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भारत सरकार/Government of India

पत्तन, पोत परिवहन और जलमार्ग मंत्रालय /Ministry of Ports, Shipping and Waterways  
(सागरमाला/Sagarmala)

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Dated: 05<sup>th</sup> April, 2023

**OFFICE MEMORANDUM**

**Sub: Revised Guidelines for funding under Sagarmala Programme- reg**

The undersigned is directed to forward herewith revised guidelines for funding of projects under Sagarmala Programme for information and necessary action.

2. The revised guidelines are applicable with effect from the date of issue of this OM.
3. This issues with the approval of Hon'ble Minister for Ports, Shipping and Waterways.

*Sanjay Kumar*  
5/4/2023  
(Sanjay Kumar)

Under Secretary to Government of India

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To,

1. Principal Secretary (Ports Department) of all Maritime State and UTs
2. Chairman, All Major Ports Authority
3. Chief Executive Officer, Gujarat Maritime Board, Maharashtra Maritime Board, Karnataka Maritime Board, Kerala Maritime Board, Tamil Nadu Maritime Board, Andhra Pradesh Maritime Board, Odisha Maritime Board, West Bengal Maritime Board
4. Captain of Ports, Government of Goa

5. Secretary (Ports), Andaman and Nicobar Island Administration, Dadra and Nagar Haveli and Daman and Diu Administration, Lakshadweep Administration.
6. CEO, NITI Aayog, New Delhi
7. Secretary, Ministry of Home Affairs
8. Secretary, Department of Expenditure, Ministry of Finance, Gol
9. Secretary, Department of Economic Affairs, Ministry of Finance, Gol
10. Secretary, Ministry of Road Transport and Highways, Gol
11. Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Gol.
12. Secretary, Department of Fisheries, Ministry of Fisheries, Animal Husbandry & Dairying, Gol
13. Secretary, Department of Water Resources, River Development & Ganga Rejuvenation, Gol
14. Secretary, Ministry of Rural Development, Gol
15. Secretary, Ministry of Civil Aviation, Gol
16. Secretary, Ministry of Steel, Gol
17. Secretary, Ministry of Coal, Gol
18. Secretary, Ministry of Skill Development and Entrepreneurship, Gol
19. Secretary, Ministry of Environment, Forests and Climate Change, Gol
20. Secretary, Ministry of Tourism, Gol
21. Secretary, Ministry of Defence, Gol
22. Secretary, Department of Higher Education, Gol
23. Chairman, Railway Board, New Delhi
24. Chairman, IWAI, Noida
25. Director General Shipping, Mumbai
26. Director General of Lighthouse & Lightship, Noida
27. Chief Engg, Andaman & Lakshadweep Harbour Works, Port Blair
28. CMD, Dredging Corporation of India
29. DG, Shipping Corporation of India
30. Chairman, National Shipping Board
31. CMD, Cochin Shipyard Limited, Cochin
32. VC, Indian Maritime University
33. MD, SDCL
34. MD, IRPRCL
35. Head, NTCPWC

Copy to:

1. PS to Hon'ble Minister for Ports, Shipping and Waterway
2. PS to Hon'ble Ministers of State for Ports, Shipping and Waterways
3. PPS to Secretary (PSW), MoPSW
4. PPS to AS&FA, MoPSW
5. PPS to Additional Secretary (Shipping), MoPSW
6. Joint Secretary (Sagarmala) / Joint Secretary (Ports)/ Joint Secretary (IWT)
7. Development Adviser, MoPSW
8. Statistical Adviser, MoPSW
9. Economic Adviser, MoPSW
10. PMT, Sagarmala

## **Guidelines for funding under Sagarmala Programme**

### **1. Background**

1.1. The Sagarmala Programme was launched with the approval of the Union Cabinet on 25<sup>th</sup> March 2015 with the objective of achieving rapid capacity expansion, modernization of seaports along India's coastline, development of inland and coastal navigation with the aim of promoting 'port-led development'. The Sagarmala programme is the flagship programme of the Ministry of Ports, Shipping and Waterways to promote port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. The main vision of the Sagarmala Programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment.

