Proceedings for the 1st Meeting of the State Level Single Window Agency for PPP projects held on 19/09/2007 at 3.30 p.m. under the Chairmanship of the Chief Secretary to Government of Karnataka

Members Present:

List enclosed.

Principal Secretary, Infrastructure Development Department welcomed the Chief Secretary and other members to the meeting. The details of the discussion on the agenda and decision taken are recorded below:

Subject No.1: - Presentation and Discussion on PPP Cell.

The Principal Secretary IDD explained to the members that as per the decision taken in the meeting held on 21st March 2007 under the Chairmanship of the Chief Secretary, a PPP Cell has been set up in the Infrastructure Development Department vide G.O.No.IDD 5 UIP 2006 (P) Bangalore dated 18.06.07. A Presentation was made explaining the functions of the PPP Cell. The Secretary DPAR was requested to provide necessary Staff support for effective functioning of the Cell. The AC§ suggested to have more technical staff in the Cell and limited Administrative Staff. The Principal Secretary IDD informed the Committee that the Finance Department had rejected the IDD proposal to take Technical Staff from KSFC on deputation to IDD, stating that the Corporation employees could not be taken on deputation in Government Departments. The Chairman advised the Finance Secretary (Exp) to sort out the issue since professionals would be required for the Cell. The Finance Secretary (Exp) agreed to approve the proposal of the IDD.

Subject No.2: - Capacity Building of Officers dealing with PPP Projects.

The Infrastructure Development Department in co-ordination with the Administrative Training Institute Mysore and iDeCk has planned for capacity building of officers of Government agencies dealing with the PPP projects. In this regard preliminary discussions were held with the ATI Faculty and the Institute had agreed to conduct the training programmes provided the funds were given by IDD. The Finance Department was requested to allocate Rs 10.00 lakh for Capacity Building and Documentation purpose. The Chairman advised to conduct the training programmes involving professionals from IIM and other agencies and advised the Finance Secretary to provide necessary funds.
Subject No.3: Additional Allocation for Project Development Fund (PDF).

In the current year’s Budget an amount of Rs.50.00 lakh has been provided under the Project Development Fund (PDF) and the entire amount has already been utilized by iDeCK. The Government of India has been requested to provide Rs.10crore financial assistance for project development and the Joint Secretary, Ministry of Finance, Department of Economic Affairs has replied that the Scheme for India Infrastructure Project Development Fund (IIPDF) is under finalization, which envisages provision of up to 75% of financial support for preparation of PPP projects. The balance 25% will have to be contributed by the State Government as matching grant. The State needs to develop a shelf of projects to boost invest in infrastructure on PPP route. For this an additional allocation of 200.00 lakh is required during the current year under PDF. After detailed discussions, the Chairman advised the Finance Secretary to consider the possibility of providing additional allocation under PDF.

Subject No.4: Signing of MOU with the Government of India.

The Principal Secretary IDD stated the Asian Development Bank (ADB) on the request of the Government of India, has agreed for technical assistance (TA) on capacity building for PPPs. The State Government is required to sign an MoU with GOI for availing the TA of ADB. A draft MoU has been sent by IDD to Finance Department for concurrence after obtaining the opinion of the Law Department. The Finance Secretary stated that the case is under active consideration of Finance Department. After detailed discussion, the Committee recommended to sign the MoU with GoI and advised IDD to take further action.

Subject No.5: Projects for Consideration under Viability Gap Funding (VGF).

The Principal Secretary, IDD stated that the KRDCL has submitted 4 road projects to be taken up with private sector participation on BOT basis. The MD, KRDCL and technical consultants made presentations on the projects.
(a) **Improvements to Dharwad–Alnawar–Ramnagar Road (SH 34) on BOT basis**

The KRDCL technical consultants made a brief presentation to the Committee on the details of the project. The existing Dharwad–Ramnagar section (SH 34) (about 64 kms) acts as a major link connecting NH 4 and NH 4A leading to Goa. This road needs extensive repairs and improvement at a cost of Rs.173.09 crore. The proposed road is an important link between Hubli-Dharwad and Goa. Presently, people are taking a detour to travel from Dharwad to Ramnagar and when proposed road is improved it will be of great help and reduce travel time between these two places by about two and half hours. It was explained that about 75 hectares of land would be acquired for the project.

After detailed discussions, the Committee recommended to consider the project under VGF with State Government support of 20% and 20% by GoI.

