

वित्त मंत्रालय

**MINISTRY OF
FINANCE**

Government of India



सत्यमेव जयते



Workshop

on

Awareness Building and Guidance on using PPP Toolkits

Date of workshop: 24th – 25th May 2022

India Habitat Centre, New Delhi



सत्यमेव जयते

Organised by:

INFRASTRUCTURE FINANCE SECRETARIAT

आर्थिक कार्य विभाग

**DEPARTMENT OF
ECONOMIC AFFAIRS**



Supported by:

**British
High Commission
New Delhi**

Table of contents

1. Background and Objective of the workshop	3
1.1. Background of the Workshop.....	3
1.2. About toolkits.....	3
1.3. Workshop Objectives	4
2. Summary of the workshop	5
2.1. Workshop Proceedings	5
2.2. Workshop Participation	6
2.3. Suggestions & feedback from participants.....	7
2.3.1. Overall feedback on the workshop	7
2.3.2. Feedback on individual sessions.....	7
2.3.3. Overall suggestions and feedback from participants	11
2.4. Vote of Thanks & Suggested Way Forward.....	12
3. Snapshots of the workshop	13
Appendix A – Participants List	17
Appendix B – Presentation on PPP structuring and Value for Money (VFM) toolkit.....	24
Appendix C - Presentation on Valuation and Reporting of Contingent Liabilities	71
Appendix D - PPP Project Delivery Post Award Contract Management	81
Appendix E - Workshop Feedback Questionnaire.....	93

List of figures

Figure 1: Scoring on overall level of satisfaction with the event.....	7
Figure 2: Participants interest in attending similar workshops in future	7
Figure 3: Participants response on Session 01 - PPP structuring toolkit.....	8
Figure 4: Participants response on Session 02 – Value for Money (VfM) toolkit	9
Figure 5: Participants response on Session 03 - Contingent Liabilities Management Systems	9
Figure 6: Participants response on Session 04 - PPP Post-Award Contract Management.....	10
Figure 7: Welcoming Mr. Baldeo Purushartha, Joint Secretary, (ISD), DEA to the workshop.....	13
Figure 8: Welcoming Mr. Shantanu Mitra, Head, Infrastructure and Urban Development, FCDO India	13
Figure 9: Welcoming participants on the first day of the workshop	14
Figure 10: A teams window snapshot of the participants	14
Figure 11: Presentation on PPP structuring toolkit and walkthrough by CRISIL Ltd	15
Figure 12: Presentation on Contingent liability Management System (CLMS) Toolkit and a walkthrough by PricewaterhouseCoopers Private Limited	15
Figure 13: Presentation on Post Award Contract Management (PACM) toolkit and walkthrough by Deloitte Touche Tohmatsu India LLP	16
Figure 14: Stakeholder participation during Q/A session	16

1. Background and Objective of the workshop

1.1. Background of the Workshop

India is currently celebrating 'Azadi Ka Amrit Mahotsav' to commemorate 75 years of independence and the glorious history of its people, culture and achievements. Fuelled by the spirit of Aatmanirbhar Bharat and a vision of activating India 2.0, this effort by the nation is a step towards achieving good governance, global peace and development. It is believed that the upgradation of existing and building of modern infrastructure will serve as a strong foundation for a new and 'Atmanirbhar Bharat'.

Based on a strong past track record, the Government of India (GoI) has set an ambitious target to achieve the Infrastructure Vision of 2025. Building high quality infrastructure and overcoming the infrastructure challenges is considered critical to realize this vision. The initiatives taken by the Department of Economic Affairs (DEA), Ministry of Finance have been instrumental in enabling a viable environment for infrastructure development and investments. This included the launch of National Infrastructure Pipeline in December 2019, a Development Finance Institution (DFI) and other initiatives, such as the National Monetization Pipeline, launch of PM GatiShakti National Master Plan (PMGS-NMP), and debt financing of Infrastructure Investment Trust (InvITs), among others, which will further contribute to increasing efficiency and generating revenues for Indian Infrastructure sector. In India, PPPs have been an important mode of development, upgradation, and maintenance of infrastructure sector and DEA has undertaken various strategic initiatives in realising this potential.

PPS have been able to deliver some of the most successful infrastructure projects in various sectors. However, PPPs may not be suitable for all types of projects and many sectors have encountered problems with implementing PPP projects effectively. Thus, it is essential to identify that which project can be implemented on PPP mode particularly at an early stage so as to have the right approach from the beginning. To identify the suitable mode for implementation, DEA has developed the Toolkits, including the guidelines and MCAs, etc which helps in proper decision making and further implementation.

The PPP Toolkits are web-based resources that have been designed to help improve decision-making for infrastructure PPPs in India and to improve the quality of the infrastructure PPPs that are implemented in India. The Toolkits are for use by PPP practitioners across India in both the public and private sectors. It covers five infrastructure sectors- State highways, Water and sanitation, Ports, Solid Waste Management, Urban Transport. Other toolkits such as PPP Post-Award Contract Management Toolkit, Value for Money (VfM) toolkit, and Framework for recognition, Valuation and Reporting of Contingent Liabilities have also been developed to assist in the PPP decision-making process.

The Workshop was intended towards awareness building and guidance on using these toolkits by government sector agencies and officials.

1.2. About toolkits

The section below briefly discusses various toolkits discussed during the workshop

- **PPP structuring toolkit:** The Toolkit assists the PPP practitioners at all key stages of the PPP project cycle and improve the quality of the PPPs that are being developed. It facilitates identification, assessment, development, procurement and monitoring of PPP projects. The toolkit is structured to cover the full life cycle of PPP projects. The Toolkit contains the following 6 tools to strengthen decision-making for PPPs:
 - **PPP Family Indicator** gives a starting indication of which PPP mode 'family' the particular project might be suited to.

- **PPP Mode Validation Tool** uses a risk allocation analysis to help decide further whether the selected PPP mode is best for the project.
- The **PPP Suitability Filter** tests how well suited the project is to being a PPP and checks for barriers that might make it difficult to do the project as a PPP.
- **Financial Viability Indicator Model** allows an analysis of the key questions of financial viability of the project and to test these using ‘what-if?’ scenarios.
- **Readiness Filters** checks that all the important steps have been followed and that the important preparations have been made, so that the project is ready to move on to the next step in development as a PPP.
- **Value for Money Concept toolkit:** This toolkit assists decision makers in evaluating, quantifying and comparing the total cost of delivering a project on traditional EPC mode vis-à-vis PPP mode.
- **Contingent Liability Management System (CLMS) Toolkit:** The toolkit guides Public Authorities in recognising and measuring the contingent liabilities arising from a PPP project.
- **Post Award Contract Management (PACM) toolkit:** The toolkit provides relevant guidance material and tools, such as checklists and project progress plans to authority officials to better manage the PPP project during the post award stages of the PPP project lifecycle.

1.3. Workshop Objectives

To support scaling up of PPPs, the Department of Economic Affairs partnered with the World Bank for developing tools, methodologies and processes to assist the governments/agencies to strengthen decision-making at all key stages of the PPP project cycle. As a result, various PPP toolkits, guidelines and MCAs were prepared as a part of a PPP capacity building programme, developed by the Department of Economic Affairs, Ministry of Finance, Government of India (DEA). However, the last few years have witnessed limited use of these toolkits for infrastructure development projects.

The workshop was strategically planned to serve as a platform for sharing an overview of various Public Private Partnership toolkits and guidance materials developed by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India. The Toolkits have been developed for PPP practitioners across India in both the public and private sectors. This workshop was designed for such practitioners and focused on building awareness and providing direction to the government sector agencies and officials for maximizing the use of these toolkits in developing PPP Projects.

At the same time, the workshop provided an excellent opportunity to seek suggestions for improvements in the toolkits and their updating to reflect the changes in the PPP ecosystem in India since they were developed.

2. Summary of the workshop

2.1. Workshop Proceedings

The hybrid Workshop was organised at the India Habitat Centre, New Delhi, and incorporated sessions designed for a 2-day engagement. The detailed agenda of the workshop is provided below:

Programme Schedule for DAY 01 – 24 th May 2022		
Session No	Timing	Session details
	10:00 AM – 10:30 AM	Registration and Tea
Session – 1	10.30 AM – 10.45 AM	Context Setting – <i>Mr. Baldeo Purushartha, Joint Secretary, (ISD), DEA</i>
Session – 2	10.45 AM- 11.00 AM	UK-India Cooperation on Infrastructure Sector – <i>Mr. Shantanu Mitra, Head- Infrastructure and Urban Development, British High Commission, New Delhi</i>
	11.00 AM – 11.15 AM	Tea Break
Session – 3	11.15 AM – 12.15 PM	Introduction of PPP structuring toolkit (Objectives, sectoral coverage, modules, extent of coverage in each of those, etc.) – <i>Ms. Mehali Patel, Director, CRISIL Ltd.</i>
Session – 4	12.15 PM – 01:00 PM	Walkthrough of the PPP structuring toolkit (Modules 1-3) - <i>Ms. Mehali Patel, Director, CRISIL Ltd.</i>
	01:00 PM – 02:00 PM	Lunch Break
Session – 5	02:00 PM – 03:30 PM	Overview of Value for Money Concept – <i>Ms. Mehali Patel, Director, CRISIL Ltd.</i>
	03:30 PM – 03:45 PM	Tea Break
Session – 6	03:45 PM – 04:45 PM	Walkthrough of the Value for Money Concept Toolkit - <i>Ms. Mehali Patel, Director, CRISIL Ltd.</i>
Session – 7	04:45 PM – 05:00 PM	Q & A session

Programme Schedule for DAY 02 – 25 th May 2022		
Session No	Timing	Session details
	10:00 AM – 10:30 AM	Registration and Tea
Session – 1	10.30 AM – 11.00 AM	Overview of ‘Framework for recognition, valuation and reporting of contingent liabilities’ - <i>Mr. RNK Prasad, PricewaterhouseCoopers Private Limited</i>
	11.00 AM – 11.15 AM	Tea Break
Session – 2	11.15 AM – 12:15 PM	Walkthrough of the tool along with handbook on toolkit - <i>Mr. RNK Prasad, PricewaterhouseCoopers Private Limited</i>

Programme Schedule for DAY 02 – 25 th May 2022		
	12:15 PM – 12:30 PM	Q/A on Contingent liability Management System (CLMS) Toolkit
Session - 3	12:30 PM – 01:15 PM	Walkthrough of the Value for Money Concept Toolkit - <i>Ms. Mehali Patel, Director, CRISIL Ltd.</i>
	01.15 PM – 02:00PM	Lunch
Session – 4	02:00 PM- 03:30 PM	Introduction to Post Award Contract Management (PACM) toolkit (Introduction, sectoral coverage, extent of coverage, etc.) - <i>Mr. Kushal Kumar Singh, Partner, Deloitte Touche Tohmatsu India LLP</i>
	03:30 PM- 03:45 PM	Tea Break
Session – 5	03:45 PM – 04:30 PM	Walkthrough of the PACM tool - <i>Mr. Kushal Kumar Singh, Partner Deloitte Touche Tohmatsu India LLP</i>
	04:30 PM – 04:45 PM	Q&A
	04:45 PM – 05:00 PM	Concluding remarks – <i>Dr. Molishree, Deputy Secretary, DEA</i>

The Workshop was inaugurated with a context setting note delivered by the Shri Baldeo Purushartha, Joint Secretary, Infrastructure Support and Development (ISD) Division, DEA in which he highlighted the potential in PPPs and the importance of structuring of the projects before it is sent for appraisal and approval. His talk was followed by Mr. Shantanu Mitra, Head-Infrastructure and Urban Development, FCDO India, who talked about the UK-India Cooperation in the Infrastructure Sector and the interventions that are in the pipeline. The sessions of the workshop incorporated presentations focusing on the overview and walkthrough of four PPP toolkits by the following consultancy firms and their representatives:

- **PPP structuring toolkit** by Ms. Mehali Patel, Director, CRISIL Limited. (Presentation at Annexure 03).
- **Value for Money Concept and Walkthrough** by Ms. Mehali Patel, Director, CRISIL Limited. (Presentation at Annexure 03).
- **Contingent liability Management System (CLMS) Toolkit and walkthrough** by Mr. RNK Prasad, Senior Infrastructure Expert, PricewaterhouseCoopers Private Limited. (Presentation at Annexure 04).
- **Post Award Contract Management (PACM) toolkit and walkthrough** by Mr. Kushal Singh and Ms. Neha Agarwal, Deloitte Touche Tohmatsu India LLP. (Presentation at Annexure 05).

2.2. Workshop Participation

The hybrid mode of the Workshop enabled participants from various States and Union Territories and across various levels of the Government to join the Workshop and participate actively. The Workshop witnessed active participation of more than **155 participants** (35

participants from 16 Central Infrastructure Line Ministries and Departments including NITI Aayog, M/o Housing Affairs, Civil Aviation, Steel, Road Transport and Highways, New and Renewable energy, Power, Railways, Shipping, Food Processing Industries and D/o Telecom, Rural Development, Expenditure, Food and Public Distribution, Water Resources, Promotion of Industry and Internal Trade; and close to 120 participants from 15 states and 2 UTs including Gujarat, Kerala, Rajasthan, Nagaland, Manipur, Chandigarh, Uttarakhand, Tamil Nadu, Haryana, Madhya Pradesh, Chhattisgarh, Karnataka, Odisha, Andhra Pradesh, Punjab, Jammu and Kashmir and Pondicherry).

The detailed list of participants, both online and offline is given in **Annexure 1**.

2.3. Suggestions & feedback from participants

Each session was followed by a Q&A session, where both online and physical participants shared their experiences with PPP projects, toolkits and extended suggestions to enhance the utility and awareness about the toolkits.

At the end of workshop on May 25, 2022, an online feedback form was circulated to all participants to seek their feedback related to all sessions of the workshop. Feedback was sought with respect to the content, quality of delivery, satisfaction level, etc. aspects of the workshop. As on 23rd June 2022, a total of 44 responses have been received.

Subsequent section highlights the feedback received from the participants. The feedback was sought on the scale of 1 to 5 where 1 indicate low score and 5 indicate high score. Summary of the feedback is presented below.

2.3.1. Overall feedback on the workshop

Figure 1 and **Figure 2** below highlights the 'Level of satisfaction of participants' and 'Interest for participating in similar workshops in future'.

Figure 1: Scoring on overall level of satisfaction with the event

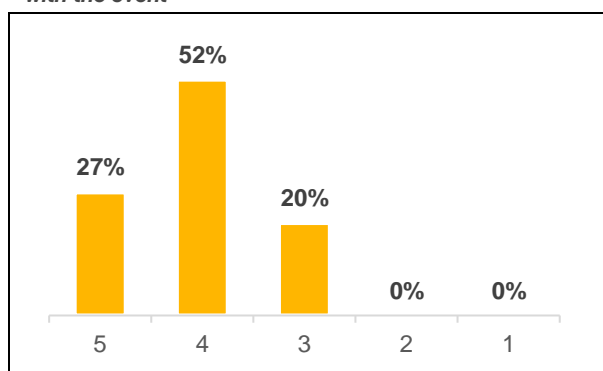
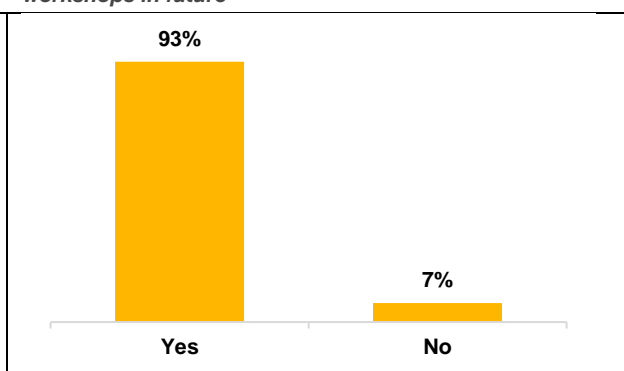


Figure 2: Participants interest in attending similar workshops in future



~80% of the participants scored the workshop between 4 and 5 indicating high level of satisfaction and more than 95% participants indicated that they would be keen to participate in similar kind of workshops providing more in-depth insights on the toolkits in future.

2.3.2. Feedback on individual sessions

The participants were requested to share the feedback on four critical aspects of each of the session i.e. (i) content of the session, (ii) quality of delivering the session, (iii) relevance to their job, and (iv) time dedicated for each session. The section below highlights the feedback

received from the participants on each of these key aspects on four key session of the workshop.

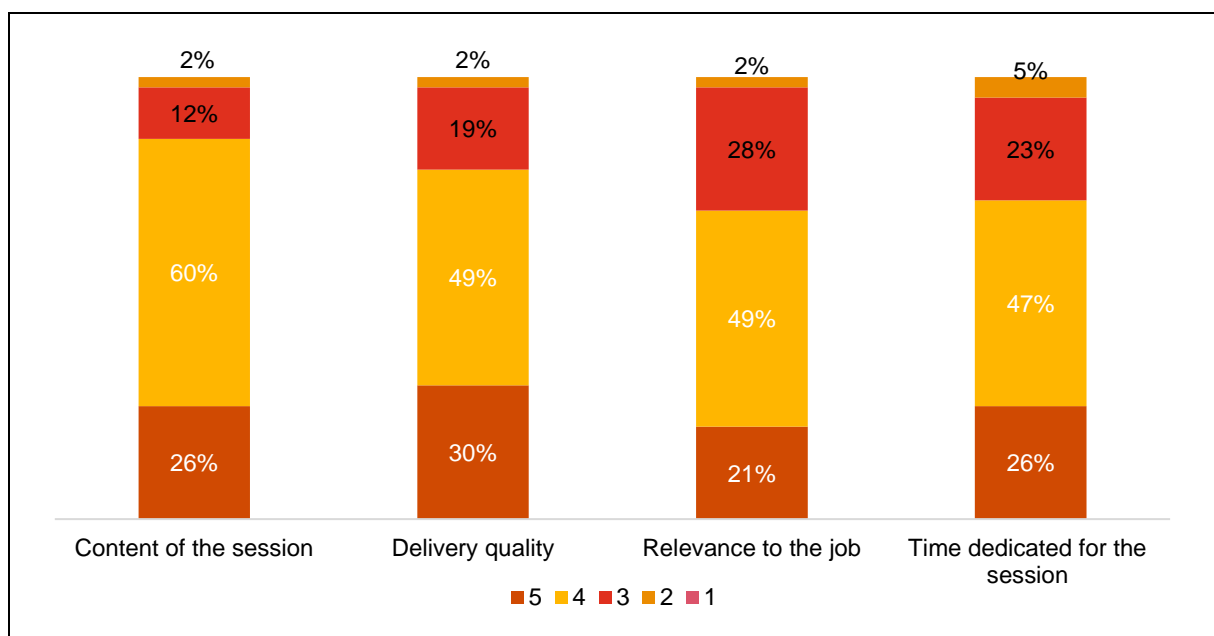
2.3.2.1. Session 01 - PPP structuring toolkit

The section below highlights feedback received on the session.

- **Content of the session** - 86% of the participants scored the session either '4' or '5' indicating that participants found the content relevant and useful.
- **Delivery Quality** – 79% of the participants scored the session either '4' or '5' indicating that they liked the delivery quality of the session.
- **Relevance to the job** – 70% of the participants scored the session either '4' or '5' indicating that they found the session relevant to their job.
- **Time dedicated for the session** – 73% of the participants scored the session either '4' or '5' indicating that they found the session timed well.

