GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:4179
ANSWERED ON:19.12.2012
DEVELOPMENT OF BASIC INFRASTRUCTURE
Meghwal Shri Arjun Ram

Will the Minister of PLANNING be pleased to state:

(a) whether the high level committee headed by Shri Deepak Parekh on financing infrastructure has submitted its report;

(b) if so, the details of major recommendations of the committee;

(c) the action taken/proposed to be taken by the Government on these recommendations;

(d) whether the Government had constituted any other committee related to basic infrastructure prior to the Parekh Committee; and

(e) if so, the details thereof ?

Answer

MINISTER OF STATE FOR PARLIAMENTARY AFFAIRS AND PLANNING (SHRI RAJEEV SHUKLA)

(a): No Madam. The High Level Committee on Financing Infrastructure headed by Shri Deepak Parkeh has submitted its Interim Report to the Prime Minister on October 3, 2012.

(b): The Committee in its Interim Report has made the following major recommendations:

POWER

1. Reform of electricity distribution a. Set tariffs at sustainable levels to maintain the inflow of investment. b. Concurrent funding of subsidies by the State Governments. c. Adopt Public Private Participation (PPP) in distribution.

2. Coal supply

a. Import coal through STC/ MMTC or directly by the producers themselves in short-term. b. Set-up a new public sector undertaking (PSU) to award mining contract to private sector through PPP.

3. Gas supply

a. Import gas to protect investment made in gas-based power projects in short-term.
b. Gas-based power should only be used for peak hours until more gas is discovered or import prices fall.
c. Rationalise gas allocations and pricing within two months as further delay will postpone the requisite imports of gas.

4. Introduce Open Access to promote competition.

5. Revision of Standard Bidding Documents related to power sector to ensure sustainable future investments.

HIGHWAYS

6. Expedite roll-out of PPP projects.

7. Execute unviable projects through EPC contract.

8. Operationalise the Expressway programme.

9. Address various issues related to implementation delays.

TELECOMMUNICATIONS

10. Remove regulatory uncertainties related to allocation, pricing and sharing of the spectrum allotted in the past.

11. Rationalise M&A policies to facilitate consolidation.

12. Increase FDI limit to 100 per cent.

13. Increase penetration in rural areas.

RAILWAYS

14. Modernise railways infrastructure and improve safety standards.
15. Rationalise passenger fares.
16. Encourage private investment through PPP.
17. Institutional restructuring of the Railway Board.

MRTS

18. Attract more private investment in metro rail projects.

IRRIGATION

19. Encourage private participation in micro irrigation.
WATER SUPPLY AND SANITATION
20. Encourage private investment in water supply.

PORTS

21. Expedite awarding of projects.
22. Deregulate tariffs.
23. Reduce dwell time.
24. Accelerate the pace of capital dredging.

INLAND WATERWAYS

25. Explore private participation.

AIRPORTS

26. Expedite development of Greenfield airports.
27. Encourage PPP in O&M of metro and non-metro airports.

OIL AND GAS PIPELINES

28. Introduce independent operators to provide non-discriminatory access to all

suppliers and consumers.

STORAGE

29. Create multiple windows for private investment.

Reinventing IIFCL for a Larger Role

30. The Committee also recommended reinventing the role of India Infrastructure Finance Company Limited (IIFCL) during the 12th Plan from its existing role of a
normal lender to that of a catalyst mobilising additional resources for financing of infrastructure. This could be achieved by IIFCL through providing guarantees for bonds issued by private infrastructure companies rather than expanding its direct lending operations.

(c) : The Planning Commission has requested concerned Ministries to examine the recommendations.

(d) & (e): The Government had time-to-time set up a number of committees to make recommendations on various issues related to infrastructure.