

CHAPTER – 4

PUBLIC PRIVATE PARTENERSHIPS

Background:

4.1 Governments worldwide are increasingly encouraging public-private partnerships (PPPs), as a modality of private participation, to provide infrastructure services that were once exclusively delivered by the public sector. Availability of additional resources, increased efficiencies, access to advanced technologies, and sustainable development of infrastructure facilities/services are primary reasons for encouraging PPPs.

4.2 The existing deficit in infrastructure services and the rising demand for additional services have been recognized as critical areas to be addressed during the 11th Five Year Plan. The Government of India's 11th Five Year Plan estimates that investment in infrastructure as proportion of GDP should be increased from 5% per annum at the beginning of the 11th Plan to about 9% per annum in the terminal year of the 11th Plan. A volume on 'Private Participation in Infrastructure' has also been circulated by Government of India for expanding Public Private Partnerships (PPPs) so as to reach the target of investing 9 percent of Gross Domestic Product (GDP) in infrastructure by the year 2011-12.

4.3 In order to assist the States in formulating and awarding PPP projects, the Government of India has operationalised the Viability Gap Funding Scheme that enables projects of the States to get central assistance of up to 20% of the project costs. The Empowered Committee/Institution chaired by Secretary DEA, MoF, GoI approves project proposals for viability gap funding. The Central Government has also set up the India Infrastructure Finance Company (IIFC) to provide long-term loans. It raises funds against sovereign guarantees and provides up to 20% of capital costs as long term debt.

4.4 The Government of India has been implementing the scheme on India Infrastructure Project Development Fund (IIPDF) for supporting the development of bankable Public Private Partnership (PPP) projects. Under the scheme IIPDF finances up to 75% of project development cost of PPP project. The IIPDF also finances an appropriate portion of the cost of consultant and transaction advisor on a PPP Project.

4.5 In addition, the Planning Commission has an ongoing facility called "Planning Commission's Project Preparation Facility (PCPPF) to provide grants-in-aid in the form of technical assistance by way of professional consultants to Project Authorities for formulation and award of PPP projects. Under this scheme, Planning Commission provides Rs. 25 lacs per project as grants-in-aid for financing the costs of engaging professional consultants for preparation of Detailed Project Reports

especially for the projects proposed to be funded from external and institutional sources including the PPP projects.

4.6 A number of initiatives have been taken by the Government of India for evolving a policy & regulatory framework for PPPs that would ensure time bound creation of world class infrastructure. With the objective to attracting private capital in public projects, a number of important Guidelines, Model Documents/Reports have already been prepared by the Government of India to facilitate the transparent, competitive and fair bidding process for PPPs projects. However, these documents need to be suitably adapted for meeting specific requirements of individual projects. Government of India has finalized and issued Model Request for Proposal (RFP) documents for the Selection of Technical Consultants and Selection of Legal Advisers and based on the principals adopted therein, a Model RFP for the Selection of Financial Consultant and Transaction Adviser has also been prepared and being finalized in consultation with State Governments, Central Line Ministries, various stakeholders including users & investors and Experts.

4.7 The Government of Rajasthan also recognizes that the investment requirements in infrastructure are very large and require a significant flow of private capital in public infrastructure projects through Public Private Partnership (PPP). The involvement of PPPs is useful both for building infrastructure as well as for improving the provision of services.

4.8 The guidelines of the various schemes and programmes of Government of India to support the States in preparing projects on PPP mode have been circulated to the concerned State departments with the directions to prepare projects according to these guidelines. Efforts are being made to avail of these schemes for effective implementation and monitoring of PPPs in the State.

4.9 In the State, Rajasthan Investment Promotion Board (RIPB), headed by the Chief Minister exists to facilitate approval of concessions and clearances for large infrastructure projects. Besides this, an Empowered Committee on Infrastructure Development (ECID), headed by Chief Secretary, is the nodal body for conceptualizing and approving projects on PPP mode. The ECID has jurisdiction over all the projects to be developed on public-private partnership mode.

