



**Scheme for Financial Support for
Project Development Expenses of PPP Projects –
'IIPDF Scheme'
(India Infrastructure Project Development Fund Scheme)**



**Infrastructure Finance Secretariat
Department of Economic Affairs
Ministry of Finance
Government of India**



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निर्मला सीतारामन
वित्त एवं कॉर्पोरेट कार्य मंत्री
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Foreword

Infrastructure not only creates sustainable assets required by the growing needs of a developing nation but also helps in generating large-scale employment opportunities. Accelerated infrastructure development is essential to the growth and sustenance of Indian economy.

The Government of India is pushing infrastructure development with many flagship programmes aimed at catalysing an exponential pace of holistic development. The National Infrastructure Pipeline (NIP) encompasses and captures the entire range of infra projects undertaken in the country. The National Monetisation Pipeline (NMP) envisages to generate resources from monetization of public sector brownfield assets and to introduce private sector efficiency in infra-asset management. The PM GatiShakti integrates planning and coordinated implementation of infrastructure multi-modal connectivity projects and facilitates the last mile connectivity of infrastructure.

With these programmes as a stepping stone, the further growth trajectory of infrastructure development requires large-scale participation of the private sector, especially through the Public-Private Partnerships (PPPs). PPPs are an efficient mechanism for ushering in private sector efficiencies in construction and management of public infrastructure. However, given the complexities of the PPP, the entire value chain of the PPP infrastructure development requires critical support and advice in financial, legal and technical domains for effective project structuring and timely implementation which come at a cost (project development expenses). There has been a demand from government agencies for an enabling framework of funding of projects development costs for preparing a shelf of quality - bankable - viable PPP projects.

Pleased to learn that the Infrastructure Finance Secretariat, Department of Economic Affairs, has undertaken several deep dive initiatives for boosting PPP ecosystem in the country covering the entire gamut of PPP Life-cycle. One of such initiatives is the launch of the Scheme for Financial Support for Project Development Expenses of PPP Projects – 'IIPDF Scheme' (India Infrastructure Project Development Fund Scheme). As a Central Sector Scheme, the IIPDF Scheme is designed to aid development of quality PPP projects by providing necessary funding support to the project sponsoring authorities, both in the Central and State Governments, for creating a shelf of bankable - viable PPP projects for achieving the vision of modern infrastructure for the country.


(Nirmala Sitharaman)

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FOREWORD

The Department of Economic Affairs (DEA) is laying huge thrust on improving the quality and pace of infrastructure development in the country by encouraging private sector participation in building adequate and quality infrastructure.

The DEA has been actively engaged in developing the appropriate policy framework for private investment in infrastructure development. Public Private Partnerships (PPPs) are being encouraged for execution and operation of infrastructure projects. Besides, new schemes and initiatives are being introduced to provide financial and technical support to the private sector wherever necessary.

A key step in structuring quality PPP projects is to provide quality advisory/ consultancy services to the Project Sponsoring Authorities (PSAs). However, procurement of such services is a time consuming and difficult process often resulting into delays in onboarding of the appropriate Transaction Advisers (TAs) or non-optimal structuring of PPP projects. To address these issues, the Department of Economic Affairs has notified a panel of pre-qualified TAs and developed a Manual for utilisation of this panel.

Now, the Private Investment Unit of the Infrastructure Finance Secretariat, DEA has come out with Scheme for Financial Support for Project Development Expenses of PPP Projects – 'IIPDF Scheme' (India Infrastructure Project Development Fund Scheme) for providing necessary support to the PSAs, both in the Central and State Governments, by extending financial assistance in meeting the cost of transaction advisors and consultants engaged in the development of PPP projects.

I hope that the PSAs find the IIPDF Scheme useful for creating a shelf of actionable PPP projects. I would like to compliment the efforts of Shri B. Purushartha, Joint Secretary, Dr. Molishree, Deputy Secretary, Ms. Aparajita Tripathi and Dr. Kartik Agrawal, Deputy Director for bringing this initiative to fruition.


(Ajay Seth)

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Foreword

The Union Finance Minister in the Budget Speech for 2022-23 announced that for financing the infrastructure needs, the stepping-up of public investment will need to be complemented by private capital at a significant scale. In this regard, various measures shall be required to enhance financial viability of projects by adopting global best practices, innovative ways of financing, and balanced risk allocation. Technical and knowledge assistance shall be obtained from multi-lateral agencies to further enhance project viability.

The Private Investment Unit (PIU), in the Infrastructure Finance Secretariat (IFS) of the Department of Economic Affairs, under the guidance of the Secretary, Economic Affairs, is in the process of developing policy initiatives for revitalizing the PPP infrastructure ecosystem through a series of catalyzing regulatory and policy reforms. These reforms aim at providing enabling environment for PPPs by creating appropriate mechanisms, guidelines, advisories, and funding support to increase development and uptake of PPP projects by making them viable and bankable.

