

**F. No. 1/1/2020-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)**

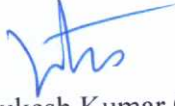
North Block, New Delhi
8th June 2020

OFFICE MEMORANDUM

Subject: Record of Discussion of 36th Meeting of the Empowered Committee (EC) for modifications in the VGF Scheme in accordance of the para 38(1) of the Budget Announcement in respect of the VGF for Medical Colleges

The undersigned is directed to enclose a copy of Record of Discussion of the 36th Meeting of the EC held under the chairmanship of Secretary (EA) on 2.06.2020 at 4.00PM in North Block, New Delhi for information and necessary action please.

Encl: as above


(Mukesh Kumar Gupta)
Director (PPP)
Ph: 23094172

To,

CEO, NITI Aayog, Sansad Marg, New Delhi

Secretary, Department of Expenditure, North Block, New Delhi

Secretary, Department of Health and Family Welfare, Nirman Bhawan, New Delhi

Copy to:

- i. PPS to Secretary (EA)
- ii. PPS to JS (IPF)

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36th Meeting of Empowered Committee (EC) chaired by Secretary, EA was held on 02.06.2020. The list of participants is annexed.

Agenda Item:

Modifications in the VGF Scheme in accordance of the para 38(1) of the Budget Announcement in respect of the VGF for Medical Colleges

The meeting commenced with a brief presentation by the Joint Secretary (IPF) on the Agenda Item. It was explained that the DEA has a Scheme for Financial Support to PPP in Infrastructure. The Scheme supports PPP infrastructure projects that are economically justified but commercially unviable. The VGF is provided in the Scheme for the eligible sectors specified in the VGF Scheme up to 20% of the Total Project Cost from the Central and State Government each.

2. Further, it was explained that there are some locational restrictions for the Medical Colleges to be eligible for the VGF under this scheme. However, as per the Budget Announcement 2020 {Para 38(1)}: *“It is proposed to attach a medical college to an existing district hospital in PPP mode. Those states that fully allow the facilities of the hospital to the medical college and wish to provide land at a concession, would be able to receive Viability Gap Funding. Details of the scheme would be worked out.”*

3. Therefore, the proposal is placed before the EC:

I. Removal of existing locational restrictions

II. Viability Gap Funding to be provided to medical college setup in PPP mode by being attached to an existing district hospital subject to the condition that:

- States fully allow the facilities of the hospital to the medical college; and
- States provide land to the medical college at a concession

4. NITI Aayog informed that the Model Concession Agreement for Public Private Partnership in Medical Education and Guidelines have been prepared which are available on the website of NITI Aayog.

5. The Department of Expenditure and Department of Health and Family Welfare supported the proposal. On a query by the Department of Expenditure about the expected number of districts to be eligible for VGF funding. Department of Health and family Welfare responded that there would be 377 districts in India in which there are no medical colleges.

6. NITI Aayog while agreeing to provide VGF support to Medical Colleges said that there is a need to have a separate VGF Scheme for PPP projects in the Health Infrastructure sector in which:

- Capital Grant needs to be extended to 30% from the existing limit of 20% from the Central and State Government each; and



- Funding Support should be both capital and operational
7. It was informed by the Joint Secretary (IPF) that a cabinet note on the revamped VGF scheme with increased VGF support (Capex and Opex both) to the Health Sector is already under process.
 7. After detailed discussions and deliberations, the EC approved the proposal as given in Para 3 of these minutes of the meeting.
 8. The meeting ended with thanks to the chair.



Annexure

List of Participants of 36th Meeting of EC

Sl. No	Name	Designation
1.	Shri Tarun Bajaj	Secretary, Economic Affairs (In Chair)
2.	Shri Rajesh Bhushan	OSD, Department of Health & Family Welfare
3.	Shri Baldeo Purushartha	Joint Secretary (Infrastructure Policy & Finance), Department of Economic Affairs
4.	Dr Nipun Vinayak	Joint Secretary (Medical Education), Department of Health & Family Welfare
5.	Shri Sanjay Prasad	Joint Secretary (PF Central-II), Department of Expenditure
6.	Shri S. K. Saha	Adviser (PPP), NITI Aayog
7.	Shri Shubham Goyal	Assistant Director, Department of Economic Affairs
