

Panel Discussion on
“Mainstreaming Public Private Partnerships in India”

Objective: To build wider constituency of skilled functionaries to manage PPP projects.

Infrastructure services – electricity, water and sanitation, telecommunications, roads, railroads, ports and airports – are critical to an economy for its growth leading to increased economic opportunities and consumer welfare and also to the operation and efficiency of modern economy. Infrastructure services are critical inputs in the provision of goods and services and significantly affect the productivity, cost, and competitiveness of the economy and the alleviation of poverty. Poor infrastructure services often limit competitiveness in other markets, and limited coverage and access foster poverty. Policy decisions regarding their provision and sector development have ramifications throughout the economy.

Considering the need for significant investment in this sector, the Governments across the world are increasingly looking at the private sector to supplement public investments and provide public services through Public Private Partnerships.

The consultation draft of National PPP Policy lays down the commitment of Government of India’s in improving the level and the quality of economic and social infrastructure services across the country. In pursuance of this goal, the Government envisages a substantive role for Public Private Partnership (PPPs) as a means for harnessing private sector investment and operational efficiencies in the provision of public assets and services. Actions in this regard have generated a greater need for enhancement of skills and knowledge on practices among the functionaries as well as create better public buying.

Development of infrastructure and provision of basic civic services has always been considered a very important public sector activity for the following reasons:

- a. Governments have recognised the crucial role of infrastructure in fostering economic growth and reducing poverty.
- b. Because of its ‘public good’ and ‘essential’ nature, Governments have attempted to ensure availability of basic civic services irrespective of market conditions.
- c. For a number of economic, social and political reasons, full private sector involvement in these important areas was slow to develop and thus uneven.

Though provision of public services/infrastructure has traditionally been the exclusive domain of the government, due to increasing population pressures, urbanisation and other developmental trends, government’s ability to adequately address the public needs through traditional means has been severally constrained.

There is need for managing the entire gamut of capacity building activities that include training needs assessment, content development, training of trainers, working with state level and central training institutions, and promoting autonomous organisations to develop capacities in this area. Therefore, it is pertinent for functionaries and practitioners to have sound knowledge of various project related technical, financial, commercial and legal aspects of a PPP transaction. In addition, strong Concession Agreement Management skills are necessary to ensure that all stake

holders to a Concession Agreement meet the required business and operational obligations. Against this backdrop CUTS Institute for Regulation and Competition (CIRC), in partnership with JGU, is launching a six months Certificate Course in “Law and Economics of Public Private Partnerships”. This course aims at inviting participation of relevant functionaries of Government Institutions and Private Entities involved in PPP (Public private Partnership)/PFI (Private Finance Initiatives) and equip them with knowledge and understanding of complex issues involved in Contract Management process of PPP projects

Course Objectives:

- a. To provide the participants an insight into various approaches, methods and techniques in the development of PPP projects.
- b. To analyze the legal and institutional framework that could facilitate productive investment culminating in efficient service delivery and consumer welfare.
- c. To develop skills for building institutional mechanism for effectively managing communication and relations with stakeholders in PPP projects.

Learning Outcomes Expected:

- a. Learn the essentials of a PPP transaction
- b. Understand the risk involved in PPP project life cycle
- c. Gain an understanding of the Concession Agreement terms and conditions
- d. Understand the implications of Concession Agreement clauses
- e. Exposure to use the different procurement tools and techniques
- f. Better understanding of Contract Negotiations and Management (CN&M) issues.

The field of Contract Negotiations and Management (CN&M) has assumed importance with the rise of Public Private Partnership in Indian economy as legal agreements in the form of Concession Agreements and other related agreements i.e. Substitution Agreement, Service Level Agreements etc. form the basis for any Public- Private Partnership transaction. CIRC’s efforts in this regard through a unique pedagogical subject level presentations interspersed with query and discussion sessions, group exercises for project identification and risk allocation, and extensive use of case studies to maximize the learning experience and in the end to create an army of educated PPP practitioners.