

IV Review Meeting

Mainstreaming PPP at State Level
Department of Economic Affairs Govt. Of INDIA

**Gujarat Infrastructure Development Board
Government of Gujarat**

New Delhi, March 23, 2009

Gujarat : Policy framework

- ❑ Gujarat Infrastructure Development Act 1999 in place. Amendment effected in 2006 to provide for direct negotiations in 4 specific cases.
- ❑ Sectoral policies also in place to address PPPs in Road, Port, Energy, IT, Tourism etc.
- ❑ Special Investment Region Act ,2009 (SIR Act) recently legislated for facilitating development of SIR s in DFC/ DMIC

Gujarat : Capacity Improvement

Achievements:

- ❑ GIDB conducts capacity building exercise related to PPP for various Government Departments/ agencies with help of CRISIL and IL&FS.
- ❑ 446 senior govt. officials have so far attended 15 training programs organized in last two years.
- ❑ GIDB officers are also being nominated for national and international seminars and conferences.

Gaps:

- ❑ Training of officers in state PSUs / Municipal Corporations upto middle /junior level to be initiated
- ❑ The sectoral officers shall also be given national and International exposure.
- ❑ Sector specific workshops shall be organized where some successful projects at the global and national level be showcased.
- ❑ Regulatory issues are going to be the most important determinant of success of PPP projects in future. Training of officials in this area shall be focused upon.

Infrastructure Master Plan of Gujarat

- ❑ As per the Blueprint of Infrastructure in Gujarat-2020 (BIG-2020) prepared in 2005, the investment requirement was approx. 100 billion USD
- ❑ The exercise for updating the **BIG 2020** likely to be completed by end April '09. Investment requirement is now estimated at around 250 billion USD.
- ❑ The BIG 2020 presents the State with a coherent and comprehensive action plan for integrated development across all infrastructure sectors.
- ❑ The BIG 2020 will also include shelf and project profiles of PPP Projects across sectors.

Recent Initiatives: Focus on Social Sector

- Government & GIDB keen to transfer the PPP structure to social sectors.
- In BIG 2020 document, projects are envisaged in Environment sector, health sector and Education sector.
- PPP projects on hand in social sector:
 - Up-gradation of slums
 - Hospitals & Educational institutions
 - Technical institutions: ITIs, Polytechnics
 - Transport systems: Terminals, parking spaces
 - Water treatment & sewage treatment systems

Major PPP initiatives in pipeline

- ❑ Development of 3 Brownfield Ports (Porbandar, Okha and Bhavnagar).
- ❑ New International airport and MRO Hub at Ahmedabad .
- ❑ Development of six Logistics park and Transport-nagar at Sanand-Ahmedabad.
- ❑ Metro Rail System for Ahmedabad & Gandhinagar
- ❑ Regional Rail system for the State.
- ❑ Bus Rapid Transit system for cities of Surat and Vadodara.
- ❑ Development of RO-RO Ferry services between Ghogha –Suvali and Bhavnagar.
- ❑ 3 Govt Hospitals to be run on PPP basis- Civil Hospital Palanpur, Bhuj, Patan.
- ❑ 24x 7 water distribution for the city of Gandhinagar.
- ❑ Development of 7 State Road Transport Bus terminals on a commercial format.
- ❑ Development of New Rail line between Surat and Hazira and Conversion of Bharuch –Dahej line into BG Line
- ❑ Slum Redevelopment at 2 locations in the city of Ahmedabad.
- ❑ Development of tourist circuit
- ❑ High speed corridors between DFC & Ports