1.2 The objectives of the programme are port modernization & new port development, port connectivity enhancement, port-linked industrialization, coastal community development and coastal shipping & Inland Waterways transportation. As part of the programme, a National Perspective Plan, April 2016 (NPP) has been prepared for the comprehensive development of the coastline and maritime sector.

1.3. As part of the Sagarmala Programme, more than 800 projects are under various stages in the 5 focus areas and more projects can be considered during the course of the programme. Further, to bridge the gaps in infrastructure at the coastal areas and improve economic opportunity, Ministry has taken up plan to carry out Holistic Development of Coastal Districts and has identified 537 projects.

### **2. Objective of the Scheme**

2.1 The Sagarmala Scheme intends to achieve the broad objectives of enhancing the capacity of major and non-major ports and modernizing them to make them efficient, thereby enabling them to become drivers of port-led economic development, optimizing the use of existing and future transport assets and developing new lines/linkages for transport (including roads, rail, inland waterways and coastal routes), setting up of logistics hubs, and establishment of industrial and manufacturing centers to be served by the ports in EXIM and domestic trade. In addition to strengthening the port and evacuation infrastructure, it also aims at simplifying procedures used at ports for cargo movement and promotes usage of electronic channels for information exchange leading to quick, efficient, hassle-free and seamless cargo movement.

2.2 A prime objective of the Sagarmala project is to promote port led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively.

2.3 Projects under Holistic Development of Coastal Districts aims to promote a new age development of coastal region led by maritime & sea-based initiatives. The coastal community development focus area has projects pertaining to hospitals, coastal protection works, skill development, cruise terminal and marina, lighthouse tourism, maritime museums, religious tourism, ro-ro, ro-pax, beach development, passenger terminals and tourism circuits.

### **3. Implementation of projects through Sagarmala Development Company Limited (SDCL)**

3.1. As per the concept approved by the Cabinet, implementation of the projects shall be done by the Central Line Ministries, State Governments / State Maritime Boards and SPVs which may be set up at the State-level or port-level.

3.2. At the Central level, the Sagarmala Development Company Limited (SDCL) has been set up under the Companies Act, 2013 to assist the State level/zone level Special Purpose Vehicles (SPVs), as well as SPVs to be set up by the ports, with equity support for implementation of projects under Sagarmala to be undertaken by them. The formation of SDCL was approved by the Cabinet on 20th July 2016 and was incorporated on 31st August 2016. The implementation of the projects shall be done by the Central Line Ministries, State Governments / State Maritime Boards and SPVs and the SDCL will provide a funding window and/or take up only those residual projects that cannot be funded by any other means / mode. The SDCL will primarily provide equity support to the State-level or port-level SPV. Residual projects will include import / pilot/path breaking projects with high Economic Rate of Return (EIRR) but low Financial Rate of Return (FIRR).

3.3 All efforts would be made to implement these projects through the private sector and through the Public Private Participation (PPP) wherever feasible. The established guidelines and modality of appraisal and sanction of PPP projects shall be followed. The endeavor of the SDCL will be to increase the scope of participation of the private sector players for project development.

3.4. As per Cabinet approval, SDCL is being supported during initial years through budgetary allocation of Ministry of Ports, Shipping and Waterways from Union Budget to set up initial corpus / authorized share capital Projects for project funding through equity participation in SPVs. SDCL will also be raising funds as debt / equity (as long term capital) from multilateral and bilateral funding agencies, as per the requirements, in consultation with Department of Economic Affairs. The SPVs in which SDCL will invest may start giving dividend once they become profitable and will constitute a revenue stream. The expenses incurred for project development will be treated as part of the equity contribution of SDCL. In case SDCL is not taking any stake or the expenses incurred are more than the stake of SDCL, then it will be defrayed by the SPV to SDCL. SDCL may, in future, want to divest its investment in any particular SPV to recoup its capital for future projects.

3.5. At the State level, the State Maritime Boards / State Port Departments shall service the State Sagarmala Committees and also be, inter alia responsible for coordination and implementation of individual projects, including through SPV (as may be necessary) and oversight. The State Governments / SMBs shall implement such identified projects either from their own budgets or through SPVs wherein the SDCL may provide equity support, as may be required and necessary.

3.6. The preparation of DPRs of specific projects and subsequent action regarding their appraisal and sanction can be done by the relevant Central Line Ministries and State Governments and other agencies, where they are project proponents. For the other projects, SDCL may get the DPRS prepared and take further action to get them implemented.

