

# **Mainstreaming PPP in Port Sector**

## **Review Meeting of the TA Programme**

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**BY**

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# OUTLINE OF THE PRESENTATION

- ❖ **Policy and Guidelines Development**
- ❖ **Management Systems (MIS Database)**
- ❖ **Capacity Improvement**
- ❖ **Projects under PPP**
- ❖ **Other Initiatives (Research & Innovation)**

# Policy and Guidelines Development

## **POLICY**

- **The Department of Shipping (DoS) has opened up its Major Ports for Private Sector Participation.**
- **FDI up to 100% under automatic route is permitted for construction and Maintenance of ports and harbours.**

# Policy and Guidelines Development

## Guidelines

**DoS has laid down detailed guidelines supported by corresponding legal framework which are followed by Major Ports while implementing projects through PPP Route.**

# Policy and Guidelines Development

## Guidelines relate to

- **Areas of privatisation**
- **Legal & Regulatory Framework**
- **Bidding procedures**
- **Leasing of land & other assets and**
- **Competent Authority for project approvals**

# Policy and Guidelines Development

- **Sector Specific MCA for Port Sector has been finalized and put to use**
- **Model RFQ and RFP are followed by ports. Sector Specific Issues have been decided at Department level for uniform approach by all ports.**
- **Guidelines for avoiding Monopolistic situations have been issued to ports**

# Policy and Guidelines Development

## Current Issues in hand

- **Modification/ Updating of Bidding Documents based on experience/ feedback from ports**
- **Preparation of Policy for**
  - ✚ **Grant of Captive Projects on Nomination Basis**
  - ✚ **Avoiding Monopolistic Situations**
  - ✚ **Minimum Guaranteed Traffic (MGT)**

# MIS Database Development

- Study the various parameters and components of PPP projects
- Categorizing the broader components of a PPP project i.e Phase of Implementation/Port-wise/year-wise/State-wise
- Designing input formats for collection of data
- Appointment of Nodal officer in Ports for updating of PPP Information
- Intranet application for monitoring the status and progress of the projects

# MIS Database Development

## Future Development Plan

- Development of web-based database to monitor physical and financial progress of the project
- Development of web based application for monitoring of compliance of Private Party Obligations as per Concession Agreement
- Development of web based application for monitoring of revenue share
- Development of web based application for monitoring of performance indicators

# MIS Database Development

## Future Development Plan

- Web-based application for use of CUG & for public domain
- Training & Capacity building programme for users for better & smooth functioning of MIS system in a sustainable manner
- Identifying best practices & documentation and apply these on the application/methodology developed for stake holders

# CAPACITY IMPROVEMENT

## Current Issues in hand

- Preparation of “Proposal Format” for seeking in-principle approval for a PPP project.
- Preparation of Checklist for granting in – principle approval of PPP project to ports.
- Preparation of “Specimen Note” for seeking Security Clearance

# CAPACITY IMPROVEMENT

## Current Issues in hand

- Preparation of “Checklist” for scrutiny of PPPAC proposals
- Preparation of “Specimen ToR” for appointment of Feasibility Consultant
- Preparation of “Specimen ToR” and guidelines for appointment of Transaction advisors
- Holding of workshop of port officials for improved understanding of MCA provisions and experience sharing

# PROJECTS UNDER PPP

- **In Operation (31st March 2008)**
  - **17 projects – Costing Rs. 5,150 crores**
    - 7 Container terminals
    - 1 CFS
  - **4 Liquid cargo berths**
    - 5 Dry bulk/general cargo berths
- **Under Bidding & Implementation( up to 31st March 2009)**
  - **10 projects - Costing Rs. 4430 crores**
    - 3 Container terminal
    - 1 Liquid cargo berth
    - 4 Dry bulk cargo berths
    - 1 Multipurpose Cargo Berths
    - 1 Mechanization of Cargo Berth

# Current Status

- **In Pipeline ( 31st March 2010)**
  - **10 projects - Costing Rs. 17037 crores**
    - 3 Container terminal
    - 2 Dry bulk cargo berths
    - 1 Multipurpose Cargo Berths
    - 2 Mechanization of Cargo Berth
    - 1 Construction of new cruise Terminal
    - 1 Development of water front

# Other Initiatives (Research & Innovation)

## Current Issues in hand

- ❖ **Review of system for “Determination of User Fees” for Port facilities**
- ❖ **Development of PPP Variants for improvement in “Time & Cost Efficiency” and to make it more “Attractive to Foreign Investors”**
- ❖ **Review of Procurement Policy/Procedures to minimize “Subjectivity” and developing “Equitable Evaluation Criteria”**

# Other Initiatives (Research & Innovation)

## Current Issues in hand

- ❖ **Innovative Financial Models for Better Leverage of Public Funds and Improvement of Financial Viability**
- ❖ **Development of suitable “Credit Enhancements” to be built in the procedure to improve leverage of Private Sector Funds**
- ❖ **Viability Enhancement through change in Risk Allocation**

*Thank You*