

Review of Public Private Partnership (PPP) Projects in Madhya Pradesh.

28th September, 2011

Minutes

1. The Review meeting of PPP Projects under chairmanship of the Chief Secretary was held on 28th September, 2011.
2. List of participants is at Annexure -I
3. The Commissioner, Institutional Finance (CIF), apprised the meeting that in the 12th Five Year Plan, Private Investment in Infrastructure is projected to be Rs. 20,07,613 Crores and relative share of the Private Investment in 2012-13 is expected to be about 50%. Thus, there is major thrust on private investment in the coming years.

In Madhya Pradesh, Projects worth Rs. 18,488 Crores have been approved under Public Private Partnership Projects.

4. Commissioner, Institutional Finance informed that State Draft PPP Policy has been sent to all concerned Department for their comments. The need for Policy in specific sectors like Hydel Power, Renewable Energy & other such unexplored sectors was also emphasized. He further emphasized the need for training of officials, for which discussion are being held with Academy of Administration for firming up course design. Principal Secretary, Finance suggested that since about 100 officials have already been trained in IIM, Indore, we may consider more trainings at IIM.
5. The need for effective monitoring of PPP Projects is being felt greatly. In view of this it was emphasized that every department should constitute a PPP Cell with one designated person as Nodal Officer, for expediting the projects.
6. Department-wise Review of Targets & decisions taken are as under -

6.1 Medical Education Department - Against a target of Rs. 200 crores, the department is yet to formalize any proposal. The Finance Department has received a proposal from Medical Education Department asking for consent to approve MP Road Development Corporation, Ltd., and M.P Finance Corporation as Transaction Advisors to help develop and process PPP Projects.

It was decided that M.P. Finance Corporation can be given in-principle approval for One Project as Transaction Advisor. However, the department should first get the terms & conditions from MPFC & the same can be forwarded to Commissioner Institutional Finance for taking necessary approvals. It was also directed that Commissioner, Institutional Finance should help conceptualize projects by providing Technical help from the PPP Cell through its Consultants for PPP projects to the department.

6.2 **Public Works Department** - The target allotted for the Department was Rs. 6000 crores against which achievement is Rs. 7839 crores. Managing Director, M.P. Road Development Corporation informed that certain projects which were under NHA have now been taken up under State Highways and therefore their achievement will be better than this. Commissioner Institutional Finance assured that the figures would be suitably updated on the basis of details given by MPRDC.

6.3 **School Education Department (Public Instructions and Rajya Shiksha Kendra)** - The target for the department is Rs. 1400 crores out of which Rs. 900 crores is for the Public Instructions and Rs. 500 crores is for Rajya Shiksha Kendra. The department (Public Instructions) has taken up the project "ICT@school" with estimated cost of Rs. 336 crores for classes 9th to 12th. Principal Secretary, School Education informed that the ICT model is proposed to be replicated for classes 6th to 8th also. He also apprised that proposals for upgradation and renovation of schools is to be taken up under PPP.

6.4 **Horticulture and Food Processing Department** - The Department has been allocated a target of Rs. 900 crores against which the department has floated RfQ for Food parks at Ratlam, Bhopal and Harda, with estimated cost of Rs. 175 crore.

The Chief Secretary emphasised the need to take up nurseries under PPP mode. He also expressed concerns at the slow progress made in taking up these projects under PPP. Principal Secretary Horticulture assured quick progress in this direction.

6.5 **Urban Administration & Development Department** - It was informed that against a target of Rs. 1000 crores the cost of approved projects is estimated to be Rs. 898 crores.

The Chief Secretary enquired about the progress of water supply schemes in Khandwa & Shivpuri. Principal Secretary, Urban Administration & Development Department apprised that since these projects are under grant from UIDSSMT and that there has been some delay in receiving the funds hence the two projects are expected to be completed by March 2012. The status of the other Projects as informed by Principal Secretary UADD, are as under :-

- Foot over Bridge at Rau (Indore) - The issue with the preferred Bidder has now been resolved and the project is expected to be complete in 9 months.
- Multi level parking (Indore) - Principal Secretary informed that out of 14 sites, 7 sites have been dropped. From the remaining 7, 4 are complete and 3 are under construction.
- Multi level parking at Gwalior - It was informed that Feasibility Report has been submitted. However, the case is before the MIC.
- Hospital project at Gwalior - In this case also the proposal is before the MIC for decision.

