



PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub: Revised Policy on PPP for Infrastructure Projects in Karnataka -2018.

- Read:**
1. G.O No.IDD 01 UIP 1997 dated: 26.12.1997.
 2. G.O No.IDD 32 IDM 1997 dated: 16.07.2007.
 3. Corrigendum Order No. IDD 59 ITS 2009 dated:31.05.2010 & 16.08.2010.
 4. Govt. Notification No.IDD 59 ITS 2009 dated: 01.06.2010 & 02.06.2010.
 5. Govt. Order No. IDD 07 ITS 2010 dated: 08.08.2011.
 6. Govt. Notification No.IDD 59 ITS 2009 dated: 19.05.2012.
 7. Govt. Order No.IDD 07 ITS 2013 dated:30.10.2015.

Preamble:

The State Government brought a separate Infrastructure Policy for Infrastructure Development during 1997, vide G.O read at Sl no(1) which were revised during 2007 vide G.O read at Sl no (2) and in G.O no.IDD 07 ITS 2013, dated: 30.10.2015. In the current scenario with the change in guidelines by the Department of Economic Affairs, Government of India and considering developmental trends in the market, the need for formulating a new policy with updations in the institutional framework, structuring mechanism of the projects and other relevant updations has been felt essential.

2. Karnataka is embarking upon an infrastructure led development strategy. Clearly recognising the need to develop high quality infrastructure as a means to achieve rapid economic growth and keeping in view the current economic scenario, the Government of Karnataka (GoK) has formulated a comprehensive and well-designed “PPP Policy for Infrastructure Projects-2018”.

I. The key objectives of the Karnataka “PPP Policy for Infrastructure Projects-2018” include the following:

- a. To increase the quality and quantity of infrastructure through the implementation of a multi-year infrastructure agenda.
- b. To focus on recognizing and embracing the key role of Public-Private Partnerships (PPP) in enhancing infrastructure development.
- c. To provide a fair and transparent policy framework to facilitate and encourage Public-Private Partnerships (PPP) in the upgrading, expanding and development of infrastructure in the State
- d. To put in place successful PPP implementation models.
- e. To facilitate private sector investments in infrastructure by improving domestic investment environment.

II. The Salient Features of the new Karnataka PPP Policy for Infrastructure Projects-2018 include the following:

- a. The sanction limit for the Single Window Agency for PPP projects under the Chairmanship of the Chief Secretary to Government constituted at the State level to be **increased to Rs 500 Cr from existing Rs.50 Cr.**
- b. Facilitate financing of project development and implementation through Infrastructure Initiative Fund, Indian Infrastructure Project Development Fund” (IIPDF)” and “National Investment and Infrastructure Fund” (NIIF) along with its “Karnataka Infrastructure Project Development Fund” (KIPDF) which may be placed under the control and supervision of KSIIDC.
- c. Monitoring and evaluation of the policy would be done at the State level by the State High Level Clearance Committee under the Chairmanship of Hon’ble Chief Minister.

- d. An Empowered Committee will be constituted by the Government, under the Chairmanship of the Additional Chief Secretary, Infrastructure Development Department to facilitate coordination and planning from various departments and thereby make recommendations to State High Level Clearance Committee regarding the development of policies, directives, manuals and guidelines in a timely manner for taking mid-course corrections.
- e. Infrastructure Development Department (IDD) will be the nodal agency for all the infrastructure projects across the 14 sectors taken on PPP mode. All PPP projects to be implemented in the State by various Departments, agencies and State Corporations will be sent to IDD for vetting and advice.
- f. IDD with the assistance of KSIIDC will develop multi-year Action Plans detailing the strategies and implementation plans for each of the fourteen infrastructure sectors clearly setting out the role for PPP.
- g. IDD and KSIIDC would be duly strengthened with staff having appropriate skills to enable it to co-ordinate and integrate the necessary procedures and processes for facilitating Government/Government Agencies in expeditious project approval and implementation.
- h. KSIIDC, under the administrative control of IDD, shall play a key supportive role by assisting IDD in all its major project development, implementation and monitoring functions.
- i. KSIIDC will setup a suitably designed **information management system** to seek information from various project implementation departments/agencies to compile the aforesaid quarterly reports.

