


MANIPUR GAZETTE
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**No. FR-8/5/2021-e-FD
GOVERNMENT OF MANIPUR
SECRETARIAT : FINANCE DEPARTMENT
(RESOURCE SECTION)**

NOTIFICATION

Imphal, the 12th March, 2021

SUBJECT: Guidelines for formulation, appraisal and approval of projects to be undertaken through Public Private Partnership (PPP).

The Public Private Partnership (PPP) model is increasingly becoming a major source of investment. To ensure that projects under this model are well framed, appraisal and sanction are streamlined, and such projects are implemented properly, it is necessary to frame guidelines for formulation, appraisal and approval of projects to be undertaken through Public Private Partnership (PPP) in the State.

2. Now, the Governor of Manipur is pleased to formulate and adopt the guidelines for formulation, appraisal and approval of projects to be undertaken through Public Private Partnership (PPP), as per annexure to this notification.

4. The policy shall come into force with effect from the 12th March, 2021.

NEILENTHANG TELIEN,
Joint Secretary,
Finance Department,
Government of Manipur.

GUIDELINES FOR FORMULATION, APPRAISAL AND APPROVAL OF PUBLIC PRIVATE PARTNERSHIP (PPP) PROJECTS

1. Introduction

1.1 The State Government has notified a system for appraisal and approval of projects to be undertaken through Public Private Partnership (PPP). Detailed procedure to be followed for this purpose is specified below.

2. Institutional structure

2.1 The institutional structure for the appraisal and approval mechanism has been constituted as the Public Private Partnership Appraisal and Monitoring Committee vide OM no. FR-8/5/2021-e-FD dated the 22nd February, 2021. A copy of the Office Memorandum is enclosed as **Annexure-I**.

3. Applicability

3.1 These guidelines will apply to all PPP projects sponsored by the State Government Departments or Public Sector Undertakings (PSUs), statutory authorities or other entities under their administrative control.

4. Project identification

4.1 The sponsoring Department will identify the projects to be taken up through PPPs and undertake preparation of feasibility studies, project agreements etc. with the assistance of legal, financial and technical experts as necessary.

5. Inter-Departmental consultations

5.1 The Administrative Department may, if deemed necessary, discuss the details of the project and the terms of concession agreement in inter-Departmental consultative meetings and comments, if any, may be incorporated or annexed to the proposal for consideration of PPPAMC.

5.2 There could be projects, which involve more than one Department. While considering such projects, PPPAMC may seek participation of such Departments.

6. 'In principle' approval of PPPAMC

6.1 While seeking 'in principle' clearance of PPPAMC, the Administrative Department shall submit its proposal (in hard and soft form) to the PPP Cell in the format specified at **Annexure-II** and accompanied by the pre-feasibility/ feasibility report and a term-sheet containing the salient features of the proposed project agreements.

6.2 The PPP Cell will circulate the copies of PPPAMC memo and associated

documents to all concerned. The PPPAMC will consider the proposal for 'in principle' approval in its fortnightly meetings.

6.3 In cases where the PPP project is based on a duly approved Model Concession Agreement (MCA), 'in principle' clearance by the PPPAMC would not be necessary. In such cases, approval of the PPPAMC may be obtained before inviting the financial bids as detailed in Para 10.

7. Expression of Interest

7.1 Following the 'in principle' clearance of PPPAC, the Administrative Department may invite expressions of interest in the form of Request for Qualification (RFQ) to be followed by short-listing of pre-qualified bidders.

8. Formulation of project documents

8.1 The documents that would need to be prepared would, *inter -alia*, include the various agreements to be entered into with the concessionaire detailing the terms of the concession and the rights and obligations of the various parties. These project documents would vary depending on the sector and type of project. Typically, a PPP will involve the concession agreement that will specify the terms of the concession granted to the private party and will include the rights and obligations of all parties. There could be associated agreements based on specific requirements.

9. Appraisal/Approval of PPPAC

9.1 RFP (Request for Proposals), i.e. invitation to submit financial bids, should normally include a copy of all the agreements that are proposed to be entered into with the successful bidder. After formulating the draft RFP, the Administrative Department would seek clearance of the PPPAMC before inviting the financial bids.

9.2 The proposal for seeking clearance of PPPAMC shall be sent (in hard and soft form) to the PPP Cell in the format specified at **Annexure-III** along with copies of all draft project agreements and the Project Report. The proposal will be circulated by the PPP Cell Secretariat to all members of the PPPAMC.

9.3 Planning Department will appraise the project proposal and forward its Appraisal Note to the PPP Cell. Law Department and any other Department involved will also forward written comments to the PPP Cell within the stipulated time period. The PPP Cell will forward all the comments to the Administrative Department for submitting a written response to each of the comments.

9.4 The concession agreement and any supporting agreements/ documents thereof,

along with the PPPAMC Memo, will be submitted for consideration of PPPAMC. The PPPAMC will take a view on the Appraisal Note and on the comments of different Departments, along with the response from the Administrative Ministry.

9.5 PPPAMC will either recommend the proposal for approval of the competent authority (with or without modifications) or request the Administrative Department to make necessary changes for further consideration of PPPAMC.

