A FINANCIAL PERCEPTION OF PUBLIC PRIVATE PARTNERSHIP IN INDIA

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Received: Sep. 2018 Accepted: Oct. 2018 Published: Nov. 2018

Abstract: Indian economy is growing at a very fast pace and it has a dynamic and robust financial system. The concept of Public Private Partnerships ("P.P.P.s") has emerged as a viable option for infrastructure development especially in the context of developing countries. It is an innovative policy tool that serves as a remedy for the lack of enthusiasm in traditional public service delivery. Public Private Partnerships ("P.P.P.s") was adapted to auger growth in infrastructure development in the country and thereby giving a positive thrust to the Indian economy.

Public Private Partnership Project means a project based on a 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. Governments embarking on "P.P.P.s" programs have often developed new policy, legal and institutional frameworks to provide the required organizational and individual capacities. They broadly refer to long-term contractual partnerships between the public and private sector agencies, specifically targeted towards financing, designing, implementing, and operating infrastructure facilities and services that were traditionally provided by the public sector and represent a claim on public resources that needs to be understood and assessed. They are often complex transactions, needing a clear specification of the services to be provided and an understanding of the way risks are allocated between the public and private sector. In the context of developing countries, the recent increase in "P.P.P.s" has been attributed to several reasons such as the desire to improve the performance of the public sector by employing innovative operation and maintenance methods, reducing and stabilizing costs of providing services, reinforcing competition, and reducing government budgetary constraints by accessing private capital for infrastructure investments.

The Government of India has therefore focused on developing several enabling tools and activities to spur private sector investments into the country through public-private partnerships. The Government has adopted the "P.P.P.s" route for implementation of projects in roads, ports, airports, railways, power and urban utilities as well as in social sectors. Thus the contribution of "P.P.P.s" in the infrastructure development across the country has been immense. These are vital for catalysing investments in new infrastructure, and for efficient operation and maintenance of assets, and ensuring focus on service delivery.

This paper strives to explore the concept of public private partnership, forms of "P.P.P.s", positive and negative impacts of "P.P.P.s" on overall development of the nation, outcomes of "P.P.P.s", Government policies central to attracting "P.P.P.s", "P.P.P.s" in e- governance and finally the current status of "P.P.P.s" projects in India at the central and state level as well as in various sectors. The research methodology of the current study is relied on the review of literature, internet based investigation, and judgements.

Keywords: Budgetary Constraints, Catalysing, Contractual Partnerships, E- Governance, Institutional Framework, Infrastructural Investments.

Introduction: Providing a better infrastructure and continuous development of the same is the basic factor to sustain the economic growth of any country and also the responsibility of any Government. For the same purpose, a scheme was developed by the Government known as "Public Private Partnership

Scheme. Public Private Partnership means an arrangement between the government or statutory entity or government owned entity on one side and a private sector entity on the other, for the provision of public assets and or public services, through investments being made or management being undertaken by the private sector entity, for a specified period of time, where there is well defined allocation of risk between the private sector and the public entity and the private entity receives performance linked payments that conform to specified and pre-determined performance standards, measurable by the public entity or its representative[1].

Around the world, public-private partnerships ("P.P.P.s") have become increasingly popular to deliver many types of public infrastructure including transportation projects, hospitals, schools, prisons and waste and water treatment facilities. "P.P.P.s" represents an important form of multi-level governance, involving complex relationships between different government agencies and departments, and various private sector firms that serve as project advisors, construction contractors, operators and insurers[2].

