

F. No. 3B/1/2013-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

New Delhi, the November 4th, 2013

OFFICE MEMORANDUM

Subject: Record of Discussion for the 18th Meeting of the Empowered Committee for Viability Gap Funding (VGF) support.

Please find enclosed the Record of Discussion (RoD) for the 18th Meeting of the Empowered Committee (EC) for Viability Gap Funding (VGF) support held on September 18, 2013 in North Block, New Delhi for information and further necessary action. The Finance Minister has also accorded approval of the proposals.

2. The Election Commission has stated with respect to the proposal from Government of Mizoram that no publicity in respect of the approval granted shall be made and that bid process shall be made after completion of poll in Mizoram.

Encl: as above


(Abhilasha Mahapatra)
Deputy Secretary (PPP)

Finance Secretary & Secretary, Department of Expenditure, North Block, New Delhi.

2. Secretary, Planning Commission, Yojana Bhawan, New Delhi
3. Secretary, Ministry of Power, Shram Shakti Bhavan, New Delhi
4. Shri G.Sai Prasad, Joint Secretary (Hydro), Ministry of Power, Shram Shakti Bhawan, New Delhi.
5. Shri C.L. Thangliana, Engineer- in Chief Power & Electricity Department, Mizoram, Aizwal.

Copy also to:

- a) PSO to Secretary, Economic Affairs.
- b) Sr. PPs to Additional secretary, economic Affairs.
- c) Sr. PPs to Joint Secretary (I&E)

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**Empowered Committee for the Scheme to Financial Support to Public Private
Partnerships in Infrastructure**

18th Meeting on September 18, 2013

The 18th Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure chaired by Secretary, Economic Affairs was held on September 18, 2013. The list of participants is annexed.

2. The EC noted that there was one proposal for grant of in-principle approval from Government of Mizoram in Power sector for Viability Gap Funding (VGF) support under the Scheme. The EC would also consider the proposal for amendment to DEA Notification No. 3C/1/11-PPP dated May 4, 2011 providing clarification in respect of eligible projects in the health sector projects.
3. The EC noted that the Scheme for Financial Support to PPPs in Infrastructure prescribes that VGF up to Rs 100 crore for each project may be sanctioned by the Empowered Institution (EI), proposals for VGF up to Rs 200 crore may be sanctioned by the EC, and amounts exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of the Finance Minister. In accordance with the Guidelines of the Scheme, the project from Government of Mizoram was examined by the members of the EI who recommended the same to the EC for grant of approval.

Agenda Item I: Proposal from Government of Mizoram (GoM) for grant of in-principle approval for: Development of Tuivai Hydro Electric Project (210 MW) on DBFOT basis.

Capacity of generation: 210 MW of hydro electric power; Total Project Cost: Rs. 1700 crore; Concession Period: 35 years including 5 years of construction period. VGF from Government of India: Rs. 340 crore (20 percent of TPC)

Major development works/ structures: Construction of 155m high Dam, 491 m long chute spillway, 1200 m long diversion tunnel of 12.5 m dia, water conductor system comprising 4950m long head race tunnel of 6m dia through a hill between Ngopa and Phuaibuang town, a surge shaft, a pressure shaft of 750m length, a surface power house at Pullen near Phuaibuang for an installed capacity of 3*70 MW (210 MW), switch yards, construction of haul and approach roads of 70 km length

4. Deputy Secretary, DEA informed that the project was considered in the 47th EI meeting held on July 23, 2013. EI recommended the proposal to the Empowered Committee for grant of in-principle approval for VGF of Rs.340 crore (20 percent of TPC of Rs. 1700 crore), subject to fulfillment of the following conditions:

- a. GoM shall confirm in writing that 90 percent of land is available along with the details of total land required, available land and balance land to be acquired.
- b. GoM shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoP which have been agreed to by GoM in their response to the appraisal note.
- c. MoP to facilitate GoM obtaining written confirmation from CEA/CERC that fixed Unitary charges during the Concession Period are in line with extant policy.
- d. GoM shall confirm that project documents have been vetted by the Central Electricity Authority (CEA).
- e. GoM shall ensure that legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents, and the final DCA shall be shared expeditiously with the short listed bidders.
- f. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.

