

പതിമൂന്നാം കേരളനിയമസഭ

ഒമ്പതാം സമ്മേളനം

നക്ഷത്രചിഹ്നമിട്ട ചോദ്യം നമ്പർ.577

08.07.2013-ൽ മറുപടിക്ക്.

തദ്ദേശസ്ഥാപനങ്ങളിൽ അടിസ്ഥാന സൗകര്യവികസനത്തിന് സ്വകാര്യ പങ്കാളിത്ത പദ്ധതി

ചോദ്യം

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മറുപടി

ശ്രീ. മഞ്ഞളാംകുഴി അലി
(നഗരകാര്യവും ന്യൂനപക്ഷ ക്ഷേമവും
വകുപ്പുമന്ത്രി)

(എ) തദ്ദേശസ്ഥാപനങ്ങളിൽ അടിസ്ഥാന സൗകര്യ വികസനത്തിന് പൊതു-സ്വകാര്യ പങ്കാളിത്ത പദ്ധതി നടപ്പിലാക്കുന്നത് സംബന്ധിച്ച സർക്കാർ നയം വെളിപ്പെടുത്തുമോ;

(എ) പൊതു-സ്വകാര്യ പങ്കാളിത്തത്തോടുകൂടി അധികാര പരിധിയിലുള്ള മേഖലകളിൽ നിക്ഷേപം വർദ്ധിപ്പിച്ച് തദ്ദേശഭരണ സ്ഥാപനങ്ങളെ ഉദ്ധരിക്കുകയും പ്രോത്സാഹിപ്പിക്കുകയും ചെയ്യുന്നതാണെന്ന് 12-ാം പഞ്ചവത്സര പദ്ധതിയുടെ സമീപനരേഖയിൽ പ്രതിപാദിച്ചിട്ടുണ്ട്. ആയതിനാൽ തദ്ദേശ സ്ഥാപനങ്ങൾക്ക് അടിസ്ഥാന സൗകര്യ വികസനത്തിന് പൊതു-സ്വകാര്യ പങ്കാളിത്ത പദ്ധതി നടപ്പിലാക്കാവുന്നതാണ്.

(ബി) പൊതു-സ്വകാര്യ പദ്ധതികൾ നടപ്പിലാക്കാൻ തദ്ദേശ സ്ഥാപനങ്ങളെ അനുവദിച്ചിട്ടുണ്ടോ; ഇത് സംബന്ധിച്ച മാർഗ്ഗനിർദ്ദേശങ്ങൾ വല്ലതും നൽകിയിട്ടുണ്ടോ; എങ്കിൽ വിശദമാക്കുമോ;

(ബി) അനുവദിച്ചിട്ടുണ്ട്. 13.10.2004 ലെ സ.ഉ(എം.എസ്)298/2004/തസഭവ നമ്പർ ഉത്തരവ് പ്രകാരം ഇതിനായി മാർഗ്ഗനിർദ്ദേശങ്ങൾ പുറപ്പെടുവിച്ചിട്ടുണ്ട്. (അനുബന്ധമായി ചേർത്തിരിക്കുന്നു.)

(സി) ഏതെല്ലാം അടിസ്ഥാന സൗകര്യ വികസന പദ്ധതികൾ ഇപ്രകാരം നിർവ്വഹിക്കാം;

(സി) മാർക്കറ്റ് കോംപ്ലക്സ് വികസനം, ബസ് ടെർമിനൽ കോംപ്ലക്സ്, വാണിജ്യ/വ്യാപാര സമുച്ചയങ്ങൾ, ഏരിയ/കോംപോസൈറ്റ് വികസനം, റോഡുകളും പാലങ്ങളും, ഗ്രാമീണ ലിങ്ക് റോഡുകളും പാലങ്ങളും, പാർക്കിംഗ് പ്ലാസകൾ, വിനോദ സഞ്ചാര കേന്ദ്രങ്ങൾ, കടൽത്തീര വികസനം, മൽസ്യ-മാംസ പച്ചക്കറി മാർക്കറ്റുകൾ, അമ്യൂസ്മെന്റ് പാർക്ക്, വരമാലിന്യ സംസ്കരണം തുടങ്ങിയ അടിസ്ഥാന സൗകര്യ മേഖലയിലെ പദ്ധതികൾ ഇപ്രകാരം നിർവ്വഹിക്കാവുന്നതാണ്.

