

GOVERNMENT OF INDIA

MINISTRY OF PLANNING

LOK SABHA

STARRED QUESTION NO: 401

ANSWERED ON:08.12.2010

MOBILISING FUNDS THROUGH PPP-MODEL

MURLI MANOHAR JOSHI

(a) whether the Government proposes to mobilize funds through the Public Private Partnership model for development of infrastructure projects

(b) if so, the details thereof;

(c) whether the said model has failed to achieve its objectives in social sector schemes;

(d) if so, the reaction of the Government in this regard; and

(e) the amount of investment made under the PPP model in infrastructure, education, health and drinking water supply schemes till September, 2010 in the country?

Will the Minister of PLANNING be pleased to state:-

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF PLANNING, PARLIAMENTARY AFFAIRS,  
PERSONNEL PUBLIC GRIEVANCES & PENSION(SHRI.V. NARAYANASAMY)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO.401 BY DR. MURLI MANOHAR JOSHI AND SHRI ANANT KUMAR HEGDE FOR ANSWER ON 08.12.2010 REGARDING MOBILISING FUNDS THROUGH PPP-MODEL.

(a): The strategy for infrastructure development in the Eleventh Plan reflects the dominant role of the public sector in building infrastructure. However, it also recognizes that the quantum of resources required to meet the deficit in infrastructure exceeds the capacity of the public sector. It is, therefore, necessary to attract private investment through appropriate forms of Public Private Partnerships (PPP) to meet the overall investment requirements.

The relative role of the public and private sectors will vary. In some sectors such as irrigation and water resources management, construction of rural roads, capital dredging at major ports, as well as in certain economically or situationally disadvantaged regions, the bulk of the investment in infrastructure would have to come from the public sector. Available public sector resources must therefore be directed to these sectors as a matter of priority. Precisely for this reason, PPPs must be seriously explored in other areas.

The strategy for the Eleventh Plan encourages private sector participation directly as well as through various forms of PPPs where desirable and feasible.

(b): The total investment in Infrastructure during the Eleventh Plan period is projected at Rs. 20,56,150 crore. The investment projected in each of the ten major physical infrastructure sectors over the Eleventh Five Year Plan Period is as follows:

Rs. crore at 2006-07 price

SL.NO	SECTORS	PROJECTED INVESTMENT			
		Centre	State	Private	Total
1	Electricity (incl. NCE)	255316	225697	185512	6,66,525
2	Roads and Bridges	107359	100000	106792	3,14,152
3	Telecommunication	80753	-	177686	2,58,439
4	Railways(incl. MRTS)	201453	10000	50354	2,61,808

5 Irrigation (incl. Watershed)	24759	228543	-	2,53,301
6 Water Supply and sanitation	42003	96306	5421	1,43,730
7 Ports	29889	3627	54479	87,995
8 Airports	9288	50	21630	30,968
9 Storage	4476	6713	11189	22,378
10 Gas	10327	-	6528	16,855
Total	765622	670937	619591	20,56,150

(c): The Government's strategy of growth with inclusiveness provides high priority to the social sectors, especially education and health. While these efforts will have to be primarily in the public sector, there may be merit in bringing in private investment in the social sector through various forms of Public Private Partnerships. In view of the above, PPP models are being developed in health and education sectors with the objective of providing access to the underprivileged sections of the society to quality services at affordable rates. Development of viable models would lead to private investment through PPPs in the social sector.

(d) : The Eleventh Plan document states that during the plan period experience of PPP initiatives in selected states under health sector would be studied. Based on evidence, efforts would be made to develop a generic framework for different categories of PPPs at primary, secondary and tertiary levels of health care to improve cost effectiveness, enhance quality and expand access through extensive stake holder consultations. Setting up of diagnostic and therapeutic centres by private players in hospital premises would be encouraged. Emphasis would be on model contractual agreements with specific performance requirements to be measured by civil society. The Eleventh Plan aims to establish 60 medical colleges and 225 new nursing and other colleges in deficit States through PPP. In the education sector the Plan envisages setting of 2500 secondary schools in the PPP mode.

(e): As a part of the Mid Term Appraisal of the Eleventh Plan, the Planning Commission has assessed the investment in infrastructure during the first two years of the Plan and also revised the projections of investment for the entire Plan period based on available data. The revised projection of investment for the Eleventh Plan is Rs. 20,54,205 crore, which is almost equal to the initial target of Rs. 20,56,150 crore.

The projections and the achievement in the first three years of the plan is as under:

Years	2007-08	2008-09	2009-10
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Projections 2,70,273 3,21,579 3,89,266

Achievement 3,03,807 3,59,192 4,02,829

(Actual) (Actual) (Proj.)

According to the information available in the Planning Commission the list of PPP projects in Health, Education and Water supply/ sewerage under implementation by the State Governments may be seen at Annexure- A & B.