

## **Resume of GAJENDRA HALDEA**

Gajendra Haldea graduated in Economics and Law at the University of Rajasthan and joined the Indian Administrative Service in 1973. He later went for a Fellowship at the London School of Economics.

Among a wide array of assignments, he spent 10 years with the Union Finance Ministry where he last served as Joint Secretary (Infrastructure) from 1993 to 1998. From 2000 to 2003, he was Chief Adviser and Head of the Centre for Infrastructure and Regulation at the National Council for Applied Economic Research, New Delhi. From 2004 to 2014, he was Adviser to Deputy Chairman (Mr. Montek Singh Ahluwalia) at the Planning Commission where his responsibilities included reform and restructuring of the infrastructure sectors. He also headed the Secretariat for PPP & Infrastructure in the Planning Commission, which was responsible for initiating policies aimed at time-bound creation of world class infrastructure. During this period, he contributed to the evolution of policy frameworks, structuring of Public Private Partnership (PPP) projects and model documents across several infrastructure sectors such as power, highways, ports, airports, railways, urban transit, micro irrigation, school education, healthcare etc.

The combination of law, economics and finance coupled with his extensive experience in several sectors of the economy have placed him in a unique position for contributing to evolution of the framework and policies for public private partnership in infrastructure and other sectors.

His work in the power sector, particularly in the evaluation and approval of Power Purchase Agreements during the 1990s is widely recognised. He reviewed and improved upon a number of high-profile private power projects seeking Central Government support. This led to tariff reduction, and also limited the risks to the exchequer, besides establishing norms and principles for engaging with independent power producers.

During his tenure in the Ministry of Finance, his responsibilities included the infrastructure sectors, exchange control, economic relations with the Americas and operations of the Asian Development Bank (ADB) in India. In particular, he was closely involved in reform and policy formulation relating to the infrastructure sectors. He also made significant improvements to the ADB portfolio in India including a sharp increase in disbursement ratios reaching a record 30 percent that has remained

unmatched. He drafted the Foreign Exchange Management Bill that has since been enacted by the Parliament.

He conceived and formulated the Electricity Bill, 2001 with the objective of restructuring and modernisation of the electricity industry in India. The Bill was evolved after extensive consultations with stakeholders as well as international and national experts, and is widely regarded as a comprehensive and modern legislation. The draft Bill, as modified during the parliamentary process, was enacted in 2003.

He was the author of the Model Concession Agreement (MCA) for development of highway projects through Public Private Partnership, which was published as a book “Indian Highways: A framework for commercialization” in 2000. The concession framework contained in this book has formed the basis of scores of PPP projects in highways as well as other sectors. An updated version of this MCA was adopted by the Central Government and several State Governments for structuring and award of PPP projects in highways. Over 400 highway projects in India are based on these model documents.

In his different assignments over the years, he has been responsible for dealing with the World Bank, Asian Development Bank and various bilateral developmental agencies such as USAID, CIDA, JICA, etc. and has formulated and negotiated several infrastructure projects with these agencies.

He was chairperson of the Expert Group set up by the Government of Punjab for restructuring and reform of the power sector. He was also on the board of Punjab Infrastructure Development Board which was chaired by the Chief Minister of Punjab. He was also Advisor (Power reforms) to the Government of Assam and Adviser (Infrastructure & PPP) to the Government of Rajasthan. He also served on the Board of the Chhattisgarh Infrastructure Development Corporation (CIDC) chaired by the Chief Minister.

He has presented several reports of far-reaching significance, particularly in the area of public private partnership in infrastructure and other services. He was a member of several Expert Committees/ Steering Committees at the national level dealing with energy, infrastructure, procurement and competition.

He has served on the Boards of National Thermal Power Corporation, Indian Railways Finance Corporation, Central Bank of India, Bank of India, Andrew Yule and Company and the Dedicated Freight Corridor Corporation Ltd.

## **POLICY, REGULATORY AND LEGISLATIVE WORK**

He conceived and drafted the following policy, regulatory and legislative frameworks that aim at ensuring a fair, transparent, efficient and competitive selection process as well as the implementation arrangements for PPP projects across sectors.

### **Enabling framework for private participation**

He conceived and formulated the following policies/ schemes that constitute the enabling environment for structuring, appraisal and financing of PPP projects across sectors.