3.7. Funds will be sought for the implementation of residual projects from time to time in the budgets of the respective ministries / departments which will be implementing the projects. The Ministries / State Governments / Maritime Boards shall implement such identified either from their own budgets or through SPVs wherein the SDCL may provide equity support, as may be required and necessary.

3.8. Projects considered for equity support under Sagarmala and to be financed by SDCL, will be independently appraised and approved by SDCL as per its procedure.

#### **4. Selection of projects for funding under Sagarmala Scheme**

4.1. Projects which are aligned to the objectives of Sagarmala Programme (port modernization & efficiency improvement, ports connectivity enhancement, port-led industrialization and coastal community development) will be considered. An illustrative list of the kind of development projects that could be undertaken in Sagarmala Scheme is annexed [**Annexure-I**]

4.2. Project proponent would be required to provide project document (Detailed Paper/DPR) with financial analysis duly approved by the competent appraising and administrative authorities. Generic structure of a Detailed Paper / Detailed Project Report is given at **Annexure II**. Appraisal of project should have inbuilt Business Model, Revenue Generation, Market Scenario for project viability etc.

4.3. Preference shall be given to those projects which are innovative, synergistic in nature aligned with the objectives of Sagarmala Programme and where land is being contributed by project proponent.

4.4. The projects proposed by the States / UTs may either be executed by Maritime Boards, Department of States / UTs, Central Government Agencies or by PSUs or other agencies of the State Government which are fully under the administrative control of the State Governments / UTs.

4.5. It is clarified that maintenance dredging, Operations & Maintenance (O & M) cost for the projects will not be covered under Sagarmala Programme. The assets created under the Scheme shall be maintained by the respective State Maritime Board/ State Government / UTs.

4.6 Projects should be submitted inclusive of all statutory taxes, levy (GST etc).

4.7 Priority shall be given to the projects where States / UTs have obtained the Statuary clearances viz. EC / CRZ etc and are ready for implementation.

4.8. The project which are costing more than 500 Cr. inter-alia having components of multimodal connectivity infrastructure, logistics, new industrial park, ICDs etc and have impact on logistics efficiency may be examined and vetted by NPG under Department for Promotion of Industry & Internal Trade (DPIIT), Government of India under PM Gati Shakti National Master Plan. If possible, project proponent may also explore for special financial assistance through Schemes of DPIIT / Department of Expenditure.

4.9. The projects related to coastal community development may be implemented in convergence mode with the schemes of other central line Ministries / Department.

## **5. Appraisal and approval of projects for funding under Sagarmala Scheme**

5.1. Projects considered for funding (other than equity support) under Sagarmala Programme's budget shall be appraised and approved under the extant instructions and guidelines of the Ministry of Finance. The format for appraisal is placed at **Annexure III**.

5.2 The concerned Major Port/ State Government (including State Maritime Board seeking assistance under the scheme will send a proposal along with Administrative Approval, confirmation of 50% funding by them duly approved by Competent Authority and timelines of seeking necessary statutory approvals.

5.3 Road and rail connectivity projects, already appraised and approved by the Ministry of Road Transport & Highways and Ministry of Railways respectively, will be considered as appraised projects. A representative of Ministry of Ports, Shipping and Waterways could be a member of the project appraisal committee, set up by the relevant Ministries.

5.4 The projects undertaken in convergence mode with the schemes of other central line Ministries / Department will be recommended by the concerned line Ministry / Department of Government of India, with clear sharing of funds under each scheme. Appraisal and approval of project undertaken in convergence mode will be in accordance with Memorandum of Understanding / consultations between the stakeholders Ministries/ Departments.

## **6. Project funding mechanism under Sagarmala Scheme**

6.1. Projects considered for funding under Sagarmala Programme will either be provided equity support (SPV route) from SDCL or funded (other than equity support) from the budget of Ministry of Ports, Shipping and Waterways.

6.2. Once the project is funded under Sagarmala Scheme after due appraisal and approval, to the extent and limits prescribed under the guidelines, fund shall be released once all the clearances are in place and upon award of work by the Implementation Agency.