4.10 A 50:50 joint venture company of the State Government and Infrastructure Leasing & Financial Services (IL&FS) namely Project Development Company of Rajasthan (PDCOR) provides innovative services to implement infrastructure projects in the State on a commercial format. PDCOR has also developed several projects across the sectors for various departments and actively assisted the State Government in getting huge financial assistance from Government of India especially under BRTS, JNNURM, UIDSSMT, IHSDP, BRGF, TSP and NLCP etc.

4.11 Considering the huge investment involved, the benefits of leveraging the budgetary resources of the State and to attract private sector investment in the road sector, the State Government decided to implement the road development programs through a public-private partnership framework. The other infrastructure and social sectors where the State Government is intensively seeking private investment includes power, water, Urban Infrastructure, tourism, Industrial Infrastructure education and health.

4.12 The State Government has been taking a number of pro-active measures to boost the tourism and economic potential of the State. Towards this end, an ambitious program has been embarked to build world class infrastructure facilities in the State under a Project titled 'Mega Highways Project'.

4.13 Road Infrastructure Development Company of Rajasthan (RIDCOR) was formed as a 50:50 joint venture company between GoR and IL&FS in 2004. IL&FS has the requisite know-how and skill to develop road projects, identify prospective promoters, undertake mobilization of financial resources from both the domestic financial institutions and multilateral agencies and offer specialized services inter alia in the areas of Operations and Maintenance, Toll Management and other services relating to infrastructure projects

4.14 Rajasthan Project Development Fund (RPDF) with the contribution from Government of Rajasthan (Rs. 4 crore), IL&FS (Rs. 25 lacs) and HDFC (Rs. 25 lacs) exists as a revolving fund for meeting the costs and expenses related to conducting feasibility studies and other project development activities for identified projects. The Empowered Committee on Infrastructure Development (ECID), constituted under the chairmanship of Chief Secretary, approves the project development activities proposed to taken up from RPDF.

4.15 The Rajasthan Social Sector Viability Gap Funding Scheme has been implementing for promoting Public Private Partnership in social infrastructure sector. All Administrative Departments, Autonomous Organizations under the Government of Rajasthan and local bodies of the State are eligible to get social sector infrastructure and services financed under the scheme to give impetus to PPPs for infrastructure development. The new policy document of the State Government also includes implementation of various resolutions especially through the PPP route.

4.16 The State's 165 New Senior Secondary Schools Project in PPP mode has been receiving financial assistance from Asian Development Bank / Government of India initiative under the India Infrastructure Project Development Fund (IIPDF). Under the initiative ADB is assisting in the development of project structuring as PPPs, by meeting up to 25% of the cost of transaction advisory services and GoI is bearing up to a maximum of 75% of the project development cost under India Infrastructure Project

Development Fund (IIPDF). The State Government has already signed an MOU with Government of India and ADB in this regard for this project. It is being requested to consider this project for providing 20% of the project cost as capital subsidy under the GoI's Viability Gap Funding Scheme.

Policies / Legal Framework:

Power Sector Reforms:

4.17 In Rajasthan, power sector reforms were initiated in 1998. The reforms include reduction in establishment costs, rationalization of power tariff, and mobilization of private capital for power generation and transmission and lower capital-power generation ratio. In order to achieve these goals, RSEB was restructured on functional lines into one generation, one transmission and three regional distribution companies. A State Electricity Regulatory Commission was also set up.

Power Generation:

4.18 State Government launched a policy on 15th September, 2005 for promotion of Private Sector Investment for setting up of Power Generation Projects in the State.

Captive Power Plant Policy:

4.19 With a view to create an institutional mechanism for providing easy and automatic entry for industry to meet its requirement of energy by setting up its own generating stations, the State Government notified a Captive Power Plant Policy in July, 1999.

Non-Conventional Energy Sources:

4.20 With a view to promote generation of power from non-conventional energy sources, State Government promulgated a policy on 11.3.1999 which ended on 31st March, 2004. Besides this, a separate policy was issued on 4th February, 2000 exclusively for promoting generation of electricity from wind, which ended on 31st March, 2004.

