



Partnership for Development

GOVERNMENT OF SINDH
FINANCE DEPARTMENT
(Public Private Partnership Unit)

Barrack No. 17, Sindh Secretariat No. 4-A, Court Road, Karachi
Ph: (021) 99207752 Fax: (021) 99207754 Email: d3@pppunitsindh.gov.pk

SUBJECT:- DRAFT MINUTES OF 6TH MEETING OF PPP POLICY BOARD.

The Secretary to Chief Minister, Sindh may please refer the subject note above.

It may be recalled that the 6th meeting of Public Private Partnership (PPP) Policy Board was held under the chairmanship of Honourable Chief Minister Sindh/Chairman of the PPP Policy Board on 24th September 2011 at 11:30 P.M at Chief Minister's Secretariat, Karachi to review and discuss progress on PPP Projects.

The draft minutes of 6th PPP Policy Board meeting are enclosed herewith with the request that same may be placed before the Honourable Chief Minister Sindh for his kind perusal and approval.

Naveed K. Baloch
(Naveed K. Baloch) 1/8/11

Secretary to Government of Sindh

To,

The Secretary to Chief Minister Sindh,
Chief Minister's Secretariat,
Karachi.

NO.FD (PPP Unit)/ AD-III/PB-2009,

Karachi, dated the September 30,2011



Partnership for Development

NO: FD(PPP Unit)/AD-III/PB/2009
GOVERNMENT OF SINDH
FINANCE DEPARTMENT
Karachi, dated the Sept 24, 2011

Barrack No. 17, Sindh Secretariat No. 4-A, Court Road, Karachi
Ph: (021) 99207752 Fax: (021) 99207754 Email: d3@pppunitsindh.gov.pk

DRAFT MINUTES OF 6TH MEETING OF PPP POLICY BOARD.

The sixth meeting of Public-Private Partnership (PPP) Policy Board was held at 11:30 am on 24th September 2011 at Chief Minister's Secretariat under the chairmanship of Honourable Chief Minister Sindh. The agenda of the meeting included, but not limited to, to seek private investment / approval of structure for Hyderabad-Badin road Project and Modern Grain Storage Facilities in Sindh (Silos project); review progress on Hyderabad-Mirpurkhas Dual carriageway; approval for undertaking feasibility study for Jerrukh Mullah Katiar Bridge, Run of River Hydro Power project, Khajoor Mandi district Khairpur; deciding on implementation strategy for Link road connecting Superhighway and National Highway and Securitized number plates of vehicles. The meeting commenced with the recitation of verse from the Holy Quran. After that, the Chief Minister Sindh / Chairman of the board welcomed the participants and further emphasized that the government attaches high priority towards the development of PPP Projects to boost up the economic development of the country. Finance Secretary, Government of Sindh, initiated the briefing and asked Director General, PPP Unit, Sindh to begin the presentation. The Director General PPP Unit, Sindh gave a detailed presentation on the agenda items, which are given below.

List of participants is attached as annexure A.

AGENDA # 1: CONFIRMATION OF MINUTES OF 5TH PPP POLICY BOARD MEETING

2. At the commencement of the meeting, the board approved the minutes of the 5th PPP Policy Board meeting.

AGENDA # 2: HYDERABAD-BADIN ROAD PROJECT

3. At the outset, the Director General, PPP Unit apprised that the TFEC has recommended structure of 70%-30% debt-equity ratio for the HBR Project, with government support in the shape of Annuity Payment and 40% Minimum Revenue Guarantee (MRG) for initial 10 years which would subsequently, be reduced to 10% for next 20 years. He further informed that the two sections from Hyderabad-TM Khan and TM Khan to Matli will be dualized while two sections

2

from Matli to Talhar and Talhar to Badin will be refurbished with paved shoulders. The concession period will be 32 years which includes two years of construction and 30 years of Operation and Maintenance period. The DG PPP Unit further informed the PPP Policy Board that the EOI for the solicitation of developers was launched on August 25, 2011. During the meeting, the chair directed that the process for developer / investor solicitation on Hyderabad-Badin road may be expedited as this is a very important road project. Speaking on the occasion, the Minister Finance suggested that for Hyderabad-Badin road project investment / funds may be raised from stock market and concession period of 30 years may be converted into longer tenure. He further suggested that Aqeel Kareem Dhedi the private member of the PPP Policy Board and an attendee of the meeting in consultation with the PPP Unit Sindh, should look at the project structure and suggest ways to make it further palatable for investors. The Chair agreed with the suggestion of Minister Finance and requested Mr. Dhedi to look into this possibility and give his feedback within 3 days. The PPP Policy Board was also informed in response to a question by the Minister Food that there would be separate tolls on all the 4 sections of the road with the dualized section having higher tolls than the rehabilitated ones.

