आर्थिक कार्य विभाग
DEPARTMENT OF
ECONOMIC AFFAIRS

2024

OUTCOME REPORT: PPP STRUCTURING TOOLKIT

PORT
14 - 15 MARCH, 2024

PREPARED BY:
INFRASTRUCTURE FINANCE SECRETARIAT
MINISTRY OF FINANCE
GOVERNMENT OF INDIA

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1. Background and Objective of the workshop

1.1. Background of the Workshop

Government of India (GoI) has strong and continued commitment towards stepping up spending on infrastructure and keeping the investments planned under National Infrastructure Pipeline on track, which was reinforced in the landmark Union Budget 2022-23. With the dual aim of countering the negative impact on the economy caused by the COVID-19 pandemic as well as striving to achieve the target of India becoming a USD 5 trillion economy, the Government is giving a fresh boost to the private sector, for them to play a greater role in India's infrastructure development.

This level of required growth necessitates rapid improvements and additions to the infrastructure capacity of the economy. However, this has traditionally been constrained due the availability of funds. In a historic push to promote infrastructure spend, the GoI in its fiscal budget for Union Budget FY22 provisioned a capital outlay of Rs 5.54 lakh cr, a sharp increase of 34.5% over FY21. This further saw a jump of 35% again with capex allocation increased to 7.54 lakh cr in FY23. Adding to these various grants for capital expenditure, 'Effective Capital Expenditure' of the Central Government goes up to well over 10 lakh crores in 2022-23.

The Government has realised that the share of private investment needs to increase manifold, therefore it had initiated a strategy for encouraging private investment in infrastructure through Public Private Partnerships (PPP). PPP is one of the tried and tested mode of infrastructure service delivery in today's world. However, the experience of PPP is not unique across sectors. There are some sectors such as road and ports where we have full-blown PPP and there are some areas where PPP is evolving gradually.

Maritime Transport is critical infrastructure for economic development of a country. It influences the pace, structure and pattern of development. The Ministry of Port, Shipping and Waterways (incorporated in 2009) encompasses within its fold shipping and port sectors which also include ship building and ship repair, major ports and inland water transport. 12 major ports and more than 200 minor and intermediate ports serve our coastline. Approximately 95% of country's trade by volume and 68% by value is moved through maritime transport.

Under PPP, 91 projects of worth INR 59,200 crore have been granted approval. There are 58 projects worth ~$5 Bn (INR 40,000 Cr.) under various stages of implementation. Of these, 33 projects of ~ $3.4 Bn (INR 27,000 Cr) are operational whereas 25 projects for over $1.6 Bn (INR 13,000 Cr) are under implementation. 19 such projects with total investment of ~$1.1 Bn (INR 8,862 Cr) have been completed in 2021 alone.

It is imperative for the public sector to create a pipeline of projects which can attract private sector interest and investment. In supporting this endeavour, the Infrastructure Finance Secretariat in Department of Economic Affairs has taken many initiatives to boost private sector investment in the country such as empanelment of Transaction Advisers, enhanced support to social sector PPP projects under the revamped VGF Scheme, funding support to PSAs for appointing TAs under IIPDF Scheme, preparing model concession agreement for nascent sectors, etc. IFS has already published three reference documents viz. Reference Guide for Project Implementation Mode, Reference Guide for Project Appraisal and Reference Guide for setting-up State PPP units. "PPP Structuring Toolkit" is one among the initiatives to support the Project Sponsoring Authorities (PSAs) to develop their projects with objectivity.

Currently, the PSA are heavily dependent on their Transaction Advisors to develop the project. To equip PSAs to develop projects internally, IFS has developed a hand-tailored toolkit, i.e., the **PPP structuring Toolkit** which will provide a base for PSA to structure

projects internally. Recently, the stakeholder workshop titled “PPP Structuring Toolkit for Water and Sanitation Sector” was organized by the Infrastructure Finance Secretariat (IFS), Department of Economic Affairs (DEA), Ministry of Finance (MoF). The workshop specifically aimed to develop a robust pipeline of water and sanitation projects using the web-based PPP Structuring Toolkit.

The objective of the workshop was to connect and collaborate with the stakeholders within the PSAs, over a two-day workshop and to listen to their views/ suggestions and the issues while implementing PPP projects. The event was attended by 60 participants from public and private sector institutions.

The workshop was organised at the SCOPE Complex in New Delhi, on 14th – 15th March 2024. The workshop commenced with an inaugural session by Director, DEA Ms. Preeti Jain, followed by walk through of the PPP structuring toolkit for the sector. The participants completed a case study using the web-based toolkit.

The Toolkits are available for use by PPP professionals across India on www.pppinindia.gov.in. It currently covers four sectors – Road & Highway, Water and sanitation, Port and Solid Waste Management respectively.

The Workshop was intended towards awareness building and guidance to use on these toolkits.

About toolkits

The section below briefly discusses various tools of the toolkit discussed during the workshop.

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 5 tools to strengthen decision-making for PPPs:

- **Suitability filter:** This is the key tool to test whether the project is suitable to be developed on PPP basis. It tests for qualitative factors that have an impact on the ease or challenges of developing a project on PPP basis. It provides **Go / No-Go** decision for the project to be implemented on PPP. This tool also acts a preliminary qualitative value for money tool.
- **Family indicator:** Family indicator tool help to identify the appropriate PPP family that the project may be best fit. The tool uses a decision tree to assist the PSA in identifying the PPP family.
- **Mode validation:** The mode validation is based on the risk profile of the project.
- **Financial viability indicator**: Financial viability indicator evaluates the viability of the project with returns on various PPP modes.
- **Value for money indicator:** VFM tool helps to examine whether the project provides for value for money if structured as a PPP project.

Contingent liability toolkit was also presented in the workshop. The toolkit has been developed to assist Project Sponsoring Authorities (PSAs) in assessing the amount of financial liability arising from a PPP project. It is also expected to aid PSAs in making informed decisions regarding the financial payout to Concessionaire as a result of occurrence of unforeseen events.

1.2. Workshop Objectives

The workshop was meticulously organized to serve as a platform for guiding participants through the PPP structuring toolkit and Contingent Liability toolkit. Additionally, it offered an opportunity to highlight the various guidance materials developed by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India. This workshop marked the second in a series, with the specific goal of raising awareness, enhancing usability, and providing clear direction to Project Sponsoring Authorities and their officials on how to maximize the use of these toolkits in developing PPP Projects.

Figure 1: **Ms. Anmol Waraich, Assistant Director, hosting the workshop**

The workshop also provided an opportunity to the participants to develop a project based on a case study of **Port sector** using the tools of the toolkit. It gave participants hands on experience to learn the use of the toolkit. At the same time, the workshop also provided an excellent opportunity to seek suggestions for improvements in the toolkits.

A total of **504** user logins have been created for the PPP Structuring toolkit as of 17th March 2024.

Summary of the workshop

1.3. Workshop Schedule

The detailed agenda of the workshop is provided below:

Day	Timing	Details	Presenter
14.03.2024	1000 – 1030	Registration & Tea	
	1030 – 1045	Welcome Address	Ms. Preeti Jain, Director, DEA
	1045 – 1100	Introduction of the participants, their expectation from the workshop	
	1100 – 1200	Introduction of PPP structuring toolkit (Objectives, sectoral coverage, modules etc)	Ms. Arya Balan Kumari, Joint Director, DEA
	1200 – 1215	Context Setting	Shri Baldeo Purushartha, Joint Secretary, DEA
	1215 – 1245	Walkthrough Tool 1: Suitability filter	Ms. Puja Sharma, PPP Expert, ADB Consultant
	1245 – 1315	Case study	Ms. Puja Sharma, PPP Expert, ADB Consultant
	1315 – 1400	Lunch Break	
	1400 – 1500	Walkthrough Tool 2: Family mode and Tool 3:Mode selection tool	Ms. Puja Sharma, PPP Expert,ADB Consultant
	1500 – 1530	Case study	Ms. Puja Sharma, PPP Expert, ADB
	1530 – 1600	Financial Viability Indicator Tool	Ms. Puja Sharma, PPP Expert, ADB Consultant
	1600 – 1630	Tea Break	
	1630 – 1700	Q & A session	
Day 2	0930 – 1000	Tea Break	
Session III	1000 – 1130	Financial Viability indicator tool	Ms. Puja Sharma, PPP Expert, ADB Consultant
	1130 – 1230	Case Study	Ms. Puja Sharma, PPP Expert, ADB Consultant
	1230 – 1330	Lunch Break	

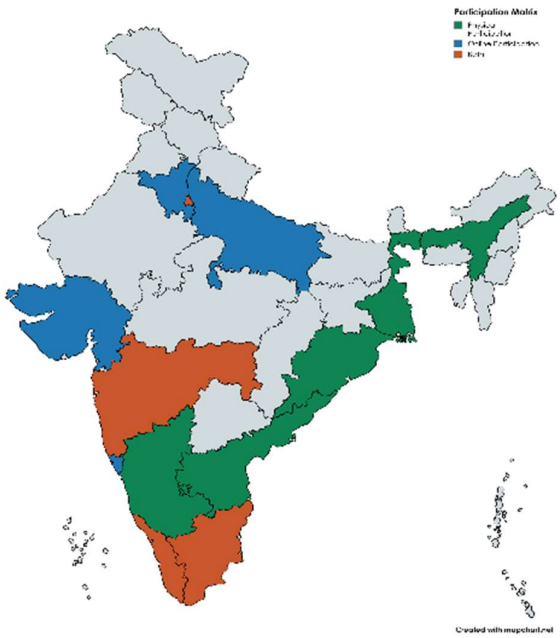
Day	Timing	Details	Presenter
Session IV	1330 – 1400	Value for money indicator tool	Ms. Puja Sharma, PPP Expert, ADB Consultant
Session V	1400 – 1545	Contingent liability toolkit	Ms. Nikita Chhabra, KPMG, Consultant
	1545 – 1615	Tea	
	1615 – 1630	Q & A session	
	1630 – 1645	Vote of thanks and next steps	Dr. Kartik Agrawal, Deputy Director, DEA

Figure 2: **Ms. Preeti Jain, Director inaugraual address**

The Workshop was inaugurated by Director DEA, Ms. Preeti Jain with a welcome address and context setting note in which she highlighted the potential in PPPs and the importance of structuring of the projects before it is sent for appraisal and approval to various stakeholders. She also provided an overview of the tools developed by the DEA and feedback received from the previous workshops.

1.4. Coverage of the workshop

Figure 3*: Participation Matrix*



The workshop was attended by officers of Major Ports Authorities, and Transaction Advisors who are associated with the Port sector. The Workshop witnessed active participation of **60 participants** through hybrid mode from Central Infrastructure Line Ministries and Departments including NITI Aayog, Department of Expenditure and Department of Economic affairs. 13 States and UT including Assam, Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Maharashtra, Odisha, Tamil Nadu, Karnataka, Kerala, and West Bengal participated in the workshop.

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

1.5. 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 March 15, 2024, 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 17 March 2024, a total of 26 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 highest score as mentioned below:

1= Poor

2= Needs improvement

3= Effective

4= Very Effective

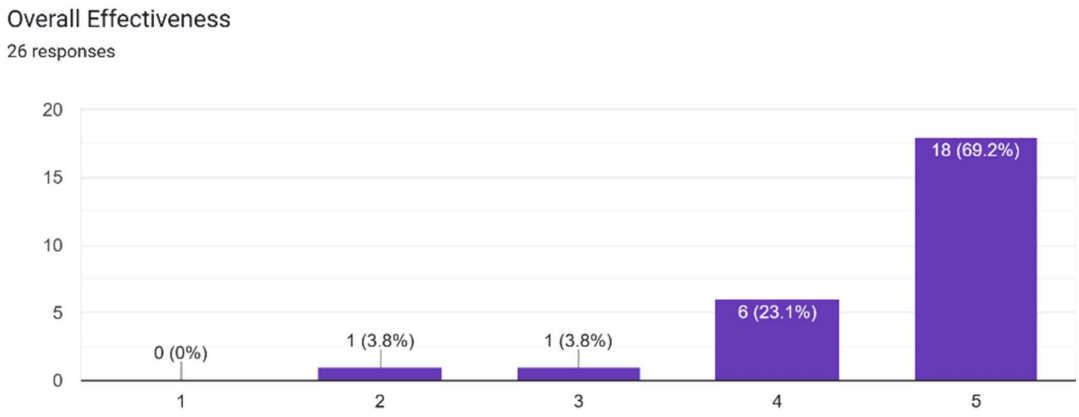
5= Excellent

Summary of the feedback is presented in the following section.