6.3. No other guarantees will be provided to the projects considered for funding under Sagarmala Programme.

6.4. The fund contribution from Sagarmala Programme (from the budget of Ministry of Ports, Shipping and Waterways) in any project will be limited to 50 per cent of estimated project cost as per DPR or tendered cost, whichever is lesser. 50 per cent is the cap of assistance from all sources/schemes of Government of India and will be provided in four tranches of 20%, 30%, 30% and 20% based on project milestones. The balance expenditure has to be incurred by the respective Ports / concerned State Government (including Maritime Boards) from their own resources.

6.5. Second instalment equal to 30% of the share of the Ministry of Ports, Shipping and Waterways will be released only after achieving physical progress of 15% or more for the project and furnishing of Utilisation Certificate for 75% of the funds already released through first installment. The third instalment of 30 % of the share of the Ministry will be released only after achieving physical progress of 40% or more for the project and furnishing of Utilisation Certificate for 75% of funds already released through First and Second instalment.

6.6. Fourth and final instalment of 20% of the Central Government share shall be released upon completion of work subject to submission of Utilisation Certificate of entire earlier released amount and the completion certificate which must be countersigned by independent third party monitor / agency.

6.7. Fund recipients / project proponents may prefer request for release of funds in respect of fourth and final instalment before completion of work subject to the condition that 75 % of funds earlier released have been utilized and more than 70% physical progress have been achieved. In such case, Ministry shall release the final instalment after deducting 5% of the share of Ministry which shall be released upon completion of project and receipt of completion certificate duly countersigned by independent third party monitor / agency.

6.8. Fund recipients / project proponents may obtain the services of any of the following organisation / institution as a 3rd party agency for submission of completion certificate in respect of project funded under Sagarmala Programme:

- i. Indian Institute of Technology (IIT)
- ii. National Institute of Technology (NIT)
- iii. Central building Research Institute (CBRI)
- iv. Central Public Work Department (CPWD)

6.9 The cost of appointing and functioning of the 3rd party agency will be borne by the Ministry of Ports, Shipping and waterways.

6.10 In case of UTs, where no other sources of funding are available, the limit of 50 per cent could be relaxed.

6.11 Financial assistance may be provided for the preparation of DPRs for the projects under the Scheme. However, the cost of preparation of DPR for the project will be shared with the project proponent in the ratio of assistance decided for the project. In general case, financial assistance shall not be provided for PMT/PMC hired by the project proponent.

6.12 Ministry of Ports, Shipping and Waterways may provide 100% financial assistance for any project based on uniqueness, strategic nature, necessity, merits, financial condition of the Major Port, etc subject to the approval of Minister in charge of Ministry of Ports, Shipping and Waterways. Further, Studies/DPR/PFR/ Funding of ongoing Major Ports projects may be provided 100 % funding under Sagarmala Scheme with the approval of Minister in charge of Ministry of Ports, Shipping and Waterways

6.13. The fund released for a project being implemented in convergence mode with the schemes of other Central Line Ministries will not be higher than the approved ceiling of financial assistance under the concerned Central Sector Scheme (CSS).

6.14. Projects having high social impact but with no return or low Internal Rate of Return (IRR) (e.g. fishing harbour projects, coastal community skill development projects, coastal tourism infrastructure projects etc.) may be provided funding, in convergence with the schemes of other Central Line Ministries, for implementation under EPC mode.

6.15. Efforts would be made to implement the projects through the private sector and through Public Private Participation (PPP), wherever feasible

### **Equity Support**

6.16. The equity contribution from SDCL, in any project SPV, will be decided based on the project equity as per its DPR and will generally not exceed 49 per cent of the project equity. In this regard, the recommendations made in Para 6.2.9 of the report of the Committee on Revisiting and Revitalising Public Private Partnership Model of Infrastructure (**Annexure IV**), may also be kept in view.

6.17. SDCL can take equity contribution in existing or newly incorporated SPVs formed by State Governments/Maritime Boards/Ports etc. provided that these SPVs have projects which are ready for implementation.

6.18. SDCL can take equity in an existing or newly incorporated umbrella SPVs formed by State Governments/Maritime Boards/Ports etc. provided the same has been duly approved by the competent authority. SDCL's participation in the umbrella SPV would not restrain SDCL from taking part in any other project SPV created by the same State Governments/ Maritime Boards/Ports.