One of the key steps in structuring quality PPP projects is to provide quality advisory/ consultancy services to the Project Sponsoring Authorities (PSAs). Towards this end, DEA has already empaneled 12 transaction Advisors for PPPs which are available to the PSAs for off the shelf onboarding. However, the procurement costs of transaction advisors/ consultants are significant and often pose a burden on the limited budget of the Project Sponsoring Authority. In this regard, this India Infrastructure Project Development Fund (IIPDF) Scheme provides mechanism through which Project Sponsoring Authority will be able to source funding from the Department of Economic Affairs to cover the PPP transaction costs, thereby reducing the impact of procurement cost on their budgets and also ensuring the availability of quality Transaction Advisory services to the PSA.

I am hopeful that these initiatives of the PIU, IFS will help in creating an enabling environment for PPP mode of infrastructure development in the country.

18 November 2022

(Baldeo Purushartha)



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Foreword

PPP ecosystem of the country is ever evolving and the Private Investment Unit (PIU) of Infrastructure Support and Development (ISD) Division in the Department of Economic Affairs has been at the centre of this ecosystem. The ISD Division has been, constantly working to evolve the PPP policy landscape, schemes, programmes, and developing Model Concession Agreements, among other things.

The PIU facilitates in leveraging private investment in infrastructure by serving as the Secretariat for the Public Private Partnership Appraisal Committee (PPPAC), assisting implementing agencies in structuring PPP projects, and ensuring uniformity and standardisation in PPP projects across sectors. DEA is also the nodal agency for evaluating proposals related to the VGF Scheme, the India Infrastructure Project Development Fund (IIPDF) now the IIPDF Scheme, and the Guidelines for Monetization of the Central Sector.

With positive response to the recent interventions undertaken by PIU inter alia including empaneling of Transition Advisers for PPP projects to eliminate delays in the appointment of transaction advisors/consultants for preparing a shelf of bankable projects. DEA further is in process of removing end to end constraints faced by PSAs in implementing PPP projects.

DEA understands that procurement costs of transaction advisors are significant and often pose a burden on the limited budget of the Project Sponsoring Authority. Understanding this need of the PSAs, DEA has revamped the existing IIPDF Fund and notified the IIPDF Scheme as a Central Sector Scheme with enhanced features such as total outlay of Rs.150 cr. for a period of three years with expanded scope, no capping and recovery so as to aid development of quality PPP projects by providing necessary funding support to the project sponsoring authorities, both in the Central and State Governments, for creating a shelf of bankable viable PPP projects for achieving the vision of modern infrastructure for the country.

It is believed that the Project Sponsoring Authority will now be able to source funding to cover the PPP transaction costs, thereby reducing the impact of costs related to procurement of TAs on their budget. The scheme will cover expenses incurred by the Project Sponsoring Authority in respect of feasibility studies, environment impact studies, financial structuring, legal reviews and development of project documentation, including concession agreement, commercial assessment studies (including traffic studies, demand assessment, capacity to pay assessment), grading of projects etc. required for achieving Technical Close of such projects, on individual or turnkey basis.

Together with the VGF scheme for PPP Projects, the IIPDF Scheme will cover the end to end support to the by Project Sponsoring Authorities from ideation stage to implementation stage thereby leveraging PPP transactions which will play a pivotal role in the Infrastructure Growth story of the Country.



(Dr. Molishree)

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1. INTRODUCTION

- 1.1 Provision of quality infrastructure is critical to attain a higher growth trajectory for the economy on a sustained basis. While stepping up public investments in infrastructure, the Government has been actively engaged in developing an appropriate policy framework for private investment in infrastructure projects and simultaneously keeping adequate checks and balances through transparency, competition and regulation. Consequently, Public Private Partnerships (PPPs) are being encouraged for execution and operation of infrastructure projects. In addition to leveraging public capital to attract private capital and undertaking a larger shelf of infrastructure projects, PPPs bring in the advantages of private sector expertise and cost reducing technologies as well as efficiencies in operation and maintenance.
- 1.2 Towards this end, the Union Finance Minister in the Budget Speech for 2007-08 announced in the Parliament, the setting up of a Revolving Fund with a corpus Rs. 100 crore to quicken the process of project preparation. Accordingly, the corpus fund titled “India Infrastructure Project Development Fund” (IIPDF) was created in the Department of Economic Affairs, Ministry of Finance, Government of India with an initial corpus of Rs. 100 crore for supporting the development of Public Private Partnership (PPP) projects that can be offered to the private sector.
- 1.3 Infrastructure is also one of the pillars of the Atma Nirbhar Bharat. Thus, to promote rapid Infra Development in the nation, it is necessary to give a fillip to Project Sponsoring Authorities for creating a pipeline of projects to be taken up on PPP mode.
- 1.4 Hence, the Union Finance Minister in the Budget Speech for 2022-23 announced that for financing the infrastructure needs, the stepping-up of public investment will need to be complemented by private capital at a significant scale -*“Measures will be taken to enhance financial viability of projects including PPP, with technical and knowledge assistance from multi-lateral agencies. Enhancing financial viability shall also be obtained by adopting global best practices, innovative ways of financing, and balanced risk allocation”*.
- 1.5 PPP is an ever-evolving process where relationship between the public and private sectors alters from time to time. There are a number of legal, social, economic, political and administrative issues that has a bearing on the success of a PPP in infrastructure and hence their development requires an enabling eco-system involving support through proactive planning, policy formulation and regulatory measures.
- 1.6 The transactions involved in implementing PPP projects are complex and critical. The high initial investments, transfer of public assets to the private sector partner for the concession period, the need to balance the divergent needs of the commercial private interests with the objectives of inclusive growth underline the criticality of project structuring. In order to make the projects commercially viable, often, Government viability funding support may also be required. To achieve economically optimum gains from private participation in infrastructure projects, fair allocation of risks amongst the private and Government partners and balancing of gains to both the parties is crucial. Due diligence is also essential given the substantial contingent liability that could devolve on the State in such projects.

