GOVERNMENT OF MEGHALAYA
Office of the Chief Minister
Media & Communications Cell
Shillong
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Note on Meghalaya State Public Private Partnership Policy July, 2021

1. **Objective**

   a. Promote growth by attracting investments while safeguarding and promoting the interests of the communities.

2. **Definition**

   a. The Department of Economic Affairs, GOI, refers to PPP as a Partnership between a public & private sector for creation / management of infrastructure for public purpose for a specified period of time on commercial terms & procured through a transparent open procurement system.

3. **Requirement of a PPP Policy**

   a. The State has a severe deficit of infrastructure, be it roads, telecom or power. For instance, the road density in the State is only 47.8 Km per 100 square km which is way lower than the national average of 180. The per capita annual consumption of electricity in the State, at 880 kWh, is also much below the national average of 1,200 kWh.
   b. To achieve the vision of being among the Top 10 Indian states within the next 10 years, it would be required to not just deficit these gaps, but surpass the national average on many counts.
   c. All these would require massive investments, estimated at about Rs. 25,000 Cr over the next 10 years. The Government with an annual budget size of approx. 17,000 Cr (of which the development budget is only about Rs. 3,000 Cr) does not have the quantum of resources to undertake all these activities.
   d. A State Public Private Partnership Policy would help us leverage investments along with sector specific expertise from the private sector.

4. **Types of PPPs**

   a. Large Infrastructure Projects (PPP)
      i. Projects that require large investments, typically more than Rs. 10 Cr. eg. Major roads projects, Hydro power projects etc.

b. Community Infra Projects (CPPP)
    i. Projects that require smaller investments, typically less than Rs. 10 Cr. eg. a processing plant
    ii. Under CPPP, the community shall be actively involved and contribute through the entire process. The community will not only provide the land, but their consent would also be taken at critical junctures. At the end of the project cycle, the assets along with the land would be passed back to the community.

5. Benefits of PPP Policy

Quality infrastructure has a multiplier effect and forms the basis for long term development.

a. Economic Growth
b. Utilizing private sector's efficiencies
c. Employment opportunities for the local
d. Capacity building in the State
e. Creating New Assets & Strengthening Existing Assets

6. Role of the Government

a. In any PPP project, the State Government will be involved throughout the project's lifecycle but as a facilitator and enabler, while the private sector will assume the role of financier, builder and operator of the service.
b. Safeguarding the interest of the community
c. The State Government can also provide VGFs, stamp duty waivers etc. as and when required.
d. Setting up a Dispute Redressal mechanism

7. Proposed Institutional Framework

a. An Empowered Group of Ministers (EGM), headed by the Hon'ble Chief Ministers, shall be set up to approve projects greater than Rs. 50 Cr.
b. An Empowered Committee on Infrastructure (ECI), headed by the Chief Secretary, shall be set up to approve projects upto Rs. 50 Cr.
c. A State PPP Cell, headed by a senior Secretary from the planning department shall be set up as the nodal agency. It would be housed within MIDFC under the Planning Department
d. Land belonging to Government Departments or taken on lease from communities/individuals shall be used for the project. And all provisions related to the Meghalaya Land Transfer Act, 1971 will be applicable to ensure that the rights of the communities/individuals are protected.