The graph below shows the feedback received from the participants

Figure 3: Participants response on Session 01 - PPP structuring toolkit



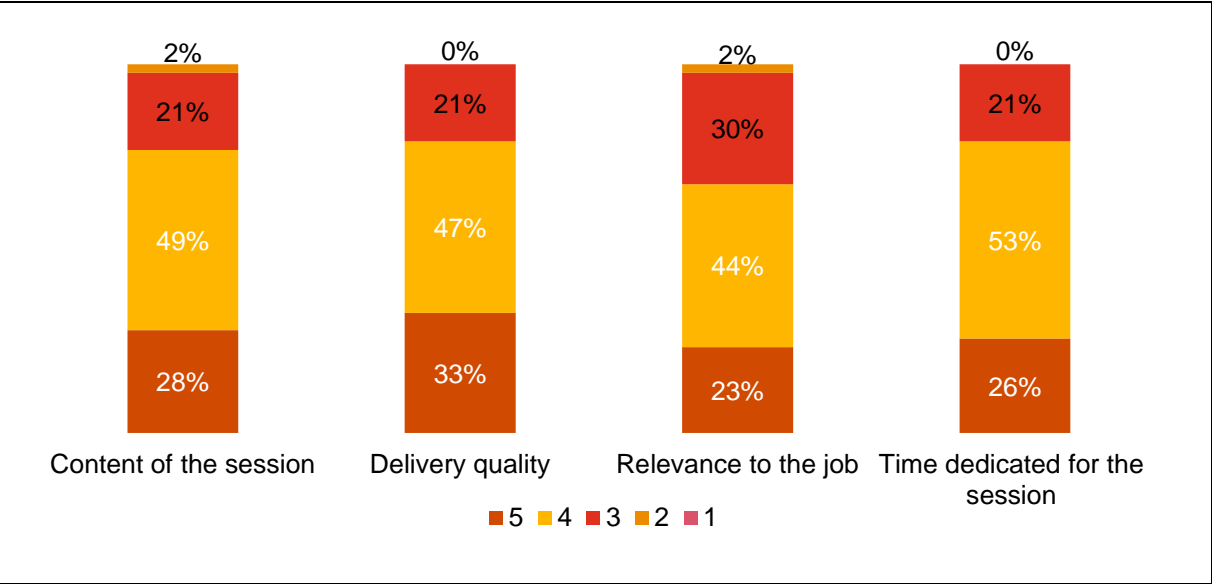
2.3.2.2. Session 02 - Value for money toolkit

The section below highlights feedback received on the session.

- **Content of the session** - 77% of the participants scored the session either '4' or '5' indicating that participants found the content relevant and useful.
- **Delivery Quality** – 80% of the participants scored the session either '4' or '5' indicating that they liked the delivery quality of the session.
- **Relevance to the job** – 67% of the participants scored the session either '4' or '5' indicating that they found the session relevant to their job.
- **Time dedicated for the session** – 79% of the participants scored the session either '4' or '5' indicating that they found the session timed well.

The graph below shows the feedback received from the participants

Figure 4: Participants response on Session 02 – Value for Money (VfM) toolkit



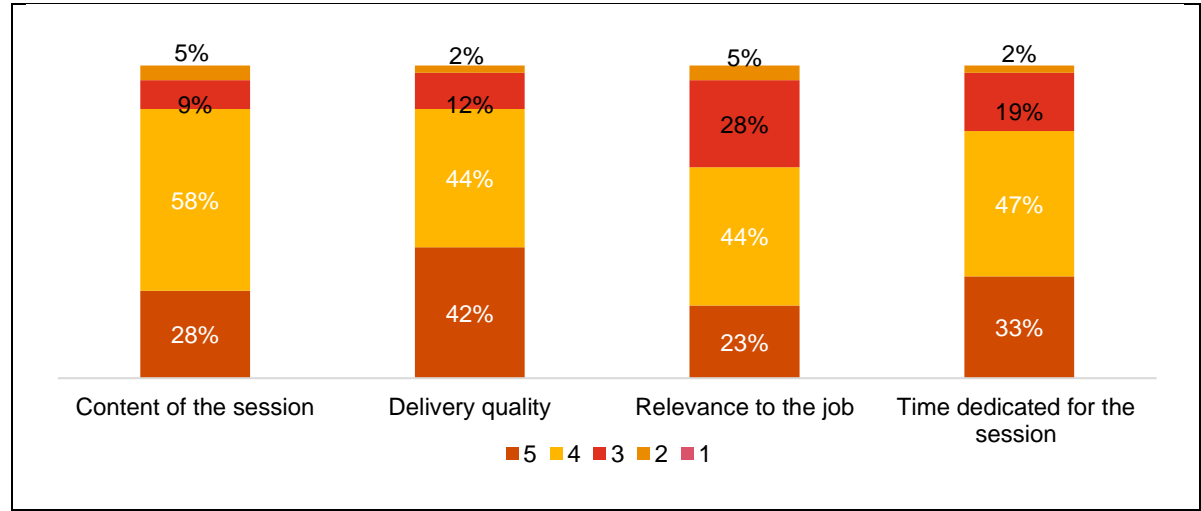
2.3.2.3. Session 03 - Contingent Liabilities Management Systems (CLMS) Toolkit

The section below highlights feedback received on the session.

- **Content of the session** - 86% of the participants scored the session either '4' or '5' indicating that participants found the content relevant and useful.
- **Delivery Quality** – 86% of the participants scored the session either '4' or '5' indicating that they liked the delivery quality of the session.
- **Relevance to the job** – 67% of the participants scored the session either '4' or '5' indicating that they found the session relevant to their job.
- **Time dedicated for the session** – 80% of the participants scored the session either '4' or '5' indicating that they found the session timed well.

The graph below shows the feedback received from the participants

Figure 5: Participants response on Session 03 - Contingent Liabilities Management Systems



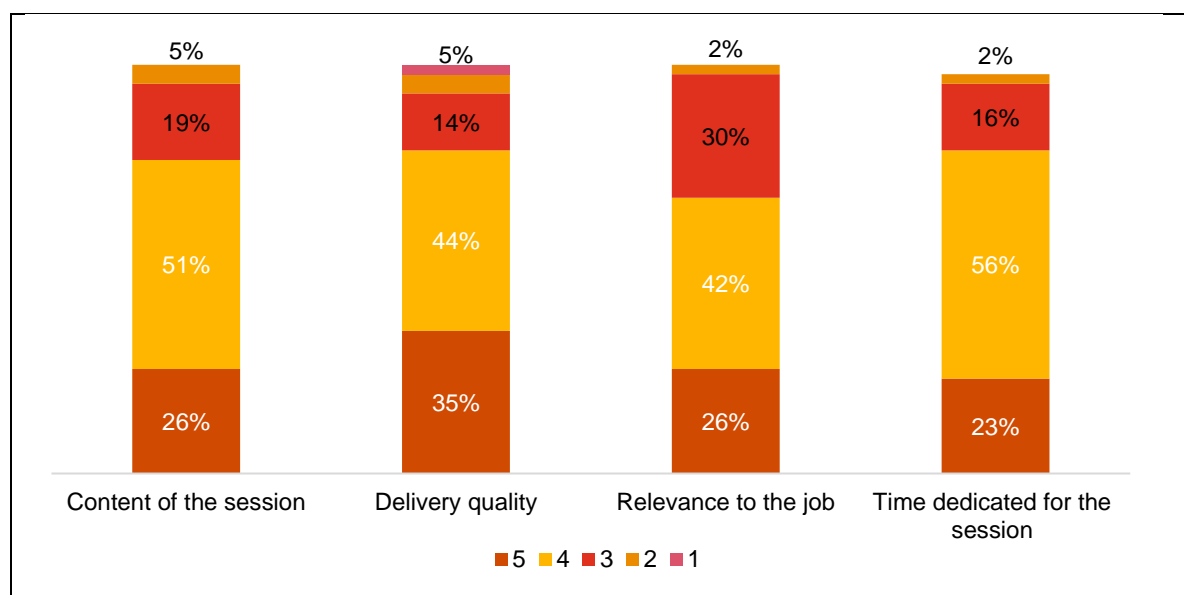
2.3.2.4. Session 04 – Post Award Contract Management (PACM) Toolkit

The section below highlights feedback received on the session.

- **Content of the session** - 77% of the participants scored the session either '4' or '5' indicating that participants found the content relevant and useful.
- **Delivery Quality** – 79% of the participants scored the session either '4' or '5' indicating that they liked the delivery quality of the session.
- **Relevance to the job** – 68% of the participants scored the session either '4' or '5' indicating that they found the session relevant to their job.
- **Time dedicated for the session** – 79% of the participants scored the session either '4' or '5' indicating that they found the session timed well.

The graph below shows the feedback received from the participants

Figure 6: Participants response on Session 04 - PPP Post-Award Contract Management



Some of the testimonials and feedback received are as below

Testimonials and feedback received

'Great initiative. Looking forward to more such sessions.'

'The focus shall be on continuous engagements like PPP initiative under Kelkar Report and also CP3 certification by World Bank which can be promoted and reimbursed by the Gol for govt. officials.'

'I believe the conference was need of the hour as PPP in India in terms of infrastructure is very important as it can definitely help to meet the need of the government in order to meet the funding gap. Private sector is efficient in creation of economic and social

Testimonials and feedback received

infrastructure assets and for delivery of quality public services. The PPP toolkit in a very critical and helpful step in the direction.'

'The entire session has been a great learning experience. The Toolkit is very helpful in understanding and identifying the Project needs and insights to the difficulties generally faced with the Legal and financial issues.'

'Again, very helpful from Government's resources perspective and execution of the projects and setting priorities.'

'Overall, the intention of organising the workshop was quite good. But it could have been designed according to the available time. A better time allocation and more elaborate workshop is needed. Examples may be given for better understanding of how to use the toolkits.'

2.3.3. Overall suggestions and feedback from participants

Some of the key suggestions received from participants during the workshop and through feedback form are as follows

- **Extend the coverage of PPP toolkits for other sectors:** Many participants requested that these tools should be customised and extended for other sectors and sub-sectors also such as healthcare, education and other social sector projects.
- **Holding these workshops more often and in more detailed manner:** Many participants found the workshop useful and agreed that the workshop was the need of the hour. Therefore, there was a request to organise similar workshops in future also. Some of the participants felt that more elaborated and in-depth workshops would be highly beneficial which should also include recent case studies or examples, would help in better understanding of these concepts
- **Access to training Video and materials:** Many of the participants indicated that they would like to have access to training workshop video and presentation slides for future reference.
- **Helpline number:** The participants requested for a helpline number that users can access to clarify doubts while using each of the PPP toolkits.
- **Additional Comments:** The participants also suggested few additional topics that can be taken up for discussions through such workshops in future. Some of these include sessions on –
 - Sector specific PPPs with strategies for project structuring and financial feasibility assessments,
 - Fiscal Risk Management, Contract Management and Financial Viability Analysis for PPP projects, etc.

The comments from the participants were welcomed by the DEA and DEA suggested evaluation of the same for future strategies. Also, workshop sessions were well appreciated by

both – physical and online participants and the suggestions received paved for a way forward for DEA in organising similar sessions in future, with diverse themes & topics.

2.4. Vote of Thanks & Suggested Way Forward

The workshop was concluded with Vote of Thanks from Dr. Molishree, Deputy Secretary, Department of Economic Affairs, Ministry of Finance, Government of India. Dr. Molishree acknowledged the active participation and suggestions received during the workshop further highlighting that DEA will continue to organise a pipeline of workshops which could support government institutions in improving their decision making for PPP projects and expect better usage of these toolkits.

DEA is in process of **Revamping of PPP Toolkits and expanding its scope for new sectors** as per the suggestions received during the workshop. The existing toolkits i.e., PPP structuring Toolkit, Contingent liability Toolkit and Post award Contract management Toolkit have some limitations in terms of the sectors and the mode of implementation. To cater these limitations, the toolkits are being revamped as per the latest norms, policy, Acts, Model Concession documents and good industrial practices.

3. Snapshots of the workshop

Following are few glimpses of the workshop:

Figure 7: Welcoming Mr. Baldeo Purushartha, Joint Secretary, (ISD), DEA to the workshop



Figure 8: Welcoming Mr. Shantanu Mitra, Head, Infrastructure and Urban Development, FCDO India



Figure 9: Welcoming participants on the first day of the workshop



Figure 10: A teams window snapshot of the participants



Figure 11: Presentation on PPP structuring toolkit and walkthrough by CRISIL Ltd



Figure 12: Presentation on Contingent liability Management System (CLMS) Toolkit and a walkthrough by PricewaterhouseCoopers Private Limited



Figure 13: Presentation on Post Award Contract Management (PACM) toolkit and walkthrough by Deloitte Touche Tohmatsu India LLP



Figure 14: Stakeholder participation during Q/A session



Appendix A – Participants List

List of Physical participants			
S. No.	Full Name of Participant	Designation	Name of the Organization/Firm
Participants from Department of Economic Affairs			
1.	Mr. Baldeo Purushartha	Joint Secretary	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
2.	Sh. A K Pal	Adviser	IPP Division, Department of Economic Affairs (DEA), Ministry of Finance
3.	Dr. Molishree	Deputy Secretary	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
4.	Sh. Manoj Kumar Madholia	Joint Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
5.	Sh. Sujeet Kumar	Under Secretary	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
6.	Dr. Kartik Agrawal	Deputy Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
7.	Ms. Arya Balan Kumari	Deputy Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
8.	Ms. Kanika Wadhawan	Deputy Director	IPP Division, Department of Economic Affairs (DEA), Ministry of Finance
9.	Ms. Manshi Gupta	Deputy Director	IPP Division, Department of Economic Affairs (DEA), Ministry of Finance
10.	Sh. Rohan Nair	OSD, PIU, ISD	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
11.	Sh. Gaurav Jumrani	Consultant	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
12.	Sh Rajender Singh	Assistant Section Officer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
13.	Sh. Madhav Kumar Jha	Assistant Section Officer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
14.	Ms. Abhilasha Manda	Young Professional	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
15.	Sh. Suman Saurabh	Assistant Section Officer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
16.	Sh. Khurshid Ahmad Rather	Young Professional	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
17.	Sh Shubham Varun	Stenographer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
Participants from FCDO			

List of Physical participants

S. No.	Full Name of Participant	Designation	Name of the Organization/Firm
18.	Mr. Shantanu Mitra	Head- Infrastructure and Urban Development	British High Commission, New Delhi
19.	Ms. Sangeeta Mehta	Sr. Programme Manager	British High Commission, New Delhi
20.	Mr. Shoubhik Ganguly	Sr. Infrastructure Manager	British High Commission, New Delhi
21.	Debaleena Saha Ghatak	Program Officer, Infrastructure and Urban Team	British High Commission, New Delhi
Participants from Ministries/ Departments /Authorities			
22.	Sh. Ravi Prakash	Director (UT-I), UT wing, MoHUA	M/o Housing and Urban Affairs
23.	Sh. Rajat Kumar Gupta	Senior Waste Management Specialist	D/o Water Resources River Development & Ganga Rejuvenation
24.	Sh. Puneet Kumar Mittal,	Senior Joint Commissioner	D/o Water Resources River Development & Ganga Rejuvenation
25.	Sh. Joyanta Chakraborty	Director	M/o Civil Aviation
26.	Sh. Amit Kumar Jha	Under Secretary	M/o Civil Aviation
27.	Sh. Pradeep Kumar	CGM	D/o Telecommunications
28.	Sh. Rupendra Kumar	PGM	D/o Telecommunications
29.	Sh. Amit Pankaj	Under Secretary	M/o Steel
30.	Sh. Sushant Sudan	Deputy Secretary, Highways	M/o Road Transport & Highways
31.	Sh. Subhash Khurana	(GM Fin), NHAI	M/o Road Transport & Highways
32.	Sh. N.P. Shukla	Under Secretary	MNRE
33.	Sh. Anubhav Uppal	Scientist 'C',	MNRE
34.	Sh. L K Trivedi	Deputy Secretary	D/o Expenditure
35.	Mr. Harish Bhakuni	Chief Manager, PFCCL	Ministry of Power
36.	Mr. Sujit Jena,	Sr. Associate	NITI Aayog
37.	Ms. Manpreet Kaur	Young Professional	NITI Aayog
38.	Mr. Mateshwari Prasad Mishra	Director (Storage & Warehouse Expert)	D/o Food & Public Distribution
39.	Mr. Tajinder Singh Bal	Under Secretary (Storage- III)	D/o Food & Public Distribution
40.	Shri Rajiv Ranjan Kumar	Director Infra -II	M/o Railways

List of Physical participants

S. No.	Full Name of Participant	Designation	Name of the Organization/Firm
41.	Shri D.K Mishra	Director/MTP	M/o Railways
42.	Puja Sharma	PPP Expert	Department of Economic Affairs, Ministry of Finance
43.	Imokaba Jamir	Comissioner & Secretary	Planning & Co-ordination Department., Gov. of Nagaland
44.	Nidish Nair	MD-Advisory	PricewaterhouseCoopers Private Limited
45.	Raja V	Independent Consultant	NA
46.	Ankit Verma	Dy. Admin	DoT
47.	Sanjay Kumar	DC	KVS, Ministry of Education
48.	Saurabh Chandra	ASO	DPIIT
49.	Lisapila Aier	Sr.PRO	Tourism Department, Nagaland
50.	Sachin Arora	Manager	Power Finance Corporation Ltd., Ministry of Power
51.	Baldev Rinwa	Asst. Manager	Power Finance Corporation Ltd., Ministry of Power
52.	Dinesh Yadav	ASO	Power Finance Corporation Ltd., Ministry of Power
53.	Sakshi	DM	Power Finance Corporation Ltd., Ministry of Power
54.	Archana	Executive	Power Finance Corporation Ltd., Ministry of Power
55.	Arpit Agarwal	Senior Manager	PricewaterhouseCoopers Private Limited
56.	Aditi Rai	Associate	PricewaterhouseCoopers Private Limited
57.	Amasikha Dey	Manager	PricewaterhouseCoopers Private Limited
58.	Abhishek Singh	Sr. Associate	PricewaterhouseCoopers Private Limited

List of On-line participants

S. No	Full Name	Designation	Department	State/ UT.
1.	Manu Thomas	Assistant Engg.	Public Works Department (PWD)	Andaman & Nicobar
2.	Gopinathan J	Officer In-Charge (Planning)	Shipping	Andaman & Nicobar
3.	Shelam Raju	PPP Expert	Finance Department	Andhra Pradesh
4.	Jay Kumar Das	Executive Engineer	Tech Branch IV	Assam

List of On-line participants

S. No	Full Name	Designation	Department	State/ UT.
5.	Dr Alok Kumar	Joint Secretary (MC)	Road Construction Department	Bihar
6.	Himshikha Sahu	Research Officer	Finance Department	Chhattisgarh
7.	Jaspreet Singh	Manager	PFC Ltd.	Delhi
8.	Mandar Shirodkar	DGM (Law)	Goa Industrial Development Corporation	Goa
9.	Tushar Dessai	Consultant	Dept. of PPP	Goa
10.	Aayushi Shah	Assistant Manager	Gujarat Infrastructure Development Board. (GIDB)	Gujarat
11.	Amit Chavda	Deputy General Manager	Gujarat Infrastructure Development Board. (GIDB)	Gujarat
12.	Kavina Mehta	Assistant Manager	Gujarat Infrastructure Development Board. (GIDB)	Gujarat
13.	Pranab Nanda	Sr. Manager	Gujarat Infrastructure Development Board. (GIDB)	Gujarat
14.	Vaishalli G. Sirohi	Assistant Manager	Gujarat Infrastructure Development Board. (GIDB)	Gujarat
15.	Dr. YPS Berwal	Director Principal	CH.Devi Lal State Institute of Engg. & Tech., (CDLSIET)	Haryana
16.	Sh. Arjun Kadiyan	AD	Higher Education	Haryana
17.	Romit Chugh	Executive Engineer (Roads- I)	Public Works Department (PWD)	Haryana
18.	Dhirendra Khadgata, IAS	Director	Panchayats,	Haryana
19.	Arunika Sharma	Architect	Dharamshala Municipal Corporation	Himachal Pradesh
20.	Pradeep Thakur	Commissioner	Municipal Corporation Dharmashala	Himachal Pradesh
21.	Tarsaim Kumar	Joint Director, Planning	Jal Shakti	Jammu and Kashmir
22.	M. Ishfaq Pakchiwal	Director planning	Housing and Urban Development Department (HUDD)	Jammu and Kashmir
23.	Nissar Mandloo	Deputy Director	Planning Development & Monitoring Department (PD&MD)	Jammu and Kashmir
24.	Subash Chander	I/C Joint Director	Planning Development & Monitoring Department (PD&MD)	Jammu and Kashmir

