



MEGHALAYA PUBLIC PRIVATE PARTNERSHIP POLICY (PPP) 2021

Meghalaya Public Private Partnership Policy (PPP) 2021

**Government of Meghalaya
Finance Department**

Table of Contents

ABBREVIATIONS	iii
DEFINITIONS	iv
POLICY VISION	8
1 Preamble	9
2 Policy Objectives	12
3 Applicability of the Policy and Eligible Sectors	13
3.1 Applicability.....	13
3.2 Eligible Sectors	13
3.3 PPP Test.....	13
4 Regulatory and Institutional Framework	14
4.1 Regulatory Framework.....	14
4.2 Institutional Framework	15
5 Procedural Framework	26
5.1 Contractual Structures	26
5.2 Procurement Process.....	27
5.3 Procedure for Selection and Approval of PPP Projects	30
6 State Support	35
7 Monitoring, Evaluation and Dispute Redressal Framework	39
7.1 Monitoring and Evaluation.....	39
7.2 Redressal of Disputes.....	40
8 Generic Risk Disclosures	41
9 Protection of Stakeholder Rights	42
10 Duration and Review of Policy	43
11 Model Bid Documents by Govt. of India	44
Schedules	45
Schedule I	45
Schedule II	48
Schedule III	49
Schedule V	51
Schedule VI	53

ABBREVIATIONS

ADC	Autonomous District Council
BLT	Build Lease Transfer
BOLT	Build Own Lease Transfer
BOO	Build Own Operate
BOOST	Build Own Operate Share Transfer
BOOT	Build Own Operate Transfer
BOST	Build Operate Share Transfer
BOT	Build Operate Transfer
BT	Build and Transfer
BTL	Build Transfer Lease
BTO	Build Transfer Operate
CEO	Chief Executive Officer
CPPP	Community Public Private Partnership
DBFOT	Design Build Finance Operate Transfer
DBOOT	Design Build Own Operate Transfer
DCA	Draft Concession Agreement
DPR	Detailed Project Report
ECI	Empowered Committee on Infrastructure
EGM	Empowered Group of Ministers
EOI	Expressions of interest
EWS	Economically Weaker Section
HAM	Hybrid Annuity Model
IT	Information Technology
MCA	Model Concession Agreement
MIDF	Meghalaya Infrastructure Development Fund
MIDFC	Meghalaya Infrastructure Development Finance Corporation
MSW	Municipal Solid Waste
PMU	Project Monitoring Unit
PPP	Public Private Partnership
PRIME	Promotion of Innovative and Market Driven Enterprises
PRU	Performance Review Unit
RFOT	Rehabilitate Finance Operate Transfer
RFP	Request for Proposals
RFQ	Request for Qualifications
RLB	Rural Local Bodies
ROMT	Rehabilitate, Operate, Maintain and Transfer
SDG	Sustainability Development Goals
SPV	Special Purpose Vehicle
ULB	Urban Local Bodies
VGF	Viability Gap Funding

DEFINITIONS

“Bidder” means any entity including any Bidding Consortium, who has submitted a proposal to undertake an Infrastructure Project under Public Private Partnership.

“Central Government” means Government of India

“Central Government Agency” means any department of the Central Government, any Agency statutory authority of the Central Government, or body corporate, owned or controlled by the Central Government holding greater than 50% of the paid-up share capital in such entity.

“Community PPP Project” or “CPPP Project” means a Project implemented through Public Private Partnership with Community Participation as per pre-approved package, model concession framework or where project falls under the reserved sub-sectors or is below the threshold limit as defined under the Policy.

“Company” means any entity incorporated by memorandum of association under the Companies Act, 2013 or Companies Act, 1956 or incorporated under any other statute or deemed to be incorporated under the laws of India or the laws of any other country of the world.

“Concession” means grant of financial assistance or conferment of right on Government property and public assets to a person other than the State Government, Government agency or specified Government agency, as per the terms specified in the concession agreement.

“Concession Agreement” means an agreement entered between a Government entity and a private sector participant for and in respect of a public-private partnership.

“Construction” means any construction, reconstruction, rehabilitation, improvement, expansion, addition, alteration and related works and activities including supply of any equipment, materials, labour and services related to build or rehabilitate any Infrastructure Project comprising of physical structures or systems or commodities or for utilization of resources or provision of services.

“CPPP Cell” means an entity established by Government of Meghalaya to manage all activities related to policy, technical, legal and such other matters related to CPPP projects.

“Developer” means any Private Sector Participant who has entered into a contract for the Infrastructure Project with the Government or Government Agency or Local Authority under the Policy.

“Government” means the State Government of Meghalaya.

“Government Agency” means any department of the Government or any corporation or body owned or controlled by the Government by reason of the Government holding not less than 51% of paid-up share capital in such corporation or body.

“Government Company” means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government company as defined.

“Government entity” shall mean:

- i. Government Departments & Directorates
- ii. Government sponsored boards, societies, and other autonomous bodies
- iii. Government sponsored education, research, and knowledge management institutions
- iv. Urban Local Bodies and Panchayats
- v. Government owned companies

“Infrastructure” means public works relating to infrastructure for utilizing the natural resources and providing services by either public works of physical structure or systems for facilities or commodities or utilization of resources or provision of services.

“Investment” means preliminary and pre-operative expenses, capital expenditure, lease on land and equipment, interest during construction, administrative expenses, all operating and maintenance expenses including expenses incurred on recovery of User Levies.

“Lenders” mean financial institutions, banks or any other entities of such project financing track record as may be prescribed, who in principle or agreeable to provide guarantees or finance to the Bidder under any of the financing documents.

“Local Authority” means any Municipal Corporation or Municipal Council or any Panchayat or any other statutory body formed, elected or appointed for local self-Government.

“Local Laws” means laws other than central laws and applicable to the State.

“Notification” means a notification published in the Meghalaya Gazette and the word “notified” shall be construed accordingly.

“Parties” refers to the participants of a concession agreement or any other contract in respect of a public-private partnership.

“Person” shall include any company or association or body of individuals, whether incorporated or not.

“Private Sector Participant” means any person other than Central Government or State Government or Government Agency or any joint venture between Central Government or State Government Departments or any Statutory Body or Authority or Local Authority or any corporation or Company in which Central Government or State Government or Government Agency, Statutory Body or Authority or local body is holding not less than 51% paid-up share capital.

“Policy” refers to the Meghalaya Public Private Partnership Policy 2021 issued by the Government of Meghalaya.

“Project” means an Infrastructure Project.

“Public Need” means a substantial or obvious public / community need for the proposed project based on all attendant circumstances as compared to a mere convenience. The determination of Public Need shall be taken by the relevant administrative department after considering (a) Common use and needs of the public / community; (b) Appropriateness of the project in relation to the development plans of the department; and (c) Possibility of the project otherwise not coming up.

“Public Private Partnership” means an arrangement based on a contract between a government or statutory entity or government owned entity on one side and a private sector entity on the other, for the provision of public infrastructure assets and/ or related services for public benefit, through investments being made by and/or management undertaken by the private sector entity for a specified time period, where there is a substantial risk sharing with the private sector and the private sector receives performance linked payments that conform (or are benchmarked) to specified, pre-determined and measurable performance standards.

“PPP Project” means a Project implemented through Public Private Partnership.

“Private Sector Entity” shall mean an entity in which 51% or more of the subscribed and paid up equity is owned and/or controlled by a private entity. This shall include privately owned/sponsored societies, not for profit organizations as well.

“Reserved Sub-sectors” shall mean those Infrastructure sub-sectors in which the projects will be developed through the CPPP mode and as defined under Schedule II of this Policy.

“State PPP Cell” means an entity established by Government of Meghalaya to manage all activities related to policy, technical, legal and such other matters related to PPP projects.

“Sectors” means sectors as notified under Schedule I of the Policy and any other Sectors which may be notified by the State Government from time to time.

“Sector Regulator” means the regulatory authority for a Sector or Sectors as may be notified by the Government from time to time.

“State” means the State of Meghalaya.

“State Support” means grant by the State of any administrative support, asset-based support, foregoing revenue benefits support, undertaking contingent liabilities by providing guarantees or financial support to the Developer as enumerated in this Policy.

“Swiss Challenge Approach” means when a Private Sector Participant submits an Unsolicited or Suo-Motu proposal.

“Threshold Limit” shall refer to the specific cost of project/ investment or value of underlying assets as determined by the Government of Meghalaya, such that the projects falling in the reserved sub-sectors and with cost/ investment/ value up to the threshold limit shall be prioritised to be developed under CPPP mode under this Policy.

“Unsolicited Or Suo-Motu Proposal” means a proposal in respect of a Project not already initiated by the Government or Government Agency or Local Authority and which proposal is submitted by any Private Sector Participant to the Government Agency or Local Authority in respect of any Infrastructure in the State supported by project specifications, technical, commercial and financial viability and prima facie evidence of the financial and technical ability of such Private Sector Participant to undertake such Project with full details of composition of the Private Sector Participant and his financial and business background.

“User Charges” means the right or authority granted to the Developer by the Government Agency or the Local Authority to recover Investment and fair return on Investment and includes toll, fee, charge, or benefit by any name.

POLICY VISION

Government of Meghalaya envisions rapid development and strengthening of new and existing physical and social infrastructure in the state of Meghalaya with the active support of private sector participation and aims to facilitate the same through a comprehensive and well laid out PPP Policy Framework which is in sync with the unique ecological, social, cultural and economic backdrop of the state.

