

GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2167**  
**ANSWERED ON 10<sup>TH</sup> MARCH, 2016**

**NEW FUNDING MODEL FOR NHS**

2167. ADV. NARENDRA KESHAV SAWAIKAR:  
DR. K. KAMARAJ:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS  
सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Government has introduced a new funding model for National Highways (NHs) that are built and maintained by the State Government Agencies;
- (b) if so, the details thereof and the reaction of the State Governments thereto;
- (c) the percentage of funds to be provided by the Union Governments for stretches that are financially unviable;
- (d) whether the State Governments are allowed to float tenders for development of highways under built, operate and transfer scheme; and
- (e) if so, the guidelines issued by the Union Government in this regard?

**ANSWER**

THE MINISTER OF STATE IN THE  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) to (e) In order to encourage private sector participation through adequate incentives, a new Hybrid Annuity model has been approved by the Government for implementation of highway projects through Central as well as State Government Agencies. As per this model, 40% the Project Cost is to be provided by the Government as 'Construction Support' to the private developer during the construction period and the balance 60% as annuity payments over the concession period along with interest on outstanding amount to the concessionaire. After sanction of the proposal by the Government, bids are invited by the Central/ State Government based on the cost of work as per Ministry's extant guidelines issued from time to time.

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