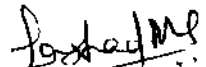
(ഡി) വയബിലിറ്റി സർക്കാർ തയ്യാറാണോ;

ഗ്യാപ്പ് നൽകാൻ (ഡി)

ചില പൊതു-സ്വകാര്യ പങ്കാളിത്ത പദ്ധതികളിൽ, അവയുടെ അന്തർലീനമായ സവിശേഷതകളാൽ വയബിലിറ്റി ഗ്യാപ്പ് അഭിമുഖീകരിക്കുന്നവയ്ക്ക്, സഹായം നൽകുന്നതിലേയ്ക്കായി കേന്ദ്രസർക്കാർ വയബിലിറ്റി ഗ്യാപ്പ് ഫണ്ടിംഗിന് രൂപം കൊടുത്തിട്ടുണ്ട്. സംസ്ഥാന സർക്കാർ ഇതു സംബന്ധിച്ച് തീരുമാനം എടുത്തിട്ടില്ല.

(ഇ) ഇതിനകം ഏതെല്ലാം തദ്ദേശ സ്ഥാപനങ്ങൾ ഈ മാതൃകയിൽ പദ്ധതി നിർവ്വഹിച്ചു തുടങ്ങിയിട്ടുണ്ട്?

(ഇ) വടകര നഗരസഭ, പെരിന്തൽമണ്ണ നഗരസഭ, നോർത്ത് പറവൂർ നഗരസഭ, തലയോലപറമ്പ് ഗ്രാമപഞ്ചായത്ത്, ചെങ്ങള പഞ്ചായത്ത്, പുലമന്തോൾ പഞ്ചായത്ത്, കൽപറ്റ നഗരസഭ, കണ്ണൂർ നഗരസഭ, കോഴിക്കോട് നഗരസഭ, കുന്നംകുളം നഗരസഭ എന്നീ തദ്ദേശ സ്ഥാപനങ്ങളിൽ ഈ മാതൃകയിൽ പദ്ധതി നിർവ്വഹിച്ചു തുടങ്ങിയിട്ടുണ്ട്.


സെക്ഷൻ ഓഫീസർ



GOVERNMENT OF KERALA

Abstract

Local self Government Department - Private Sector Participation in the Implementation of Projects by Local Self Government Institutions/Local Authorities - Guidelines-Issued.

LOCAL SELF GOVERNMENT (N) DEPARTMENT

G.O.(MS) No. 298/2004/LSGD

Dated, Thiruvananthapuram 13.10.2004

Read:- 1. GO(Rt) No. 292/03/LSG, Dated 23/01/2003

2. Minutes of the meeting of the High Level Committee held on 10/08/2004

ORDER

In the Government order dated 23/01/2003, a high level committee was constituted by Government to act as single window for clearing projects of the bodies with private sector participation using models like DOT, BOOT, BOLT etc. which requires Government level clearance. The high level committee in their meeting held on 10/08/2004 has discussed and finalized guidelines for the development of various projects undertaken by the local self Government institutions/local authorities.

The guidelines approved are annexed. The Local Self Government Institutions/Local Authorities will follow the guidelines for developing projects before utilizing Government funds for development of projects.

By Order of the Governor

P.KAMALKUTTY
Secretary to Government

True Copy
Issued
Section Officer

Guidelines for the Development of Projects through Private Sector, Participation in Local Self Government Institutions

1.0 Introduction

Local self government institutions/local authorities in the State are venturing in to project development activities and programs for which they have either limited resources and or no expertise. It is important that they should acquire knowledge and experience in implementing the activities and programs, related to project development. Government feels that Local Self Government Institutions (LSGIs), Local Authorities (LAs) could be encouraged to explore various avenues for implementing the projects looking beyond Government funds. Therefore Local Self Government Institutions/Local Authorities could look into the possibilities utilizing capital, experience, expertise and efficiency of the private investor and also utilize their resources for the effective implementation of the programs/schemes/projects to the extent possible. The different modes of Private Sector Participation (PSP) for development of the projects are BOT, BOST, BOOT, BOO, BLT etc.

