

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:1001

ANSWERED ON:25.11.2009

HIGHER CAPITAL INVESTMENT IN PUBLIC- PRIVATE PARTNERSHIP

Shanavas Shri M. I.

**Will the Minister of PLANNING be pleased to state:**

- (a) the measures taken by the Government to ensure that the Public Private Partnership (PPP) approach in infrastructure development are involving higher capital investment;
- (b) the proposed monitoring system for maintaining a non-prejudicial user interest;
- (c) the measures the Government has taken to tackle the complexity of maintaining conditions of competitive markets in a rapidly changing economic scenario;
- (d) whether the Government is seeking greater role of South Asia Forum for Infrastructure Regulators (SAFIR), in terms of building sub-regional framework to address the infrastructure gaps in the country; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI V.NARAYANASAMY)

(a) : The Government has taken a number of initiatives to promote the development of infrastructure in general and private participation in particular. Some of these initiatives are as given below:

i) Cabinet Committee on Infrastructure has been constituted on July 6, 2009. The objective of the Committee is to consider and take decisions in respect of all infrastructure related proposals costing more than Rs.150 crores; to consider and decide measures namely, fiscal, financial, institutional and legal required to enhance investment in the infrastructure sector, including grant of requisite approvals to facilitate private sector investment in specific projects, to lay down annual parameters and targets for performance for all infrastructure sectors; and to review the progress of all infrastructure projects.

ii) PPP Appraisal Committee has been constituted for streamlining and simplifying the appraisal and approval process for PPP projects.

iii) Viability Gap Funding scheme has been notified to enhance the financial viability of infrastructure projects.

iv) India Infrastructure Finance Company Ltd. has been set up for providing long term loans for financing infrastructure projects.

(b): A guidelines for monitoring of Public Private Partnership Projects to be followed by all Ministries/Departments, Statutory Authorities and Public Sector Undertakings has been issued by the Planning Commission in May, 2009. The Guidelines are aimed at ensuring compliance of the contractual requirements contained in the concession agreement. This would protect user interests.

(c) : A transparent system of bidding of PPP projects has been set up through standard bidding documents. Model pre-qualification document, Model Request for Proposal documents and Model Concession Agreements have been prepared for ensuring a transparent bidding process.

(d) & (e): The South Asia Forum for Infrastructure Regulation (SAFIR) was established with the support of the World Bank. India is a Member of the Executive Committee of SAFIR. The SAFIR is designed to assist in building of regulatory capacity in electricity, natural gas, telecom, water, transport and other sectors.