



Development and use of PPPs for delivering infrastructure services has now at least 11 years of precedence in India, with the majority of projects coming in line in the last 5 years. Policies in favor of attracting private participation as well as innovation with different structures have met with varying degrees of success. Some sectors like telecommunications, power, and ports and roads, have done very good progress compared to limited success in other sectors.

Some states have undertaken far more PPPs than others, and a much heavier use of PPPs in some sectors than others. As far as current status of projects in place as per our database, there have been at least 450 PPP projects in our main sectors of focus where a contract has been awarded and projects are underway – in the sense that they are either operational, have reached construction stage, or at least construction/implementation is imminent. The total project cost is estimated to be about Rs. 2, 24,175.75 Crore.

State-Wise						
State	Total Number of Projects	Based on 100 crore	Between 100 to 250 crore	Between 251 to 500 crore	More than 500 crore	Value of contacts
Andhra Pradesh	63	1062.93	1554.27	3188.53	33473.7	39279.43
Bihar	2	4	0	418.04	0	422.04
Chandigarh	1	15	0	0	0	15
Chhattisgarh	4	70	304	464	0	838
Delhi	9	95	0	408.2	10374	10877.2
Goa	2	30	220	0	0	250
Gujarat	27	130.06	277.22	3360.9	14943.71	18711.89
Haryana	2	0	0	756	0	756
Jharkhand	6	131	550	0	0	681
Karnataka	95	980.39	1692.55	12203.31	24615.6	39491.85
Kerala	11	114	112	615.5	11131	11972.5
Madhya Pradesh	37	1027.32	1117.28	2694.95	2949	7788.55
Maharashtra	28	118.5	745.5	1099.84	32061.95	34025.79
Orissa	16	235.1	0	500	6888.34	7623.44
Pudducherry	2	0	0	419	1867	2286
Punjab	19	537.26	434.72	572	0	1543.98
Rajasthan	49	523.92	783.79	833	3112.7	5253.41
Sikkim	24	175.59	558	2669	13708	17110.59
Tamil Nadu	30	143.31	555.6	6412.87	5340	12451.78

Uttar Pradesh	5	0	0	1458.57	649.21	2107.78
West Bengal	5	0	200	1214.4	641	2055.4
Inter-State	13	160.45	195	2294.67	5984	8634.12
Total	450	5638.83	9299.93	41582.78	167739.21	224175.8
Sector-wise						
Sector-wise	Total Number of Projects	Based on 100 crore	Between 100 to 250 crore	Between 251 to 500 crore	More than 500 crore	Value of contacts
Airports	5	0	0	303	18808	19111
Education	1	93.32	0	0	0	93.32
Energy	24	175.59	558	2669	13708	17110.59
Ports	43	96	970	2440	62992.95	66498.95
Railways	4	0	102.22	905	594.34	1601.56
Roads	271	3162.5	5526.49	32861.87	60453.92	102004.7
Tourism	29	742.56	674.52	0	1050	2467.08
Urban Development	73	1283.86	1468.7	2403.91	10132	15288.47
Total	450	5638.83	9299.93	41582.78	167739.21	224175.8

We see that road projects account for 60% of the total number of projects and 45% by total value because of the small average size of projects. Ports though account for 10% of the total number of projects have a larger average size of project and contribute 30% in terms of total value.

It is noteworthy that if ports and central road projects are excluded from the total, there is in fact a relatively small value of deal flow, at only Rs 55757.02 Crores in basic infrastructure PPPs to-date, suggesting a significant potential upside for PPP projects across sectors where states and municipalities have primary responsibility.

The potential use of PPPs in e-governance and health and education sectors remains largely untapped across India as a whole, though off-late there have been some activities shaping in these sectors.

Across states and central agencies, the leading users of PPPs by number of projects have been Karnataka, Andhra Pradesh, and Rajasthan, with 95, 63 and 49 awarded projects respectively and the National Highways Authority of India (NHAI), with about 77 projects.

In terms of main types of PPP contracts, almost all contracts have been of the BOT/BOOT type (either toll or annuity payment models) or close variants.

In terms of approach to provider selection, almost all the projects in the sample were competitively bid (either national or international competitive bidding) with the negotiated ones (through MOUs) primarily coming from the railway PPP projects, which is understandable given the lack of clear policy framework and standard contract still date.

In terms of contract award method the International Competitive Bidding yielded 39% of total investment in India followed by Domestic Competitive Bidding with 33%.

Sector Wise Contract Award Method					
Sectors	Total Number of Projects	Total Number of Projects based on Contract Award Method			
		Domestic Competitive Bidding	International Competitive Bidding	Negotiated MOU	Value of Contracts (Rs. Crore)
Airports	5	0	18808	0	19111
Education	1	93.32	0	0	93.32
Energy	24	100	0	16014.59	17110.59
Ports	43	4816	24037	34591.95	66498.95
Railways	4	696.56	0	905	1601.56
Roads	271	62779.2	34161.9	1259.2	102004.78
Tourism	29	1367.76	982.32	0	2467.08
Urban Development	73	4645.83	9758.91	15	15288.47
Total	450	74583.67	87748.13	52785.74	224175.8

The primary reason for project being implemented through PPP has been qualitative benefits accrued from the project, it remains to be seen if these decisions are based on clear value-for-money calculations for the conceding authority. There is also relatively little available in terms of information on the actual contracts used.