1.5.1. Overall feedback on the workshop

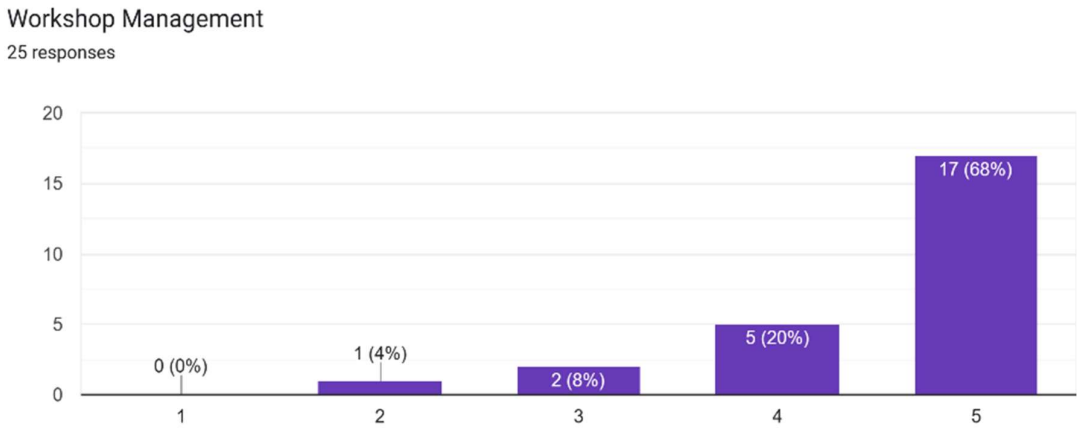
Figure 4: Scoring on overall effectiveness of the workshopFigure 4 and Figure 5 below highlights the 'Level of satisfaction of participants' and 'Interest for participating in similar workshops in future'.

Figure 4: Scoring on overall effectiveness of the workshop



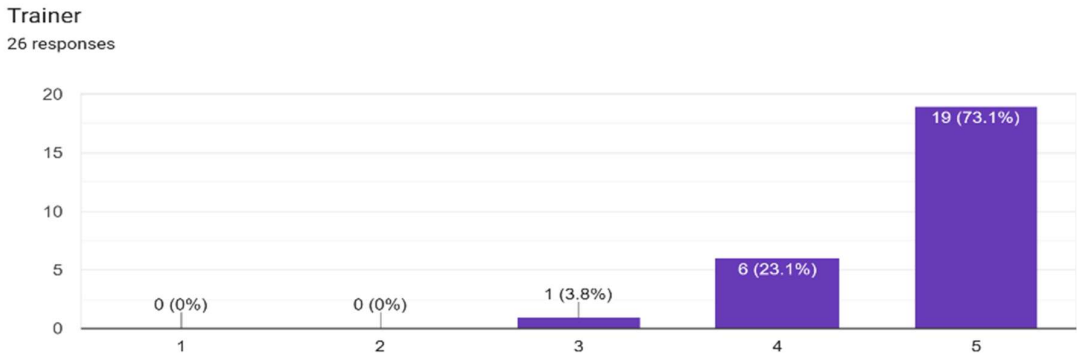
Workshop was rated very effective to excellent by majority of the respondents. The participants also provided feedback to have more such workshops in the states to empower the ports officials involved in project development.

Figure 5: Overall workshop managment feedback



The participants rated overall management of the workshop with a rating of 4 or 5 indicating that participants found the workshop content and related infrastructure conducive and useful.

Figure 6: Feedback on trainier



~96% of the participants rated the trainer's effectiveness and delivery on a scale of 4 and 5. They were satisfied with the speed, content, knowledge and delivery aspect of the trainer.

Figure 7: Feeback on contextual relevance

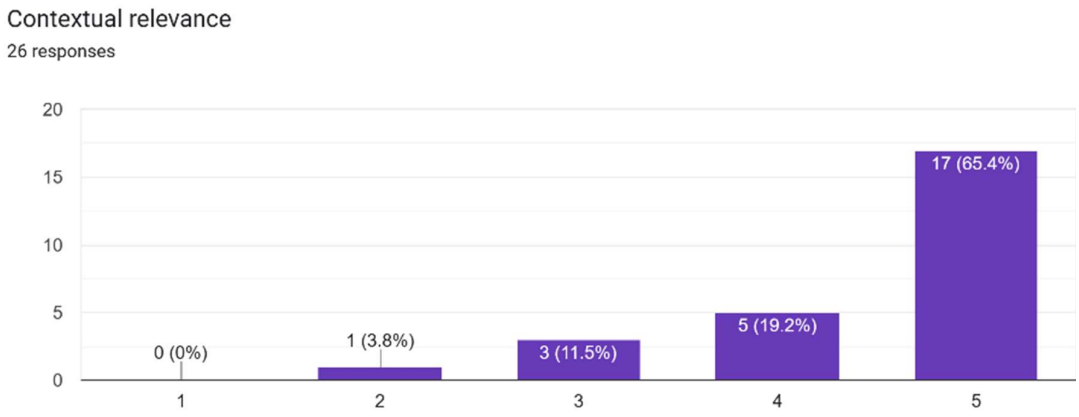
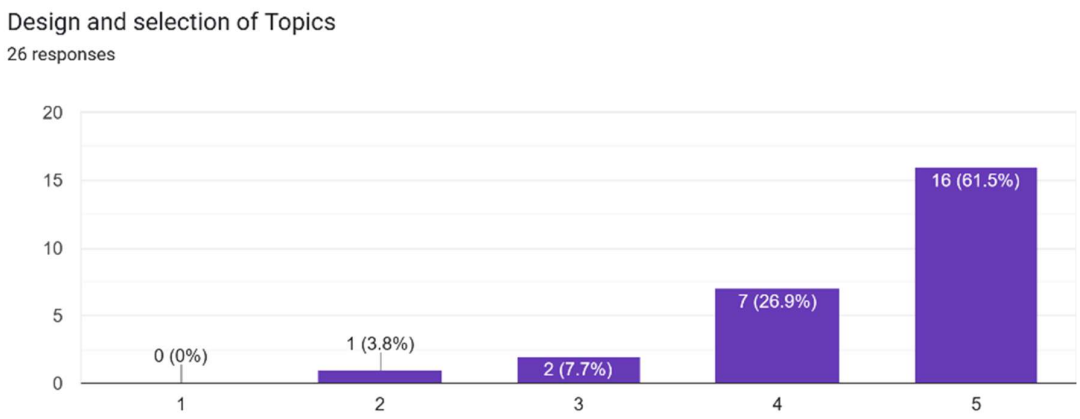
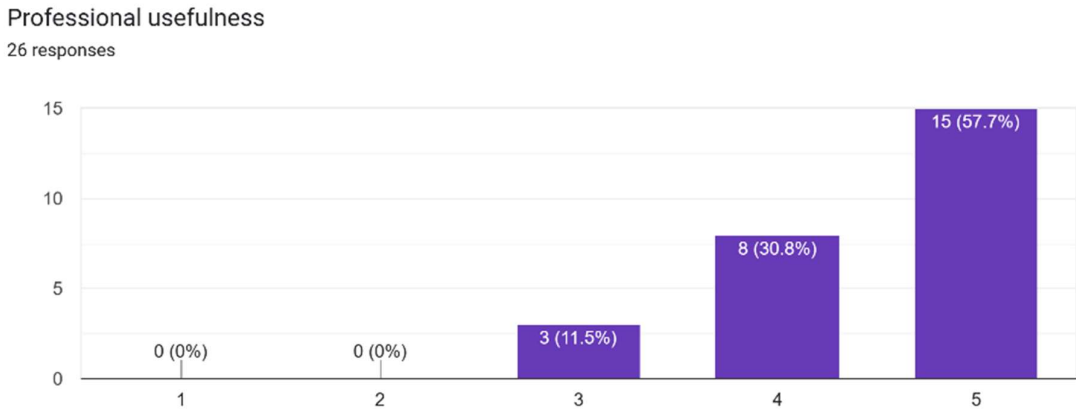


Figure 8: Design and selection of Topics



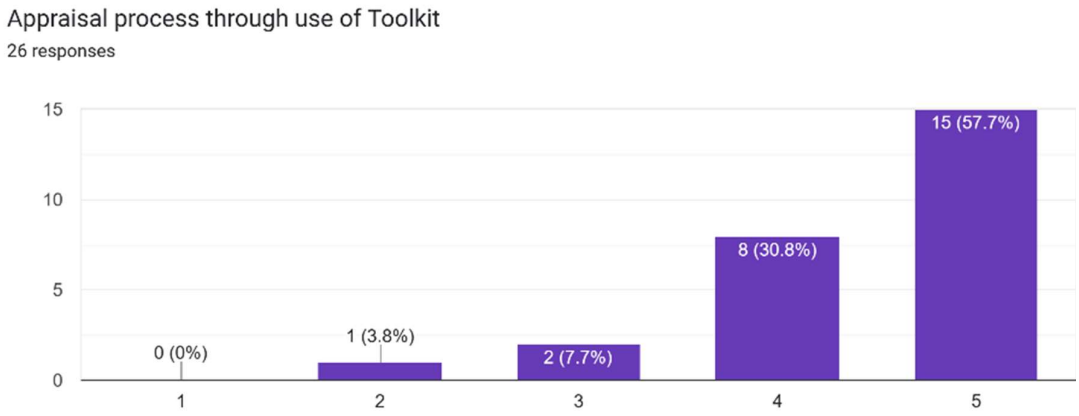
All the respondents to the feedback survey were satisfied with the contents of the workshop. They found it relevant and in line with their work.

Figure 9: Professional usage of toolkit feedback



All the respondents found the content to be useful in their profession. 90%+ of respondents rated the workshop content on a scale of 4 and 5 for their professional usage.

Figure 10: Feedback on using toolkit for project appraisal

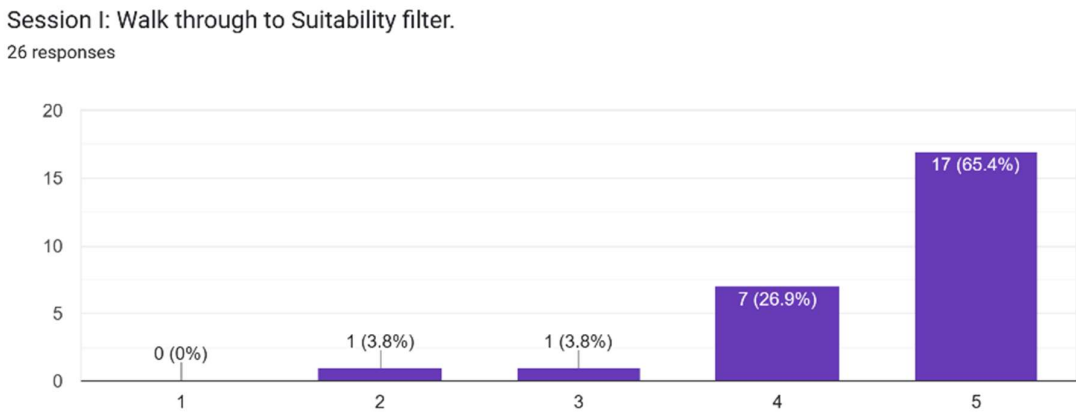


Respondents were enthusiastic to use the toolkit to appraise the projects in their departments.

