

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2684

ANSWERED ON:13.03.2013

PPP PROJECTS

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Will the Minister of PLANNING be pleased to state:

- (a) whether the Government has been incurring losses from the Public Private Partnership (PPP) projects;
- (b) if so, the details thereof including the names of such projects where the losses are being incurred by the Government and the reasons therefor;
- (c) the existing institutional framework to monitor the PPP projects with a view to safeguard the interests of public exchequer and the consumers/users;
- (d) whether the Government proposes to revise its PPP model policy; and
- (e) if so, the details thereof along with the other corrective steps taken by the Government in this regard?

Answer

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

(a) No, Madam.

(b) Question does not arise.

(c) 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 issued by the Government. These Guidelines have created 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 consumers/ users. The Guidelines require the Project Authorities to create a two-tier mechanism for monitoring the performance of PPP Projects. This should consists 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 CCEA once every quarter.

(d) & (e) The Model Concession Agreement (MCA) for Public-Private Partnership (PPP) models in various sectors are formulated by Inter-Ministerial Committees set up under the chairmanship of concerned Secretary and approved by the competent authority. These Models are improved on a continuous basis, based on experience gained in past projects.