6.19. SDCL shall take only token equity to initiate/assist the process of project development in those SPVs which are scouting for projects or having projects under development stage only.

6.20. At an umbrella SPV level, it will always be difficult to ascertain the revenue flow from a particular project; therefore separate accounting for each project would be an important clause in the SPV contract document

## **7. Monitoring and evaluation of projects funded under Sagarmala**

7.1. Projects which are provided equity support (SPV route) by SDCL will be monitored by the SPVs as well as SDCL and Ministry of Ports, Shipping and Waterways through an appropriate monitoring and evaluation mechanism.

7.2. For projects which are provided funding (other than equity support)

i. The fund recipients / project proponents will submit monthly progress report (physical and financial) of projects as per the electronic format / MIS prescribed by SDCL. SDCL along with the fund recipients / project proponents will monitor the progress of projects based on the same.

ii. The fund recipients/ project proponents will submit the utilization certificate for the fund released in the previous tranche for claiming release of subsequent installments / tranches. The fund recipients / project proponents will maintain financial records, supporting documents, statistical records and all other records, to support performance of the project.

7.3 During the execution of the project, Ministry of Ports, Shipping and Waterways officials may inspect the projects funded under Sagarmala Scheme through designated team.

7.4 Implementing Agencies shall extend necessary support to agency entrusted by Government of India with monitoring and evaluation of projects funded under the Scheme.

## **8. Other points related to the guidelines**

8.1. These guidelines will be effective from the date of issue and are applicable to all projects considered for funding under Sagarmala Programme.

8.2 The funds will be released to the project proponents / Implementing Agencies in terms of procedure for flow of funds under Central Sector Scheme or guidelines issued by Ministry of Finance, Government of India from time to time.

8.3. All projects receiving funding support from Sagarmala Scheme must display Sagarmala logo prominently in the site locations and acknowledge that the project is developed under Sagarmala, in all the project related documents and branding material. All advertisements on the projects including tender advisement shall prominently display the logo of Sagarmala.

8.4 The board of entrance gate of each project funded under Sagarmala Scheme shall be covered around 25% by logo of Sagarmala and Ministry of Ports, Shipping and Waterways.

8.5 The project proponent shall give wide publicity to the project funded under Sagarmala through social media by uploading photographs and material on benefits of the projects.

8.6 The project proponent shall update the Sagarmala MIS portal on regular basis by 5<sup>th</sup> of every calendar month. Also, the data to uploaded and regularly updated on GatiShakti portal developed by BISAG-N.

8.7. If any doubt / clarification arises in the implementation of these guidelines, the decision of Ministry of Ports, Shipping and Waterways shall be final and binding.

8.8. The Government of India reserves the right to reject any project which, in its opinion, does not have sufficient socio or economic merits of short-term stimulus combined with long-term benefits to the economy.

8.9 Procedures being followed for securing port infrastructure against nature/mandate disasters like flood, cyclones, earthquakes, tsunamis, etc will also be followed in respect of infrastructure created under the Scheme.

8.10 The financial assistance given under the Scheme is subject to audit by CAG of India.

8.11 Ministry of Ports, Shipping and Waterways may relax any provision of the Sagrmala Funding Guidelines with the approval of Minister-in-charge of Ministry of Ports, Shipping and Waterways subject to proper justification recorded in writing.

**List of the kind of development projects that could be undertaken in Sagarmala**

- Port-led industrialization
- Port based urbanization
- Port based and coastal tourism and recreational activities
- Coastal shipping, inland waterways transportation and short-sea shipping
- Ship building, ship repair and ship recycling
- Logistics parks, warehousing, maritime zones/services
- Integration with hinterland hubs
- Offshore storage, drilling platforms
- Specialization of ports in certain economic activities such as energy, containers, chemicals, coal, agro products, etc.
- Offshore renewable energy projects with base ports for installations
- Modernizing the existing ports and development of new Ports
- Holistic development of islands and coastal districts
- Dredging / breakwater at major ports / non major ports / waterways
- Skill development, port hospitals, water treatment plants and warehouses
- Fish harbour / fish landing centres / floating jetties
- Coastal tourism projects such as development of beaches, cruise terminals, light house tourism, port & maritime museums including heritage sites, ropeways, Ro-Ro jetties and passenger terminals
- Coastal protection work
- Aerodromes and seaplane
- Floating assets like ships, etc.

