

F. No. 1/9/2024-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 15th March 2024

Office Memorandum

Record of Discussion of the 19th Meeting of the Approval Committee to consider the proposals of Greater Visakhapatnam Smart City Corporation Limited (GVSCCL), Government of Andhra Pradesh for hiring Transaction Advisors under IIPDF Scheme.

The undersigned is directed to forward Record of Discussion of the 19th Meeting of the Approval Committee to consider the proposals of Greater Visakhapatnam Smart City Corporation Limited (GVSCCL), Government of Andhra Pradesh for undertaking water supply and management system projects in Visakhapatnam on PPP mode, held on 7th March 2024 for information and necessary action.

2. This issue with the approval of the Competent Authority.



(Anmol Waraich)
Assistant Director

To,

- i.
- i. Shri Partha Sarathi Reddy, Adviser, NITI Aayog
 - ii. Sri CM Saikanth Varma, IAS Commissioner, GVMC and MD&CEO, GVSCCL.
 - iii. Sri G. Ananda Rao, Manager, GVSCCL.
 - iv. Sr. PPS to JS (ISD)

Copy for information:
The Chief Secretary, Andhra Pradesh

Record of Discussion of the 19th Meeting of the Approval Committee to consider the proposals of Greater Visakhapatnam Smart City Corporation Limited (GVSCCL), Government of Andhra Pradesh for hiring Transaction Advisors under IIPDF Scheme.

The 19th Approval Committee (AC) Meeting chaired by the Joint Secretary, ISD Division, Department of Economic Affairs (DEA) was held on 7th March 2024 at 1530 hours to consider the proposals submitted by GVSCCL, Government of Andhra Pradesh under the IIPDF Scheme. List of participants (attendees) is placed at **Annexure – I**.

2. On behalf of the Chair, Joint Director (PIU) welcomed the attendees to the 19th Meeting of the Approval Committee and informed that two project proposals were received from Greater Visakhapatnam Smart City Corporation Limited (GVSCCL), Government of Andhra Pradesh, for water sector. Further, Joint Director (PIU) informed that the proposal has been duly circulated to all members of the Appraisal Committee (AC) and with the permission of the Chair, GVSCCL was invited to make a presentation on the proposal.

1. Development of Non-Revenue Water (NRW) monitoring and management in water supply system in Visakhapatnam.

3. The proposal was for monitoring Non-revenue water and management of water supply system in Visakhapatnam. GVSCCL jointly with GVMC has identified the timely need to enhance the efficiency of the water supply systems by reducing NRW, and intends on attracting private sector participation through a structured transaction process to deploy a system for continuous monitoring and systemic reduction of NRW. A brief overview of the project is provided below:

Project Name	Development of Non-Revenue Water (NRW) monitoring and management in water supply system in Visakhapatnam
Purpose of Assistance	PPP Transaction Advisory (TA) Costs
Sector	Water Supply (Water & Sanitation)
Project Sponsoring Authority	Greater Visakhapatnam Smart City Corporation Limited (GVSCCL)
Location	Visakhapatnam, Andhra Pradesh
PPP Mode Envisaged	HAM/ DBFOT/ EPC with O&M/or any other PPP model as found suitable
Estimated TA Costs (incl. of taxes)	Rs. 2,50,16,000/- [Rs.2.12 Cr+18% GST]
Payment Milestone Proposed	As per IIPDF Scheme
IIPDF contribution sought (%)	100%
Current Status	RFP for engaging TA is yet to be floated

4. After detailed deliberations, it was observed that the PSA has no clarity on the project and private partners role in the project. The Approval Committee decided to defer consideration of the

project proposals for funding of TA costs under IIPDF Scheme and requested the PSA to come up with clear project contours and scopes on PPP mode.

11. Enhance energy efficiency of water supply and wastewater systems for Greater Visakhapatnam Municipal Corporation (GVMC).

5. The proposal was about enhancing energy efficiency of water supply and wastewater systems for GVMC. Water supply systems consume significant amounts of energy to pump water from various sources to the treatment plant, reservoir, across the distribution network and to the end users. GVMC spends a considerable portion of its budget towards energy costs.

6. To develop the project, GVSCCL submitted the proposal under IIPDF scheme to hire transaction advisers. The basic details of the project are outlined below.

Project Name	Enhance energy efficiency of water supply and wastewater systems for Greater Visakhapatnam Municipal Corporation (GVMC).
Purpose of Assistance	PPP Transaction Advisory (TA) Costs
Sector	Water Supply (Water & Sanitation)
Project Sponsoring Authority	Greater Visakhapatnam Smart City Corporation Limited (GVSCCL)
Location	Visakhapatnam, Andhra Pradesh
PPP Mode Envisaged	HAM/ DBFOT/ EPC with O&M/or any other PPP model as found suitable
Estimated TA Costs (incl. of taxes)	Rs. 2,24,20,000/ [Rs. 1.90 Cr + 18% GST]
Payment Milestone Proposed	As per IIPDF Scheme
IIPDF contribution sought (%)	100%
Current Status	RFP for engaging TA is yet to be floated

8. GVSCCL was requested to make the presentation about the proposal. After the presentation, it was observed that ESCO (Energy Saving Companies) model is a well-established model for the work, the PSA wants to do through PPP mode. After detailed deliberations, the Approval Committee decided not to accept the proposal.

10. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 19th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Greater Visakhapatnam Smart City Corporation Limited (GVSCCL), Government of Andhra Pradesh for undertaking water supply and management system projects in Visakhapatnam on PPP mode, held on 7th March 2024.

1. Department of Economic Affairs, Ministry of Finance

1. Shri Baldeo Purushartha, JS(ISD) – in Chair
2. Shri Rahul Singh, Joint Director
3. Ms. Arya Balan Kumari, Joint Director
4. Shri Dhruv Rohatgi, OSD
5. Shri Gaurav Jumrani, Consultant

6. NITI Aayog

1. Shri Partha Sarathi Reddy, Adviser (PPP)

7. Greater Visakhapatnam Smart City Corporation Limited (GVSCCL)

1. Sri M. Vinay Kumar, Superintending Engineer
2. Sri G. Ananda Rao, Manager