- Commercial project at Gwalior -Principal Secretary informed that Hon'ble High Court has ordered to maintain Status Quo in this project. Municipal Corporation has been asked to apply for vacation of stay.
- Multi level parking at Bhopal - There are two projects of MLP in Bhopal. MIC Bhopal has taken the decision of not taking up Multi level parking at M.P. Nagar, Bhopal. Regarding MLP at New Market, since alternative space is to be provided to Social Justice Department, the issue is being resolved.
- Bus Terminals at Bhopal - It was informed that RfQ for this project shall be finalized by end of October, 2011.
- ADB Water Pilots -
 - a) Bhopal - RfP approval has been sent to MIC, which is still awaited.
 - b) Indore - Hon'ble High Court has granted stay
 - c) Gwalior- RfQ to be approved by MIC. Approval is still awaited.
- Bhopal Water Supply - Principal Secretary informed the cost of the project has now been revised to Rs. 421 crores and the proposals shall be sent to the MIC by October, 2011.

The Principal Secretary Urban Administration & Development Department further apprised that some proposals for Municipal solid waste management, commercial complex etc. are being finalized for DLEC/SLEC.

- 6.6 **Commerce, Industries & Employment Department** - Against a target of Rs. 4000 crore, the department has achieved target of Rs. 751 crore. Regarding status of parking cum logistics facility at Mandideep, the authorities informed that the revised cost of this Project is estimated to be Rs. 140 crores. It was informed that Land for the logistic facility near Mandideep was transferred in 2010 and now development is in progress. It was also informed that the department is considering to set up a SEZ in Indore; Knowledge City in Ujjain and a Multi Modal facility under DMIC.
- 6.7 **Energy Department** - The meeting was apprised that the Target for Energy Department is Rs. 2000 crore. It was decided that the investment made by Distribution Franchisees is to be included in PPP. Therefore the Department is to send the required data to the PPP Cell of Institutional Finance.
- 6.8 **Biotechnology Department** - Department's target for PPP is Rs. 200 crore and the proposed Biotech park at Indore costing Rs. 200 crore is being taken up. Principal Secretary, Biotechnology informed that the project has been put to bidding three times and only one bidder has given proposal. Regarding Planning for Institute of Life Science Technology, the department informed that there are land issues involved. 85 acres have been given from the University of Bhopal (Barkhatullah University). However it was informed that the University has gone to court against this allotment. Chief Secretary directed Principal Secretary, Higher Education to sort out the matter immediately.

- 6.9 **Food & Civil Supplies (Warehousing)** - The target for this department is Rs. 500 crore. The Additional Chief Secretary informed that they have proposals worth Rs. 561 crores for creating storage capacity of 14 lakh Metric tonnes. ACS also informed that the Silos Schemes was being finalized by Government of India. It was also informed that PPP under Bundelkhand package is being dropped.
- 6.10 **Transport Department** - The Transport Department has been allotted a target of Rs. 1200 crores, out of which the department has achieved Rs. 1094 crores.
- 6.11 **Health Department** - Target of Rs. 100 crore has been allotted to the Department against which Dindayal Chalit Aspatal Yojana worth Rs. 67 crores has been awarded. Giving the status of the project, it was apprised that 86 units are operational and the rest shall be operational by October' 2011. Controller Food & Drugs also informed that Narayan Hridayalaya has given a proposal for setting up of specialty tertiary care facilities. The concept note is being put up for approval.
- 6.12 **Higher Education Department** - It was reported that the Department is yet to show any progress against the target of Rs. 100 crore. The Chief Secretary emphasized that the ICT model being taken up by School Education Department, may be also adopted for colleges. It was also directed that Commissioner, Institutional Finance shall help conceptualize projects by providing Technical help from the PPP Cell through its consultants for PPP project for this department.
- 6.13 **Technical Education** - Since the department has been unable to achieve its target of Rs. 100 crore, it was directed Commissioner, Institutional Finance to help the department in conceptualizing projects by providing Technical help from the PPP Cell through its consultants for the projects.
- 6.14 **Tourism Department** - The target for the Department is Rs. 200 crores out of which projects worth Rs. 20 crores are under bidding stage. Secretary Tourism informed that two projects have been taken up, however no bids have been received in one project and in the other only one bid has been received. Hence bids have to be recalled. It was also informed that five proposals for setting up convention centers and taking up heritage hotels have been sent to DIF for putting up to SLEC. It was directed that possibilities for extending Transport services (like Volvo) to other areas should be explored. It was also deliberated that the Air Taxi service should be categorized as PPP and in this reference it was explained that this is a B.O.O. Model, i.e. Build-own-operate Model.
- 6.15 **Housing & Environment** - The Department has a target of Rs. 1000 crore, however considering that all proposed PPP projects taken up by Indore Development Authority (IDA) are being kept in abeyance till the land issues are resolved, only two projects of swimming pools at Bhopal costing Rs. 2 crores could be considered as achievement against target. It was also directed that Redensification projects in Rewa and Bhopal where assets have been created are