1.5.2. Feedback on individual sessions

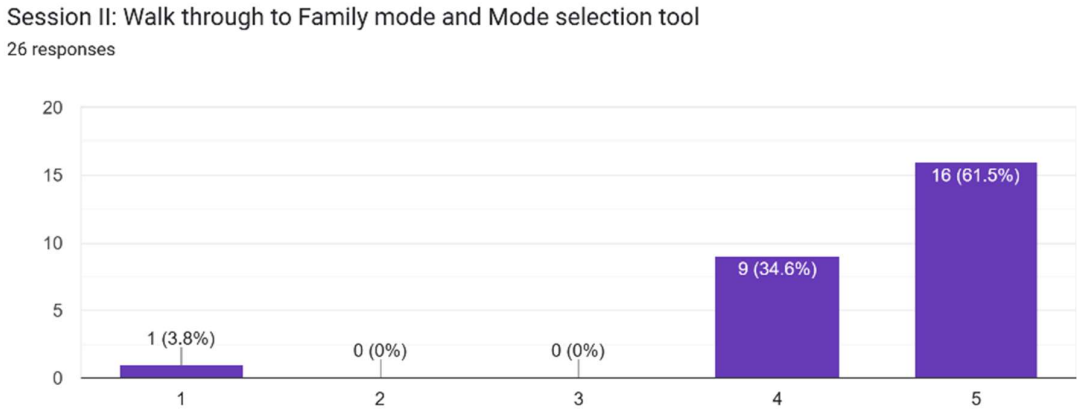
The participants were requested to share the feedback on four critical aspects of each of the session. The section below highlights the feedback.

Figure 11: Suitability Filter tool



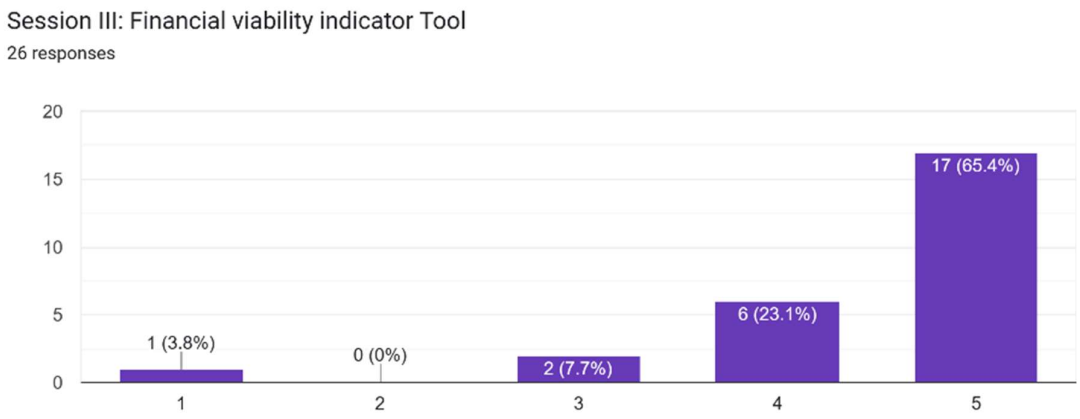
All the respondents rated the Session I between 3 to 5 scale. They rated the session as very effective.

Figure 12: Family Indicator & Mode validation tool



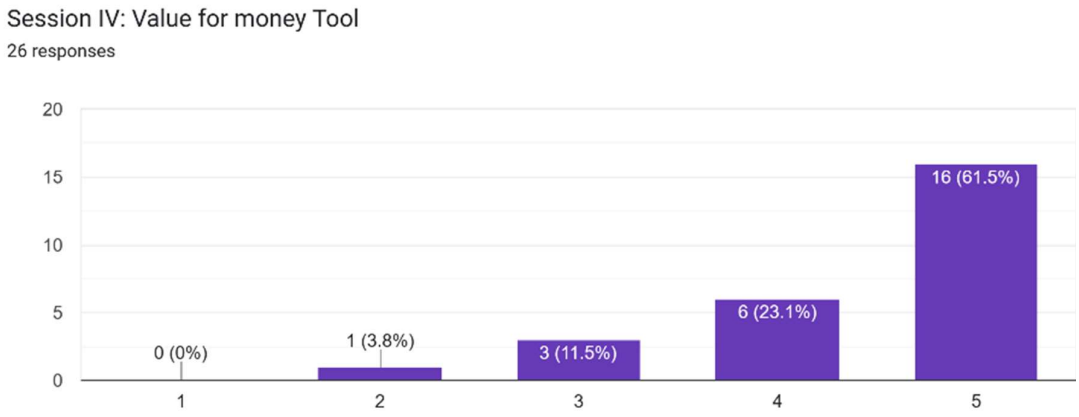
~95% of the respondent rated the Session II between 4 and 5 scale. They rated the session as effective and liked the quality of delivery of the session.

Figure 13: Financial viability indicator tool



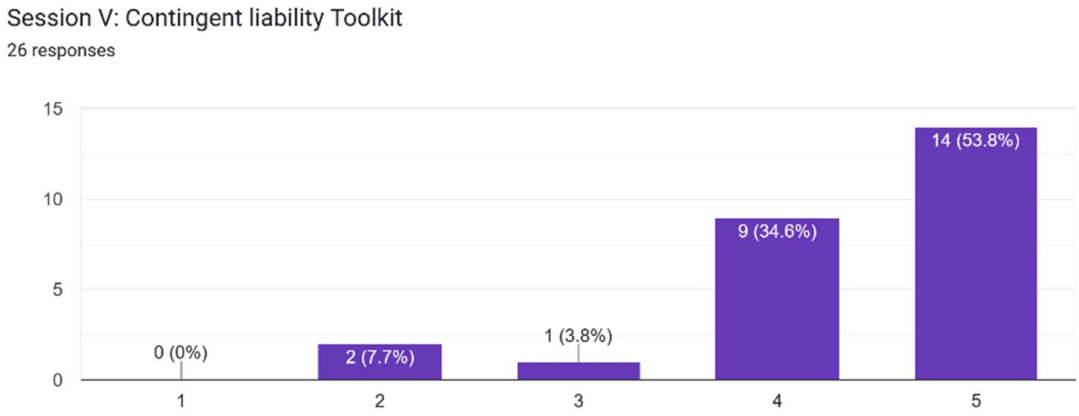
~90% respondents were very satisfied with the case study used to learn the financial viability tool.

Figure 14: Value for money indicator tool



~90% respondents were extremely satisfied with the learning of Value for money indicator tool.

Figure 15: Feedback on Contingent liability tool



~90% respondent was satisfied with the delivery and understanding of the Contingent Liability Toolkit. They rated the session on a scale of 3 to 5 respectively. Since Port is a

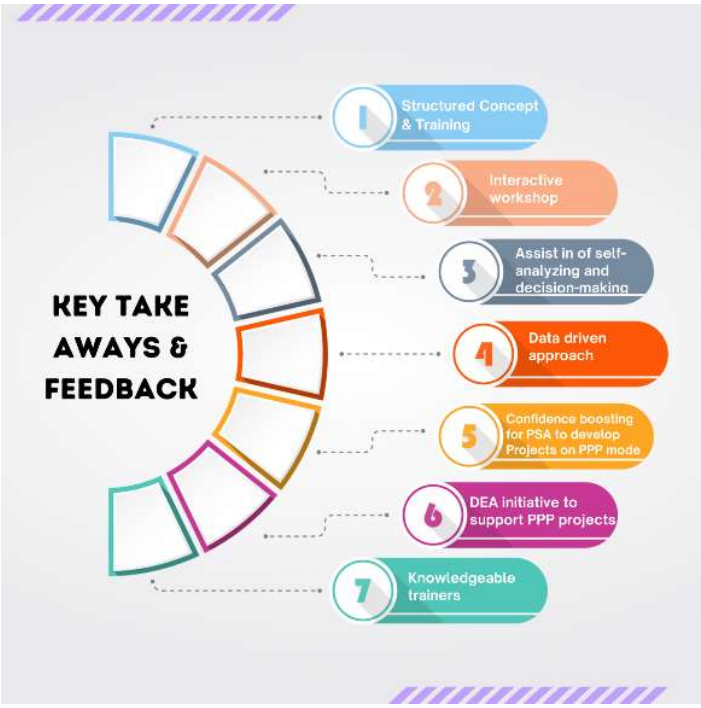
mature sector, contingent liability toolkit was inquisitively discussed amongst the participants.

1.6. Key Takeaways and Feedback

Key takeaways and feedback received from the workshop is as below:

- Helpful tool for PSA in **understanding and analysing** the report submitted by Transaction Advisors.

Figure 16: Key takeaways & feedback



- Shall inculcate a habit of **self- analysing and decision-making** basis on the feasibility of the project during inception stage by using Tool Kit.
- Provides an extent of **knowledge of factors and elements** to be considered and incorporated in the study of the project viability and for successful execution of PPP projects.
- Organising team was well versed with **the Content of the workshop**. The workshop was interactive.
- It **connects appropriate parties** from various corners of the country and spread awareness about conducting a project under PPP. It encourages people to enter into PPP more confidently even if it is their first PPP project.
- **Data driven approach** combined with structured qualitative approach of the workshop.
- The workshop has given very good insight to the PPP structuring toolkit and various **initiatives of DEA** for promoting PPP ecosystem system in the country.

1.7. Suggestion for improvement

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

- **More case studies** More hand on case studies to be done by the participants to have quick access to practice
- **Need to develop amended Tool Kit with case study specific for Ports for handling Dry Bulk cargo in PPP projects.**

- Add some live tender's documents for better understanding.
- Workshop should have **One more day** to get more exercise on case studies.
- **Frequent workshops** should be conducted to impart such trainings.
- Online participants also need to be interactive.
- Models should be customised for ports who are handling bulk cargo as a major commodity.
- **Allocate more time** to Financial Viability Indicator module.

1.8. Vote of Thanks

The workshop concluded with a vote of thanks from Dr. Kartik Agrawal, Deputy Director. On behalf of the Private Investment Unit (PIU) - DEA, Dr Agrawal expressed his gratitude to the honourable Joint Secretary, Shri Baldeo Purushartha and Director, Ms. Preeti Jain for their continuous support in organising these workshops. Shri Baldeo Purushartha has been the guiding light behind the development of these toolkits.

Dr. Agrawal conveyed his gratitude to all the participants who joined both physically and virtually from various central ministries, state departments, and Public Sector Undertakings. Their active participation and valuable contributions enriched the discussions. He acknowledged the contribution of the trainers and team who organised the workshop from DEA and SCOPE Complex. He requested participants to submit their feedback and suggestions for the workshop in order to keep updating the toolkits for user benefits.

Appendix A **– Snapshots of the workshop**

Following is the glimpse of the workshop:

Figure 17: Ms. Preeti Jain, Directoo inaugratitng the workshop by lighting the lamp

Figure 18: Participant Ms. Nilima.N. Parab jointly lighting the lamp

Figure 19: Day 1 Ms. Balan presenting Overview of PPP structuring toolkit

Figure 20: Day 1 Session I presentation by Ms. Puja Sharma

Figure 21: Day 2 Session III presentation by Ms. Puja Sharma

Figure 22: Day 2 Ms. Nikita Chhabra presenting Contingent liability toolkit

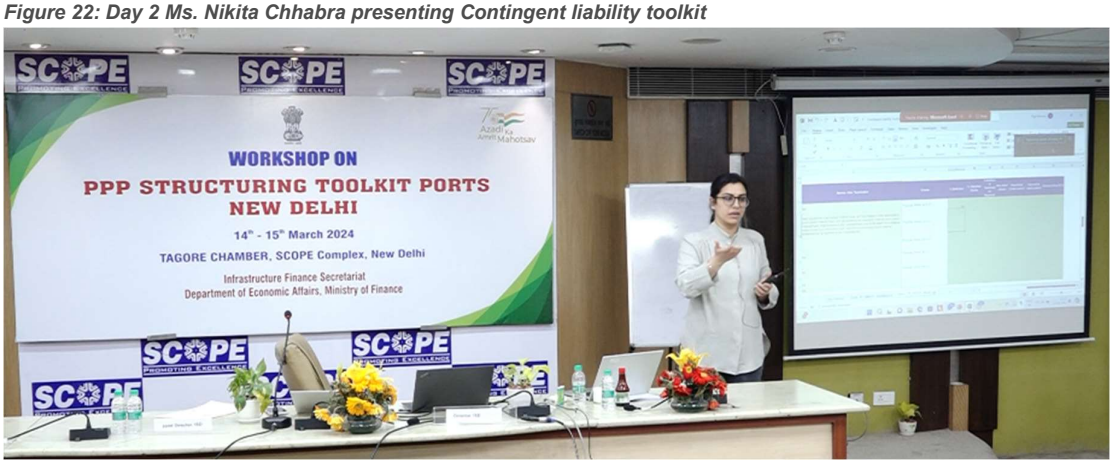


Figure 23: Dr. Kartik Agrawal, Deputy Director presenting VGF, IIPDF and other schemes of DEA

