
**ENCOURAGING
PUBLIC PRIVATE PARTNERSHIP
UNDER JNNURM
REFORM PRIMER**

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ENCOURAGING PUBLIC PRIVATE PARTNERSHIP

BACKGROUND

- India has seen real progress over the last 10 years in attracting private investment into the infrastructure sectors.
- All levels of government are aiming to use public private partnerships (PPPs) more intensively to help meet gaps in the provision of basic services.
- Jawaharlal Nehru National Urban Renewal Mission is designed to encourage the involvement of the private sector in service delivery and management. It accordingly encourages participation of business, industry, civic groups and communities in local decision-making

RATIONALE FOR REFORM

- The motives for pursuing public private partnerships (PPPs) vary from :
 - Increase Investments
 - Technical and Management Expertise
 - Improve Service Delivery
 - Improve Performance and Monitoring

REFORM

Basic Mission: Encourage Public-Private Partnership for more efficient delivery of civic services.

"The Public-Private Partnership (PPP) Project means a project based on contract or concession agreement between a Government or statutory entity on the one side and a private sector company on the other side, for delivering an infrastructure service on payment of user charges."

POTENTIAL ROLES OF PARTNERS

Public Sector


- Facilitator
- Enabler
- Concessioning
- Monitoring and Supervising
 - Service quality
 - Pricing
 - Cost effectiveness

Private Partner

- Management and Technical Skills/Innovative technologies
- Operational efficiencies
- Financing
- Builder/Operator



Collaboration

- Public funding with private service delivery and private management.
 - Public as well as private funding with private service delivery and private management.
 - Public as well as private funding with public/private service delivery and public/private/joint management
 - Private funding with private service delivery and private management.
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COMPONENTS OF PPP

Policy framework

Creation of PPP cell

Legal Framework

**Procedures and
Guidelines**

**Information
Dissemination
and Guidance
Materials**

**Developing PPP
Framework**

**Rigorous Project
Development**

**Selection of Private
Sector Partner**

Change Management

STEPS TO IMPLEMENT REFORM CITY LEVEL

**Creation of PPP Unit
at ULB level**

**Project Identification
and Prioritization**

**Project
Conceptualization and
Scoping**

**Approval of Projects at
State and ULB Level**

**Selection of Transaction
Advisor**

**Financial Analysis for
Viability and
Sustainability**

STEPS TO IMPLEMENT REFORM CITY LEVEL

**Preparation of
Detailed Project Report**

**Bid Process
Management**

**Selection of Private Sector
Partner**

**State Government
Approval**

**Development of
Contractual Structures**

**Monitoring Performance
and Costs**

MEASURING OUTCOMES

- Improved service delivery
- Improved economic efficiency in use of capital investment and service operation
- Improved coverage and performance targets
- Improved in citizen conveniences