

**GUIDELINES FOR FORMULATION,
APPRAISAL AND APPROVAL OF PUBLIC
PRIVATE PARTNERSHIP (PPP)
PROJECTS COSTING LESS THAN RS. 100
CRORE**

PFII Division
Department of Expenditure
Ministry of Finance
Government of India

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GUIDELINES FOR FORMULATION, APPRAISAL AND APPROVAL OF PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS COSTING LESS THAN RS.100 CRORE.

1. Introduction

1.1 The Central Government has notified a system for appraisal/ approval of projects to be undertaken through Public Private Partnership (PPP). Department of Economic Affairs has issued Guidelines for formulation, appraisal and approval of PPP projects with capital costs of Rs.100 crore or where the underlying assets are valued at an amount greater than Rs.100 crore or more. Detailed procedure to be followed for appraisal/approval of PPP projects involving less than Rs.100 crore is specified below.

2. Institutional structure

2.1 Projects costing upto Rs. 5 crore will be appraised by the Administrative Ministry. Projects costing above Rs. 5 crore but less than Rs 25 crore will be appraised by the Standing Finance Committee (SFC). The forum for appraisal of projects costing Rs. 25 crore and above but less than Rs. 100 crore will be the Expenditure Finance Committee (EFC) chaired by the Secretary of the Administrative Ministry. The composition of SFC and EFC will be the same as laid down for appraisal of normal investment proposals costing less than Rs.100 crore, except that Department of Legal Affairs would also be represented on these Committees, as the concession agreements would require careful legal scrutiny. The competent authority for each project will be the same as applicable for normal investment proposals costing less than Rs.100 crore.

3. Applicability

3.1 These guidelines will apply to all PPP projects sponsored by Central Government Ministries, statutory authorities or other entities under their administrative control. In respect of CPSEs, these guidelines will apply only in respect of proposals which are beyond the existing delegated powers of CPSEs for normal investment decisions.

4. Project identification

4.1 The sponsoring Ministry/entity will identify the projects to be taken up through PPPs and undertake preparation of feasibility studies, project

