

# PPP Nodal Officers' Workshop

---

Presentation by  
Gujarat Infrastructure Development Board  
Government of Gujarat  
September 23, 2007

# Promotion of Public Private Partnerships in Gujarat

---

- Gujarat has gone ahead in the promotion of Public-Private partnerships to a great extent. It has
    - 1 A legal framework in the form of the GID Act (BOT Law)
    - 2 Organization for developing PPPs in the form of GIDB
    - 3 Sector policies in place to attract private sector investments.
-

# Legal framework for PPPs.

---

- ❑ The BOT law entitled **Gujarat Infrastructure Development Act -1999** has been framed.
  - ❑ Provides for a regulatory framework for the private sector participation in financing, construction, maintenance and operation of infrastructure projects
  - ❑ Fair, transparent and clear-cut mechanism for selection of developers, either through international competitive bidding, or through direct negotiations, with the very strong element of transparency and competitive arrangement.
-

# Gujarat Infrastructure Development Act (GID Act, 1999)

---

## Salient Features

- Framework for promoting Private sector Participation in financing, construction, operation and maintenance of Infrastructure projects .
  - Two methods are prescribed under the Act for selection of developer i.e. private sector partner.
    - The case , where Government or it agencies develop a project for private sector participation and the selection of developer will be by following the procedure mentioned in the **Section 9** of the Act.
    - The case, where Private sector develops a project to join hands with the State Government or it agencies and the selection of developer will be by following the procedure mentioned in the **Section 10** of the Act. (Popularly known as swiss challenge route).
-

## Gujarat Infrastructure Development ( Ammendment ) Act,2006

---

- ❑ The new route for Private sector participation is introduced as **Section 10A** titled as
  - ❑ " Direct Negotiation " . The State Government, Government agency or specified Government agency is conferred power to directly negotiate "Projects of Special Nature " with the person ( who submit proposal ). The following are specified as " Projects of Special Nature "
  - ❑ A project which is innovative or involves proprietary technology or franchise which is exclusively available with the person globally.
  - ❑ A project wherein competitive public bidding as provided in section 9 has failed to select a developer.
  - ❑ A project to provide social services to the people including community services and public utilities.
  - ❑ An infrastructure project which is an essential link for another bigger infrastructure project owned or operated by the same person.
-

# Sectoral Framework Details

<b>Sr. No</b>	<b>Name of the Sector</b>	<b>Sectoral Policy in place</b>	<b>Model Concession Agreement</b>	<b>Sectoral Law</b>	<b>Regulator</b>
<b>1</b>	<b>Power</b>	<b>Yes</b>	<b>No</b>	<b>Indian Electricity Act</b>	<b>GERC Formed in 1998</b>
<b>2</b>	<b>Ports</b>	<b>Yes</b>	<b>Yes</b>	<b>Indian Ports Act, GMB Act</b>	<b>Study under Progress</b>
<b>3</b>	<b>Roads</b>	<b>Yes</b>	<b>No</b>	<b>Bombay Motor Vehicle Tax Act (For Bridges only)</b>	<b>Regulation by Concession Agreement</b>
<b>4</b>	<b>Water</b>	<b>No</b>	<b>No</b>	<b>Draft Act prepared</b>	<b>Subsequent to framing of the act</b>
<b>5</b>	<b>Urban Transport</b>	<b>No</b>	<b>No</b>	<b>Combination of various acts like BMVT, Land use planning Act, Municipal laws, etc.</b>	<b>No</b>
<b>6</b>	<b>Information Infrastructure</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

