

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1651
ANSWERED ON:22.08.2012
MECHANISM TO MONITOR PPP
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Will the Minister of PLANNING be pleased to state:

- (a) whether the Government proposes to introduce a new mechanism to monitor Public-Private-Partnership (PPP) projects of the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the salient features of the new mechanism being adopted?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a): Yes, Madam.

(b): The Guidelines for an Institutional Mechanism for Monitoring of Public Private Partnership projects to be followed by all Ministries, Departments, statutory authorities and Public Sector Undertakings have been approved by the Government. These Guidelines shall also apply to all State projects that receive Viability Gap Funding (VGF) from the Central Government. These Guidelines respond to the need for establishing an institutional framework to ensure compliance of the concession agreements for PPP Projects mainly with a view to safeguard the interests of the public exchequer and the users.

(c):The Guidelines require the Project Authorities to create a two-tier mechanism for monitoring the performance of PPP Projects. This should consist of:

- (i) PPP Projects Monitoring Unit (PPP PMU) at the project authority level; and
- (ii) PPP Performance Review Unit (PPP PRU) at the Ministry or State Government level, as the case may be.

PMU should submit monthly reports to the PRU and the PRUs should compile them every quarter for review. The respective Ministries have been advised to send a quarterly compliance report to the Planning Commission with a copy to the Ministry of Finance. The Planning Commission, in consultation with the Ministry of Finance, will prepare a summary of these reports, along with recommendations relating to further action/ improvements, which would be placed before the CCI once every quarter.

A copy of the Office Order pertaining to Institutional Mechanism for Monitoring of PPP projects issued dated 8th August, 2012 is enclosed detailing the salient features of the monitoring mechanism to be adopted by the Ministries and State Governments.