Figure 24: Group Photo with trainers Ms. Puja Sharma and Ms. Nikita Chhabra

Appendix B – **Participants List**

List of Physical participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
Participants from Department of Economic Affairs			
1.	Ms. Preeti Jain	Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
2.	Shri Manoj Kumar Madholia	Joint Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
3.	Shri R Shiv Kumar	Deputy Secretary	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
4.	Ms. Arya Balan Kumari	Joint Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
5.	Dr. Kartik Agrawal	Deputy Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
6.	Ms. Anmol Waraich	Assistant Director	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
7.	Shri Rajender Singh	Section Officer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
8.	Shri Manjeet Yadav	Assistant Section Officer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
9.	Ms. Puja Sharma	PPP Expert	Consultant, Asian Development Bank
10.	Shri Dhruv Rohatgi	OSD	Infrastructure Support and Development Division (ISD), Department of Economic

List of Physical participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
Participants from Department of Economic Affairs			
			Affairs (DEA), Ministry of Finance
11.	Shri Gaurav Jumrani	Consultant	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
12.	Shri Shubham Varun	Stenographer	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
13.	Shri Anurag Choudhary	Data Entry Operator	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance
14.	Shri Anup Kumar	MTS	Infrastructure Support and Development Division (ISD), Department of Economic Affairs (DEA), Ministry of Finance

List of Physical participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
Participants from States/ Line Ministries			
15.	Ms. Nikita Jain	Assistant Director	NITI Aayog
16.	Ms. Preeti Balyan	Joint Director	Department of Expenditure
17.	Shri Gokul R	Sr. Assistant Traffic Manager	Syama Prasad Mookerjee Port, Kolkata
18.	Shri Padmakumar Nair	Manager	Jawaharlal Nehru Port Authority, Maharashtra
19.	Shri Shripad Vilas Kawathekar	Deputy General Manager	Jawaharlal Nehru Port Authority, Maharashtra
20.	Ch. Srinivasa Rao	Dy. Chief Engineer, Civil	Syama Prasad Mookerjee Port, Kolkata
21.	Shri Neeraj Karpathak	Executive Engineer	Mumabi Port Authority, Maharashtra
22.	Ms. Nilima.N. Parab	Dy. Chief Accounts Officer	Mumabi Port Authority, Maharashtra

List of Physical participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
Participants from States/ Line Ministries			
23.	Capt Arun Kumar PK	Officer In Charge	Kerala Martime Board, Kerala
24.	Shri Bhaskar Abhishek	Assistant Director, Strategic Management	Chennai Port Authority, Tamil Nadu
25.	Shri Shine A Haq	Chief Executive Officer	Kerala Maritime Board
26.	Shri Anil B. Bhalekar	Dy. Chief Accounts Officer	New Mangalore Port Authority, Karnataka
27.	Saladi Konda Ravi Kiran	Deputy Traffic Manager	New Mangalore Port Authority, Karnataka
28.	Ch Bhargava	Executive Engineer Civil	Visakhapatnam Port Authority, Andhra Pradesh
29.	Shri K Sreenu	Assistant Executive Engineer, Mechanical	Visakhapatnam Port Authority, Andhra Pradesh
30.	Shri Chandrasekar	Assistant Executive Engineer, Mechanical	V.O.Chidambaranar Port Authority, Tamil Nadu
31.	Shri B. Selvaraj	Superintending Engineer	V.O.Chidambaranar Port Authority, Tamil Nadu
32.	Shri Santosh Kumar Panigrahi	Executive Engineer, Civil	Paradip Port Authority, Odisha
33.	Shri Kulamani Behera	Executive Engineer	Paradip Port Authority, Odisha
34.	Shri Nayanjyoti Bhagwati	Joint Secretary	Housing and Urban Affairs, Assam
35.	Shri V Sarath Raj	Sector Expert	Kerala Maritime Board
Participants from Transaction Advisors			
36.	Shri Rahul Khetan	Manager	CRISIL, Haryana
37.	Ms. Mallika Tandon	Team Leader	Tandon Urban Solutions Private Limited
38.	Shri Soubhik Kumar	Manager	PwC

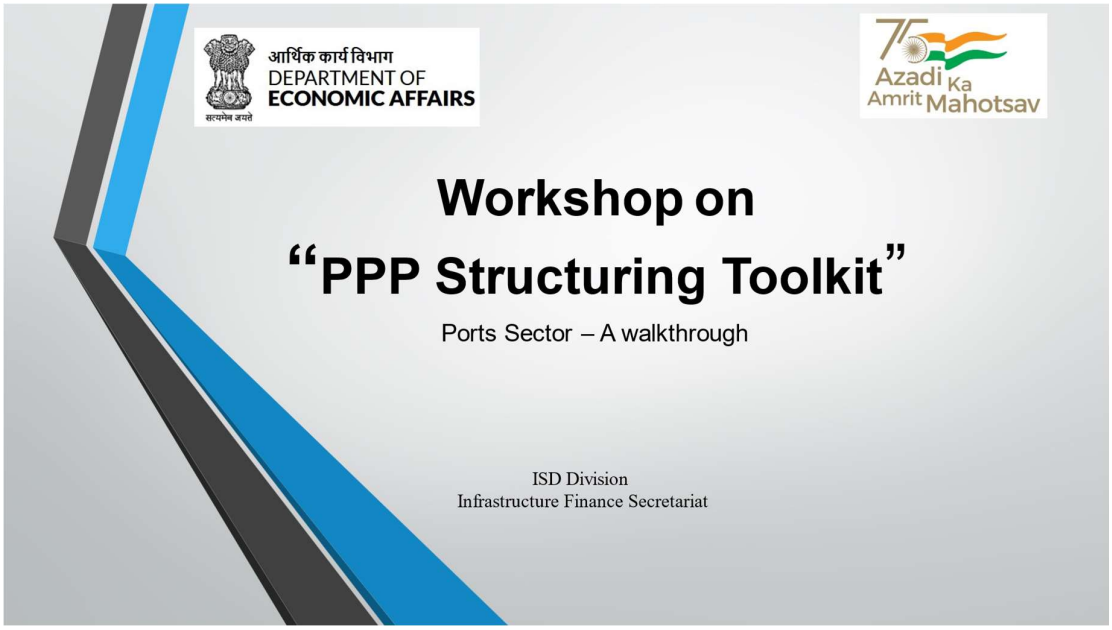
List of Online participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
39.	Shri Suhail Rafat	Assistant Hydrographic Surveyor	Inland Waterways Authority of India, UP
40.	Shri Anand Menon K	Vice President	Darashaw & Co Pvt Ltd, Maharashtra

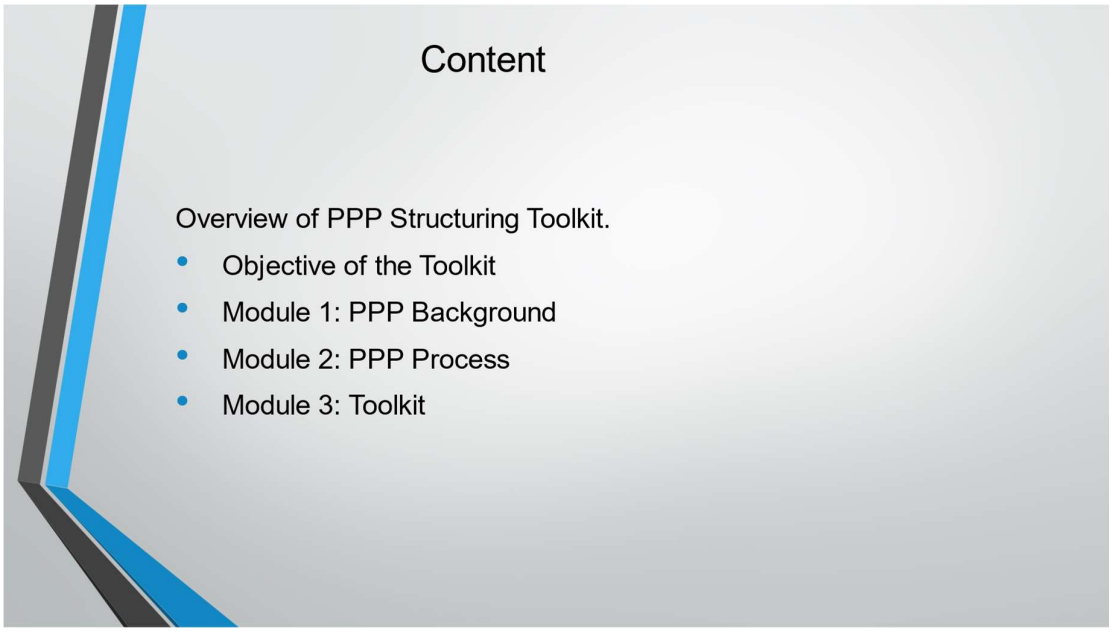
List of Online participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
41.	Shri Sanooj A	Assistant Manager (Tech) & Executive Assistant to MD	Vizhinjam International Seaport project, Kerala
42.	Ms. Parul Singhal Garg	Lead Infrastructure Specialist	CRISIL, Maharashtra
43.	Ms. Vartika Srivastava	Manager	Almondz Global Securities Limited, Delhi
44.	Shri Abdussalam	Assistant Executive Engineer	Private participant
45.	Shri Rajesh Naik	Asst. Engineer	Mormugao Port Authority, Goa
46.	Shri Vinod R. Verenker	Assistant Engineer (Mech.)	Mormugao Port Authority, Goa
47.	Shri Sunny Goel	Consultant	Private participant
48.	Shri Laximan Jaganath Sawant	Assistant Engineer(E)	Mormugao Port Authority, Goa
49.	Shri Abhineet Srivastava	Manager	Deloitte Consulting, Haryana
50.	Shri Madhvendra Singh	CEO	Gujarat Maritime Board, Gujarat
51.	Shri Bhaskar Subramanian	Director	Deloitte Consulting, Haryana
52.	Shri Maheshkumar P Hadiya	Assistant Engineer (Mech.)	Deendayal Port Authority, Goa
53.	Shri Kishor Namdeo Kumbhare	Chief Risk Officer	IIFCL
54.	Shri Rajesh Sharma	Assistant General Manager - Bidding & BD	Almondz Global Securities Limited
55.	Shri S. Viswanathan	Deputy Chairperson	Chennai Port Authority, Tamil Nadu
56.	Capt. M. Anbarasan	State Port Officer	Tamil Nadu Maritime Board, Tamil Nadu
57.	Shri Bimalendu Jena	Assistant Vice President	Darashaw & Co Pvt Ltd
58.	Shri N. C. Momin		Jawaharlal Nehru Port Authority, Maharashtra
59.	Shri S Maharajan	Junior Engineer	Chennai Port Authority, Tamil Nadu
60.	Shri M Saleem Ahamed	Superintending Engineer	Chennai Port Authority, Tamil Nadu
61.	Shri Subhajit Barman		Syama Prasad Mookerjee Port, Kolkata, West Bengal
62.	Shri Auszad Shaik	Chief General Manager	Andhra Pradesh Maritime Board
63.	Shri Abhijit Sardar		Kolkata Port Trust, West Bengal

List of Online participants			
S. No.	**Participant Name**	**Designation**	**Name of the Organization/Firm**
64.	Ms. Alvina Khan	Consultant	Black Brix, Haryana
65.	Shri Aman Gupta	Partner & Chief Business officer	Black Brix, Haryana
66.	Shri Junaid Shaik	Consultant	Voyants Solutions Pvt Ltd., Haryana
67.	Shri Hemanth Illa	Consultant	Voyants Solutions Pvt Ltd., Haryana
68.	Shri Kaushik Jain		Kolkata Port Trust, West Bengal
69.	Ms. Sherin Shihabudeen	Consultant	CRISIL
70.	Shri Vasu Deva	Consultant	Black Brix, Haryana
71.	Shri Vikram Daga	Consultant	Voyants Solutions Pvt Ltd., Haryana
72.	Shri Laxmi Sawant		Mormugao Port Authority, Goa
73.	PMU		Tamil Nadu Maritime Board

Appendix C – Presentation on PPP structuring toolkit and Contingent liability toolkit

- **Presentation of PPP structuring toolkit**





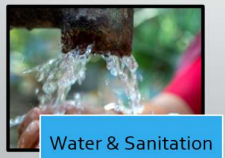
What is PPP Structuring Toolkit?