## Gujarat Infrastructure Development Board ( GIDB)-Nodal Agency for PPP Project Development

---

- ❑ **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**

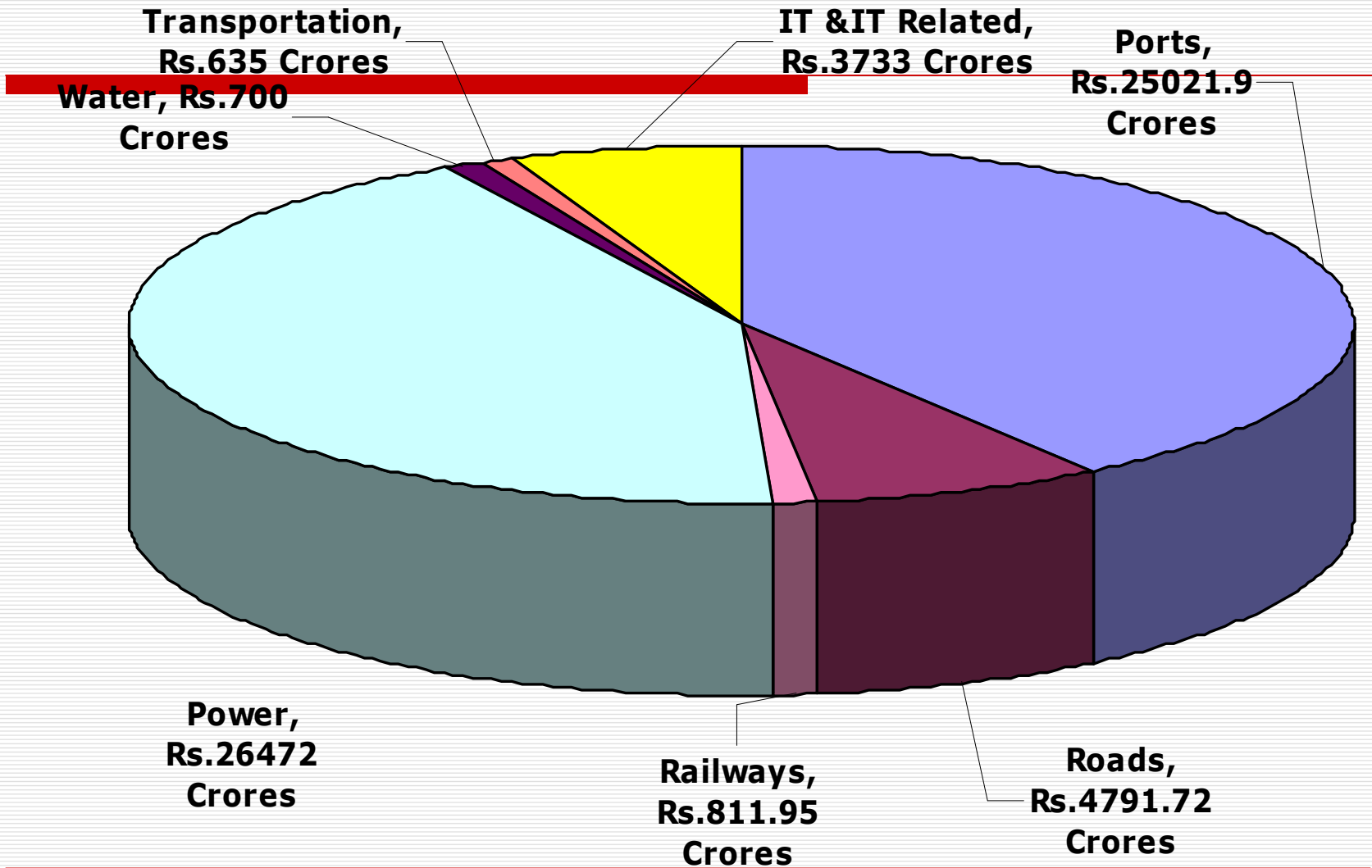
# GIDB -Strengths

---

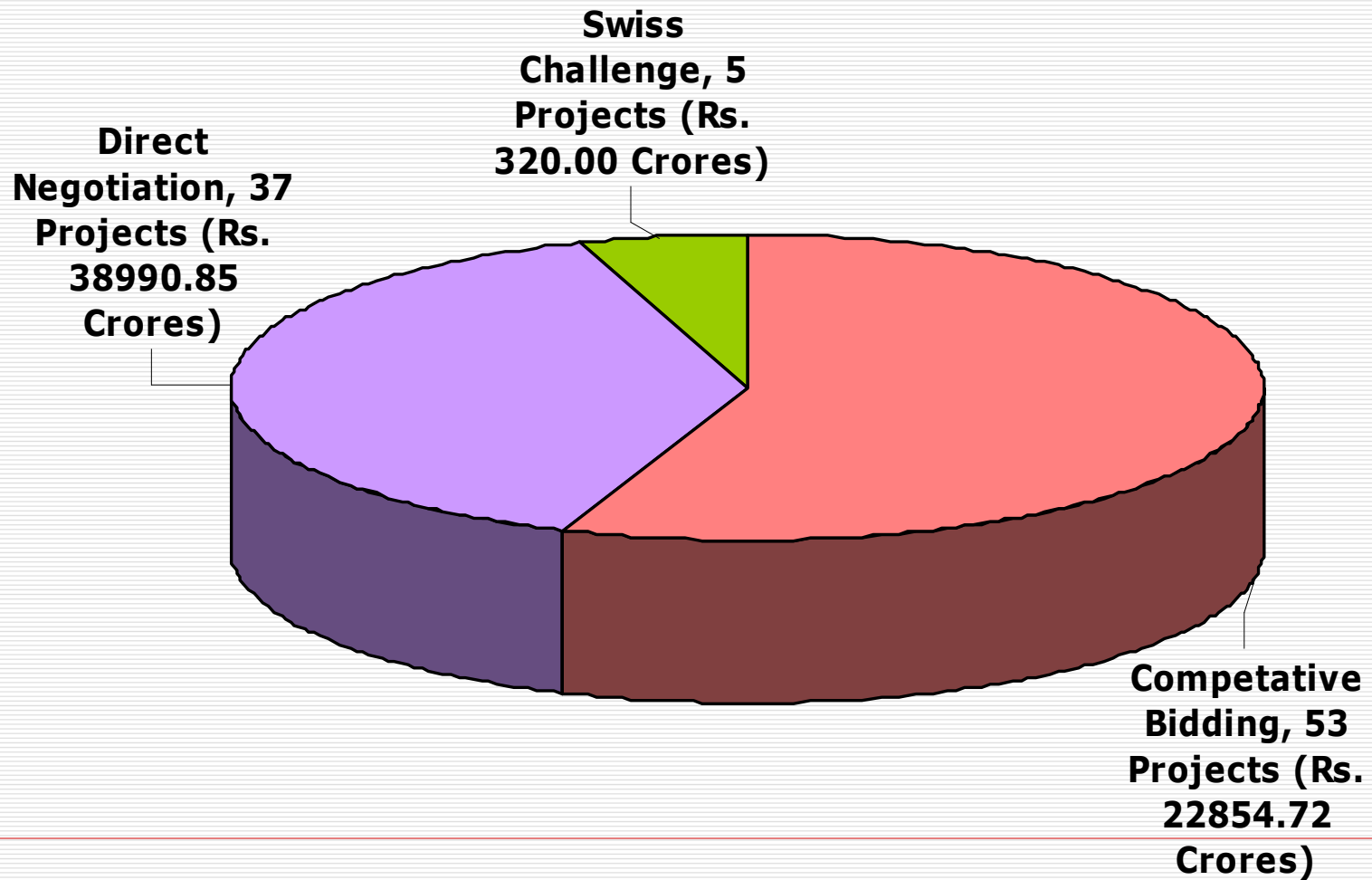
- ❧ **Advises State Govt. on matters of policy in respect of Private Sector Participation in infrastructure projects**
  - ❧ **Focal reference point for project development, structuring model concession agreements, international practices and evaluation methodologies**
  - ❧ **Approves concession agreements across infrastructure sectors.**
-

Sr.No.	Sector	Implementation status- Mode of Award (Competitive Bidding/Swiss challenge/Direct Negotiation)	No. of Projects and Investment (Rs. in Crores)
1	Ports	Implemented (Competitive Bidding)	9 (10356.00)
		Implemented (Direct Negotiation)	12 (8019.90)
		In pipeline (Competitive Bidding)	8 (6646.00)
2	Roads	Implemented (Competitive Bidding)	17 (334.64)
		Implemented (Direct Negotiation)	2 (484.00)
		In pipeline (Competitive Bidding)	9 (3973.08)
3	Railways	Implemented (Direct Negotiation)	3 (811.95)
4	Power	Implemented (Direct Negotiation)	4 (6200.00)
		In pipeline (Direct Negotiation)	9 (19952.00)
		In pipeline (Swiss challenge)	5 (320.00)
5	Water	In pipeline (Competitive Bidding)	2 (700.00)
6	Transportation	In pipeline (Competitive Bidding)	6 (635.00)
7	I T & IT Related	Implemented (Competitive Bidding)	2 ( 210.00)
		In pipeline (Direct Negotiation)	7 (3523.00)
	<b>Total</b>		<b>95 (62165.57)</b>