¹Notified in Gazette of India - CG-DL-E-03112022-240026 vide Notification No. No. 1/2/2021-PPP dated 03.11.2022”

- 1.7 The Project Sponsoring Authorities (PSA) of PPP Projects need expert financial, legal, and technical advice for formulating project documents necessary for award and implementation of projects in an efficient, transparent and fair manner and closing out the transactions. The role of Transaction Adviser "TAs" (consultants) is critical since the success of a PPP project depends on a well-structured project, which is financially viable. The tasks in a PPP Project include - developing a revenue model, reviewing the cost estimates based on the Feasibility Report, assisting the Sponsoring Authority in the bidding process and finally closing the transaction successfully. The consultants are required to collect, compile and analyze the financial data relating to all costs and revenues, and help in the identification and allocation of project risks in an efficient and economic manner.
- 1.8 An important aspect of TA is that the consultants clearly explain to the PSA the financial impact of the project on government's resources - direct as well as contingent - and the optimal structure for financing and operation of the project besides participating in meetings and conferences with bidders and advising and assisting the PSA in resolving the diverse commercial issues that may arise from time to time.
- 1.9 The procurement costs of transaction advisors are significant and often pose a burden on the limited budget of the Project Sponsoring Authority.
- 1.10 Accordingly, the features of existing India Infrastructure Project Development Fund (IIPDF), are enhanced and the fund is restructured as a Central Sector Scheme with total outlay of Rs.150 Crore for a period of 3 years from 2022-23 to 2024-25.

2. The purpose of the IIPDF

- 2.1 The Department of Economic Affairs (DEA) has identified IIPDF Scheme as a mechanism through which Project Sponsoring Authority will be able to source funding to cover the PPP transaction costs, thereby reducing the impact of costs related to procurement of TAs on their budgets. From Government of India's perspective, the IIPDF Scheme will increase the quality and quantity of PPP projects that are processed through the Central or States' project pipeline.
- 2.2 Funding under the IIPDF Scheme is available to the Project Sponsoring Authorities for PPP projects for the purpose of meeting the project development costs which may include the expenses incurred by the Project Sponsoring Authority in respect of feasibility studies, environment impact studies, financial structuring, legal reviews and development of project documentation, including concession agreement, commercial assessment studies (including traffic studies, demand assessment, capacity to pay assessment), grading of projects etc. required for achieving Technical Close of such projects, on individual or turnkey basis, but would not include expenses incurred by the Project Sponsoring Authority on its own staff. The funding under IIPDF Scheme can be availed to finance the cost of consultants and transaction advisors on a PPP project.

3. Funding under the IIPDF Scheme

- 3.1 Funding under IIPDF Scheme can be for a maximum amount of Rs.5 Crore for a single proposal (Project TA/Seminar/Workshop/Professional Service Expenses, etc.). This

funding shall be inclusive of any tax implications thereon and the total amount of funding under IIPDF Scheme, including taxes, if any, thereon, shall not exceed Rs.5 Crore. Any funding requirement over and above Rs.5 Crore may be borne by the Project Sponsoring Authority itself.

