

PPP in Infrastructure Development

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PPP in Infrastructure Development

- Background
- Economy and State Entrepreneurship
- Liberalization and Privatization
- Political Stigma and World Market Economy
- Public Private Partnership
 - Genesis
 - Why PPP in Infrastructure Development
 - Will it really work
 - Scopes and Prospects
 - Constraints
 - Moving Ahead

Background

- Nepal- 161th country at world ranking
- 6th Development Plan
- Historical Background- Prosperous country
- Major Political Change Cycles
- Historical Background- A confined State

Development- State run Economy and Entrepreneurship

- Zamindari Pratha
- State run Business
- State run Industries
- State Investments in Infrastructure Developments

Liberalization and Privatization

- Regional and International Exposures
- Privatization- Partners in Development
- Remedy and Quasi Approach in Development

Political Stigma and World Market Economy

- World Market Economy
- End of Cold War
- Communication and Information & Technology
- Rapid Economic Growth: PPP vs Privatisation

Types of Public Private Partnership

- Contractual PPP's:
 - Build and Transfer (BT)
 - Build, Operate and Transfer (BOT)
 - Build, Operate, Own and Transfer (BOOT)
 - Build Transfer and Operate (BTO)
 - Lease, Operate and Transfer (LOT)
 - Develop, Operate and Transfer (DOT)
- Institutional PPP's

Public Private Partnership

- Revolutionary Approach towards Infrastructure Development
- Pulling in Resources
- Pulling in Expertise
- Maximizing Service Delivery
- Magnifying Scope Opportunities
- Partnership and Ownership Approach
- Effective Tool for Economic Revolution

Genesis of Nepal

- BOOT Act (PPP) – 2063/Road Sector Policy 1999: 9 member high level CC (VC/NPC, M/NPC, CS/GoN, S's MoF, MoLJ, Mopw, PMO.....)
- BOOT Regulation (PPP) – 2064
- PPP Regulation in Local Development –
- Hydropower Act – 1992
- Public Infrastructure Build Operate and Transfer Policy - 2057
- Private Investment in Infrastructure Build and Operate Ordinance - 2060
- Contract Act – 2023, 2058 (LSGA/PPP contracts)
- PPP Projects

Why PPP in Infrastructure Development

- Infrastructure Development – Key to Development of Services and Economy
- Pulling in Resources
- Pulling in Expertise
- Maximizing Service Delivery
- Magnifying Employment Generation
- Magnifying Revenue Generation
- Magnifying Scope Opportunities
- Partnership and Ownership Approach
- Effective Tool for Economic Revolution

Scopes and Prospects

- Trade and Industry
- Construction Industry
- Tourism
- Education
- Health
- Energy
- Agriculture
- Communication
- Local Development
- Environment
- Infrastructure Development

Will it really work ?

- Political Consensus
- Improving Security
- National Commitment
- Public Investment Trends
- LC – Investment
- NRN Factor
- Foreign Investment
- WTO

Constraints

- Elite Class Approach
- LACK of DEMO Projects
- ACT and Regulation (Private Financing in Build and Operation of Infrastructure) - Isolated
- PPP Units and HR
- Lack of Tax Holidays and Tax Relief
- Lack of Import Facilities
- Project Financing
- Project Tenure
- Project Proposal and Short Listing
- Ownership

Recommendations

- PPP Units in Major Ministries
- DEMO Projects (types of PPP) and Ownership Factor
- ACT and Regulation Regular revisits
- Tax, Import and Finance Schemes
- Right of Way Provisions
- Capital Grant
- Comprehensive Act under PPP
- Regional and International Exchanges
- Proceedings and Procedures
- Build Own Operate (Transfer) BOO

Moving Ahead

- Political Consensus in “Building A New Nepal”, Economic Revolution and Federal State Mechanism
- New Federal States and Capitals Emerging linked to National Grid
- Infrastructure Development- Provide Urban Amenities in Rural Areas (PURA)
- Target SET- Short Term, Medium and Long Term
- Private Sector are “READY”, will the Government “ACT” ?

Prospective PPP Projects ?

- Kathmandu - Terai Fast Track
- East - West Railway
- Kathmandu - Terai Railway
- Kanti Rajpath
- Birgunj - Jitpur Roadway
- Kathmandu Outer Ring Road
- Janakpur - Jayanagar Railway
- Sitapaila - Dharke Roadway
- Airports - Nijgadh, Pokhara, Bhairahawa
- Dryports
- Truck Terminals
- Bus Terminals
- Cargo Complex at TIA
- Cable Car and Ropeway
- Road and Infrastructure Maintenance
- Road Intersection
- Sky Bridge
- Sub Way
- Flyovers and Interconnections
- City Parkings