

F. No. 1/25/2024-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

4th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated: the 14th October 2024

Office Memorandum

Subject: Record of Discussion of the 24th Meeting of the Approval Committee to consider proposal of Government of Andhra Pradesh for support under the IIPDF Scheme for "Establishment of a Project Management Unit (PMU) in PPP Cell of State's Finance Department".

The undersigned is directed to forward herewith the Record of Discussion of the 24th Meeting of the Approval Committee held on 9th October 2024 to consider proposal of Government of Andhra Pradesh for support under the IIPDF Scheme for "Establishment of a Project Management Unit (PMU) in PPP Cell of State's Finance Department", for information and necessary action.

2. This issues with the approval of Competent Authority.

Encl: As above

 14/10/24
(Paresh Malakar)
Under Secretary (ISD)

To,

- i. Smt. M. Janaki, Secretary, Finance Department, Govt. of Andhra Pradesh

Copy for information to:

- (i) The Chief Secretary, Andhra Pradesh
(ii) Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
(ii) Sr. PPS to JS (ISD)

Record of Discussion of the 24th Meeting of the Approval Committee to consider proposal of Government of Andhra Pradesh for support under the IIPDF Scheme for “Establishment of a Project Management Unit (PMU) in PPP Cell of State’s Finance Department”

1. The 24th Meeting of the Approval Committee (AC) chaired by the Joint Secretary, ISD Division, Department of Economic Affairs (DEA) was held on 9th October 2024 at 1530 hours to consider proposal of Government of Andhra Pradesh for support under the IIPDF Scheme for “Establishment of a Project Management Unit (PMU) in PPP Cell of State’s Finance Department”. List of participants (attendees) is placed at **Annexure – I**.

2. Project Overview:

A brief overview of the project is provided below:

Project Name	Establishment of Project Management Unit (PMU) in PPP Cell of State’s Finance Department, Government of Andhra Pradesh
Purpose of Assistance	Supporting PMU/PPP Cell
Sector	Multiple Sectors
Project Sponsoring Authority	Finance Department, Government of Andhra Pradesh
Location	Andhra Pradesh
Estimated TA Costs	Rs. 5.00 Cr (inclusive of GST)
Payment Milestone Proposed	Quarterly payment. The assignment is for a period of 2 years.
IIPDF contribution sought (%)	100%
Current Status	RFP for engaging TA is yet to be floated

3. A presentation was made by the Government of Andhra Pradesh indicating various initiatives taken by them to promote infra development and PPP. It was stated the State Govt aims to boost infrastructure development with private investment and to this end GoAP wishes to engage experts to fill the existing gap of technical and financial expertise available within the Department to drive PPP projects and programs in association with line department. Because of the complexities involved in implementing PPP projects and the critical support required to drive the entire value chain of PPP infrastructure development, GoAP is working on establishing a Project Management Unit (PMU) in the PPP Cell of State’s Finance Department for which GOI

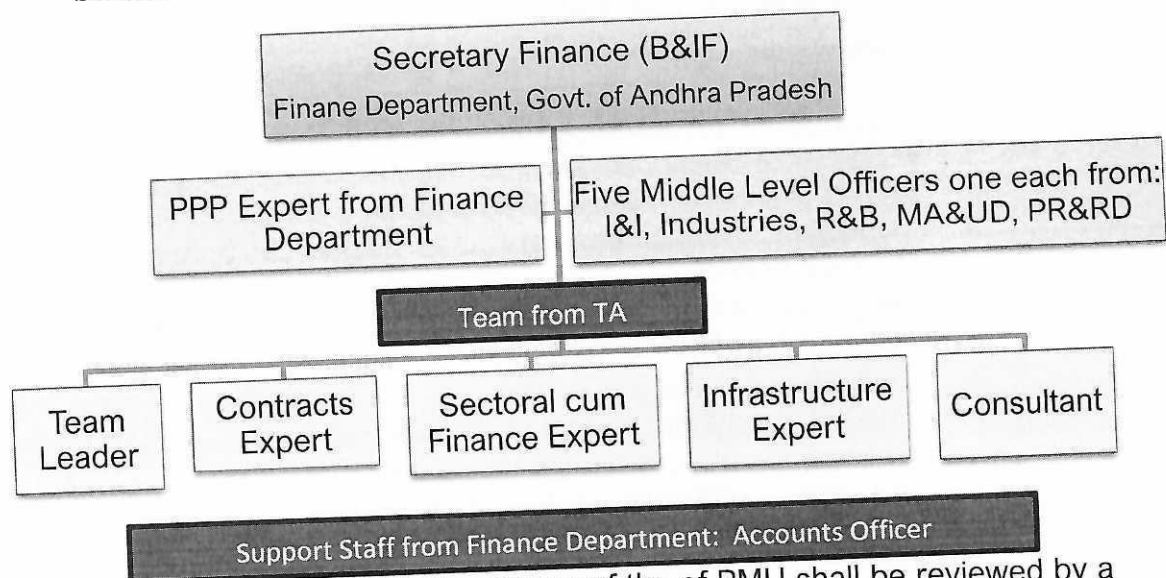
support is requested under the IIPDF Scheme. It was also stated that the proposed unit would work in close coordination with line departments and assist them in preparing as well as achieving short- and medium-term infrastructure goals, formulating and implementing State's Infrastructure PPP policy and undertaking pre-feasibility studies, involving financial & technical viability of potential projects, etc.