(b) **Construction of expressway (State Highway –Special) from Outer Ring Road to International Airport Devanahalli Taluk**

The KRDCL consultants of this project made a presentation. The Committee was informed that out of the total cost of the project of Rs. 1000 crore, the cost of land acquisition would be about Rs. 510 crore. It was also informed by MD, KRDCL that Hon’ble Finance Minister, Government of India during his visit on 3.8.2007 had agreed to examine the request of the State Government for special assistance for land acquisition.

The Development Commissioner and ACS raised a query that there had been several writ petitions filed by the land owners and one of the important grounds was that since this road was connecting Bangalore City to international airport, whether it could be called a State Highway. MD, KRDCL clarified that under the provisions of the Karnataka State Highways Act, the Government may declare any road as a Special Highway and accordingly, this important connectivity has been declared as a ‘Special Highway’.

After clarifying various points mentioned by the Chief Secretary and Additional Chief Secretary and detailed discussions, the Committee recommended to consider the project under VGF with State Government support of 20% and 20% by GoI.

(c) **Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR and Partly SH)**

This road provides vital connectivity between SH 19 (Srirangapatna-Bidar) at Chikkanayakanahalli and NH 48 (Nelamangala-Mangalore) at Hassan. The improvement to this road includes widening to 2-lane road, strengthening and reconstruction of the road and other road works so that this road be able to carry trucks loaded with iron ore/manganese ore. This is also an important linkage road for the traffic destined/originating between Tumkur and Hassan Districts. The project is estimated at a cost of Rs.207.972 crore, when implemented will ensure better driving comfort, provide better level of service with enhanced safety for the commuting passengers and freight traffic. The MD, KRDCL mentioned that the project is viable with 40% viability gap.
After detailed discussions, the Committee recommended to consider the project under VGF with State Government support of 20% and 20% by GoI.

(d) Improvements to State Highway (SH 10) from Maharashtra Border to Andhra Pradesh Border in Gulbarga District

This road provides link between Maharashtra Border and Andhra Pradesh Border passing through Aland, Gulbarga, Malkhed, Sedam and Ribbanpally (Whagdhari-Ribbanpally road) in Gulbarga District for a length of 141.20 kms. The Committee was informed that after development this road would act as a crucial link between these towns for efficient movement of goods and passengers and improve the economic condition of the people living in this backward region.

After detailed discussions, the Committee recommended to consider the project under VGF with State Government support of 20% and 20% by GoI.

The Committee advised the MD, KRDCL to proceed with the tender process in identifying suitable private developers to undertake the above projects and also take other actions for implementing the projects. Further the Committee felt that each project could be again reviewed while sanctioning the VGF of the State Government share on case-to-case basis depending upon the profitability of the project. The Principal Secretary, IDD was advised to place these proposals before the State High Level Committee for approval.

The meeting concluded with a vote of thanks to all the members.

Sd/-
Chief Secretary,
Chairman of the State Level Single Window Agency for PPP projects.

(V.P.Baligar)
Principal Secretary, IDD & Member Secretary,
SLSWA for PPP projects.
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<td>1.</td>
<td>Chief Secretary to Government.</td>
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| 2.    | Sri. Sudhakar Rao, I.A.S.  
      | Additional Chief Secretary &  
      | Principal Secretary to Chief Minister  
      | Government of Karnataka. |
      | Additional Chief Secretary  
      | Government of Karnataka. |
| 4.    | V.P. Baligar, I.A.S.  
      | Principal Secretary,  
      | Infrastructure Development Department. |
| 5.    | Sri. K.Jyothi Ramalingam, I.A.S.  
      | Principal Secretary,  
      | Urban Development department. |
| 6.    | Anil Kumar Jha, I.A.S.  
      | Secretary,  
      | Finance Dept. |
| 7.    | Sri. Syed Zameer Pasha, I.A.S.  
      | Secretary,  
      | DPAR. |
| 8.    | T. Sukumar,  
      | Secretary, PWD. |
| 9.    | M.A. Basith,  
      | Senior Director,  
      | Rep. for Principal Secretary  
      | Planning Department. |
| 10.   | Sri. M.D. Ramesh Zalke, I.A.S.  
      | Managing Director, KRDCL |
| 11.   | Dr. Sathyarayanan,  
      | IdeCK. |
| 12.   | Smt Komala,  
      | Director,  
      | IDD. |