Chapter-7

Conclusion and Suggestions

Public Private Partnership projects have been used extensively throughout the country, Uttar Pradesh is no exception. It has been realised of late that without private contribution to nation building efforts, SD would not be possible in a country like India. UP being one of the most backward of states combined with a massive population (highest among the Indian states) and one of the poorest per capita incomes, it had become necessary that the government encouraged private partnership projects for rapid growth in infrastructure and welfare programmes for the teeming masses.

We have witnessed through our study that there has been a positive impact of various PPP projects, especially in the rural areas of UP. It can be concluded that it has helped in improving the socio-economic conditions of people and sustainable development of rural areas in the state. The government has also initiated many projects through PPP model in different sectors. Some suggestions have been advanced to effectively implement these projects for the SD of rural areas. Though, the YE was initiated with the main objective to reduce the travel time between New Delhi and Agra, and also to boost tourism in the region. This has also helped in the prosperity and development of rural areas around it. The other SH have also a positive impact on rural development and checking environmental degradation. In the same way, the opening of JSK has provided most of the services at the doorstep through internet facilities. The skill development mission has provided training programs and ensured employment to rural people.

7.1 Conclusion

PPP has provided an alternative route for the sustainable rural development of UP. With India’s most populous state and fourth largest state in area, the state lacks development in many fields. The government has made many policies like Infrastructure and Industrial Policy-2012, Solar Power Policy-2013, Energy Policy-2009, Food Processing Industrial Policy-2012 and other policies to initiate projects
through PPP model. The government has undertaken many projects through this model in different sectors like, expressway, SH, tourism, skill development, power, education, health, urban development, etc. Though, very few projects have been initiated in comparison to other big states, it has helped in the socio-economic development of rural areas. It has played an important role in delivering much needed public infrastructures and services. It has brought operational efficiencies, innovative technologies, managerial effectiveness, access to additional finances, and bears construction, commercial and operational risk of the project.

Till now, the PPP policy has not been made by the state government. There is no any separate PPP department/cell in the state. Earlier, the detail information about PPP guidelines and projects were available on the website of Udyog Bandhu. Now, it has been shifted to the Pradeshiya Industrial and Investment Corporation of UP Ltd., Picup Bhawan in Lucknow. The procurement process is very lengthy and takes more than a month for taking final decision, as it has to take approval from many departments. Most of the PPP projects are dominated by the transport sector. Very few projects have been initiated in education, health, tourism, housing and rural development. The YE, SH, power projects, JSK and UPSDM has acted as a catalyst for the development of rural areas.

The opening of YE is one of the most remarkable achievement for the development of UP. It is amongst the most modern, state-of-the-art super highways in the country. It has medical facilities like vans, stretchers, bed and medicines. It also has fuel stations, ATMs, public convenience facilities, restaurants and rest rooms for drivers. It has triggered substantial socio-economic and tourism development along the corridor besides causing a spurt in real estate activity. It is not only a road project but also an economic development corridor.

The YE has promoted cultural and religious tourism in Agra and Mathura districts. This was one of the main objectives for its construction. Both domestic as well as foreign tourists travel to Agra and Mathura through it. The travel time between Agra and New Delhi has been reduced to two and half hours. This has helped in reducing traffic jams and decongesting the SH and other district roads of the state.

The YE has given a new lease of life for the development of the region. The rural areas which were isolated and backward have been connected with the rest of the
The people can easily travel to cities and towns for jobs, trade, and marketing for agricultural products. This has saved the precious time of rural people. This has also helped in the diversification of rural economy. The farmers are mainly dependent on agriculture for their livelihood. With the deterioration in quality of soil and negative impacts of climate change, the yield per hectare is very low and not profitable to the farmers. So, it has provided new opportunities for the rural economy in addition to agricultural activities. Many people have started new businesses, opened travel agencies, poultry farming, animal husbandry, driving, etc.

Now, the farmers purchase best quality of seeds and agricultural equipments from cities and towns. They also get training and various agricultural extension services. The easy availability of modern tools and equipments has helped in the mechanisation of agriculture. The farmers can sell their agricultural products to distant places without any middlemen and receive best prices. It has increased the selling of milk and agricultural products to cities and towns. This has also helped in reducing the agricultural wastes. Farmers can sell their perishable agricultural products to the markets much more quickly.