4.21 After having gathered the experiences from the earlier policies and identifying the impediments in the process of generation of electricity from non-conventional sources, State Government issued a comprehensive policy on 25.10.2004 for generation of electricity from various sources of non-conventional energy.

BOT Policy for Roads:

4.22 Rajasthan has been in the forefront of successfully implementing a number of road sector projects in the recent past. Rajasthan was the first State to announce a State Road Policy in 1994 to facilitate the entry of private sector in the roads sector. A Model Concession Agreement was put in place for inviting private sector to develop roads on Build, Operate and Transfer (BOT) basis.

4.23 Rajasthan Road Development Act was enacted and launched in 2002 to encourage a greater level of participation of private sector in the development of the road sector. The Act provides formal framework to mainstream PPP modalities in the Roads sector.

4.24 Under the State Road Development Fund Act, 2004 a non-lapsable State Road Fund (SRF) was created through levy of 50 paisa cess on petrol / diesel. SRF is being leveraged to take up large / mega State Highways project.

Tourism:

4.25 With its rich cultural heritage, Tourism is a focus sector in Rajasthan. Keeping this in view, Government of Rajasthan granted status of the industry to tourism sector in 1989, therefore, all the facilities and concessions available to industries in the State also available to tourism units.

4.26 First 'Tourism Policy of Rajasthan' was announced by State Government in 2001, which was designed to ensure optimum utilisation of rich tourism resources of the State to generate employment specially in rural areas, to develop already market for the rich and varied handicrafts, to preserve and to accelerate contribution of tourism industry in socio-economic development of the State by making tourism a truly People's Industry in Rajasthan.

4.27 With a view to bridging the gap between current demand and supply of hotel accommodation in Rajasthan and in view of the projected growth of tourism in the coming decade, 'Hotel Policy-2006' was announced by the State Government in June, 2006. This policy has been replaced by "Rajasthan Tourism Unit Policy 2007". Under 'Hotel Policy 2006', concessions were available to the Star category of Hotels only whereas under new policy concessions will also be available to other categories of hotels, heritage hotels and other tourism units such as camping sites, holiday resorts and restaurants etc.

Investment Policy:

4.28 Investment Policy was launched by the State Government in 2003 with a view to provide investors an attractive opportunity to invest in Rajasthan and to make the Rajasthan the most preferred State for investment in the identified sectors and to ultimately achieve global competitiveness.

SEZ Policy:

4.29 The Government of Rajasthan enacted Special Economic Zones (SEZ) Act on 10.09.2003 and framed SEZ policy. The prime objective of the Government is to develop specially delineated economic zones conforming to the guidelines of the Government of India to provide enabling infrastructure and a hassle free environment to promote exports

from the State. Special emphasis will be laid on development of product specific SEZs to harness inherent potential of the State in the fields of Gems & Jewellery, Handicrafts, Woollen Carpets etc. which would result in increase in exports of these commodities with high value addition. The State Government has also worked out a package of concessions and incentives for SEZ developers and units to be set up in the SEZ.

Health Care Facility Policy:

4.30 State Government had issued policy to promote private investment in health care facility-2006 to supplement State Government efforts in the fields of secondary and tertiary health care and diagnostic services. With the help of private sector participation (PSP), the State will maximize the benefits which might accrue from the opportunities in medical tourism, expand availability and access of quality health care services and integrate allopathic treatment with Indian and other alternative systems of medicine.

Rajasthan Social Sector-Viability Gap Funding Scheme:

4.31 State Government had launched Rajasthan Social Sector Viability Gap Funding Scheme in 2007. The scheme intends to address viability gap for establishment of new social service facilities and handing over operation and management of existing government facilities through private sector participation.

IT and ITeS Policy:

4.32 The IT and ITeS Policy, 2007 of the State has been launched. The Policy is intended to leverage Information & Communication Technology (ICT) as a tool for improving governance by facilitating the electronic delivery of public services, create an environment favourable for investment in the knowledge economy and take effective steps to encourage the talent pool of the youth so as to make them employable.

