

**F.No.3A/10/2010-PPP**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**( PPP Cell )**

New Delhi the 24<sup>th</sup> November, 2010.

**OFFICE MEMORANDUM**

**Subject: Record of Discussion of Twenty-seventh meeting of the Empowered Institution.**

The Twenty Seventh meeting of the Empowered Institution was held on November 19, 2010. The Record of Discussion of the meeting is enclosed.



**(Abhijit Phukon)**  
**Deputy Director (PPP)**

To,

1. Shri Ravi Mital, Adviser, Planning Commission, Yojana Bhavana, New Delhi.
2. Ms. Meena Agarwal, Joint Secretary, Department of Expenditure, New Delhi
3. Shri Raghav Chandra, Joint Secretary, Ministry of Road Transport and Highways, Transport Bhavan, New Delhi.
4. Shri Vivek Aggarwal, Managing Director, Madhya Pradesh Road Development Corporation Limited, 16-A, Arera Hills, Bhopal – 462011.
5. Shri V. Madhu, Principal Secretary, Govt. of Karnataka, Karnataka Govt. Secretariat, Vikasa Soudha, Bangalore.

**Copy to:**

- a. PPS to DG(C) & AS
- b. PS to JS (I&I).

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

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

**27<sup>th</sup> Meeting on November 19, 2010**

**Record Note of Discussions**

The Twenty seventh meeting of the Empowered Institution (EI), chaired by Director General (DoC), Department of Economic Affairs (DEA) was held on November 19, 2010 to consider State Highways proposals from Government of Madhya Pradesh (GoMP) and Government of Karnataka (GoK). The list of participants is annexed.

**Agenda Item 1: Proposals from Government of Madhya Pradesh (GoMP) for in principle approval for the following projects:**

- a. Two-laning of Guna-Ashoknagar-Ishagarh Project (SH-20) on BOT basis (76.15 km; VGF support of Rs. 21.02 crore)
- b. Two-laning of Bhopal-Bersia-Sironj Project (SH-23) on BOT basis (106.32 km; VGF support of Rs. 35.12 crore)

2. Joint Secretary, DEA informed that the two proposals from GoMP were considered in the last EI meeting held on 30<sup>th</sup> September, 2010 and deferred as Planning Commission was of the opinion that the State Government had not confirmed that the project DCAs were based on an MCA and had not provided a copy of the approved MCA by the State Government. He further stated that there is no approved MCA for State Highways and the MCA approved by the Competent Authority in State Government may be used for as a base document.

3. It was noted in the last EI meeting that GoMP would send the model document (MCA) used by the State Government to EI Secretariat. Accordingly, the MCA received from GoMP/MPRDC had been sent to Planning Commission on October 8, 2010. However, appraisal notes of Planning Commission had not been received within the given timeframe of four weeks for appraisal of PPP projects posed for assistance under the VGF Scheme (i.e. The Scheme and Guidelines for Financial Support to Public Private Partnerships in Infrastructure).

4. MD, MPRDC indicated that a pre-appraisal meeting was held in Planning Commission on November 10, 2010. In the meeting, Planning Commission had insisted that GoMP/MPRDC should adopt the MCA for State Highways published by Planning Commission without incorporating B K Chaturvedi (BKC) Committee recommendations. He, however, submitted that the same would not be possible as the project DCAs of the two concerned projects have already been approved by State Cabinet. Further, for the future projects also, this would affect the financing of the projects as lenders may have different perceptions than they have for other National Highways projects, since, the BKC Committee recommendations have been adopted by NHAI for National Highways with the approval of CCI. He informed that GoMP, on earlier occasions, had awarded projects based on MCA for State Highways without BKC Committee recommendations. However, after incorporating the BKC Committee recommendations, the State Government has experienced better response from the market. He, however, added that the Planning Commission version of MCA for State Highways could be considered for future road projects, with the State Government's approval.

5. The representative of Department of Expenditure (DoE) pointed out that as per the appraisals of DEA, both the projects seemed to be financially not viable even with VGF up to 40% of Total Project Cost and desired to know the status and

response of market on the RfQ floated by MPRDC. MD, MPRDC indicated that they had already received application from 45 bidders at the RFQ stage.

6. The representative of MoRTH indicated certain observations with respect to Schedules (A & B) and technical specifications of the projects including traffic survey, location of the Toll Plaza and land acquisition etc. MD, MPRDC informed that MPRDC would follow the IRC-guidelines in this regard. He stated that Para wise written response to the observations of MoRTH have already been sent.

7. The Chairman, EI noted that Planning Commission had started a review of the extant MCA for National Highways. However, specific road proposals cannot be held up pending the review. Since, the recommendations of the BK Chaturvedi Committee have been incorporated in the MCAs in use presently; and , the project DCAs, based on this model, have been approved by the Competent Authority in the State Government, there was no reason for holding back the projects. Moreover, it was also felt that this is the working season and the progress of work should not get impeded at this stage. The representative of Planning Commission concurred with this approach.

8. Accordingly, the two proposals from the State Government of Madhya Pradesh were granted 'in-principle' approval subject to MPRDC complying the observations of MoRTH as mentioned in Para 6 above.

**Agenda Item 2: Proposals from Government of Karnataka (GoK) for in principle approval for the following projects:**

- a. **Two-laning of section of SH-58) near Chinamani-Tadgal cross to AP Border and Tadgal cross-Vovindapalli to AP Border (57.5 km; VGF support of Rs. 22.90 crore)**

- b. Two/Four-laning of section of SH-20 from Lingsugur-Kalmala to Raichur (86 km; VGF support of Rs. 39.242 crore)
- c. Two/Four-laning of section of SH-23 form AP Border near Devsugur-Cikkasugur-Raichur-Yergerqa to Mantralaya Bridge (47.50 km; VGF support of Rs. 29.422 crore)
- d. Two-laning of section of SH-25 from Shimoga-Honnalli to Harihara (77.50 km; VGF support of Rs. 26.59 crore)
- e. Two-laning of section of SH-23 from Ginigere-Gangavathi to Sindhnoor near NH 63 (83 km; VGF support of Rs. 26.50 crore)

9. The EI noted that representatives from the State Government of Karnataka were not present in the meeting. Hence, the five proposals from the State Government of Karnataka were deferred.

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

Ministry of Finance  
Department of Economic Affairs

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

27<sup>th</sup> Meeting on November 19, 2010

List of participants

I. Department of Economic Affairs

1. Shri Bimal Julka, AS&DG (DoC) (*In Chair*)
2. Shri Govind Mohan, Joint Secretary
3. Shri Abhijit Phukon, Deputy Director

II. Department of Expenditure

4. Ms. Parama Sen, Director (PF-II)

III. Planning Commission

5. Shri K.R. Reddy, Joint Adviser

IV. Ministry of Road Transport and Highways

6. Shri B.N. Sahay

V. Government of Madhya Pradesh

7. Shri Vivek Aggarwal, Secretary