

1/22/2012-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

North Block, New Delhi
July, the 9th, 2013

OFFICE MEMORANDUM

Subject: Modification in Delegation of powers for Formulation, Appraisal and Approval in respect of National Highways Projects.

This is in continuation to OM No 1(3)/PF.II/2001 dated 15th November, 2007 and in partial modification of OM No. F No 1(3)/PF.II/2001 dated 1st April, 2010 and OM No. 24/35/PF II/2012 dated 12th April, 2013 conveying Guidelines for formulation, Appraisal and Approval of Government Plan funded Projects/ Schemes, DEA Notification No.2/10/2004-Inf dated November 29, 2005 modified vide Notification No. 10/32/2006-Infra dated April 2, 2007 for Public Private Partnership (PPP) projects. In order to address the need for simplification and clarity in the overall procedure, the delegation of powers in respect of Ministry of Road Transport and Highways has been revised as follows.

2. The Revised Delegation of powers for project Appraisal / Approval is as follows:

Mode	Project Appraisal		Project Approval	
	Cost (` in Cr.)	Appraisal By	Cost (` in Cr.)	Approval By
Non PPP (Public Funded)	≤ 25	MoRTH	≤ 25	Secretary (RTH)
	> 25 < 500	SFC/EFC chaired by Secretary (RTH)	>25 < 500	Minister (RTH)
	≥ 500	PIB/EFC chaired by Secretary (Expenditure)	≥ 500	CCEA
PPP	< 25	MoRTH	< 25	Secretary(RTH)
	≥ 25 < 500	SFC chaired by Secretary (RTH)	≥ 25 < 500	Minister(RTH)
	≥ 500	PPPAC	≥ 500	CCEA

3. Appraisal of National Highways projects below Rs. 500 crores other than those to be appraised by Ministry of Road Transport and Highways (MoRTH) irrespective of source of funds or mode of delivery would be carried out by an inter-ministerial Standing Finance Committee chaired by Secretary MoRTH. Approval of these projects shall be by Minister, Road Transport and Highways, subject to the conditions provided in para 5 read with para 6 being satisfied. In case of a difference of opinion/ dissent by the members of SFC representing Planning Commission /Department of Economic Affairs / Financial Advisor regarding approval of a project, the dissent may be recorded and considered by the Minister, MoRTH for an appropriate decision.

4. The Standing Finance Committee shall consist of the following:

- | | |
|--|----------|
| a. Secretary, RTH | In Chair |
| b. Financial Adviser | Member |
| c. Representative of Department of Legal Affairs | Member |
| d. Representative of Planning Commission | Member |
| e. Representative of Deptt of Economic Affairs | Member |

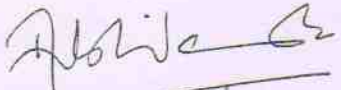
f. Representative of any other Ministry/Department may also be invited, if required.

5. The above appraisal and approval process shall apply only if the following conditions are satisfied:

- The bidding is according to the procedure notified by the Ministry of Finance. This includes the process of two-stage bidding, pre-bid qualification norms, etc.
- The Model Concession Agreement (MCA) or Model Turnkey Engineering Procurement Contract (EPC) document approved by the Competent Authority is being followed
- The project has been designed in accordance with the manual of standards and specifications as approved by the competent authority in the Administrative Ministry and stipulated in the approved MCA or Model Turnkey EPC document, as applicable.

6. In the event the conditions in para 5 above are not satisfied, the proposal shall be brought before the Public Private Partnership Appraisal Committee (or committee chaired by Secretary, Expenditure for public funded project) and posed to the CCEA for a decision.

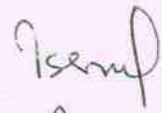

7. For National Highways projects above Rs 500 crore, appraisal would be by committee chaired by Secretary Expenditure or the PPPAC (as applicable) and approval by the CCEA, in accordance with the extant guidelines and instructions.
8. This OM comes into effect from its date of issue.
9. The revised Delegation of powers has been approved by the CCEA in its meeting held on 13th June, 2013.


(Abhilasha Mahapatra)
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Secretary, Ministry of Road Transport and Highways (MoRTH)
Financial Advisor, Ministry of Road Transport & Highways

Copy to:

1. Secretary, Expenditure
2. Secretary, Department of Economic Affairs;
3. Secretary, Planning Commission
4. Cabinet Secretariat
5. PMO



10/7/2013