to be reported to Institutional Finance. Instructions were also given to get land issues resolved soon.

6.16 **Water Resources Department** - The Department is yet to decide on target. It was apprised that nowhere in the country the water resources projects have been taken up under PPP. The Principal Secretary, Water Resources Department informed that the Department had held discussions with Planning Commission of India and it was suggested that instead of small projects, big projects should be taken up under PPP.

It was resolved that policies need to be firmed up soon.

It was also directed that possibilities of developing tourism near places like Halali may be explored. He also directed the department to make an inventory of land available with them.

6.17 **Forest Department** - No Target has been allotted to the Department. However, projects worth Rs. 140 crores have been approved. Amongst the major projects is Zoological Park at Kerwa Dam, Bhopal worth Rs. 130 crores. The officials of the Department apprised that there are issues to be resolved regarding payment of fee to be made to the consultant. It was directed that DIF is to resolve the issue.

6.18 **Farmer's Welfare & Agriculture Development Department** - No Target has been allotted to the Department. However, the department has achieved target of Rs. 139.00 crores, by taking up Logistics park at Powarkheda, Hoshangabad. Initiative for Soil Testing cards to all farmers is also being envisaged under PPP.

6.19 **Sports & Youth Welfare Department** - The progress of Sports City at Satgarhi village, near Bhopal was discussed. It was apprised by Secretary Sports & Youth Welfare Department that the progress of the project is being expedited by giving notice to the concessionaire and also strict monitoring.

6.20 **Initiatives - Animal Husbandry** - Secretary, Animal Husbandry informed that PPP under Bundelkhand package has been dropped. Jabalpur Dugdh Sangh, is running in profit, hence no PPP is to be proposed. It was further apprised that in Rewa, if 8.00 acres of land can be identified, then PPP can be considered. In Datia, for cattle feed factory, land is to be identified. In this context, Secretary, Animal Husbandry requested Principal Secretary, Water Resources Department to consider allocation of land out of WRD's Housing colony areas.

It was decided that land is to be identified first and then priorities can be decided regarding its use.

6.21 **Initiative - Ayush Department** - Since no project has been taken up by the Department so far, Chief Secretary directed that Commissioner Institutional Finance should help conceptualize projects by providing Technical help from the PPP Cell through its Consultants for PPP project for this department.

6.22 The other decisions taken during the review meeting are -

1. Chief Secretary instructed all departments to ensure that there should be clear Land title before taking up any project.
2. Since many initiatives are being taken along with private operators in service sectors, all such department where such projects are being taken up should categorise them and send details to Commissioner Institutional Finance for categorizing them under PPP.
3. Chief Secretary discussed the scope of rural water supply projects under PPP. Principal Secretary, Public Health Engineering stated that Rural water supply projects could be taken up under PPP with a mix of Single Village or Multi Village schemes.
4. The Chief Secretary directed that opportunities for captive power plant for Energy generation may be considered.
5. The Chief Secretary instructed that projects such as Volvo Bus Service, Air Taxi Service taken up by Tourism Department. Redensification Projects taken up in Rewa & Bhopal by Housing & Environment Department and investment made by Distribution Franchisees in the Energy Department are to be separately listed and reviewed.