1 Preamble

- i. The state of Meghalaya meaning “Abode of Clouds” was carved out of Assam as an autonomous state in April 1970 and was declared as a state in January 1972.
- ii. It is situated in the north eastern region of India, with Bangladesh on the south and west and Assam on the north and east. The state lies between 24° 58’ N to 26° 07’N latitudes and 89° 48’E to 92° 51’ E longitudes, covering an area of around 22,429 sq. kms.
- iii. Meghalaya has a majority tribal population and is covered under the Sixth Schedule of the Constitution which recognizes the rights of the tribal communities and provides for the establishment of ‘Autonomous District Councils’ (ADCs) in autonomous districts. Except for Shillong, whole of Meghalaya is divided into three ADCs namely, Khasi ADC, Jaintia ADC and Garo ADC.
- iv. The state at present has a population of around 3.5 million with, per capita income of Rs.81,016
- v. Meghalaya is naturally gifted with beautiful terrain, rivers, rich mineral deposits, large flora & fauna, multiple agri climatic zones, diverse soil profile conducive for horticulture, abundant rainfall, untapped hydroelectric potential, and a well laid out network of road, rail and air connectivity offering high trade and tourism potential.
- vi. Around 76.5 % of the State’s area is under forest cover, which can be tapped for promoting high value eco-tourism and forestry related livelihoods and enterprises.
- vii. At the grassroot level, blessed with a high literacy rate, there is high level of social capital and community spirit amongst the rural communities, which can be leveraged for fostering sustainable development.
- viii. Despite many strengths and opportunities, the State also faces several growth obstacles like inadequate infrastructure, limited financial resources, insufficient access to domestic and global markets and an underdeveloped private sector.
- ix. Government of Meghalaya has been working on a progressive development strategy which aims to catapult Meghalaya to top ten Indian States in terms of per capita income, and SDG performance in the next ten years.
- x. This development strategy of the State focuses on improving its physical, social and digital infrastructure, promoting entrepreneurship in the State well supported with an institutional mechanism (PRIME Hubs) till the sub-district level, promoting enterprises in horticulture, food-processing and tourism sectors, building robust rural livelihoods and fostering human development by prioritizing education and health sectors.
- xi. It is a well-established fact that private sector has played a constructively supportive role in facilitating rapid economic growth and development both at the national and state levels. In addition to providing financial resources, the private sector has also helped in generating employment, enhancing operational efficiencies, and improving living conditions in the society.

- xii. Government of Meghalaya is keen to effectively use private sector as a growth catalyst in the infrastructure development in the state and meeting its development goals.
- xiii. Therefore in addition to depending on its own sources along-with central government assistance, Government of Meghalaya proposes to effectively utilise 'Public Private Participation' (PPP) in attracting capital together with utilising resulting efficiencies from innovativeness, flexibility, cost efficiency, alternative management and implementation skills of the private sector.
- xiv. In order to achieve the above, Government of Meghalaya proposes to lay down a robust PPP framework in the State through this PPP Policy document called 'Meghalaya PPP Policy 2021'.
- xv. The PPP Policy for State of Meghalaya will be translated into a comprehensive plan of action wherein the Government would develop new / update existing multi-year action plans detailing the strategies and implementation plans for each of the infrastructure sectors.
- xvi. Recognising that inculcation of 'Provider Charges' and 'User Pays' principles are fundamental to the success of PPP, Government of Meghalaya would, wherever necessary and appropriate, consider levy of User Charges (tolls, fee, tariffs, cess, etc.) after paying due consideration to issues like willingness to pay, need for subsidies, uniformity between projects, cost recovery, debt servicing, equity returns and similar factors.
- xvii. In order to take full advantage of PPP, Government of Meghalaya shall issue guidelines for subjecting all infrastructure Projects, above a certain size in terms of project cost, to a PPP test. If the PPP test suggests that the Project would result in better value for money for the Government and all stakeholders through PPP, then it shall be developed as a PPP Project.
- xviii. The unique socio-cultural fabric of Meghalaya gets a natural safeguard through the constitutional amendment that accords a 'Special Category' status to Meghalaya, which results in special powers and privileges to a large section of people and communities in the State.
- xix. These special powers and privileges, at times, are considered to be against the fundamental spirit of PPP, which works on the principles of equality without any preference to anyone. Overdoing of one is likely to result in underdoing of the other.
- xx. The PPP Policy for Meghalaya, aims to create a fine balance between the need of protecting the socio-cultural fabric of the state by honouring its commitments towards the special status and the need for ensuring availability of resources through the promotion of PPP.
- xxi. The above would be possible by securing the willing consent of Communities and individuals in Meghalaya for development of infrastructure through PPP mode in the State. This would be possible by winning their trust and confidence by providing them a

sense of ownership and participation in the PPP process across all levels. It also calls for suitable compensation to them.

- xxii. Keeping the above in mind the PPP Policy for Meghalaya is designed to have an important component of 'Community Public Private Participation' (CPPP) which would operate on the principles of 'Direct Community Participation' / 'Reserved Sub Sectors' / Threshold Limit for the State.
- xxiii. The said threshold limit will be decided based on multiple variables like Cost of Project, Value of Underlying Assets, Investments, Complexity of Project, Level of Technology involved, Quantum of Contribution, etc., by a competent authority of the State from time to time.
- xxiv. Additionally, specific sub sectors will be identified and reserved by the State government wherein all infrastructure development, irrespective of the threshold limit criteria, shall be carried out only through Community Public Private Partnership (CPPP) mode.
- xxv. To the extent that the Project parameters may permit, every Project shall endeavour to maximise employment opportunities to the local population of the State of Meghalaya.

2 Policy Objectives

The key objectives of this Policy are as follows: -

- i. To promote sustainable development and inclusive growth in the State of Meghalaya, while continuing to safeguard the socio-cultural ethos and fabric of the state.
- ii. To provide a fair and transparent framework to help facilitate the process and encourage Public-Private Partnership in upgrading, expanding, and developing of infrastructure in the State of Meghalaya.
- iii. Enabling affordable and improved services at an optimal cost to the users in a responsible and sustainable manner, and for better 'Value for Money' to the users.
- iv. Safeguarding the interest of users, project affected persons, other stakeholders, and maximizing the social & economic returns from Government investments.
- v. Set up a transparent, efficient, and consistent administrative mechanism for selection of private sector participants and create a level playing field for all participants.
- vi. Put in place an effective and efficient institutional mechanism for obtaining speedy clearance of the Projects.
- vii. Provide necessary risk sharing framework in the Project structure.
- viii. Create an efficient dispute redressal mechanism for PPP projects.
- ix. Prepare a shelf of projects to be offered for PPP with assistance of the owner departments and take them forward through a transparent selection process.
- x. To bring uniformity in approach cutting across various sectors and departments of the government.
- xi. Provide Project Development Funding to essential infrastructure Projects which satisfy / offer potential to satisfy the public need.

3 Applicability of the Policy and Eligible Sectors

3.1 Applicability

- i. This Policy shall apply to all Projects in the primary, secondary, services and social sectors which are being implemented under Public Private Partnership mode.
- ii. This Policy would apply to all Government Entities in Meghalaya.

3.2 Eligible Sectors

- i. An indicative list of eligible infrastructure sectors and sub sectors, which would be governed by this Policy, are mentioned under Schedule I of the Policy.
- ii. An indicative list of 'Reserved sub-sectors' for Projects under Community Public Private Partnership (CPPP) mode are mentioned under Schedule II of the Policy.
- iii. Additional list of eligible infrastructure sectors, sub sectors and reserved sub sectors may be notified by Government of Meghalaya from time to time.

3.3 PPP Test

- i. All the infrastructure projects mentioned in Schedule I and Schedule II shall be subject to PPP test to ensure better value for money for the Government and Stakeholders.
- ii. If the PPP test suggests that the Project implemented through private participation offers better value for money for the public entity/ users/ Government relative to implementation under non-PPP mode, then it shall be developed as a PPP Project.
- iii. The Government of Meghalaya shall issue guidelines for subjecting the Projects, above a certain size in terms of project cost, investment or value of underlying assets, to the PPP test.

4 Regulatory and Institutional Framework

4.1 Regulatory Framework

- i. Government of Meghalaya recognises that institutionalising and expanding the scope of PPP in provision of infrastructure may necessitate appropriate changes in the existing legislative framework of the State. The specific legislative constraints for PPP would accordingly be reviewed and suitably addressed to ensure effectiveness of the Policy.
- ii. Government of Meghalaya recognizes that creation of infrastructure under the PPP mode calls for a reasonable assurance that competing facilities would not be created that would materially adversely affect the technical and financial viability of the Project. With this background in mind there would also be a responsibility for the Government to ensure independent regulation of such monopolistic situations to ensure that the interests of both users and service providers are kept in view.
- iii. Availability of unencumbered land in a time-bound manner is a critical pre-requisite for most infrastructure Projects. Government of Meghalaya intends to set in place suitable mechanism, for facilitating expeditious availability of land for such Projects. If found necessary, Government would also consider promulgating a specific legislation for expeditious acquisition of land for infrastructure Projects covered under this Policy.
- iv. Government of Meghalaya intends to set up independent regulatory authorities for some of the infrastructure sectors. The role of the regulator would include setting norms for entry and exit, tariff fixation, establishing standards for construction, operations and maintenance for the facilities/ services, revenue sharing between private partner and Government agency, strengthening the exit barriers – in terms of fixing bank guarantees, collateral or any such instruments to avoid unilateral exit of private partner during the Project term. However, setting up of the regulatory authorities would be decided based on the specifics of each sector.

4.2 Institutional Framework

- i. With a view to safeguard the existing socio-cultural fabric of the State, Government of Meghalaya proposes creation of two types of framework for developing Projects with the assistance of Private Sector Participation, namely 'PPP Institutional Framework' and 'Community PPP Institutional Framework'.

