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PPP Tribunal Draft Bill Ready

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Four months after the proposal was first mooted, the Planning Commission has finalised the draft of a bill that seeks to set up a tribunal to resolve disputes arising in public-private partnership (PPP) projects.

The commission presented the draft of the dispute resolution bill to the Prime Minister's Office last week, a senior official at the commission told ET.

"We have sent the final draft to the PM as the proposal was first mooted by his office. Once the PM clears the draft, it will go to the Cabinet for approval," the official said requesting anonymity.

The draft bill proposes to resolve disputes in PPP projects in a time-bound manner, the official said.

The move comes as a big relief not only for private players but also the government, which is burdened with delays and cost overruns arising out of disputes between the parties involved in PPP projects. At present, all disputes in public contracts are resolved through the Arbitration Act of 1996. But the process of arbitration in India is marred by huge financial, legal and opportunity costs of locked investments.

Over 300 projects, or contracts worth Rs 5 lakh crore, have already been signed between the government and private players. Besides, the government is hoping the private sector will finance half of its projected \$1 trillion of investment for infrastructure development in the 12th Five-Year Plan (2012-17).

The PMO had in May asked the Planning Commission to draft the bill on dispute resolution in large public contracts in the hope that it will boost investment in infrastructure. The rising number of disputes in PPP projects in key sectors has forced private players to hold back investments in these sectors.

As per the draft bill, the proposed tribunal will be headed by a retired Supreme Court judge. It will have financial as well as technical experts from across sectors and will work through benches in all the states.

The tribunal will be mandated to resolve all disputes within six months and the decision of the tribunal will only be challenged in the Su-