The YE has ensured better access to schools and health institutions. It has provided vast opportunities for higher education with the opening of new colleges and universities around it. Now, the students go for study in other cities and towns having better educational facilities. There is also some improvement in the quality of education in primary schools of the villages. People can now visit district hospitals and other health institutions for emergency health services. It has ensured equitable health access to the rural people, in addition to a healthy life and better standard of living.

The YE provided employment opportunities both during its construction and after its operation. The rural people worked as labourers, security persons, supervisors, etc. during its construction. They also got employment as drivers, gardeners, security persons, sweepers, etc. after it started operating. The opening of restaurants, fuel stations and public conveniences on YE has also provided employment to the rural people.

The YEIDA has built cemented roads and solar street lights in some of the villages around YE. These villages have also provided with better drainage system.
The mode of transport in these villages has changed from bullock-carts to tractors and other vehicles with the construction of service roads. Many people have cleared their debts after receiving compensation amount from the acquisition of their lands. The loans were taken from banks and money-lenders for various agricultural inputs. This has helped in improving their social status in the society too.

The increased economic activities have both direct and indirect impact on per-capita income of rural people. The diversification of agricultural economy, reduced travel time, selling agricultural products at best prices and removing middlemen, has had a positive impact on their per-capita incomes. This has also helped in reducing the poverty level of people and raising their standard of living.

The YE has transformed the culture of rural areas due to better access to urban areas, financial inclusion, education, health, and so on. The old caste hierarchy and untouchability is gradually disappearing from rural areas. There is increased participation of people in local as well as state politics. The political leaders also visit the villages more frequently due to better accessibility. There is increased awareness about various social issues prevailing in the society. The people have protested against the YEIDA for fair compensation due to acquisition of their lands.

The JSK has also transformed the lives of rural people. This has ensured all government services accessible to rural people in their locality at an affordable cost to fulfill their basic needs. This has provided a platform for e-communication, e-shopping and e-marketing. It has provided critical information on available government developmental programmes and ensured transparency and accountability. This has enhanced their income and saved their time.

In the same way, UPSDM has provided employment/self-employment to the marginalised and unemployed youth of the state. It has providing training programmes in 293 courses comprising 39 sectors through 1,761 approved training centres. For example, Skilled Tailoring Institute by Raymonds has trained students in
various aspects of tailoring like body measurement, pattern making and drafting, cutting, stitching and specialised operations such as finishing and packaging.¹

The government is also constructing many thermal as well as small-hydro power projects through PPP model in the state. The first unit of the 1,980 MW Bara Thermal Power Project has been successfully commissioned. When all these projects will be completed, it will solve the power crisis of not only urban areas but also of the rural areas. This will also help in the mechanisation of agriculture and hence, can transform the economy of rural people significantly.

The construction of SH and YE with advanced planning, intelligent construction, and efficient maintenance techniques has increased their durability. This has increased the speed, saved money and time of rural people. The problem of traffic jams has been considerably solved and the level of pollution has come down due to less emission of harmful pollutants from the vehicles. This has also reduced corruption in the award of various project contracts through competitive bidding process.

Beside the above benefits, there are also some negative effects on the rural population due to the construction of YE. The construction of service roads has increased the crime rate in the area. It is very difficult to cross the service roads at night due to complete darkness. There is no lighting around the YE, except at important points.

After retirement, the rural people who were in military or other services, worked on agricultural land for their livelihood. When they lost their lands, their livelihoods were also threatened as it was the only source of their income. The people who have expended carelessly their land compensation amount do not have any other source of income and are facing many new problems in their lives.

Some of the farmers are facing many problems to cultivate crops in their fields. The YE has divided the agricultural fields into two parts lying on its either sides as it passes through the middle of their lands. This poses great challenge to the farmers in sowing the crops and the cost of cultivation increases manifold as the yield per acre is

very low and not profitable to them. Due to these problems, some of them do not cultivate their agricultural lands anymore.