**GENERIC STRUCTURE OF A DETAILED PAPER/DETAILED PROJECT REPORT**

**(i) Context/Background:** This section should provide a brief description of the sector/sub-sector as well as the national strategy and policy framework. This section should also provide a general description of the scheme/project being posed for appraisal.

**(ii) Problems to be addressed:** This section should elaborate the problem to be addressed through the project/scheme at the local/regional/national level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/survey/ reports etc.

**(iii) Aims and Objectives:** This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/deliverables expected for each development objective should be spelt out clearly.

**(iv) Strategy:** This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). Opportunities for leveraging government funds through public-private partnership or savings through outsourcing must be explored. This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed scheme/project.

**(v) Target Beneficiaries: There should be clear identification of target beneficiaries.**

Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of scheme/project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

**(vi) Legal Framework:** This section should present the legal framework, if relevant, within which the scheme/project will be implemented, as well as the strengths and weaknesses of the legal framework in so far as it impacts on achievement of stated objectives. (vii) Environmental Impact: Environmental Impact Assessment should be undertaken, wherever required, and measures identified to mitigate the adverse impact, if any. Issues relating to land acquisition, diversion of forest land, wildlife clearances, rehabilitation and resettlement should be addressed in this section.

**(viii) Technology:** This section should elaborate on the technology choices, if any; evaluation of the technology options, as well as the basis for choice of technology for the proposed project.

**(ix) Management:** Responsibilities of different agencies for project management or scheme implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out.

**(x) Finance:** This section should focus on the cost estimates, budget for the scheme/project, means of financing and phasing of expenditure. Options for cost sharing

and cost recovery (user charges) should be explored. Infrastructure projects may be assessed on the basis of the cost and tenor of the debt. • Issues relating to project sustainability, including stakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section.

**(xi) Time Frame:** This section should indicate the proposed zero date for commencement and also provide a PERT/CPM chart, wherever relevant

**(xii) Cost Benefit Analysis:** Financial and economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable. Such an analysis should generally be possible for infrastructure projects, but may not always be feasible for public goods and social sector projects. Even in the case of latter, the project should be taken up for appraisal before the PIB and some measurable outcomes/deliverables suitably defined.

**(xiii) Risk Analysis:** This section should focus on identification and assessment of implementation risks and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

**(xiv) Outcomes:** Success criteria to assess whether the development objectives have been achieved should be spelt out in measurable and quantifiable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Similarly, it is essential that base-line surveys be undertaken in case of large, beneficiary-oriented schemes. Success criterion for scheme deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals.

**(x) Evaluation:** Evaluation arrangements for the scheme/project, whether concurrent, mid-term or post-project should be clearly spelt out. It may be noted that continuation of schemes from one period to another will not be permissible without a third-party evaluation.

Last but not the least, a self-contained Executive Summary should be placed at the beginning of the document. In cases where only a Concept Paper or Feasibility Report is attached to the EFC/PIB proposal, it should cover the main points mentioned in the generic structure above.

## Format for Appraisal of Projects

### 1. Project Outline

- 1.1 Title of the Scheme.
- 1.2 Sponsoring Agency (Ministry/Department/Autonomous Body or Undertaking)
- 1.3 Proposed Cost of the Project
- 1.4 Proposed timelines for the Project
- 1.5 Whether Project will be implemented as part of a scheme or on stand-alone basis?
- 1.6 Whether financial resources required for the Project have been tied up? If yes, details?
- 1.7 Whether Feasibility report and/or Detailed Project Report has been prepared?
- 1.8 Whether the proposal is an Original Cost Estimate or a Revised Cost Estimate?
- 1.9 In case of Revised Cost Estimated, whether the meeting of Revised Cost Committee has been held and its recommendations suitable addressed?
- 1.10 Whether any land acquisition or pre-investment activity was under-taken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project Proposal?
- 1.11 Whether the proposal is secured against natural / man-made disasters like floods, cyclones, earthquakes, tsunamis, etc. If the proposal involves creation/modification of structural and engineering assets or change in land use plans, disaster management concern should be assessed, and specifically commented upon.
- 1.12 (a) Whether the project has components of logistics or infrastructure connectivity?  
(b) If yes, whether the project proposal has been examined by Network Planning Group (NPG) for convergence and integration at the conceptualisation or feasibility study stage.  
(c) Recommendations of NPG along with action taken by the Ministry may be annexed as part of PIB/DIB note and confirmation that the project has been reflected on the PM Gati Shakti platform.