In conclusion, the Chief Secretary emphasized that PPP will be given greater impetus in the next 5 years and everyone should work for achieving the targets set.

The meeting ended with a vote of thanks to the chair.

Sd/-
(Ashok Shah)
Commissioner
Institutional Finance

**List of participants in Review meeting of PPP Projects by the Chief Secretary on
28th September 2011**

S.No.	Name	Designation	Department
1	Smt. Abha Asthana	Addl. Chief Secretary	Food & Transport
2	Shri I.S. Dani	Principal Secretary	Medical Education
3	Shri P.K. Dash	Managing Director	MP State Industries Development Corporation
4	Shri B.P. Singh	Principal Secretary	Higher Education
5	Shri Alok Shrivastava	Principal Secretary	Horticulture & Food Processing, Biotech & Biodiversity
6	Shri Sudesh Kumar	Principal Secretary	Ayush
7	Shri Rajneesh Vaish	Principal Secretary	Education
8	Shri R.S. Julania	Principal Secretary	Water Resources
9	Shri Iqbal Singh Bains	Principal Secretary	Housing & Environment
10	Shri S.P.S. Parihar	Principal Secretary	Urban Administration
11	Shri J.T. Ekka	Managing Director	MP Warehousing & Logistics Corporation
12	Shri Ashwini Rai	Controller	Food & Drugs
13	Shri Hari Ranjan Rao	Managing Director	Tourism
14	Shri Vivek Aggrawal	Managing Director	MP Road Development Corporation
15	Smt. Sudha Choudhary	Managing Director	MP State Cooperative Dairy Federation
16	Shri Shailendra Shrivastava	Director	Sports & Youth Welfare
17	Shri Arun Nahar	Director	Technical Education
18	Shri Shamim Uddin	Addl. Secretary	Technical Education
19	Shri Neeraj Vijay	Dy. General Manager	MP Road Development Corporation
20	Shri Anil Chansoria	Chief Executive Officer (BOT)	MP Road Development Corporation
21	Shri Saibal Dasgupta	Chief Executive Officer	MP Biotechnology Council
22	Shri Alok Das	General Manager	MP Ecotourism Board
23	Shri Vijay Singh Verma	Secretary	Public Works
24	Shri R.K. Sharma	Under Secretary	Animal Husbandry

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3 November 2011

To,

ACS Food / Transport/Forest/APC

Principal Secretary: Bio-Technology / Animal Husbandry/ Health / Horticulture / Housing /
Tourism / UADD/PWD/ Technical Education / Higher Education / School Education / Medical
Education / Agriculture / Ayush / Water Resources

Secretary: Sports / Energy / Transport

Commissioner: Health / Higher Education / DPI / UADD

Controller: Food & Drugs

Managing Director: AKVN, Bhopal / Jabalpur / Indore / Agro Industries / MPRDC /
Warehousing/ MPSIDC/ Tourism/ MP State Coop. Dairy Federation

CEO: Bio-Technology / Eco Tourism / IDA Indore / E-in-C WRD

Director: NRHM / Sports / Technical Education / Medical Education / Agriculture / RSK

Sub: Minutes of Review Meeting of PPP Projects by the Chief Secretary.

Review Meeting of PPP Projects was held on **28th September 2011** under the Chairmanship of the Chief Secretary. A copy of the minutes of the said meeting is attached herewith for information and necessary action.

Encl: As above

Sd/-

(Ashok Shah)

Commissioner,
Institutional Finance

No. DIF/PPP/CSReview/2011/3564

3 November 2011

Copy to:

1. Staff Officer to Chief Secretary, Government of Madhya Pradesh, Bhopal
2. Staff Officer to Principal Secretary, Finance, Government of Madhya Pradesh, Bhopal .

Sd/-

Commissioner,
Institutional Finance