- The PPP Toolkit is a web -based resource that has been designed to help improve decision-making for infrastructure PPPs in India
- It is designed for the use by officials in Project Sponsoring Agency (PSA)
- The Toolkit is being developed for six sectors. Currently it supports **four** sectors namely:


Road & Highway


Port


Solid Waste Management


Water & Sanitation


Urban Transport (BRTS)


Healthcare

Objective of the PPP Structuring Toolkit

Toolkit structure and content

3 main parts to the toolkit :

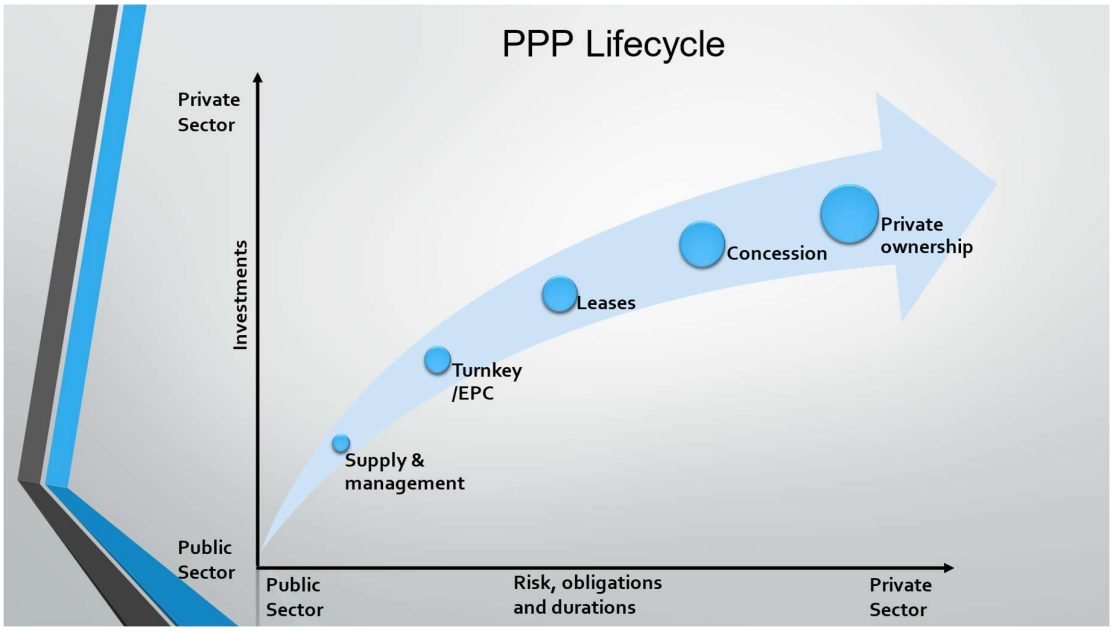
- **Module 1: PPP Background**
  - General information and explanation about PPPs
- **Module 2: PPP Process**
  - Describes the process of developing a PPP through four Phases
- **Module 3: Tools and resources**
  - 5 decision-making tools: (Family Indicator, Model Validation Tool, Suitability Filter, PPP Financial Viability Indicator Model and VFM Indicator Tool)

Module1: PPP Background
Module 2: PPP process
Module 3: Tools and Resources

Module 1: PPP Background

Overview of PPP in Infrastructure	Overview of PPP in India	Risk – a focal element in PPP design	Overview of PPP modal variant	PPP Supporting Environment
PPP in Infrastructure	Need and Potential of PPP	Major Risk in Infrastructure Projects	Project characteristics	Public Sector PPP capacity and experience
Why use PPP?	PPP framework in India		PPP modal families	Public sector funding assistance
When should PPP be used	Sectoral overview		Risk allocation under different PPP modes	Private sector appetite and capacity
PPPs internationally				Legal environment and Policy support
				Government support

Do a self E- Course - DEA (lms.gov.in)



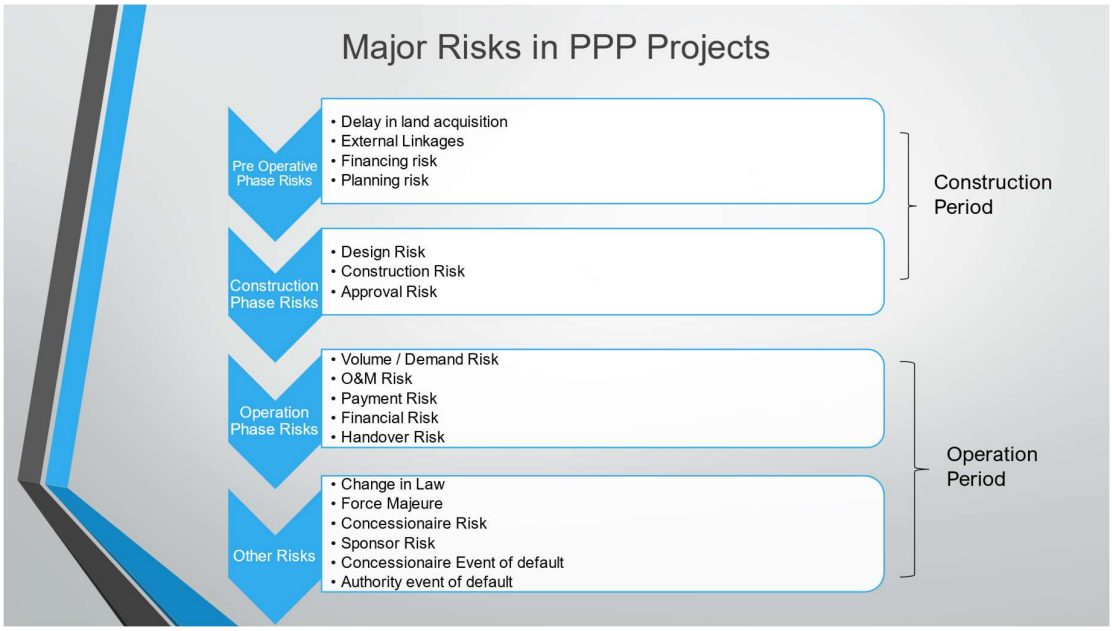
Component of PPPs

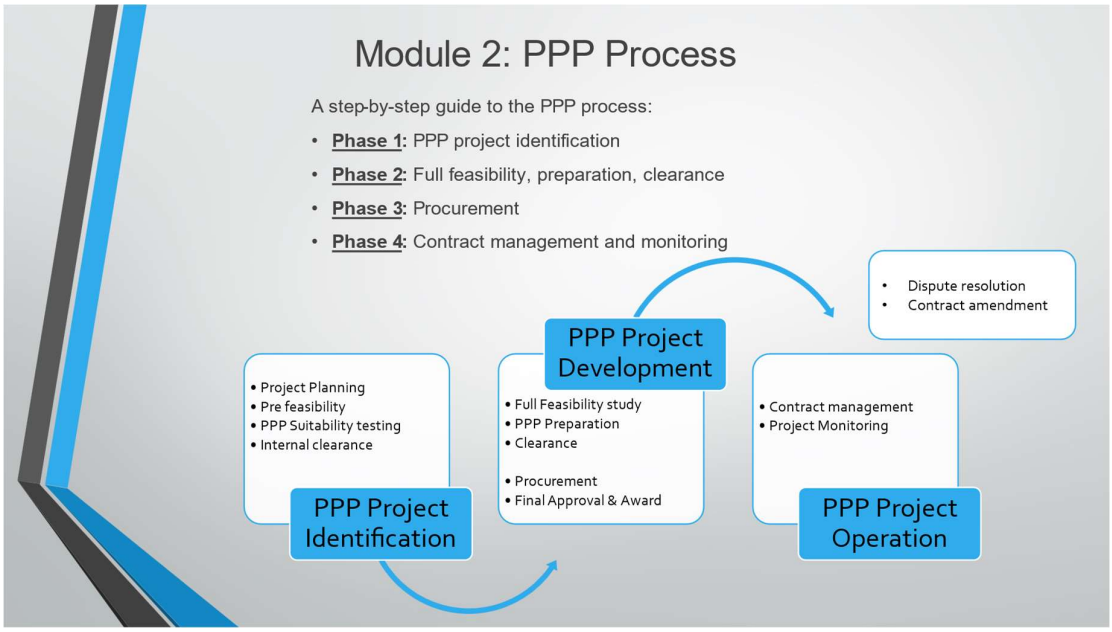
Contract
- The contract is between the public and the private party for a fixed period of time

Concession
- The contract contains a set of rights and obligations that is granted to the private party during the fixed period of time.

Partnership
- The partnership between the public and the private parties to share rights and duties and risk and rewards optimally between the parties.

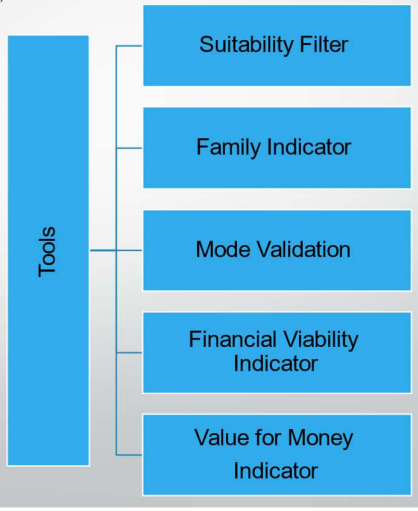
Payment
- The service provided by the private party has payment associated with it.


Major Risks in PPP Projects
Pre Operative Phase Risks
• Delay in land acquisition
• External Linkages
• Financing risk
• Planning risk
Construction Phase Risks
• Design Risk
• Construction Risk
• Approval Risk
Construction Period
Operation Phase Risks
• Volume / Demand Risk
• O&M Risk
• Payment Risk
• Financial Risk
• Handover Risk
Other Risks
• Change in Law
• Force Majeure
• Concessionaire Risk
• Sponsor Risk
• Concessionaire Event of default
• Authority event of default
Operation Period


Module 2: PPP Process
A step-by-step guide to the PPP process:
• Phase 1: PPP project identification
• Phase 2: Full feasibility, preparation, clearance
• Phase 3: Procurement
• Phase 4: Contract management and monitoring
• Project Planning
• Pre feasibility
• PPP Suitability testing
• Internal clearance
PPP Project Identification
PPP Project Development
• Full Feasibility study
• PPP Preparation
• Clearance
• Procurement
• Final Approval & Award
• Contract management
• Project Monitoring
PPP Project Operation
• Dispute resolution
• Contract amendment

Module 3: Tools and resources

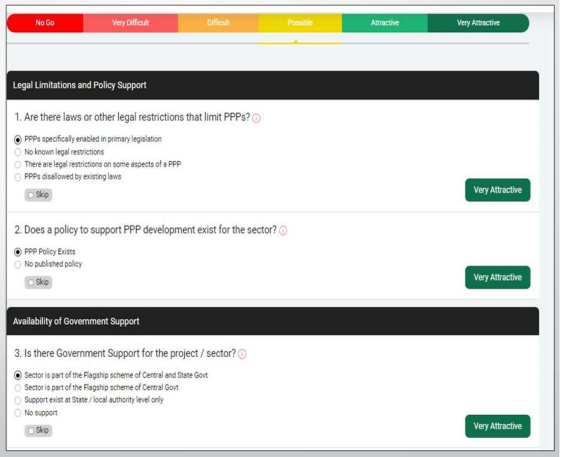
Contains the **five** decision-making tools, and other PPP resources:



Module 3 –Tools – Suitability Filter

Is the key tool to test whether the project is suitable to be developed on PPP basis.

- 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



Module 3 –Tools – Suitability Filter

Parameters	Questions	Explanation
Legal	• Are there laws or other legal restrictions that limit PPPs? • Does a policy for private participation in the sector exist?	Legal parameters help the user to understand if the law permits the implementation of PPPs or not?
Political	• Is there Government Support for the sector/ project? Is there support of PPP in the affected communities?	Political parameter helps the user to understand if the public environment is supportive implementation of PPP projects.
Public sector PPP capacity and experience	• Is there a PPP Unit/Dept in the State? • Does the Project Sponsoring Authority have the capabilities to procure PPPs? • Does the Sponsoring Authority have the capabilities to manage and monitor a PPP contract? • Does the Sponsoring Authority have previous experience with PPPs? • Would the physical infrastructure pass through multiple jurisdictions?	This parameter analyses PSAs capacity to execute and implement PPP project.

