

Tourism Infrastructure Projects

Implementation on Public Private Partnership (PPP) Format

PPP Approach

Goal

- Attract private investments for infrastructure projects

Need

- Leverage Budgetary Resources
- Need to improve efficiency in service delivery

PPP Approach

PPP approach

- Private Sector contribution for:
 - Financial investments
 - Management practices
 - Efficiency in service delivery
- Public Sector contribution limited to:
 - Financial gap funding
 - Providing institutional commitment to project

Advantages

- Attracts market investments
- Reduces cost to public sector
- Improves service delivery

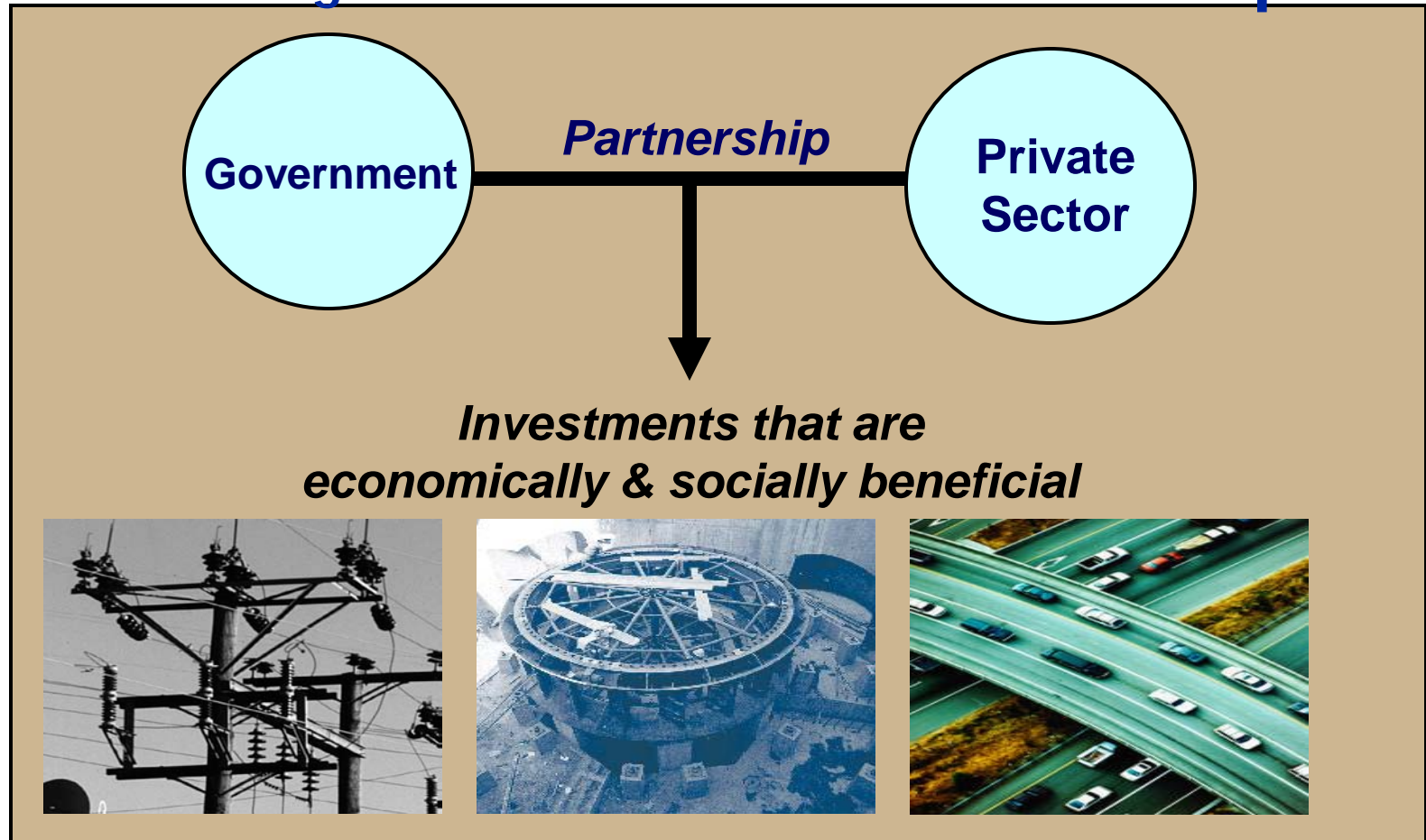
PPP Options

Types of Contracts	Asset Ownership	Capital Investment	Commercial Risk	O&M	Duration (Yrs)
Service Contract	Public	Public	Public	<i>Private & Public</i>	1-2
Management Contract	Public	Public	Public	<i>Private</i>	3-5
Lease	Public	Public	Shared	<i>Private</i>	8-15
Concession	Public	<i>Private</i>	<i>Private</i>	<i>Private</i>	25-30
BOT/BOOT	<i>Private & Public</i>	<i>Private</i>	<i>Private</i>	<i>Private</i>	30 and longer