9.6 Once cleared by the PPPAMC, the project would be put up to the Competent Authority for final approval, and the approval of the Project Investment Board (PIB) would not be required. The Competent Authority for each project will be the Chief Minister.

10. Invitation of bids

10.1 Financial bids may be invited after final approval of the competent authority has been obtained. However, pending approval of the competent authority, financial bids could be invited after clearance of PPPAMC has been conveyed.

11. Time frame

11.1 The time frame for the appraisal of projects under the above procedure is as follows:

Sl. No.	Action	Time period
1	'In principle' approval by PPPAMC	The first fortnightly meeting from the time of submission of the proposal by the Administrative Department.
2	Comments of Planning, Finance, Law or any other Department on the final documents forwarded by the Administrative Department	One week from the time of submission of the final documents by the Administrative Department.
3	Final approval by PPPAMC	The first fortnightly meeting from the submission of the PPPAMC Memo along with final documents by the Administrative Department.

12. Exemption from the above procedure

12.1 The State Government may exempt any Department or Project from the purview of these guidelines.

No. FR-8/5/2021-e-FD
GOVERNMENT OF MANIPUR
SECRETARIAT: FINANCE DEPARTMENT
(Resource Section)

OFFICE MEMORANDUM

Imphal, the 22nd February, 2021

Subject: Constitution of the Public Private Partnership Appraisal and Monitoring Committee (PPPAMC)- regarding

The Public Private Partnership (PPP) model is increasingly becoming a major source of investment. To ensure that projects under this model are well framed, appraisal and sanction are streamlined and such projects are monitored properly, it has been decided to constitute a Public Private Partnership Appraisal and Monitoring Committee (PPPAMC).

2. The Public Private Partnership Appraisal and Monitoring Committee (PPPAMC) shall comprise of the following:

- | | |
|---|-------------------|
| (i) Chief Secretary | - Chairperson |
| (ii) Administrative Secretary (Planning) | - Member |
| (iii) Administrative Secretary (Law) | - Member |
| (iv) Administrative Secretary (MAHUD) | - Member |
| (v) Administrative Secretary (GAD) | - Member |
| (vi) Administrative Secretary (Works) | - Member |
| (vii) Administrative Secretary (PHED) | - Member |
| (viii) Administrative Secretary (Power) | - Member |
| (ix) Administrative Secretary (Water Resources) | - Member |
| (x) Administrative Secretary (Textiles, Commerce & Industries) | - Member |
| (xi) Administrative Secretary of Department Sponsoring a project or sponsor of project being reviewed | - Member |
| (xii) Administrative Secretary/
Special Secretary (Finance) | - Member Convener |

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The Committee may co-opt any official or experts as necessary.

3. The roles and functions of the Committee shall consist of:
 - (i) Preparing the guidelines for formulation, appraisal and approval of Public Private Partnership (PPP) projects in the State.
 - (ii) Appraising and approving/ rejecting proposals of Departments for PPP projects.
 - (iii) Monitoring the implementation of PPP projects in the State.
 - (iv) Issuing necessary directions and taking necessary action to promote PPP projects in the State.
 - (v) Any other matters concerning PPP projects.
4. With reference to the DO letter no. 13/13/2020-PPP dated the 5th January, 2021 of the Department of Economic Affairs, Ministry of Finance, Government of India (GoI), Departments are requested to propose appropriate Projects under the revamped Viability Gap Funding (VGF) Scheme to GoI with the approval of the PPAMC. The guidelines of this revamped VGF scheme will be circulated to all Departments.
5. The Committee shall meet at least once a month.
6. The PPP Cell shall assist the Committee in its functioning.
5. This issues with the approval of the Competent Authority.

DR. RAJESH KUMAR,
Chief Secretary (Finance),
Government of Manipur.

Memorandum for PPP Appraisal Committee (for 'in principle' approval)

1. General	
1.1 Name of the Project	
1.2 Type of PPP (BOT, BOOT, BOLT, OMT etc.)	
1.3 Location (District/Town)	
1.4 Administrative Department	
1.5 Name of Sponsoring Authority	
1.6 Name of the Implementing Agency	
2. Project Description	
2.1 Brief description of the project	
2.2 Justification for the project	
2.3 Possible alternatives, if any	
2.4 Estimated capital costs with break-up under major heads of expenditure. Also indicate the basis of cost estimation.	
2.5 Phasing of investment	
2.6 Project Implementation Schedule (PIS)	
3. Financing Arrangements	
3.1 Sources of financing (equity, debt, mezzanine capital etc.)	
3.2 Indicate the revenue streams of the Project (annual flows over project life). Also indicate the underlying assumptions. Indicate the NPV of revenue streams with 12% discounting	
3.4 Who will fix the tariff/ user charges? Please specify in detail.	
3.5 Have any FIs been approached? If yes, there response may be indicated	
4. IRR	
4.1 Economic IRR (if computed)	