- 3.2 Under IIPDF Scheme, the cost of consultants/transaction advisors of a PPP project can be funded, where Consultants/TAs are appointed through a transparent system of procurement including from the list of empaneled TAs of DEA or from the list of empaneled TAs of any other Central Ministry/Department or State Government or on nomination basis, in accordance with the applicable GFR Rules. But it will not include expenses incurred by the Project Sponsoring Authority on its own staff.
- 3.3 Additionally, costs incurred for any Seminar/Workshop/Infra Tech Challenge etc. organized by DEA for the promotion of PPPs can also be funded under IIPDF Scheme. Further, DEA may also use the funding under IIPDF Scheme for engaging Consultants/TAs for specific assignments of professional services including providing support to States/UTs. A maximum of 20% of the yearly budget as well as total allocation for the Scheme is earmarked for this purpose.
- 3.4 It is well recognized that all such funding under the IIPDF Scheme may not result into a successful PPP project as the success of a PPP project depends on various factors. Therefore, the funding under IIPDF Scheme shall not be recovered. However, the Guidelines shall provide for a mechanism to deter PSAs from availing funding under IIPDF Scheme and not utilising it for the intended purpose or not taking forward the PPP process without cogent reasons.

4. The IIPDF's organizational structure - Competent Authority for Approval

- 4.1 The IIPDF Scheme shall be administered by the Approval Committee (AC). The composition of the Approval Committee is as under:
- Joint Secretary ISD, DEA - Chairperson
 - Representative of NITI Aayog,
 - Deputy Secretary/Director (PIU), DEA - Member Secretary
- 4.2 The Approval Committee shall consider and approve funding from IIPDF Scheme as detailed in para 3 ante.
- 4.3 The Private Investment Unit (PIU) of the Department of Economic Affairs, Government of India will provide support functions to the Approval Committee to examine the applications received for assistance under IIPDF Scheme.

5. Appointment of Consultants/TAs

- 5.1 The Consultants/TAs shall be appointed by the PSA through a transparent system of procurement, including from the list of empaneled TAs of DEA or from the list of empaneled TAs of any other Central Ministry/Department or State Government or on nomination basis, in accordance with the applicable GFRs.

6. Disbursements under the IIPDF Scheme

- 6.1 Once the proposal is approved for funding by the competent authority, disbursements from time to time shall be approved at the level of JS, ISD.
- 6.2 The disbursements for Consultant/TA cost shall be made to the PSA upon request received from the PSA for onward transmission to the TAs, based on milestones achieved as under:

Payment Milestone	Payment as a percentage of TA bid amount subject to overall Funding approved under IIPDF Scheme or Rs.5 Crore, whichever is less
Submission of Inception Report to the PSA	10%
Submission of Feasibility Report to the PSA	10%
Submission of DPR to the PSA	15%
Floating of RfP by the PSA	15%
Completion of Bid evaluation stage and issue of LOA by the PSA	25%
Signing of Concession Agreement and Uploading of all relevant documents of portal of TA (in case the TA is empaneled) - Technical Close	25%
Additional Incentive In case the project was originally planned with a grant component but achieved the technical close (signing of Concession Agreement) with a premium. Disbursement shall be along with the last leg of disbursement.	5%

- 6.3 The Approval Committee may consider disbursement milestones in variation to the above based on specific request of the Project Sponsoring Authority.
- 6.4 Disbursements for further/successive stages shall be made upon submission of Utilisation Certificate of the previous disbursements, by the PSA.
- 6.5 If for any reason, the project is terminated at any stage of the PPP procurement process, then the disbursement shall be made only till the achieved milestones and no further disbursements shall be made.

7. Guidelines or IIPDF Scheme

- 7.1 DEA shall from time to time issue appropriate guidelines for implementation of the IIPDF Scheme.

8. Amendment to the Scheme and Guidelines

- 8.1 The Scheme and Guidelines of IIPDF may be amended on the recommendations of the Approval Committee with the approval of Secretary, Economic Affairs.

Guidelines for India Infrastructure Project Development Fund (IIPDF) Scheme

1. APPLICABILITY

- 1.1 The Central Government has notified the IIPDF Scheme. These Guidelines are to be read with the IIPDF Scheme.
- 1.2 Project Development Expenses (PDEs) for any project covered under the definition of PPP given in the Guidelines for Formulation, Appraisal and Recommendation of Central Sector PPP Projects, can be posed for funding under the IIPDF.
- 1.3 The project proposal may be posed by Central/State Government Ministries/Departments, Public Sector Enterprises (PSEs), Statutory Authorities or other entities under their administrative control, hereinafter referred as Project Sponsoring Authorities or PSAs.
- 1.4 Project proposal may be from any of the sectors covered under the harmonized Master List of Infrastructure sub sectors and sectors covered under VGF Scheme, notified by DEA from time to time.
- 1.5 Project proposal may be submitted at any stage of engagement of TAs.