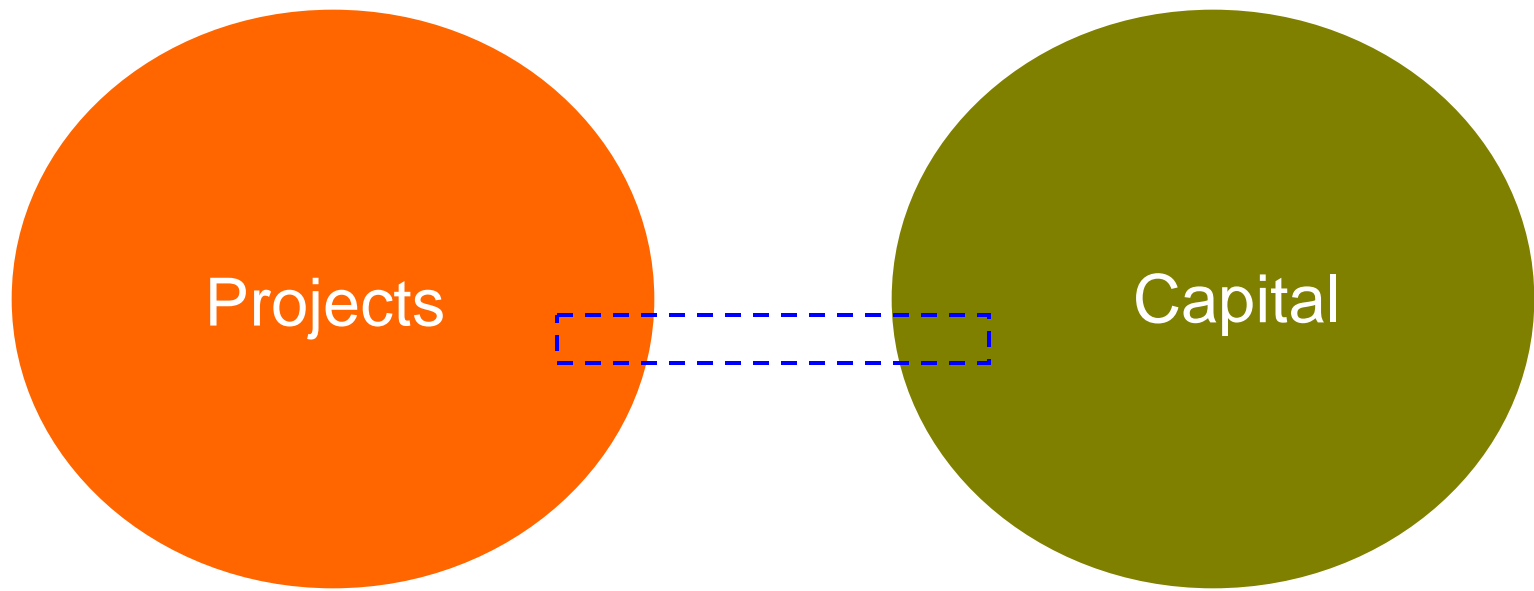
In Tourism Circuit Development, all need to be applied

In Short, The Key Objective:

Expanding the possibilities for efficient infrastructure provision through '**Public-Private Partnership**'



Challenge of PPP



The Missing Link – Project Development

Project Development and Promotion Partnership (PDPP)

PDPP Arrangement

- Key Features
 - Partnership for development
 - Hands on mode of operations
 - Sharing of Risks and Rewards (result-oriented)
- Key objectives
 - Need assessment for development
 - Integrated development
 - Public Private Partnership
 - Leveraging limited public resources with private investments
 - Bringing in private sector efficiency and management skills

PDPP Approach

- Identification of key development needs & potential projects
- Integrated Development through Project Development
- Phased implementation
 - Potential benefits to be staggered
 - 6-12 m, 1-3 years, more than 3 years

Project Development: What it is ...1

- Project concept
- Technical & Financial Evaluation
- Statutory & Regulatory Approvals
- Approvals for various grants & subsidies
- Development of various contracts
- Setting up of a Project Company (SPV)
- Setting up of a Project Development Fund (PDF)

Project Development: What it is ...2

- Vendor Development
- Interaction with FIs
- Bid Documents & Bid Process Management
- Selection of Operator
- Facilitation for financial closure
- Hand holding during implementation

Project Development: What it is not

- Preparation of Technical Report
- Construction and operation of a project:
 - That is to be done by the selected bidder
- Mechanism leading to privatization

Project Development: Why ?

- To mitigate technical and financial risks by association of expert bodies
- To manage bottlenecks related to approvals
- To obtain best value of the project for the state
- To minimize the implementation time for a project
- To leverage resources of government:PPP
- PPP leads to building up of capacity of local people