Module 3 –Tools – Suitability Filter

Parameters	Questions	Explanation
Public sector funding assistance for PPPs	• Is funding assistance available for project development? • Is the project likely to be eligible for Viability Gap Funding? • Is the project likely to be eligible for funding from other grant schemes? • Is the project eligible for funding / guarantees from multi-lateral agencies?	This parameter helps in understanding difference funding options that may be available for development of the project to the PSA.
Private Sector	• Are multiple firms active in the PPP market? • Have other similar PPP projects reached Financial Close?	These parameters assess private sector participation and interest in the PPP projects in the chosen sector

Module 3 –Tools – Suitability Filter

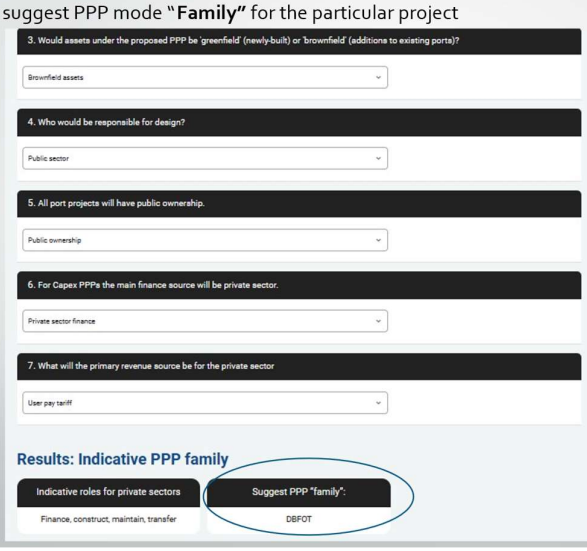
Parameters	Questions	Explanation
Land availability and acquisition	• Will the PPP require land acquisition? • If land acquisition is required, will the public sector do this?	These parameters assess the land requirement and potential issues related to acquisition of land for the project and their impact on the project timelines.
Environmental and Social Impact	• Will the PPP have significant environmental impacts? • Will the PPP have significant social impacts?	These parameters assess the impact of the project on Environment and social factors related to it.
Labour	• Will a significant transfer of employees take place under the PPP? • Have there been successful transfers under previous PPPs? • Is the project likely to result in job losses?	This parameter helps the PSA evaluate potential unrest by the employees and to prepare for its resolution.

Module 3 –Tools – Suitability Filter

Parameters	Questions	Explanation
Outputs	• Are outputs definable, measurable and verifiable?	If it is not possible to clearly specify outputs then there is a high risk of disputes arising during the course of the PPP. There should also be an agreed understanding on the desired outputs before proceeding to PPP procurement.
Timing	• Are there time constraints? • Can PPP project be tendered at a short notice?	A PPP procurement will generally take more time than a conventional procurement-although this will be offset by the faster speed of delivery once the contract is awarded. If there are significant time constraints on the contracting process, a PPP may not be appropriate. This parameter understands the time available to procure the PPP.

Module 3 –Tools – Family indicator

Is the key tool to suggest PPP mode "**Family"** for the particular project



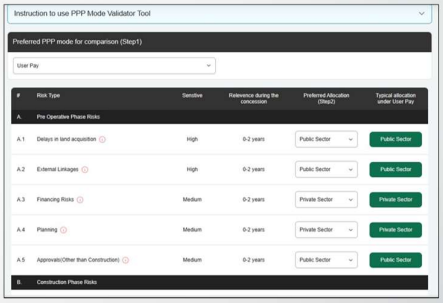
Module 3 –Tools – Mode validation

The tool uses a risk allocation analysis to help decide further whether the selected PPP mode is best for the project.

The risk are assigned based on the latest model concession agreement.

Risks are broadly classified in the following major categories

1. Pre operative Risk
2. Construction Risk
3. Operation Risk
4. Other Risk



Outputs of the tool

Number of matches to preferred risk allocation:	
BOT	**17of 20**
O&M	**9 of 20**

Score of 20 = perfectly matched

Module 3 –Tools – Mode validation

Risks	Description
Pre-Operative Phase Risks	
Delay in land acquisition	Refers to the risk that the project site will be unavailable or unable to be used within the required time, or in the manner or the cost anticipated or the site will generate unanticipated liabilities due to existing encumbrances and native claims being made on the site. This risk is most relevant to greenfield projects involving treatment and disposal facilities.
External linkages	Refers to the risk that adequate and timely connectivity to the project site is not available, which may impact the commencement of construction and the overall pace of development of the project. Eg. Road's connectivity to Port site.
Financing risks	Refers to the risk that sufficient finance will not be available for the project at a reasonable cost (e.g., because of changes in market conditions or credit availability) resulting in delays in the financial closure of the project.
Planning risks	Refers to the risk that the pre-development studies (technical, legal, financial, and others) conducted are inadequate or not robust enough resulting in possible deviations from the planned or expected outcomes in the PPP project development .

Module 3 –Tools – Mode validation

Risks	Description
Construction Phase Risk	
Design risk	Refers to the risk that the proposed design will not meet the performance and service requirements in the output specification. It can result in additional costs for modification and redesign.
Construction risk	Refers to the risk that the construction of the assets required for the project will not be completed on time, within budget, or to specification. It may lead to additional raw materials and labour costs, an increase in the cost of maintaining existing infrastructure or providing a temporary alternative solution due to a delay in the provision of the service.
Approval risk	Refers to the risk that delays in approvals to be obtained during the construction phase will result in a delay in the construction of the assets as per the construction schedule. Such delays in obtaining approvals may lead to cost overruns.

Module 3 –Tools – Mode validation

Risks	Description
Operation Phase risk	
Technology risk	Refers to the risk that the technology used will be unexpectedly superseded during the term of the project and will not be able to satisfy the requirements in the output specifications. It would result in increased costs of replacement technology.
Operations and maintenance risk	Refers to the risks associated with the need for increased maintenance of the assets over the term of the project to meet performance requirements.
Volume / Demand risk	Refers to the risk that demand for service will vary from that initially projected, such that the total revenue derived from the project over the project term will vary from initial expectations.
Payment risk	Refers to the risk that tolls are not collected in full or are not set at a level that allows recovery of costs. This is a risk for the public sector under shadow tolls and for the private sector under user tolls. There is no risk in annuity contracts.
Financial risk	Refers to the risk that the private sector overstresses a project by inappropriate financial structuring. It can result in additional funding costs for increased margins or unexpected refinancing costs.
Handover risk	Refers to the risk that the concessionaire will default in the handover of the asset at the end of the project term or will deviate from the minimum quality/value of the asset that needs to be handed back to the public entity.

Module 3 –Tools – Mode validation

Risks	Description
Other risks	
Change in law	Refers to the risk that the current legal/regulatory regime will change, having a material adverse impact on the project.
Force Majeure	Refers to the risk that events beyond the control of either entity may occur, resulting in a material adverse impact on either party's ability to perform its obligations under the PPP contract. E.g.: pandemics, strikes, act of war.
Sponsor risk	Refers to the risk that the Private entity will prove to be an unsuitable partner for the project, for example, due to poor project management, lack of funds or a failure to fully recognise the agreed terms of the Concession Agreement.
Concessionaire event of default	Refers to the risk that the private entity will not fulfil its contractual obligations and that the Public Sponsoring Authority will be unable to either enforce those obligations against the sponsors or recover some form of compensation or remedy from the sponsors for any loss sustained by it as a result of the breach or the private partner will prove to be inappropriate or unsuitable for delivery of the project.
Authority event of default	Refers to the risk that the Public Sponsoring Authority will not fulfil its contractual obligations and that the Concessionaire will be unable to either enforce those obligations against the Authority or recover some form of compensation or remedy from the Authority for any loss sustained by it as a result of the breach.

Risk allocation

	Risk Type / PPP Mode	User Pay	Management
A	PRE OPERATIVE PHASE RISKS		
A.1	Delays in land acquisition	Public Sector	Not Relevant
A.2	External linkages	Public Sector	Not Relevant
A.3	Financing risks	Private Sector	Not Relevant
A.4	Planning	Private Sector	Not Relevant
B	CONSTRUCTION PHASE RISKS		
B.1	Design Risk	Private Sector	Not Relevant
B.2	Construction Risk	Private Sector	Not Relevant
B.3	Approvals	Private Sector	Not Relevant
B.4	Additional Site Risk	Public Sector	Not Relevant

Risk allocation

	Risk Type / PPP Mode	User Pay	Management
C	OPERATIONS PHASE RISKS		
C.1	Operations & Maintenance Risk	Private Sector	Private Sector
C.2	Volume Risk	Private Sector	Public Sector
C.3	Payment Risk	Private Sector	Public Sector
C.4	Financial Risks	Private Sector	Private Sector
C.5	Performance Risk	Private Sector	Private Sector
C.6	Technology Risk	Private Sector	Private Sector
C.7	Handover Risk	Private Sector	Private Sector

Risk allocation

	Risk Type / PPP Mode	User Pay	Management
D	**OTHER RISKS**		
D.1	**Change in Law**	Public Sector	Public Sector
D.2	**Force Majeure**	Shared	Shared
D.3	**Concessionaire risk**	Private Sector	Private Sector
D.4	**Sponsor risk**	Private Sector	Private Sector
D.5	**Concessionaire event of default**	Private Sector	Private Sector
D.6	**Authority event of default**	Public Sector	Public Sector

Module 3 – Tools – Financial Viability Tool – SWM

Category	BOT	BOT – Lease (BOLT)	OMT
Traffic	Included	n/a	n/a
Bidding Criteria	Highest Royalty Payments Lowest VGF	Highest Lease Rent Lowest VGF	Lowest annual maintenance
Revenue	Water side revenues – GRT, Pilotage, Vessel Handling charges Berth side revenues – Berthing, handling & Wharfage Charges, Land side revenues		Annual maintenance
Phasing	Phased development		No Phasing
Capital Expenditure (10 Categories to be provided for)	Civil Construction Cost Equipment Cost Insurance Contingency Pre operative Costs	Civil Construction Cost Equipment Cost Insurance Contingency Pre operative Costs	Provides for No Capex but major maintenance
Operating Cost	Port Operations License Fees Royalty Payments O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance	Lease rent Port Operations License Fees O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance	Port Operations License Fees Royalty Payments O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance
Financing			
Sources of Funds	Equity Senior Debt / Sub Debt VGF Grant	Equity Senior Debt / Sub Debt VGF Grant	Equity Senior Debt / Sub Debt n/a without major expenditure
Taxes	GST / Corporation Tax	GST / Corporation Tax	GST / Corporation Tax
Major Maintenance	Included	Included	n/a

Module 3 – Tools – Financial Viability Tool – SWM

Category	BOT	BOT – Lease (BOLT)	OMT
Traffic	Included	n/a	n/a
Bidding Criteria	Highest Royalty Payments Lowest VGF	Highest Lease Rent Lowest VGF	Lowest annual maintenance
Revenue	Water side revenues – GRT, Pilotage, Vessel Handling charges Berth side revenues – Berthing, handling & Wharfage Charges, Land side revenues		Annual maintenance
Phasing	Phased development		No Phasing
Capital Expenditure (10 Categories to be provided for)	Civil Construction Cost Equipment Cost Insurance Contingency Pre operative Costs	Civil Construction Cost Equipment Cost Insurance Contingency Pre operative Costs	Provides for No Capex but major maintenance
Operating Cost	Port Operations License Fees Royalty Payments O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance	Lease rent Port Operations License Fees O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance	Port Operations License Fees Royalty Payments O&M Cost Other O&M Cost IE/IA expenses Insurance Routine Maintenance
Financing			
Sources of Funds	Equity Senior Debt / Sub Debt VGF Grant	Equity Senior Debt / Sub Debt VGF Grant	Equity Senior Debt / Sub Debt n/a without major expenditure
Taxes	GST / Corporation Tax	GST / Corporation Tax	GST / Corporation Tax
Major Maintenance	Included	Included	n/a

Module 3 –Tools – Value for Money

Testing for Value for Money (VfM) should be an important part of any PPP project development.

