

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

UNSTARRED QUESTION NO:3006  
ANSWERED ON:11.12.2014  
MODEL CONCESSION AGREEMENT  
Adhikari Shri Sisir Kumar;Mahendran Shri C.

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

- (a) whether road contract and management of project are governed under Model Concession Agreement (MCA) till the time a private player operates, if so, the details thereof;
- (b) whether this agreement is considered to be rigid for development of road under build-operate-transfer mode;
- (c) if so, whether changes proposed in the MCA are to be referred to inter- ministerial group for approval;
- (d) if so, whether the Union Government has decided to ease the rigid MCA to speed up delivery of highway projects; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI PON. RADHAKRISHNAN)

- (a): Yes Sir. National Highway projects implemented on Build, Operate and Transfer (BOT) mode are governed by Model Concession Agreement (MCA). The MCA defines the Obligations of the Concessionaire in all phases of Concession period i.e. Prior to Commencement of Construction, during Construction period and during Operation and maintenance period.
- (b): The MCA cannot be considered as rigid, as clauses contained in it provide for different treatments under different circumstances. However, it does require some flexibility in view of changing dynamics of the sector and the overall economic scenario.
- (c) to (e): The Government has constituted a Permanent Committee under Cabinet Secretary comprising Secretaries of the Ministry of Road Transport and Highways, Department of Economic Affairs, Department of Expenditure, Department of Financial Services and Department of Legal Affairs to review the existing provisions of MCA and accordingly consider amendments in the MCA.