

Technical Assistance from ADB

by

**Parag Gupta, IAS
Special Secretary, PPP
Govt of Orissa**

Plan of Presentation

- PPP Policy
- Implementation & Way forward
- PPP Cell, Technical Secretariat & OPPPTS
- Formation of Committees
- Other PPP Initiatives
- Shelf of PPP Projects
- Functioning of PPP Cell
- Role of TA Advisors
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Orissa PPP Policy

- PPP Cell formulated Orissa PPP Policy 2007, approved by Govt of Orissa to facilitate Infrastructure Development in the State under PPP mode.
- To leverage State and Central Govt. funds to support Private investment and to create a conducive environment to utilize the efficiencies, innovativeness and flexibility of Private Sector to provide better infrastructure and service at an optimal cost.
- Setting up of a transparent, consistent, efficient administrative mechanism to create a level playing field for all participants and protect interest of all stakeholders.
- To prepare a shelf of projects to be offered for PPP and take them forward with assistance of the owner depts through a transparent selection process.
- Putting in place an effective and efficient institutional mechanism for speedy clearance of the projects.

Orissa PPP Policy Highlights cont..

- Provide necessary risk sharing framework in the project structure so as to assign risks to the entity most suited to manage them.
- Facilitate capacity building & training of officials.
- Putting in place an appropriate and robust regulatory / grievance redressal mechanism.
- Creation of Orissa Infrastructure Development Fund (OIDF) to facilitate implementation of the objectives of the Policy and to provide the required viability gap funding where the essential projects are presently unviable in addition to the VGF assistance of GoI

Sectors Covered

- Roads, bridges and bypass
- Ports and Harbors
- Airports, Airstrips and Heliports
- Inland container depots and logistics hubs
- Industrial parks, Theme Parks like IT/BT Parks, Knowledge Parks, Special Economic Zones and Townships
- Water supply, treatment and distribution
- Power generation, transmission and distribution systems
- Solid waste management
- Sewerage & drainage
- Inland water transport
- Tourism and related infrastructure
- Healthcare facilities
- Education
- Trade fair, convention, exhibition, cultural centers
- Urban infrastructure including entertainment and recreational facilities
- Urban transportation systems
- Railway & Related Projects
- Agriculture Production and Marketing

Any other sector / facility as may be included by the Govt.

Implementation & Way Forward

- Each Department is to prepare a PPP Plan as a Plan outside Plan & has to set up a PPP Cell with a Nodal Officer to look after the PPP projects & to coordinate with State PPP Cell.
- Each Dept, in association with State PPP Cell, has to identify, conceptualize & structure probable PPP projects and prepare a concept note including the need & benefits of doing under PPP mode, its main features, VFM test etc.
- All projects should normally be tested for PPP amenability – for fully state funded projects.
- The shelf of probable PPP projects is to be placed before the ECI/ HLCA through State PPP Cell for in-principle approval.

Implementation & Way Forward

- After approval of ECI/ HLCA, the Dept has to prepare an ISR of projects either in-house or through suitably hired consultants.
- After ascertaining project feasibility through ISR, the same shall again be put up to ECI/ HLCA for approval & for further modalities including preparation of DPR, concessions required, land requirement of VGF, types of State support, VFM analysis, bid documents etc.
- The bid & concession documents and the outcome of bid process is to be got approved from ECI/ HLCA before awarding the project to the Developer.
- Provision for contingency of failure & abandoning should be made at the conceptualization/ Project report stage.

PPP Cell & Technical Secretariat

Govt. of Orissa has put in place State PPP Cell under Planning & Coordination Dept headed by Special Secretary, PPP to act as the Nodal Agency for all PPP projects under direct supervision of Chief Secretary.

The PPP Cell & its Technical Secretariat:-

- Identify, conceptualize and create a shelf of PPP projects in consultation with owner departments.
- Assist different Department/Agencies in carrying out feasibility study of projects, preparation of draft documents, appointment of developer through a transparent selection process conforming to best practices in the Industry.

PPP Cell & Technical Secretariat

- Interact with Central Govt. Agencies for VGF and other assistances wherever required.
- Support PPP initiatives like taking up technical and financial feasibility studies, preparing reports, bid documents and other activities as may be required, both in-house and through project development arrangements with leading consultants.
- Provide the necessary risk sharing framework in the project structure so as to assign risks to the entity most suited to manage them

Orissa PPP Technical Society

- A Society has been formed and registered in the name and title of “**Orissa PPP Technical Society**” to assist the State PPP Cell and to discharge the functions of the Technical Secretariat as laid down in the Orissa PPP Policy 2007. Minister P & C is the President of this society with Chief Secretary being the Vice-President and Secretary PPP as the MD and the Member Secretary.