Completed / On-going projects:

Roads:

4.33 BOT Projects - In Rajasthan, 34 road projects entailing investment of Rs. 484.19 crores have already been completed on BOT format of PPP. Another one road project costing to Rs. 133.79 crores is under construction.

4.34 Rajasthan Mega Highways Project for improvement and maintenance of 1053 km of road at an investment of Rs. 1500 crore have been completed through a joint venture company, RIDCOR. The road corridors, spread over 13 districts and traversing through 386 towns / villages are:

Road Corridor	Districts	Length (km)
Phalodi to Ramji-ki-Gol	Jodhpur (109 km) and Barmer (182 km)	292 km
Hanumangarh to Kishangarh	Churu (154 km), Hanumangarh (98 km), Ajmer (38 km) and Nagaur (117 km)	407 km
Alwar to Sikandra	Dausa (28 km) and Alwar (53 km)	81 km
Lalsot to Kota	Kota (10 km), Bundi (90 km), Sawai Madhopur (75 km) and Dausa (20 km)	195 km
Baran to Jhalawar	Kota (8 km), Baran (19 km) and Jhalawar (51 km)	78 km

Urban Infrastructure:

4.35 Solid Waste Management - M/s Grasim India Ltd. has constructed a waste conversion plant in Jaipur to prepare fuel pellets at a cost of Rs.15 crore. Grasim experiment is being replicated in three other cities of Rajasthan namely Ajmer, Bikaner and Udaipur.

4.36 Common Bio-medical Waste Treatment Facility Plant – This exists in Bikaner, Jaipur (2), Hanumangarh, Jodhpur, Alwar, Sawai Madhopur and Ajmer. Plants at Jhalawar, Sikar, Kota, Udaipur (Addl.) and Jalore are underway. These plants are being established under the PPP mode on DBOOT basis.

4.37 Bus Rapid Transit Service (BRTS) in Jaipur - 'In-principle Approval' of Rs. 469 crore was given by Government of India in August 2006 for implementation of 42 km of BRTS Phase-I Corridor in Jaipur city. The sanctioned cost of BRTS Phase-1 is Rs. 479 crores. The total sanctioned cost to cover North-South Corridor of 26 km is Rs. 219 crores. The corridor would cover C-Zone Bypass near Harmada to Pani Pech (7.1 km), Pani Pech to Laxmi Mandir, via Government Hostel (8.5 km), Sahkar Bhawan to Sanganer, via Ram Bagh Circle & Tonk Road (9.5 km) and elevated road at Durgapura (1 km).

4.38 JDA has been assigned the responsibility for BRTS infrastructure creation and Jaipur City Transport Services Limited (JCTSL) (a Special Purpose Vehicle (SPV), joint venture of JDA & JNN) has been entrusted with the Bus Operations. 26 km of the sanctioned length has been tendered and is under various stages of completion. 400 buses have been sanctioned by MoUD, GoI for city bus operation in Jaipur under the JnNURM scheme. 50% of the cost shall be borne by GoI. 100 of these buses shall be utilized as BRT buses.

4.39 This project is being developed under JNNURM under which roadwork of the project will be done through EPC contract and the Bus Operations, Revenue Collection and Intelligent Transportation System through PPP framework.

Industries:

4.40 Special Economic Zones (SEZs) - Multi product SEZ is being developed by Mahindra World City (Jaipur) Ltd., a joint venture of Mahindra Gesco Ltd. and RIICO Ltd. This Public-Private Partnership initiative envisages investment of about Rs.1109 crores, in phases. Infosys, spread on an area of 200 acres, has completed the construction of one part of their block and the second is underway. German banking giant Deutsche Bank has built its building in an area of 16 laks sq. feet. Wipro also plans construction on a 100-acre land. Similarly, Tech Mahindra, Nagaro Software, Conexxions and True Worth Infotech would also start construction.

4.41 Indian Institute of Crafts & Design – Indian Institute of Crafts and Design, an autonomous institute of excellence set up by the Government of Rajasthan to act as a catalyst for the crafts sector, is being managed by the Ambuja Educational Institute (AEI) under the Public Private Partnership (PPP) model.