4. After the presentation, the current status and contours of proposed PMU etc were discussed, as follows:

- i. GoAP was requested to clarify whether PMU is going to be consultant driven or there would be presence of Govt officials as well?
- ii. What would be the concrete deliverables in terms of PPP project preparation and delivery?
- iii. GoAP was also requested to clarify whether engagement of PMU would be a short-term measure or long term?
- iv. Who would bear the additional cost, if any, over and above of Gov support under the IIPDF?

5. The GoAP gave the following reply to the issues raised above:

- i. The PMU will consist of officers from state Govt. Technical Advisors to be hired from market. The broad structure of PPP Cell would be as below:



- ii. It was further stated that progress of the of PMU shall be reviewed by a Review Committee headed by Secretary (B&IF), and a High-Powered Committee headed by Chief Secretary. The Review Committee would meet once in a month, and High-Powered Committee would meet once in three months.

- iii. PMU shall be a long-term initiative. Technical Advisors shall be appointed for a period of two years, however, based on the outcome of the PMU, it may continue for subsequent five years.
 - iv. Any additional cost of the PMU, over and above of Rs 5 crores requested under the IIPDF, shall be borne by GoAP.
 - v. The concrete project centric deliverables of the PMU interalia would be at least 10 pre-feasibility reports, 5 detailed feasibility reports, 6 bidding documents and 2 PPP project bidding in two years.
6. It was discussed that the proposed concrete project centric deliverables in two years are inadequate. In two years, PMU interalia should deliver at least Feasibility Reports for 12 PPP projects, DPR/ bidding documents for 8 PPP projects and bidding of 4 PPP projects; equally divided for each 6 months. The GoAP agreed to it.
7. GoAP was further advised to:
- i. Refer to DEA's Reference Guidelines for Setting up State PPP Unit for for effective setup of PMU.
 - ii. Ensure timely and quick bidding of TAs for the proposed PMU by finalizing ToR, eligibility criteria, experience criteria, etc, in a way which commensurate with the requirement of the PMU without being highly onerous. In this regard, DEA's Reference Guide for hiring TAs may be consulted.
8. In light of the above, Approval Committee (AC) unanimously decided to approve funding support under the IIPDF for hiring of TA for establishment of Project Management Unit (PMU) in PPP Cell of State's Finance Department, Government of Andhra Pradesh, subject to following:
- i. Funding for TA expenses under the IIPDF Scheme is approved up to Rs. 5.00 Cr (inclusive of GST) or actual cost quoted by the TA (inclusive of GST) whichever is less for a period of 2 years.
 - ii. However, the disbursement under the IIPDF Scheme shall further be subject to accomplishment of 6 monthly milestones as per para 6 above.
 - iii. Any expenditure beyond 2 years and over and above Rs 5 crores (inclusive of GST) shall be entirely borne by the State Govt.
 - iv. Release of funds under IIPDF scheme shall occur upon the request made by the Government of Andhra Pradesh on a quarterly basis after submission of necessary documents.
 - v. All other conditions of the IIPDF Scheme shall be complied to by Government of Andhra Pradesh.
9. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 24th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Finance Department, Government of Andhra Pradesh for Establishment of Project Management Unit (PMU) in PPP Cell of State's Finance Department, held on 9th October 2024.

1. **Department of Economic Affairs, Ministry of Finance:**
 1. Shri Baldeo Purushartha, JS(ISD) – in Chair
 2. Shri Rajesh Kumar, Deputy Secretary
 3. Shri Paresh Malakar, Under Secretary
 4. Shri Dhruv Rohatgi, OSD
 5. Shri Abhinay Gaikwad, YP

2. **NITI Aayog**
 1. Shri Partha Sarathi Reddy, Adviser (PPP)

3. **Finance Department, Government of Andhra Pradesh:**
 1. Smt. M. Janaki, Secretary, Expenditure & HR
 2. Shri D Shalem Raju, PPP expert