"P.P.P.s" is widely promoted based on a narrative of improved collaboration between different stakeholders. Public-private partnerships support innovative project designs and deliver value for money by better controlling project risks. The major infrastructure sectors presently covered under. "P.P.P.s" model are Highways, Railways, Ports, Airports, Telecom, Power, Solid waste management, Water etc. Thus it has emerged as a very feasible, viable, and growing mode of creating infrastructure for our country. Though public sector will continue to play a dominant role in building of infrastructure, the "P.P.P.s" has enabled to channelize private sector investment in infrastructure. The anticipated percentage participation of the private sector in the twelfth plan is much higher than the eleventh plan[3]. The Indian "P.P.P." scenario as it stands today presents an optimistic picture. Public-private partnerships are guided by a simple belief that, governments and firms working in meaningful collaboration will deliver mega-projects has better outcomes than any one party could deliver on their own[4]. However several bottlenecks and challenges have been encountered in PPP model development.

Need For Public-Private Partnerships: In a competitive global environment, governments around the world are focusing on new ways to finance projects, build infrastructure and deliver services. Public-Private Partnerships ("P.P.P.'s or P3's) are becoming a common tool to bring together the strengths of both sectors. In addition to maximizing efficiencies and innovations of private enterprise, "P.P.P.s" can provide needed capital to finance government programs and projects, thereby freeing public funds for core economic and social programs[5].

"P.P.P.s" in India ensures the speedy and cost effective of key projects in sectors such as power, technology and infrastructure. This has great value for taxpayers who are benefiting from the impact of such ventures.

Some of its objectives are:

- Public-private partnerships in India have integrated public infrastructure with the superior financing and maintenance provided by private enterprises. The synergistic collaborations between the public sector and private firms and companies have led to the generation of resources and knowledge transfer.

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[1]L. B.Akintoye A., Edwards P. J., and Hardcastle, (2005),"Critical success factors for PPPs/PFI projects in the U.K. construction industry." Construction Management and Economy, 23, Pg. 459–461.

[2]LoombaArti, (2012), Role of the PPP in infrastructure projects, a publication of TRANS Asian research journals, Vol.1 Issue 6.

[3]Ibid.

[4] L. B.Akintoye A., Edwards P. J., and Hardcastle. (2005). "Critical success factors for PPPs/PFI projects in the U.K. construction industry." Construction Management and Economy, 23, Pg. 459–461.

[5]Abdel-Aziz, A. M. and A. D. Russell (2001), A Structure for Government Requirements in Public–Private Partnerships", Canadian Journal of Civil Engineering, 28, Pg. 891–893.

- "P.P.P.s" has overcome the capacity constraints of the economy by generating huge productivity through optimal utilization of labour and capital resources.
- Joint ventures and partnerships between the leading companies and the government have been very successful in generating jobs as well as growth in key economic sectors.
- The public sector has regulated the projects to ensure accountability and delivery of quality products and services.
- Innovation and excellence characterize the public-private partnerships that have emerged across the years in India. These "P.P.P.s" are ensuring the effective utilization of state assets in a manner that is productive as well as profitable.
- Infrastructure created using these partnerships is of a superior quality. This has led to the development of many good airports and buildings across India. India needs more basic infrastructure and "P.P.P.s" are the best way to accomplish this.
- "P.P.P.s" also help the public sector to develop a more commercial approach. This is essential as most parties in India are very oriented towards social welfare and they often do not consider factors such as profit. Any partnership is only successful if it is able to meet the needs of the masses and also generate a profit.
- "P.P.P.s" has also ensured that the Indian public gets value for its money. India is a nation that has to meet the challenges of generating enough resources to meet the needs of the people.

India has one of the fastest growing populations in the world. Using the finances of the private firms to complete the "P.P.P.s" ventures has led to conservation of national and governmental resources.

Models And Arrangement Of "P.P.P.S" Contracts: There are several types of public-private partnerships. They depend on the needs, options available, and the size of the project etc. Power generator projects and infrastructure projects appear to be options that are best suited to public-private partnerships. The most common partnership options used world-wide are classified as: a. Service Contract and Management Contract b. Turnkey contracts c. Lease contract d. Concession e. Private Finance Initiative and Private ownership.

