



Mainstreaming PPPs at the State level

Review & Plans Government of Gujarat

June 5, 2008, New Delhi

Description of PPP Strategy for State

Focus Areas of GIDB –The State PPP Cell

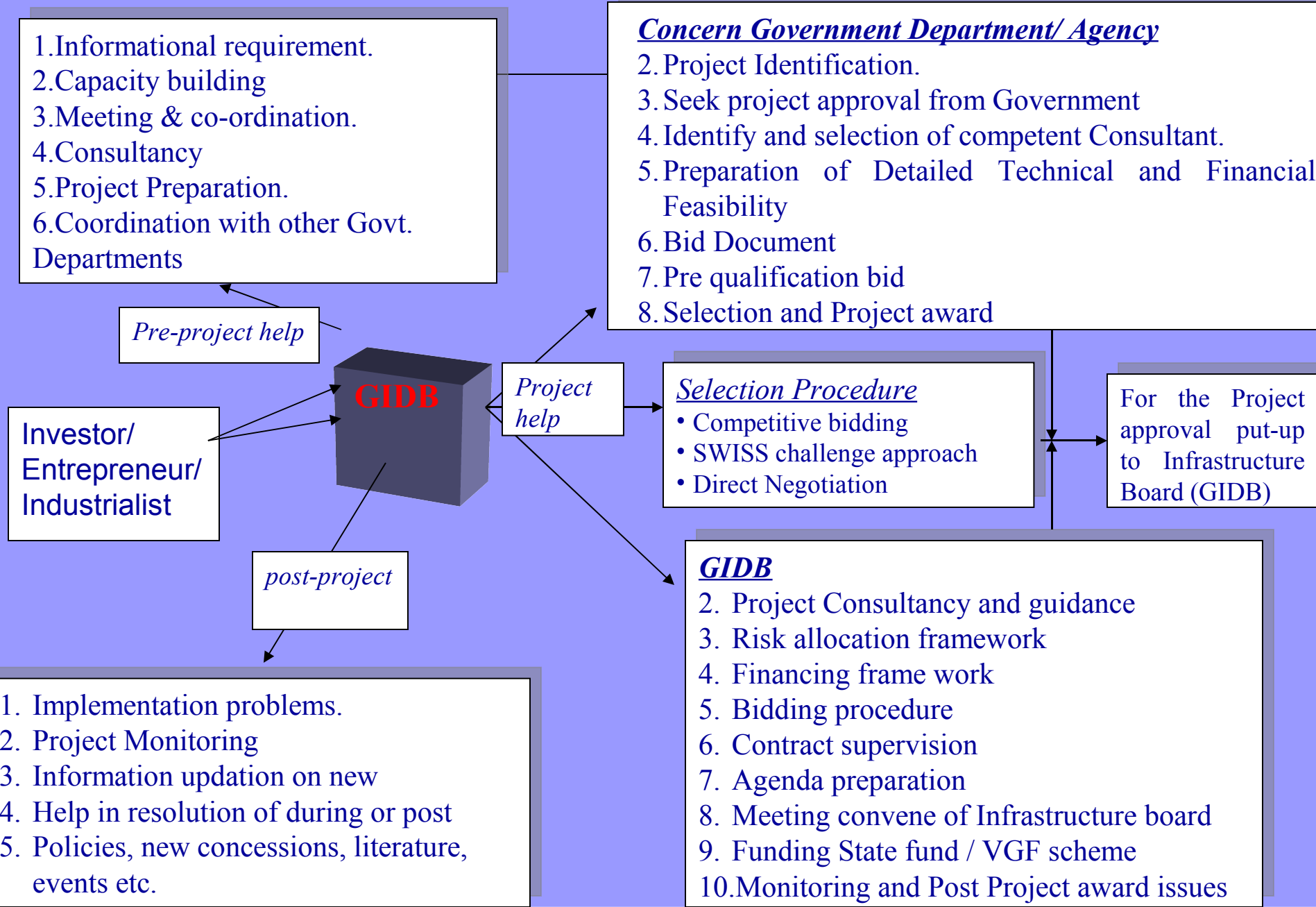
- To facilitate higher flow of funds into infrastructure sector and to ensure coordination among various government agencies, [Gujarat Infrastructure Development Board \(GIDB\)](#), a Nodal Agency for infrastructure development, was set up in 1995.
- GIDB is Chaired by Chief Minister of the State and has its members , most of the senior cabinet members and senior secretaries to the State Government.
- GIDB touches upon the 4 crucial areas of:
 - ⇒ Overall planning
 - ⇒ Removal of policy impediments
 - ⇒ Co-ordination between various departments and
 - ⇒ monitoring the progress
 - ⇒ Decision Making
- Sector Focus
 - Ports, Power: generation & transmission, Roads, Railways, Airports, Urban Infrastructure, Water Supply, Information, Communication & Telecomm Infrastructure, Industrial Parks and SEZs, Gas Grid, Tourism, Health, Education & Agri Infrastructure.

Description of PPP Strategy for State...

