

**Subject: Record Note of discussion of the meeting of Public Private Partnership  
Appraisal Committee held on 20.12.2005**

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The first meeting of the Public Private Partnership Appraisal Committee (PPPAC) was held on 20.12.2005 at 4.00 PM in Room No.131-A. The list of participants is annexed.

2. Secretary (EA), while giving a brief outline of the scheme for appraisal of Public Private Partnership (PPP) projects in the central sector, stated that along with the setting up of the PPPAC the approach to be followed for appraising these projects as approved by the CCEA has also been notified. The next stage is to firm up the guidelines and flowing from these guidelines is the manner in which proposals will be posed, role of individual entities and the time lines to be followed. He drew the attention of the participants to the draft guidelines circulated by DEA and invited their comments on the draft guidelines.

3. Shri Haldea gave the following comments on the draft guidelines:

- (a) Para 3 of the draft guidelines need to clarify the term “agencies”, as it is not clear whether it would include statutory bodies like NHAI and Port Trust and also corporate entities as well. It was felt that the term “agencies” should be replaced by “statutory bodies”.
- (b) From the above the issue that emerges is the treatment of Public Sector Undertakings (PSUs). After detailed deliberations it was decided that the pattern followed for PIB approvals would be followed by PPPAC as regards the PSUs. Specific cases like Production Sharing contracts etc could be considered to be excluded from the purview of PPPAC for which specific approval of the competent authority will be sought.
- (c) Para 4 needs to be redrafted in objective type questions.
- (d) Para 10 should be redrafted so that it is not prescriptive.
- (e) Para 11 and at certain other instances where it is stated that technical and financial bids will be sought needs to be redrafted to state only final bids as in certain projects like those of NHAI the technical parameters are pre-determined and only the financial bids are sought. It was agreed to make this change.
- (f) It should be mentioned at the relevant portion that the guidelines for projects qualifying under the less than Rs. 100 crore threshold should be issued urgently.

4. Shri Haldea stated that the Annexures should be revised to make them more specific including a separate section on issues relating to the concession agreement. It was agreed that the draft guidelines would be issued on the above lines and Planning Commission would forward a draft of the additional formats to be attached in the guidelines within the next 2-3 days.

5. In addition to the above, the following decisions were also taken:

(a) It was agreed that standard project related documentation would facilitate expeditious appraisal. A Model Concession Agreement (MCA) has already been issued for the highway sector and the Planning Commission is in the process of finalizing the MCA for Ports and airports. For the other sectors, DEA will take up with the line Ministries to evolve MCAs and other project related documents as necessary.

(b) The broad parameters for inviting bids would be prepared and after being finalized by the PPPAC would be circulated for information of the line Ministries.

(c) As regards the Ministries/sectors within the purview of PPPAC it was explained that the Note for CCEA stated that the PPPAC would be on the lines of the PIB and accordingly Ministries which are outside the purview of PIB like Ministry of Defence, Department of Atomic Energy and Department of Space will be outside the purview of the PPPAC.

(d) The time lines for the appraisal process were fixed.

6. It was agreed that the guidelines will be finalized on the lines discussed above and issued before December 31, 2005.

7. The meeting ended with thanks to the Chair.

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