Respective provisions regarding each of the types are elaborated in the following sections:

4.2.1 PPP Institutional Framework

- i. All infrastructure projects not falling in the Reserved Sectors category or above the Threshold Limit or where Direct Community Participation is not involved shall be eligible to be developed through PPP mode.
- ii. The proposed structure for the PPP mode is a five-level structure with the 'Empowered Group of Ministers' (EGM) / 'Empowered Committee of Infrastructure' (ECI) as the final approving authorities at the top and the District PPP Cell at the bottom of the structure.
- iii. All PPP projects having Cost of Project / Investments or Value of Underlying Assets above Rs 50 crore shall be finally approved at the level of 'Empowered Group of Ministers' (EGM).
- iv. All PPP Projects having Cost of Project/ Investment or Value of Underlying Assets up to Rs 50 crore shall be approved at the level of 'Empowered Committee of Infrastructure'.
- v. In case of PPP Projects involving state financial support in any form, 'Empowered Group of Ministers' shall be the final approving authority.
- vi. State PPP Cell shall be the nodal agency for overall development and management of all PPP Projects other than CPPP Projects.
- vii. Community PPP Cell shall be the nodal agency for overall development and management of CPPP Projects.
- viii. Broad structure of the PPP Institutional Framework is enclosed as Schedule III in this Policy.
- ix. The Constitution and Role of various stakeholders under PPP Institutional Framework is discussed in the following sections.

4.2.1.1 Empowered Group of Ministers (EGM)

- Government of Meghalaya shall constitute an 'Empowered Group of Ministers' (EGM) under the chairmanship of the Honourable Chief Minister for approval of all infrastructure projects above Rs 50 crore being undertaken through PPP route and to act as the apex level authority for facilitating infrastructure development in the State.
- The EGM shall be assisted in execution of its roles and functions by the Empowered Committee of Infrastructure (ECI).
- **Constitution**
 - The EGM will consist of the following representative from the Government of Meghalaya:

Table 1. Constitution of EGM

Designation	Role
Fulltime Members:	
Chief Minister	Chairperson
Deputy Chief Minister of Meghalaya	Vice Chairperson
Minister of Planning	Member
Minister of Finance	Member
Minister of Law	Member
Minister of Public Works	Member
Chief Secretary	Member-Secretary
Invitee Members:	
Minister of concerned Line Ministry/ Department	Member

- **Functions**
 - The EGM will be the final authority for approving all projects having cost of project or investment or value of underlying assets above Rs 50 crore that are proposed to be developed under PPP Mode.
 - The EGM will also be the final authority for approving all projects involving any kind of state financial support irrespective of the category of projects namely PPP or CPPP and the above-mentioned limit of Rs 50 crore.
 - Other key roles of the EGM will include:
 - 1) Formulation and review of policy measures
 - 2) General administration of policy measures

4.2.1.2 Empowered Committee on Infrastructure (ECI)

- The ECI will be the final authority for approving all projects having cost of projects or investment or value of underlying assets less than or equal to Rs 50 crore that are proposed to be developed under PPP Mode as well as projects proposed to be developed under CPPP in the state.
- Empowered Committee on Infrastructure (ECI) shall be constituted consisting of a group of Secretaries under the Chairmanship of the Chief Secretary, Government of Meghalaya.
- The ECI shall act as a supervisory entity to the State PPP Cell and shall co-ordinate with State and Central Government agencies/ departments for achieving the policy goals and facilitate private sector investment in developing infrastructure and provision of various services through PPP / CPPP mode.
- **Constitution**
 - The ECI will consist of the following representative from the Government of Meghalaya:

Table 2. Constitution of ECI

Designation	Role
Full Time Members:	
Chief Secretary	Chairperson
Additional Chief Secretary Finance Department	Vice Chairperson
Commissioner & Secretary, Law	Member
Commissioner & Secretary, Planning	Member
Commissioner & Secretary, Revenue and Disaster Management	Member
Invitee Members:	
Commissioner & Secretary or Head of the Department of Line Department	Member

- The ECI shall be assisted in execution of its roles and function by the State PPP Cell.
- **Functions**
 - The ECI shall grant approval for all PPP projects having cost of project or investment or where value of underlying assets is less than or equal to Rs. 50 crore and recommend projects to EGM where the investments or value of underlying assets are above Rs. 50 crore. In addition, the ECI shall perform the following functions:

Table 3. Functions of ECI

S.No.	Function
A. Project Matters	
1)	Sanction PPP Projects, approval of developer selected through competitive bidding and approval of concession agreements for PPP projects involving cost of project or investment or where value of underlying assets is up to Rs. 50 crore
2)	Deliberate and recommend to EGM the final bids for approval of the projects having cost of project or investment or value of underlying assets above Rs. 50 crore
3)	Recommend projects for Viability Gap Funding to Government of India
4)	Deliberate and recommend to EGM any special grants and concessions for ensuring financial viability of the projects
5)	To inspect, visit, review and monitor any PPP Project regarding its implementation, execution, operation, and management
B. Policy Matters	
6)	Coordinate the efforts of other departments for furtherance of the objectives of this Policy
7)	Frame and issue guidelines to the state PPP cell for undertaking PPP initiatives
8)	To be the driver for policy, regulatory and any relevant changes as required.
9)	Recommend enactment of special legislation for formation of appropriate regulatory mechanism, and robust grievance redressal mechanism as may be required for the project
C. Technical & Implementation Matters	
10)	Adopt and approve Model Concession Agreements for various sectors
11)	Approve specific service levels for the Private Partner in consultation with the project initiating department and ensure formulation of Agreement between the Private Partner and project initiating department
12)	Review progress of projects/ programmes undertaken under PPP and analyse the achievements with respect to the targets, both financial & physical and decide on corrective actions, if required
13)	Dispute resolution
D. Financial Matters	
14)	Sanction and authorize expenditure by departments for PPP projects
15)	Sanction funds out of Project Development Fund for undertaking project development activities
16)	Manage the "Meghalaya Infrastructure Development Fund (MIDF)" proposed to be created to facilitate infrastructure development.
E. Other Functions	
17)	Ensure appropriate capacity building initiatives are undertaken at various levels for successful execution of PPP Projects.
18)	Ensure appropriate auditing and monitoring standards are developed and maintained in order to ensure highest standards of transparency and accountability.
19)	To constitute, from time to time, committees/sub-committees from amongst its various experts/members and/or staff of the PPP Cell and assign specific responsibilities.

4.2.1.3 State PPP Cell

- The State PPP Cell will be a dedicated agency for appraisal and evaluation of Infrastructure projects being undertaken in the PPP mode (other than on CPPP mode) in Meghalaya. The PPP Cell will function as part of Meghalaya Infrastructure Development Finance Corporation Ltd. (MIDFC), housed under the Planning Department.

- The State PPP Cell would manage all activities related to policy, technical, legal, environment and such other matters related to PPP projects other than CPPP Projects. It would also assist the ECI in undertaking the functions specified under this policy.
- **Constitution**
 - The State PPP Cell will be headed by Commissioner & Secretary, Planning Department, Government of Meghalaya and will be adequately staffed.
 - The PPP Cell may also engage consultants on a need basis.
- **Functions**
 - The State PPP Cell will be the nodal agency to receive the proposals in respect of the PPP projects and place them before the ECI for consideration and approval.
 - State PPP Cell would set out the process for scrutinizing and clearing all investment proposals, assist in framing guidelines for assessing the feasibility of private investment, set in place standard procurement documents and framework agreements, and assist the Government/ Government Agencies in the procurement of developers.
 - State PPP Cell would also facilitate the Government/ Government Agencies, to develop and implement Infrastructure Projects in the PPP in an expeditious manner.
 - The State PPP Cell will be supported by dedicated units, each performing a specific function to achieve the policy goals, and which complement the various functions of the ECI. The units and their broad roles are given below:

Table 4. Functions of State PPP Cell

Project	Policy	Finance	Technical	Implementation	Environment
Assist Line Departments in Project Preparation, Prefeasibility, In-principle stage	Policy and Programme Design	Evaluate & Recommend for State Support	Develop guidelines/ Draft standard procurement documents	Project implementation, monitoring and review	Assess compliance with Environmental rules/ regulations
Review of project structuring and final approval	Policy & Programme Evaluation & Review	Administrative support to ECI for Infrastructure Fund related activities	Monitoring of Bid Process Management/ Appointment of project developers	Post award contract review and supervision	Assist and guide the line departments in obtaining environment clearances
Appointment of External Consultants for appraisal and monitoring	Knowledge Repository & Capacity Building	Facilitating Multilateral/ Bilateral Funding and Externally Aided Projects	Project appraisal and evaluation	Bottleneck redressal/ Dispute resolution	Assist in sustainable development of infrastructure projects

- The detailed functions of the State PPP Cell are as below:

Table 5. Functions of State PPP Cell

S.No.	Function
A.	Project
1)	Prioritise projects to be undertaken and create an inventory of projects to be taken up for implementation
2)	Guide different government departments/agencies in matters pertaining to pre-feasibility reports, and detailed feasibility reports.
3)	Guidance to line department in appointment of advisors for preparation of feasibility reports and transaction advisory services.
4)	Resolve issues relating to project approval process
5)	Advise ECI and/or EGM on project related matters and give recommendations or suggestions
6)	Identify inter-sectoral linkages and critical projects in different sectors requiring immediate attention
7)	Develop evaluation guidelines to assess the projects and determine whether they are to be funded by the State Government, and/or through private sector participation.
B.	Policy
8)	Assist ECI in the development of PPP/ CPPP policies and programmes, and make suitable recommendations to the Government for its consideration and adoption
9)	Co-ordination of policy level initiatives with government departments/ agencies
10)	Identify and recommend solutions for issues in the institutional framework that are likely to impede investments and/or private sector participation
11)	Act as the nodal agency for capacity building for PPP / CPPP in the state through training programs at various levels.
12)	Act as knowledge repository for PPP / CPPP projects in the state
C.	Finance
13)	Evaluate and recommend to ECI financial support under the Viability Gap Fund Scheme
14)	Recommend projects for grant of viability gap fund or other state support under the relevant scheme(s) of Government of India
15)	Formulate and recommend any legislation/ rules, if required for creation, administration and monitoring of the project development and/or infrastructure development fund.
16)	Recommend the requirement of multilateral/bilateral funding for furthering the objectives of the Policy.
D.	Technical & Environment
17)	Assistance to ECI and EGM for evaluation of all Infrastructure Project proposals to be implemented through PPP
18)	Monitor the competitive bidding process and provide for course correction, if required
19)	Review scale and scope of a project undertaken through Swiss-Challenge Approach and to recommend modifications of, if required and give recommendation to ECI
20)	Review periodically the status of clearances including environmental clearances
21)	Develop model documents/agreements for the Infrastructure Sectors
22)	Review and monitor compliances with Environmental rules/ regulations
E.	Implementation
23)	Not being inconsistent to other applicable laws, prescribe time limits for clearances for any project and assist the concessionaire in obtaining statutory and other clearances and approvals in a timely manner
24)	Make recommendations in matters of promoting of infrastructural projects needing Central Government interventions or clearances
25)	Review and monitor PPP projects during implementation, execution, operation and management phase.
26)	Recommend appropriate regulatory mechanism / robust grievance redressal and dispute resolution mechanism as per requirement of the project

4.2.1.4 *Line Department PPP Cell*

Line department PPP Cells shall be formed in various line departments of Government of Meghalaya to support the State PPP Cell in PPP related matters.