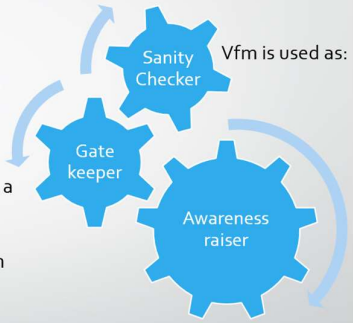
VFM is used as procurement decision i.e. What is the best mode for project implementation? (Public procurement or PPP)

Value for Money (VfM) means the public sector is financially better off if the project is implemented as a PPP rather than if it is done as a traditional public sector project.

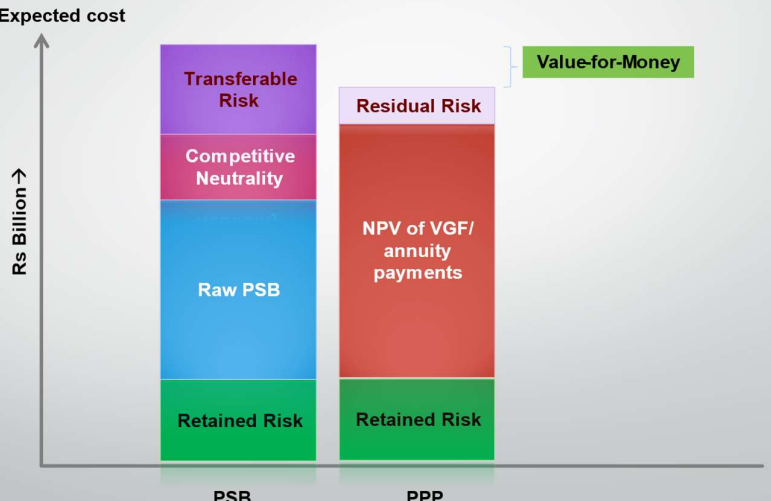
If a project is not expected to provide VFM for the public sector then the project should not be implemented as a PPP.

A VFM test compares the estimated cost of procuring the project in the public sector (the traditional route) with the estimated cost of procuring it as a PPP. The public sector procurement option is called the public sector benchmark (PSB).

VFM = Cost of PSB – Cost of PPP



Module 3 –Tools – Value for Money



Elements of Quantitative VFM – PSC

Transferable risks

- These capture the impact of the specific risks which are generally transferred to the private sector in case of PPP
- Typically includes – construction cost/ time over-run, design risk, O&M cost over-run, interest rate, exchange rate, inflation and revenue risks.

Competitive neutrality

- Identify effects of PSA ownership and the advantages/ disadvantages it brings in vis-à-vis private sector
- Typical example is the taxation

Retained risks

- These are risks retained with the public sector in case of traditional procurement and PPP
- Eg: delay in land acquisition, providing approvals for the project

Raw PSC

- Generally the life-cycle cost of the project includes:-
- The total project cost and the NPV of the annual O&M cost
- This cost is relevant only during the estimation of PSC

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Elements of Quantitative VFM – PPP

Residual risks

- These the residual risks retained by the PSA on the ones transferred to the private sector
- For example: renegotiation risks

Annuity payments / VGF

- In case of annuity model wherein the private sector is supported by annuity payments. Calculated as the NPV of the payments
- It also includes any upfront VGF or capital grant paid by the Govt. to the private sector

Retained risks

- These are risks retained with the public sector in case of traditional procurement and PPP

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Module 3 –Tools – Value for Money

Present value inputs are calculated using cashflows provided by the Financial Viability Indicator tool, discounted at the user-input discount rate.

All calculations should be made in nominal terms.

Cash costs and receipts - from Financial Viability Indicator tool		*PSB*		*PPP*
PV of payments for a public sector project	*R cr.*	220.6		
PV of payments under PPP	*R cr.*			15.2
Total costs for public finances	*R cr.*	220.6		15.2
Gross VAT received	*R cr.*	0.0		0.0
Corporate tax (including MAT) received	*R cr.*			19.3
Third party income (eg, tolls, charges, advertising) received	*R cr.*	276.4		
Total receipts for public finances	*R cr.*	276.4		19.3
Net cash cost to Public Finances (= costs - receipts)	*R cr.*	-55.8		-4.1

Risk adjustment		*PSB*		*PPP*
Expected value of risk that would be transferred under PPP	*R cr.*	**116.4**		
Expected cost of added risks from a PPP for the public sector	*R cr.*			**0.8**
Adjusted net cost to Public Finances	***R cr.***	**60.6**		**-4.9**
Expected VFM	***R cr.***			**65.5**

Module 3: Summary of the Tools

Tool	What's it for?	For use in which phase of the PPP Process?		
		Pre-feasibility	Feasibility	Procurement
PPP Suitability Filter	Should you do the project on PPP? A Go/No Go decision	●		
PPP Family Indicator	Which type of PPP?	●		
PPP Mode validation	Risk-based check of type	●	●	
Financial Viability Model	Viable for private partners?	●	●	●
VFM Indicator	Likely VFM public sponsor?	●	●	●

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

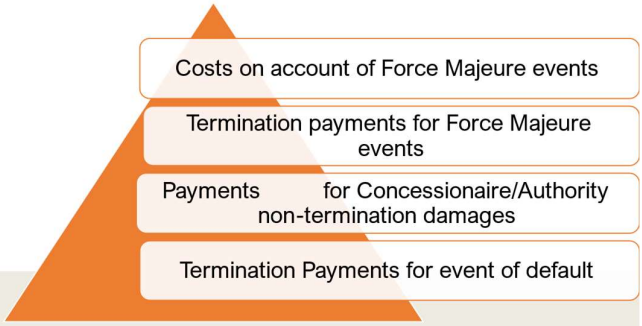
Thank You!

- **Presentation of PPP structuring toolkit**

Contingent Liability Toolkit for Ports Sector

Table of Contents

Contingent Liabilities arising from a PPP Contract



Obligations of the government arising from a valid PPP contract whose occurrence, timing, and amount depend on some uncertain future event or circumstance.

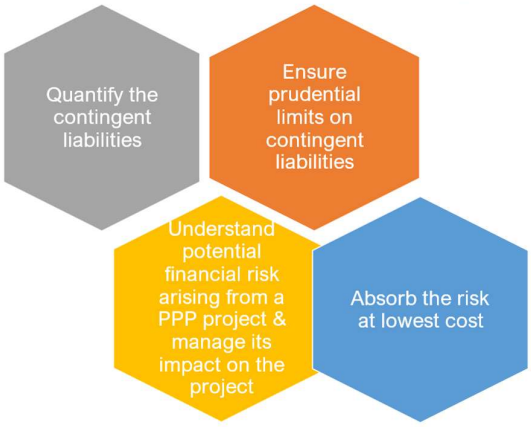
Direct Liability versus Contingent Liability

ELEMENT OF LIABILITY	DIRECT LIABILITY	CONTINGENT LIABILITY
Obligation and Need for Payment	Present and certain obligation resulting from a past event; obligations and payment needs are known upfront.	Possible obligation from a past event; obligations may be confirmed by occurrence/ nonoccurrence of uncertain future events.
Quantum of amount	Known upfront with certainty; reliable estimates of the amount of the obligation can be made for accounting and budgeting.	Uncertain amounts; estimates may also not be possible with reasonable accuracy and reliability.
Timing	Known with certainty	Uncertain/ unknown
Outflow of resources	Known with certainty	Uncertain and depend on the occurrence/nonoccurrence of an event in future;

Types of Direct and Contingent Liabilities

Direct Liabilities	Contingent Liabilities
1. Viability Gap Payments	1. Cost on account of Force Majeure Events
2. Annuity Payments	2. Termination payment for Force Majeure Events
3. Any project related specific subsidies	3. Payment for Concessionaire/Authority event of defaults, if such defaults lead to termination of contract

Objective & Applicability of the Contingent Liability Toolkit



- To be used by **Project Sponsoring Agencies (PSAs)** to calculate the contingent liability arising from a PPP project.
- Accordingly, **appropriate funds** could be demarcated at the beginning itself to meet any contingent liabilities arising in the future.
- Also, this would help PSAs in taking measures such as introduction of **suitable clauses** in **bid documents** to minimize the impact of adverse events and **wisely allocate risks**.

Key Sectors Covered under the Toolkit

Contingent Liability Toolkit– Case Study

Case Study: Construction of Container Terminal on PPP basis

S.No.	Particulars	Key Details
1.	Name of the project	Construction of container terminal at Mumbai Port
2.	Type of PPP (BOT, DBFOT, OMT etc.)	DBFOT
3.	Location	Mumbai
4.	Administrative Ministry/Department	Ministry of Ports, Shipping and Waterways
5.	Implementing Agency	Mumbai Port Trust
6.	Capacity (MTPA)	20
7.	Estimated Project Cost (Rs. Cr)	i. Civil Construction Cost: 400 ii. Pre-Operative Cost: 4 iii. Financing Charges: 4 iv. Interest during Construction: 50 v. 18% GST on Civil Cost: 72 **vi. Total Capital Cost: 530**

Case Study: Construction of Container Terminal on PPP basis

S.No.	Particulars	Key Details
8.	Concession Period (years)	30
9.	Construction Period (years)	2
10.	Financing (Rs. Crore)	Equity: 30% Debt: 70%
11.	Appointed Date	30.04.2020
12.	COD	30.04.2022
13.	End of Concession Period	30.04.2050
14.	Date of Termination of Contract	30.04.2027

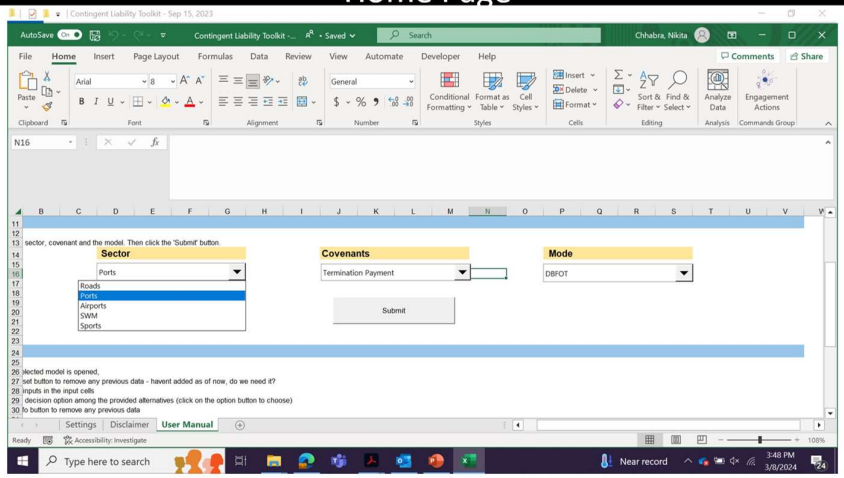
Checklist for Calculation of Contingent Liability

Checklist for Calculation of Contingent Liability

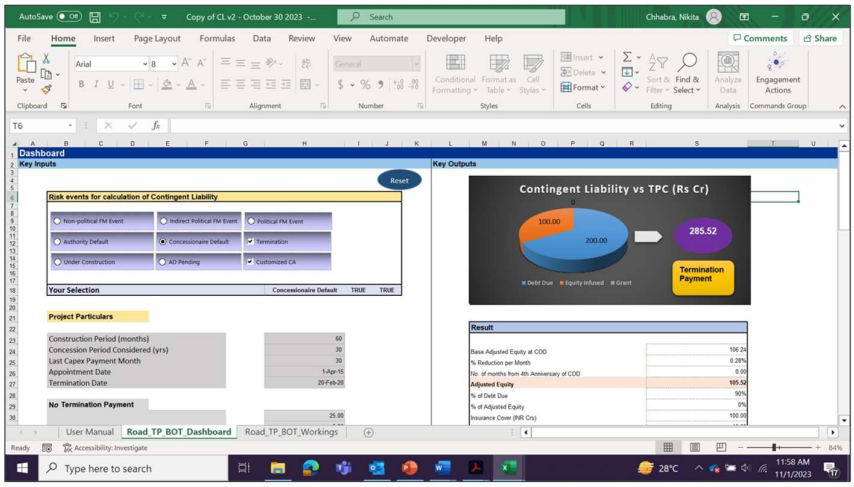
- √ Total Project Cost
- √ Concession Period
- √ Construction Period
- √ Appointed Date
- √ Commercial Operation Date (COD)
- √ Termination Date
- √ Debt
- √ Equity
- √ Det Due
- √ Grant/VGF
- √ Insurance Cover
- √ Insurance Claim (not admitted and paid)