The YEIDA has notified that about 1-2 km of land on either side of YE cannot be purchased or sold, and not much of development work can be started by the people (pic. 5.5). If anyone violates this rule, they will be prosecuted according to the law. The opening of automobile workshop and restaurant at Suraj village (pic.5.13) in Mathura district created conflicts between YEIDA and the owners. The local people said that they have opened it on their land and no one can remove them. Moreover, people are not using the best quality of seeds and fertilizers on their fields as it will be acquired by the YEIDA for various development projects.

The acquisition of land has a negative effect on the culture of rural people. The possession of maximum acres of land depicts their higher status in the society. Many people have lost their lands and hence, their status in society has lowered. The biggest challenge for them is the marriage of their daughters. Even, if they are rich and do not have land, not many are willing to marry their daughters.

There were many protests against the acquisition of land during the construction of YE. The main centres of protest was Bhatta-Parsaul and Tappal villages, where some people were even killed during the protests. Although, YEIDA has made cemented roads and also installed solar street lights at Khair tehsil of Aligarh and GBN districts but in the villages of Mathura, Hathras and Agra districts, there are is no such development by YEIDA.

The canals and nalas around the YE were either diverted or passed under it. The free flow as well as the actual capacity of these has been decreased. This has a direct effect on the agricultural production as sufficient water is not available to irrigate the fields. They were also against the exorbitant toll fee and demanded exemption from all taxes for those people, whose lands were acquired for the construction of the YE as this has a negative impact on their per-capita income. These people are also blocking the development projects to get their demands accepted.

There are some allegations about JSK that this is not operating in the rural areas but are located in areas that come under the municipalities. The internet connection speed is very slow in rural areas and takes much time for uploading as well as
downloading documents. All rural areas do not have JSK in their vicinity. There are even some JSK which are operating illegally in rural areas and are charging inflated fees.

### 7.2 Suggestions

1. The government should frame the state PPP policy as soon as possible to attract more private investments in the state. Many states like Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, and Tamil Nadu have PPP policies. The policy should have detailed guidelines for the implementation of projects in different physical and social infrastructures while being sensitive to public needs. There are many different state policies that speak about the rules and regulations to initiate projects through PPP models. This creates a lot of confusion and lack of trust among private partners, delay, cost overruns, changes in contracts and concessions, and so on. This has led to many cancellations, both before and after the concession was awarded. So, the PPP policy should include all the provisions like transparent procurement, PPP types, concession period and target benchmarks, time of completion and accountability of private partners.

2. The government should establish a full-fledged ‘PPP Department’ or ‘PPP Cell’ to act as a repository of information relating to PPP projects in the state and should play the role of advisor to the respective departments including best practices, guidelines, schemes, etc. There should be rigorous assessment of the costs and benefits of large projects that is critical for achieving broader public support for the projects.

3. A separate ‘Rural PPP Cell’ in PPP Department should be created, especially for attracting more projects in the rural areas. This cell should make rules and regulations suitable to attract more investment in different sectors for rural areas.

4. There should be a separate website for PPP projects in the state. It should consist of all the project documents including feasibility reports, concession agreements, details of various projects, status of projects, details of private partners, details of land acquisitions and compensations, annual reports, case studies, etc. All this information will be helpful to all the private bidders. It is also important for ensuring transparency and accountability of PPP projects.

5. The UP government should start more PPP projects in the state. The number of projects undertaken are very few as compared to other states. The all India rank of
the state in the number of PPP projects undertaken is at 8\textsuperscript{th} position. The total number of projects undertaken is only 45 as compared to Maharashtra (200), MP (162), Karnataka (139) and Gujarat (99). The total amount of investment in these projects in the state is ₹102,355.83 cr. and it ranks at 1\textsuperscript{st} position.\(^2\) Most of the projects are given to political beneficiaries or local contractors and the quality of completed projects is low. So, the government should attract more private investments in PPP projects for SD of rural areas.

6. The PPP model is totally dominated by the transport sector. The government should attract more PPP projects in agricultural extension services, medical facilities, water, sanitation, primary and vocational education, electronic marketing, fisheries, commercial crops, fruits, tourism, cultural activities and other potential sectors for the development of villages.

