

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:976
ANSWERED ON:28.11.2014
MONITORING PPP PROJECTS
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Will the Minister of PLANNING be pleased to state:

- (a) the details of the existing mechanism/framework which regulates/monitors projects/programmes being implemented under the Public Private Partnership (PPP) for socio-economic development of the country;
- (b) whether the Government has conducted any review to assess the impact of these projects/programmes being run under PPP;
- (c) if so, the details and outcome thereof; and
- (d) the remedial measures taken/being taken by the Government for effective implementation of PPP projects in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND MINISTER OF STATE FOR DEFENCE
(RAOINDERJITSINGH)

(a): The Government has issued Guidelines for Monitoring of Public Private Partnership (PPP) projects to be followed by all Ministries, Departments, statutory authorities and Public Sector Undertakings. These Guidelines also apply to State Governments for state projects that receive Viability Gap Funding (VGF) from the Central Government. The Guidelines have created an institutional framework to ensure compliance of the concession agreements for PPP Projects mainly with a view to safeguarding the interests of the public exchequer and the consumers/ users. The Guidelines inter alia require the Project Authorities to create a two-tier mechanism for monitoring the performance of PPP Projects which should consist 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.

(b) & (c): The Government has not conducted any review to assess the impact of the PPP projects / programmes. However, the key benefits of PPP projects in infrastructure are as follows:

Encourage private investment in the infrastructure sector # Reducing public direct spending # Public budget could be used in other priority areas # Introduce innovation and increased efficiency from the private sector # Development of local capital market # Right sizing of public institutions # Better services to users and early delivery

(d): For effective implementation of PPP projects, some of the important measures taken by the Government include streamlining and simplifying the appraisal and approval process of PPP projects, provision of funding support under the Viability Gap Funding (VGF) scheme and formulation of standard/model documents for bidding and award of PPP concessions. These model documents are modified from time to time, when required, after due consultations with stakeholders.