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4.2 Financial IRR, indicating various assumptions (attach separate sheet if necessary)	
5. Clearances	
5.1. Status of environmental clearances	
5.2 Clearance required from the State Government and other local bodies	
5.3 Other support required from the State Government	
6. GoI Support	
6.1 Viability Gap Funding, if required	
6.2 Government guarantees being sought, if any	
7. Concession Agreement	
7.1 Term sheet of the proposed Concession Agreement (Attached at Appendix-A)	
8. Criteria for short-listing	
8.1 Is short-listing to be in one stage or two stages?	
8.2 Indicate the criteria for short- listing (attach separate sheet if necessary)	
9. Others	
9.1 Remarks, if any	

Term Sheet of the proposed Concession Agreement

A. Sponsoring Department:

C. Legal Consultant:

B. Name and location of the Project:

D. Financial Consultant:

Sl. No.	Item	Description
I	General	
1.1	Scope of the Project (Please state in about 200 words)	
1.2	Nature of Concession to be granted	
1.3	Period of Concession and justification for fixing the period	
1.4	Estimated capital cost	
1.5	Likely construction period	
1.6	Conditions precedent, if any, for the concession to be effective	
1.7	Status of land acquisition	
II	Construction and O&M	
2.1	Monitoring of construction; whether an independent agency/ engineer is contemplated	
2.2	Minimum standards of Operation and Maintenance	
2.3	Penalties for violation of prescribed O&M standards	
2.4	Safety related provisions	
2.5	Environment related provisions	
III	Financial	
3.1	Maximum period for achieving financial close	
3.2	Nature and extent of capital grant/ subsidy contemplated	
3.3	Bidding parameter (capital subsidy or another parameter)	
3.4	Provisions for change of scope and the financial burden thereof	
3.5	Concession fee, if any, payable by the Concessionaire	
3.6	User charges/ fee to be collected by the Concessionaire	
3.7	Indicate how the user fee is to be determined; the legal provisions in support of user fee (attach the relevant rules/ notification); and the extent and nature of indexation for inflation	

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3.8	Provisions, if any, for mitigating the risk of lower revenue collection	
3.9	Provisions relating to escrow account, if any	
3.10	Provisions relating to insurance	
3.11	Provisions relating to audit and certification of claims	
3.12	Provisions relating to assignment/ substitution rights relating to lenders	
3.13	Provisions relating to change in law	
3.14	Provisions, if any for compulsory buy-back of assets upon termination/ expiry	
3.15	Contingent liabilities of the Government	
	(a) Maximum Termination Payment for Government/ Authority Default	
	(b) Maximum Termination Payment for Concessionaire Default	
	(c) Specify any other penalty, compensation or payment contemplated under the agreement	
IV	Others	
4.1	Provisions relating to competing facilities, if any	
4.2	Specify the proposed Dispute Resolution Mechanism	
4.3	Specify the proposed governing law and jurisdiction	
4.4	Other remarks, if any	

Memorandum for PPP Appraisal Committee (for 'in principle' approval)

1. General	
1.1 Name of the Project	
1.2 Type of PPP (BOT, BOOT, BOLT, OMT etc.)	
1.3 Location (District/Town)	
1.4 Administrative Department	
1.5 Name of Sponsoring Authority	
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2. Project Description	
2.1 Brief description of the project	
2.2 Justification for the project	
2.3 Possible alternatives, if any	
2.4 Estimated capital costs with break-up under major heads of expenditure. Also indicate the basis of cost estimation.	
2.5 Phasing of investment	
2.6 Project Implementation Schedule (PIS)	
3. Financing Arrangements	
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3.4 Who will fix the tariff/ user charges? Please specify in detail.	
3.5 Have any FIs been approached? If yes, there response may be indicated	
4. IRR	
4.1 Economic IRR (if computed)	
4.2 Financial IRR, indicating various assumptions (attach separate sheet if necessary)	

VIII

5. Clearances	
5.1. Status of environmental clearances	
5.2 Clearance required from the State Government and other local bodies	
5.3 Other support required from the State Government	
6. GoI Support	
6.1 Viability Gap Funding, if required	
6.2 Government guarantees being sought, if any	
7. Concession Agreement	
7.1 Is the Concession Agreement based on MCA? If yes, indicate the variations, if any, in a detailed note (to be attached)	
7.2 Details of Concession Agreement (Attached at Appendix-A)	
8. Criteria for short-listing	
8.1 Is short-listing to be in one stage or two stages?	
8.2 Indicate the criteria for short- listing (attach separate sheet if necessary)	
9. Others	
9.1 Remarks, if any	

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Annexure-III

Appendix-A

Term Sheet of the proposed Concession Agreement

A. Sponsoring Department:

C. Legal Consultant:

B. Name and location of the Project:

D. Financial Consultant:

Sl. No.	Item	Description with Clause No.
I	General	
1.1	Scope of the Project (Please state in about 200 words)	
1.2	Nature of Concession to be granted	
1.3	Period of Concession and justification for fixing the period	
1.4	Estimated capital cost	
1.5	Likely construction period	
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II	Construction and O&M	
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3.15	Contingent liabilities of the Government	
	(a) Maximum Termination Payment for Government/ Authority Default	
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