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26.	Sheikh Shavaiz	I/C Joint Director	Public Works Department (PWD)	Jammu and Kashmir
27.	Rajeev Bushan	Joint Director (P)	Health	Jammu and Kashmir
28.	K R Devika	Executive Engineer	PPP Cell, IDD	Karnataka
29.	Devika K.R.	Executive Engineer	PPP Cell, IDD	Karnataka
30.	Mahantesh Hekarani	DGM, Procurement	KUIDFC	Karnataka
31.	Abhishek Singh Thakur	Planning Tourism	MP Tourism Board	Madhya Pradesh
32.	Bishwachandra Singh	Superintendent Engineer	Public Works Department (PWD)	Manipur
33.	Joseph Jenuo	CFO, Edn(S)	School Education	Manipur
34.	Keisham Biju Singh	Assistant Registrar	Manipur Technical University	Manipur
35.	Khumukcham Davidkumar Singh	Deputy General Manager	MSPCL	Manipur
36.	Md Arif Mujahid Khan	Finance Controller, Samagra Siksha,	School Education	Manipur
37.	N. Sarat Singh	MD	MSPCL	Manipur
38.	Peterson Thounaojam	OSD,	School Education	Manipur
39.	S Ginmuan Ngaihte	Sr. Administrative Officer		Manipur
40.	Wahengbam Meghachandra Singh	DEO	School Education	Manipur
41.	Dabalue Yumlembam	DM (Finance & Accounts)	MSPDCL	Manipur
42.	Anne Laishram	DM (Finance & Accounts)	MSPDCL	Manipur
43.	Mhonlumo Kikon	Exec. Engg.		Nagaland
44.	Shahkup Phom	Exec. Engg.		Nagaland
45.	Bendangtola Walling	Exec. Engg.		Nagaland
46.	T. Nungsangtemjen	Exec. Engg.		Nagaland
47.	Lutho K	Exec. Engg.		Nagaland
48.	Rovinu Kehie	Assistant Urban Development Officer		Nagaland
49.	Krishna Chandra Padhy	Consultant, PPP	Finance Department	Odisha

List of On-line participants

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50.	Krushna Chandra Satapathy	Director, PPP	Finance Department	Odisha
51.	Satyananda Sarangi	Under Secretary	Finance Department	Odisha
52.	Pooja Makkar	AGM (Finance)	PIDB	Punjab
53.	Varsha Rana	AGM (Legal)	PIDB	Punjab
54.	R S BAL	General Manager (P&F)	PIDB	Punjab
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56.	Deva Ram	Executive Engineer	Public Works Department (PWD)	Rajasthan
57.	DHARMENDAR KUMAR	Assistant Engineer	Public Works Department (PWD)	Rajasthan
58.	Dinesh Jangid	Joint Secretary	Tourism	Rajasthan
59.	Dk Meena	Assistant Engg.	Public Works Department (PWD)	Rajasthan
60.	Ekta Jain	Assistant Engineer	Public Works Department (PWD)	Rajasthan
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62.	Rajan Kapoor	Finance Expert	Planning (PPP)	Rajasthan
63.	Rajat Dhankhar	Assistant Engineer	Public Works Department (PWD)	Rajasthan
64.	Suman Achera	Assistant Engineer	Public Works Department (PWD)	Rajasthan
65.	Priya Kavaria	Assistant Engineer	Public Works Department (PWD)	Rajasthan
66.	Dr.T K SREEDEVI, IAS	Finance Secretary	Finance Deptt.	Telangana
67.	K S S V Anjaneyulu	Project Monitoring Officer		Telangana
68.	Arvind Kumar (Jain)	Member(T)	UPSHA, Lucknow	Uttar Pradesh
69.	Mukesh Kumar	General Manager	GPCU, KANPUR	Uttar Pradesh
70.	Akshay Oli	PPP Associate	PPP Cell	Uttarakhand
71.		Superintendent	Rural Development Haryana	Haryana
72.	Amit Negi	JS Exp		
73.	DK Rawat	Add Director		
74.	H Homendro Singh	RO/Plg		
75.	Agha Khan			

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S. No	Full Name	Designation	Department	State/ UT.
76.	Akash Tyagi			
77.	Apurva Verma			
78.	Babita Thangjam			
79.	Bajinder Sharma			
80.	Dinesh kumar			
81.	Dr. Sunil Luthra			
82.	Dr. Yashpaul Singh			
83.	Eenhkiphire			
84.	Jeevan prakash Pandey			
85.	Kalapataru Samantaray			
86.	Kumaraswamy.H			
87.	kynsai kharlukhi			
88.	N KUMAR			
89.	Nivashkar			
90.	Rajat Kumar Gupta			
91.	Rajesh Kumar Jindal			
92.	Ramakrishnan			
93.	Sangeeta Mehta			
94.	Sanjay Johri			
95.	Sanjay kujur			
96.	Shan Mitra			
97.	Sheela premji			
98.	Snehaprava Das			
99.	Sukhvir Yadav			
100.	Vivek Jain			

Appendix B – Presentation on PPP structuring and Value for Money (VFM) toolkit

Presented by-

Ms. Mehali Patel

Director

CRISIL Risk and Infrastructure Solutions Limited

Overview of various PPP toolkits and guidance materials developed for PPP practitioners

Agenda - PPP structuring and Value for Money (VfM) toolkit

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Ms. Mehali Patel
Director
CRISIL Risk and Infrastructure Solutions Limited

Magnolia Hall, India Habitat Centre, New Delhi

24 May 2022

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Today's Sessions

TIMING	SESSION DETAILS
11:00 AM - Noon	Introduction of PPP structuring toolkit
12:15 PM - 01:00 PM	Walkthrough of the PPP structuring toolkit
02:00 PM - 03:30 PM	Overview of Financial Viability Indicator and Value for Money Concept
03:45 PM - 04:45 PM	Walkthrough of the Value for Money Concept Toolkit

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Introduction of PPP structuring toolkit

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Web-based PPP toolkit for infrastructure

<https://www.pppinindia.gov.in/toolkit>

pppinindia.gov.in/toolkit/

Public Private Partnerships IN INDIA
Ministry of Finance, Government of India

PPP TOOLKIT for Improving PPP Decision-Making Processes

Welcome to the online PPP toolkit

The PPP Toolkit is a web-based resource that has been designed to help improve decision-making for infrastructure PPPs in India and to improve the quality of the PPPs that are developed.

The Toolkit is for use by PPP practitioners across India in both the public and private sectors. It has been designed with a focus on helping decision-making by Project Officers at the Central, State and Municipal levels. Other users, including PPP practitioners in the private sectors, will also find the material useful.

A brief [User Guide](#) to the toolkit is available [here](#).

Toolkit sectors

The toolkit covers five infrastructure sectors

- State highways
- Water and sanitation (W&S)
- Ports
- Solid waste management (SWM)
- Urban transport (Bus Rapid Transport Systems)

Enter the Toolkit

Please select a sector before entering the toolkit

Sector Selector

[Go directly to My Tools](#)

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Online PPP Toolkit overview

- Customised for 5 sectors in India:
 - State Highways
 - Water & Sanitation (W&S)
 - Ports
 - Solid Waste Management (SWM)
 - Urban Transport (Bus Rapid Transport Systems)
- For users at Central, State and municipal levels, as well as other PPP practitioners
- User may select the sector using the sector selection option which will customise parts of the toolkit to that particular sector

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Aims of the PPP Toolkit

- Improve PPP decision making processes in India
- Provide a guide to the whole PPP process, from start to finish
- Lift quality of projects entering the PPP pipeline
- Increase the number of PPPs in the pipeline

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Toolkit structure and content

3 main parts to the toolkit :

- **Module 1: PPP Background**
 - General information and explanation about PPPs
- **Module 2: PPP Process**
 - Describes the process of developing a PPP through four Phases
- **Module 3: Tools and resources**
 - 6 decision-making tools
 - Other resources, including case studies

■ Module 1: PPP Background
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources

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Module 1: PPP Background

General information and guidance about PPPs

■ Module 1: PPP Background
■ Introduction
■ Overview of PPP in Infrastructure
■ Overview of PPP in India
■ Risk - a critical focus of PPP design
■ Overview of PPP modal variants
■ PPP supporting environment
■ Overview of the PPP process
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
■ Sitemap

Web-site menu structure and top-level contents for Module 1	
Module1: PPP Background	
Overview of PPP in infrastructure	<ul style="list-style-type: none"> ■ What is PPP in infrastructure? ■ Why use PPP? ■ When should PPP be used? ■ A quick look at PPPs internationally
Overview of PPP in India	<ul style="list-style-type: none"> ■ The need and potential for PPPs in India ■ Framework for PPPs in India ■ Sectoral Overview ■ Links for PPPs in India
Risk – a critical focus of PPP design	<ul style="list-style-type: none"> ■ Major risks in infrastructure PPPs
Overview of PPP modal variants	<ul style="list-style-type: none"> ■ Project characteristics that affect the choice of PPP mode ■ The main PPP modal families ■ Risk allocations under different PPP modes
PPP supporting environment	<ul style="list-style-type: none"> ■ Legal environment and policy support for PPPs ■ Political support for the project ■ Public sector PPP capacity and experience ■ Public sector funding assistance for PPPs ■ Private sector appetite and capacity
Overview of the PPP process	<ul style="list-style-type: none"> ■ PPP Process Map ■ Next step

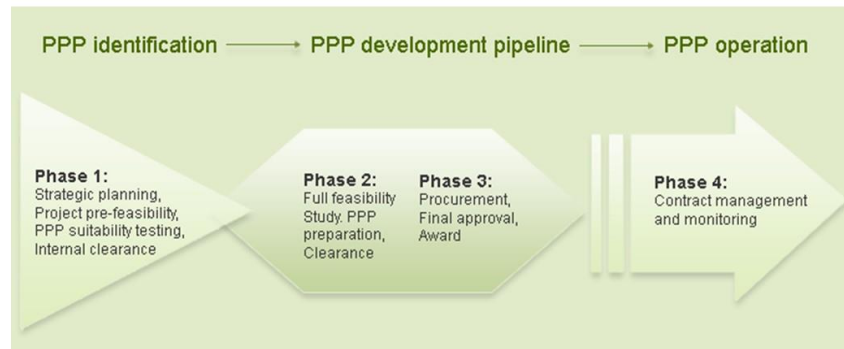
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Module 2: PPP Process

- Module 1: PPP Background
- Module 2: Work through the PPP process
 - Introduction
 - + Analysis and decision making tools
 - + Process Maps
 - + Phase 1 - Identification
 - + Phase 2 - Full feasibility
 - + Phase 3 - Procurement
 - + Phase 4 - Operation
 - + Further guidance on specific topics
- Module 3: Tools and Resources
- Sitemap

A step-by-step guide to the PPP process:

- **Phase 1:** PPP identification
- **Phase 2:** Full feasibility, preparation, clearance
- **Phase 3:** Procurement
- **Phase 4:** Contract management and monitoring



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Module 3: Tools and resources

- Module 1: PPP Background
- Module 2: Work through the PPP process
- Module 3: Tools and Resources
 - Tools
 - PPP Family Indicator
 - PPP Mode Validation Tool
 - PPP Suitability Filter
 - Financial Viability Indicator Model
 - VFM Indicator Tool
 - Readiness Filters
 - + Process Map
 - + Document guides
 - + Case Studies
 - + Abbreviations and Acronyms
 - + Checklists
 - + Links
 - + Toolkit user guide
- Sitemap

Contains the decision-making tools, and other PPP resources:

- The 6 tools
- Process Maps
- Document guides for download
- 15 PPP case studies
- Abbreviations and acronyms
- Process checklists
- Links

6 PPP decision making tools

- Tools 1-5 all sector customised
- Readiness Filter is generic

Tools

Family Indicator New
Start a New Tool >>

Mode Validation Tool New
Start a New Tool >>

Suitability Filter New
Start a New Tool >>

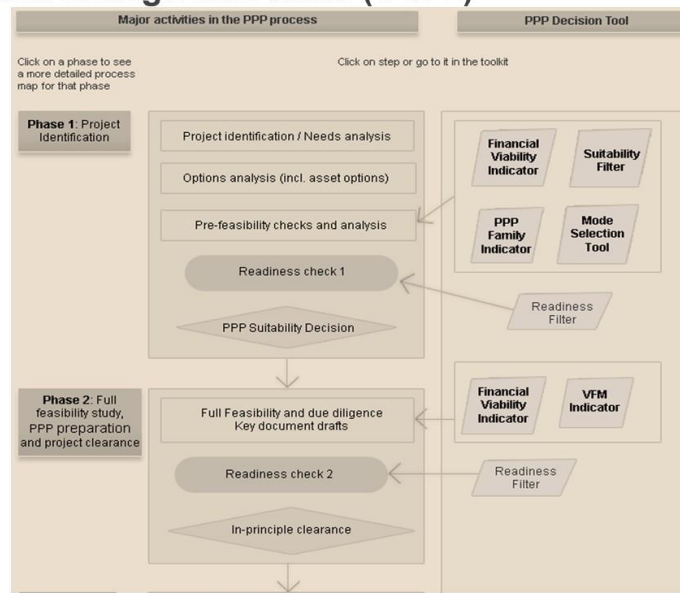
PPP Financial Viability Indicator model
Download File >>

VFM Indicator Tool
Download File >>

Readiness Filters New
Start a New Tool >>

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PPP Process and linkage with tools (1 of 2)



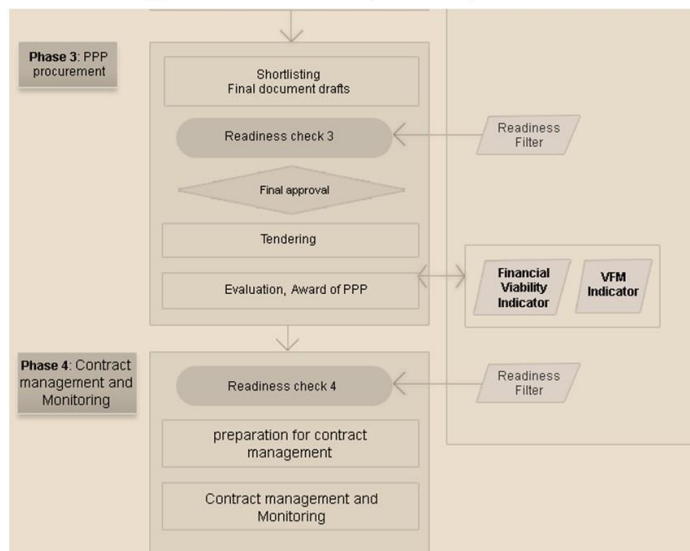
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PPP Process and linkage with tools (2 of 2)



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Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
		Pre-feasibility	Feasibility	Procurement	Operation
PPP Family Indicator	Which type of PPP?	●			
PPP Mode validation	Risk-based check of type	●			
PPP Suitability Filter	How likely is success? Identify challenges	●	●		
Financial Viability Model	Viable for private partners?	●	●	●	
VFM Indicator	Likely VFM public sponsor?	●	●	●	
Readiness filters	Is preparation complete?	●	●	●	●

No / little experience of PPPs ● ● ● ● Experienced with PPPs

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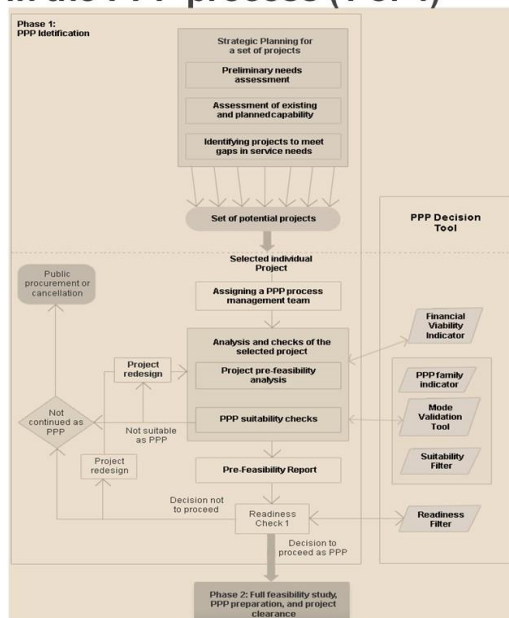
13

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Flow charts showing the 4 phases in the PPP process (1 of 4)

[Process Maps: Information, Navigation](#)

Phase 1: Identification



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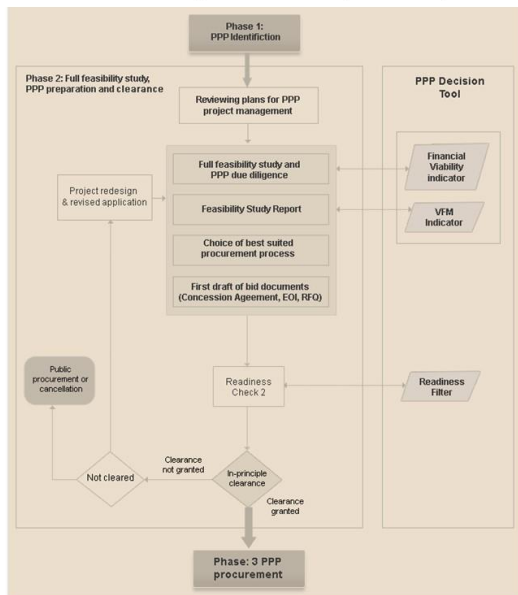
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Flow charts showing the 4 phases in the PPP process (2 of 4)

Process Maps: Information, Navigation

Phase 2: Feasibility and clearance



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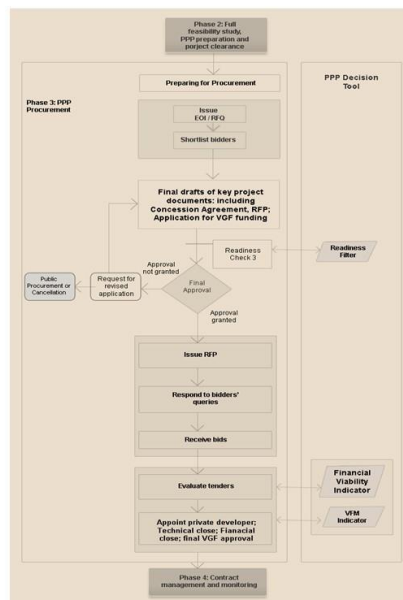
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Flow charts showing the 4 phases in the PPP process (3 of 4)

Process Maps: Information, Navigation

Phase 3: Procurement



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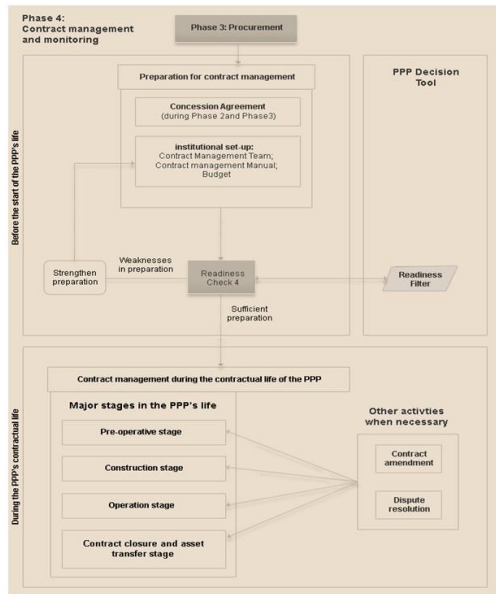
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Flow charts showing the 4 phases in the PPP process (4 of 4)

Process Maps: Information, Navigation

Phase 4: Implementation and monitoring



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Case Studies

■ Module 1: PPP Background

■ Module 2: Work through the PPP process

■ Module 3: Tools and Resources

- Tools

- PPP Family Indicator
- PPP Mode Validation Tool
- PPP Suitability Filter
- Financial Viability Indicator Model
- VFM Indicator Tool
- Readiness Filters

+ Process Map

+ Document guides

+ Case Studies

+ Abbreviations and Acronyms

+ Checklists

+ Links

+ Toolkit user guide

■ Sitemap

• 15 PPP Case Studies

• India experience with PPPs

• Multiple sectors

All available online in the Toolkit

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Walkthrough of the PPP structuring toolkit

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Entering the Toolkit

- Choose a sector and click '**Go**' to enter the toolkit
- Or, click '**Go directly to My Tools**' to see your saved tools

The screenshot shows the PPP Toolkit website at pppinindia.gov.in/toolkit/. The header includes the Government of India logo and the text "Public Private Partnerships IN INDIA" and "PPP TOOLKIT for Improving PPP Decision-Making Processes". Below the header, there are five images representing different infrastructure sectors: State highways, Water and sanitation (W&S), Ports, Solid waste management (SWM), and Urban transport (Bus Rapid Transport Systems). A "Welcome to the online PPP toolkit" message is displayed, followed by a brief description of the toolkit's purpose and a link to the "User Guide". On the right side, there is a "Toolkit sectors" list with five items: State highways, Water and sanitation (W&S), Ports, Solid waste management (SWM), and Urban transport (Bus Rapid Transport Systems). Below this, there is a section titled "Enter the Toolkit" with a "Please select a sector before entering" message. A "Sector Selector" dropdown menu is present, with a "Go" button next to it. A "Go directly to My Tools" link is also visible. Two callout boxes with arrows point to the "Go" button and the "Go directly to My Tools" link, with the text "Choose a Sector and click on Go" and "Or go directly to My Tools *". A footer note states: "* Sign-in needed to access My Tools".