Review of PPP Projects

▪ Status of Infrastructure Project

SN	Sector	Completed/ Operational		EOI Stage		Bidding Stage: RFQ/RFP		Construction: Project Awarded (LOI Issued		Pipeline: Study/ Planed / announced		Total Projects	
		No	Inv. (Cr.)	Nos	Inv. (Cr.)	No s.	Inv. (Cr.)	Nos	Inv. (Cr.)	No s.	Inv. (Cr.)	No s.	Inv. (Cr.)
1	Port	16	16542	5	2900	6	5359	9	11221	6	3445	42	39466.9
2	Power	4	7600	0	0					12	16370	16	16740.0 0
3	Road	18	2081	1	1020	5	2283	4	2620	1	228	29	3329.10
4	Road & Transport	0	0	3	400			2	250	2	50	7	550.00
5	Railways	0	0	1	500					2	312	3	811.95
6	Water	0	0	0	0					2	900	2	900.00
7	IT & ITES	4	0							0	0	4	0.00
8	Aviation	0	0	0	0					1	2500	1	0.00
9	Urban Developm ent			3	17			1	500	4	812	8	812
	Total	42	26223	10	4820	11	7642	15	14091	26	31680	104	79303

Note: Investment amounts are not available for all the projects

* Information available with GIDB as on Feb. 2009

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Review of PPP Projects to Date...

▪ Status of VGF Projects

Sector : Road

(Rs. In
Cr.)

	Project	Area (km)	Project cost (Cr.)	GOI VGF	GOG VGF	Approval Date	Remarks
1	Bhuj-Bhachau	77.00	256.94	51.39 (20%)	0	10-4-08	RFQ stage
2	Nakhtrana-Panandhro	79.15	194.73	38.95 (20%)	38.95 (20%)	10-4-08	
3	Sarkej-Bhavnagar Central spine road for Dholera SIR-DMIC-1	153.00	900.39	180.06 (20%)	180.08 (20%)	Feb 09	RFQ stage
4	Bagodara-Bhavnagar	127.70	1020.34	204.06 (20%)	204.06 (20%)	-	Proposal has been sent to DEA-PPP Cell
	Total	436.15	2372.4	482.48	423.09		

PPP Projects – In Pipeline

S.No	Sector	Number of Projects	Estimated Cost (in Cr Rs.)
1	Port	10	6646
2	Road	7	5784
3	Railways	2	312
4	Water	2	900+
5	Transport	6	635+
6	Power	6	16370
7	Slum up-gradation	1	NA
8	Parking places	6	NA
9	Hospitals	3	NA
10	Poly-techs, ITIs	15	NA

Infrastructure Master Plan for DMIC

Particulars	Nos.	Length Km/Area (Sq.Km)	Approx. Cost (in USD Million)
Six Laning of Road	9	1063	US \$ 1403 Million
Four Laning of Road	13	977	US \$ 904 Million
Broad Gauge Conversion for Rail	9	877	US \$ 609 Million
Doubling of Broad Gauge Line for Rail	6	801	US \$ 721 Million
New Rail Link	3	191	US \$ 172 Million
New International Airport	1	20	US \$ 314 Million
Metro Rail	1	100	US \$ 1125 Million
Logistics Parks	4	5	US \$ 325 Million
Total Cost Outlay (in USD Million)			US \$ 5573 Million

Special Investment Region- Dholera

The Ahmedabad-Dholera (SIR) has been taken up on priority basis. This investment region is being developed in an area of 360 sq. kms.

Feasibility studies have been completed and the master planning work is going on.

Following major infrastructure projects, have been identified as early bird projects;