Few of projects/schemes that LSGIs/LAs can undertake through private sector participation are as follows:

- (1) Market complex development
- (2) Bus terminal complex
- (3) Commercial / shopping complex
- (4) Area / composite development
- (5) Roads and bridges
- (6) Village link roads and bridges
- (7) Parking plazas
- (8) Development of tourist centres
- (9) Beach development
- (10) Meat, fish and vegetable markets
- (11) Amusement park
- (12) Solid waste management

1.1 As Local Self Government Institutions/Local Authorities do not have the required competency to carry out project development through PSP (as project preparatory and feasibility assessment in a specialised subject), the services of project development agency with experience in carrying out projects through PSP with necessary technical, financial and legal competence should be utilized.

1.2 The Government of Kerala is engaging ICICI-Kinfra Limited (I-Kin) as the official project development agency of Local Self Government Institutions for development of projects through private sector participation route. ICICI Kinfra Limited, is a joint venture company (JV) formed by Government of Kerala with ICICI, incorporated in 1996, vide GO (MS) No 31/96/ID dated 7/2/1996. Government of Kerala formed I-Kin to accelerate the development of infrastructure in the State through private sector participation and private capital in the JV (I-Kin).

Government has put its share capital through KINFRA (Kerala Industrial Infrastructure Development Corporation) (refer GO Number MS. No. 31/96/ID dated 7/2/1996). The need of a detailed feasibility study leading to preparation of bankable bidding document and Concession Agreement is essential to make the project development process transparent and effective. Hence the role of a project development agency like ICICI-Kinfra limited can be sought by LSGI's/ local authorities. Therefore the following guidelines are issued in this regard.

2.0 Project Development : Guidelines

2.1.0 Project Conceptualisation : (Steps)

- 2.1.1 The Local Self Government Institutions/local authorities may identify or take the assistance of ICICI Kinfra Limited (herein and after referred as PDA), to list out all possible projects which are essential for the development.
- 2.1.2 Prioritise these listed projects considering the immediate requirement of the Local Self Government Institutions/local authorities and also based on land availability.
- 2.1.3 Resolution made from the Local Self Government Institutions/local authorities to engage the project development agency as stated in 2.1.1 to select the appropriate project from the prioritized list and also to study the viability of the project to develop it through private sector participation.
- 2.1.4 Initial site visits to be made by the Project Development Agency to make an initial assessment and site visit for the project development with Local Self Government institutions/local authorities. The PDA also would formulate the Terms of Reference (TOR) for the project development with PSP, and discuss the methodology and modality of the development with the LSGIs/LAs.
- 2.1.5 Submission of Concept report/Note on the preliminary Viability Assessment by the Project Development Agency with a project development proposal along with the TOR and its deliverables including the fee structure. This concept note for the project development by the PDA will be made without charging any fees to LSGIs/LAs.
- 2.1.6 Finalization of scope of work, TOR and fees mentioned in the report/proposal by LSGIs/LAs.
- 2.1.7 Council approval of the proposal submitted by the PDA for the project development by LSGIs/LAs.
- 2.1.8 The Local Self Government Institutions/local authorities to issue work order in line with 2.1.7 for the project development to the project developing agency.
- 2.1.9 The work order issued by LSGIs/LAs to the PDA would act as a firm order for executing the project development activities as per the TOR.

Broad out line of the scope of the assignment undertaken by the project development agency :

The scope of the development may be in three stages in a phased manner

Phase - 1: Viability assessment

Phase - 2: Project structuring and BOT documentation

Phase - 3: Bidding and bid process management

3.0. Phase - 1 : Viability Assessment

The scope of the Project Development Agency in conducting preliminary viability assessment is as follows:

3.1 Demand Assessment : In demand assessment the Project Development Agency will assess the current demand for the project and the future demand projection of the project. With the existing and future demand details the need for the project will be established and the facilities to be provided in the project will also be identified.

3.2 Technical Viability Assessment : Technical viability assessment will give layout plan of the project, detailed designs of the type of facilities that can be provided in the project and also the estimated cost involved in the implementation of the project.