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Navigation Options

Navigation menu

Site Map

'Go to My Tools'

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Register for sign-in

- You must register to use the tools
- This allows you to save your work on the online toolkit

Sign In
Please Sign In to access My Tools

Username

Password **Submit**

[Forgot Password?](#)

New to this website? **Register Here**

- Click **'Register Here'** and follow the instructions

Public Private Partnerships IN INDIA
Ministry of Finance, Government of India

PPP TOOLKIT for Improving PPP Decision-Making Processes

Sector: State Highway | Module 2: Work through the PPP process

Navigation menu

Module 1: PPP Background

Module 2: Work through the PPP process

Module 3: Tools and Resources

Site Map

If you are new to this toolkit section

START HERE

STEP 1. Your Details

Name

Email

Department

Organisation

City

Username

Password

Re-type Password

Word Verification **500E4G**

NEXT >>

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My Tools

- The 'My Tools' page is the control panel for your tools
- Shows all saved tools
- Allows access / add / upload / delete

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Ministry of Finance, Government of India

PPP TOOLKIT for Improving PPP Decision-Making Processes
You are logged in as Sachin | View Profile | Change Password | 590004

My Tools ✖ Sector Selector

Sector	Project Name	Family Indicator	Mode Validation Tool	Suitability Filter	Financial Viability Indicator	VFM Tool	Readiness Filter
Currently you have no saved projects. Please start by creating a new project below.							

Add new project ➤

Add new project

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Creation of New Project

- Select the Sector
- Define the Project Name
- Click on 'START'

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Ministry of Finance, Government of India

Please create a new project

Select your Sector
State Highways

Project Name
Vivek Highway

START ➤


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Project listed in My Tools


**Public Private Partnerships
IN INDIA**
Ministry of Finance, Government of India


**PPP TOOLKIT for Improving PPP
Decision-Making Processes**
You are logged in as **Sachin** | [View Profile](#) | [Change Password](#) | [Signout](#)

My Tools

Sector Selector

Sector	Project Name	Family Indicator	Mode Validation Tool	Suitability Filter	Financial Viability Indicator	VFM Tool	Readiness Filter
State Highways <small>(click - Background & Process)</small>	Highway	Not Started <small>[click to start]</small>	Not Started <small>[click to start]</small>	Not Started <small>[click to start]</small>	 click here to download <small>[click here to upload your updated version]</small>	 click here to download <small>[click here to upload your updated version]</small>	Not Started <small>[click to start]</small>

Add new project >>

Start filling the section-wise details















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Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
		Pre-feasibility	Feasibility	Procurement	Operation
PPP Family Indicator	Which type of PPP?				
PPP Mode validation	Risk-based check of type				
PPP Suitability Filter	How likely is success? Identify challenges				
Financial Viability Model	Viable for private partners?				
VFM Indicator	Likely VFM public sponsor?				
Readiness filters	Is preparation complete?				

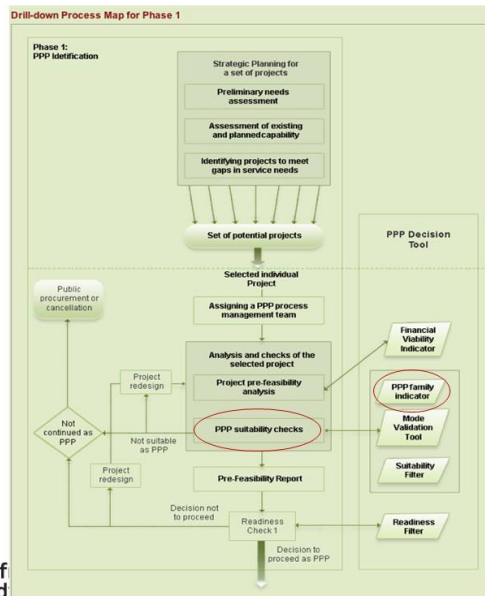
No / little experience of PPPs




Experienced with PPPs

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PPP Family Indicator tool



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PPP 'Families'

■ Module 1: PPP Background
+ Introduction
+ Overview of PPP in infrastructure
+ Overview of PPP in India
+ Risk - a critical focus of PPP design
- Overview of PPP modal variants
- Project characteristics that affect the choice of PPP mode
- The main PPP modal families
- Risk allocations under different PPP modes
+ PPP supporting environment
+ Overview of the PPP process
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
■ Sitemap

- Many different PPP contract types, or 'modes'
- Similar PPP modes can be grouped into PPP families
- Four main 'families' of PPPs:
 - Management contracts
 - Lease contracts
 - Concessions
 - Build-operate-transfer (BOTs), and variants
- Which family depends on PPP project design

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Family Indicator - Results

- Module 1: PPP Background
- Module 2: Work through the PPP process
- Module 3: Tools and Resources
 - Tools
 - PPP Suitability Filter
 - PPP Family Indicator
 - PPP Mode Validation Tool
 - Financial Viability Indicator Model
 - VFM Indicator Tool
 - Readiness Filters
 - Process guides and checks
 - Document guides
 - Case Studies
 - Abbreviations and Acronyms
 - Checklists
 - Links
- Sitemap

- Structured as an interactive 'decision tree'
- User answers **key questions** about the planned PPP project
- Answers are used to **indicate** typical PPP family

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Family Indicator (1 of 2)

- Select the applicable options and click on **"SAVE"** to save the work.
- Click on **"FINISH"** to lock the inputs when all the questions have been answered.

Output of each option shown on next slide

Inputs: Critical PPP design questions

- Does the project have a capital expenditure focus?
Capex-focused project (includes opex also) | Operations and maintenance-focused project | Capex-focused project (includes opex also)
- Would the private operator be responsible for both construction of assets and operating the project during its lifetime?
Yes, the project is combined construction and operation | No, the project is only for construction
- Would assets under the proposed PPP be 'greenfield' (newly-built) or 'brownfield' (additions to existing roads)?
Brownfield assets | Greenfield assets
- Who would be responsible for design?
Private sector | Private sector design
- All road projects will have public ownership.
Public ownership | Public ownership
- For Capex roads PPPs the main finance source will be private sector.
Private sector finance (more than 50% of new capex) | Private sector finance (more than 50% of new capex)
- What will the primary revenue source be for the private sector?
Annuity (unitary charge) | Toll from users (User charge) | Shadow toll (paid by public sector)

Results: Indicative PPP family

Indicative roles for the private sector: Finance, construct, manage, maintain, transfer

Suggested PPP "family": BOT annuity

SAVE | **FINISH** | PRINT this tool

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Family Indicator (2 of 2)

- Based on the inputs provided, the Family Indicator will suggest the PPP family under which the project shall fall.

Select the applicable option

7. What will the primary revenue source be For the private sector

Results: Indicative PPP family

Indicative roles for the private sector:

Suggested PPP "family":

7. What will the primary revenue source be For the private sector

Results: Indicative PPP family

Indicative roles for the private sector:

Suggested PPP "family":

7. What will the primary revenue source be For the private sector

Results: Indicative PPP family

Indicative roles for the private sector:

Suggested PPP "family":

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Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
		Pre-feasibility	Feasibility	Procurement	Operation
PPP Family Indicator	Which type of PPP?	●			
PPP Mode validation	Risk-based check of type	●			
PPP Suitability Filter	How likely is success? Identify challenges	●	●		
Financial Viability Model	Viable for private partners?	●	●	●	
VFM Indicator	Likely VFM public sponsor?	●	●	●	
Readiness filters	Is preparation complete?	●	●	●	●

No / little experience of PPPs ● ● ● ● Experienced with PPPs

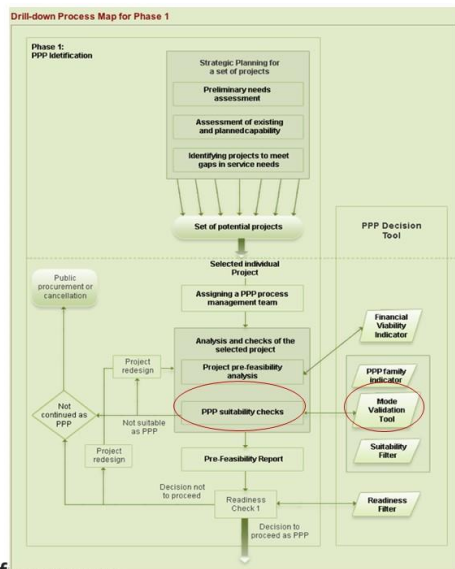
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PPP Mode Validation tool



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- **Purpose:** **Risk-based assessment** to help check the proposed PPP mode against typical modes for similar types of projects
- Customised for each sector
- When to use this tool?
 - Project Identification Phase of the PPP process
 - During PPP suitability checks
- Not a substitute for detailed PPP mode design

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Risk based assessment

Preferred Allocation (Step 2)	Allocation under BOT (with fixed payment)
Public Sector	Public Sector
Private Sector	Public Sector
Shared	Private Sector

- 5 major risk categories for PPPs:
 - Pre-operative phase risks
 - Construction phase risks
 - Operations phase risk
 - Handover risk events
 - Other risks
- Risk can be allocated to:
 - Public sector
 - Private Sector
 - or Shared
- Mode types particularly sensitive to **Volume risk** and **Payment risk** (in operation phase)

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PPP Mode Validation Tool

- **Step 1:** Select preferred PPP mode
- **Step 2:** Select preferred allocation for each major risk
- **Step 3:** Identify best mode by comparing with typical allocation

Select the applicable option from the dropdown and thereafter, the subsequent options.

Mode Validation Tool - Risk-based assessment Go to My Tool

How to use the Mode Validation Tool?

Step 1: Use the PPP mode selection menu to show allocations under different modes. [Click here](#) to learn more about different PPP modes.

Step 2: Select the preferred allocation for each risk using the drop-down menus (A description of each risk type is available by clicking on the risk)

Step 3: Identify the best mode by comparing with the preferred allocation

Preferred PPP mode for comparison (Step 1)

BoT Toll

BoT Toll
BoT Annuity
BOT Shadow Toll
Performance-Based Maintenance Contracts

Yellow indicates allocation does not match
Green indicates matching allocation

Risk Type	Sensitivity	Relevance during the concession	Preferred Allocation (Step 2)	Typical allocation under BoT Toll
A. PRE OPERATIVE TASK RISKS				
A.1 Delays in land acquisition	High	0-5 years	Public Sector	Public Sector
A.2 External linkages	Low	0-5 years	Public Sector	Public Sector
A.3 Financing risks	Medium	0-5 years	Private Sector	Private Sector
A.4 Planning	Medium	0-5 years	Private Sector	Private Sector
A.5 Approvals	High	0-5 years	Public Sector	Public Sector
B. CONSTRUCTION PHASE RISKS				
B.1 Design Risk	Medium	0-5 years	Private Sector	Private Sector
B.2 Construction Risk	Medium	0-5 years	Private Sector	Private Sector
B.3 Approvals	Low	0-5 years	Private Sector	Private Sector
C. OPERATIONS PHASE RISKS				
C.1 Technology Risk	Low	Throughout	Private Sector	Private Sector

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PPP Mode Validation tool

- Module 1: PPP Background
- Module 2: Work through the PPP process
- Module 3: Tools and Resources
 - Tools
 - PPP Suitability Filter
 - PPP Family Indicator
 - **PPP Mode Validation Tool**
 - Financial Viability Indicator Model
 - VFM Indicator Tool
 - Readiness Filters
 - + Process guides and checks
 - + Document guides
 - + Case Studies
 - + Abbreviations and Acronyms
 - + Checklists
 - + Links
- Sitemap

- Outcomes and take-aways:
- Deepened thinking about major risks
- Deepened thinking about risk allocations between public and private sector
- Review of typical risk allocations in PPP modes
- Check (validation) of proposed PPP mode against common modes

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Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
		Pre-feasibility	Feasibility	Procurement	Operation
PPP Family Indicator	Which type of PPP?	●			
PPP Mode validation	Risk-based check of type	●			
PPP Suitability Filter	How likely is success? Identify challenges	●	●		
Financial Viability Model	Viable for private partners?	●	●	●	
VFM Indicator	Likely VFM public sponsor?	●	●	●	
Readiness filters	Is preparation complete?	●	●	●	●

No / little experience of PPPs ● ● ● ● Experienced with PPPs

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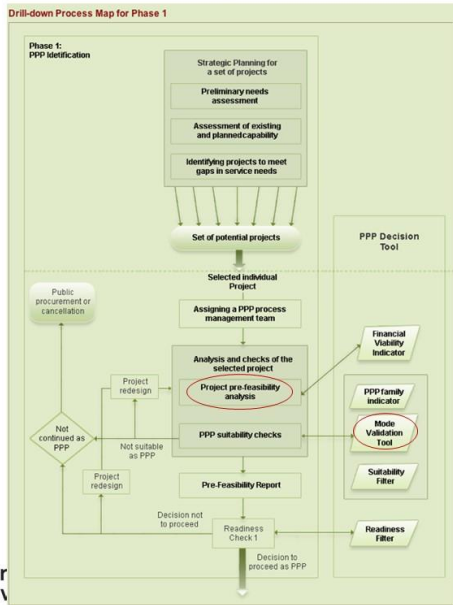
PPP Suitability Filter - Qualitative VFM check

■ Module 1: PPP Background
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
- Tools
- PPP Suitability Filter
- PPP Family Indicator
- PPP Mode Validation Tool
- Financial Viability Indicator Model
- VFM Indicator Tool
- Readiness Filters
+ Process guides and checks
+ Document guides
+ Case Studies
+ Abbreviations and Acronyms
+ Checklists
+ Links
■ Sitemap

- Suitability Filter is a **Qualitative** check of:
 - Likelihood of achieving Value For Money (VFM)
 - Likelihood of project succeeding as a PPP
- Value for money (VFM) means the public sector is financially better off if the project is done as a PPP rather than if it is done as a traditional public sector project.

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PPP Suitability Filter



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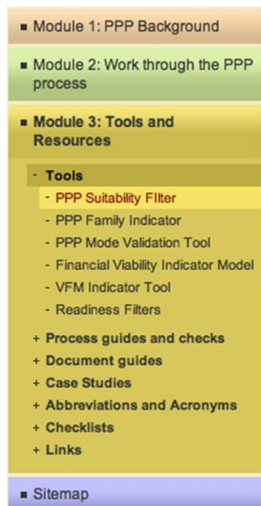
- Purpose:
 - Determine suitability for PPP in terms of ability to deliver VFM
 - Help prioritise projects that are most likely to be successful PPPs
 - Identify weaknesses that can and should be improved
 - Identify projects that should not be PPPs, reduce wasted resources: Only suitable projects enter PPP pipeline
- Customised for each sector
- When to use this tool?
 - Project Identification Phase of the PPP process

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Using the Suitability Filter



- **5 major issues** related to suitability:
 - How supportive is public sector environment?
 - How supportive is private sector environment?
 - What are potential barriers to PPP?
 - Are characteristics of the project itself suited to PPP?
 - How do other factors impact PPP suitability?
- Filter contains a **series of questions** about each issue

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Suitability Filter

- Answers to questions are scored
- Result shown on **Suitability Indicator**
- **'Very Attractive'** or **'Very Difficult'**
 - Give clear result for or against
- **'Difficult'**
 - Probably not suitable as a PPP
- **'Possible'**
 - Could be suitable, need to address problems first
- **'Attractive'**
 - Probably suitable

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Other Features

- Pop-ups give information for each question:
 - Explanatory notes
 - Risks and example consequences
 - Mitigation options
- Weights on questions can be rebalanced – must have good reasons for changes
- Questions can be skipped – but best not to skip them, result will be weakened

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Suitability filter

■ Module 1: PPP Background
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
- Tools
- PPP Suitability Filter
- PPP Family Indicator
- PPP Mode Validation Tool
- Financial Viability Indicator Model
- VFM Indicator Tool
- Readiness Filters
+ Process guides and checks
+ Document guides
+ Case Studies
+ Abbreviations and Acronyms
+ Checklists
+ Links
■ Sitemap

- Outcomes from using this tool:
 - Qualitative assessment of ability of project to deliver VFM
 - Project has been tested for likelihood of success as a PPP
 - Identified weaknesses that can and should be improved
 - Identified if project should not be a PPP = reduce wasted resources
- If the project is not suitable it should not enter PPP pipeline

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Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
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Readiness filters	Is preparation complete?	●	●	●	●

No / little experience of PPPs ● ● ● ● Experienced with PPPs

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Readiness Filters

Module 1: PPP Background

Module 2: Work through the PPP process

Module 3: Tools and Resources

Tools

Readiness Filters

Instructions

Readiness Check 1: Internal Quality Review

Purpose and Timing

Readiness Filter for RC1

Readiness Check 2: Project Feasibility

Readiness Check 3: Procurement Readiness

Readiness Check 4: Readiness for contract management and monitoring

A1 Financial Viability and Ratio Analysis

- **Purpose:** Monitor and uphold quality of PPP project preparation
- Used to test preparedness at major steps in the PPP process
- Online checklists and questionnaires
- Focus on major requirements for PPP preparation

Readiness Filters

Module 1: PPP Background

Module 2: Work through the PPP process

Module 3: Tools and Resources

Tools

Readiness Filters

Instructions

Readiness Check 1: Internal Quality Review

Purpose and Timing

Readiness Filter for RC1

Readiness Check 2: Project Feasibility

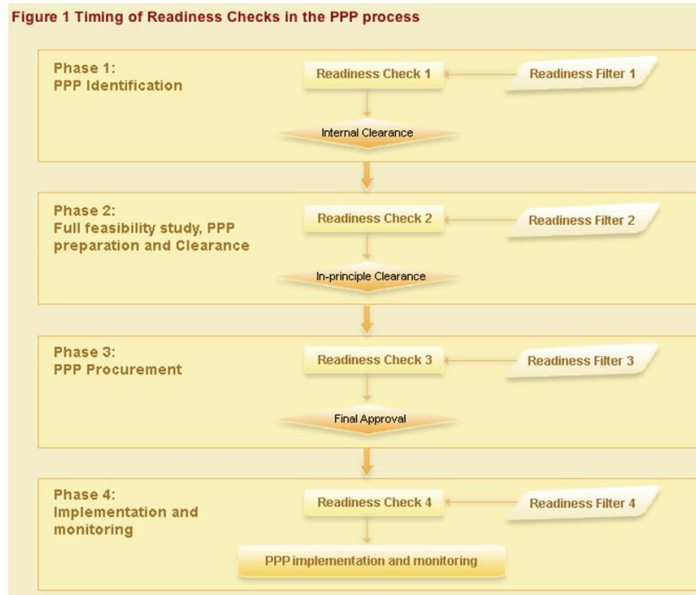
Readiness Check 3: Procurement Readiness

Readiness Check 4: Readiness for contract management and monitoring

A1 Financial Viability and Ratio Analysis

- Readiness Filters check for readiness of project preparation
- Use during **4 Readiness Checks**
- **Note:** Suitability Filter checks for suitability of project as a PPP

Timing of the readiness checks



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Four Readiness Checks

1: To get internal clearance

- Project suitability for PPP

2: Before In-principle Clearance

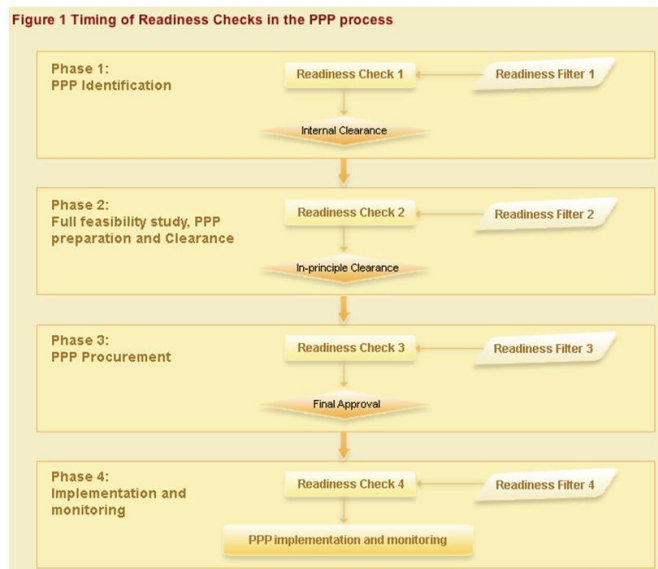
- Project feasibility

3: Before Final Approval

- Procurement readiness

4: At start of contractual period (After contract signing)

- Implementation and Monitoring Readiness



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How to use the Filters

- An Expert Group should be formed by the Sponsor
 - Small group of senior people
 - Must have authority to review
- Project Officer answers questions
- Supporting evidence is required
 - Eg, Suitability Filter results
 - Eg, Financial analysis results
 - Eg, Feasibility study
 - Examples are given in the Filters

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49

Checklist 1: Project design, need and justification

See the section on [How to use the Readiness Filters](#) for an explanation of how to answer the questions in this checklist.