Information Technology:

4.42 e-Mitra Programme – This is an integrated e-platform to provide information and public utility services pertaining to various government departments to urban & rural population. 550 kiosks are operational in the State through Public-Private Partnership.

4.43 Common Service Centres (CSCs) – The main aim of CSCs is to provide some of government and private sector services and information under one roof in rural areas. Orders have been issued for establishing CSCs in 7 divisional headquarters.

Power:

4.44 Power Generation - Raj West Power Limited, a wholly owned subsidiary of JSWEL is putting a 1080 MW (8 Units of 135 MW each) Lignite based pit head power plant at village Bhadresh in Barmer District. The estimated cost of the project is Rs. 5000 crores. Lignite will be made available from the nearby Jalipa and Kapurdi mines. For this purpose, a JV company, Barmer Lignite Mining Company Limited has been set up between RSMML and Raj West Power Limited.

School Education:

4.45 Rajasthan Education Initiative - The Rajasthan Education Initiative is an umbrella under which innovative multi-stakeholder partnerships are catalyzed by engaging the global and local private sector, foundations and charitable organisations and other grass roots level NGOs in support of Rajasthan's education objectives. The REI focuses on improving the delivery of educational services, and in particular on promoting equitable access, enrolment and retention of children in schools, reducing gender

disparities, promoting skill development and enhancing learning levels. 34 MoUs have been signed with co-partners.

4.46 Mid-day-meal Scheme – For private sector participation, a PPP policy is under operation. Presently, 9.95 lac children in 7,730 schools are being supplied hot cooked meals prepared under hygienic conditions in 24 mechanised centralized kitchens set up by Charitable Trusts and NGOs like Akshaya Patra Foundation, Nandi Foundation, QRG Foundation, Adanya Chetna Trust, ISKCON etc.

Medical & Health:

4.47 Installation of costly diagnostics like CT/MRI through private partnership:- Under this scheme, the State Government provides space to the private partner in Medical College Hospital for installing costly diagnostic equipments like CT/MRI machines. The private operator installs and operates the machines but he has to charge the rates as decided by the Government and 20% BPL patients have to be tested free. The machines are functioning 24 hours. There are hardly any breakdowns and in case of breakdowns, operators make alternative arrangements.

4.48 Installation of costly therapeutic machines like Linear Accelerators:- This is also being taken up. Under this scheme also a Private Operator is provided with space within Hospital premises. It is private operator's responsibility to undertake civil works, to operate and install the machine and to obtain necessary clearances from AERB etc. The rates are decided by the State Government and 20% BPL patients are to be treated free of charge.

4.49 Ancillary Services like cleaning, security and laundry have also been privatized in many hospitals.

4.50 The policy to Promote Private Investment in Health Care Facilities has attracted 24 investors with potential investment of around Rs.5000 crores. These investors are required to keep 10% beds for BPL patients who will be treated free and will pay only 25% for drugs and diagnostics.

Water Supply:

4.51 Desalination Project, Matasukh - Setting up of a 20 Million Litres per Day (MLD) brackish water desalination plant of Rs. 70 crores at Kasnau-Matasukh lignite mines at Nagaur on DBOOT basis is underway. The treated water conforming to WHO standards will be supplied to the water deficient villages in and around Jayal tehsil of Nagaur District. The project is at advanced stage.

Future PPP Projects

4.52 In Urban Development sector; Development of International Convention Center at Jaipur, Infrastructure project for amusement park

at Jawahar Circle with Snow Theme, Ring Road around Jaipur City under NHDP Phase-VII.

Urban development

4.53 Efforts are being intensified to structure bankable infrastructure projects. A comprehensive Plan for taking up the PPP projects like Ring Road, Ghat Ki Guni Tunnel project to link Agra Road to Jaipur City, Airport, Metro rail, Power generation and transmission is being developed. State Government would seek financial assistance from Government of India under Viability Gap Funding scheme for these projects. Brief description of some of these projects is as under:-

International Convention Centre (ICC)

4.54 Jaipur Development Authority proposes to develop an International Convention centre as an agent to stimulate economic growth in the region on Public Private Partnership (PPP) model. The ICC would be equipped with state of art facilities and is positioned to tap the demand of Meetings-Incentives-Convention-Exhibitions (MICE) at both national and international levels.

