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GOVERNMENT OF INDIA
MINISTRY OF SHIPPING
(PORTS WING)

No.PD-25021/6/2006-PD-III (PT-II)

Dated 12/08/2013

ORDER

Sub: - Delegation of Enhanced Financial Powers for Port Projects in the Public Private Partnership (PPP) mode.

The undersigned is directed to refer order of even number dt. 31.10.2012 and 7th May 2013 on the above subject issued by this Ministry and to say that Department of Economic Affairs, Ministry of Finance has rationalized the appraisal/ approval and has modified the delegation of powers for National Highways Projects vide its O.M. dated 09.07.2013. Taking into account the approval of Cabinet Committee of Infrastructure (CCI) given to Ministry of Shipping, viz. "Any changes in the PPPAC procedures including delegation of powers for NHDP Projects in future would automatically be applicable for the Port Sector also", the delegations of powers for appraisal/ approval of Projects are being revised as under :

Cost of Plan scheme/Project (under PPP mode)	Appraisal Forum	Approval Forum
< Rs. 25 crores.	Ministry of Shipping	Secretary (Shipping)
≥ Rs. 25 crores, < Rs. 500 crores.	SFC under the Chairmanship of Secretary (Shipping)	Minister (Shipping)
≥ Rs. 500 crores.	Public Private Partnership Appraisal Committee (PPPAC)	Cabinet Committee on Economic Affairs (CCEA)

2. The appraisal and approval of projects below Rs. 500 cr. would be carried out by Standing Finance Committee chaired by Secretary (Shipping) and approved by the Minister (Shipping), provided the conditions prescribed below are satisfied:-

a. The bidding is according to the procedure notified by the Ministry of Finance. This includes the process of two stage bidding, pre-bid qualification norms, etc.

b. The Model Concession Agreement (MCA) document approved by the Competent Authority is being followed.

c. The project has been designed in accordance with the manual of standards and specifications as approved by the competent authority in the Administrative Ministry and stipulated in the approved MCA.

3. In the event of the above conditions not been satisfied or dissent by the members of SFC representing Planning Commission/Department of Economic Affairs/ Financial Advisor, the procedure prescribed below shall apply:

"The proposal shall be brought before the Public Private Partnership Appraisal Committee and posed to the Cabinet Committee on Economic Affairs (CCEA) for a decision. In case of a difference of opinion/dissent by the members of SFC representing Planning Commission /Department of Economic Affairs /Financial Advisor regarding approval of a project, the dissent may be recorded and considered by the Minister(Shipping) for an appropriate decision".

4. The Standing Finance Committee for appraisal of the Projects shall consist of the following:

- a. Secretary (Shipping) In Chair
- b. Financial Adviser Member
- c. Representative of Department of Legal Affairs Member
- d. Representative of Planning Commission Member
- e. Representative of Deptt of Economic Affairs Member
- f. Representative of any other Ministry/Department may also be invited, if required.

5. This issues with the concurrence of the Integrated Finance Wing vide their Dy. 408/TF1/13-14 dated 12.08.2013.

Sambit Tripathy
 (Sambit Tripathy)
 Director
 Tel No. 23350647

To

- 1) All Major Ports/ MD, IPA/ CMD, EPL
- 2) Ministry of Finance, Director (PPP) Department of Economic Affairs.
- 3) Advisor, Planning Commission.
- 4) PS to Minister of Shipping
- 5) Sr. PPS to Secretary Shipping.
- 6) All officers/Sections in the Ports Wing, Ministry of Shipping.
- 7) Finance Wing (TF-I) Section, Ministry of Shipping.

*Issued 12/8/13
 for file*