3.3 Financial Viability Assessment : This study will identify the different revenue streams by considering the facilities to be provided in the project. Possible revenue add-ons will also be identified at this stage of the study. Returns from the project and the ability of the project to service the debt component will also be assessed in financial viability assessment.

3.4 Commercial Viability Assessment : Funding option study, identification of risks involved in the project, mode of private sector participation etc., of the project will be studied through the commercial viability assessment.

3.5 The Project Development Agency on submission of the above phase-1 report (Viability Report) containing the above details to the Council, the Council/Local Self Government Institutions/local authorities, based on the recommendations suggested by the Project Development Agency can categorise the projects into the following:-

(a) Commercially viable (stand-alone) projects, which could be taken up with private funds.

(b) Projects, which need government support in the form of subsidies/equity participation etc.

(c) Other projects should be taken up with public funds based on priority of public funds.

Only project falling in the category (a) alone will be taken up through the BOT scheme. Projects falling under category (b)&(c) would be referred to the BOT cell for taking up with the government.

3.6 The project Development Agency may assist the Local Self Government Institutions to select the best possible scenario of mode of development (as detailed in the general information on different modes available under PSP annexed with this guideline.)

3.7 After selecting the best suitable mode, the Local Self Government Institutions/local authorities with the Council's approval may advise the Project Development Agency to proceed to the second stage/phase.

4.0. Phase - 2 : Project Structuring :

4.1 The mode of private sector participation along with other terms and conditions may be discussed in the Council and decision to be taken on the viable and effective mode of development (BOT, BOST, BOO, BOOT, BOLTetc).

4.2 After the approval of the project structure/ mode of private sector participation for developing the project by the Council, the project development agency would prepare the draft bid document and concession agreement required for bidding. Draft bid document and concession agreement would be prepared by protecting the interests of the Local Self Government Institutions/local authorities, government and also by considering the needs of the private investor, to attract private capital and lender comfort.

4.3 The Local Self Government Institutions/local authorities should approve the draft bid document and the concession agreement before floating the advertisements for bidding.

- 5.12 From the Project Executing Agency (Successful Bidder) a project development fees (Success Fee) as described in the bid document or as agreed upon in the pre-bid meeting would be collected, in Indian rupees in the form of a demand draft, on signing of the agreement in favour of the Local Self Government Institutions/LAs, Project Development Agency as described in 5.13.
- 5.13 The project development fees (Success Fee) would be collected from the successful bidder in two components payable to the respective agencies by way of Demand Drafts (DDs) in Indian rupees from a scheduled bank/reputed private bank. The first component would be in favour of the LSGIs/local authorities to the extent of project development expenses incurred by LSGI/local authorities and paid to the Project Development Agency for developing the project. The second component would be the balance of the project development expenses indicated in the bid document or agreed upon during the pre bid meeting, favoring the project development Agency. The Project Development expenses (success fee) would be collected by the LSGIs/local authorities/Project Development Agency from the Project Executing Agency (Successful Bidder) on signing of the agreement.
- 5.14 The above would ensure the project development expenses limiting the fees (paid in a phased manner to Project Development Agency) to be reimbursed to the Local Self Government Institution and hence no financial burden is incurred by the Local Self Government Institutions/Local authorities in the process of development of the project through PSP.

6.0. Project Monitoring :

- 6.1 In order to ensure effective project execution, a project monitoring agency would be identified. This could be ideally the Project Development Agency itself as the indepth knowledge on the legal, technical and other allied expertise rests with the Project Development Agency. The cost for the same shall be borne by the successful bidder (Project Developer/Project Executing Agency). The fees for project monitoring shall be remitted in advance with the local body on a prorata basis by the Project Executing Agency.
- 6.2 Conditions precedent for the concession period (Construction period + Operation period would be monitored by this monitoring agency.)

7.0 Specific Guidelines:

The following specific guidelines are also issued for the smooth and speedy implementation of projects undertaken as part of PSP by all the Local Self Government/local authorities institutions in the State.