- (a) Scheme for Financial Support to Public Private Partnerships in Infrastructure, known as the VGF Scheme, which provides for capital grant of upto 20% of project costs to bridge the viability gap of PPP projects.
- (b) Scheme for Appraisal and Approval of Public Private Partnership Projects, known as the PPP Appraisal Committee (PPPAC) process, which lays down a simplified, streamlined and time bound process for appraisal and approval of PPP projects of the Central Government.
- (c) Scheme for Financing of Infrastructure Projects through the India Infrastructure Finance Company, known as IIFCL Scheme, which was formulated for creation of IIFCL and lays down the guidelines and a streamlined process for appraisal, approval and disbursement of loans and subordinated debt of upto 20% of the project costs of PPP projects. Upto March 2015, it has facilitated PPP investment of US \$ 114 billion.
- (d) Infrastructure Debt Funds: A new vehicle for refinancing the debt of infrastructure projects was conceptualised and followed by a detailed framework which was approved by the Central Government and the Reserve Bank of India.

### **Selection process**

He drafted the model documents comprising the Model RFQ and Model RFP for selection of project sponsors for PPP projects. These documents have ensured a time-bound selection process which is transparent, fair and competitive. They have since been used for over 500 PPP projects across sectors. Prior to adoption, these documents were extensively discussed in inter-ministerial fora and also with experts and stakeholders. These documents are:

- (a) Model Request for Qualification (RFQ) which is a bidding document that ensures a transparent and fair pre-qualification and short-listing process for potential sponsors of PPP projects.
- (b) Model Request for Proposal (RFP) which is a bidding document that ensures a fair, transparent and competitive bidding process for selection of sponsors for PPP projects.

He has also drafted the Model bidding documents for selection of advisors and consultants by public authorities in order to ensure selection of experienced and qualified firms with precise terms of reference while eliminating conflicts of interest. These documents are:

- (a) Model Request for Proposal (RFP) for selection of Financial Consultants-cum-transaction Advisers.
- (b) Model Request for Proposal (RFP) for selection of Legal Advisors.
- (c) Model Request for Proposal (RFP) for selection of Technical Consultants.

#### **Model Concession Agreements (MCAs)**

He is the author of several Model Concession Agreements (MCAs) that comprise the detailed contractual and regulatory framework for PPP projects across sectors. Prior to their publication, each of these documents have been discussed extensively with the concerned Central Ministries, State Governments, stakeholders and experts. These documents have been widely used for a large number of PPP projects of the Central and State Governments. They include:

1. Highways: A framework for Commercialisation (published by the National Council of Applied Economic Research).
2. Public Private Partnership in National Highways: Model Concession Agreement (Published by Government of India).
3. Public Private Partnership in State Highways: Model Concession Agreement (Published by Government of India).
4. Public Private Partnership in Operation & Maintenance of Highways: Model Concession Agreement (Published by Government of India).
5. Public Private Partnership in National Highways (Six Laning): Model Concession Agreement (Published by Government of India).

6. Public Private Partnership in Transmission Systems: Model Concession Agreement (Published by Government of India).
7. Model Power Purchase Agreement (DBFOT) (Published by Government of India).
8. Model Power Supply Agreement (DBFOO) (Published by Government of India).
9. Public Private Partnership in Non-metro Airports: Model Concession Agreement (Published by Government of India).
10. Public Private Partnership in Greenfield Airports: Model Concession Agreement (Published by Government of India).
11. Public Private Partnership in Brownfield Airports: Model Concession Agreement (Published by Government of India).
12. Public Private Partnership in State Ports: Model Concession Agreement (Published by Government of India).
13. Public Private Partnership in Port Terminals: Model Concession Agreement (Published by Government of India).
14. Public Private Partnership in Urban Rail Transit Systems: Model Concession Agreement (Published by Government of India).
15. Public Private Partnership in Operation of Container Train: Model Concession Agreement (Published by Government of India).
16. Public Private Partnership in Re-development of Railway Stations : Model Concession Agreement (Published by Government of India).
17. Public Private Partnership in Procurement-cum-Maintenance Agreement for Locomotives: Model Concession Agreement (Published by Government of India).
18. Public Private Partnership in Coal Mining: Model Concession Agreement (Published by Government of India).
19. Public Private Partnership in Exploration and Mining of Coal: Model Concession Agreement (Published by Government of India).

20. Public Private Partnership in Storage of Foodgrains: Model Concession Agreement (Published by Government of India).
21. Public Private Partnership in School Education (Central Schools): Model Concession Agreement (Published by Government of India).
22. Public Private Partnership in School Education (State Schools): Model Concession Agreement (Published by Government of India).
23. EPC Agreement for Highways: Model Concession Agreement (Published by Government of India).