2. DEFINITIONS

- 2.1. **PDEs** - Project Development Expenses may include the expenses incurred by the PSA with respect to feasibility studies, environment impact studies, financial structuring, legal reviews and development of project documentation, including concession agreement, commercial assessment studies (including traffic studies, demand assessment, capacity to pay assessment), grading of projects etc. required for achieving Technical Close of such projects, on individual or turnkey basis, etc. but would not include expenses incurred by the PSA on its own staff.
- 2.2. **Transaction Advisers** - Consultants hired through a transparent system of procurement by the sponsoring authorities to assist them in designing the project and/or providing technical, financial and legal input for the project design, and providing advice for the management of the process of procuring the private sector partner for the PPP project. These also include Transaction Advisers selected from the panel of Transaction Advisers of DEA or from the list of empaneled TAs of any other Central Ministry/Department or State Government or on nomination basis in accordance with the applicable GFRs.
- 2.3. All other terms used in these Guidelines shall have the generic meaning assigned to them in the 'Definitions' given as part of the Guidelines for Formulation, Appraisal and Recommendation of Central Sector Public Private Partnership Projects, except, where specifically defined otherwise in any Schemes/Bid Documents/Statutes/Regulations or in these Guidelines.

3. INSTITUTIONAL STRUCTURE

The Institutional Structure for administration of the IIPDF Scheme shall be the Approval Committee (AC) as laid down in the IIPDF Scheme. The Approval Committee may define its procedure as well as approve any formats etc. required to be submitted by the applicants for funding under the Scheme.

4. Mandatory Components of a project proposal for funding of PDEs

- 4.1. The funding is used for meeting out the cost (PDEs) of consultants/transaction advisors for a PPP project.
- 4.2. The decision of the Approval Committee regarding the eligibility of a project as a PPP project, shall be final.
- 4.3. The TAs shall be appointed by the PSA through a transparent system of procurement, including from the list of empaneled TAs of DEA or from the list of empaneled TAs of any other Central Ministry/Department or State Government or on nomination basis in accordance with the applicable GFRs.
- 4.4. DEA will have all rights of usage of the project documents developed through funding under the IIPDF Scheme.

5. Project Identification & onboarding of TAs

- 5.1 The responsibility of Project Identification and on boarding of Consultants/TAs including ensuring the reasonability of cost, is that of the PSA.

6. IIPDF Mechanism & Approval of Funding by the Approval Committee (AC)

- 6.1 Undertaking pre-feasibility study of the project is the responsibility of PSA. To seek project development funding from the IIPDF Scheme, the PSA will apply to the Approval Committee (AC) in DEA through the Memorandum for Consideration (Annexure - I to these guidelines). Annexure - II only provides guidance to the PSAs for undertaking a pre-feasibility study and need not be submitted with the proposal.
- 6.2 Proposals seeking funding under the IIPDF Scheme shall be considered and approved by the Approval Committee.
- 6.3 The PIU in DEA shall serve as the secretariat of the AC and shall convene a meeting of the AC for consideration of project proposal preferably within 1 month of the receipt of project proposal.
- 6.4 The AC may either grant approval to funding with/without any conditions or may ask the PSA to revise and resubmit the proposal for consideration of the Approval Committee.
- 6.5 In all cases, the decision to fund or not fund the project development expenses will be at the discretion of the AC.

- 6.6 Funding under IIPDF shall be upto a maximum amount of Rs.5 Crore for a single project proposal (Project TA). Any funding requirement over and above Rs.5 Crore may be undertaken by the PSA itself. Further:
- 6.6.1 In case TA is onboarded through an open competitive bidding, or through list of empaneled TAs of DEA or through list of empaneled TAs of any other Central Ministry/Department, then, funding under IIPDF will be up to the full cost of the TAs subject to a cap of Rs. 5 Crore,
- 6.6.2 In case TA is selected through nomination basis by the PSA in accordance with PSA specific Rules and Regulation, and as per applicable GFRs, funding shall be 50% of total TA cost or up to Rs.5 Cr, whichever is less.
- 6.7 Whether the project development expenses are sought to be funded in piece-meal (separately for stages of pre-feasibility, feasibility, RFP preparation and floating, etc.) or in one go, the total quantum of funding under this Scheme for a single project shall not exceed Rs. 5 Crore.
- 6.8 The PSA shall seek funding of PDEs under this Scheme considering the complexity and size of the project. The PSA shall always limit the demand for funding of the PDEs within reasonable limits.
- 6.9 The final release of the PDEs shall be subject to the funding approved by the AC or the actual PDE cost as determined through bidding or Rs.5 Crore, whichever is less.

7. Other Funding from IIPDF

- 7.1 For promoting Innovation in Infrastructure, conducting Seminars, Workshops for promoting PPPs, infra tech challenges, funding of infratech project proposals, etc., may be undertaken on a case-to-case basis through the funds available under this scheme.
- 7.2 Further, DEA may also use the funding under IIPDF Scheme for engaging Consultants/TAs for specific assignments of professional services including providing support to States/UTs.
- 7.3 The Funding shall be upto a maximum of Rs. 5 Crore for the Seminar/Workshop/ Professional Services expenses, etc. for a single instance.
- 7.4 A maximum of 20% of the yearly budget as well as 20% of the total outlay for the Scheme is earmarked for such Trainings/ Seminar/Workshop/Professional Service Expenses, etc.
- 7.5 All such funding shall be approved at the level of Approval Committee.

