

Difference between BOT and hybrid annuity model

1692. SHRI DEVENDER GOUD T.: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) what are the drawbacks that Government and the companies are facing in the traditional Build-Operate-Transfer (BOT) model;

(b) whether it is a fact that Government is planning to adopt Hybrid Annuity model in view of the above;

(c) what is the difference between BOT and the proposed model; and

(d) how the above helps in quickening the process of work and reduce burden on developers and financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI RADHAKRISHNAN P.): (a) to (d) Some years back, Public Private Partnership (PPP) projects through Build-Operate-Transfer (BOT) (Toll) mode were not able to attract bids for reasons like (a) major highway developers had capacity constraints including over-leveraged financials due to excessive exposure to infrastructure projects including highways and (b) lack of availability of debt products and some banks reaching the ceiling as per sectoral exposure norms. To encourage private sector participation through adequate incentives, Ministry of Road Transport and Highways has adopted Hybrid Annuity Model with an objective to maximize the quantum of implementation of highway projects within available financial resources of the Government. As per this model, 40% of the project cost is to be provided by the Government as 'Construction Support' to the private developer during the construction period and the balance 60% as annuity payments over the concession period along with interest on outstanding amount of the concessionaire.

Safety measures on National Highways

1693. SHRI T. RATHINAVEL: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether Government has asked the agencies to explore the possibility of providing foot over-bridges or pedestrian underpasses on National Highways;

(b) if so, the details thereof;

(c) whether Government is considering to ask agencies to provide pedestrian and vehicular crossings to end accidents; and

(d) if so, the details thereof?