Checklist for Calculation of Contingent Liability

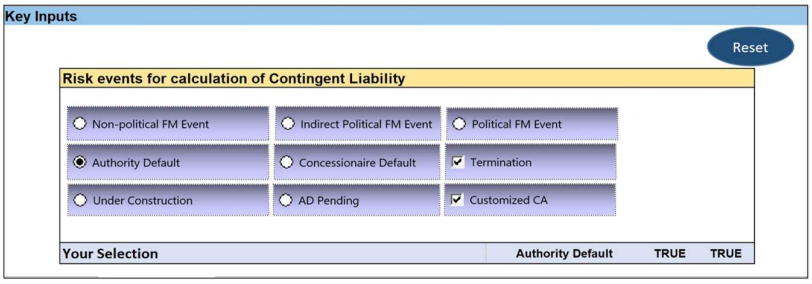
Step 1: Choose the Sector, Convenant, and the PPP mode on the Home Page



Step 2: Once the selections are made, press submit. Dashboard and workings sheet will appear



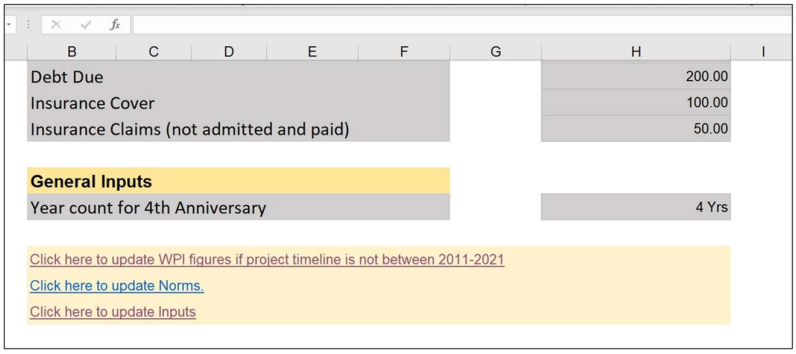
Step 3: Risk Event Selection



The Dashboard Page consists of **Key Inputs** and **Key Outputs.** On the **Key Inputs** side, **following actions are required:**

1. **Select the Risk Event**
2. **Select Termination/Non-termination**
3. **Select Customized CA, if not based on Model Concession Agreement**
4. **Provide Project Details/Particulars - Key Dates, Concession Period, Construction Period, Means of Finance, etc.**

Step 4: Key Inputs to be Edited/Updated



Debt Due		200.00
Insurance Cover		100.00
Insurance Claims (not admitted and paid)		50.00
General Inputs		
Year count for 4th Anniversary		4 Yrs

Click here to update WPI figures if project timeline is not between 2011-2021

Click here to update Norms.

Click here to update Inputs

Once the key project features are provided, Users can click on the **clickable links** provided on the **Dashboard** to update/change:

1. **WPI figures**
2. **Norms/Articles/Clauses for Termination Payment**
3. **Other Key Inputs, if any**

Step 4: Key Inputs to be Edited/Updated

Based on Model Conce	**Selected Option number**	5 #
Based on Customised L	**Termination Period active in project phase**	2 #

Reason	% of Debt Due	% of Adjusted Equity	Insurance Cover switch	Insurance Claim switch	Norms - TP	Additional Termination Payment	Norms - Non Termination
Non-political FM Event	90%	-	1	-	If Termination is on account of a Non-Political Event, the Authority shall make a Termination Payment to the Concessionaire in an amount equal to 90% of the Debt Due less Insurance Cover.	0%	NA
Indirect Political FM Event	100%	110%	1	1	If Termination is on account of an Indirect Political Event, the Authority shall make a Termination Payment to the Concessionaire in an amount equal to: (a)Debt Due less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% of such unpaid claims shall be included in the computation of Debt Due; and (b) 110% of the Adjusted Equity.	100%	Upon occurrence of an Indirect Political Event, all Force Majeure Costs attributable to such Indirect Political Event, and not exceeding the Insurance Cover for such Indirect Political Event, shall be borne by the Concessionaire, and to the extent Force Majeure Costs exceed such Insurance Cover, one half of such excess amount shall be reimbursed by the Authority to the Concessionaire
Political FM Event	100%	150%	-	-	If Termination is on account of a Political Event, the Authority shall make Termination Payment equal to:(a)Debt Due; and (b)150% of the Adjusted Equity.	100%	
Authority Default	100%	150%	1	-	If Termination is on account of a Authority Default, the Authority shall make Termination Payment equal to:(a)Debt Due; and (b)150% of the Adjusted Equity.	115%	NA
Concessionaire Default	90%	-	1	1	If Termination is on account of a Concessionaire Default, the Authority shall pay to the Concessionaire, an amount equal to 90% of the Debe Due less Insurance Cover; provided that if any insurance claims forming part of the Insurance Cover are not admitted and paid, then 80% of such unpaid claims shall be included in the computation of Debt Due	70%	NA
AD Pending	-	-	-	-	0% - For the avoidance of doubt, the Concessionaire hereby acknowledges that no Termination Payment shall be due or payable on account of a Concessionaire Default occurring prior to COD	0%	NA
Underconstruction	-	-	-	-	If expenditure exceeds 30%, termination payment = 90% of (Actual TPC% -30%)	100%	NA

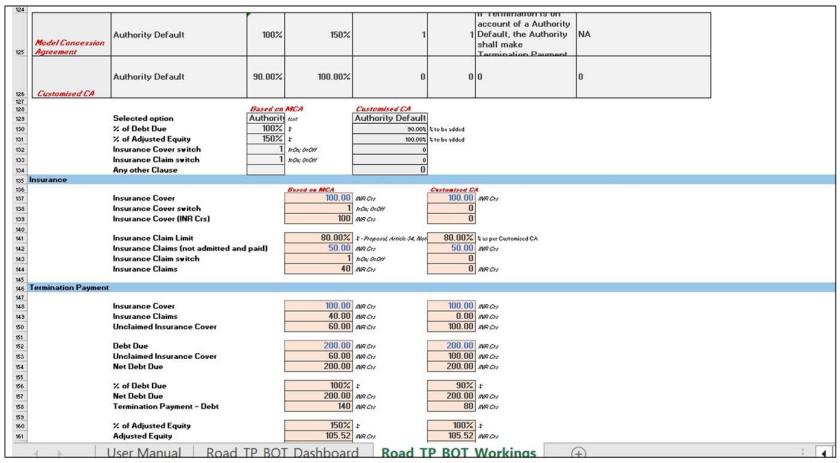
In case of Concession Agreement being based on the **Model Concession Agreement**, **Norms** will be auto-filled in based on the clauses provided in the MCA.

Step 4: Key Inputs to be Edited/Updated

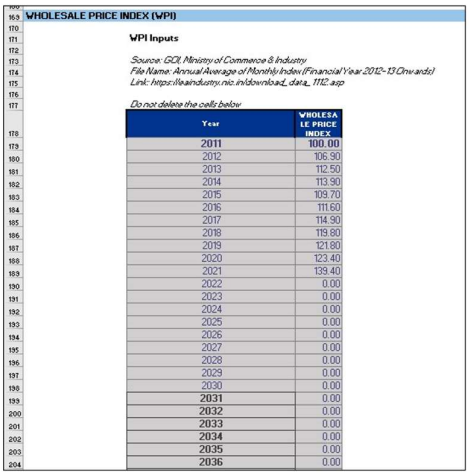
Risk event	Debt due as per Customized CA	Adjusted Equity as per Customized CA	Insurance cover	Insurance claim	Any other Clause (please provide the value	Clauses as per the DCA/Signed CA
Non-political FM Event	100.00%	0.00%				
Indirect Political FM Event	80.00%	150.00%				
Political FM Event	90.00%	100.00%				
Authority Default	90.00%	100.00%				
Concessionaire Default	90.00%	100.00%			100	
AD Pending	90.00%	100.00%				
Underconstruction	90.00%	100.00%				
*Please provide details of the additional Clause, if any						

In case of Customized CA, the User will need to termination payment clauses/norms for risk events to be updated

Step 5: Workings would be updated based on Key Inputs



Step 5: Workings would be updated based on Key Inputs



WHOLESALE PRICE INDEX (WPI)

WPI Inputs

Source: GOI, Ministry of Commerce & Industry
File Name: Annual Average of Monthly Index (Financial Year 2012-13 Onwards)
Link: https://eaindustry.nic.in/download_data_1112.asp

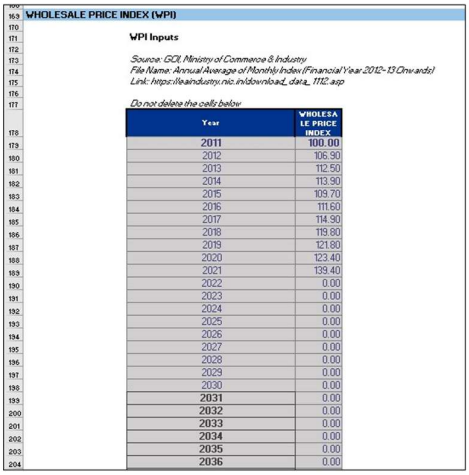
Do not delete the cells below

Year	WHOLESALE PRICE INDEX
2011	100.00
2012	106.90
2013	112.50
2014	113.90
2015	109.70
2016	111.60
2017	114.90
2018	119.80
2019	121.80
2020	123.40
2021	139.40
2022	0.00
2023	0.00
2024	0.00
2025	0.00
2026	0.00
2027	0.00
2028	0.00
2029	0.00
2030	0.00
2031	0.00
2032	0.00
2033	0.00
2034	0.00
2035	0.00
2036	0.00

WPI Figures can be updated by clicking on the link given in the Dashboard page under Key Inputs.

Once all the Key Inputs have been provided and norms have been updated based on MCA/Customized CA, Termination Payment will be automatically calculated and shown on the Dashboard.

Step 5: Workings would be updated based on Key Inputs



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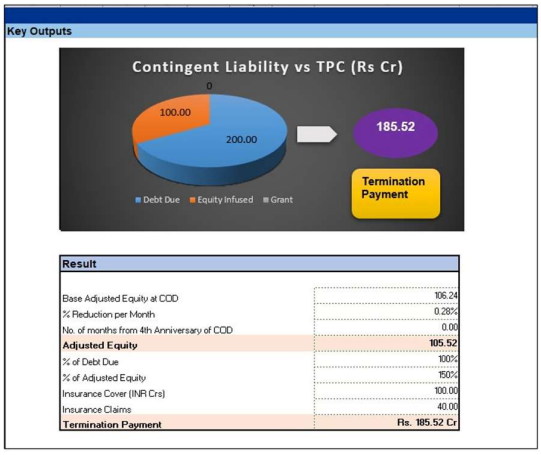
2018	119.80
2019	121.80
2020	123.40
2021	139.40
2022	0.00
2023	0.00
2024	0.00
2025	0.00
2026	0.00
2027	0.00
2028	0.00
2029	0.00
2030	0.00
2031	0.00
2032	0.00
2033	0.00
2034	0.00
2035	0.00
2036	0.00

WPI Figures can be updated by clicking on the link given in the Dashboard page under Key Inputs.

Once all the Key Inputs have been provided and norms have been updated based on MCA/Customized CA, Termination Payment will be automatically calculated and shown on the Dashboard.

Step 6: Key Outputs for Calculation of Contingent Liability



Termination Payment for the selected risk event is shown on the Dashboard

Important inputs for calculation of Termination Payment:

- **Adjusted Equity**
- **Debt Due**
- **Insurance Cover**
- **Force Majeure Cost**

Advantages of the Toolkit

- Managing contingent liabilities or financial commitments arising from PPP projects
- Educate the Project officer about contingent liabilities
- Ensure proper management of project risks
- Provides easy to understand analytical tools
- It is time saving and cost-effective process

Other Initiatives to support PPP structuring

- Project implementation mode selection waterfall framework
- Model RFP document for PPP Projects
- Procurement Manual for PPP Projects
- Appraisal manual for PPP Projects
- Reference guide for setting up PPP cells/units
- Post award contract management

Thank you