➤ **Constitution**

- The line department PPP cell shall consist of a nodal officer of the level of Joint Secretary who would be supported by adequate staff.

➤ **Functions**

The functions of the Line Department PPP Cell will be as follows:

- Act as an initiator for PPP projects in the state.
- Act as the Concessioning Authority for all PPP projects to be implemented in the state.
- Prepare pre-feasibility report in coordination with state PPP cell either in house or with the help of external consultants
- Request for in-principal approval for PPP Projects from state PPP cell
- Appoint Transaction Advisor for preparation of feasibility report and bid process management related activities
- Get approval on feasibility report & bid document developed by Transaction Advisors from State PPP cell.
- Initiate the bid process management
- Evaluate and recommend for approval of the outcome of the bid process to State PPP cell
- Issue Letter of Intent along with Draft Concession Agreement to selected bidder
- Finalizing and signing of Concession Agreement with selected bidder
- Assist State PPP Cell in review and monitoring of progress of the PPP project.

4.2.1.5 *District PPP Cell*

District PPP Cells shall be formed at the District level, to co-ordinate and facilitate the implementation of infrastructure projects, including facilitation for obtaining clearances and approvals on a PPP route.

➤ **Constitution**

- These district level cells shall be chaired by the Deputy Commissioner of the concerned district.
- If required the District Committee may invite officers of appropriate rank, nominated by the line department, as well as up to 3 representatives from the private sector.

➤ **Functions**

- Assist line departments in initiation of PPP Projects.
- Assist line departments in implementation of the PPP projects by facilitating approvals and clearances at the ground level.
- To facilitate user feedback on matters related to PPP projects.
- To assist in dispute resolution process on need basis.

4.2.2 Community Public Private Participation (CPPP) Institutional Framework

- i. All Projects up to the Threshold Limit / having Direct Community Participation as per pre-approved package or model concession framework / falling under the Reserved Sub Sectors shall be eligible to be developed under the Community PPP mode.
- ii. 'Threshold Limit' for CPPP Project shall be decided through a consultative process by the Empowered Committee of Infrastructure (ECI).
- iii. An indicative list of 'Reserved sub-sectors' for Projects under Community Public Private Partnership (CPPP) mode is mentioned under Schedule II of the Policy.
- iv. The framework for development and management of CPPP Projects is a three-level structure which has the 'Empowered Committee of Infrastructure' (ECI) at the top and the 'Project Committee' at the bottom level.
- v. ECI shall be the final approving authority for CPPP Projects, except in cases where State Financial Support through VGF or any other means is involved, in which case the Empowered Group of Ministers (EGM) will be the final approving authority.
- vi. ECI will have the right to delegate final approval authority to the 'CPPP Cell' in case of those CPPP Projects where Cost of Project / Value of Underlying Assets / Investments do not cross a particular sub limit within the overall decided threshold limit or have Direct Community Participation as per pre-approved package or model concession framework.
- vii. 'CPPP Cell' shall play the role of facilitating respective Projects on behalf of the communities / individuals in Meghalaya and shall be their interface for the purpose of various operational and other interactions with the Private Sector Participant.
- viii. The CPPP Cell, under technical consultation of the concerned line department, shall be the initiator of the CPPP Projects. The CPPP Cell shall appraise, evaluate, and recommend them to the ECI seeking its final approval to the Project.
- ix. Involvement of the Communities and individuals in the CPPP Projects could be as 'Landowners' and as 'Farm Producers'. While the Landowners will contribute land in the Project, the Farm Producers will provide the required raw material (services in case of Services-Oriented Projects) to the CPPP Project.
- x. In case of CPPP projects, land will be taken on lease from the landowners (individuals / communities) by the CPPP Cell and shall then further sub lease the land to the Private Sector Participant.
- xi. The operational part of the CPPP Project shall be handled through a 'Project Committee' whose creation shall be project specific and shall have due representation, as members, from the Community and Individuals involved in the Project.
- xii. This Project Committee shall also act as an 'Aggregator and Supervisor' of the CPPP Project.
- xiii. Broad structure of the CPPP Institutional Framework is enclosed as Schedule IV of this Policy.

- xiv. The Constitution and Role of Community PPP Cell and Project Committee is discussed in the following sections.

4.2.2.1 Community PPP Cell

The Community PPP projects shall be implemented by Community PPP Cell which will work in direct consultation with Project Committee & respective line departments of Government of Meghalaya.

➤ Constitution

- The Community PPP cell will consist of the following members:

Table 6. Constitution of Community PPP Cell

Designation	Role
CEO, MIDFC	Chairman
Nodal Officer from Planning Department	Member
Nodal officer from Line Department PPP cell	Invitee Member

➤ Functions

The key roles of Community PPP Cell shall include:

- Identify, conceptualise, and prioritise Community PPP projects to be undertaken for implementation, ensuring their conformance to the State & Community development objectives.
- Co-ordinate with State PPP Cell (for common issues related to policies, state assistance to PPP projects etc) and respective line departments (for technical consultation).
- Act as the concessioning authority (in specific cases) or coordinate with Concessioning Authority (respective line departments) for CPPP projects to be implemented in the state.
- Act as the initiator of the CPPP project in the state and prepare feasibility report on the Project.
- To recommend to ECI for approval of feasibility report
- To run the process of appointing Transaction Advisor & recommend to ECI for approval of the bid documents developed by the Transaction Advisor.
- Initiate the bid process management.
- Evaluate and recommend for approval of the outcome of the bid process to ECI
- Issue Letter of Intent along with Draft Concession Agreement to selected bidder
- Finalizing and signing of Concession Agreement with selected bidder
- Coordinate and deal with Community/ Individual landowners, involving negotiations on terms and conditions on which the land would be leased out for proposed CPPP projects
- Facilitate the ground coordination between project stakeholders (involving landowners, individual farm producers) and the project developer, to ensure successful project implementation

- Facilitate working of the Project Committee in the capacity of a nodal officer
- Facilitate obtaining of statutory approvals and clearances at the ground level
- Assist in review and monitoring of progress of the PPP project.
- Be the single point of contact for concessionaire for all project related issues (including land and payment of lease rentals thereon)
- Ensure land availability via identification, pooling and leasing of land from community / individual landowners for further sub leasing to Project Developer
- Review and monitor CPPP projects during implementation, execution, operation, and management phase.
- To supervise handover process of the SPV and the project assets at the end of the concession period.
- Dispute Resolution for CPPP projects

4.2.2.2 Project Committee

This committee shall be formed at the project level and shall act as a common platform for the landowners and farm producers to come together and take collective decisions on project related issues.

➤ Constitution

- The Executive council /Management committee shall comprise of:

Table 7. Constitution of Project Committee

Designation	Role
Nodal Officer (CPPP Cell)	Committee President / Chairman
Elected representative of Landowners & Farm Producers who have offered their land on lease and have agreed for contract farming as per project requirement	Vice Chairperson
Operations Manager – Elected member from farm producers (Aggregation of farm produce and transportation to project site)	Member
Cashier – Elected member of farm producers (Cash collection and disbursement amongst members pro – rata basis production contribution)	Member

- The committee shall comprise of all farm producers who have committed their produce for the project and landowners who have given their land on lease for the project. The landowners can also contribute their produce to the project, depending on the project requirements and their farm produce (if any).

➤ Functions

Main role of the committee thus constituted, shall be:

- Act as single contact point for Project Developer – for raw material procurement from contracted farmers and revenue sharing with the farmers.
- Coordinate production aggregation from farmers and disbursement of revenue proceeds to farmers based on their production contribution.

- Facilitate interactions and coordination of project stakeholders with CPPP Cell
- Facilitate project expansion and incremental production capacities for improving project feasibility.
- Assist CPPP Cell in matters related to dispute resolution amongst members in case project related issues arise.
- Manage handover process for project ownership from SPV back to the project members.

5 Procedural Framework

5.1 Contractual Structures

- i. A transparent process would be followed in the award of all PPP contracts.
- ii. The process of Project implementation would be appropriately backed by contractual arrangements.
- iii. The Government of Meghalaya would develop contractual frameworks to allow for equitable allocation of risks between the contracting parties, considering the legitimate concerns of developers. The attempt would be to allocate risks to the party best suited to bear the risks.
- iv. In case a model contract for a Sector has not been adopted or in case there are deviations proposed vis-à-vis the approved model contract for a Sector, then, the Empowered Committee on Infrastructure will formulate or approve the principles/ contract terms as the case may be.
- v. Empowered Committee on Infrastructure may allow special terms in Contractual Structures in case of Community PPP Projects depending on the requirement on a case to case basis.