These models operate on different conditions on the private sector regarding level of investment, ownership control, risk sharing, technical collaboration, duration of the project, financing mode, tax treatment, management of cash flows etc. Some of the main models of "P.P.P.s"are:

(a) Build Operate and Transfer ("B.O.T"): This is a conventional "P.P.P.s" model where the private partner is responsible to design, build, operate (during the contracted period) and transfer back the facility to the public sector[6]. The national highway projects contracted out by "N.H.A.I" under "P.P.P.s" mode is a major example for the "B.O.T" model.

(b) Build-Own-Operate ("B.O.O"): This is a variant of the "B.O.T" and the difference is that the ownership of the newly built facility will rest with the private party here. The public sector partner agrees to 'purchase' the goods and services produced by the project on mutually agreed terms and conditions[7].

(c) Build-Own-Operate-Transfer ("B.O.O.T"): This is also on the lines of BOT. After the negotiated period of time, the infrastructure asset is transferred to the government or to the private operator. This approach has been used for the development of highways and ports.

(d) Build-Operate-Lease-Transfer ("B.O.L.T"): In this approach, the government gives a concession to a private entity to build a facility (and possibly design it as well), own the facility, lease the facility to the public sector and then at the end of the lease period transfer the ownership of the facility to the government.

(e) Lease-Develop-Operate ("L.D.O."): Here, the government or the public sector entity retains ownership of the newly created infrastructure facility and receives payments in terms of a lease

[6]Allen, G. (2001), The Private Finance Initiative (PFI), House of Commons Research Paper 01/117, December, London: House of Commons Library.

[7] Ibid.

agreement with the private promoter. This approach is mostly followed in the development of airport facilities[8].

Public Private Partnership - A Vital Role in India's Economic Growth: The public Private Partnership ("P.P.P.") is an agreement between the government and the private sector for the purpose of provisioning of public services or infrastructure.

In the face of an ever increasing population, greater expectations, demands from society and budgetary constraints, government of India is facing an increasing amount of pressure to deliver new and improved infrastructure projects from transport, health care, waste management etc. Thus to counter this, the emergence of "P.P.P." is on the rise. The "P.P.P." has seen several successful infrastructural projects over the past decade[9].

Physical infrastructure has a direct impact on the growth and overall development of an economy. "P.P.P.s" also results in improved delivery of public services and promotes public sector reforms.

The emergence of Public-Private Partnerships is seen as a sustainable financing and institutional mechanism with the potential of bridging the infrastructure gap. The efficient use of resources, availability of modern technology, better project design and implementation, and improved operations combine to deliver efficiency and effectiveness gains which are not readily produced in a public sector project[10]. The positive impacts are:

- The important advantage of "P.P.P." is the creation of value for money. This means delivering a project with the superior quality for same amount of money.
- Risk will be transferred to third party who is best able to manage risk at least cost.
- This allows the project to be delivered well ahead of time. Government can have access to new skills. Competition is associated with private sector, like lower prices, innovative practices, increased investment, better services etc.
- "P.P.P" leads to cost efficiencies which are as a result of increased competition, increased proportion of risk transfer, and closer integration of various aspects.
- "P.P.P." helps reduce the capital demands on the public treasury for infrastructure development.
- "P.P.P" are broadly supported by central, state and local bodies.
- The public benefits from the use of new cutting edge technology that normally a government entity would deem too risky for public procurement.
- Large infrastructural projects can be undertaken without risking public funds.
- Sustainable maintenance and rehabilitation
- It reduces Government burden for infrastructural development.
- Brings in private sector creativity and responsiveness to reduce cost.
- It allows for effective utilization of resources by Government.
- It facilitates greater economic activities
- Tailored maintenance, attention to whole life costs, sensitization and smoother operations.

The Negative impacts are:

- Higher transaction cost: "P.P.P.s" try to reduce total project cost, however trending costs and developing costs are generally higher.
- Lack of coordination: As there are two or more parties involved in "P.P.P.s" there are chances of misunderstandings.
- Inefficiencies: "P.P.P.s" can lead to Inefficiency due to lack of contestability and competition.