8. Disbursements under IIPDF

- 8.1 The IIPDF will provide financial assistance once an application by the PSA has been approved by the AC and conditions as precedent to funding have been fulfilled.
- 8.2 The approved funding shall be released with the approval of JS, ISD.

- 8.3 The PDEs (TA Cost) shall be disbursed to the PSA upon submission of request for release of funds by the PSA in the prescribed format (**Annexure-III**) in accordance with the milestones defined in the Scheme or as approved by the AC, as the case may be.
- 8.4 The proposal for funding under IIPDF Scheme can be posed by the PSA at any stage of project development. However, there shall be no retroactive financing of the costs already incurred by the PSA.
- 8.5 In case the funding is sought before on-boarding of TAs, then AC would approve the funding subject to the following:
- 8.5.1 Funding would be given subject to the estimated cost as approved by the AC, or the actual cost as discovered through a transparent mechanism or Rs.5 Crore, whichever is less.
- 8.5.2 If the PSA decides to stop the project because of negative pre-feasibility report, only the pre-feasibility cost-component, if any, of the approved TA cost shall be disbursed. In such a situation, no further disbursements other than the pre-feasibility cost-component, if any, shall be made.
- 8.6 In case funding is sought at any stage after on boarding of TAs, then disbursement will commence according to the project milestones already achieved and to be achieved, as decided by the AC, subject to 8.4 above.
- 8.7 An additional incentive of 5% of the funding approved under this Scheme, will be paid to the PSAs for onward transmission to the TAs in case the project was originally planned with a grant component but achieved the technical close with a premium. This shall be disbursed along with the last leg of disbursement.
- 8.8 Disbursements for further/successive stages shall be made upon submission of Utilisation Certificate of the previous disbursements clearly certifying release of the amount to the Consultant/TA, by the PSA. For the last disbursement, the PSA needs to promptly submit the Utilisation Certificate in a similar manner.
- 8.9 The disbursement mechanism under the Scheme shall be in compliance with the instructions of Government of India, as issued from time to time.
- 8.10 If need arises, the funding may be provided based on an appropriate formula to be determined by the AC, that balances need across sectors and locations in a manner that would broad-base the sectoral and locational coverage and avoid pre-empting of funds by a few large projects.
- 8.11 If for any reason, the project is terminated at any stage of the PPP procurement process, then the disbursement shall be made only till the achieved milestones and no further disbursements shall be made.
- 8.12 It shall be the responsibility of the PSA to release the funds to the TAs in a timely manner. DEA shall not be responsible/party to any dispute between the PSA and the TA.

9. Nature of Project Development Expense Funding

- 9.1 Project development funding, will be in the form of grant subsidy and shall not be recovered.
- 9.2 The amount of funding through IIPDF will not form part of the Total Project Cost of the project, i.e., it shall not be recovered from the successful bidder of the project (the concessionaire).
- 9.3 However, to ensure that PSAs do not arbitrarily terminate the process of PPPs, without cogent reasons, after receiving assistance under this Scheme, following mechanism is put in place:
 - 9.3.1 APSA may not have access to further funding under the IIPDF Scheme if:
 - 9.3.1.1 PPP project process is not continued further in spite of favourable/encouraging feasibility study,
 - 9.3.1.2 Bidding is not concluded/LOA not issued after floating RFP and receiving market response and valid bids,
 - 9.3.1.3 Concession Agreement is not executed even after issue of Letter of Award,
 - 9.3.2 Further, in case of overall three such instances of any PSAs of a State/UT/Central Ministry/Department becoming ineligible for funding under IIPDF, such State/UT/Central Ministry/Department and all its PSAs shall become ineligible to seek funding under IIPDF Scheme for a period of one year.

10. Monitoring

- 10.1 The PSA shall be responsible for regular monitoring of the project development and compliance with the milestones as committed in the MFC and as approved by the AC.
- 10.2 PSA shall be ultimately responsible for complying with due process of GFR and their financial rules and any other statutory or regulatory requirements for the entire process and ensuring financial propriety. Cost discovery of the TA shall be the responsibility of the PSA in accordance with applicable GFRs.
- 10.3 PSA may also be required to update project specific data on appropriate website as informed by DEA from time to time.

11. Relaxation of Guidelines

- 11.1 The AC may relax any of the provisions of these Guidelines on a case to case basis depending on project specific requirements on the basis of specific requests received from the PSAs and merits of the case.

