# **BBC** NEWS

## India's funds for poor 'diverted'

By Chris Morris BBC News, Delhi

# Tens of millions of dollars have been diverted in India from schemes to fight poverty and used to fund Delhi's Commonwealth Games, a report says.

The Housing and Land Rights Network pressure group says its report is based on official documents obtained under India's right to information act.

The group says there should be an independent inquiry into how this was allowed to happen.

Government officials in Delhi say they are looking into the allegations.

### 'Clear evidence'

This report is a damning indictment of the way the Commonwealth Games have been financed and planned by the central and state governments.

It says tens of millions of dollars have been diverted from funds which are supposed to help raise underprivileged low caste communities out of poverty.

The report also says spending on the Games has spiralled out of control: expenditure on sports infrastructure alone is more than 2,000% of the initial projected budget.

In addition, more than 100,000 poor families have already been evicted due to projects connected with the Games, and up to 40,000 families are likely to be displaced before the Games begin in October, the document says.

The report's author, Miloon Kothari, a former UN human rights rapporteur, told the BBC that the evidence was clear.

The determination, he said, to portray Delhi as a world-class city and an international sports destination, had led the government to lose sight of its legal and moral commitments to its people.

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### **Reserved category fund being used for CWG?**

The cost of the Commonwealth Games (CWG) will be borne by the poor and the socially underprivileged of the city, it seems.

According to a report released by the NGO, Housing and Land Rights Network (HLRN) on Thursday, Rs 265 crore from the Scheduled Caste Sub Plan (Special Component Plan) for Delhi has been diverted to the CWG fund in the year 2009-10.

"If one looks at the diversion of funds since 2008 the amount is much more, in the range of Rs 550 crore," said Miloon Kothari, coordinator, HLRN.

The report demanded an independent enquiry into the transfer of funds.

The Delhi Finance Minster, AK Walia, refused to say anything on the issue. "I cannot say anything regarding this at the moment. I will have to check the records before responding," he said.

The report, called Whose Wealth? Whose Commons?, also condemned the Games for being anti-poor .

"The money that is being used to beautify the city should have been used to provide housing for the poor," said Kothari.

The report also gives the example of governments of New Zealand and Trinidad and Tobago, which did not support the CWG bid of their sports authorities as the Games would prove too costly.

"The benefit of the games will go only to corporates, especially the real estste conglomerates. The poor people will not get anything," said Dunu Roy, director, Hazards Centre.

India's bid document for the CWG estimated the cost of hosting the games at Rs 1,899 crore but official estimates have put the cost at Rs 10,000 crore, the report states.

"The streetscaping project in Lodhi Roadcost Rs 18.55 crore, twice the amount had bid for the entire beautification plan. Why?" said Shalini Mishra, co-writer of the report.

The report was released by Justice AP Shah, retired Chief Justice of the Delhi High Court. He condemned the government for ignoring the poor of the city.

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## Commonwealth Games cost up 1575% since bid: NGO audit

Ambika Pandit, TNN, May 14, 2010, 12.18am IST

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NEW DELHI: While hosting a mega sports event, some escalation in costs is understandable as new projects get added and the scale of the show is expanded.

However, in the case of Delhi's Commonwealth Games, official cost estimates have gone up by a whopping 525% since the city won the bid. Unofficial assessments put the escalation at a mindboggling 1575% - that is more than 15 times the original estimate - according to an independent report released on Thursday.

India's bid document for the Commonwealth Games in 2003 estimated the cost of hosting the event at Rs 1,899 crore.

After several revisions the estimates now range from an official figure of Rs 10,000 crore to independent experts at an astounding Rs 30,000 crore.

These figures were put together in a 'white paper' on the financial and social cost of the event titled, The 2010 Commonwealth Games: Whose Wealth? Whose Commons? The report, released by former Delhi High Court Chief Justice A P Shah, uses RTI replies, government papers, expert inputs and media reports to 'unravel' the tale of escalating costs, unplanned development, and violation of human rights of the homeless, slum dwellers, beggars and construction workers in the run-up to the Games.

The report was prepared by the India chapter of Housing and Land Rights Network, which is an arm of Habitat International Coalition, an umbrella body of 400-odd human rights and development organizations. It predicts that the Games would leave behind a "severe financial legacy".

The 'white paper' cites a 2009 report by the Comptroller and Auditor General to chronicle changes in the Games' budget. "Originally, in May 2003, when the government allowed the Indian Olympic Association to bid for the CWG, an expenditure of Rs 296 crore was indicated towards upgradation of sports infrastructure and conduct of games, with expenditure on security and Games Village to be incurred by the government and Delhi Development Authority," the paper states.

The report moves on to reveal that the updated bid document of December 2003 estimated the operating expenditure alone at Rs 635 crore and other expenditure at Rs 1,200 crore.

"The first budget for the Games approved by the Cabinet in April 2007 estimated the total expenditure at around Rs 3,566 crore," the report adds.

Tracking the variations in the budget estimates projected at different stages, the report goes on to cite excerpts from statements made by politicians in the Lok Sabha. The report states that on May 7, 2003 the minister of youth affairs and sports, Vikram Verma, said, "The details of requirement of funds and its sources can only be worked out once the Games are allotted to India."

It goes on to quote the minister's reply later in December 2003 in Lok Sabha stating that as per IOA estimates, the likely expenditure on the conduct of the Games was Rs 399.05 crore. This did not include the cost of construction of Games Village (estimated at Rs 186 crore) and an estimated expenditure of Rs 32.5 crore for construction of an outdoor and indoor stadium at the Yamuna Sports complex and upgradation of existing infrastructure under the DDA.

In May-June 2006, it was reported that cost of the Games had escalated to Rs 500 crore. In July 2006, union minister for Youth Affairs and Sports, Mani Shankar Aiyar, came out with his own projections. He said the Games would cost Rs 7000 crore but adding that no more than Rs 2000 crore should actually be spent on the event.

Moving to the current official estimate, the report quotes CWG director general V K Verma, who said on March 24 this year that the entire expenditure would come to Rs 10,000 crore.

Different official explanations have been offered for the spiralling estimates. "Escalating costs on several items including infrastructure, accommodation, catering, opening and closing ceremonies, Queen's baton relay, rent for office of the organizing committee, communications, technology, risk management-insurance, volunteers and technical conduct of sports are the reasons given...," the report says.

It concludes that the budgetary commitment to the Games was apparently made without a detailed analysis. Citing the financial crunch that the Delhi government claims to be facing and the cost of living going up with rising land prices and more taxes being imposed on Delhites to generate resources for the next financial year, the report states that the expenses on CWG are likely to result in a "severe financial legacy".

"Whether India can really afford such a wasteful extravaganza," is what the report seeks to know from the Centre and the state.

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