Q1: Is there a clear and demonstrated need for the project?

Is the project documentation complete? ☐ Complete ☐ Partially Complete ☐ Not Provided ☒ Readiness assessment: Strong readiness

Explanatory notes (to be completed by Expert Group)

Examples of supporting evidence

- Results of preliminary needs assessment, including description of the changes in demand, supply, obligations or other needs that justify the project
- Explanation of how the project will meet these needs

Q2: Is the project consistent with the objectives and scope of the Sponsoring Authority?

Is the project documentation complete? ☐ Complete ☐ Partially Complete ☐ Not Provided ☒ Readiness assessment: Weak readiness

Explanatory notes (to be completed by Expert Group)

Examples of supporting evidence

- Explanation of how the project fits with and furthers the objectives of the Sponsoring Authority

Q3: Is the project consistent with wider government objectives, policies and programmes?

Is the project documentation complete? ☐ Complete ☐ Partially Complete ☐ Not Provided ☒ Readiness assessment: Not Applicable

Explanatory notes (to be completed by Expert Group)

Examples of supporting evidence

- Description of government objectives, policies and programmes in the sector
- Explanation of how the project furthers these

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How to use the Filters ...

- Expert Group assesses answers
 - Identify and highlight things to be improved
 - May request improvements if not project not yet ready
- Expert Group and Project Officer meet
- Project allowed to proceed if ready

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Checklist 1: Compliance with submission requirements


This checklist is taken from the requirements for submission for in-principle clearance by the Centre-level PPP Appraisal Committee. Requirements for approval by other Centre-level committees or at State-level may be different. It is in two parts.

For each identified item, the Expert Group should identify whether this is included in the project documentation provided, not included, or not applicable in this case.

DOCUMENTATION CHECK-LIST				
S.No.	Item	Provided	Not provided	Not applicable
1 General				
1.1	Name of the Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.2	Type of PPP (BOT, BOOT, BOLT, OMT etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.3	Location (State/District/Town)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.4	Administrative Ministry/Department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.5	Name of Sponsoring Authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1.6	Name of the Implementing Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Project Description				
2.1	Brief description of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2	Justification for the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3	Possible alternatives, if any	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.4	Estimated capital costs with break-up under major heads of expenditure. Also indicate the basis of cost estimated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.5	Phasing of investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.6	Project Implementation Schedule (PIS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


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My Tools section after saving the 4 validation tools



Public Private Partnerships
IN INDIA

Ministry of Finance, Government of India





India
INFRASTRUCTURE






Building for growth

PPP TOOLKIT for Improving PPP
Decision-Making Processes

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My Tools 

Sector Selector 

Sector	Project Name	Family Indicator	Mode Validation Tool	Suitability Filter	Financial Viability Indicator 	VFM Tool 	Readiness Filter	
State Highways <small>(click - Background & Process)</small>	Highway	Completed <small>[Thu, 19th May 2022, 7:40 am]</small>	Completed <small>[Thu, 19th May 2022, 9:05 am]</small>	Completed <small>[Thu, 19th May 2022, 9:05 am]</small>	 click here to download <small>[click here to upload your updated version]</small>	 click here to download <small>[click here to upload your updated version]</small>	Not Finished <small>[Thu, 19th May 2022, 12:10 pm]</small>	

Completed

Completed options selection

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Financial Viability Indicator

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50

Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
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Readiness filters	Is preparation complete?	●	●	●	●


No / little experience of PPPs ● ● ● ● Experienced with PPPs

Financial Viability Model


■ Module 1: PPP Background
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
- Tools
- PPP Suitability Filter
- PPP Family Indicator
- PPP Mode Validation Tool
- Financial Viability Indicator Model
- VFM Indicator Tool
- Readiness Filters
+ Process guides and checks
+ Document guides
+ Case Studies
+ Abbreviations and Acronyms
+ Checklists
+ Links
■ Sitemap

- A **Quantitative viability** check
- Customised for each sector
- Downloadable Excel file
- **Purpose:**
 - Test if proposed PPP is viable for private partner
 - Test user charge levels
 - Estimate level of public financial support needed
 - Test 'what-if?' scenarios of financial design

My Tools section





**Public Private Partnerships
IN INDIA**
 Ministry of Finance, Government of India



**PPP TOOLKIT for Improving PPP
Decision-Making Processes**
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My Tools

Sector Selector

Sector	Project Name	Family Indicator	Mode Validation Tool	Suitability Filter	Financial Viability Indicator	VFM Tool	Readiness Filter
State Highways (click - Background & Process)	Highway	Completed [Thu, 19th May 2022, 7:40 am]	Completed [Thu, 19th May 2022, 9:05 am]	Completed [Thu, 19th May 2022, 9:05 am]	 click here to download [click here to upload your updated version]	 click here to download [click here to upload your updated version]	Not Finished [Thu, 19th May 2022, 12:10 pm]

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Financial Viability Indicator
Excel File

Financial Viability Model

■ Module 1: PPP Background

■ Module 2: Work through the PPP process

■ Module 3: Tools and Resources

- Tools

- PPP Suitability Filter
- PPP Family Indicator
- PPP Mode Validation Tool
- **Financial Viability Indicator Model**
- VFM Indicator Tool
- Readiness Filters

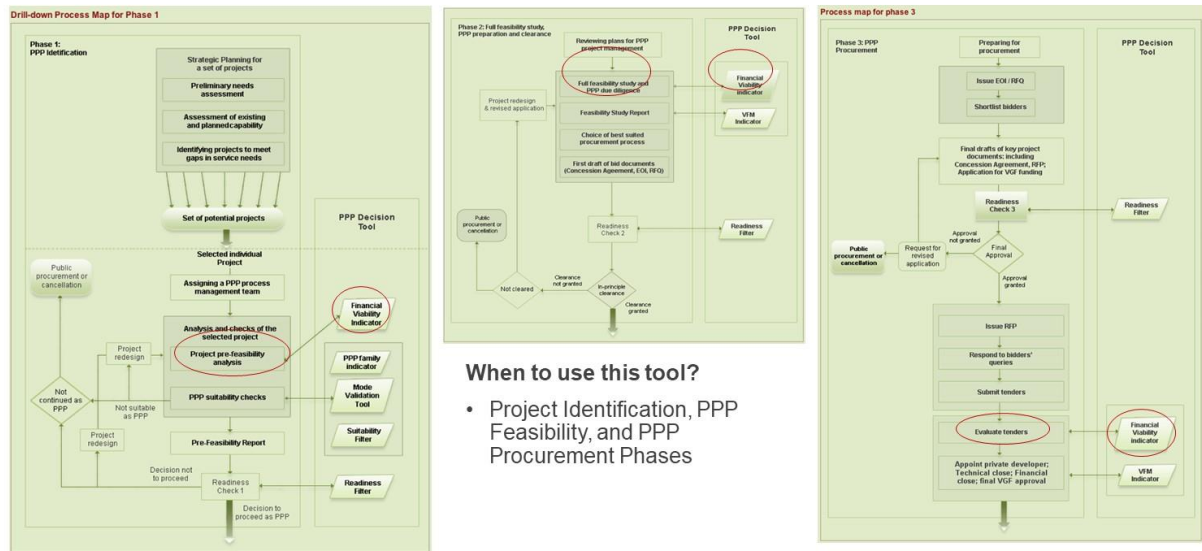
+ Process guides and checks
 + Document guides
 + Case Studies
 + Abbreviations and Acronyms
 + Checklists
 + Links

■ Sitemap

- Models are designed to be flexible
 - Can handle different PPP modes
- Intended as simplified analysis
- More detailed financial model should be developed at Feasibility stage

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Financial Viability Model

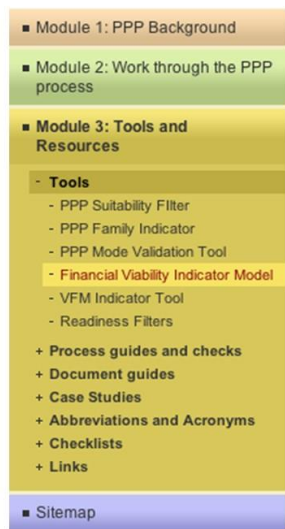


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Using the Model



- Getting started
 - Must 'Enable Macros'
 - Help is provided in pop-up boxes
 - User guide also provided
 - Rupee symbol - Download Rupee symbol font
- Results are **exported** to the **VFM Indicator tool**

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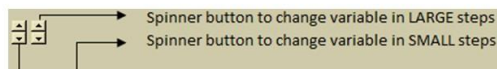
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Using the Model

- Data entry options
 - Enter numbers directly:

Revenue options and outcomes		
Project phases:		Initial 2013
User charges (tolls)		
Car/Jeep	₹ per veh per km	0.86
LCV / Mini-bus	₹ per veh per km	1.38
Bus	₹ per veh per km	2.89
Trucks (2 axle)	₹ per veh per km	2.89
Multi-axle vehicle	₹ per veh per km	4.54

- Use spinners:



Colour coded cells:

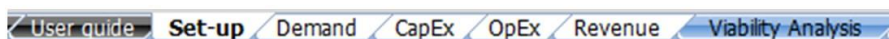
Cell value	= PPP variables, USER DEFINED. Enter data in the blue cells, or use the spinners to change the cell value. These are aspects of the project which can be varied to test viability.
Cell value	PPP Parameters, USER DEFINED. These are aspects of the project or economy 'what-if?' testing. The user should change these infrequently.
Cell value	Calculation cell. NOT USER DEFINED.
Cell value	Results cell. These cells show results for important parts of the model.

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Structure of the Model

- All models based on same structure
- Main sheets are:
 - User-guide
 - Set-up
 - Demand
 - Capex
 - Opex
 - Revenue
 - Viability Analysis – **main output sheet**
 - Other summary info and output sheets

Input sheets



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Process of analysis

1. **Set-up** the analysis
 - Move through the input sheets 1-by-1
 - Enter the data that describe the project
2. Review the **results**
 - Essential outputs are on Viability Analysis sheet
 - These outputs indicate viability
3. Conduct '**what-if**' analysis
 - Change crucial inputs
 - Eg, revenues, grant funding
 - Check impact on viability results

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Setting up the analysis

- Enter data into the cells as indicated
 - Blue cells, brown cells
- Key project information is grouped in each input sheet:

User guide | **Set-up** | Demand | CapEx | OpEx | Revenue | Viability Analysis

- **Set-up**: general details (eg, inflation)
- **Demand**: expected usage (eg, traffic, volume etc)
- **Capex**: planned capital investment and structure
- **Opex**: expected operating expenses
- **Revenue**: usage fees, annuity payments, etc

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6 PPP viability analysis **Capex project with greenfield assets and User-charges (KfL). Expressed in nominal terms.**

Warning: some data may not have been entered. Please check the flags at bottom of this sheet and then check the data inputs.

Cover User guide Set-up Demand CapEx OpEx Viability Analysis Cash Flow Income Statement Balance Sheet Results Export

- Summarised on **Viability Analysis** sheet
- Viability measured by:
 - **NPV**
 - (should be positive)
 - **IRR**
 - (should be > investor's requirement)
 - And other financial measures
 - Debt service coverage
 - Loan life cover
 - Net profit margin
- Other outputs also provided
 - Summary financial statements

[illegible]

Use model to test different project designs

- 1. Change key inputs**
 - Eg, revenue levels, grant funding, concession length, etc
- 2. Go back to Viability Analysis sheet and see what the impact is**
- 3. Try different combinations until:**
 - Viable option is found that meets project objectives
 - Or, it becomes clear that project is not viable - needs redesign or be dropped

Overview of Value for Money Concept

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What is Value for Money (VFM)?

- VFM is used as procurement decision i.e. What is the best mode for project implementation? (Public procurement or PPP)
- Typically involves (a) qualitative analysis and (b) comparison of life cycle costs for the public sector if the project is implemented on PPP vis-à-vis Traditional procurement (quantitative analysis). VFM is achieved if:
 - **Project structure includes value drivers to bring in private sector efficiency; and**
 - **Lifecycle cost of project delivery by private party is lower than that of the public sector**



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VFM and Affordability – Not the same!!

- VFM and affordability are sometimes confused as concepts. This can arise because the approach to making a quantitative VFM assessment has strong similarities to that for an affordability assessment.
- However, each approach has a different output:
 - VFM assessment seeks to determine whether a project should proceed as a PPP; while
 - An affordability assessment seeks to determine whether the project is affordable for the public authority or end-users and can eventually be paid for. If it is a PPP project, it determines whether the project could be procured as a PPP.
- In a nutshell, the VFM supports the procurement decision while affordability validates the investment decision

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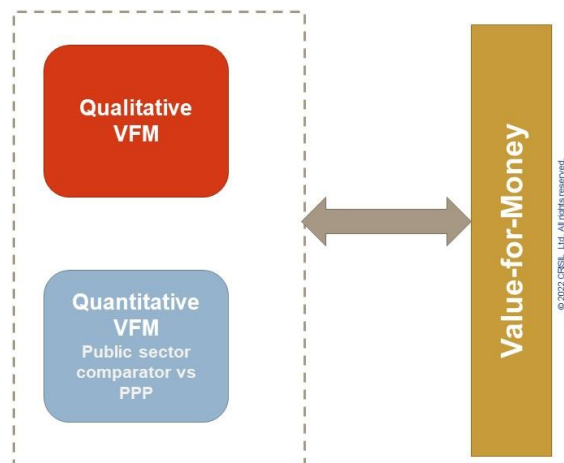
What is VFM used for?

- As an 'awareness-raiser' – VFM assessment may be used as a means by which PPPs may be justified on an objective basis and introduced as a competing approach to the conventional procurement option.
- As a 'gate-keeper' – VFM assessment to serve as a decision making criteria for identifying the procurement option.
- As a 'negotiation tool'/ 'bid sanity check' – VFM assessment serves as a guidance for negotiating the bid/ evaluating the bid to ensure that the procurement option delivers value for money. This may be applied during the tendering process or after receipt of the bids, as the case may be.
- The requirement to use VFM assessment differs between countries. In some countries, a VFM assessment is mandatory by law in order for a PPP scheme to be undertaken (for example the *évaluation préalable* - Preliminary Assessment - in France). In others, a VFM assessment is carried out on a more voluntary basis (e.g. *in the Netherlands where no formal obligation for VFM assessment exists*).

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Stages in VFM analysis

- VFM analysis compares the relative merits of PPP procurement as against traditional public finance. This can be done using quantitative analysis, qualitative analysis, or both.
- Qualitative assessment – Checking the rationale for using PPP by asking whether a project is likely to be suitable for private financing. Qualitative VFM subjectively tests if objectives, service need, & proposed project structure are likely to allow private party to access value drivers to deliver better efficiency to the government agency.
- Quantitative VFM is undertaken through Public Sector Comparator. Comparison of the cost for public sector in case of PPP against the cost of traditional delivery through public procurement.

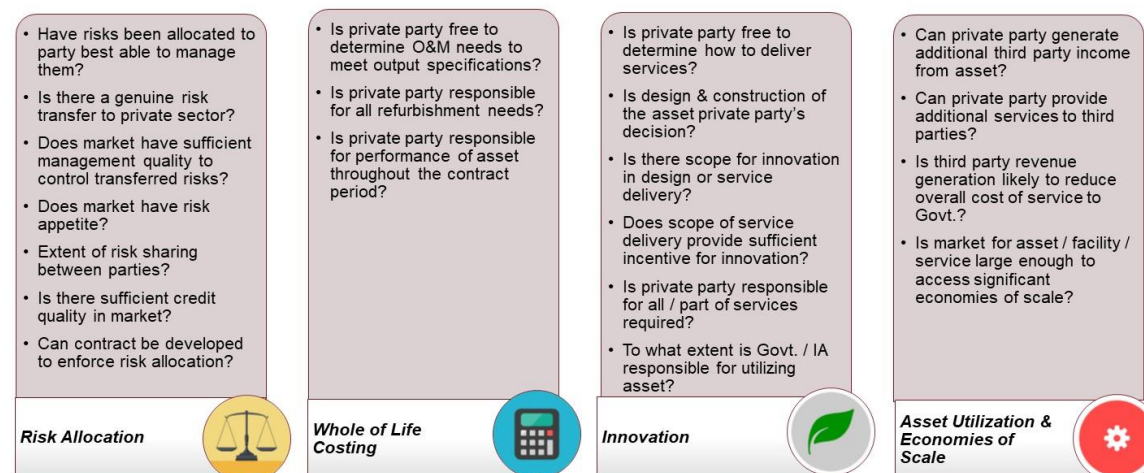


Qualitative VFM

- Purpose - to subjectively test whether objectives, service requirement and proposed project structure are likely to provide the *private* party with sufficient scope to access the value drivers.
- Value drivers are opportunities available for the private sector to deliver better efficiency to the government agency. The key elements include:



Qualitative VFM – Key enquiries



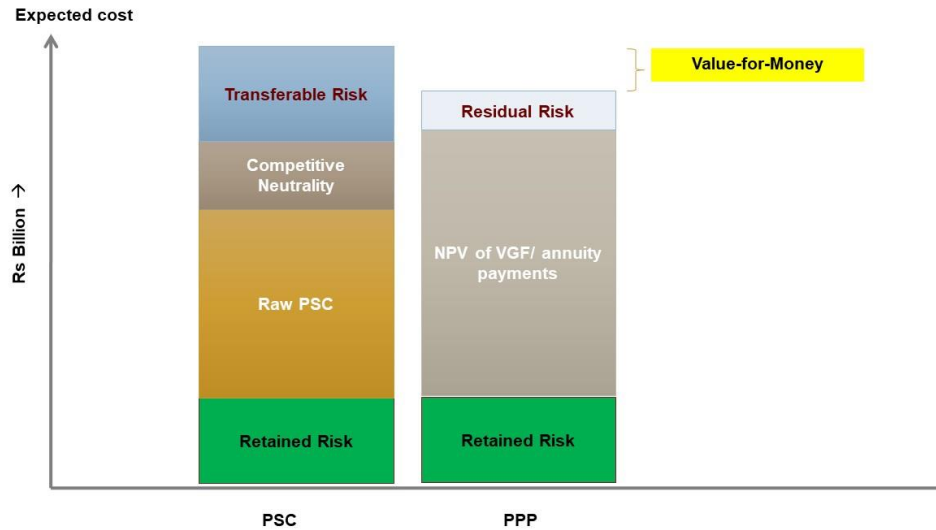
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Quantitative VFM

- Typically undertaken using a process to compute the cost of public procurement known as 'Public Sector Comparator' or PSC
- The PSC assessment computes the actual cost of public procurement i.e. actual costs including cost overruns, delays etc. for the entire life of the project.
- Thereafter, the net present value (NPV) of the traditional public sector comparator (PSC) is compared with the cost of procuring the same service through PPP.
- The delivery option having lower NPV is deemed to offer better value for money when compared to the alternative.
- VFM for PPP exists if PSC is greater than the cost of PPP
- Used commonly in the UK, the Netherlands, Australia and Canada, where systems are in place to track cost of public procurement in detail.

