

**Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell**

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

23rd Meeting on April 16, 2010

Record Note of Discussions

The Twenty third meeting of the Empowered Institution (EI), chaired by Additional Secretary, Department of Economic Affairs (DEA) was held on April 16, 2010. The list of participants is annexed.

2. The Chairman welcomed the participants and indicated that there were eight proposals from the State Governments for grant of in-principle and final approval for Viability Gap Funding (VGF) support.

Agenda Item I: Proposal from Government of Maharashtra for grant of final approval for 4 laning of Jalna-Deulgaon Raja-Berala Phata Road of State Highways SH 176 and construction of 4 lane bypass of Deulgaon Raja on BOT (Toll) basis.

3. The representative of the Government of Maharashtra stated that the VGF requirement for the project proposal had gone up by around Rs. 3 crore (from Rs. 19.81 crore to Rs. 22.94 crore) due to increase in total cost of the project which is because of time over-run. Director, DEA informed that the project proposal was initially considered and granted in-principle approval in the eight meeting of the EI held in January, 2007 with the total project cost of Rs 95.91 crore and VGF assistance of Rs 19.18 crore. It was further indicated that the project proposal were to be restructured and would send the same for approval. Subsequently, the proposal was considered by the EI in its 14th meeting held in June, 2008 indicating the same concerns as was indicated in the previous meetings and with VGF amounting to Rs 19.81 crore. It was noted that the enhanced project costs and higher VGF requirement for the project proposal was done without obtaining prior approval of the Empowered Institution. The Chairman, EI

observed that the Sponsoring Authority could have informed EI before enhancing the TPC as well as VGF for the proposal. The project proposal was granted final approval with VGF support amounting to Rs 19.81 crore.

Agenda Item 2: Proposal from Government of Maharashtra for grant of in-principle approval for 2-laning of Nagpur-Bori Tuljapur section of SH 3 on BOT (Toll) basis – in principle approval

4. The representative of State Government informed that the concerned project has not been cleared by the State Government and requested the members of EI to consider the project proposal in the next meeting. Accordingly, the project was deferred for the next EI meeting.

Agenda Item 3: Proposal from Government of Maharashtra for grant of in-principle approval for:

- I. 2 -lane of the State Highways 1 between Sawaimadhapur-Bharatpur section on BOT (Toll) basis.**
 - II. 2-lane of the SH 14 between Bharatpur-Alwar-Behrur-Nornol section on BOT (Toll) basis.**
 - III. 2-lane of the State Highway 2C and 19 between Jaipur and Nagapur section on BOT (Toll) basis.**
 - IV. 2-lane of the Dbadesh-Ramganjmandi-Pipaliya-Bhawanimandi road of SH 9A on DBFOT (Toll) basis.**
 - V. 2-lane with hard shoulder of State Highways 2 between Dausa-Dadu section on BOT (Toll) basis.**
 - VI. 2-lane with hard shoulder of State Highways 2 between Duda-Sambar section on BOT (Toll) basis.**
5. It was noted that there were six proposals from the State Government of Rajasthan. Director, DEA indicated that the status of the bid process of the project proposals was unknown.

The representative of State Government indicated that no RFP have been issued in respect of the project proposals. In respect of five projects, DCAs were not completed. The Appraisal Notes of Planning Commission had not been accompanied with the legal comments done by legal consultant. Moreover, confirmation from the State Government that the projects were based on MCA for State Highways has been received only two days prior to the meeting of EI.

6. In case of Bharatpur-Alwar-Behrur-Nornol section, no documents have so far been received from the Sponsoring Authority. The representative of State Government indicated that it was a new project and therefore, has not been able to send the project documents for consideration of EI. Similarly, in respect of Dadu-Sambar section, the project documents have been received only one day before the scheduled meeting and which would require for re-examination of the same. In the light of above, it was decided to defer these two project proposals for the next EI meeting.

7. In respect of Jaipur to Nagapur section, Director, DEA stated that details of work like bypasses, bridge, ROB, realignment have been provided neither in EI memo nor in Schedule B. The representative of State Government informed that the structures pertaining to bypasses etc. have been deleted from the project structure and only the maintenance of city portion of the bypass has been retained.

8. Regarding Dbadesh-Ramganjmandi-Pipaliya-Bhawanimandi section, the project would not justify for 2-laning on the basis of traffic which would appear to have been taken into count in the year 2008. The traffic in 2008 seemed to be widely differing from 2010 and the Sponsoring Authority was advised to recount the traffic and share the same with the members of EI along with the legal vetting of the project documents.

9. It was decided that the project proposals at Sl no II and VI have been deferred for the next EI meeting. The project proposals at Sl no I, III, IV and V have been granted in-principle approval with the proposed VGF support and TPC subject to:

- i. Compliance to the Appraisal Notes of DEA and Planning Commission

- ii. Legal vetting by the State Government in respect of the project proposals before the issue of RFP and
- iii. State Government to send a copy of the above for information and record of EI.

10. The meeting ended with a vote of thanks to the chair.