7. The PPP projects should not take more than a month for its final approval. Generally, its approval takes more time as it passes through many departments that increases its costs manifold. For this, the government has launched \textit{Nivesh Mitra} to provide a hassle free and user friendly platform between existing and prospective investors and entrepreneurs, and various departments to ensure faster and time bound issuance of various approvals.\(^3\) Still, the environmental clearance is a big hurdle in the approval of PPP projects. The state is also facing people protests against the land acquisition. Under the new provisions of land acquisition, the government proposes to bypass the four provisions of the existing Act i.e. notification of all land, followed by acquisition, possession, and finally construction.\(^4\)

8. The projects should be advertised in national and international media for ensuring fair and transparent selection of private partners through competitive bidding process. The bid process is launched formally by releasing details of the project in an official publication that announces public tenders. The competitive bidding processes help to ensure transparency, avoids discrimination in the selection of the projects, minimises costs, increases competition and attracts a wide range of attention.

\(^{2}\) see https://infrastructureindia.gov.in/state-wise (accessed on 10-12-2015)
\(^{3}\) see http://udyogbandhu.com/topics.aspx?mid=Nivesh%20Mitra (accessed on 10-12-2015)
9. The government should conduct capacity building training programmes for its officers to effectively prepare, manage and implement PPP projects across various infrastructure sectors for best results. They should be trained in project formulation, financing, development of contracts, pricing, risk assessment and allocation, environment issues, performance assurance and acceptance as well as satisfaction of citizens for whom services are being created.

10. There should be time bound and robust dispute redressal mechanisms/regulatory framework for PPP projects. Sensible negotiation of disputes assures continuation of services and prevents collapse of projects, and consequent public wastes of money.\(^5\)

11. There should be division of work between construction and operation in PPP projects. The infrastructure construction work should be handed over to big companies having expertise in construction. After the asset is built, the operation work/toll collection work should be given to another company having expertise in ‘operation part’.\(^6\)

12. There should be a public audit of all PPP projects in the state. This will help the government organisations to achieve accountability and integrity, improve operations, prevent corruption and instill confidence among citizens and stakeholders. This will provide a reasonable assurance to all stakeholders about the wisdom, faithfulness, integrity, economy, efficiency and effectiveness of the PPP projects and improving the value for money for the government.\(^7\)

13. The government should directly consult with the farmers whose land is acquired or is likely to be acquired in near future rather than depending on political leaders. In the case of YE, the authorities do not consult with most of the landowners but have depended on local leaders to negotiate. They also played manipulated or put pressure on those who were not ready to give their land. Due to protests by people, the government has simplified the acquisition process under which, land


\(^7\) n. 5, p. 33
could be sold through a simple agreement between the seller and the buyer to ensure protection of their socio-economic interests.

14. The uncompleted service roads on either side of the YE should be completed as soon as possible. These roads connect most of the isolated villages around the YE and likely to help in improving the socio-economic conditions of rural people. The incomplete service roads are a major hurdle in the SD of these areas and people did not get benefits from the construction of YE.

15. Authorities have promised to give jobs to the rural people, especially, to those whose lands were taken for the construction of YE. Many people have got temporary jobs during the construction of YE as labourers, drivers, securitymen, etc. There are many jobs created from the building of restaurants, fuel stations, rest rooms, security posts, etc. But, most of the people have got jobs whose lands were either not acquired or are from outside the villages. So, the YEIDA should ensure a permanent job to these affected rural people.

16. There should be some concession in toll fees for the rural people around YE. There were many protests by the farmers against the high toll fees. They wanted free pass to cross the YE toll plazas as practiced in the Haryana state. For this, the government should provide concessional passes to the rural people around YE. This will help in promoting trade, additional income and prosperity to rural people around the region. The YE tolls should have correlation between reasonable profit for the private players’ and users’ capacity to pay.

17. People should be given additional compensation of 64.7 percent, in case their land is acquired, as decided by the YEIDA. This compensation was decided to be given to the farmers, when they withdrew court cases and gave affidavits that they will not move court in future and will also not stop development work. Most of them have agreed on this condition but has not been given the compensation yet. All the dues are yet to be cleared by the authority.

