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**Political Issue**

**Competition among states for infrastructure projects will boost development** |

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The Swiss Challenge Method will introduce a healthy competition among the states and also ensure a merit-based and transparent manner of awarding contracts. (Abhinav Saha/HT)

* There is no dearth of capital to finance India’s massive infrastructure development provided the projects involving huge investments are handled with “transparency” and “good governance” — this was the message from SBI chairperson Arundhati Bhattacharya recently.
* **Introducing bidding** : So it comes as good news that the Centre plans to introduce bidding among states for infrastructure projects, educational institutions, hospitals and for hosting national events. The government plans to adopt the Swiss Challenge Method for the selection of sites for IIMs, IITs, hospitals, ports, food processing units, etc.
* **Introduce bidding process**: This is a bidding process to help private sector initiatives in core sector projects. The offer comes from a party to the government and the Swiss challenge system allows third parties to make a better offer for a project during a certain stipulated time period with the objective getting value for money.
* **Government involvement:** An important part of the government’s move is that the states will now have to compete over ease of providing land, on what fiscal concessions can be made, connectivity, utilities, speedy clearances and the employment that will be generated.
* **Good example:** The Tata Nano case in Bengal showed how difficult it is to implement the ease of providing land when politics comes into it. This new move will, hopefully, ensure that all the tricky issues are dealt with well before the project begins. In the Tata case, it was after the project was cleared that the Opposition scuttled it on the grounds that those whose lands had been taken over were not adequately compensated. In the new proposal, different weightage will be assigned to each parameter to arrive at a score and the state which scores the highest will win the bid. This will introduce a healthy competition among the states and also ensure a merit-based and transparent manner of awarding contracts.
* **Challenge Method:** The Swiss challenge method has already been tried by the Centre in the redevelopment of the railways. In the past, the manner of awarding these mega contracts has been opaque to say the least. Often, someone without any core competence in the particular field was given the contract in an underhand manner. This has meant that often projects have been inordinately delayed or badly executed. Poor infrastructure has been the bane of development in India. If this new proposal can speed things along and also ensure quality, the economic spin-offs will be enormous.