Proceedings for the 2nd Meeting of the State Level Single Window Agency for PPP projects to be held on 20-11-2007 at 12.00 noon under the Chairmanship of the Chief Secretary to Government of Karnataka

Members Present : List Enclosed

The Principal Secretary, IDD welcomed all the Members for the meeting and requested the Chairman to conduct the meeting.

Subject No.1: Confirmation of the Proceedings of the 1st State Level Single Window Agency for PPP projects held on 19-09-2007.

Read and Confirmed.


The Principal Secretary, IDD stated that the Finance Department had released Rs.10.00 lakh for capacity building and documentation purpose. Rs.5.00 lakh was released to ATI, Mysore for conducting training programme. It was also mentioned that the first batch of the training was held on 15th and 16th November 2007 at ATI, Mysore. The programme was successful and the participants expressed satisfaction of the programme. The 2nd batch will be held on 17th and 18th December 2007. The Chairman advised to involve all the departments/agencies implementing PPP projects.

2. Additional Allocation for Project Development Fund (PDF).

The Principal Secretary, IDD informed the Committee that the Finance Department has approved to re-appropriate Rs.50.00 lakhs and the same has been released to iDeCK. The Principal Secretary, Planning advised to avail funds from GoI. It was brought to the Committee's notice that the GoI has agreed to release funds from India Infrastructure Project Development Fund (IIPDF) after the scheme is finalised and approved on 75:25 basis.
3. Signing of MOU with the Government of India.

The Principal Secretary, IDD informed the Committee that the State Government has signed the MoU with Government of India on 4th October 2007 after getting the concurrence from the Finance Department vide No.FD 1371 Exp-1/07 dated: 27-09-2007 for availing the technical assistance (TA) from ADB. It was also stated that the interview was held on November 1st for selection of the Technical Assistants and the Resident Commissioner, Karnataka Bhavan attended the Selection Committee Meeting on behalf of the State Government. The Committee was informed that the selected experts would be posted by the end of December 2007.

4. Projects considered under Viability Gap Funding (VGF).

a) Improvements to Dharwad-Alnawar-Ramnagar Road (SH-34) on BOT basis.
b) Construction of Expressway (State Highway, Special) from Outer Ring Road to International Airport in Devanahalli Taluk.
c) Improvements to Chikkanayakanahalli-Tiptur-Hassan road (Partly MDR & partly SH).
d) Improvements to State Highway (SH-10) from Maharashtra Border to Andhra Pradesh Border Gulbarga District.

The Principal Secretary, IDD informed the Committee that the four Projects approved in the 1st SLSWA for PPP projects was also placed before the 11th State High Level Clearance Committee Meeting held on 28/09/2007 under the Chairmanship of the Hon’ble Chief Minister of Karnataka and the same was approved. He also stated that the proposals would be forwarded to GoI after the SHLCC proceedings are received.

The Principal Secretary, Planning expressed whether there is need to again place before the High Level Committee chaired by the Hon’ble Chief Minister, since that Committee is to facilitate private investment. The Principal Secretary, IDD clarified that the projects above Rs.50 crore should get clearance from the High Level Committee. Hence instead of forming another High Level Committee the proposals are placed in the existing Committee formed under Facilitation Act 2002 and this is also mentioned in the Infrastructure Policy 2007.
Subject No.3: **Project for Consideration under PPP.**

a) **2nd Stage development of Karwar Port through Private Participation under “BOOT” concept:**

The proposal of the Department of Public Works, Ports & IWT for the 2nd Stage development of Karwar Port in PPP mode under the Design – Build – Own – Operate – Transfer (DBOOT) pattern was discussed. The Director, Ports & IWT made a power point presentation of the salient features of the proposal and stated that the project, estimated to cost Rs.500.00 crore involved construction of 2 additional berths providing berthing length of 460 metres, reclamation of area measuring 460 x 460 metres, to construct POL Jetty to handle 40,000 DWT vessels, constructing additional break waters of 238 metres, in continuation of the existing break-water etc. The project is aimed to be implemented without any direct financial assistance from the State Budget. However incentives and concessions available under the Infrastructure Policy and other applicable general policies are proposed to be extended to the selected concessionaire.

The Committee was informed that the department has already proceeded with initial activities as follows.

- The RFQ, RFP and the Concession Agreement Documents have been drafted based on the Model Documents prepared by the Planning Commission, Government of India.
- Applications have been invited from the prospective developers for pre-qualification. Fourteen applications have been received within the scheduled time limit (31.10.2007).
- A Committee has been constituted to examine the RFQ Applications and the applications are been examined.
- The Department intends to short list 5 applicants.

After discussions, the Committee decided to recommend the proposal with the following observations.

- The scope of the project should be widened to include the existing (1st Stage) Karwar Port also. However, the concessionaire would be handed over the existing (1st Stage) Karwar Port only after the 2nd Stage Port becomes fully operational.
The concessionaire shall, after taking over the existing (1st Stage) Karwar Port, pay to the State Government additional rental for the same equivalent to the existing net revenues with minimum annual growth of 10%.

The GOK would be at liberty to develop 3rd Stage Development after 10 years of operation of the 2nd Stage or after certain fund is generated in 2nd stage.

The Department of Public Works, Ports & IWT may refer the RFP and Concession Agreement Documents to the IDD for consultation through the PPP Cell.

The Department should also move ahead to undertake development of the other ports (Honnavar, Tadri, Bhatkal, Old Mangalore etc.) on similar lines.

The proposal may be placed before the SHLCC. However, the Department of Public Works, Ports & IWT may also proceed to place it before the Cabinet for approval, after incorporating the above suggestions.

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.
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<td>1.</td>
<td>Chief Secretary to Government.</td>
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<td>4.</td>
<td>Sri. V.P. Baligar, I.A.S. Principal Secretary, Infrastructure Development Department.</td>
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<td>Sri. K. Jyothish Ramalingam, I.A.S. Principal Secretary, Urban Development Department.</td>
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<td>Sri. Sudhir Krishna, I.A.S. Principal Secretary, PWD.</td>
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<td>Sri. S.B. Kolhar, Director (Technical Cell), Representing of Principal Secretary C &amp; I Department.</td>
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<td>Captain R Mohan, Director of Ports &amp; Inland Water Transport.</td>
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<td>Sri. C. Raghavendra Reddy, Liaison Officer, IdeCK.</td>
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<td>Sri. T.B. Renuka Prasad, Deputy Secretary, IDD.</td>
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