

GOVERNMENT OF INDIA
MINISTRY OF URBAN DEVELOPMENT

LOK SABHA
UNSTARRED QUESTION No. 216
TO BE ANSWERED ON NOVEMBER 16, 2016

DELAY IN PPP PROJECTS

No. 216 SHRI SANJAY DHOTRER :

SHRI BHARTRUHARI MAHTAB:

SHRI RAHUL SHEWALE:

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- a) whether the delay in execution of Public Private Partnership projects for infrastructure development in Urban Sector in the country has been reported during each of the last three years and the current year;
- b) if so, the details thereof, State/UT-wise and the reasons therefor alongwith the nature of infrastructure being developed through such projects;
- c) whether the cost of the said projects has been escalating due to delay in their execution and if so the details thereof alongwith the manner in which such escalated cost is likely to be arranged;
- d) the existing mechanism to monitor the progress of the said projects;
- e) whether the cases of irregularities/corruption in execution of the said projects have been unearthed by the monitoring mechanism during the said period; and
- f) if so, the details thereof and the reasons therefor alongwith the corrective steps taken/being taken by the Government to ensure timely completion of the said projects and fix responsibility for delay in their execution?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT

(RAO INDERJIT SINGH)

- (a) & (b) : Attracting Public Private Partnerships (PPPs) in urban infrastructure sector is difficult because of various reasons including low cost recovery. So, it will take time before PPPs are mainstreamed in the sector.
- (c) : One of the main value drivers for PPPs in infrastructure is transfer of construction risk to the private sector through fixed price contracts with liquidated damages. Therefore, any cost escalation in such PPP projects would generally be on account of the private sector.
- (d) to (f): As per the constitutional division of powers, Local Government is a State subject. Therefore, the monitoring mechanism for PPP projects in urban development is with the State Government and/ or Urban Local Bodies.

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