Formation of Committes

- Putting in place an Empowered Committee on Infrastructure (ECI) under the Chairmanship of Chief Secretary and a High Level Clearance Authority (HLCA) under the Chairmanship of Hon'ble Chief Minister for speedy clearance/ approval of projects under PPP.
- 1st ECI Meeting held on 04th Dec 07 approved in principle the following projects:-
 - Gajapati Plaza, Berhampur
 - Biotech Park, Andharua, Bhubaneswar
 - Bhubaneswar– Paradeep Road
 - The Capital Region Ring Road (CRRR)
 - Setting up ITIs/ ITCs

Other PPP Initiatives

- Signed a MoU with DEA, GoI for availing TA from ADB for capacity building in the form of one PPP expert, one MIS expert & legal and regulatory experts. MIS & PPP Experts have already joined the PPP Cell.
- PPP Cell has been able to rope in TA in the form of 2 experts from DFID through E & Y for capacity building of PPP Cell for a period of 10 months.
- Talks are ongoing with DEA/ World Bank to provide further necessary TA.
- A PDPP arrangement between IDCO & IL&FS for Project Development works is under operation with a corpus of Rs. 4 Cr.

Other PPP Initiatives contd..

- Consultants like PWC, E&Y, IL&FS are already working on some of the PPP projects in the state.
- State PPP information has been put on DEA website & the **Orissa PPP website** is under construction.

Shelf of PPP Projects

- A shelf of 32 PPP Projects worth more than Rs. 12500 Cr. has been finalised in consultation with the owner departments of which 16 projects are already under implementation in sectors like Roads, Ports, Urban Infrastructure, Railways etc.
- Few more projects have been identified by different line depts (Health &FW, Tourism, Works, Industries, Commerce & Transport etc.)

Shelf of PPP Projects (Abstract)

<i>Sector</i>	<i>Constructio/ Implementa tion Stage</i>	<i>Bidding Stage</i>	<i>DPR Stage</i>	<i>ISR / RFP Stage</i>	<i>Total</i>	<i>Approximate Cost</i>
Road	1 No. (28 Km.)	-	-	8 Nos. (523 Km.)	9 Nos. (551 Km.)	2334 Cr.
Port	2 Nos.	-	-	1 Nos.	3 Nos.	7900Cr.
Railways	1 No. (78 Km.)	-	2 Nos. (169 Km.)	-	3 Nos. (247 Km.)	1163 Cr.
Tourism	-	1 No.	-	-	1 No.	44 Cr.
IT	1No.	3 Nos.	4 Nos.	-	8 Nos.	990 Cr.
Industry	1 Nos.	-	-	-	1 Nos.	137 Cr.
H&UD	3 Nos.	2 Nos.			5 Nos.	-
Aviation				1 No.	1 No.	-
Fisheries	1 No.	-	-	-	1 No.	8.5Cr.
Total:-	10	6	6	10	32	12576.5Cr.

Functioning of PPP Cell

- The PPP Cell is headed by the Special Secretary, PPP & is assisted by: -
- TA Advisors from ADB & DFID
 - Superintendent Engineer from State Govt.
 - Administrative Staff from State Govt.
- Proposal for hiring subject matter experts, outsourcing of manpower for data entry, office operation, security etc.
 - Space for housing OPPPTS & budget for its operation have been allocated.

Role of TA Advisors

- To assist the State PPP Cell towards: -
 - Creating & updating the shelf of PPP Projects
 - Identifying, conceptualizing & structuring probable PPP projects & preparing a concept note including the need & benefits of doing under PPP mode, its main features, VFM test etc in consultation with line depts.
 - Testing projects for PPP amenability.
 - Capacity development & enhancement.
 - Sensitising line departments on various PPP schemes of Planning Commission, DEA etc.
 - Placing before the ECI/ HLCA the shelf of probable PPP projects for in-principle approval

Role of TA Advisors

- Selecting consultants in association with line depts to carry out ISR of projects cleared by ECI/HLCA.
- Putting up to ECI/ HLCA for approval and for further modalities including preparation of DPR, concessions required, land requirement of VGF, types of State support, VFM analysis, risk allocation etc.
- Creating, maintaining & updating a Databank of PPP Projects.
- Setting up its Data Centre, LAN & other IT infrastructure & facilities.
- Developing, maintaining & hosting the State PPP website.
- Collecting, collating & tracking information on PPP projects as per best practices.
- Data analysis for decision support.
- Sharing and exchanging information with line departments

Expected Outcomes

- Capacity development & enhancement in terms of: -
 - Preparing, evaluating & appraising PPP projects
 - Creating, maintaining & updating a dependable Data bank of PPP projects
 - Monitoring progress of on-going PPP projects
 - Producing PPP-skilled manpower drawn from internal resources within the State
- Institutionalising PPP process in the State
- Increasing awareness among potential private sector partners about PPP & Govt. expectations on Value for Money.

Other Issues

- Need for more PPP Experts
- Need for greater exposure visits, training, capacity building through interactions, workshops, seminars, conferences etc.
- Need for toolkits & international studies, modules, experiences etc.
- State support & commitment