- j. Infrastructure Development Department(IDD) shall handhold all the PPP projects in the State till award of the project and also during implementation period. The main role of IDD will be:
- i. to establish a Policy Wing to manage all activities related to policy, technical, legal and such other matters related to PPP projects. The Policy Wing will be managed by suitably qualified and experienced persons.
 - ii. to act as a nodal agency to the Government Departments /Agencies in the development of PPP policies and programme and make suitable recommendations to the Government for its consideration and adoption;
 - iii. to monitor the competitive bidding process and suo-moto proposals and provide for course correction, if required;
 - iv. to setup an Appraisal Cell to make recommendations in matters of promotion of infrastructural projects needing central Government interventions or clearances.
 - v. to decide financial support under the Karnataka Viability Gap Fund Scheme and approve allocation of the Fund for Projects;
- k. Capacity would also be built up in Government Departments/Government agencies at the State and district levels to formulate and implement infrastructure projects on PPP basis. Services of empanelled consultants/advisors may be hired by the respective Departments/Government agencies for structuring of PPP projects and submit to IDD for approval.

1. The administrative control of KSIIDC, which is at present under Commerce & Industries Department will be transferred to Infrastructure Development Department for providing the above mentioned services.
- m. Other updations to be made in the Policy as per the current trends in the market and Government of India guidelines on PPP projects.
3. The proposal for a Revised Policy on PPP for Infrastructure Projects in Karnataka- 2018 has been examined and hence this order.

Government Order No. IDD 14 ITS 2018

Bangalore dated: 17.03.2018

Under the circumstances explained in the preamble the Government of Karnataka are pleased to announce the Revised Infrastructure Policy as detailed in Annexure – I to this order supported by Schedule-I (Evaluation of Risks and Risk mitigation) and Schedule – II (Institutional Roles and Responsibilities).

1. The detailed scope of services of the IDD as nodal agency for PPP projects in the State is stated in Schedule II (Institutional Roles and Responsibilities) of the Infrastructure Policy, 2018 at Annexure-I
2. Sanction of the Government is also accorded to transfer the administrative control of Karnataka State Industrial and Infrastructure Development Corporation from the Commerce and Industries Department to Infrastructure Development Department with immediate effect.

3. The Department of Personnel and Administrative Reforms will issue necessary directions to KSIIDC as per Karnataka Government (Allocation of Business) Rules 1977 in this regard.

4. This order issues with the concurrence of Finance Department in vide note No 1141, dated:17.02.2018 and Commerce and Industries Department in vide note dated: 17.02.2018 and in accordance with rule 28 of First Schedule to Karnataka Government (Transaction of Business) Rules 1977.

By order and in the name of the
Governor of Karnataka

Venkatesh Murthy M.
(M. Venkatesh Murthy)

Under Secretary to Government
Infrastructure Development Department
Tel: 080-2203 4063

To:

The Compiler, Karnataka Gazette with a request to publish in the next Special Gazette and send 500 copies to Infrastructure Development Department, Room No. 08, Ground Floor, Vikasa Soudha, Bangalore.

Copy to:

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2. The Principal Accountant General (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bangalore-01.
3. The Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bangalore-01.
4. The Additional Chief Secretary to Government and Development, Commissioner, Vidhana Soudha, Bangalore.
5. All Additional Chief Secretaries/Principal Secretaries/Secretaries to Government
6. The Commissioner, Bruhat Bangalore Mahanagara Palike [BBMP], NR Square, Bangalore