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Quantitative VFM



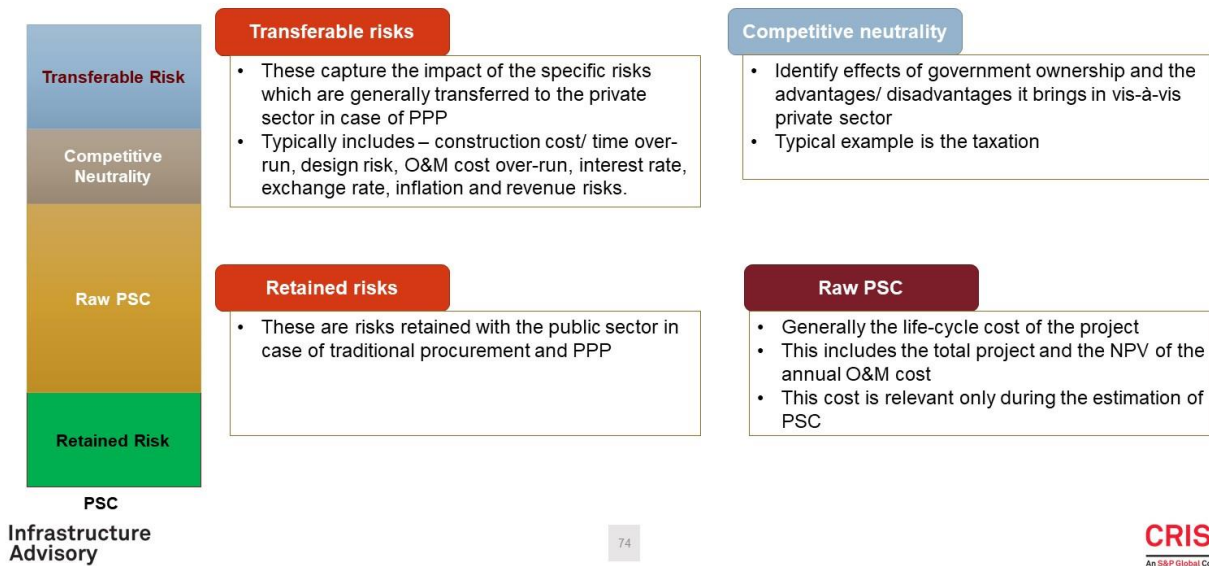
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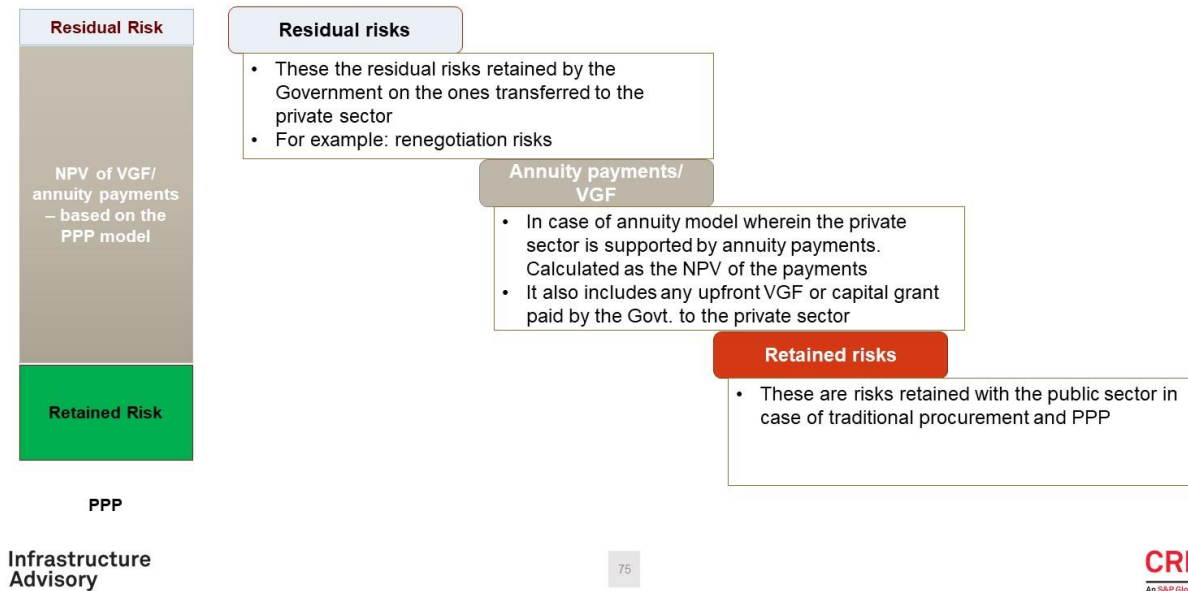
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Elements of Quantitative VFM – PSC



Elements of Quantitative VFM – PPP



Walkthrough of the Value for Money Toolkit

Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?			
		Pre-feasibility	Feasibility	Procurement	Operation
PPP Family Indicator	Which type of PPP?	●			
PPP Mode validation	Risk-based check of type	●			
PPP Suitability Filter	How likely is success? Identify challenges	●	●		
Financial Viability Model	Viable for private partners?	●	●	●	
VFM Indicator	Likely VFM public sponsor?	●	●	●	
Readiness filters	Is preparation complete?	●	●	●	●

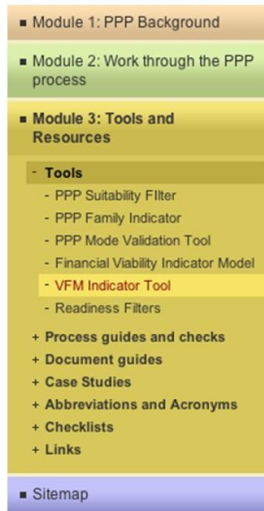
No / little experience of PPPs ● ● ● ● Experienced with PPPs

VFM Indicator Tool

■ Module 1: PPP Background
■ Module 2: Work through the PPP process
■ Module 3: Tools and Resources
- Tools
- PPP Suitability Filter
- PPP Family Indicator
- PPP Mode Validation Tool
- Financial Viability Indicator Model
- VFM Indicator Tool
- Readiness Filters
+ Process guides and checks
+ Document guides
+ Case Studies
+ Abbreviations and Acronyms
+ Checklists
+ Links
■ Sitemap

- A **Quantitative VFM** indicator
- Downloadable Excel file
- Uses results from Financial model
- Based on probabilities (eg, of time or cost overruns)
- Should be used with **qualitative** assessment (eg, Suitability Filter)
- User Guide available in the Toolkit

VFM Indicator tool



- Purpose of the tool:
 - Help indicate expected **range** of VFM
 - Highlight how much uncertainty there is to improve decision making
 - Allow for better data when it becomes available

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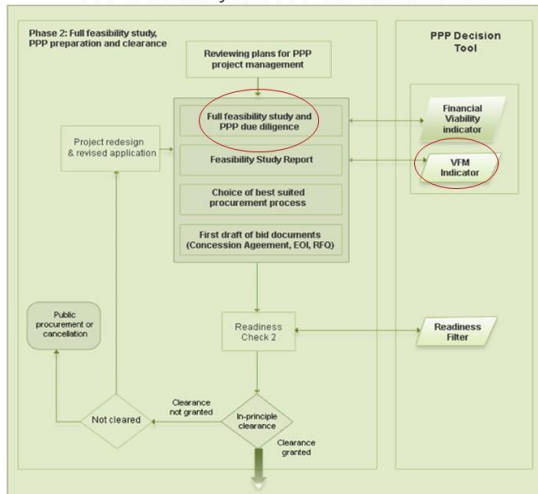
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79

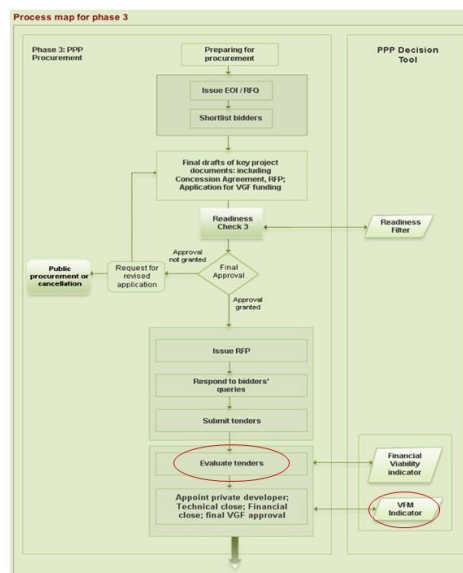
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VFM Indicator Tool

- When to use this tool?
 - PPP Feasibility and PPP Procurement Phases




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My Tools section





**Public Private Partnerships
IN INDIA**
Ministry of Finance, Government of India



**PPP TOOLKIT for Improving PPP
Decision-Making Processes**
You are logged in as **Sachin** | [View Profile](#) | [Change Password](#) | [Signout](#)

My Tools

Sector Selector

Sector	Project Name	Family Indicator	Mode Validation Tool	Suitability Filter	Financial Viability Indicator	VFM Tool	Readiness Filter
State Highways (click - Background & Process)	Highway	Completed [Thu, 19th May 2022, 7:40 am]	Completed [Thu, 19th May 2022, 9:05 am]	Completed [Thu, 19th May 2022, 9:05 am]	 click here to download [click here to upload your updated version]	 click here to download [click here to upload your updated version]	Not Finished [Thu, 19th May 2022, 12:10 pm]

VFM Indicator Excel File

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Important concepts

Outcomes

- Actual cost, actual construction time, etc.
 - i.e., What actually happens
- Likely to vary from what was expected
 - i.e., Cost and time overruns, revenue under-collections, etc
- This variation = risk

Probability

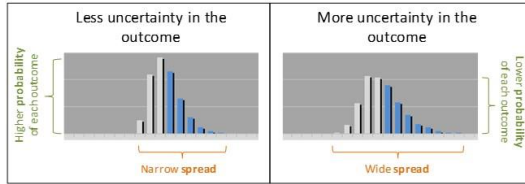
- Chance or likelihood of an outcome happening
- A probability distribution shows likelihood of all possible outcomes

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Range of project outcomes

Probability distributions

- illustrate range of outcomes
- illustrate level of uncertainty



- Blue are **positive** outcomes
- White are **negative** outcomes

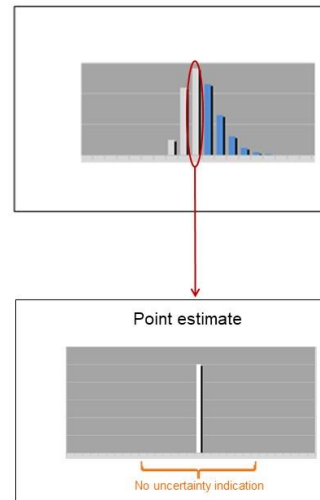
Wider spread means more uncertainty over the outcome

Indicates level of project risk

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Point estimate

- A point estimate fails to account for uncertainty
- Only one among many possible outcomes
- But appears to be higher probability



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VFM Indicator tool

- Focus is on **transferable risks**, for example:
 - Construction cost risk
 - Construction time risk
 - Revenue risk (due to traffic)
 - Payment risk (from collections)
 - Opex Risk
- Uncertainty about
 - How big each risk is, and
 - How much transferred to private party
- Focus is on **range** of outcomes:
 - Captures uncertainty (risk)
 - Supports better decision making

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Using the VFM Indicator

- Getting started
 - Must 'Enable Macros'
 - Download Rupee symbol font
 - Select sector from the drop-down menu
- Financial data is imported from the Financial Viability Indicator Model
 - Click

Sector Selector:
Bus Rapid Transport System (BRTS) ▼

Import data from .csv file

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Structure of the tool

- Main sheets are:
 - User-guide
 - Setup
 - Financial inputs
 - Probability parameters
- VFM Indication – **main output sheet**
- VFM calculation
- Risk values

Input sheets

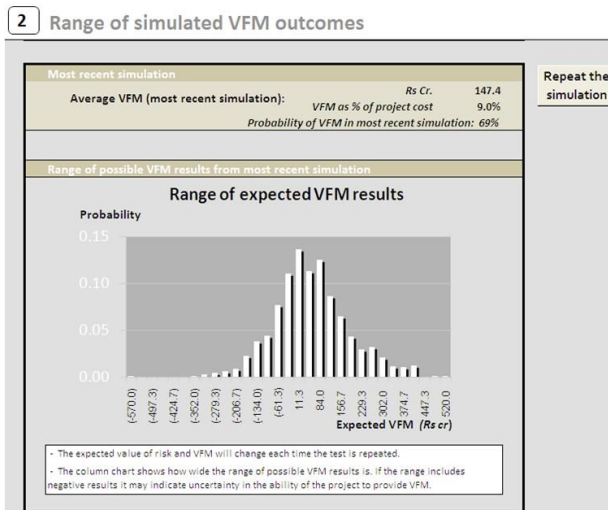
Calculation sheets



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VFM indication

Highlights uncertainty in what VFM outcome will be



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VFM Indicator tool

Purpose of the tool:

- Help indicate expected **range** of VFM
- Highlight how much uncertainty there is to improve decision making
- Allow for better data when it becomes available

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Summary of the Tools

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VFM Indicator	Likely VFM public sponsor?	●	●	●	
Readiness filters	Is preparation complete?	●	●	●	●

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No / little experience of PPPs ● ● ● ● Experienced with PPPs

Thank you

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91



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CRISIL Infrastructure Advisory is a leading advisor to regulators and governments, multilateral agencies, investors, and large public and private sector firms. We help shape public policy and enable infrastructure development. Our services span a wide array of infrastructure development activities. Our work in the areas of policy formulation, regulation, design and implementation of public-private partnership (PPP) frameworks and infrastructure financing mechanisms helps create a vibrant ecosystem for infrastructure development. Our services at the project level include bid process management, valuations and due diligence to enable investment decisions. We are known for our core values of independence and analytical rigour combined with deep domain expertise. Our teams have expertise across the complete range of infrastructure sectors - urban development, energy, transport and logistics, natural resources, education, and healthcare. We have a rich understanding of PPP and financing related issues. We operate in India and 22 other emerging economies in Asia, Africa, and the Middle East. CRISIL Infrastructure Advisory is a division of CRISIL Risk and Infrastructure Solutions Limited, a wholly owned subsidiary of CRISIL Limited.

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Appendix C - **Presentation on Valuation and Reporting of Contingent Liabilities**

Presented by –

Mr. RNK Prasad

Senior Infrastructure Expert

PricewaterhouseCoopers Private Limited.

Business Unit

Valuation and Reporting of Contingent Liabilities

Strictly Private
and Confidential

Presentation to DEA

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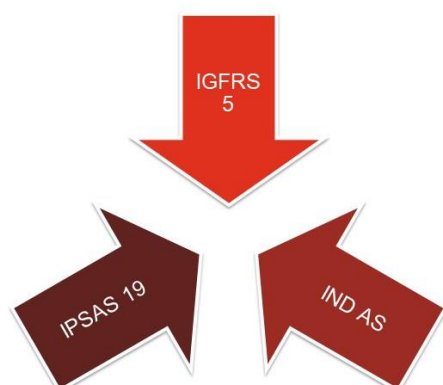
Conceptual Framework – Quick Recap

PwC

Framework for Recognition, Valuation and Reporting of Contingent Liabilities • Presentation to DEA

1

Contingent liability is...



National & International Accounting Standards converge on the same principle – that contingent liabilities are unknown/uncertain obligations that get converted into direct liabilities on occurrence or non-occurrence of future event/s not within the control of the government

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15.02.2017

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;

or

- A present obligation that arises from past events but is not recognised because:
 - › it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - › the amount of the obligation cannot be measured with sufficient reliability.

Draft

Governments absorb some risks in all PPPs – while all risks do not create contingent liabilities, some risks do and if these are not managed well, they can accentuate contingent liabilities

Element	Direct Liability	Contingent Liability
Obligation	Present & Certain	Present & Possible
Amount	Known upfront and certain	Unknown and uncertain
Timing	Certain	Uncertain
Outflow of resources	Certain	Depends on occurrence or non occurrence of certain events in future
Recognition	Recognised in an Accrual based accounting. In cash based accounting, recognised when actually paid	Not recognised
Disclosures	NA	Encouraged/Practiced

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DIRECT LIABILITIES -PPP

- Viability gap payments
- Costs relating to change of scope, additional works etc.
- Annuity payments
- Project specific subsidies (if any)
- Revenue shortfall loans (if any)

CONTINGENT LIABILITIES - PPP

- Termination risks and payments for Force Majeure events.
- Termination risks and payments for concessionaire/ authority event of default events, if such defaults lead to termination.
- Traffic/Revenue Guarantees (if any)
- Project loans/borrowings of the sub-national or government entities

Currently the level of contingent liabilities from PPPs not known

Why do we need to manage contingent liabilities



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Institutional framework for management of contingent liabilities



Policy

- Articulate government's intent and direction on valuation, risk assessment and management of contingent liabilities
- Identifies the authority for management of contingent liabilities (for e.g. an Act or a Guideline or an Accounting Standard)
- Set out the institutions responsible for managing contingent liabilities
- Lay down exposure limits in line with the FRBM
- Lay down disclosure norms and process for disclosure of contingent liabilities in the budget and financial statements of the government



Process

- Set up Processes and Methodology for estimation and management
- Embed the CL estimation process in the PPP Project Appraisal and Approval Process
- Build robust databases for centralised monitoring and management of contingent liabilities
- Develop IT tools for estimation and management



Capacity & Training

- Develop and Issue Guidelines
- Provide training
- Monitor the usage

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An accounting view of Contingent Liabilities

Contingent liabilities are never recorded in the books of accounts and financial statements, and they remain off balance sheet in the accounting domain. These are only disclosed in the financial statements irrespective of the basis of accounting i.e. cash or accrual. The national and international practices suggest the following treatment.

Method of Accounting	Relevant Standard	Accounting Treatment	Disclosure
Cash Accounting	-	Only when contingency is materialized and cash payments need to be made.	Encouraged
Accrual Accounting	IGFRS / IPSAS 19	Liability should be recognized as a provision if: <ul style="list-style-type: none"> • More likely than not (50%) that the event will occur; • The amount of obligation can be measured with sufficient reliability Liabilities that do not satisfy the above requirements do not get recognized	Required for the remaining contingent liabilities unless the payment is remote under the International and Accounting Practices

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Estimating the probabilities of occurrence of risk and its impact is not easy and hence contingent liability estimation is difficult and tricky.

Methodologies for estimation of contingent liabilities can range from highly mathematical and statistical modelling to simple excel based scenario analysis.

