

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

STARRED QUESTION NO:427

ANSWERED ON:07.08.2014

NHS PROJECTS UNDER PPP MODE

Kushwaha Shri Ram Kumar Sharma;Maganti Shri Murali Mohan

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) the details of the guidelines/norms laid down for construction of National Highways (NHs) under Public-Private Partnership (PPP) mode;
- (b) the details of the projects executed/being executed under PPP mode and their present status thereof;
- (c) whether all stakeholders including States were/are being consulted before undertaking projects under PPP mode, if so, the details thereof;
- (d) whether the Government has come across certain bottlenecks in execution of projects under PPP mode especially with regard to framework and rigidities in contractual arrangements etc. and if so, the details thereof along with the measures taken/proposed to be taken to address the issue; and
- (e) the mechanism put in place by the Government to monitor the physical and financial progress of the projects taken under PPP mode?

Answer

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS (SHRI NITIN JAIRAM GADKARI)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.427 ANSWERED ON 07TH AUGUST, 2014 ASKED BY SHRI RAM KUMAR SHARMA KUSHWAHA AND SHRIM. MURALI MOHAN REGARDING 'NHs PROJECTS UNDER PPP MODE'

(a) Ministry of Finance, Department of Economic Affairs has laid down Guidelines for Formulation, Appraisal and Approval of Central Sector Public-Private Partnership (PPP) projects. These extensive guidelines are followed by the Ministry of Road Transport & Highways (MORT&H) and National Highways Authority of India (NHAI) for appraisal and approval of National Highways (NH) projects being implemented through PPP mode. An inter-ministerial PPP Appraisal committee (PPPAC) has been set up for appraisal of such projects. The Ministry of Finance is responsible for examining the concession agreements from the financial perspective while a PPP Appraisal Unit (PPPAU) in the Planning Commission undertakes a detailed appraisal of each project. MORT&H/NHAI identifies the projects to be taken up through PPP mode and undertakes preparation of feasibility studies, project agreements, etc. with the assistance of legal, financial and technical experts. The proposal is first submitted for in-principle clearance of PPPAC. After the 'in principle' clearance, MORT&H/NHAI invites expressions of interest in the form of Request for Qualification (RFQ) which is followed by short listing of pre-qualified bidders. After formulating the draft Request for Proposal (RFP), MORT&H seeks clearance of PPPAC before inviting the financial bids. Based on the recommendations of PPPAC, the final approval for a project is granted by the competent authority.

(b) Details of completed NH projects executed on PPP Mode are placed at Annexure-I and details of NH projects being implemented under PPP mode by NHAI along with their present status is placed at Annexure-II.

(c) Projects are taken up after approval of PPPAC having representations of Ministry of Finance, MORT&H, Planning Commission and Ministry of Law & Justice. No specific consultation is held with the State Government before undertaking NH projects under PPP mode. However, during the conceptual stages of NH projects, irrespective of the fact whether the project is proposed for implementation under PPP mode or otherwise, due consultation is made with the concerned State Governments and the details of improvements proposed as part of the project like Bypasses, structures, re-alignment, etc. are provided to the State Government in due course for their examination and comments and inputs received from the State Government are taken into consideration while finalizing the Detailed Project Report/Feasibility Report. An umbrella State Support Agreement has been signed with most of the States and Union Territories to facilitate the implementation of the project through coordinated efforts. A high powered committee under Chief Secretary of the State has been constituted for resolving pre-construction issues in most of the States. Regional offices of MORT&H/NHAI have been set up in different States for close monitoring of projects and performance of the concessionaire/contractors and coordination with the State Government.

(d) Details of identified bottlenecks in execution of projects faced by NHA under PPP mode and measures taken by MORT&H/NHA to address these issues are placed at Annexure-III.

(e) Each NH project being implemented on PPP mode is monitored at every stages of its life cycle on parameters and formats defined by Government by MORT&H/NHA through its Regional Offices across the country during development, construction and operation and Maintenance phases mainly through a web based system. Monitoring and supervision of construction, operation and maintenance of any NH project is under taken by an Independent Engineer selected by NHA through a transparent process. Close interaction are being done with all stakeholders including Ministry of Railways, Ministry of Environment & Forest, and State Government/Local Bodies for resolution of issues hindering progress.