

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

STARRED QUESTION NO:42

ANSWERED ON:07.07.2009

SLUGGISH PROGRESS IN HIGHWAY PROJECTS

Adsul Shri Anandrao Vithoba

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the National Highways Authority of India has submitted a report to the Government on the reasons behind the sluggish progress reported in implementation of the Highway projects;
- (b) if so, the details thereof and the response of the Government on the findings of the Report;
- (c) whether the Model Concession Agreement (MCA) hinders the execution of the said projects;
- (d) if so, the reaction of the Government thereto;
- (e) whether private investors have expressed difficulty in supporting Highway projects due to certain provision of the MCA, particularly the termination clause;
- (f) if so, the response of the Government thereto; and
- (g) the corrective measures being taken by the Government?

Answer

MINISTER OF ROAD TRANSPORT AND HIGHWAYS(SHRI KAMAL NATH)

(a) to (b) : No, Sir, Review of progress of implementation of National Highways Development Project (NHDP) by the National Highways Authority of India (NHAI) is an ongoing process. During the process of review various constraints in implementation are identified and necessary steps are taken for resolution of the issues so as to ensure timely implementation of the project. Modes of delivery, process of pre-qualification, Model Concession Agreement and effect of global slowdown, etc. are some of the issues which have been identified in this regard on the basis recent review. The reply to other parts of the question is annexed.

(c) to (g): Model Concession Agreement (MCA) lays down the framework for development of highways on Public Private Partnership (PPP) mode. The private investors have pointed out some difficulties in regard to some provisions of the MCA including the clause dealing with termination of the contract prematurely by the Authority and variability of concession period. It is the endeavour of the Government to address various issues after due consultations with all concerned.