Statistical Models:

- Complex probability analysis, parametric modelling and option pricing techniques
- Extremely data intensive
- Difficult to implement
- Requires substantial institutional capacities including a lot of training and upskilling

Simple Scenario based judgemental models

- A combination of scenario analysis and assignment of probabilities based on past experience and stakeholder consultations could be more appropriate and simplistic
- Building risk registers and arriving at risk values based on past experience, available data, past trends and judgements of the authorities.
- Estimating contingent liabilities for different risk categories, for different project phases and using expected values

Maximum exposure under the assumption of 100% likelihood of all risks and therefore estimating the liability at 90% of debt due may be very conservative and hence a risk based estimation is needed

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Valuation of Contingent Liabilities using the toolkit- Methodology

PwC

Framework for Recognition, Valuation and Reporting of Contingent Liabilities • Presentation to DEA

5

Section 2 – Valuation of Contingent Liabilities - Proposed Methodology

Draft

Valuation of Contingent Liabilities – Methodology

1. Assign Probabilities for each risk event based on the following guidance

S No	Range of Probability	Assign Probability score as	Explanation for Assigned Probability
1	0.00 - 0.25	1	The likelihood of occurrence of an event is to be classified as "REMOTE"
2	0.26 - 0.50	2	The likelihood of occurrence of an event is to be classified as "UNLIKELY"
3	0.51 - 0.75	3	The likelihood of occurrence of an event is to be classified as "POSSIBLE"
4	0.76 - 1.00	4	The likelihood of occurrence of an event is to be classified as "LIKELY"

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Valuation of Contingent Liabilities – Methodology

2. Assign Impact score for risk events as per the following guidance

S No	Likely Impact of a Risk Event	Guidance for defining financial impact	Impact Score to be assigned
1	If the risk event is expected to cause High Financial Impact	> 20% project cost	4
2	If the risk event is expected to cause Moderate Financial Impact	>10% and less than 20% of project cost	3
3	If the risk event is expected to cause Minor Financial Impact	>5% and less than 10% of project cost	2
4	If the risk event is expected to cause Insignificant Financial Impact	<5% of project cost	1

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Valuation of Contingent Liabilities – Methodology

3. Construct a Risk Register as per the following guidance



		Probability * Risk Impact			
Risk Impact	High	4	8	12	16
	Moderate	3	6	9	12
	Minor	2	4	6	8
	Insignificant	1	2	3	4
		Remote	Unlikely	Possible	Likely
		Probability			

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Valuation of Contingent Liabilities - Methodology

4. Determine the threshold level of risk scores that can trigger a contingent liability. Methodology considers the following thresholds.

Risk Score	Explanation	Effect on Contingent Liabilities	Disclosure and Budgeting
9 to 16	Likely risks with high impact.	Will trigger contingent liabilities.	<ul style="list-style-type: none"> • To be budgeted • To be disclosed
6 to 8	Possible risks with minor to moderate impact.	Do not trigger contingent liabilities	<ul style="list-style-type: none"> • May be disclosed • Need not be budgeted
1 to 4	Remote to unlikely risks with insignificant impact	No impact on contingent liabilities	<ul style="list-style-type: none"> • No disclosure and No budgeting required

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Valuation of Contingent Liabilities - Methodology

5. Match the Termination Payments as per CA with the default list provided in the Application Tool. The Tool is configured with the following:
- **Toll Projects** based on the updated version of MCA of May 2016. A sample analysis of the concession agreements signed prior to 2006 and after 2006, indicate that the basis and quantum of termination payments in the event of occurrence of force majeure and default risks are almost similar in all concession agreements and hence the Application Tool can be used for all types of BOT projects with necessary user inputs as required by the Tool.
 - **Annuity Projects** based on an Annuity Concession Agreements signed during the period 2012. It may be relevant to note here that there are only 47 Annuity Projects (from NHAI) till date with a total project cost of Rs. 30,286 crores and an annuity commitment of Rs 3,096 crores
 - **Hybrid Annuity Projects** based on the MCA of 2016 (version 2 of 2016).

PwC

Valuation of Contingent Liabilities – Methodology

6. Determine the Debt and Equity – The Tool is configured to take the following as Debt and Equity:

Project Debt Outstanding = (Least of (i) Total Project Cost as per CA, (ii) Total Project Cost at Finance Close, (iii) Total Actual Project cost} – Construction Grant – Equity as per CA.)

Debt Due = Lower of (i) Project Debt Outstanding and (ii) Actual loan outstanding with interest as per user inputs

Adjusted Equity (in case of termination on or before COD) = $(\text{Equity} * (1 + ((0.5 * \text{Change in WPI Value w.r.t Appointed Date}) / 100)))$

Adjusted Equity (in case of termination between COD and 4th anniversary thereof) = Adjusted Equity = $(\text{Base Equity on COD} * (1 + ((\% \text{ change in WPI w.r.t. given reference date and COD date}) / 100)))$

Adjusted Equity (in case of termination after 4th anniversary) = Adjusted Equity = $((\text{Base Equity on COD} * (1 - ((\text{Equity Adjustment Factor} / 100) * \text{No. of months after 4th Anniversary}))) * (100 + ((\% \text{ change in WPI w.r.t. given reference date and COD date}) / 100)))$

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Valuation of Contingent Liabilities – Methodology

7. Estimate contingent Liabilities on a Reference Date. The Tool estimates the contingent liabilities for given project data using the default risk registers and based on the Debt and Equity formulae for any given category of risk.

Risk Category	Risk Score and Probability Applied	Formula Applied	Amount in Rs. Cr
Concessionaire Event of Default	6 – 0.50	$(90\% * \text{Debt Due}) * 0.50$	Xxx
Authority Event of Default	4 – <0.50	---	0
Non Political Force Majeure Event	6 – 0.50	$(90\% * \text{Debt Due}) * 0.50$	Xxx
Indirect Political Force Majeure	6 – 0.50	$(\text{Debt Due} + (110\% * \text{adjusted equity})) * 0.50$	Xxx
Political Force Majeure Event	6 – 0.50	$(\text{Debt Due} + (150\% * \text{adjusted equity})) * 0.50$	Xxx
Contingent Liability for the project is the maximum of above values			Xxx

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Tool-kit overview

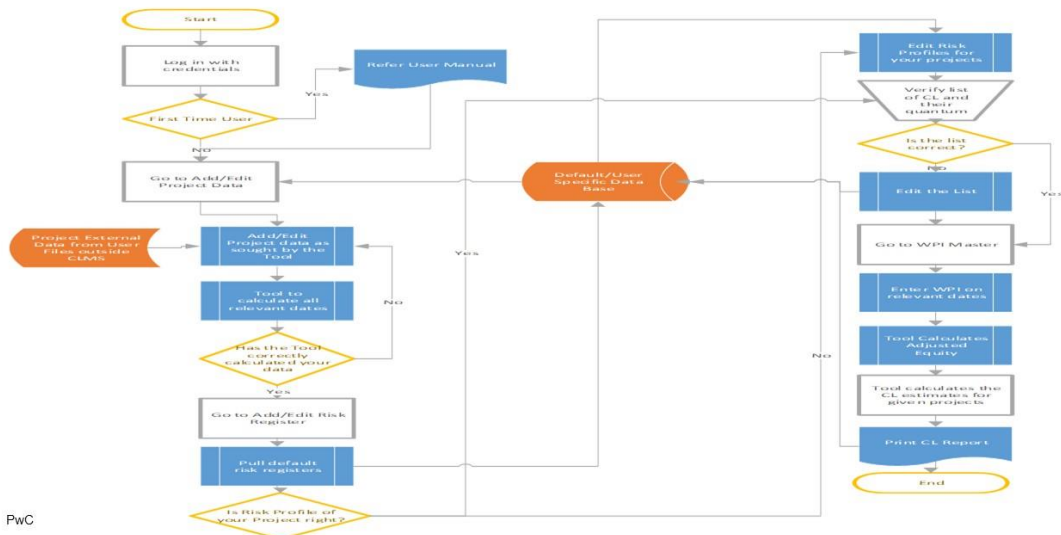
1. Web based application can be hosted centrally and states can use the system through internet link.
2. Users to use the web application through secure access, no one will have the ability to overwrite the default data.
3. Adequate security features for restricting data sharing among agencies/ stakeholders.
4. Reports can be downloaded into excel format for necessary analysis and use.



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Draft

User Flow Chart for Tool Kit



PwC

Appendix D - PPP Project Delivery Post Award Contract Management

Overview of Sector Agnostic Guidelines and Sector Specific Manuals for Highways, Ports and Schools

Presented by-

Mr. Kushal Singh

Partner

Deloitte Touche Tohmatsu India LLP.

Ms. Neha Agarwal

Director

Deloitte Touche Tohmatsu India LLP.

PPP Project Delivery Post Award Contract Management



Overview of Sector Agnostic Guidelines and Sector Specific Manuals for Highways, Ports and Schools

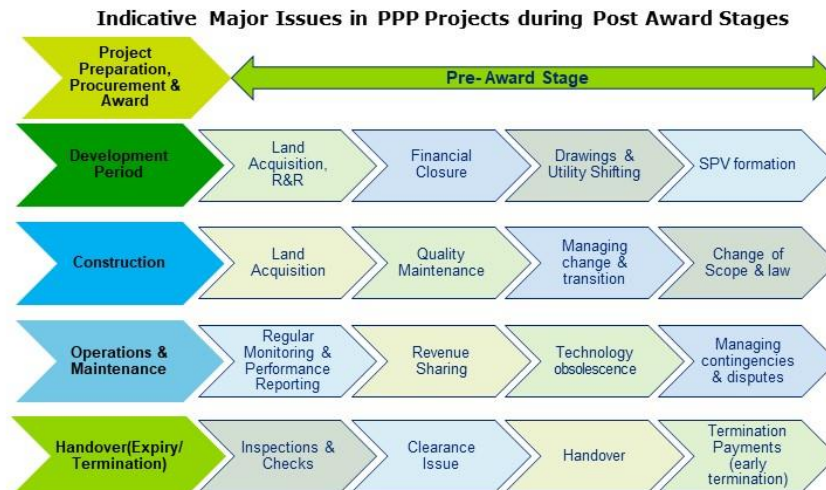
May 2022

DEA's Initiative on Post Award Contract Management Toolkit

- Government of India has been placing strong emphasis on the use of Public Private Partnerships (PPP) as a strategy for expanding the provision of infrastructure.
- To facilitate such large-scale expansion of PPPs on a sustainable basis, it is critical for the Government to ensure that these PPP projects deliver the intended benefits for the public at large.
- It was thus important to place emphasis on Post-Award Contract Management.
- This ensured that the projects delivered the outcomes as laid down in the contractual obligations to be fulfilled by the Concessionaire.
- As part of DEA's capacity building initiative and mainstreaming PPP programs, Post Award Contract Management Guidelines, Manuals and Toolkits have been prepared which are enabled in the form of web based Online Toolkits.

Indicative Issues during Post Award Stages

- PPP projects are generally long tenure in nature and undergo a full lifecycle. Multiple risks might possibly materialize during various stages of the PPP contract



- One of the key objectives of the post award contract management framework is to identify such issues and develop detailed managed plans for the same.

3

Components of Guidance Material

Guidance Material includes Guidelines, Manuals for Highways, Ports and School sector and Online toolkits

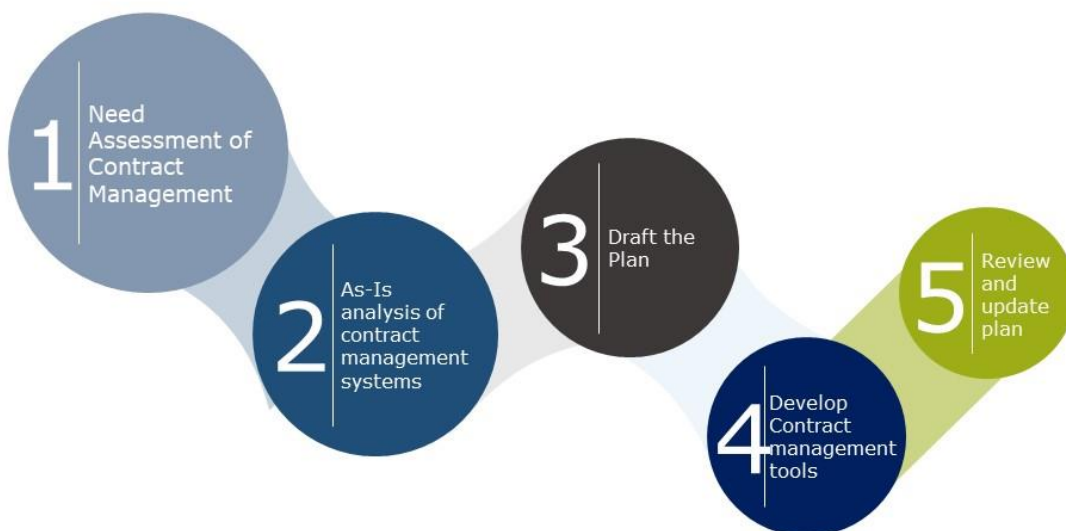


4

Coverage of Contract Management Toolkits



Development of Contract Management Plan

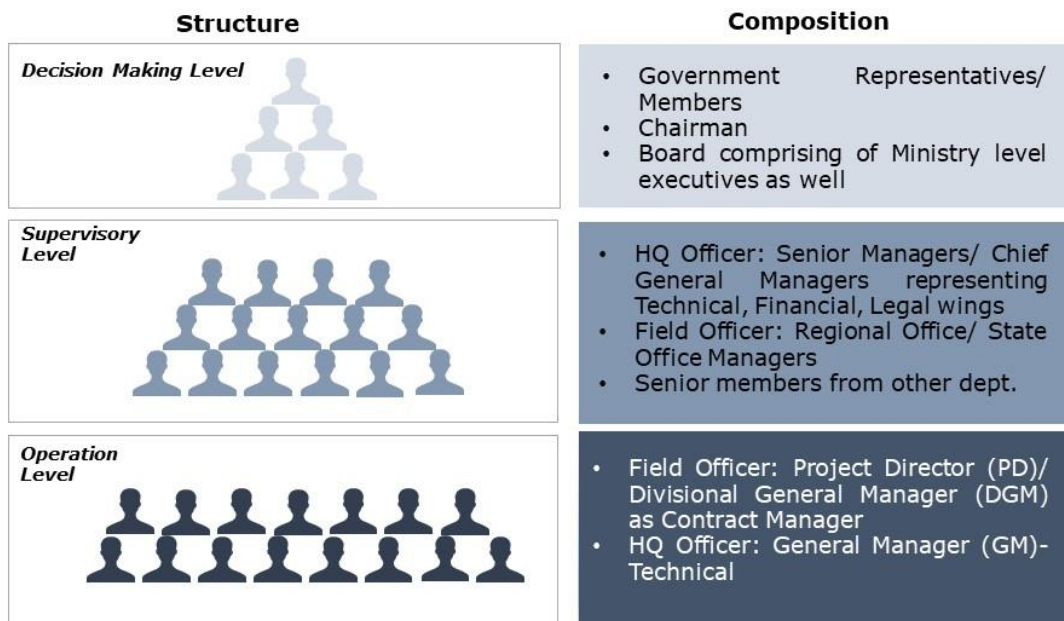


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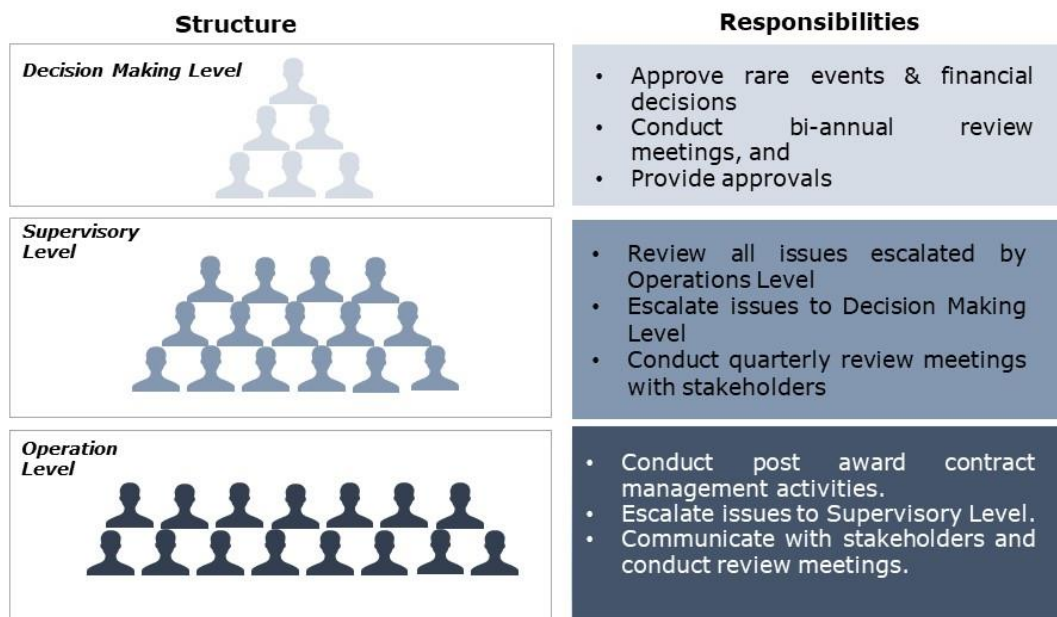
Guidance for Creating Contract Management Team



Team Structure and Composition

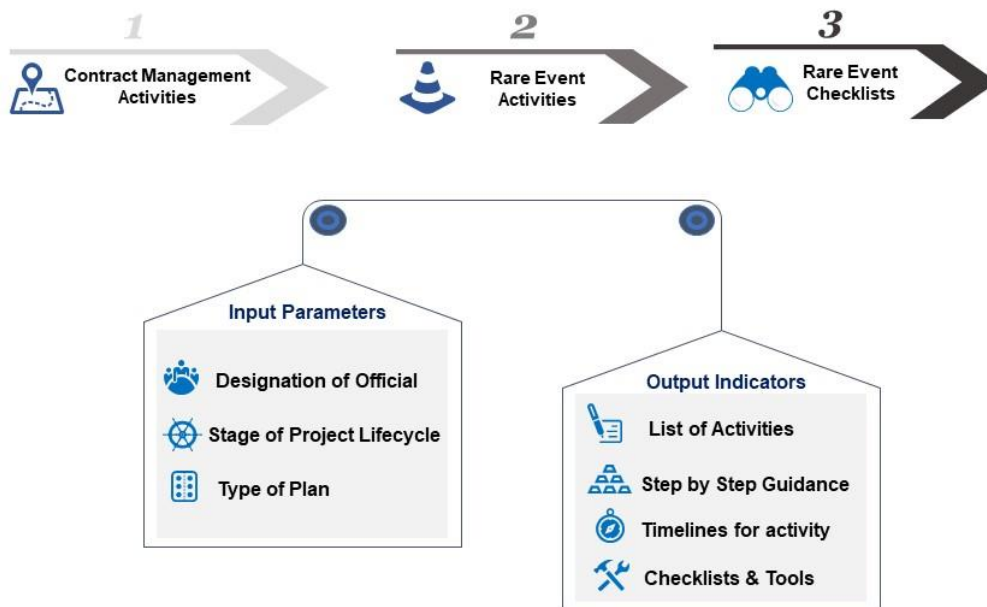


Team's Role and Responsibility



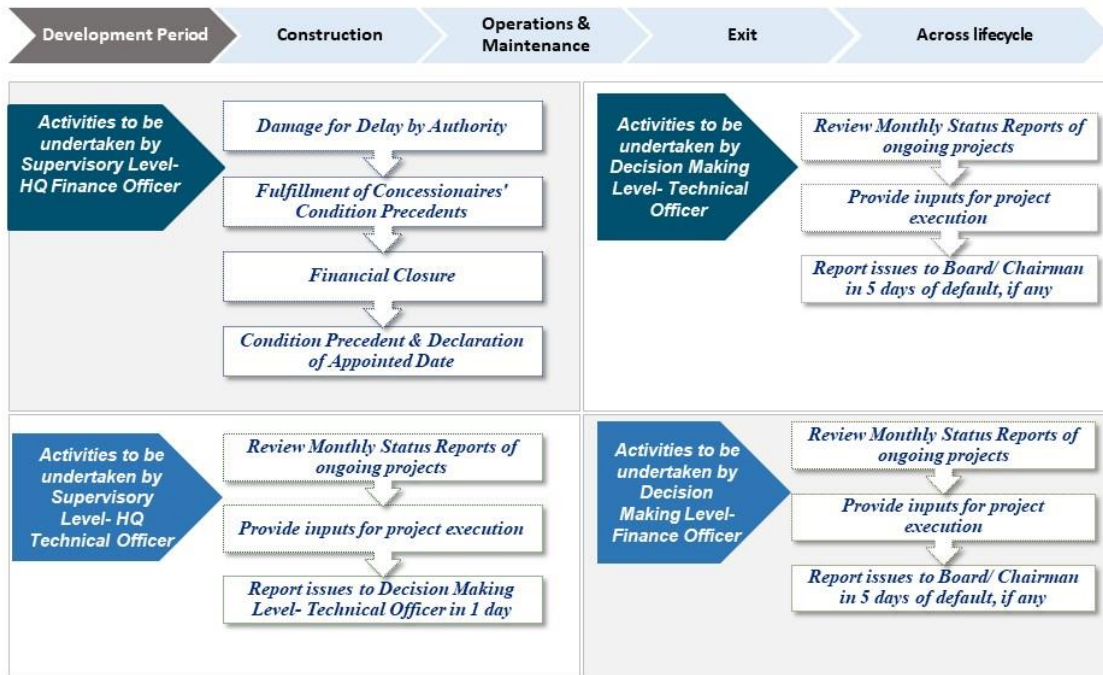
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Managing the Concession