**Sector-wise Investments in PPP Projects**



## Developer Selection Mode-wise PPP Projects in Infrastructure



# Existing Means of Support to GIDB

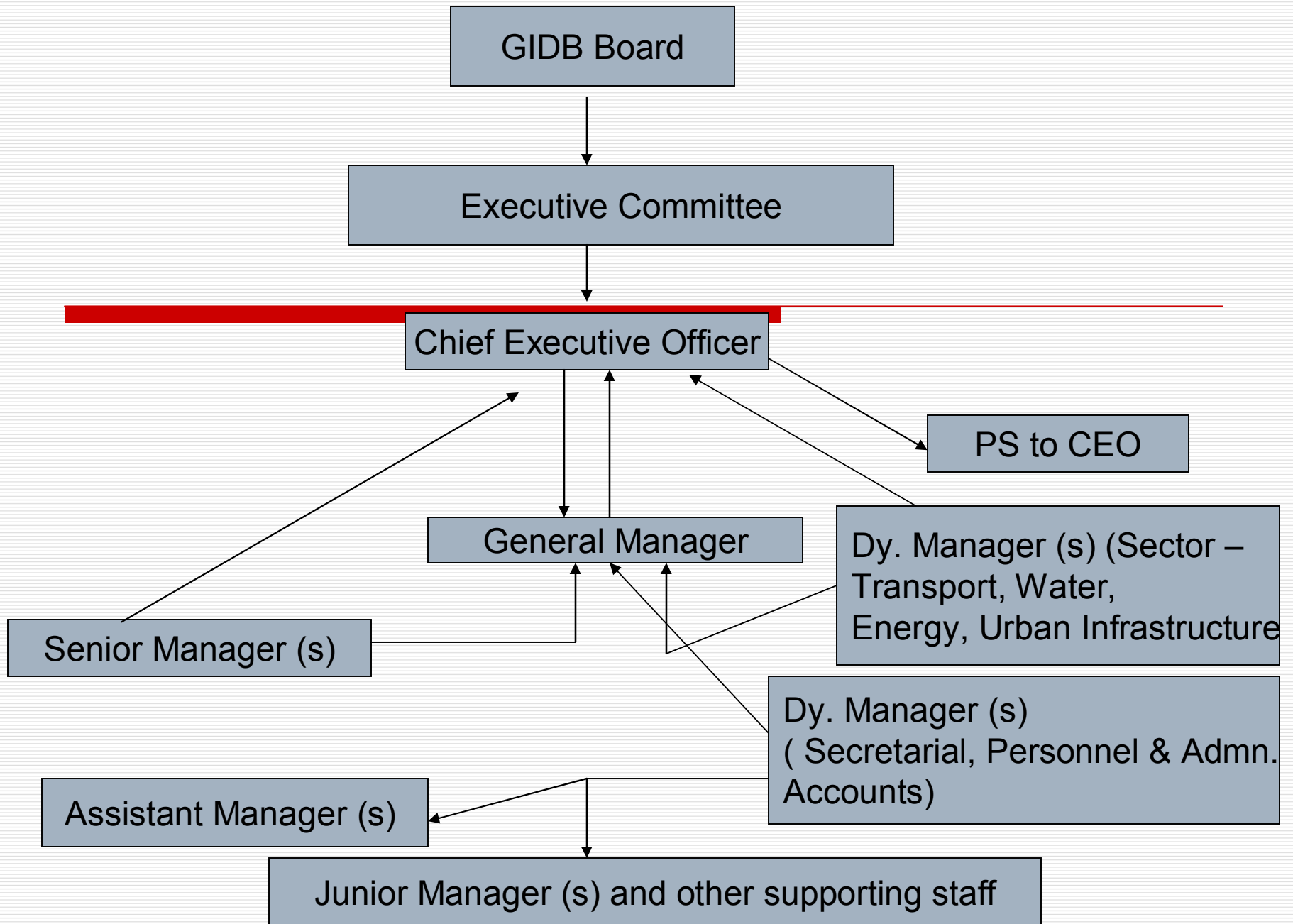
---

In the form of Cash Grant from GOG to be utilised for

- Project Development Funding
- Capacity Building for Government /specified Government Agencies in PPPs.
- Marketing and Promotion of Infrastructure Projects

In the form of Viability Gap Fund from Central Government

---



---

Thank You

---