for the parking lot is **Rs. 303.95 crore**.

### ***III. Decision to Underwrite Costs***

An RTI response from the Ministry of Youth Affairs and Sports (MYAS) proves that the Ministry of Finance, Department of Expenditure, had categorically stated in 2003, that, "it does not appear necessary or appropriate for GoI (Government of India) to provide a blanket commitment to underwrite any shortfall between revenue and expenditure of the Organising Committee. Department of Expenditure therefore does not support the proposal to give such a blanket commitment. It may be mentioned that the understanding so far has been that the **Commonwealth Games, 2010, will be held at New Delhi at no cost to Government.**"

### ***IV. Commonwealth Games Village***

A letter from the Lieutenant Governor of Delhi to Rajiv Shrivastava, Secretary, MYAS, dated August 22, 2003, explained in detail why the Commonwealth Games Village, after the Games, should be handed over as a hostel to Delhi University. One of the reasons cited was, "hostel accommodation is a major deficiency in the educational system in Delhi." Minutes of a Cabinet Meeting held on September 11, 2003, marked '**secret**' mention that "the manner of utilization of the games village will be decided later," indicating a clear reversal of the decision. The Ministry of Finance, Department of Expenditure, had also commented in 2003 that the Games Village "should be conceived and implemented as a self-financing project, with full cost recovery. No plan funds shall be made available for this purpose."

### ***V. Cost of Accommodation for Visitors***

A response to an RTI from the Organising Committee Secretariat dated August 17, 2010 mentions that the expenditure to be incurred on accommodation for CWG family and participants in Delhi for the Games will be Rs. 13,32,00,000 (**Rupees thirteen crore thirty two lakhs**).

## ***VI. Travel and Transport***

According to the OC, the budget for transportation for all officials and participants during the Games, as furnished by the Transport FA, is **Rs. 7.77 crore**, with the following break-up:

- a. Vehicle fleet rental – 5.73 crore
- b. Bus Hire – 0.50 crore
- c. Infrastructure – 0.27 crore
- d. Operations – 1.27 crore

In response to a question on the number of foreign trips made by OC officials and the total cost incurred on this travel, the OC mentions that the amount spent on foreign travel by members of the OC is around **Rupees twenty-one lakhs**. This information does not present the entire picture, as travel details of several OC members, including Mr. Suresh Kalmadi and Mr. Sanjay Mahendroo (whose file has gone missing) are not mentioned.

## ***VII. Claims of Economic Impact and Revenue***

The OC claims that its basis for determining the estimate of the economic impact of the Games as **US\$ 4.5 billion** for India from 2008 – 2012, is a study conducted by Pricewater House Coopers Private Limited. The study, despite an RTI application for a copy and the filing of a ‘first appeal,’ has not yet been made public. The official website of the CWG mentions another study by KPMG, which states that, “the XIX Commonwealth Games 2010 Delhi is projected to have an overall economic impact on India amounting to about US\$ 5 billion and will generate 2.47 million jobs in a four year span from 2008-12. Thus, the impact is expected to be larger than Manchester 2002 and Melbourne 2006.” This study too is not public information. HLRN also filed an RTI application with the Indian Olympic Association for details of a feasibility study/cost-benefit analysis on the Games done by M/s A. Sharma and Company. Despite a first appeal, the study has not been provided.

The estimated expected revenue from the Games, according to the OC, is **Rs. 1780 crore**, with the following break up:

- a. International Broadcasting – Rs. 260 crore
- b. Domestic Broadcasting – Rs. 110 crore (on August 5, 2010, this amount was Rs. 39 crore)
- c. Sponsorship – Rs. 960 crore
- d. Ticketing – Rs. 100 crore (in June 2010, the OC estimate for ticket sales was Rs. 60 – 70 crore)
- e. Licensed Merchandise – Rs. 50 crore
- f. Donations – Rs. 300 crore

A *Business Standard* news report of September 11, 2010, however, indicates that total sponsorships, stand at a meagre Rs. 342.2 crore, 71% short of a stated target of Rs. 1,200 crore.

## ***VIII. More Information from the Organising Committee***

- The budget for the Queen’s Baton Relay (international and national) is **Rs. 38.54 crore**.
- Since the formation of the Organising Committee in 2005, a total number of 27 foreign consultants, including advisors, have been hired.
- Despite an RTI application, the OC has still not provided a copy of India’s Host City Contract (HCC). The OC reply to HLRN cites the HCC provision, which states that the information is “confidential and will not be disclosed to any person except as required by law or with the prior written consent of the owner of the confidential information.” It also mentions that the HCC contract is governed by the Law of England.

It is evident that information, despite the filing of RTIs, is not being fully disclosed. What is clear, however, is that expenditures on the Games continue to spiral out of control, with no government agency or official aware of the total cost or accountable for the expenses and mismanagement of funds. It is also obvious that the unchecked accelerating expenditures of the government go against the Ministry of Finance's caution in 2003. When crores of public funds are being spent on a one time extravaganza that the country can ill afford and that the majority of Indians do not support, the least the government can do is provide transparency and accountability.

Housing and Land Rights Network calls for the following measures:

- strict monitoring of all CWG-related finances;
- detailed investigations by the Central Vigilance Commission and Central Bureau of Investigation;
- full public disclosure of finances by all government agencies;
- detailed audits by agencies such as the Comptroller and Auditor General of India;
- probes by independent Parliamentary Committees;
- trial and punishment of officials responsible for misappropriation of funds and corruption; and
- a cost recovery plan that details how the Games deficit will be met.

Apart from financial irregularities and corruption, the CWG process has been fraught with human rights violations, in particular of slum dwellers, beggars, construction workers, homeless citizens, street vendors, and other informal sector workers whose livelihoods are being threatened by the Games. HLRN, along with several other organizations in Delhi, has been repeatedly calling for an immediate stop to these violations as well as action against officials perpetrating these crimes.

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