- State Legislation and other Policy Statements Concerning PPP

TA-PPP Cell established at	Gujarat Infrastructure Development Board
Legal Framework	Gujarat Infrastructure Development Act 1999 & Amendment 2007
Nature of PPP Unit established	Autonomous
Decision Making Responsibility	GIDB & other departments
Project Development Responsibility	GIDB
State Support funding (VGF)	Yes :Max. 20%, case to case basis
Conflict Resolution within Govt.	GIDB
Sector Policy	Power Policy-1995, Port Policy 1995, Road Policy-1996, IT Policy-1999, GAS Distribution Policy-2002
Model Contract	Yes
Project Preparation Guideline	Yes
Intensive Project Specific advice	Yes
Funding for PPP Preparation	State VGF Scheme
Established Regulatory Agency	Sector specific i.e. power sector (GERC)
Dispute Resolution	Through Concession Agreement

Influence Diagram: PPP Infrastructure Project



Description of PPP Strategy for State...

■ Projects Planned under PPP

- **Road** : Four laning of Ahmedabad-Viramgam-Maliya Road, Halol-Godhra-Shamlaji Road, Rajkot-Jamnagar-Vadinar Road, Nakhatrana-Dyapar-Panandhro Road, Bhuj-Bhahau Road
- **Water** : Provision of 24 hrs water supply in towns like Morbi, Mehsana, Anand, Gandhinagar, Amreli.
- Development of **Bus Rapid Transit system** in Ahmedabad.
- Development of **Convention centre** at Ahmedabad.

PPP Cell

- State PPP cell is Gujarat Infrastructure Development Board
- PPP Nodal Officer: Ms. Swati Buch
 - Designation : General Manager
 - Reporting line : CEO GIDB
 - Since : May 2000
- PPP Specialist: Awaiting
- MIS Specialist : Mr. Manish Tiwari
 - reporting line : Nodal officer and CEO of GIDB
 - From : September 10, 2007
 - Background : having more then 10 years of experience. Before joining, ADB he was working as **Assistant General Manager** in Bureau of Investment Promotion, Government of Rajasthan.

Assignment & Logistics

- **Tasks assigned till date to the MIS Experts**
 - ❖ MIS expert has started working in tandem with all the sector experts of the state PPP cell, a strong database collection, analysis and dissemination of information has been started
 - ❖ Format for collecting data and information for creating a shelf of Projects across various infrastructure sectors has been prepared. The data collection process has commenced.
 - ❖ a sectoral project database has been created.
 - ❖ The data on best practices in international and Indian PPP Projects is being collected and circulated to all the sector officers.
 - ❖ A document/ Paper on “Status of PPP in Infrastructure Development in the State”, has been compiled and prepared by MIS Expert Draft has been submitted.

Assignment & Logistics...

■ Assignments envisaged during 2008-09

- Prepare up-to-date detailed shelf of projects
- State Resource Center on Infrastructure sector.
- Work with GIDB officer(s) for Marketing and Promotional activities and planning and monitoring.
- Regular coordination and interaction with Center's PPP Cell for updation of Project Database on center's website.
- www.gidb.com and www.pppinindia.com should be more strengthen with updated State data and information for better perceptible.
- The data and information sharing on best practices in international and Indian PPP Projects within GIDB

Assignment & Logistics...

- Comment on Logistics and support services (office, computers, AC, etc).

All the required support services has been provide by GIDB.

Some Initiatives taken by GIDB

A. Blueprint for Infrastructure, Gujarat-2020'(BIG 2020.)

- ❏ Gujarat Infrastructure Agenda-vision 2020 document was framed in 2005 which offers a 'Package of Infrastructure Projects", which has integrated goals, strategy and resources.
- ❏ Keeping in view of likely development of dedicated freight corridor, Delhi- Mumbai Industrial corridor, Railway corridor etc, the updation of vision document 2020 has being given to CRISIL - Risk and Infrastructure Solution Limited.
- ❏ The consultant would study & examine the progress in various sectors, identify major projects, provide financial analysis and lesson learn with focus on Public Sector Participation.
- ❏ Achievement and shortfalls and status of sectors & projects from policy perspective. Review and progress of Gujarat Infrastructure Agenda 2010.

Initiatives...

- ❧ BIG 2020 document looking at the demand supply scenario and futuristic requirements, changes in the policies, plans and priorities of central and state government and to prepare a new document for planning of infrastructure projects to be implemented by the year 2020.
- ❧ The projects should be identified based on their PSP ability and GIDB Regulation for determining the cost of project. Prepare Action Plan for projects.
- ❧ It will identify and prepare shelf of Major projects to be implemented through Private Sector Participation.
- ❧ Assessment of funding option in addition to existing shelf.
- E. GIDB has an empanelled list of consultants across infrastructure sectors for conducting feasibility studies

Initiatives...

- A. The State Govt. has created a machinery such that PPP cell is working in co-ordination with the executing agencies like GMB, GSRDC, GWIL, GPCL, GIL, etc which undertakes project award through competitive bidding
- B. Awareness and Capacity Building Programs

Other than regular training programme, one innovative three days training program, has been organized by the GIDB sector officers for the other State Govt. Officials. It was very successful because:

- More Interactive due to local communication advantage
- Local example and case studies for better understanding.
- Participant have their own small case studies to share even at Municipal level.
- Better visibility & recognition of GIDB.
- Very good learning and knowledge experience for GIDB sector officers.