5.1.1 Contractual / Implementation Structures for Existing Infrastructure Assets

The contractual / implementation structures for existing Infrastructure Assets would include the following:

- a. Management of the whole or part of the Assets by private operators through
 - I. Operations & Maintenance (O&M) contracts for pre-determined periods.
 - II. Lease of assets/Area Concession.
 - III. Rehabilitate, Operate, Maintain and Transfer (ROMT) contracts.
- b. Sale of whole or part of the Asset
- c. Partial or full divestiture of the Undertaking

5.1.2 Contractual / Implementation Structures for New Infrastructure Assets or Projects

- i. Depending on the nature of the Project, the contractual structures/ agreements used for new Projects would include, inter-alia:
 - a. Build & Transfer (BT)
 - b. Build-Lease-Transfer (BLT)
 - c. Build-Own-Lease-Transfer (BOLT)
 - d. Build-Transfer-Lease (BTL)
 - e. Build-Transfer-Operate (BTO)
 - f. Build-Operate-Transfer(BOT)/Design-Build-Finance Operate-Transfer (DBFOT)

- g. Build-Own-Operate-Transfer(BOOT)/Design-Build-Own-Operate-Transfer(DBOOT)
 - h. Build-Own-Operate(BOO)
 - i. Build-Operate-Share-Transfer (BOST)
 - j. Build-Own-Operate-Share-Transfer (BOOST)
 - k. Build-Own-Lease-Transfer (BOLT)
 - l. Hybrid Annuity Model (HAM)
 - m. Rehabilitate Finance Operate Transfer (RFOT)
- ii. Explanation for the above-mentioned contractual / implementation structures has been given under Schedule V of the Policy.

5.1.3 SPVs

- i. Wherever appropriate, Government/Government Agencies may participate in the equity structure of any SPV for the development and implementation of infrastructure Projects.
- ii. The equity structure of the SPV would be decided on a case-to-case basis.
- iii. The selection of the private sector participant for participating in the SPV would follow the Procurement Process as set out in clause 5.2 of the Policy.

5.2 Procurement Process

- i. Government would evaluate all proposals received for any infrastructure Project. Government may also choose to appoint suitable external advisors or consultants, wherever necessary, for the purpose of evaluation.
- ii. To facilitate expeditious project implementation, Government would endeavour to conclude the evaluation process for all Infrastructure Projects within 90 days from the date of submission of the final proposal.
- iii. In the case of suo-moto proposals, Government would decide to proceed with the bidding process within 180 days from the submission.
- iv. Government would endeavour to provide all necessary State-level clearances and enable implementation of any infrastructure Project being taken up through PPP within 180 days from the date of submission of the final proposal for such Project.
- v. All contracts would be awarded on the basis of a transparent process, under the ambit of the extant procurement policy of the State or under a "Swiss Challenge" format as set out in clause 5.2.4 or any other policy as stipulated by the Government from time to time.
- vi. In all cases, the award criteria would be spelt out upfront.

- vii. The stages in the procurement process could be single stage or multi-stage, depending on the size or level of complexity of the Project. For this purpose, Government may use the services of empanelled consultants /advisers empanelled by State or Central Government.
- viii. Separate guidelines will be issued by Government for handling single bid and speculative bids.

5.2.1 Stages in the Procurement Process

Key stages in the Procurement Process would include:

- a. In-principle approval of the Project
- b. Expressions of interest (EOI)/ Request for Qualifications (RFQ)
- c. Approval of RFP and Draft Concession Agreement
- d. Request for Proposals (RFP)
 - I. Technical and Financial Proposals
- e. Technical and Financial evaluation of bids
- f. Selection of PPP Partner(s)
- g. Signing of Agreements

5.2.2 Prequalification Parameters

The initial selection criteria would be based on the following pre-qualification parameters

- a. Financial strength of the bidder as indicated by net worth, average turnover over past three years, asset base, or any other parameter as decided by the Government.
- b. A minimum number of full-time skilled employees.
- c. Should have undertaken a minimum number of development / construction Projects (of specified value) in that sector.
- d. Track record of successful completion of Projects in that sector.

5.2.3 Criteria used for Selection of Projects

The criteria used for Selection of Projects would include objective, technical and financial parameters, such as:

- a. Level of service, quality of assets offered.
- b. Lowest present value of Viability Grant support
- c. Lowest quantum of land
- d. Lowest present value of asset-based support from the Government.
- e. Highest share (or present value) of revenue
- f. Lowest unit value or present value of payments by Government of Meghalaya
- g. Highest upfront payment (or present value of upfront payments).
- h. Highest present value of future payments
- i. Lowest concession period
- j. Lowest unit value or present value of user fees
- k. Highest premium on (or present value of) equity shares offered

I. Best Value for Money proposed

5.2.4 Swiss Challenge/ Suo Moto Proposals

- i. A Private Sector Participant (Proposal Initiator) may submit a Swiss Challenge / Suo-moto innovative proposal (Original Proposal) to Government / Government Agency for setting up an infrastructure Project containing the following:
 - a. Articulation of the public need for the Project
 - b. Requisite technical details, i.e., details of alignment / site, estimates of cost, etc.
 - c. Cost incurred by the Proposal Initiator for the development studies related to the Project.
- ii. Swiss challenge or Suo-moto proposals will be governed as per the Swiss Challenge guidelines issued by Government of Meghalaya on 7th July, 2020 vide reference no. FEA. 67/2020/02.

5.3 Procedure for Selection and Approval of PPP Projects

5.3.1 Project Identification/ Conceptualization

- i. For PPP Projects :
 - a. For PPP projects, the State Government Departments/Agencies, through their respective Line Department PPP Cell, in consultation with State PPP Cell shall identify/conceptualize infrastructure projects to be developed in the State through PPP mode and prepare a shelf of projects.
 - b. Concerned department will move the proposal with a concept note for inclusion in the shelf of Projects.
 - c. Approval (In principle & Final) for shelf of Projects will be obtained from EGM / ECI.
- ii. For Community PPP Projects :
 - a. For CPPP projects, the Community PPP Cell (CPPP Cell) in consultation with Line Departments shall identify/conceptualize infrastructure Projects to be developed in the State through CPPP mode and prepare a shelf of Projects.
 - b. CPPP cell will move the proposal with a concept note for inclusion in the shelf of projects.
 - c. Approval (In principle & Final) for shelf of Projects will be obtained from ECI.

5.3.2 Preparation of Preliminary Feasibility Report

- i. Line department or PPP Cell will prepare the preliminary feasibility report for the identified Projects.
- ii. The preliminary feasibility report should establish the need for the projects to be undertaken in PPP mode, contours of the Project, rough Project cost estimation, cost benefit analysis and indicative commercial viability of proposed Project.
- iii. Preliminary feasibility report will then be submitted to the State PPP Cell along with other details in the formats that will be prepared for the purpose by the State PPP Cell.
- iv. On receipt of the preliminary feasibility report and other information from the concerned Department, the State PPP Cell will forward the same to Finance Department, Planning & Programme Implementation Department, and other line Departments for their comments to be submitted within 30 days.
- v. The PPP Cell will then place proposal along with the comments of these Departments before the Empowered Committee on Infrastructure (ECI) for its approval.
- vi. The Empowered Committee on Infrastructure shall review the proposal based on its merit and either grant in-principle approval for projects or recommend the

proposal to the Empowered Group of Ministers (EGM) for grant of in-principle approval.

5.3.3 Initiator and Final Approving Authority

i. Broad categories of PPP Projects based on Investment / Project Cost is given below:

- PPP Projects with Investments / Value of Underlying Assets / Project Cost of Less than Rs Five Crores
- PPP Projects with Investments / Value of Underlying Assets / Project Cost of Rs Five Crores or more and less than Rs Ten Crores
- PPP Projects with Investments / Value of Underlying Assets / Project Cost of Rs Ten Crores or more and less than Rs One Hundred Crores
- PPP Projects with Investments / Value of Underlying Assets / Project Cost more than Rs One Hundred Crores

ii. Project Approval Process for above categories of Projects is as follows:

Table 8. Project Initiator & Approving Authority

Investment / Cost of Project or Underlying Assets	Initiator	Approval From				Final Approval
		CPPP Cell	State PPP Cell	ECI	EGM	
(Rs. Crores)		CPPP Cell	State PPP Cell	ECI	EGM	
(1). CPPP Projects:	CPPP Cell in technical consultation with line department					
(a). Less than Rs. 5 Cr.		Yes	NA	No	No	State PPP Cell
(b). Rs. 5 Cr or more and less than Rs. 10 Cr.		Yes	NA	Yes	No	ECI
(c). CPPP Projects Involving State Support						EGM
(2). PPP Projects:	Line Department					
(a). Rs. 10 Cr or more and less than Rs. 50 Cr.		NA	Yes	Yes	No	ECI
(b). Rs. 50 Cr. or More		NA	Yes	No	Yes	EGM
(c). PPP Projects Involving State Support						EGM

5.3.4 Definition of Investment / Cost of Project

(a). Revenue Generating Commercial Projects

Investment / Cost of Project shall include the value of estimated capital investment on civil construction, procurement of equipment, furniture, fixtures, vehicles or any other equipment, physical asset required to be installed or procured for the Project, project development expenses, financing and other incidental charges.

(b). Non-revenue Generating Projects, Efficiency enhancement/ Cost Savings Projects (Management or Service Contracts or Engineering, Performance-based O&M Contracts and Annuity Based Contracts)

Investment / Cost of Project shall include:

- i. The value of estimated capital investment by the private partner to be incurred on civil construction, procurement of equipment, furniture, fixtures, vehicles or any other equipment, physical asset required to be installed or procured for the Project, project development expenses, financing and other incidental charges

AND/ OR

- ii. Estimated present value of grant (capital/ revenue), annuity payable by the Government to the private partner throughout the Concession Period.

5.3.5 Preparation of Project Feasibility Report

- i. On obtaining in-principle approval of the requisite authority, the respective government department/agency shall appoint an advisor for preparation of feasibility report for the PPP Project. Feasibility report should specifically indicate cost benefits of the Project considering social and environmental factors.
- ii. In case of CPPP Projects, the CPPP cell, on obtaining in-principle approval of the requisite authority shall appoint an advisor for preparation of feasibility report for the project. Feasibility report should specifically indicate cost benefits of the Project considering social and environmental factors.