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[8]LoombaArti, (2012), Role of the PPP in infrastructure projects, a publication of "T.R.A.N.S" Asian research journals, Vol.1 Issue 6.

[9]Ibid.

[10] Li B., Akintoye A., Edwards P. J., and Hardcastle (2005). "Critical success factors for PPPs/PFI projects in the U.K. construction industry." Construction Management and Economy, 23, Pg. 459–461.

- Culture Gap: There exists a culture gap between public and private sector which may result in loss of confidence in each other.
- Political and Legal Problems: Changing Governments and major changes in law has sometimes a very bad impact on "P.P.P" projects.

Succesful "P.P.P.S" In India: Some of the successful "P.P.P.s" in India are:
Yeshasvini Health scheme in Karnataka: The Yeshasvini Co-operative Farmer's Healthcare Scheme is a health insurance scheme targeted to benefit the poor. It was initiated by Narayana Hrudayalayasuper specialty heart hospital in Bangalore, and by the Department of Co-operatives of the Government of Karnataka. The Government provides a quarter of the monthly premium paid by the members of the Cooperative Societies, which is Rs.10 per month. The incentive of getting treatment in a private hospital with the Government paying half of the premium attracts more members to the scheme. The cardholders could access free treatment in 160 hospitals located in all districts of the state for any medical procedure costing up to Rs. 2 lakhs. The premium is deposited in the account of a charitable trust, the regulatory body for implementing the scheme. A Third Party Administrator – Family Health Plan Limited that is licensed by Karnataka's Insurance Regulatory and Development Authority. The "F.H.P.L" has the responsibility for administering and managing the scheme on a day-today basis. Recognized hospitals have been admitted to the network throughout Karnataka, which are called as network hospitals ("N.W.H")[11]. These hospitals offer comprehensive packages for operations that are paid by Yeshasvini.

Arogya Raksha Scheme in Andhra Pradesh: The Government of Andhra Pradesh has initiated the Arogya Raksha Scheme in collaboration with the New India Assurance Company and with private clinics. It is an insurance scheme fully funded by the government. It provides hospitalization benefits and personal accident benefits to citizens below the poverty line who undergo sterilization for family planning from government health institutions. The government paid an insurance premium of Rs. 75 per family to the insurance company, with the expected enrolment of 200,000 acceptors in the first year. The medical officer in the clinics issues an Arogya Raksha Certificate[12] to the person who undergoes sterilization. The person and two of her/his children below the age of five years are covered under the hospitalization benefit and personal accident benefit schemes.

Telemedicine initiative by Narayana Hrudayalaya in Karnataka: The Government of Karnataka, the Narayana Hrudayalaya hospital in Bangalore and the Indian Space Research Organization initiated an experimental tele-medicine project called 'Karnataka Integrated Tele-medicine and Tele-health Project' ("K.I.T.T.H"), which is an on-line health-care initiative in Karnataka[13]. With connections by satellite, this project functions in the Coronary Care Units of selected district hospitals that are linked with Narayana Hrudayalaya hospital. Each "C.C.U" is connected to the main hospital to facilitate investigation by specialists after ordinary doctors have examined patients. If a patient requires an operation, he is referred to the main hospital in Bangalore otherwise he is admitted to a "C.C.U" for consultation and treatment. Tele-medicine provides access to areas that are underserved or un-served. It improves access to specialty care and reduces both time and cost for rural and semi-urban patients. Telemedicine improves the quality of health care through timely diagnosis and treatment of patients.

Emergency Ambulance Services scheme in Tamil Nadu: The Government of Tamil Nadu has initiated an Emergency Ambulance Services scheme in Theni district of Tamil Nadu in order to reduce the maternal mortality rate in its rural area. This scheme is part of the World Bank aided health system development project in Tamil Nadu. Seva Nilayam has been selected as the potential non-governmental

[11]Haldea G. (2013), Public Private Partnership in National Highways: Indian Perspective, Discussion Paper No. - 11.