7. The Commissioner, Directorate of Urban Land Transport [DULT], BMTC TTMC, 'B' Block, 4th floor, KH Road, Shanthinagar, Bangalore.
8. The Commissioner & Director, DMA, 9th Floor, Visveswaraya Main Tower, Dr Ambedkar Road, Bangalore
9. The Commissioner for Industrial Development and Director of Industries & Commerce, Khanija Bhavan, No. 49, Race Course Road, Bangalore
10. The Commissioner, Bangalore Development Authority [BDA], Kumara Park, Bangalore.
11. The Commissioner, Health & Family Welfare Dept, Ananda Rao Circle, Bangalore
12. The Managing Director, Karnataka State Finance Corporation Ltd [KSFC], KSFC Bhavan, Thimmaiah Road, Bangalore
13. The Managing Director, Karnataka Power Transmission Corporation Ltd [KPTCL], Cauvery Bhavan, Bangalore
14. The Managing Director, Karnataka Power Corporation Ltd [KPCL], Shakti Bhavan, Race Course Road, Bangalore
15. The Managing Director, Karnataka Renewable Energy Development Ltd [KREDL], No. 39, Shanthi Gruha, Bharat Scouts and Guides Building, Palace Road, Bangalore
16. The Managing Director, Karnataka State Road Transport Corporation Ltd [KSRTC], KH Road, Shanthinagar, Bangalore.
17. The Managing Director, Bangalore Metropolitan Transport Corporation Ltd [BMTC], KH Road, Shanthinagar, Bangalore.
18. The Managing Director, Karnataka Road Development Corporation Ltd [KRDCL], No.16/J, Miller tank, Thimmaiah Road, Bangalore 560052.
19. The Managing Director, Karnataka State Tourism Development Corporation Ltd. [KSTDCL], Khanija Bhavan, Bangalore.
20. The Managing Director, Karnataka Urban Infrastructure Development & Finance Corporation Ltd. [KUIDFC], "Nagarabhivridhi Bhavana", No. 22, 17th F Corss, Binnamangala 2nd stage, Old Madras Road, Indiranagar, Bangalore 560038
21. The Managing Director, Karnataka Urban Water Supply and Drainage Board [KUWSDB], #6, Jal Bhavan, Bannerghatta Road, Bangalore.
22. The Managing Director, Bangalore Water Supply and Drainage Board [BWSSB], Cauvery Bhavan, KG Road, Bangalore.
23. The Managing Director, Karnataka State Industrial & Infrastructure Development Corporation Ltd [KSIIDC], Khanija Bhavan, Bangalore

24. The Chief Project officer, Karnataka State Highways Improvement Project [KSHIP], PWD Annexe Building, K.R Circle, Bangalore.
25. The Chief Operating Officer, Karnataka Rural Road Development Authority, Ananda Rao Circle, Bangalore.
26. The CEO & Executive Member, Karnataka Industrial Areas Development Board [KIADB], Khanija Bhavana, Race Course Road, Bangalore.
27. The Managing Director, Karnataka Udyog Mitra [KUM], Khanija Bhavan, Bangalore
28. The Director, Ports & Inland Water Transport, Baithkol, Karwar.
29. The Director of Tourism, Khanija Bhavan, Bangalore
30. The Director, Agriculture Marketing Department, Raj Bhavan Road, B'lore
31. Director (Projects), Bangalore Airport Rail Link Ltd, KSFC Bhavan, Thimmaiah Road, Bangalore
32. The Chief Advisor and CEO, Technical Consultancy Services Organisation of Karnataka [TECSOK], Basava Bhavan, Sri Basaveswara Circle, Bangalore
33. All Deputy Commissioners of the State.
34. All Chief Executive Officers of Zilla Panchayats
35. All Commissioners of City Municipal Corporations
36. All Commissioners of Urban Development Authorities
37. PS to Hon'ble Minister for Large & Medium Scale Industries and Infrastructure Development, Vidhana Soudha, Bengaluru
38. PS to Principal Secretary to Government, Infrastructure Development Department, Vikasa Soudha, Bengaluru
39. The Deputy Secretary to Government [Cabinet Section], Vidhana Soudha, Bangalore with reference to the Cabinet Subject No. C-270/2018 held on 01.03.2018.
40. The Deputy Secretary 1 & 2, Infrastructure Development Department, Vikasa Soudha, Bengaluru.
41. Section Guard File / Spare Copies.