

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4017
ANSWERED ON:13.08.2015
PPP Mode in Construction of NHs
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Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Government proposes to award projects of National Highway Authority of India (NHAI) in Public Private Partnership (PPP) mode to reduce dependency on its own finances, bring in professional project management practices and improved technology for better quality of construction;
- (b) if so, whether it is a fact that the execution of projects through PPP mode has suffered from deficiencies in planning as well as in implementation in the past; and
- (c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) Government awards projects of National Highway Authority of India (NHAI) under Public Private Partnership (PPP) model of infrastructure development on Build-Operate-Transfer (BOT) (Toll), BOT (Annuity), Hybrid Annuity and Operation-Maintenance-Transfer (OMT). This is to bring in private sector capital and efficiencies in project management and application of innovative technology for road construction.

(b) and (c) Due to economic downturn resulting in upsetting the traffic projections and consequent revenue generation, non-availability of equity with the Concessionaires and due to other construction related issues, the response to NH projects under PPP mode was poor. Ministry of Road Transport & Highways and NHAI have taken a number of steps for speedy and timely completion of highway projects including streamlining of the process of land acquisition and other statutory clearances, harmonious substitution of Concessionaire, re-schedulement of Premium quoted by concessionaires, getting Reserve Bank of India (RBI) to treat road sector loans as secured, introduction of revamped dispute resolution mechanism and close coordination with other ministries etc. Apart from these steps, Government is also considering new variants of PPP model like Hybrid Annuity Model to attract bidders for new projects.