[12]Allen, G. (2001), The Private Finance Initiative (PFI), House of Commons Research Paper 01/117, December, London: House of Commons Library.

[13]Ibid.

partner in the scheme. This scheme is self-supporting through the collection of user charges[14]. The Government supports the scheme only by supplying the vehicles. Seva Nilayam recruits the drivers, train the staff, maintain the vehicles, operate the program and report to the government. It bears the entire operating cost of the project including communications, equipment and medicine, and publicizing the service in the villages, particularly the telephone number of the ambulance service. However, the project is not self-sustaining as the revenue collection is lesser than anticipated.

Cases of Failure In "P.P.P.S" Projects in India: Some "P.P.P.s" that was a failure in India were
The Vadodara-Halol Toll project suffered due to mistaken traffic projections, due to which proposed government incentives were stripped off from the project, thereby raising both policy and revenue risks for the involved parties.

The Delhi-Gurgaon expressway was a victim of mammoth red-tapism[15] where the lack of coordination of more than 15 civic bodies whose approvals were necessary came out in the open in the shabbiest manner possible.

In the same lines, the **Karnataka Urban Water Supply Improvements** project suffered due to continued lack of proper coordination between three bodies associated with the project.

The Delhi Airport Metro Express was shut down for 6 months when its operator Reliance Infrastructure pointed out cracks that had developed on its metro pillar structures. Then followed by the typical blame game, where the involved parties blaming each other for their faults.

"P.P.P.S" In E- Governance: In order for Public-Private Partnerships in e-government to be successful, they must be firmly rooted within an overall policy framework of reform for the delivery of public services and the administration of government. On their own, "P.P.P.s" can help improve the efficiency of a specific public service or governmental administrative procedure, but unless "P.P.P.s" occurs within the context of an overall policy framework that supports broader reforms, beyond just improved efficiency in one specific service or procedure, the goals and objectives of "P.P.P.s" in E-Government will remain limited[16].
Appropriate Policy Objectives of "P.P.P.s" in E-Government include:

- Improved efficiency in the delivery of public services or the performance of public administrative procedures.
- Expanded access to public services and to public information.
- Greater transparency & reduced corruption through improved access to public information.
- Improved quality of service by both measuring and achieving key performance indicators.
- Reduced costs in the delivery of public services or the execution of public administrative procedures.
- The transfer of key risks away from the public sector's limited resources and onto the private party that can best manage them.
- Maximizing Value for Money through reduced costs and lower risks to the public sector.
- Improved competitiveness of the overall governance and economic framework.

Legal Regulatory Framework For Developing "P.P.P.S": Legal framework refers to the statutes, acts, rules, regulation, and administrative mechanisms that govern the particular sector or project. This framework defines the rights and obligations of the various stakeholders in the "P.P.P." and hence the risk sharing and allocation to each of the parties involved. Essential features of legal framework for a "P.P.P." project include statutory framework as well as contractual documentation that determine the

[14]Haldea G. (2013), Public Private Partnership in National Highways: Indian Perspective, Discussion Paper No.11.
[15]Supra note 12.
[16]Haldea G. (2013), Public Private Partnership in National Highways: Indian Perspective, Discussion Paper No. - 11.

"legal framework" governing "P.S.P" in a project. The statutory framework is more generic in nature and governs a specific sector, whereas the contractual framework is project specific. The key features of both statutory and contractual frameworks include:

- Comprehensiveness of rights- The private sector player should be given all the requisite rights for successful completion and implementation of the project. In case of a "B.O.T" project, this would include right to develop, design, construct, own, operate, manage, and maintain the infrastructure facilities.
- Right to determine, collect, retain, and appropriate tariffs from the users of the infrastructure facilities.

