

# Development support services to states by NITI AYOOG

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In news

NITI Aayog and Ladakh Union Territory have signed a Memorandum of Understanding, under which NITI Aayog will support the administration of the Ladakh through its initiative “Development Support Services to States for Infrastructure Projects” (DSSS).

About DSSS

- NITI Aayog has implemented a structured initiative for “Development Support Services for States (DSSS) for Infrastructure Projects” with a vision to achieve transformational, sustained delivery of infrastructure projects with state of art capacity disseminated at all levels of governance.
- The key objective behind the objective is creating PPP model success stories and rebooting infrastructure project delivery models
- The DSSS Infrastructure initiative involves providing project level support from Concept plan till financial closure to State Governments / UTs.

### **Public-private partnership (PPP)**

- PPP is a funding model for a public infrastructure project such as a new telecommunications system, airport or power plant. The public partner is represented by the government at a local, state and/or national level. The private partner can be a privately-owned business, public corporation or consortium of businesses with a specific area of expertise.
- PPP is a broad term that can be applied to anything from a simple, short term management contract (with or without investment requirements) to a long-term contract that includes funding, planning, building, operation, maintenance and divestiture. PPP arrangements are useful for large projects that require highly-skilled workers and a significant cash outlay to get started. They are also useful in countries that require the state to legally own any infrastructure that serves the public.

**Different models of PPP** funding are characterized by which partner is responsible for owning and maintaining assets at different stages of the project.

- **Design-Build (DB)**: The private-sector partner designs and builds the infrastructure to meet the public-sector partner's specifications, often for a fixed price. The private-sector partner assumes all risk.
- **Operation & Maintenance Contract (O & M)**: The private-sector partner, under contract, operates a publicly-owned asset for a specific period of time. The public partner retains ownership of the assets.
- **Design-Build-Finance-Operate (DBFO)**: The private-sector partner designs, finances and constructs a new infrastructure component and operates/maintains it under a long-term lease. The private-sector partner transfers the infrastructure component to the public-sector partner when the lease is up.
- **Build-Own-Operate (BOO)**: The private-sector partner finances, builds, owns and operates the infrastructure component in perpetuity. The public-sector partner's constraints are stated in the original agreement and through on-going regulatory authority.
- **Build-Own-Operate-Transfer (BOOT)**: The private-sector partner is granted authorization to finance, design, build and operate an infrastructure component (and to charge user fees) for a specific period of time, after which ownership is transferred back to the public-sector partner.
- **Buy-Build-Operate (BBO)**: This publicly-owned asset is legally transferred to a private-sector partner for a designated period of time.
- **Build-lease-operate-transfer (BLOT)**: The private-sector partner designs, finances and builds a facility on leased public land. The private-sector partner operates the facility for the duration of the land lease. When the lease expires, assets are transferred to the public-sector partner.
- **Operation License**: The private-sector partner is granted a license or other expression of legal permission to operate a public service, usually for a specified term. (This model is often used in IT projects.)
- **Finance Only**: The private-sector partner, usually a financial services company, funds the infrastructure component and charges the public-sector partner interest for use of the funds.