

Subject: Minutes of meeting of the Empowered Institution held on 08.03.2007

The 9th meeting of the Empowered Institution (EI) to consider proposals received for Viability Gap Funding (VGF) was held on 08.03.2007 at 3.00 PM in Room 131-A, North Block. The list of participants is annexed.

2. The Empowered Institution (EI) considered the following proposals:
 - (1) Finalisation of the draft Tripartite Agreement under the VGF Scheme
 - (2) Strengthening of State Highways in Madhya Pradesh
 - (a) Mandsaur-Sitamau Road (Upto Rajasthan Border)
 - (b) Matkuli-Tamia-Chindwara
 - (c) Chandpur-Alirajpur-Kukshi-Badwani
 - (3) Four-laning of State Highways in Madhya Pradesh
 - (a) Bhopal, Devas
 - (b) Joura-Nnayagaon
 - (4) Four laning of Ahmedabad-Viramgam-Maliya State Highway in Gujarat

Tripartite Agreement

3. The EI considered the draft Tripartite Agreement circulated earlier to all the members of the EI and noted that the document has been approved by D/Expenditure and Planning Commission. It was also informed that the legal consultants of Planning Commission have also vetted the document. The EI thus agreed to recommend the draft TA for consideration of the Empowered Committee.

Strengthening of State Highways in Madhya Pradesh

4. It was informed that the projects were earlier approved by the EI and subsequently bidding was undertaken and the bids have been received. Though not required under the Scheme but still the Project Authorities had requested for the confirmation of the EI before award of contract. However, in 2 of these projects the project cost as indicated in the RFP was higher than what was approved by the EI. The explanations regarding increase in project cost was considered and found to be in order. Project Authorities were requested that in future prior approval of EI should be obtained if the project cost is varied from the levels, which was approved by the EI. Project Authorities agreed to take necessary steps in future. It was also decided that similar instructions would be given to other project authorities and to also furnish detailed review analysis in case of any revision of the project cost.

5. For the above projects EI took note of the certificate furnished by the Project Authorities regarding the bidding process, the increase in the capital cost and the lowest bidder to whom the Project Authority propose to award the contract.

Four-laning of State Highways in Madhya Pradesh

6. EI took note of the status of the two projects received from Government of Madhya Pradesh regarding four laning of State Highways, which were earlier granted in-principle approval. It was informed that the bidding has been completed

and in one of the projects no VGF has been sought while in the other project bid is proposed to be awarded to the lowest bidder.

Four laning of Ahmedabad-Viramgam-Maliya State Highway in Gujarat

7. It was informed that the project was earlier granted in-principle approval subject to certain additional information to be submitted. However, the Project Authorities subsequently revised the proposal and substantially extended the scope of work by extending the project road. On the new section added in the revised project proposal present levels of traffic was very low and did not justify four-laning. It was suggested that on this section four laning could be stipulated after 10 years. However, the Project Authorities informed that the present proposal offered a shorter alternative route to NH-8 from Ahmedabad to Kandla. Substantial traffic growth is expected through diversion from NH-8 and also due to the extensive development planned for the port area of Kandla and Mundra.

8. EI noted that though the present levels of traffic on the project road did not justify four-laning, however, in view of the position indicated by the Government of Gujarat in support of the project it was agreed to grant "in principle" approval to the project.

9. The meeting ended with thanks to the Chair.