The legislation on "P.P.P.s" procurement is provided under the Infrastructure Concession Regulatory Commission Establishment Act 2005 and the Public Procurement Act 2007. These Acts set out the requirements for competition in all public procurement and for the prior approval by "F.E.C." of all "P.P.P." contracts[17]. Contract Agreement, Contract Management and Dispute Resolution and Several parties are involved in the implementation of a "P.P.P." project[18]. Contract agreement is a project between the contracting authority in government and the concessionaire contained in a single document or may consist of more than one separate document. It is difficult to generalize all possible contents of such agreements as they vary due to difference in legal and regulatory provisions from one country to another, type of "P.P.P." model and the nature of involvement of the public sector, implementation arrangements, operational and various other sectors.

Dispute resolution: The legal basis for the settlement of disputes is an important consideration in implementation of "P.P.P." projects. Private parties feel encouraged to participate in "P.P.P." projects when they have the confidence that any disputes between the contracting authority and other governmental agencies and the concessionaire, or between the concessionaire and other parties can be resolved fairly and efficiently[19]. Disputes may arise in all phases of a "P.P.P." project namely, construction, operation, and final handover to the government. The commonly used methods for dispute resolution include: Conciliation and mediation, non-binding expert appraisal, Review of technical disputes by independent experts, Arbitration Legal or Court proceedings etc. It is important that the settlement mechanisms must be in line with the international practices, particularly when large-scale investments from a foreign private sector, is expected.

Currently there is no "P.P.P." regulation in India. However the National "P.P.P.s" Policy 2011 draft has been put up for further suggestions and comments. Non-standardization of "P.P.P." contracts can to some extent is taken care of by creating an independent regulatory "P.P.P." body. This may lead to a better and more robust participation by the private sector and also attract more international funding[20]. One of the most discussed problems related to "P.P.P.s" is the lack of transparency. Though a lot of effort has been made to increase transparency during the bidding process and award of contracts, people in general seem to nurse this grouse of non-transparency in "P.P.P.s" which is certainly not without reason. The entire process of creating a "P.P.P." arrangement is very long and ridden with a lot of formalities[21].

There have been many cases where the private party has gained undue political favours from their public sector counterpart making the whole process seem dubious. Thus this kind of a problem is not just restricted to being a "P.P.P." contract problem but would also fall in the jurisdiction of the Consumer's Act as the toll tax is ultimately being borne by the user of road services. This is because the

[17]Grimsey D. and Lewis M. K(2002). "Evaluating the risks of public private partnerships for Infrastructure Projects", International Journal of project management, 20(2002), 107- 118.

[18] Grimsey D. and Lewis M. K(2002). "Evaluating the risks of public private partnerships for Infrastructure Projects", International Journal of project management, 20(2002), 107- 118.

[19]Ibid.

[20]Ravikant.D (1996). Financial Management in Municipalities; Urban India, Vol. XVI, No.2, pg: 43 to 61.

[21]Ibid.

government due to its authority and position is able to accomplish these things better. Global best practices suggest that land acquisition should be complete before the project is tendered and awarded. However in India figures suggest in most of the cases that only 30% of the land is actually acquired when the project is awarded. Thus there must be an effective legal mechanism.

Current Status Of "P.P.P." Projects In India At The Central And State Level: According to a report published by Secretariat for Infrastructure Planning Commission, Government of India in March, 2010, has completed 241 projects with an investment of Rs. 66,627 crore ,292 projects with an investment of Rs. 2,41,111 crore. Another 412 projects involving an investment of Rs. 3, 76,561 crore were in the pipeline[22]. Evaluation of sectoral distribution of "P.P.P." projects in India at both central and state government level highlights that the growth in Public Private Partnership is more pronounced in some sectors than others.

Status of "P.P.P." projects at Central level: The key infrastructure sectors such as railways, national highways, airports and major ports are Central subjects and, therefore, the Central Government has been initiating measures to meet the growing demand for infrastructure in these sectors. Apart from public sector projects, numerous "P.P.P." projects have also been awarded, and in many cases, these "P.P.P." projects are in operation[23]. In the Central sector, a total of 65 "P.P.P." projects involving an investment of Rs. 25,343 crore had been completed up to December 2009, 83 "P.P.P." projects with an investment of Rs. 75,914 crore were currently under implementation and another 160 "P.P.P." projects with an estimated investment of Rs. 1,84,807 crore were in the pipeline[24].