5.3.6 Appointment of Transaction Advisor

- i. Preparation of feasibility report, preparation of various contractual, concession and bid documents and assisting the Department in selection of investor, shall be done through the transaction advisers, shortlisted by the Line Departments/State PPP Cell/ Government of Meghalaya.
- ii. It should however be ensured that the transaction adviser selected for the Project will not act as consultant/facilitator to any of the prospective bidders to avoid conflict of interest. The bid process shall be fully transparent and conforming to best practices in the Sector.

5.3.7 Setting up of Special Purpose Vehicle

- i. There would be Projects requiring substantial amount of land and other statutory clearances which is not only time consuming but requires constant follow up by competent professionals.
- ii. These clearances need to be transferred to the selected developer at a later date.
- iii. It will be preferable to take up project development activities in respect of such Projects by setting up a SPV.

5.3.8 Selection of Developer

- i. Selection of developer will be made through open and transparent Competitive Bidding process.
- ii. Before floating bids, the approval of Empowered Committee on Infrastructure will be obtained for the bidding criteria and bid process.

5.3.9 Approval of Developer

- i. The outcome of the bidding process along with required particulars in the formats to be devised by PPP Cell for the purpose will be submitted to the PPP Cell.
- ii. On receipt of the proposal from the concerned Department, the PPP Cell will forward the same to Finance Department, Planning & Programme Implementation Department and other line Departments for their comments to be submitted within specified time limit.
- iii. The proposal along with the comments of the Departments will be placed before Empowered Committee on Infrastructure or Empowered Group of Ministers through Empowered Committee on Infrastructure depending upon the investment requirement for final approval before award of the Project to the developer.
- iv. On approval of the developer, the SPV formed for the Project will be transferred to the developer.
- v. In cases where bidding criteria is based on the Viability Gap Funding (VGF) the procedure laid by Government of India, Ministry of Finance, in the VGF scheme will be followed.

5.3.10 Cases where initiator of the PPP Project are Local Bodies

- i. Urban Local Bodies (ULB's) shall take approval from their respective boards and forward the Proposal through their Administrative Department such as Urban Development Department and shall follow project approval process as per clause 5.3 of this Policy.
- ii. Rural Local Bodies (RLB's) shall take approval from their respective boards of Hill Councils/ Village Committees and forward the Proposal through their Administrative Department which shall follow project approval process as per clause 5.3 of this Policy.

5.3.11 Cases where initiator of the PPP Project are Government owned companies, institutions, joint ventures etc.

Government entities shall be allowed to bypass the prescribed approval process in this Policy on a case to case basis subject to approval from competent authorities.

6 State Support

- i. It will be the endeavour of Government of Meghalaya to create a conducive environment for attracting investment to infrastructure sector through the PPP mode.
- ii. Accordingly, the State Government would be open to providing adequate state support based on the need for balancing adequate cost recovery with social needs and regional development.
- iii. The state support would be provided both in fiscal and non-fiscal forms to all Projects falling in the ambit of this Policy to the extent it would serve the purpose.
- iv. In case of Projects where the Government agency or implementing authority directly awards a Project to a contractor following a standard procurement process, but not under a specific concession structure as described in clause 5.1 of this Policy, no incentives and concessions would be available under this Policy. However, additional support to Community PPP projects may be provided on a case to case basis depending upon the requirement.
- v. It shall be the endeavour of the Government to ensure that the subsidies are direct and transparent.
- vi. Actual concessions/ incentives and funding support under the Policy will be separately decided and notified by the Government from time to time.
- vii. Various forms of state support to be provided by government of Meghalaya would be as under:
 - A. Political Support** – State Government would give a commitment that the PPP project and its assets will not be nationalized during the concession period without adequate compensation.
 - B. Administrative Support** - State Government shall offer necessary administrative support to all the infrastructure Projects developed in the State, which would include:
 - a) Providing state level statutory clearances within specified time limits after the Project is sanctioned in favour of Developer.
 - b) Automatically grant non statutory State level clearances if a Project meets specifications as may be prescribed.
 - c) To facilitate obtaining Central Government clearances as may be required for the Project.

- d) To facilitate all rehabilitation & resettlement activities in case so required as per Rehabilitation and Resettlement Policy of the State Government including shifting of utilities wherever required.

Or

Undertake all rehabilitation & resettlement activities and recover the cost from Developer.

- e) To facilitate the process of availing benefits under various Central Government and State Government schemes (as may be applicable) to enhance the viability of Project under implementation.
- f) To provide power and water at Project site.

C. Land Related Support –

Acquisition of land is one of the most important requirements of any infrastructure Project. Timely acquisition at a reasonable premium adds to the viability of the Project.

- a) Based on the above if in case of any PPP Project the land is under private or community ownership, Government of Meghalaya will either acquire the land and make it available to the Developer or facilitate the land for the Project on leasehold basis for the duration of the project concession period.
- b) In case of CPPP Projects, land shall be taken on lease from the landowners and shall be sub leased to the developer for the proposed Project.
- c) Government land shall be made available to the developer on leasehold basis for the duration of the project concession period.
- d) Government owned land may be provided to the Developer, subject to availability, at concessional rates.
- e) Annual lease charges shall be as specified by the State Government from time to time.
- f) All arrangements relating to land lease shall be subject to the Meghalaya Transfer of land (Regulation) Act, 1971.

D. Legislative Support –

Necessary legislative support as and when found to be required shall be provided by the Government.

E. Fiscal Support –

I. Incentives and Concessions

- a) Government of Meghalaya will formulate sector specific policies wherever required for providing specific incentives & concessions as well as establish mechanism for tariff setting, pricing, arbitration, safety, and operational standards etc.

II. Subsidies

- a) Government of Meghalaya will be open to providing subsidies across specific sectors to support investment from private sector wherever a need shall be felt.
- b) Wherever subsidy is necessitated for social/regional needs, it shall be the endeavour of the Government to ensure that such subsidies are direct and transparent.
- c) In all other cases, it shall be the endeavour of the Government to price services to commensurate with the real costs of service provision and sustainability of the Project.

III. Viability Gap Fund

- a) Government of Meghalaya would sponsor the Project for release of Viability Gap Fund from Government of India.
- b) In addition to the Viability Gap support from Central Government, Government of Meghalaya may also provide additional Viability Gap support to help the emergent infrastructure Project attain viability and get implemented.
- c) The quantum of total Viability Gap support shall be determined after clearly and explicitly taking in to account all costs of the projects and incentives/ concessions/ subsidies and including any other financial incentive granted under any other sector policy or scheme of the State Government, Central Government, Central Government Agency, and State Government Agency.

IV. In addition, several of these Projects would continue to be eligible to enjoy tax benefits under the Income Tax Act, 1961, as delineated by the Government of India.

V. The above benefits shall not be available to procurements made under Swiss-Challenge route.

VI. Extent of fiscal support to be provided by the state government will be one of the selection criteria whenever such support is to be provided.

F. Foregoing of Revenue Streams

Concessions covered under the above category are as follows:

- I. Concession on Stamp Duty on transfer of land
- II. Concession on conversion charges on land

G. Project Development / Infrastructure Development Fund –

- On the lines of other states in India, Meghalaya will also need to encourage development of infrastructure through PPP in Meghalaya with state financial support both at the evaluation and the implementation stages.
- Accordingly, a 'Project Development Fund' (PDF) to the tune of Rs 25 crore is proposed to be setup for supporting PPP Project Development Activities in the state such as feasibility studies, Environmental Impact Assessments, legal reviews, documentations, capacity building, hiring of consultants and experts, research, bid process management, etc.
- The above fund may be setup independently by the state (through a budgetary support) or jointly with any Central Level Infrastructure Development Agency and / or any Multilateral Funding Agencies.
- The state government would initially assume the cost incurred on the above-mentioned studies / activities and would later recover full or part of the same from the successfully bided / developed PPP projects in the State.
- The PDF shall be administered by the Empowered Committee on Infrastructure (ECI), chaired by Chief Secretary of Meghalaya.

7 Monitoring, Evaluation and Dispute Redressal Framework

For an effective implementation of the PPP program, a robust monitoring, evaluation and assessment framework would be developed and put into place.

7.1 Monitoring and Evaluation

- i. The Monitoring & Evaluation framework will involve a two-tier mechanism for monitoring and evaluating PPP Projects.
- ii. The PPP cells within each line department will have a Project Monitoring Unit (PMU) which would be responsible for monitoring and evaluation of the respective PPP Project.
- iii. State Performance Review Unit (PRU) will be set up at the state level the State PPP cell under the aegis of ECI.
- iv. A proper reporting structure in the form of reports and updates shall be designed to facilitate proper monitoring and evaluation of all the PPP Projects.
- v. All the Departments / Agencies carrying out PPP projects will provide information/data to the PMU regarding the latest development about ongoing implementation of Project.
- vi. The State PRU will be responsible for the overall monitoring and evaluation of all Projects in the State and would review the PPP Project Monitoring Reports submitted by the different PMUs and oversee or initiate action for rectifying any defaults or lapses.
- vii. The Monitoring Reports for each project would include compliance of contract terms, adherence to timelines, assessment of performance, remedial measures, and imposition of penalties.

The key roles to be undertaken under Monitoring and Evaluation framework in this regard are discussed below:

7.1.1 Project Monitoring

Under the project monitoring, the key roles to be undertaken would include:

- i. Identify and design programme monitoring tools in the form of standard documents, spreadsheets, and project plan templates.
- ii. Support development of capacity building guidelines for departments and project teams in the field of monitoring and evaluation.
- iii. Ensure financial and physical monitoring of individual projects, track deviations and identify key action areas for resolution.

- iv. Setting up and administration of a process for reporting progress on key project metrics. For this the State PPP Cell may need to enrol an agency for rolling out the Monitoring and Evaluation framework.
- v. Setting up process for facilitating documents for review/ sign-off of all the projects under PPP initiatives of the State.

