

SETTING UP OF RAILWAY DEVELOPMENT AUTHORITY

Relevant for: Indian Economy | Topic: Infrastructure: Railways

Ministry of Railways

Setting up of Railway Development Authority

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Government has approved the constitution of Rail Development Authority (RDA) in April, 2017. The role/mandate of RDA inter-alia includes providing expert advice to Government to make informed decision on:-

- i. Pricing of services commensurate with costs;
- ii. Measures for enhancement of non-fare Revenue;
- iii. Protection of consumer interests, by ensuring quality of service and cost optimization;
- iv. Promoting competition, efficiency and economy;
- v. Encouraging market development and participation of stakeholders in the rail sector and for ensuring a fair deal to the stakeholders and customers;
- vi. Creating positive environment for investment;
- vii. Promoting efficient allocation of resources in the Sector;
- viii. Benchmarking of service standards against international norms and specify and enforce standards with respect to the quality, continuity and reliability of services provided them;
- ix. Providing framework for non-discriminatory open access to the Dedicated Freight Corridor (DFC) infrastructure and others in future;
- x. Suggesting measures to absorb new technologies for achieving desired efficiency and performance standards; and
- xi. Suggesting measures for human resource development to achieve any of its stated objectives.

To enhance Non-Fare Revenue (NFR), Indian Railways have issued policies on Commercial Publicity for Mobile Assets, Out of Home Advertising, Rail Display Network, Unsolicited proposals and Content on Demand. Further, to enhance NFR earnings full powers have been delegated to General Managers of Zonal Railways who may further sub-delegate the powers to Divisional Railway Managers/Additional Railway Managers, if required. To mobilise Non Fare revenue from land resources of Railways, commercial development of vacant railway land not required for immediate operational needs, is being done through Rail Land Development Authority (RLDA). Performance on NFR is reviewed on periodical basis.

In order to enhance efficiency and performance standards of Indian Railways and also to assign greater accountability, Memorandum of Understanding (MOU) is being signed between Railway Board and each Zonal Railway/Production Units (PUs) in the beginning of the Financial Year. Under these MOUs, all the Zonal Railways/PUs, undertake to achieve the targets for Key Performance Indicators (KPIs) given in the MOU. These KPIs inter-alia cover operational and financial performance, infrastructure creation works, capacity utilization, asset maintenance and reliability. Similarly, KPIs relating with efficiency and performance standards are also given to Divisions by Zonal Railways.

The performance is evaluated and monitored regularly through monthly review meetings. Issues and constraints faced by Zones/ Production Units regarding performance are also addressed

regularly.

This press release is based on information given by the Minister of Railways and Commerce & Industry, Shri Piyush Goyal in a written reply to a question in Rajya Sabha today.

SG

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