Status of "P.P.P." Projects at State Level: In a federal country like India, active participation of State Governments is essential for development of world class infrastructure, especially in the sectors assigned to the States by the Constitution. These include state highways, state ports and urban infrastructure. Power is a concurrent subject where distribution and intra-state transmission is entirely with the states while bulk of the generation is also with the states. The State Governments are implementing several infrastructure projects through the "P.P.P." mode in all these sectors. Information received from States or "U.Ts" in March 2010 includes 176 completed "P.P.P." projects in different sectors with a total investment of Rs. 41,284 crore while 209 "P.P.P." projects were under implementation with an estimated investment of Rs. 1,65,197 crore[25]. In addition, 252 "P.P.P." projects were in the pipeline involving an estimated investment of Rs. 1, 91,754 crore[26]. The largest number of projects had been completed by the States in the road sector followed by urban infrastructure projects.

Conclusion: "P.P.P." scheme by the government is a very good attempt to close the gap between the infrastructure development & finance. Public-private partnerships offer great value for money. They also meet high standards of excellence and have contributed towards the growth and development of the Indian economy in multiple ways.

The rapid strides taken by India towards achieving economic growth have placed a lot of stress on its limited infrastructure. The government of our country has become aware about this stark reality and has been striving to create an enabling environment for investments in infrastructure building in our country[27]. The public private partnerships ("P.P.P.") have emerged as a very viable and possibly sustainable mode of creating the much needed infrastructure for our country. "P.P.P.s" has been able to

[22] M.Sathanapriya and P.Jesintha, "Public Private Partnership in India", Journal of Management and Science, Vol. 1, No.1, Sep 2011, pp. 61-68.

[23]Gangadhar (1996). Contemporary Issues in Municipal Institutional Capacity; Urban India, Vol. XVI, No.2, Pg. 43 to 51.

[24]ShyamNath(1991). Basic Issues in Municipal Finances in India; Urban India, Vol.Xl, No.1. Pg.21-33.

[25]Supra Note 17.

[26] Gangadhar (1996). Contemporary Issues in Municipal Institutional Capacity; Urban India, Vol. XVI, No.2, Pg. 43 to 51.

[27]Ibid.

redefine the role of public sector as a facilitator and enabler whereas the private sector plays the role of a financier, builder and also the operator of the service or the facility[28]. They help to combine and draw upon the best features of public and private sector to render services of international standards. Along with the advantages of the "P.P.P." projects, the negativities have also surfaced in the forms of various bottlenecks and challenges. These need to be resolved with more focused attention and policy formulation by introducing more transparency, development of national sense and rising above vested interests.

Present globalization, privatisation economy and private sector participation is inevitable in every sector. Also Government alone cannot provide the infrastructure facilities which are needed for the projected "G.D.P." growth[29]. Effective private sector partnership is very much required. But at the same time, the success of the any project under "P.P.P." scheme will be based on streamlined funding system and better cooperation from the all the relevant Government department & ministries. Combining the professionalism of the corporate sector with the welfare objectives of the state, there has been many projects which are known for their world class facilities and advanced amenities[30].
The Government of India should not hesitate in making private sectors a party to the development and growth. However the participation must be on a sustainable basis and giving mutual respect to the partners. The government should also evolve mechanisms to foster the process of delivery system fast and quick and if possible the bureaucratic hurdles should be minimized. "P.P.P.s" if implemented successfully can be rightly called an epitome of operational efficiency, innovative technologies, managerial effectiveness and access to additional finances.

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[30]Gopal .Krishen (1991). Pricing of Water supply in Indian Cities: A Case Study, Urban India, Vol. XI No.1; Pg. 69 to 87.