- 7.1 The Government accord sanction to all Local Self Government Institutions/local authorities to pay the fees to the Project Development Agency from their own plan funds. The concerned Council should approve the proposal submitted by the PDA containing the TOR and the fees and also issue a work order. The work order need not have to be in the form of an agreement, as the PDA is a Joint Venture of the State Government.
- 7.2 The Local Self Government Institutions have to obtain the council's approval to engage the Project Development Agency for the development of the project.
- 7.3 Fee Structure for carrying out an assignment would be on a mutually agreed basis but not higher than:

(a) Fees upto and limited to Rs. 15 Lakhs

Sl.No.	Deliverables	%of total fees
1.	Mobilization Advance	15%
2.	Inception Report	15%
3.	Traffic Demand assessment report/Interim Report.	15%
4.	Design and Drawings	20%
5.	Technical Report	15%
6.	Final Feasibility report	10%
7.	Bid Document and Concession Agreement	10%

- 7.3 (a) The levies and duties imposed by the Government from time to time would be in addition to the fees and should be paid to the Project Development Agency against each deliverable/s. By LSGIs/LAs.
- 7.4 If the fee for development of the project, quoted by the Project Development Agency, is higher than Rs. 15 lakhs the Local Self Government Institutions should get approval from the BOT Cell to initiate the studies and also to release the fees for the study.
- 7.5 Fees for the project development/assignment may be charged in phases along with the submission of deliverables as listed in 7.3. Fees against each deliverable should be cleared by the council on submission of the deliverable within a reasonable time frame (say 20 days) after approval by the deliverable submitted by the project development agency.
- 7.6 Council approval is required for all deliverables submitted by the Project Development Agency and the agency should make project clarifications if called for by LSGIs/LAS but within the framework of the TOR.
- 7.7 Sanction should be obtained by the concerned Local self government institutions/local authorities for the final Bid document and Concession Agreement of the project, which has to be signed by the successful bidder/investor. The same should be forwarded to the BOT Cell constituted by the Government. (G.O. Vide No: RT No: 292/03/LSGD Dated 23/01/2003), for obtaining necessary clearance to proceed with.

ANNEXURE

General Information on the different modes available under PSP :

Listed few of the advantages of out-sourcing Private Sector Participation (PSP) and BOT (Build Operate and Transfer)/BOOT (Build Own Operate Transfer) etc. are as under :

- Utilization of private funds and thereby ensuring budget savings
- Timely availability of funds and thereby faster completion of project
- Efficiency in execution
- Savings in cost
- Development of trade and commerce
- Ability of Local Self-Government Institutions to focus on other core areas
- Avoidance of problems of maintenance and administering personnel etc.
- Government revenue
- Opportunities for capital market development
- Potential to stimulate foreign direct investments
- Availability of innovative technology

The following Concession Agreement or arrangements with their variations and combinations may be arrived at by the LSGIs/Local Authorities for undertaking Infrastructure Projects. The arrangements enumerated hereinafter are indicative in nature and the LSGIs or the Local Authorities shall be entitled to evolve and arrive at such Concession Agreement or arrangement incorporating any of the arrangements enumerated hereinafter or any other arrangements as may be found necessary or expedient for any specific Project.

1. Build-and-Transfer (BT) - A contractual arrangement whereby the Developer undertakes the financing and construction of a given infrastructure or development facility and after its completion hands it over to the LSGIs or the Local Authorities. The LSGIs or the Local Authorities would reimburse the total project investment, on the basis of an agreed schedule. This arrangement may be employed in the construction of any infrastructure or development projects, including critical facilities, which for security or strategic reasons, must be operated directly by the LSGIs or the Local Authorities.
2. Build-Lease-and Transfer (BLT) - A contractual arrangement whereby a Developer undertakes to finance and construct Infrastructure Project and upon its completion hands it over to the concerned LSGIs or the Local Authorities concerned on a lease arrangement for a fixed period, after which ownership of the facility is automatically transferred to the LSGIs or the Local Authorities concerned.
3. Build-Operate-and-Transfer (BOT) - A contractual arrangement whereby the Developer undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The Developer operates the facility over a fixed term during which he is allowed to charge facility users appropriate tolls, fees, rentals and charges not exceeding those proposed in the bid or as negotiated and incorporated in the Contract to enable the recovery of investment in the Project. The Developer transfers the facility to LSGIs or the Local Authorities concerned at the end of the fixed term that shall be specified in the Concession Agreement. This shall include a supply-and-operate situation which is a Contractual arrangement whereby the supplier of equipment and machinery for a given infrastructure facility, if the interest of the LSGIs or the Local Authorities so requires, operates the facility providing in the process technology transfer and training to LSGIs or the Local Authority's nominated individuals.
4. Build-Own-and-Operate (BOO) - A contractual arrangement whereby a Developer is authorized to finance, construct, own, operate and maintain an infrastructure or development facility from which the Developer is allowed to recover his total investment by collecting user levies from facility users. Under this project, the Developer owns the assets of the facility and may choose to assign its operation and maintenance to a facility operator. The transfer of the facility to the LSGIs