ANNEXURES

Memorandum for Consideration (MFC#) Application Form (Under Guidelines for IIPDF Scheme)

Sl. No.	Particulars	Response
I.	Project Name	
II.	Purpose of Assistance (TA/Consultant/PPP Cell etc.)	
III.	NIP ID	
IV.	Sector*	
V.	Project Sponsoring Authority	
VI.	Location/ (State/UT/District/Town)	
VII.	Need for the Project	
VIII.	Brief Project Description	
IX.	Proposed PPP structure[§] for Project Implementation : BOT (and its variants) Annuity (and its variants), OMDA (and its variants), Lease Management, InvIT, etc.	
X.	Proposed Milestones for the TAs along with Timelines and payment percentages (if in deviation to the milestones given in the IIPDF Scheme)	
XI.	Likely impact(s) of the project:	
XII.	Total Estimated Project Development Expenses/Actual TA costs (if TA already on boarded)	
XIII.	Components of Estimated/Actual Cost	
XIV.	IIPDF contribution sought	
XV.	Enclosures 1. Pre-feasibility details (if any) 2. If TA is already onboarded then following additional information/documents need to be submitted along with the application: a. Whether onboarded through open market or through empaneled TAs or through nomination basis etc. b. Copy of TOR of T A appointment. Copy of agreement with the TA. c. Complete details of the milestones achieved. d. Certificate from PSA that it has onboarded the TA as per its applicable GFRs. 3. Any other	
XVI.	Outcome of Previous TA, if funded by DEA	

* Sector and Sub Sector should be as per the Harmonised Master List of Infrastructure Sub Sectors as notified by DEA from time to time.

§ This list is not exhaustive and any other mode of PPP project implementation may be considered by the Approval Committee.

PSA may clearly indicate if any information is not available at the time of submission of proposal.

Signatures and Name of the Authorised signatory of the PSA

Date:

**Suggestive Table of Contents of the Preliminary/Pre-feasibility Report
(not required to be submitted along with the proposal-only for guidance purpose)**

1. Introduction
2. Existing Project Scenario (including need for rehabilitation, upgradation, improvement and/or incremental investments-to bring out the need of the project)
3. Project Proposal (covering broad project concept and components, block cost estimates, revenue structures etc.)
4. Preliminary Project Assessment
 - 4.1 Technical Feasibility
 - 4.2 Environment and Social acceptability
 - 4.3 Financial & Commercial viability
 - 4.4 Legal framework
 - 4.5 Risks (during development, construction and operation/implementation)
 - 4.6 Contractual & Implementation structures.
5. Project Development Activities
 - 5.1 Project development cycle
 - 5.2 Time lines
 - 5.3 Surveys and investigations
 - 5.4 Technical / Environmental & Social / Financial /Legal consultants, their scope of work
 - 5.5 Transaction Advisors, their scope of work
 - 5.6 Marketing
 - 5.7 Procurement process
 - 5.8 Others (Please specify)
6. **Funding Requirements for Project Development**
 - 6.1 Budget for Project Development expenses
 - 6.2 Drawdown (indicative quarterly budget and estimated milestone linked payment for each activity)
7. **Recommendations, if any.**

Format of request from Project Sponsoring Authority for release of funds to the PSA under IIPDF Scheme

Date

Name of PSA

Address

Dear Sir,

1. Kindly refer to your letter No. dt conveying the approval of Approval Committee in its meeting No... dated..... under the India Infrastructure Project Development Fund (IIPDF) Scheme, a Project Development Expenses of Rs. to (name of PSA) for the project located at (give details of the project such as sector, location, brief particulars such as area / capacity etc.)

2. I am writing this letter to request for the reimbursement/payment of the **TA/ Consultant Cost** incurred in the aforesaid project. The Transaction Advisor/ Consultant.....(name) who was appointed vide communication date with total TA Cost of Rs..... has achieved milestone for stageas approved by the Appraisal Committee. The milestone document duly authenticated is enclosed for your ready reference. We request releasing a sum of Rs.....(amount in words) as per the achieved milestone. (Details of Bank account of PSA to be provided)

Bank Account Details in which reimbursement is requested:

Name of account holder	Name of Bank with address	Account Number	RTGS/NEFT/IFSC Code
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**Signatures and Name of the Authorised signatory of the
Project Sponsoring Authority with stamp**

