

UP's new PPP policy to offer 'single point clearance'

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Lucknow: Investors willing to work on the public-private partnership (PPP) model in Uttar Pradesh may soon be greeted with a 'single point of clearance' for projects once the state's PPP Projects Policy-2024 is promulgated.

Currently under deliberation, the policy draft prepared by Invest UP advocates for a streamlined approval mechanism through a single Consultancy Selection Committee (CSC). However, under the current system, clearance from three committees – CEC (Consultancy Evaluation Committee), EC (Empowered Committee), and HPC (High Powered Committee) is required.

The state govt has also proposed increasing the viability gap funding contribution from the existing 20% to 30% of the designated project cost, which will serve as an attractive incentive for investors. To support this, the state govt has decided to establish a UP Infrastructure Development Fund (UPIDF) with a corpus of Rs 500 crore. This fund will also finance various technical studies and engage transaction advisors for PPP projects.

Unlike the previous version, the

new policy includes provisions for nominating or onboarding multilateral agencies on a single-source selection basis for specific projects, following the recommendation of the Consultancy Selection Committee (CSC), the PPP Cell's input, and the approval of IIDC UP.

These and other changes in the new policy reflect UP's response to the need for boosting development and investment in the state. This is evident from the fact that approximately 10% of the business and investment leads generated at the UP Global Investors' Summit 2023 were in the PPP category, with an approximate value of Rs 3.2 lakh crore, according to govt data.

"The changes aim at enhancing the ease of doing business in the state while ensuring public interest in PPP projects," said Nand Gopal Gupta Nandi, minister for industries and infrastructure development.

Departmental officials involved in the project revealed that over the past two decades, there has been a rise in private-sector collaborative projects aimed at achieving better accountability and quality of work in various sectors, particularly transportation, road construction, and infrastructure development.