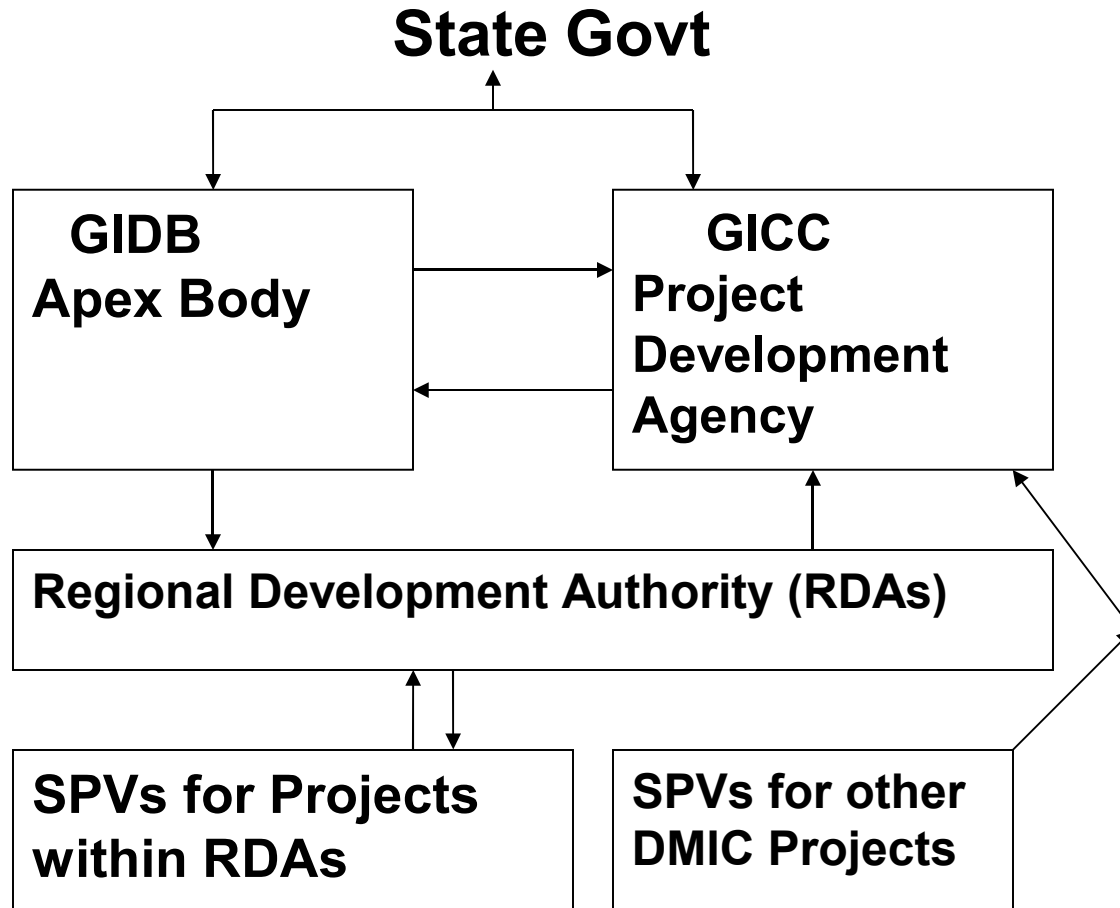
- **Metro Rail system between Gandhinagar-Ahmedabad and Dholera.**
- **New International airport in the vicinity of the SIR.**
- **Six lane road connecting Ahmedabad–Dholera-Bhavnagar and passing through the SIR as its central spine.**
- **Mega Industrial Parks within the SIR.**

Special Investment Region (SIR) Act- 2009

The objective of the Act

- ❖ to provide for establishment, operation, regulation and management of large size Investment Regions and Industrial Areas in the State of Gujarat;
- ❖ and to specially enable their development as global hubs of economic activity
- ❖ supported by world class infrastructure, premium civic amenities, centers of excellence and pro-active policy framework;
- ❖ and for setting up an organizational structure with that purpose and for matters connected therewith or incidental thereto

SIR Act: creating an Organizational Structure



Innovative Steps

- Enacted the SIR Act ,2009 for facilitating the setting up of the Special Investment Regions
- Incorporated a Project Development Agency (GICC) to develop and implement projects across the DMIC Corridor.
- Created a PPP Forum and a resource centre for PPP in Infrastructure.
- Infrastructure Master Plan (BIG2020) to be ready by end April 09. Greater emphasis on social sector.

Challenges and Main Issues

Support Required from Central Govt

- ☑ Uniformity in policies
- ☑ Speedy and Flexible Procedures for Approval of Projects under the Project Development Funding Scheme.
- ☑ In the Urban Transport Project like Metro Rail, Projects may not be implemented through BOT , but through SPV route, or through major Govt. funding. VGF /grant may still be made available upto 50% in such Projects.
- ☑ Projects taken up under Swiss challenge Route (Section 10 of the GID Act, 1999) may be considered for VGF

Thank you

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