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Public private partnership (PPP) : need, principles framework and its significance to agriculture

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ABSTRACT

The present study makes an attempt to review the public–private partnership needs, principles, constraints and its significance in agriculture for initiatives for promoting business activities in India. The relevant literatures were reviewed and secondary data from published sources and websites were collected and analysed. The study results reveal that public investment in and for agriculture have averaged roughly half the size of private investment, and grew much more slowly than private investment. The need of public and private partnership play a vital role in decision relating to infrastructure and new initiatives in agricultural research extension programmes which are only possible through integration both sectors. The government as well as private sectors are having two fold responsibilities in cross border trading. Improving the efficiency of the marketing system, there is a need of substantial investment in marketing infrastructure, both physical and institutional. The Government of India is actively encouraging PPPs through several initiatives. Significant upfront investment in engineering and planning for example project creation, contracting, tendering, project scheduling is required. Cost overruns may also be mitigated by moving away from item rates to lump sum EPC contracts for large projects and creation of greater capacity for project management and monitoring through a multidisciplinary agency. Investment in building managerial and technical capabilities of executing agencies on at par with the private sector for example procurement, DPR, and monitoring etc. is crucial.

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Key words : Public private partnership (PPP), Frame work, Importance of PPP

The challenge for the future is global food security, which will require at least a doubling and preferably a tripling, of food production by the year 2050 to meet the needs of the rapidly growing global population, approximately 90 per cent of whom will reside in developing countries. The required additional food will have to be produced on the existing area, or less, of agriculture land. It was estimated that in the next fifty years the global population will consume twice as much food as has ever consumed. Agriculture a principal sector in most developing countries can contribute significantly to growth and development and should be accorded a high priority. To meet the challenges, global food security requires new partnerships in agricultural R and D between the public and private sectors that optimize the comparative advantages of each in pursuit of mutual objectives. These new public private-partnership would promote the most effective use of limited global resources for the development of sustainable agricultural systems (Balchandra and Vijaykumar, 2011).

Public-private partnership emerged in the later part of 1980s in Britain. The Tatcher Government introduced private finance initiatives, whereby public goods were financed with private capital and the private sector was also involved only to the extent of funding the public goods as long term lenders to the Government. In developed countries public private partnership have reached a much matured level where by most of the risk is transferred to the private sector. But in developing countries although public private partnerships are being extensively used to provide public goods, the risk sharing is more skewed towards the government (Gandhi, 2005).

PPP is defined as a contractual agreement between

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