

- Shri Porika Balram Naik : The Minister of State in the Ministry of Social Justice and Empowerment
- Dr. (Shrimati) Kruparani Killi : The Minister of State in the Ministry of Communications and Information Technology; and
- Shri Lalchand Kataria : The Minister of State in the Ministry of Rural Development

I thank you, Sir.

MR. CHAIRMAN: Question No. 1. ...*(Interruptions)*...

सुश्री मायावती (उत्तर प्रदेश): माननीय सभापति जी, मैं यह निवेदन करना चाहती हूँ कि...*(व्यवधान)*...

श्री एम. वेंकैया नायडु (कर्णाटक): सभापति जी, हम लोगों ने एक नोटिस दिया है...*(व्यवधान)*...
Sir, I have given a notice...*(Interruptions)*...

DR. V. MAITREYAN (Tamil Nadu): Sir, the Government's decision on FDI is not in the interest of the people of the country...*(Interruptions)*...

MR. CHAIRMAN: The House is adjourned till 12.00 noon.

The House then adjourned at twenty-six minutes past eleven of the clock.

The House re-assembled at twelve of the clock,

MR. DEPUTY CHAIRMAN in the Chair.

WRITTEN ANSWERS TO STARRED QUESTIONS

*1. SHRI D.P. TRIPATHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is an urgent need for opening up of educational sector and overhauling the financial sector to create a conducive climate for investment; and

(b) if so, the action Government is taking in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) Acknowledging the need for opening up of education sector and overhauling the

financial sector to create a conducive climate for investment Ministry of HRD has taken many initiatives as indicated below:—

(I) Opening up of education sector:

- (i) **School Education and Literacy:** There have been several initiatives to open up the school education sector with the objective to improve the outcome. Some of them are indicated below:—

(a) Model School Scheme

The scheme for setting up of 6,000 Model Schools at block level, at the rate of one school per block as benchmark of excellence, was launched in November, 2008. This includes 2,500 schools to be set up under Public-Private Partnership (PPP) mode in blocks which are not educationally backward.

The component for setting up of model schools under PPP mode has been approved by the Government in November, 2011 and implementation of this component has been initiated from 2012-13. It is expected that this scheme will bring in the private investment for creation of infrastructure.

(b) Mid-Day-Meal Programme

The Guidelines for the scheme provide that, as far as possible, the responsibility of cooking/supply of cooked midday meal should be assigned to local women's/mothers' Self-Help Group or local Youth Clubs affiliated to the Nehru Yuvak Kendras or a voluntary organization or by personnel engaged directly by the Village Education Committee/Parent Teacher Association/Mother Teacher Association/Gram Panchayat/Municipality. Involvement of Self Help Group under the scheme is increasing gradually. The increased people's participation is likely to bring in better results.

(c) Model Adult Education Centres

With a view to promote convergence of Saakshar Bharat Programme and its activities with Public Sector Undertakings through PPP mode, several consultations have been held with the Central Public Sector Enterprises (CPSEs) with a view to elicit their support for Saakshar Bharat Programme under their

Corporate Social Responsibility initiatives. Container Corporation of India Ltd. has provided Rs. 2.5 crore for upgradation of 100 Adult Education Centres into Model Adult Education Centres in States during 2011-12. In addition, Power Finance Corporation Ltd. and rural electrification corporation have provided financial assistance of Rs. 6.6 crore and Rs. 10.5 crore for strengthening of 264 and 320 Adult Education Centres (AECs) into Model AECs respectively.

- (ii) **Higher Education:** The National Policy on Education, 1986 (as modified in 1992) encourages non-governmental and voluntary efforts in Education, while preventing the establishment of institutions which intend to commercialize Education. The Policy envisages that in the interest of maintaining standards and for several other valid reasons, the commercialization of technical and professional education will be curbed. An alternative system will be devised to involve private and voluntary efforts in Education, in conformity with accepted norms and goals.

At present, private sector participation exists in the funding and management of educational institutions as long as surplus earned is reasonable and the same is ploughed back for development of institution. Several pronouncements of the Supreme Court of India have also cautioned against commercialization of education, even though reasonable surplus for institution's development is permissible. The Eleventh Plan document as approved by the National Development Council, had mentioned the need to further explore private sector initiatives and various forms of Public Private Partnerships (PPPs) in the education sector. The Approach to the Twelfth Plan also mentions the urgent need to step up both public and private investment in higher education.

(II) As regards creation of conducive climate for investment following initiatives have been taken:

- (i) **Harmonised Master List of Infrastructure:** In pursuance of the decision of the Cabinet Committee on Infrastructure, Department of Economic Affairs have brought out a Gazette Notification on March 27, 2012 on harmonized master list of infrastructure. Education Institutions

(Capital stock) has been included in the harmonized master list. Different regulators have been advised to adopt the same list with the objective of creating an enabling regulatory framework which will spur investment in infrastructure sub-sectors.

- (ii) **Infrastructure Debt fund (IDF):** Infrastructure projects, given their long pay-back period, require long-term financing in order to be sustainable and cost effective. However, banks which have been the main source of funding these projects are unable to provide long-term funding, given their asset-liability mismatch. IDFs through innovative means of credit enhancement is expected to provide long-term low-cost debt for infrastructure projects by tapping into source of savings like Insurance and Pension Funds which have hitherto played a comparatively limited role in financing infrastructure. By refinancing bank loans of existing projects the IDFs are expected to take over a fairly large volume of the existing bank debt that will release an equivalent volume for fresh lending to infrastructure projects. The IDFs will also help accelerate the evolution of a secondary market for bonds which is presently lacking in sufficient depth.
- (iii) **External Commercial Borrowing/FII:** Investment in infrastructure holds the key to India's economic growth. Keeping in view India's huge investment requirement for infrastructure development, a number of important steps have been taken to encourage availability of foreign funds for infrastructure development. Some of these measures include: progressive enhancement in the limit for FII investment in various categories of debt securities; allowing Qualified Foreign Investors (QFIs) access to Indian capital market; liberalisation and rationalization of the External Commercial Borrowing (ECB) policy by Permitting ECB for refinancing of the Rupee loans for infrastructure sector to the extent of 25% of fresh ECBs; Allowing ECBs for low cost/affordable housing projects; Reduction in the rate of withholding tax on interest payment on monies borrowed in foreign currency, permitting SIDBI as an eligible borrower for accessing ECB for on-lending to MSME sector; Allowing ECB for capital expenditure on the maintenance and operations of toll systems for roads and highways; Permitting ECB for working capital requirements of the airline industry and introduction of a new window of ECB for companies in the manufacturing and infrastructure sector.