

GOVERNMENT OF INDIA

MINISTRY OF PLANNING

RAJYA SABHA

QUESTION NO 18.11.2010

ANSWERED ON

PPP MODEL FOR DEVELOPMENT RELATED PROJECTS .

136

Shri Raghunandan Sharma

Will the Minister of COALCOALCOALPLANNING be pleased to state :-

- (a) whether the responsibility of running the development related projects in the country has presently been handed over to the Public Private Partnership model;
- (b) if so, the details of ongoing projects in the country on the line of said model till 30th September, 2010;
- (c) whether Government has assessed the authenticity and efficiency of the system; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS

(SHRI V. NARAYANASAMY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF PART (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 136 FOR ANSWER ON 18.11.2010 REGARDING PPP MODEL FOR DEVELOPMENT RELATED PROJECTS.

(a): The strategy for infrastructure development in the Eleventh Plan recognises the dominant role of the public sector in building infrastructure. However, it also recognizes that the total resources required to meet the deficit in infrastructure exceed the capacity of the public sector. It is, therefore, necessary to attract private investment through appropriate forms of public private partnerships to meet the overall investment requirements.

The relative role of the public and private sectors will vary. In some sectors such as irrigation and water resources management, construction of rural roads, capital dredging at major ports, as well as in certain economically or situationally disadvantaged regions, the bulk of the investment in infrastructure would have to come from the public sector. Available public sector resources must therefore be directed to these sectors as a matter of priority. Precisely for this reason, PPPs must be seriously explored in other areas, where viability gaps are likely to be lower.

The strategy for the Eleventh Plan encourages private sector participation directly as well as through various forms of PPPs, where desirable and feasible.

(b): According to information compiled by the Planning Commission, 533 projects costing Rs. 3.07 lakh crore have been either implemented or are under implementation in PPP mode. The details of such projects in various sectors are as under:

(c) & (d): The Public Private Partnership model is based on international best practices that seek to provide a transparent, fair and competitive environment aimed at reducing costs and improving efficiencies with a view to providing quality services to users at affordable prices. The Government has adopted model concession agreements and bid documents for this purpose and experience so far has been positive.