Projects worth Rs 20 lakh crore set to get green light from key PMO group

By Amen Sharma, ET Bureau | Sep 03, 2016, 11:51 AM IST

NEW DELHI: Investments worth Rs 20 lakh crore, more than 500 projects - that's what a key group in the PMO is focussing on. The Project Monitoring Group (PMG) that works under the Prime Minister’s Office has cleared 276 projects, stalled due to various reasons and accounting for investment of nearly Rs 10 lakh crore, in the last two years. Another 258 projects, with investment of more than Rs 10 lakh crore, will be cleared soon.

Roads, coal, power and railways comprise bulk of the projects while land and environment issues account for the majority of clearance hurdles. Roughly half the projects are public sector and the rest private plus PPP (public-private partnership). ET spoke to senior PMO officials closely associated with the effort. They spoke on the condition they not be identified.

PMG works on a web platform - a portal designed for investors facing clearance issues acts as a central data platform. Each project is assigned a unique ID and the hurdles a project faces are flagged. A PMO official said once clearance hurdles for a certain number of projects have been identified, PMG calls for a meeting with chief secretaries of states where the projects are located, and concerned investors.

4 OR 5 MEETINGS EACH MONTH
Relevant district collectors are invited to attend via video conference. Each month, there are 4 or 5 such meetings, this official said. "Merely the notice for a meeting with states does the magic many times," another PMO official said. "The tripartite meeting leads to either the issue being resolved even before the meeting or a strict timeline for resolution being fixed for it," these officials said.

In the Fast Track

BOTTLENECKS CLEARED UNDER MODI’S PMO
Projects 276
Anticipated Investment ₹ 9.98 Lakh cr

COMING UP FOR RESOLUTION
Projects 258
Anticipated Investment ₹ 10.86 Lakh cr

PMO’S STRATEGY
Focus not just on stalled projects but also on faster commissioning of ongoing ones
Reducing state-level clearances from 63 to 31; states incentivised to digitise them as well to climb Ease of Doing Business index
Frequent tripartite meetings with state chief secretary, district collector & investors
19 states opening own project monitoring portals for investment less than ₹1,000 crore
PMG, which was formed by the UPA government and put under the cabinet secretariat, was shifted to the PMO in September 2015. PM’s principal secretary, Nripendra Misra, directly supervises PMG’s functioning. PMO officials said Prime Minister Narendra Modi wants more private sector entrepreneurs to use the PMG portal. Roughly 20% of projects assessed by PMG are from the private sector. The PMG team feels some businessmen may be apprehensive that a PMG portal entry will irk states’ lower bureaucracy.

Officials said they should feel encouraged by some of the big private sector projects that have benefitted from PMG. Just recently, in August, the issue of a fuel-supply agreement involving the Lanco Vidarbha Thermal Power Ltd has been solved.

NO OF STATE-LEVEL CLEARANCES REDUCED
Since 80% of clearance problems are state-level, PMO has reduced the number of such clearances from 63 to 31, and has asked all states to digitise the process of applying for these clearances. States have an incentive to do this. “We have told states that digitisation of these clearances will help them obtain a better score on the index of Ease of Doing Business (EDB). We will list URLs of all such digitised clearances on the PMG’s e-Nivesh portal so that the status is available at one place,” a senior PMO official said.

Details reviewed by ET show nearly half of the 31 clearances have now been digitised by some states. The e-Nivesh portal already carries details of 89 central level clearances. “No ministry or state will be able to hide why a clearance is pending beyond a stipulated deadline,” an official told ET.

States that have benefitted most from PMG clearances are Odisha, Jharkhand, Maharashtra, Chhattisgarh and Karnataka. Bihar has been using the PMG portal frequently of late, officials said. States have been asked to create their own version of PMG portal for investment below Rs 1,000 crore. “Nineteen states have now started their own portal... with states competing, this can be a gamechanger,” an official said.