7.1.2 Project Evaluation and Impact Assessment

Under the project evaluation and impact assessment the key roles to be undertaken by the State PPP Cell would include:

- i. Support development of capacity building guidelines for departments and project teams in the field of project evaluation and impact assessment.
- ii. Ensure that individual project evaluation and impact assessment is undertaken for all Projects.
- iii. Preparing and circulating a project reference guideline for participating departments in topical subjects such as drafting Service Level Agreements, etc.
- iv. Setting up process for facilitating project evaluation and impact assessment which will include enrolment of consultants/ organizations for carrying out project evaluation and impact assessment and engaging third party for data collection, base lining and assessing performance.

7.2 Redressal of Disputes

- i. In the event of a dispute, both parties (Government Department and Developer) will make sincere attempt to resolve the dispute amicably.
- ii. If both the parties fail to reach a settlement, the matter will be referred to Empowered Committee on Infrastructure who will try to resolve the dispute in terms of various agreements/concession failing which the matter will be dealt with under the provisions of Indian Arbitration and Conciliation Act, 1996 or as per the provisions of the concession agreement.

8 Generic Risk Disclosures

- i. Projects are subject to various types of risks during the development, construction, and operations periods. In a PPP framework, these risks are typically assigned to the Parties best able to handle them.
- ii. The Government Agency or the Local Authority will, as far as possible, disclose Generic Risks involved in a Project and a list of such Generic Risks along with allocation and treatment of such Generic Risks may be provided in the Concession Agreement or other contract to be entered into between the Government Agency or the Local Authority and the Developer.
- iii. The Government Agency or the Local Authority will make optimum disclosure of the Generic Risks, however if any risk is not disclosed due to inadvertence or due to circumstances beyond the control of the Government Agency or the Local Authority, then the same shall not be a ground for any claim, demand or dispute by the Developer.
- iv. Indicative list of Generic Risks has been enclosed as Schedule VI of the Policy.

9 Protection of Stakeholder Rights

The rights of the users, developers, the local community, and lenders, together referred to as stakeholders shall be protected. The various mechanisms considered may include:

- i. Providing adequate legislative and administrative support for successful and timely implementation and operation of the project while safeguarding the interest of local communities.
- ii. Providing adequate legislative and administrative support for levy and collection of user charges.
- iii. Adopting, adapting, and developing MCAs and incorporating in all project documents the requisite clauses for protection of the rights of all stakeholders.
- iv. Structuring of concession agreements incorporating service standards, revenue streams and levy of equitable user charges also providing for exempt category of users wherever applicable.
- v. Setting up of robust dispute redressal mechanism which would facilitate an unbiased and effective handling of all disputes in a time bound manner.
- vi. Ensuring that stakeholder consultations are made primary requirement in project approval requirements.
- vii. Providing timely information under Right-to-Information Act, 2005.

10 Duration and Review of Policy

- i. This policy would come into force with effect from the date of issue of Government notification and would be effective till the formulation of a new PPP Policy.
- ii. There would be a mid-term review of this Policy every three years based on a critical assessment of feedback from stakeholders, and changes in scope that are deemed necessary and desirable, would be incorporated at that stage.
- iii. The evaluation of the policy to assess its effectiveness as well as its review will be done by the PPP Cell under aegis of Empowered Committee on Infrastructure. While conducting evaluation or review of the policy, the committee shall have the freedom of engaging the services of external agency to assist such evaluation or review.

11 Model Bid Documents by Govt. of India

- i. Government of India has brought out several model bid documents for various sectors. The State will adopt them and suitably modify for PPP Projects to be undertaken in the State.
- ii. The State will consider policies and rules on PPP as and when formulated by Government of India.

Schedules

Schedule I

List of Eligible Sectors under the Policy

S.No.	Sector	Indicative Sub-Sectors
1.	Agriculture	<ol style="list-style-type: none"> 1. Agriculture and horticulture markets. 2. Floriculture parks and markets. 3. Agro-food processing and allied infrastructure (including common-user cold storage facilities). 4. Agriculture and horticulture <ol style="list-style-type: none"> a) Terminal storage b) Post-harvest storage infrastructure c) Logistics parks d) Warehouses. 5. Fisheries, Animal Husbandry Parks and Dairy infrastructure 6. Organic Farming and Indigenous seed development
2.	Education	<ol style="list-style-type: none"> 1. Knowledge City 2. Vocational Training 3. Skill Development 4. Science & Technology parks 5. E-Libraries
3.	Healthcare	<ol style="list-style-type: none"> 1. Infrastructure and facilities for healthcare <ol style="list-style-type: none"> a) Primary b) Secondary c) Tertiary 2. Nursing and Patient Care 3. Diagnostic Centers 4. Cardiac Centres 5. Geriatric Centers 6. Medical Education Infrastructure 7. Trauma & Rescue Centres 8. Rehabilitation and training centres for physically and mentally challenged persons
4.	Energy	<ol style="list-style-type: none"> 1. Renewable and non-conventional energy sources (Wind, Hydro, Solar, Tidal, Biomass and MSW)
5.	Industrial Infrastructure	<ol style="list-style-type: none"> 2. Industrial Parks (including Biotechnology, Information technology parks, etc.) 3. Special Economic / Free Trade and Export Promotion Zones. 4. Industrial Estates and Industrial Townships. 5. Food Parks

		6. Corridor Development <ul style="list-style-type: none"> a) Industrial Corridors b) Commodity Corridors 7. IT Services
6.	Public Markets	1. Infrastructure and facilities for Public Markets. 2. Marketing and Value Chains to promote handicrafts and produce from women and Especially abled persons
7.	Tourism	1. Amusement, Entertainment, Theme Park. 2. Hotels/Resorts. 3. Convention and Exhibition Centres. 4. Light & Sound Shows 5. Iconic Fairs and Festivals. 6. Cultural Centres. 7. Hospitality Districts 8. Special Tourism Region 9. Wellness/eco/wildlife Tourism 10. Museum 11. Adventure Sports related infrastructure
8.	Transportation and Logistics	1. Roads 2. Rope ways 3. Inland Water Transport. 4. Bus/ Truck/ Urban Transport Terminals 5. Warehousing infrastructure 6. Parking Facilities <ul style="list-style-type: none"> a) Surface Parking. b) Underground public parking facilities c) Multi-level parking facilities
9.	Urban Infrastructure	1. Township Development 2. Solid Waste/Bio-Medical Waste/Hazardous Waste 3. Energy Efficiency in Street Lighting 4. Urban Water Treatment and Supply projects 5. E-waste management 6. Urban Wastewater treatment projects 7. Sports Infrastructure
10.	Sports & Youth Services	1. Art & Culture Theatres 2. Playgrounds/ sports stadiums 3. Hostels/quarters. 4. Sports training centers and Gyms
11.	Housing	1. Low cost/EWS housing 2. Affordable housing

		3. Rental Housing for Labors
12.	Rural Development	<ol style="list-style-type: none"> 1. Rural Water Drinking Projects 2. Small multi-purpose reservoirs 3. Rural Tourism 4. Rural Markets, Warehousing, and logistics
13.	Mining	<ol style="list-style-type: none"> 1. Mining and mineral based industries and infrastructure development in mining areas
	Other Sector(s)	As decided and notified by the Government from time to time

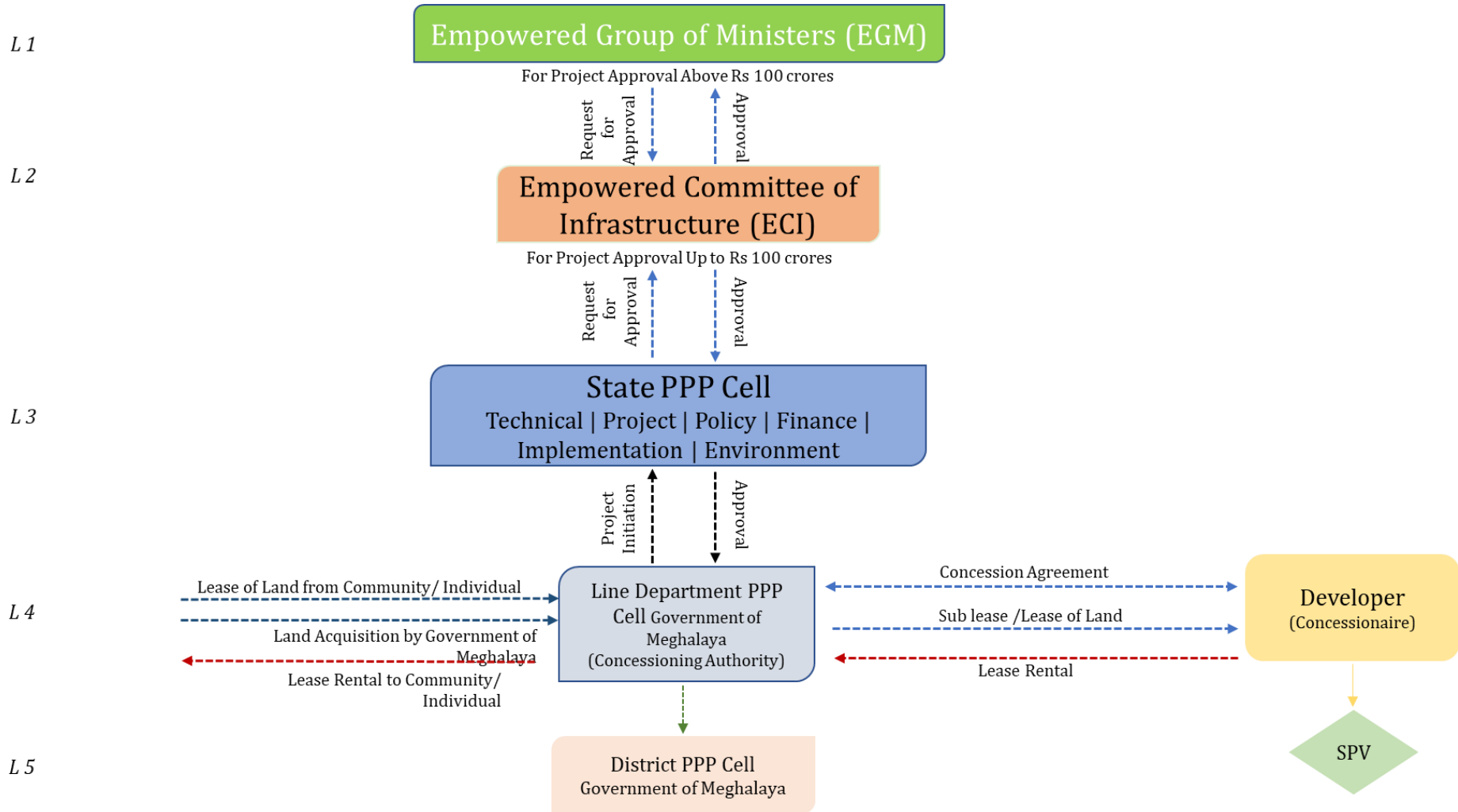
Schedule II

List of Reserved sub-sectors for Community Public Private Partnership (CPPP) under the Policy:

1. Agriculture and Food Processing
2. Tourism

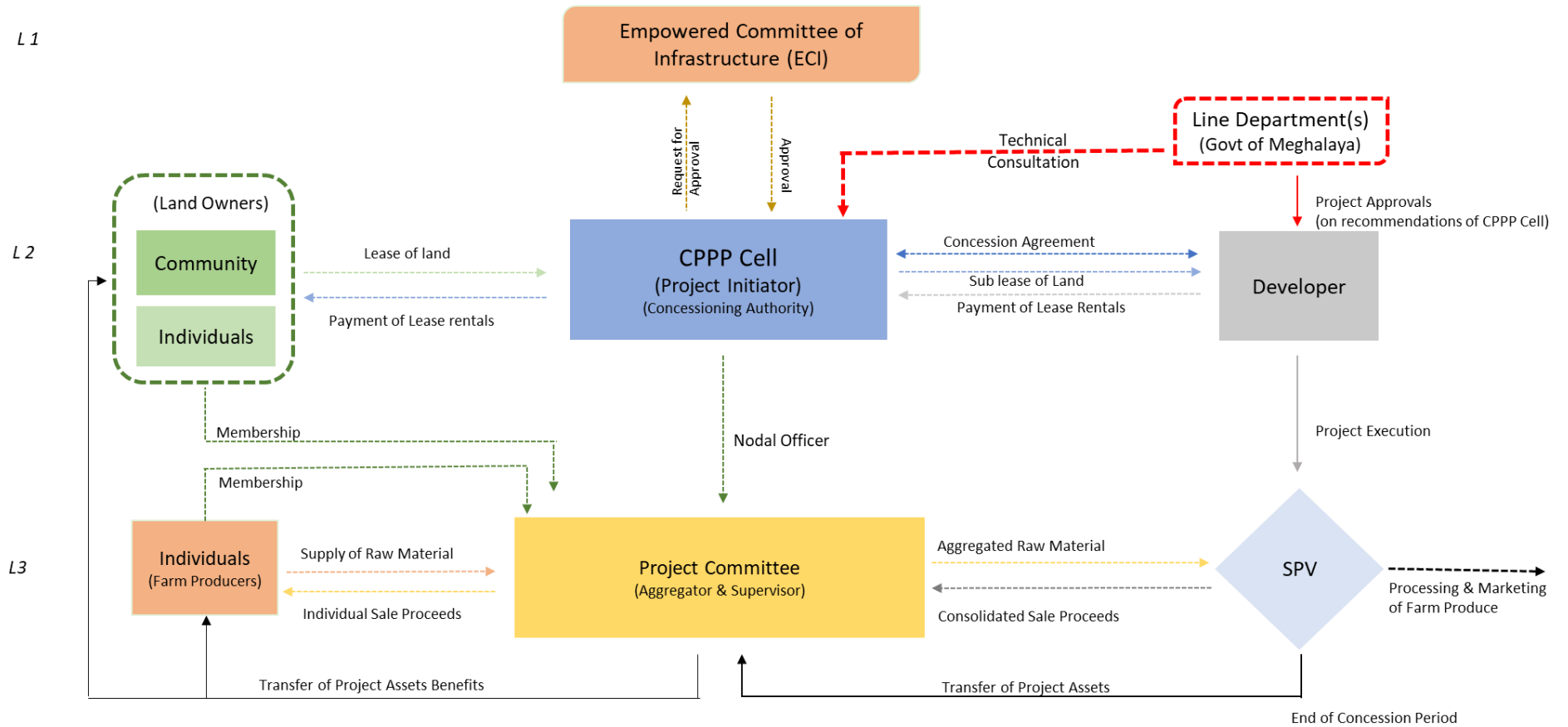
Schedule III

PPP Institutional Framework for Meghalaya



CPPP Institutional Framework For Meghalaya

Community PPP Structure
(for projects up to the threshold level or having Community Participation or From reserved Sub Sectors)



Schedule V

Contractual Structures

1. **Build own Operate and Transfer Agreement:** An agreement whereby the developer undertakes to finance, construct, maintain and operate a project and whereby such project is to vest in the developer for a specified period. During the period of operation of the project by the developer, he may be permitted to charge user charges as specified in an agreement. The developer is required to transfer the project to the State Government, the Government agency or, as the case may be, the specified Government agency after the expiry of the period of operation.
2. **Build Own Operate and Maintain Agreement:** An agreement whereby a developer undertakes to finance, construct, operate and maintain a project and whereby such project is to vest in the developer for specified period. During the period of operation of the project, he may be permitted to charge user charges as specified in the agreement.
3. **Build and Transfer Agreement:** An agreement whereby developer undertakes to finance and construct a project. After the completion of the project, the developer is required to transfer the project to the State Government, the Government agency or, as the case may be, the specified Government agency. The developer shall be paid such amount as is fixed in amortization schedule specified in the agreement.
4. **Build Lease and Transfer Agreement:** An agreement whereby a developer undertakes to finance and construct the project. On completion of the project, the developer hands it over to the State Government, the Government agency or, as the case may be, the specified Government agency for operation under a lease agreement for period specified in the agreement after the expiry of which the project stands transferred to the State Government, the Government agency or, as the case may be, the specified Government agency.
5. **Build Transfer and Operate Agreement:** An agreement whereby the developer undertakes to finance and construct the project. On completion of the project, the developer transfers the project to the State Government, the Government agency or, as the case may be, a specified Government agency which permits the developer to operate the project on its behalf for a period specified in the agreement.
6. **Lease Management Agreement:** An agreement whereby the State Government, the Government agency or the specified Government agency leases a project owned by the State Government, the Government agency or, as the case may be, the specified Government agency to the person who is permitted to operate and maintain the project for the period specified in the agreement and to charge user charges therefor.
7. **Management Agreement:** An agreement whereby the State Government, the Government agency or the specified Government agency entrusts the operation and management of a project to a person for the period specified in the agreement on payment of specified

consideration. In such agreement the State Government, the Government agency or, as the case may be, the specified Government agency may charge the user charges and collect the same either itself or entrust the collection for consideration to any person who shall after collecting the user charges pay the same to the State Government, the Government agency or, as the case may be, the specified Government agency.

8. **Rehabilitate Operate and Transfer agreement:** An agreement whereby an existing project is vested in a person to renovate, operate and maintain for the period specified in the agreement after the expiry of which the project is required to be transferred to the State Government, the Government agency or, as the case may be, the specified Government agency. During the period of operation of the project by the developer, he may be permitted to charge user charges as specified in the agreement.
9. **Rehabilitate own Operate and Maintain Agreement:** An agreement whereby an existing project is vested in a person to renovate, operate and maintain. The developer shall be permitted to charge user charges as specified in the agreement.
10. **Service Contract Agreement:** An agreement whereby a person undertakes to provide services to the State Government, the Government agency or the specified Government agency for a specified period. The State Government, the Government agency or, as the case may be, the specified Government agency shall pay him an amount according to the agreed schedule.
11. **Supply Operate and Transfer Agreement:** An agreement whereby a person supplies to the State Government, the Government agency or the specified Government agency 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 State Government, the Government agency or, as the case may be, the specified Government agency to operate the project.
12. **Joint Venture Agreement:** An agreement whereby the State Government, the Government agency 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 is required to be transferred to the State Government, the Government agency or, as the case may be, the specified Government agency.

Schedule VI

GENERIC RISKS

The Government Agency or the Local Authority will endeavour to disclose, allocate and provide for the treatment of the following risks in the Concession Agreement as may be applicable to a Project.

I. Construction Period Risks:

- i. Land Expropriation
- ii. Cost Overruns
- iii. Increase in Financing Cost
- iv. Time & Quality Risk
- v. Contractor Default
- vi. Default by the Developer.
- vii. Time, Cost & Scope of identified but related Work, and Variations.
- viii. Environmental Damage - Subsisting/Ongoing.

II. Operation Period Risks:

- i. Government Agency Default.
- ii. Developer Default.
- iii. Termination of Concession Agreement by Infrastructure Authority or Government or Government Agency.
- iv. Environmental Damage - Ongoing.
- v. Labour Risk.
- vi. Technology Risk.

III. Market & Revenue Risks:

- i. Insufficient Income from User Levies.
- ii. Insufficient Demand for Facility.

IV. Finance Risks:

- i. Inflation.
- ii. Interest Rate.
- iii. Currency Risk.

V. Legal Risk:

- i. Changes in Law.
- ii. Title/Lease rights.
- iii. Security Structure.
- iv. Insolvency of Developer.
- v. Breach of Financing Documents.

VI. Miscellaneous Risks:

- i. Direct Political Force Majeure
- ii. In-direct Political Force Majeure.
- iii. Natural Force Majeure.

- iv. Sequestration.
- v. Exclusivity.
- vi. Development Approvals.
- vii. Adverse Government Action/In Action.
- viii. Provision of Utilities.
- ix. Increase in Taxes.
- x. Termination of Concession by the Government.
- xi. Payment Failure by the Government.