4.55 JDA is now in the process of preparation of Detailed Project Report (DPR) through the consultant of Avas Vikas Limited. After the finalization of DPR, JDA will call Expression of Interest (EoI) from interested bidders for Planning, Design, Finance, Construction, Marketing, Operation and Maintenance of the proposed ICC.

4.56 The project would be set up on Project site which is a total of approx. 11 Acres of land in Shiksha Shankul, JLN Marg, Jaipur (Earlier it was proposed in Dehmi Kalan)

Ring Road Project around Jaipur (144.75 Km)

4.57 Construction of Ring Road around Jaipur was conceived by PWD in December 2000 on BOT basis. In Phase I & II, a road with a length of 47 Km was proposed to be constructed in the Southern Corridor (Ajmer road- Tonk road- Agra road) & in Phase III, a road in a length of 97.75 Km was proposed to be constructed in Northern corridor (Agra road- Delhi road- Sikar road- Ajmer road).

4.58 Now it has been decided by GOR that the ring road project will be taken up by NHAI under NHDP Phase VII. NHAI has invited the tender for consultancy work preparation of Detailed Project Report (DPR) for complete Ring Road Project.

Ghat Ki Guni Tunnel Project

4.59 The road connecting Jaipur city to Agra road is very narrow. In order to reduce the congestion of traffic and accidents, JDA decided to construct the alternate route by constructing tunnel in Jhallana Hills in the year 2005 through PPP Mode, to protect the Heritage structures and enhancing the future growth and development in East side of Jaipur city.

4.60 The total cost of the project is 150 crores. Length of the road is approx. 4.0 Km in which the length of tunnel (parallel twin tunnel) is 647 Mtr which will be interconnected. In addition there will be two fly overs, two cross drainage works (culverts) and 4 Lane divided cement concrete roads each of 9.00 Mtr width.

4.61 The following statutory permissions have been received for the implementation of the project:-

(i) For the convenience of the people, the cars, jeeps, tempos, tractor trolleys and light vehicle has been exempted from the toll. The toll tax from the heavy vehicles will be charged as per the rate specified in the "Rajsathan Road Development Act -2002 and the same have been approved.

(ii) This project is the first BOT Project of Jaipur City through PPP Mode.

(iii) The diversification of forest land has been received from the forest department. 14.50 Hectare of land has been allotted to forest department in village Langriawas, Tehsil Jamwa Ramgarh with due mutation in their name and Rs 3.87 Crore has been deposited to forest department in lieu of compensation of forest land, cost of stone to be excavated from the hills in forest area for construction of tunnel/road and other miscellaneous works.

4.62 The sole criterion of bidding the project was the year of charging the toll. The lowest bidder was M/s Rohan Rajdeep Rajasthan Infra Projects Pvt Ltd, Pune, Maharashtra who quoted 13 Years 05 Months 20 Days as concession period which includes the construction period and commercial operation period. Acceptance letter for the same has been issued, tripartite concession agreement executed between GOR in UDH, JDA and investor on 27.11.09. The concessionaire is in the process of taking the financial closure for the implementation of the project.

Education

4.63 The Government of Rajasthan intends to engage private sector participants to design, finance, establish, operate, manage and maintain 165 secondary schools (from 6th to 12th) for a period of 30 years. 5 schools per districts are proposed to be built under the project. Phase – I of this project aims at procuring 50 schools in the Ajmer (4 districts) and Udaipur (6 districts) Divisions. The land for these PPP schools will be provided on a 30 year lease basis to the private sector partners. After expiry of the concession period of 30 years, the assets of these schools will be transferred to the Government.

4.64 These PPP schools will be run by the private sector autonomously. The private partner(s) will bear the entire capital cost initially. Government will provide capital assistance at the rate of INR 500 per sq ft of constructed area subject to maximum of INR 5.0 million to be paid

depending upon the progress of construction and use of own funds by the private developer. The private partner will have full independence in operational matters such as teacher recruitment and running of schools. PPP schools will have to attain a high performance benchmark apart from seeking an affiliation with either the State Board or the CBSE.