Schedule During Year 2008-09

- ✓ GIDB has engaged the IL& FS for conducting eight structured capacity building training program on PPP for various State Govt. officers. This includes both Basic and Advanced level courses.
- ✓ Four workshop has been planned with the help of CRISIL on “PPP Project understanding , planning and preparation.

Review of PPP Projects to Date

■ Gujarat : Status of Infrastructure Project

SN	Sector	Completed/ Operational		Ongoing		Pipeline		Total Projects	
		Nos.	Inv. (Cr.)	Nos	Inv.(Cr.)	Nos	Inv. (Cr.)	Nos.	Inv. (Cr.)
1	Port	16	16541.90	17	13101	17	6196	50	35838.90
2	Power	5	370	0	0	0	0	5	370.00
3	Road	18	2081.1	1	21.1	10	4761.74	29	6863.94
4	Road & Transport	0	0	1	500	6	189	7	689.00
5	Railways	0	0	1	499.95	2	312	3	811.95
6	Water	0	0	0	0	3	900	3	900.00
7	IT & ITES	0	0	4		0	0	4	0.00
8	Urban Development					8	812	6	812.00
	Total	39	18993	24	14122	46	13170.7	109	46285.79

Note: Investment data not available for all the projects

* As on May 2008

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Review of PPP Projects to Date...

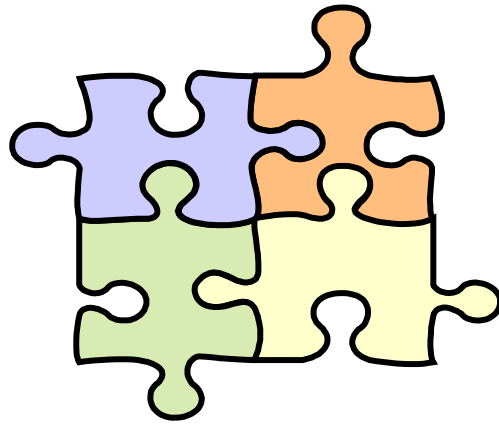
▪ Status of Project VGF Applicants

Sector : Road

	Project	Area (km)	Project cost (Cr.)	GOI VGF	GOG VGF	Approval Date	Remark
1	Halol-Shamlaji	170	580.57	116.11 (20%)	116.11 (20%)	5-10-06	Science highest bidder quoted premium VGF requirement nullified
2	Rajkot-Vadinar	126.80	622.24	124.45 (20%)	62.22 (10%)	5-10-08	Science highest bidder quoted premium VGF requirement nullified
3	Amdavad Maliya	126.40	854.21	170.84 (20%)	0	8-03-08	Science highest bidder quoted premium VGF requirement nullified
4	Bhuj-bhachu	77.00	256.94	59.39 (20%)	0	10-4-08	Followed new MCA. In principle approved
5	Nakhtrana-Panandhro	79.15	194.73	38.95 (20%)	38.95 (20%)	10-4-08	Followed new MCA. In principle approved
	Total	579.35	2508.69				

Review of PPP Projects to Date....

- **Sector and Project type overview (roads, power, etc)**



Review of PPP Projects to Date...

❖ Challenges and Main Issues to Date

- The dissemination of information / database to the other Govt departments ,Sector executing agencies and ULBs is to be taken up so that the PPP concept gets widespread. This shall be done through proper networking and MIS through the MIS Expert.
- Promotion of capacity to independently audit and review PPP Projects.
- The VGF Funding at the state level must be allowed at the Construction stage and not only at the O&M stage.
- Capacity building exercise to be continued and taken up at local levels for PPP Project identification, development and structuring.
- Taking of awareness campaigns among consumers as to how the PPP concept can gain efficiency for the sector. Ex: water sector



Status of implementation of MoU with DEA

- The state is reviewing its shelf of projects i.e. review of infrastructure Agenda-BIG 2020 and developing a 5 year action agenda for taking up a number of projects on PPP basis.
- The sector policies are being reviewed along with the shelf of projects.
- Systems improvement is being done with the Assistance of the MIS Expert.

Forward Programme for PPP Mainstreaming

■ Focus Areas

Developing a few large infrastructure projects for multiplier effect in economic development.

■ Projects on Anvil

Development of logistic parks, Metro Rail system for Ahmedabad, BRTS for Ahmedabad, Surat and Vadodara, water distribution for 4 towns through PPP mode

■ Changing Stakeholder Demands

Stake holders prefer post facto value for money analysis for PPP Transactions . For the state of Gujarat, we shall plan to take this exercise as a part of capacity building exercise as to evaluate the price of risks transferred through a particular PPP model.

Issues and Challenges

- With past years' experience, it has been a question worth considering as to in a particular sector at which stage the private sector needs to be involved and what would be an ideal risk sharing mechanism.
- How to develop projects smoothly with major Restore & Rehabilitation issues
- Tackling of socio economic responsibilities of local population at the project site.



Thank you.