or the Local Authorities is not envisaged in this structure; however, the LSGIs or the Local Authorities may terminate its obligations after specified time period.

5. **Build-Own-Operate-Transfer (BOOT)** - A contractual arrangement whereby a Developer is authorized to finance, construct, maintain and operate a Project and whereby such Project is to vest in the Developer for a specified period. During the operation period, the Developer will be permitted to charge user levies specified in the Concession Agreement, to recover the investment made in the project. The Developer is liable to transfer the project to the LSGIs or the Local Authorities after the expiry of the specified period of operation.
6. **Build-Transfer-and Operate (BTO)** - A contractual arrangement whereby the LSGIs or the Local Authorities contracts out an infrastructure facility to a Developer to construct the facility on a turn-key basis, assuming cost overruns, delays and specified performance risks. Once the facility is commissioned satisfactorily, the Developer is given the right to operate the facility and collect user levies under a Concession Agreement. The title of the facilities always vests with the Government, Government Agency or the Local Authority in this arrangement.
7. **Contract-Add-and-Operate (CAO)** - A Contractual arrangement whereby the Developer adds to an existing infrastructure facility which it rents from the LSGIs or the Local Authorities and operates the expanded project and collects user levies, to recover the investment over an agreed franchise period. There may or may not be a transfer arrangement with regard to the added facility provided by the Developer.
8. **Develop-Operate-and-Transfer (DOT)** - A contractual arrangement whereby the favorable conditions external to a new infrastructure Project which is to be built by a Developer are integrated into the BOT arrangement by giving that entity the right to develop adjoining property and thus, enjoy some of the benefits the investment creates such as higher property or rent values.
9. **Rehabilitate-Operate-and-Transfer (ROT)** - A contractual arrangement whereby an existing facility is handed over to the private sector to refurbish, operate (collect user levies in operation period to recover the investment) and maintain for a franchise period, at the expiry of which the facility is turned over to the LSGIs or the Local Authorities. The term is also used to describe the purchase of an existing facility from abroad, importing, refurbishing, erecting and consuming it within the host country.
10. **Rehabilitate-Own-and-Operate (ROO)** - A contractual arrangement whereby an existing facility is handed over to the Operator to refurbish and operate with no time limitation imposed on ownership. As long as the operator is not in violation of its franchise, it can continue to operate the facility and collect user levies in perpetuity.
11. **Service Contract Agreement** - An agreement whereby a person undertakes to perform a service to the LSGIs or the Local Authorities or the specified Government agencies for as specified period. The LSGIs or the Local Authorities, as the case, may be, the specified Government agency shall pay him an amount according to the agreed Schedule.
12. **Supply Operate and Transfer Agreement** - An agreement whereby a person supplies to the LSGIs or the Local Authorities or the specified Government agencies the equipment and machinery for a project and undertakes to operate the project for a period and consideration specified in the agreement. During the operation of the project, he shall undertake to train employees of the LSGIs or the Local Authorities or, as the case, may be, the specified Government agency to operate the project.
13. **Joint Venture Agreement** - An agreement whereby LSGIs or the Local authorities or the specified Government agency enters into an agreement with a developer to jointly finance, construct, operate and maintain a project for a period specified in the agreement after the expiry of which the project shall be transferred to the LSGIs/LAs or as the case may be, the specified Government agency.

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