4.65 There will be a mix of voucher students and private fee paying students in these schools. Voucher students would at least 50% of the school strength. The Government will issue Education Vouchers to eligible recipients for payment of fee at the rate of INR 7200 per annum for classes IX to XII and INR 4000 per annum per student for classes VI to VIII which may be utilized against contracted “Government Seats” (a defined percent of Intake Capacity per class of the school), over the entire concession period. Total investment is estimated to be INR 6000 million.

4.66 The Government of India has approved financial assistance for the Project under the India Infrastructure Project Development Fund (IIPDF) for Project Development entailing project structuring, financial modeling, bid documents preparation, bidding process assistance, etc. Asian Development Bank (ADB) has also provided partial financial support for project development activities. Transaction advisors led by KPMG have commenced the advisory services and the draft Request for Qualification for the Project has been prepared.

National and State Highways

4.67 In the Road Sector, a total of 22 important corridors (11 of State Roads and 11 of National Highways) have been identified for improvement under PPP/ BOT/ VGF Scheme. An amount of about Rs. 8,000 crore were likely to be invested in NH projects which are being awarded by NHA and which will be completed within about three years. Similarly, under a new initiative of the Central Government, some of the PPP projects in National Highways would be awarded through the agency of the State PWD. Under this initiative, 11 projects have already been selected for initiating the bid process. These projects are likely to be awarded within the next six month for an investment of Rs. 3,000 crores.

4.68 The State Government has also initiated the bid process for 11 State Highway projects. Besides the significant volume of private investment that would flow into the road sector in Rajasthan, there would be other plan investments on district roads, rural roads etc. Efforts are being made to get private investment of Rs. 25,000 crores in the road sector alone over a period of five years. State Public Works Department is in the process of formulating a plan in this regard.

4.69 Section Gomti Choroha to Udaipur of NH-8 and Chittorgarh to Neemach NH-79 will be started under PPP mode. An MOU between GoI and GoR is to be signed and feasibility with phasing of various facilities will be prepared.

Drinking Water

4.70 Rajasthan, a water deficient province, has many water transmission and distribution projects which are pending resource allocation and subsequent implementation. In-principle, the State Government is inclined to proceed with annuity-based and other appropriate PPP modalities in the water sector. The annuity based PPP modality (Performance Based Deferred Payment Structure – PBDPS) entails construction, operation and maintenance of the facilities over a longer period, by the same private developer. Under the structure, the payments to the private developer are linked to performance not only during the initial construction period, but also during the O&M period. Most of the risks are transferred to a private party and developer is allowed to utilize their own designs and methodologies to meet State's agencies performance standards and quality levels. The Government finances the life time costs of the project, through periodic payments, called annuity-concessions payments.

4.71 Project development and structuring for two water supply projects on PPP format has been initiated. One project is for concession for water supply & sewerages system for Udaipur Town and the second is the Bisalpur-Tonk-Uniyara drinking water supply project covering 2 towns and 436 villages of Tonk District. Besides, rehabilitation and operation & maintenance of raw water pumping stations for Udaipur from Jaisamand Lake water is also under the process of preparation.

4.72 Following the letter addressed by the Chief Minister, the Deputy Chairman, Planning Commission had agreed to provide the necessary support for creating the enabling framework for PPP projects in urban water supply sector. Bids have been invited for preparing a feasibility report for a comprehensive PPP water supply and sewerage project for Udaipur town.

Power

4.73 The State Government is in the process for procurement of power for long term 1000 MW base load and 1000 MW seasonal load and to develop transmission projects by competitive bidding. Necessary documents are being finalized in consultation with stakeholders; the standard Request for Proposals (RFPs) and Request for Qualifications (RFQs) issued by Government of India for such projects on public private partnership mode on Design, Built, Finance, Operation and Transfer (DBFOT) basis are being considered for initiating the bid process. To select sellers/developers, pre-bid meetings are also being conducted with stakeholders.