

Government Mulling a Law on PPPs

NEW DELHI, October 9, 2012: Dr. Arvind Mayaram, Secretary, Department of Economic Affairs, Ministry of Finance, speaking at the high level Panel Discussion on “Mainstreaming PPPs in India”, contemplated on having a separate Law on Public Private Partnerships (PPPs).

Dr Mayaram was speaking at an event yesterday organised by CUTS Institute for Regulation & Competition (CIRC) with support from Department of Economic Affairs, Government of India. The event also witnessed the launch of a 6-month certificate course on PPPs to begin in January, 2013 in partnership with the O. P. Jindal Global University, Sonapat.

He further emphasised on lacunae of looking at PPPs in terms of non-compete agreements under the Contract Act. Speaking about capacity building in the areas of PPPs, he welcomed CIRC's new initiative and urged for more research and urgency of creating PPP experts and functionaries of which there is a huge shortage. “The partnership with Jindal Global University augurs well to do more in depth research on the law and economics of PPPs as we are yet to understand its full contours in India”.

The panel discussion was moderated by Mr. Pradeep S Mehta, Chairman, CIRC and Secretary General, CUTS International. Noted panellists included Mr. Cherian Thomas- Group Head, Capacity Building, IDFC; Ms. Lola Nayar, Assistant Editor, Outlook India; Dr. Pawan Singh, Director Finance , PTC India Limited; Mr. Rakesh Banger, Director Urban Practice, CRISIL; Mr. Shailesh Pathak, Managing Director, PE Indian Infrastructure Fund, Mr. Srikumar Tadimalla, Senior Public Private Partnership Specialist, World Bank, and Prof. R. Sudarshan, Dean, Jindal School of Government & Public Policy.

Most of the noted panellists present and the house felt that is a clear need for having a stand alone law on PPPs, but it should have in built flexibility to address emerging issues. It should not be rigid. It was reiterated that sustained growth of Indian economy is critical for equitable development in the country which can impact all strata of society.

The requirement for sustainable infrastructure development is paramount in order to provide the backbone for economic activities as well as to ensure the efficient use of resources. PPPs have a significant role in bringing in much needed investments as well as efficiencies in utilization and management of resources.

The event was also marked by the release of the second volume of CIRC's Policy Souvenir on Mainstreaming PPPs in India. Mr Mehta highlighted important challenges of getting skilled people in the area, as we continue to hear about several failures, such as the Delhi-Gurgaon tollway. He emphasised on the need for continuous research and making concerned officials well conversant with the concept of PPPs which is aimed at achieving larger goals for the economy.

In order to spearhead capacity building and effecting institutionalization of PPPs in India, CIRC, in partnership with Jindal Global University will soon be launching a six months certificate course titled “Law and Economics of PPPs”. A Memorandum of Understanding between CIRC and JGU regarding the cooperation in areas of research and capacity building in emerging issues of PPPs was also signed.

Vice Chancellor, O.P.Jindal Global University, Prof. Dr. C. Raj Kumar, shared the objectives of the university and said that the idea of PPP is itself reflected in our vision to strengthen the quality of infrastructure in higher education. He further emphasised on the need to focus on research, scholarship and publications for any Indian university for sound development of its role and academic level.

On the occasion Kamal Sharma, Chief Operating Officer, CUTS Institute for Regulation and Competition, proposed a vote of thanks to all the dignitaries, guests, Department of Economic Affairs and O.P.Jindal Global University for their support and cooperation.

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