

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:530

ANSWERED ON:07.08.2013

LAWS GOVERNING PPP PROJECTS

Ganpatrao Shri Jadhav Prataprao;Jaiswal Shri Gorakh Prasad

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government proposes to make any laws governing the Public Private Partnership (PPP) programmes/projects in the essential public services sector;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has conducted any review to ascertain the impact of such programmes/projects on the standard of living;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the machinery put in place to monitor PPP programmes/projects?

Answer

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

(a) No, Madam.

(b) The Government has enunciated its PPP policy in the form of guidelines. The Ministry of Finance has the issued following guidelines:

1. Financial Support to Public Private Partnerships in Infrastructure
2. Formulation, Appraisal and Approval of Public Private Partnership Projects

(c) & (d) No, Madam. The standard of living of people is impacted by the sum of all Government programmes and policies. It may not be possible to ascertain the impact of only PPP programme on standard of living of people.

(e) 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.