## **Laws**

He has drafted the following Bills/ Acts.

1. Foreign Exchange Management Act, 1999

This Bill was initiated by Dr. Manmohan Singh, then Finance Minister as part of economic liberalisation and reforms. It substituted the draconian Foreign Exchange Regulation Act, 1973 and created a legislative framework for full convertibility on current account and enables phased transition towards capital account convertibility while repealing the Foreign Exchange Regulation Act (FERA) that came to be regarded as draconian.

2. The Electricity Act, 2003

This Bill was conceptualised and drafted following extensive research and consultations. The Act provides the legislative framework for modernizing India's power sector.

3. The Regulatory Reforms Bill, 2011

This Bill was conceptualised and drafted in pursuance of the Government's objective to reform the regulatory institutions and practices across sectors. This was preceded by an Approach Paper which has been accepted and adopted by the Government as the basis of the proposed Bill. The Bill is currently under consideration of the Government.

4. The Public Procurement Bill, 2012

This Bill was drafted as a personal initiative in response to the Government's resolve to reform the procurement practices of the government and the public sector. It was an extensive draft legislation which was consistent with the model

law published by UNCITRAL. However, this draft has not found favour with the Government yet.

5. The Public Contracts (Settlement of Disputes) Bill, 2013

This Bill was conceptualised and drafted by the author to create an institutional framework for speedy resolution of disputes relating to public contracts which currently suffer from the absence of a credible mechanism for resolution of disputes. The Bill is currently under consideration of the Central Government.

6. The Punjab Electricity Bill, 2003

The Bill was drafted at the request of the then Chief Minister of Punjab who himself introduced it in the State Legislative Assembly. The Bill was not pursued due to opposition of the utility employees.

7. The Assam Electricity Bill, 2004

The Bill was drafted at the request of the Chief Minister of Assam. It was passed by the State Legislative Assembly and sent to the Central Government for Presidential assent, which process was not completed by the Central Government.

### **Important Consultation Papers/ Reports**

He is the author of several papers and reports, including the following:

1. Introduction of Competition in Generation and Supply of Electricity (commissioned by the Central Electricity Regulatory Commission).
2. Approach to Regulation: Issues and Options (commissioned by the Central Government as part of its Common Minimum Programme).
3. Report on Power Reforms in Punjab (commissioned by the Government of Punjab).
4. Report of the Task Force for operationalising Open Access in the Power Sector.
5. Report on Public Private Partnership in Distribution of Electricity.
6. Report of the Committee on Creative Financing for Indian Railways
7. Approach to Regulation of Infrastructure
8. Report on India Infrastructure Debt Funds

9. Report of the High Level Committee on Financing Infrastructure.

**Book**

He is also the author of “Infrastructure at Crossroads – The Challenges of Governance” which was published by the Oxford University Press in November 2011.

**Conclusion**

The above policies, documents, laws and institutional framework constitute the foundation as well as the architecture of Public Private Partnership across sectors. They have been used widely across sectors to attract private participation and have contributed significantly to the rise in investment in infrastructure from 5 per cent of GDP during the Tenth Five Year Plan (2002-07) to 7 per cent and during the Eleventh Five Year Plan (2007-12). During the same period, the share of private investment in the total investment in infrastructure increased from 22 per cent to 27 per cent, which implied an increase of over three times in absolute terms.

According to a World Bank report on Private Participation in Infrastructure, India attained the top rank in private participation and has been the top recipient of PPI activity since 2006. India alone accounted for almost half of the investment in new PPI projects in developing countries implemented in 2011. The Report maintained that India remained the largest market for PPI in the developing world.

Further, according to a Report of the Economic Intelligence Unit of the Economist commissioned by Asian Development Bank (ADB), while UK and Australia have been categorised as mature economies, India is positioned in the league of developed economies like South Korea and Japan on implementation of PPP projects for infrastructure development. India has outscored China and Japan to rank second on PPP projects performance among the Asian nations and fourth in the world. The Report also states that PPP projects have a huge level of overall acceptance and use in India. It states that introduction of Model Concession Agreements has improved the risk allocation while a variety of initiatives (such as the creation of the Viability Gap Funding and the India Infrastructure Finance Company Limited) have enabled greater participation of private finance in infrastructure.

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