Date

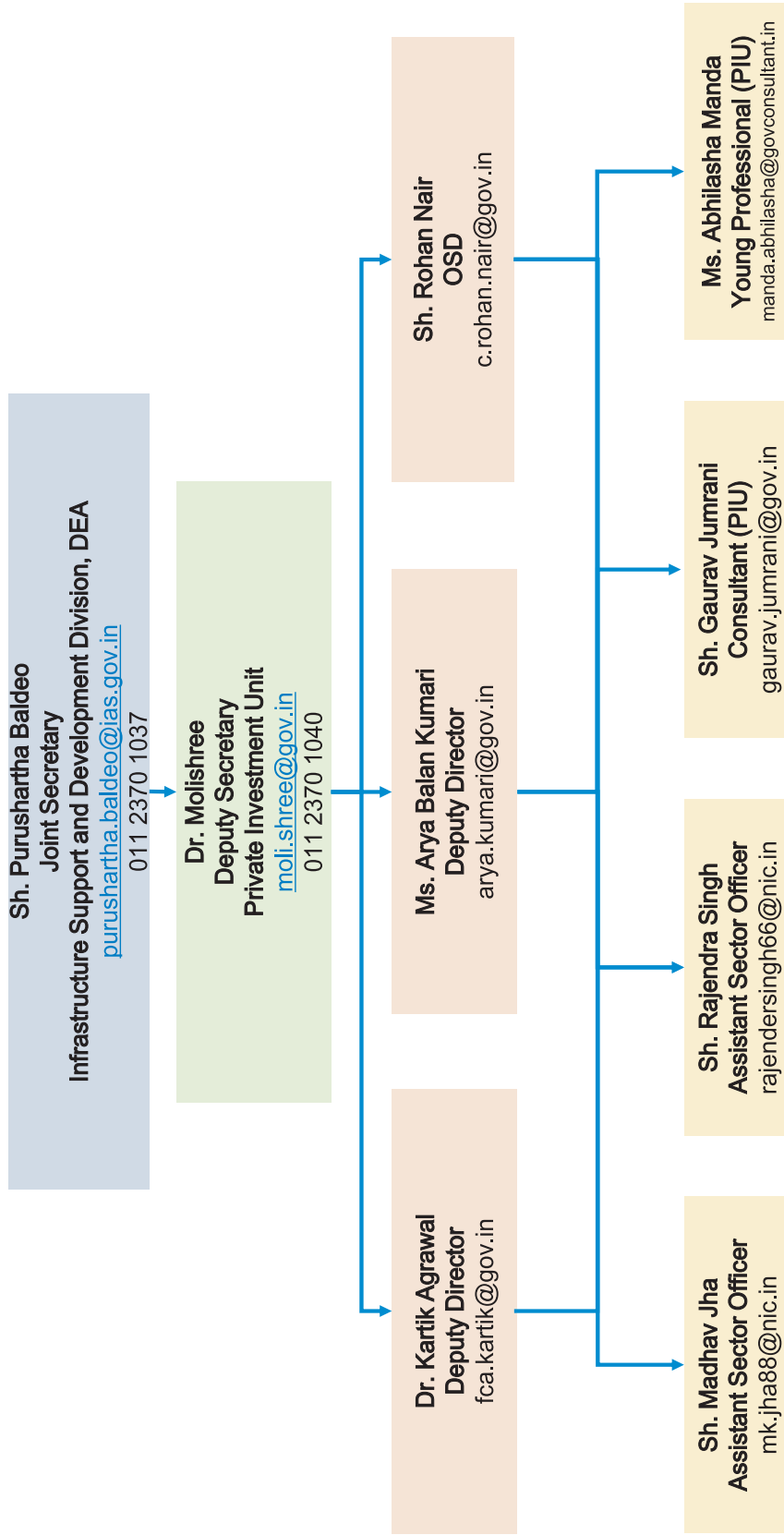
List of documents to be submitted by PSA (as per the milestone for which funding is sought):

- a. Complete details of Pre-Feasibility need to be provided and documents enclosed. This should indicate if the pre-feasibility was done in-house or through an external consultant.
- b. Certificate from PSA stating the following particulars:-
 - that the particulars of cost claimed for Prefeasibility/TA Cost are True and Fair,
 - the costs have been actually incurred by the Project Sponsoring Authority on this project only.
 - the claimed cost is not incurred on own staff of Project Sponsoring Authority.

- The mode of selection of TA is through a transparent system of procurement/ through the list of empaneled TAs of DEA/ through list of empaneled TAs of any other Central Ministry/Department/ State Government/ on nomination basis, in accordance with the applicable GFR Rules (strike off whichever is not applicable)
- c. Copy of TOR of appointment. Copy of agreement with the TA.
 - d. Complete details of the milestones achieved.
 - e. If RfQ/RfP/DCA are prepared then a copy of the same in soft copy and physical copy.
 - f. Copy of signed Concession Agreement in case of payment is requested for the relevant milestone.
 - g. Whether relevant details of onboarding of TA uploaded on DEA Portal
 - h. Utilisation Certificate of the disbursements made earlier on the project under IIPDF Scheme till date, clearly specifying that all amounts disbursed under IIPDF Scheme have been transferred to the TA.
 - i. In case of submission of proposal post onboarding of TAs, details of bids received may be provided in the following format: -

Sl. No.	Name of TA Bidder	Financial Quotes received	Winning Bidder	Project Milestones completed and remaining
1.				
2.				
3.				

Org Structure - ISD DEA



Address: ISD Division, Department of Economic Affairs, Ministry of Finance,
5th Floor, STC Building, Janpath, HC Mathur Lane, New Delhi, Delhi 110001

Notes

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Notes

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सत्यमेव जयते

**Private Investment Unit
Infrastructure Finance Secretariat
Department of Economic Affairs
Ministry of Finance
Government of India**