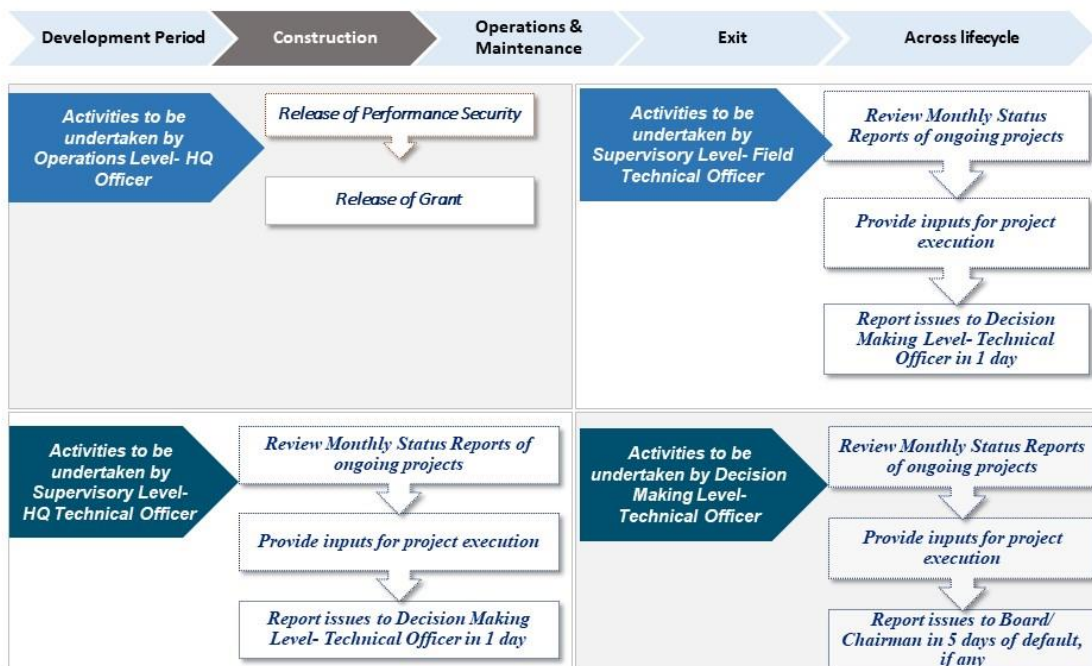
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Managing the Concession – Development Stage



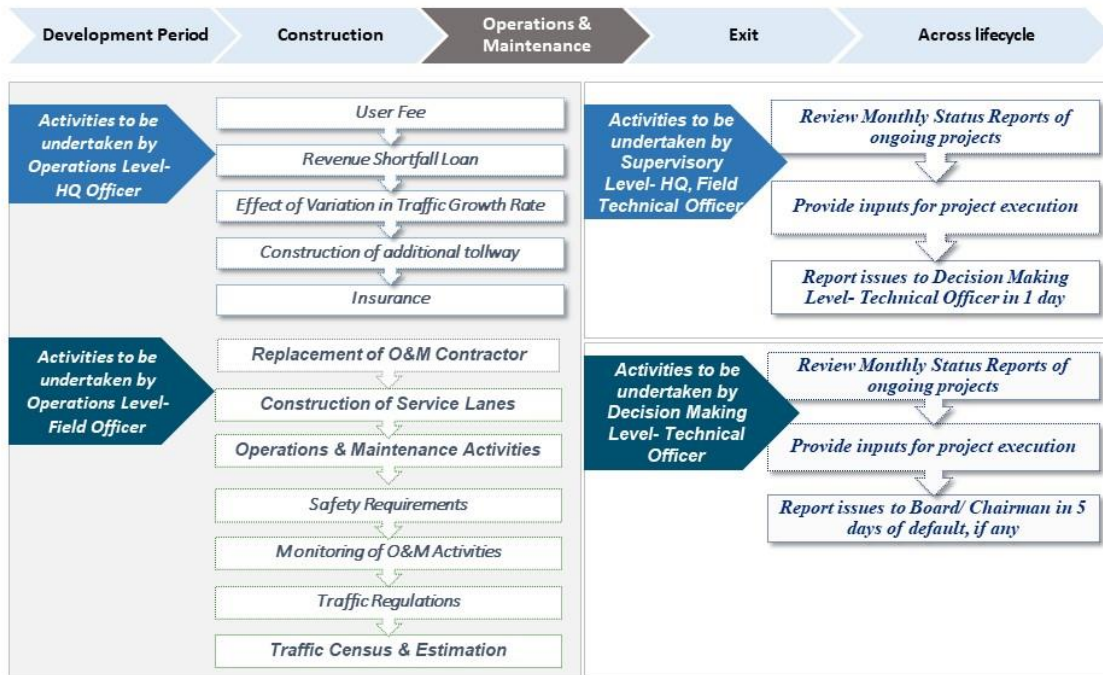
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Managing the Concession – Construction Stage



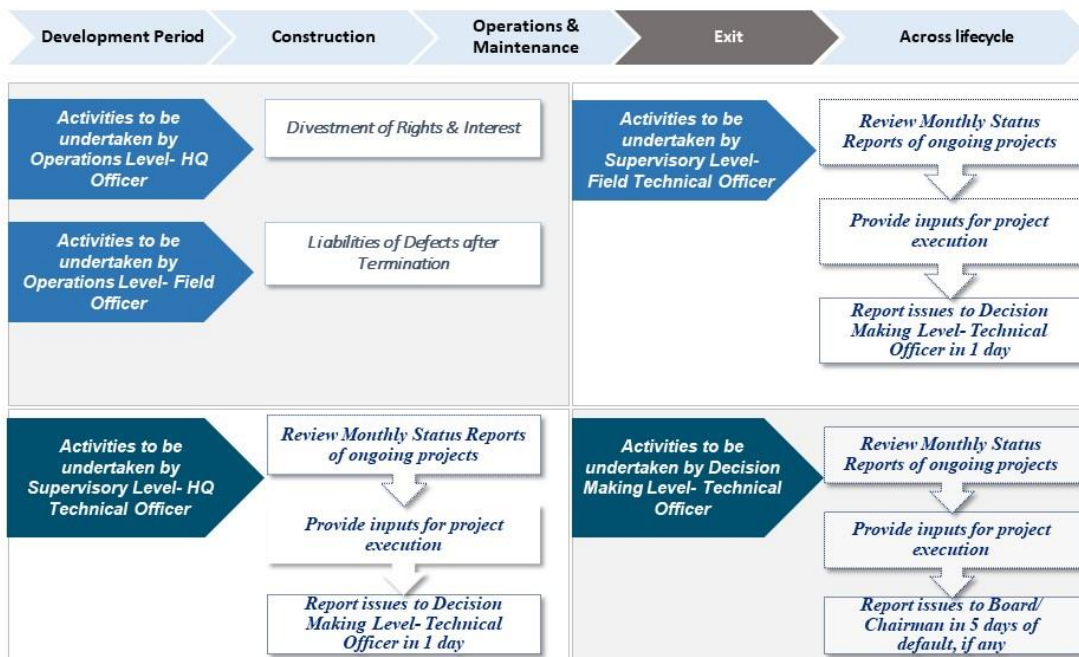
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Managing the Concession – O&M Stage



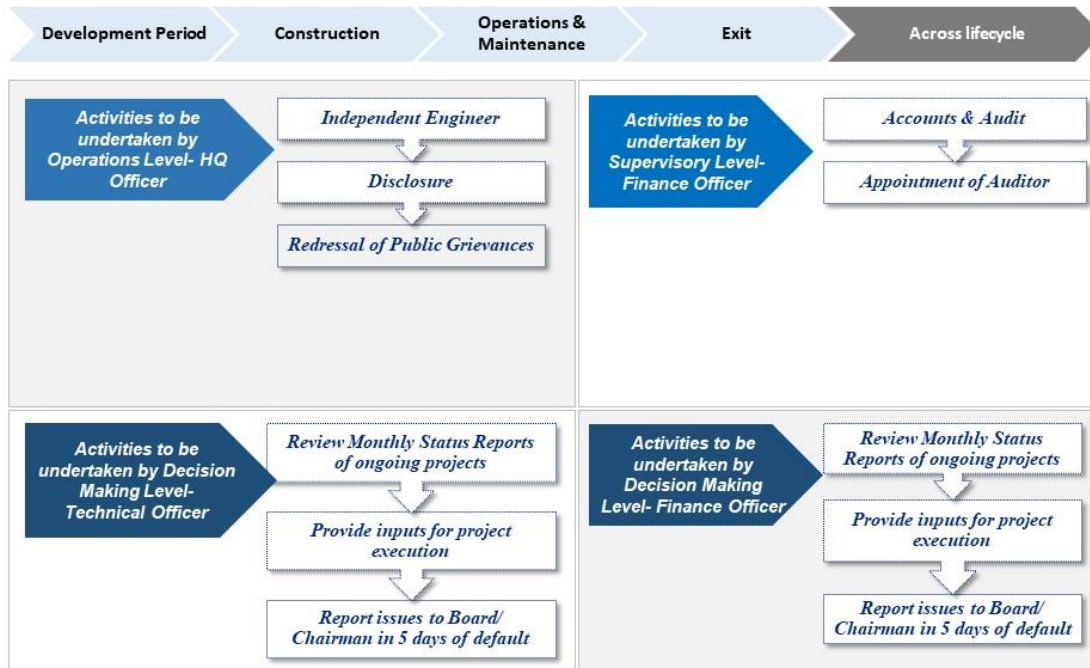
13

Managing the Concession – Exit Stage



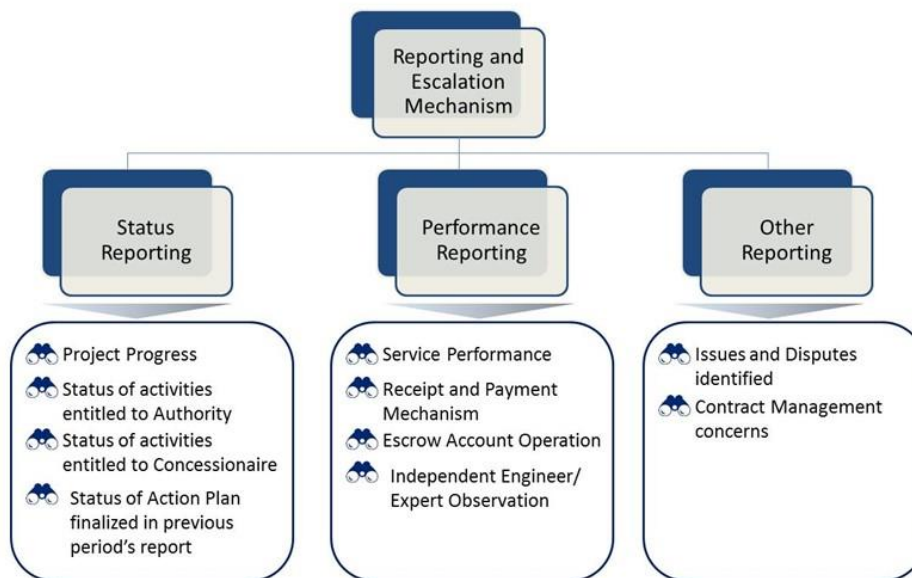
14

Managing the Concession – Across Lifecycle



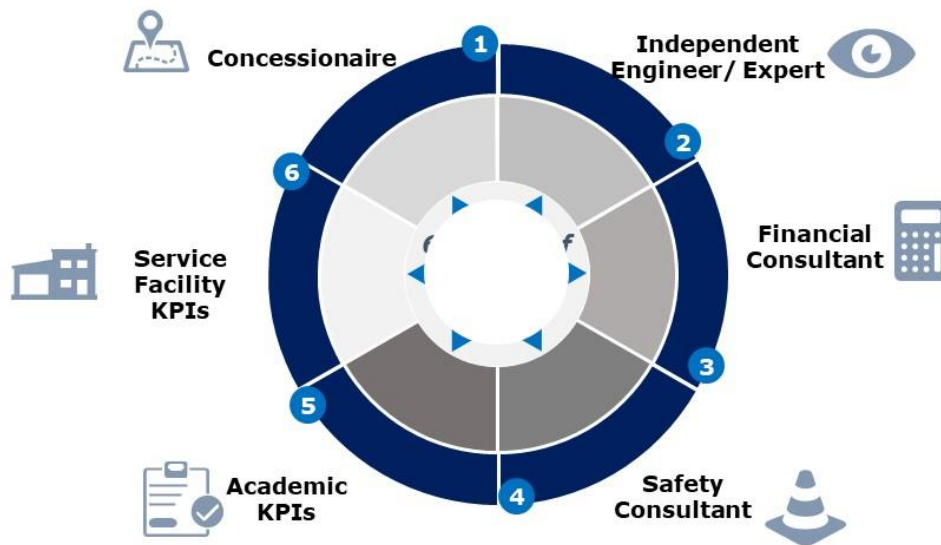
15

Reporting and Escalation Mechanism



16

Stakeholder Performance Monitoring



17

Risk Management

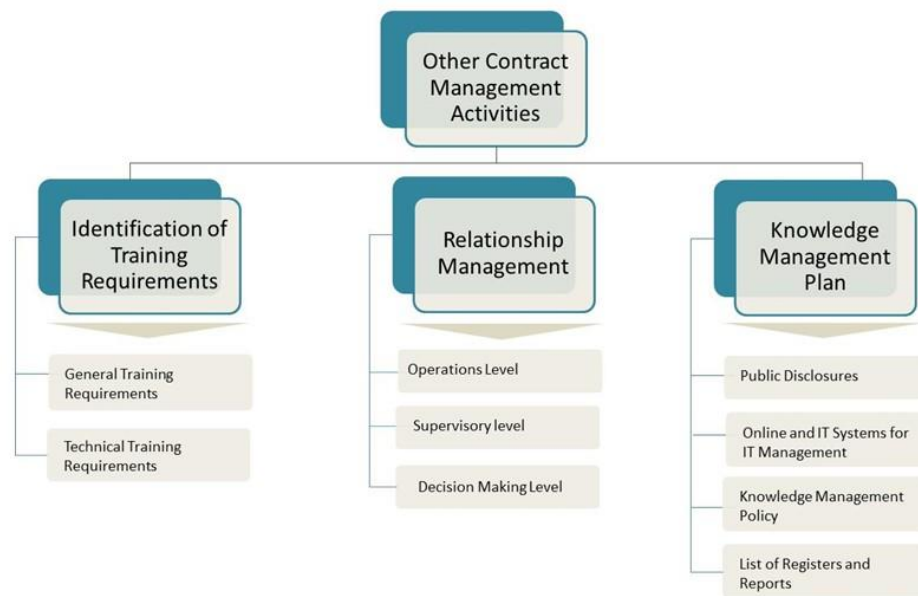
Risk register elaborating the following:

1. Category of risks
2. Threshold value
3. Likelihood
4. Impact
5. Responsibility of management
6. Frequency of Monitoring
7. Mitigation Strategy
8. Action Plan



18

Knowledge Management



19

Key Features of Online Toolkit



Visit <http://www.pppinindia.com>

20



Thank You

Objectives of Contract Management Framework


The below mentioned objectives will be served jointly by the Post Award Contract Management Guidelines and the manuals which will provide valuable insights for both the Authority and other stakeholders to effectively & efficiently manage the contract.

Objective	Key Aspects
Effective Planning and Project Management	<ul style="list-style-type: none">• Identification of constraints and addressing same• Advance planning / Risk Management through early alarm bells
Regular Monitoring	<ul style="list-style-type: none">• Ensuring performance of obligations by Private Party• Management of Incentives & Penalties• Monitoring of critical tasks / timelines• Tariff / Payment Adjustment• Dispute Resolution
Compliance	<ul style="list-style-type: none">• Ensuring adherence to laws, policy & regulation
Accountability	<ul style="list-style-type: none">• Ensuring intended use of public resources
Managing Eventualities	<ul style="list-style-type: none">• Management of contingencies like Force Majeure, Termination etc.• Change Management
Effective Coordination	<ul style="list-style-type: none">• Relationship Management with Concessionaires• Coordination amongst departments and with third parties
Institutional Perspective	<ul style="list-style-type: none">• Ensuring uniformity in contract management approach• Streamlining Communication• Maintaining Institutional Memory• Capturing and monitoring performance indicators
User Perspective	<ul style="list-style-type: none">• User grievance / feedback management• Knowledge Management & Information Sharing with Stakeholders


Appendix E - Workshop Feedback Questionnaire



वित्त मंत्रालय
MINISTRY OF
FINANCE
Government of India



Organized by:
आर्थिक कार्य विभाग
DEPARTMENT OF
ECONOMIC AFFAIRS



Supported by:
British
High Commission
New Delhi

Stakeholders Workshop


on Awareness Building and Guidance on using the
PPP Toolkits


Event feedback

Thank you for participating in our Workshop for 'Awareness Building and Guidance on using the PPP Toolkits' organized by the Department of Economic Affairs (DEA), Ministry of Finance and supported by the Foreign Commonwealth and Development Office (FCDO), UK. We hope you had as much fun attending as we did organizing it.

We want to hear your feedback so we can keep improving our logistics and content. Please fill this quick survey and let us know your thoughts (your answers will be anonymous).

Also, requesting you to enter all the required (*) details for the digital certificate that will be awarded to the attendees of the 2-day workshop.

 arpit.agarwal@pwc.com (not shared) [Switch account](#)



* Required

Please enter your full name *

Your answer

Please enter your Designation *

Your answer

Please enter your Department. *

Your answer

Please enter your state. *

Your answer

Enter your Phone Number

Your answer

Enter your E-Mail Id *

Your answer

Please rate the Session 01 on 'PPP structuring toolkit' (Overview & Walkthrough) *

	01 (lowest)	02	03	04	05 (Highest)
Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance to your job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time dedicated to the session to cover all relevant details	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any additional comment/suggestions regarding the content and the presentation delivery by the speaker for 'Session 01 on PPP Structuring Toolkit.' *

Your answer _____

Please rate the Session 02 on 'Value for Money Toolkit' (Overview & Walkthrough)

*

	01 (lowest)	02	03	04	05 (Highest)
Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance to your job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time dedicated to the session to cover all relevant details	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any additional comment/suggestions regarding the content and the presentation delivery by the speaker for 'Session 02 on Value for Money (VFM) Toolkit.'

*

Your answer

Please rate the Session 03 on 'Contingent Liabilities Management Systems (CLMS) Toolkit' (Overview & Walkthrough) *

	01 (lowest)	02	03	04	05 (Highest)
Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance to your job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time dedicated to the session to cover all relevant details	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any additional comment/suggestions regarding the content and the presentation delivery by the speaker for 'Session 03 on Contingent Liabilities Management Systems (CLMS) Toolkit.' *

Your answer

Please rate the Session 04 on 'PPP Post-Award Contract Management (PACM) Toolkit' (Overview & Walkthrough) *

	01 (lowest)	02	03	04	05 (Highest)
Content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relevance to your job	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time dedicated to the session to cover all relevant details	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Any additional comment/suggestions regarding the content and the presentation delivery by the speaker for 'Session 04 on PPP Post-Award Contract Management (PACM) Toolkit' *

Your answer

Any additional comments regarding the overall agenda? *

Your answer

How satisfied are you with the event? *

Not very 1 2 3 4 5 Very much

What were your key take aways from this event?

Your answer

Any overall feedback for the event?

Your answer

Would you be interested in participating in similar workshops providing more in-depth insights on the toolkits? *

☐ Yes, I am interested

☐ No

Please suggest the additional topics that can be included in such workshop sessions.

Your answer

Submit

Clear form