### 2. Outcomes and Deliverables

- 2.1. Stated aims and objectives of the Project

2.2. Indicate year-wise outputs / deliverables for the project in a tabular form.

Activities	Year 1		Year 2 & so on			
	Physical	Financial	Physical	Financial	Physical	Financial

2.3. Indicate final outcomes for the project in the form of measurable indicators which can be used for impact assessment / evaluation after the project is complete. Baseline data or survey against which such outcomes would be benchmarked should also be mentioned.

### 3. Project Cost

3.1. Cost estimates for the project along with schedule duration (both year and activity-wise). Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old)

3.2. In case land is to be acquired, the details of land cost, including cost of rehabilitation / resettlement needs to be provided.

3.3. In case pre-investment activities are required, how much is proposed to be spent on these, with details activity-wise?

3.4. Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?

3.5. Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?

3.6 In case of the Revised Cost Estimated, a variation analysis along with the Report of the Revised Cost Committee needs to be attached.

### 4. Project Finance

4.1. Indicate the sources of project finance: budgetary support, internal and extra-budgetary sources, external aid, etc

4.2. Indicate the cost components, if any, that will be shared by the State Governments, local bodies, user beneficiaries or private parties?

4.3. In case of funding from internal and extra-budgetary resources, availability of internal resources may be supported by projections and their deployment on other projects?

4.4. Please indicate funding tie-ups for the loan components, if any, both domestic and foreign, along with terms and conditions of loan based on consent/comfort letters.

4.5. If government support/loan is intended, it may be indicated whether such funds have been tied up?

4.6. Please provide the leveraging details, including debt-equity and interest coverage ratios, along with justification for the same.

4.7. Mention the legacy arrangements after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created?

### 5. Project Viability

5.1. For projects which have identifiable stream of financial returns, the financial internal rate of return may be calculated.

5.2. In case of projects with identifiable economic returns, the economic rate of return may be calculated. In such cases project viability will be determined by taking both financial and economic returns together.

5.3. In case of proposals where both financial and economic returns are not readily quantifiable, the measurable benefits/outcomes simply may be indicated.

### 6. Approvals and Clearances

Requirement of mandatory approvals / clearances of various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.). In case land is required, it may be clearly mentioned whether the land is in the possession of the agency free from encumbrances or encroached or stuck in legal resources?

	Approvals/Clearances	Agency concerned	Availability (Y/N)

### 7. Human Resources

7.1. Indicate the administrative structure for implementing the project. Usually creation of new structures, entities etc. should be avoided

7.2. Manpower requirement, if any and posts (permanent or temporary) that are intended to be created.

7.3. In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

### 8. Monitoring and Evaluation

8.1. Indicate the Project Management / Implementing Agency (s). What agency charges are payable, if any?

8.2. Mode of implementation of individual works: Department/Item-rate/Turnkey/EPC/Public Private Partnership etc.

8.3. Please indicate timelines of activities in PERT/Bar Chart along with critical milestones.

8.4. Please indicate the monitoring framework, including MIS, and the arrangements for internal/statutory audit.

8.5. Please indicate what arrangements have been made for impact assessment after project is complete.

## **Annexure - IV**

Para 6.2.9 of the report of the Committee on Revisiting and Revitalising Public Private Partnership

Model of Infrastructure:

"The DEA may issue guidance material on Government participation in JV-SPVs that implement PPP projects. In general, such participation may be discouraged, save for well articulated strategic reasons so as to enable independence in functioning of the company to gain from private sector efficiencies while being at arm's length from the government. It would also avoid the possibilities of conflict of interest for government officials. Where it is felt that active involvement of government is absolutely essential for clearly defined strategic reasons, it may be restricted to minority participation with limited liability for government officials on the board of the SPVs. The decision for such participation may be taken at a sufficiently high level and in no case at a level lower than secretary to government in case of central sector projects and principal secretary to government for state projects"