18. The infertile land around Sadabad tehsil of Hathras, and Agra districts should be given first preference for building various entertainment, recreational, industrial complexes as the infertile soil and salty water is not fit for the agricultural production. If high yielding varieties of seeds and modern tools are implemented, it will be costly and not profitable to farmers. People were also ready to give their land to the YEIDA. So, the government should initiate the development of
projects at these places rather than taking fertile lands of Bhatta-Parsaul and other villages.

19. The government should give fair compensation for the land acquired from farmers. In case of YE, some of the farmers complained that they were not given fair compensation at market rates. Those who were protesting against the acquisition have been given extra money without any record. There is also complaint that the land of farmers has been given to real estate developers at high prices. They wanted that the government must not fix rate for the land, but let them directly negotiate with the company or private developers, as the compensation received cannot buy land of similar size elsewhere. Under the new land acquisition policy, compensation for land acquired in rural areas will not be more than four times the market value/circle rate. They will also be compensated for the standing crops and trees, apart from the land.\(^8\)

20. The rural infrastructures like cemented roads and solar street lights should be made in all the villages around YE like Khair tehsil of Aligarh and GBN districts by YEIDA. These areas had protested against the land acquisition for the construction of YE. So, the YEIDA made cemented roads and installed solar street lights to calm down the protests of people. In other places, they did not make cemented roads and installed any solar street lights.

21. There are many villages that are far from the service roads of YE. There is shortage of funds with the panchayats and are not capable to make all-weather roads. The government should give special grants to these villages to get connected with the service roads of YE to draw maximum benefits out of it.

22. YEIDA should increase the salary of those people who are employed by them in various services around YE. The security persons posted on YE are giving 12 hours service but receive a meager amount of salary. They are contracted by private sectors who do not give fair salary. Most of them are local people who were assured various jobs on YE with good salary.

23. Before acquiring land, the government/private-partners/non-government organisations should educate the farmers about better utilisation of received compensation. The farmers are illiterate and do not have the knowledge about

\(^8\) n. 4.
future investment plans. During the survey, it was found that about 30 percent of
them have wasted their received compensation for acquiring luxuries of life.

24. People of the region should also cooperate with the government in the
development of the region. Many people unnecessarily block the development
projects. The opening of CNG gas filling station at Tappal village in Khair tehsil
of Aligarh district was stopped due to peoples’ protests. In the same way, many
other development projects were stopped or delayed due to peoples’ protests. This
will make the YEIDA Master Plan unachievable and block development around
the YE.

25. The government should immediately open food processing industries, cold storage
and agricultural marketing centers for the benefit of the farmers. The government
should give concessions to attract private sectors to set up these industries around
YE. This will help the farmers to get better price of their agricultural products.

26. The government should open model schools to provide quality education to rural
students. The condition of primary schools is very poor in the villages. These
schools will have infrastructure and facilities equivalent to the standards of
Kendriya Vidyalaya, Adarsh Model School Scheme of Punjab government and
Rashtriya Adarsh Vidyalaya of central government are also models of successful
schools through PPP.

27. The government should open more JSK in the villages through PPP model to
render the much needed information relating to agricultural products, agricultural
innovations, use of scientific methods in agriculture sector, health, employment,
market trends, weather and other critical areas relating to environmental
protection. Out of 107,452 villages in the state, only 17,305 JSK have been
opened. The private partners should be given incentives for opening more JSK as
it is an effective tool for socio-economic and SD of rural areas.

28. The government should open more skill development centres to achieve the target
of training 23.18 lakh people by 2016-17. As of April 2016, only 1,91,963 people
have been trained and 2,80,888 have enrolled for training programmes.

29. The state government should implement PPP model in the field of agriculture like
Gujarat that has successfully partnered with US farm equipment major Deere &
Company. It trains farmers on the productive use of tractors and farm implements.
It also helps to develop additional skills in soil testing and micro-irrigation,
amongst others skills.\(^9\) This partnership can provide best technology, better inputs and improved farming practices to the farmers. It is an important mechanism to harness technology, skills, resources, expertise and market access to improve the livelihoods of poor farmers.

30. The central government has allotted maximum number of cities in the state for the development of smart cities. There is also a need for the development of ‘Smart Villages’ to ensure provision of the basic needs to the rural people. The central as well state governments should make policies and programmes for the development of smart villages through PPP model in the state.