Decision:

The board approved the structure of 70%-30% of debt-equity with GoS support in the shape of Support payments and 40% MRG during commercial debt followed by 10% MRG after 10 years. The project structure to be further refined in consultation with Mr. Aqeel Kareem Dhedi in the next 3 days.

AGENDA # 3: JERRUK MULLAH KATIAR BRIDGE

4. The DG PPP Unit, Sindh informed that the pre-feasibility study of the subject project has been carried for concrete structure by Sambo Engineering, Korea free of cost. However, the President directives envisages that instead of a concrete bridge a steel bridge be constructed with Iranian expertise for which fresh feasibility study is required. The Minister Food enquired about the flow of water passing through the bridge and whether the proposed design of the bridge will create impediment in free flow of water through the Indus. The Minister Food also raised the possibility of corrosion of a steel structure at a location which is not too far from the sea. The DG informed that through detailed feasibility study in consultation with Irrigation Department we can examine this aspect. The board was of the view that Irrigation Department must be taken on board during the process of finalizing the feasibility study.

Decision:

The PPP Policy Board approved to launch the project in which the issue of steel and concrete structure should be left to the developer. Moreover, all the stake-holders including Irrigation Department should be taken on board and the issues pertaining to the long-term sustainability of the project should be addressed.

AGENDA # 4: LINK ROAD PROJECT-CONNECTING SUPER AND NATIONAL HIGHWAY

5. The DG PPP Unit, Sindh informed the board that the procurement pack including financial model, Concession Agreement, and Request for Proposal (RFP) for the Link Road project is ready and the project can be offered to investor solicitation immediately. However, the project is stalled because of the realignment proposed by Sindh Board of Investment for the Education City. On this occasion, the Secretary Finance informed the board that the project will become unviable if we undertake realignment of the link road as it will incur additional cost and land acquisition issues. The Minister Finance also said that there are instances in the world where highways are passing through the Universities and objection on this project is unjustified. The Minister Food also questioned the viability of the proposed re-alignment as the terrain of the proposed RoW is hilly and unsuitable for road construction. The Honourable Chief Minister emphasized that a harmonious approach be followed to resolve the issue.

Decision:

The Chief Minister directed to launch the project in consultation with all the stake-holders.

AGENDA # 5: HYDERABAD-MIRPURKHAS DUAL CARRIAGEWAY

6. The DG PPP Unit, Sindh requested Independent Engineer (IE), HMDC, Mr. Tanveer Ahmed to apprise the forum on the latest progress on the road. The IE informed that 55% physical progress and 53.6% financial progress have been achieved so far. He showed progress through photographs. He further informed that the people have taken refuge on the raised embankment of the road due to rains and floods which has disrupted the construction work at least for a month, which he elaborated also with the help of pictures. He informed that the rain has caused major havoc on the Tando Allah Yar Bypass whose strengthening was entrusted to concessionaire but now the Bypass needs major revamping work which needs to be included in the changed scope of work. On this occasion, the Secretary Works and Services told the chair that the Works & Services department will take care of the subject issue.

Decision:

Chief Minister directed that the concerned local administration be conveyed orders for the phased evacuation of the people from HMDC Project Site to facilitate the Concessionaire of the road and to avoid unnecessary delays. The Secretary W&S will ensure that major repair of Tando Allahyar Bypass is carried out from GoS resources.

AGENDA # 6: MODERN GRAIN STORAGE FACILITIES IN SINDH -FOOD GRAIN & SILOS PROJECT

7. The DG PPP Unit, Sindh informed the board that International Finance Corporation (IFC) has submitted project structuring model for food grain storage project which has been discussed in TFEC. The IFC has proposed nine sites / districts for the storage of wheat under hub and spoke model. The cost of the project is around Rs. 8.2 billion at the time of construction with 60%-40% debt-equity ratio. The Govt. will give estimated concession fee of Rs. 3300/MT. The Minister Food asked DG whether it will be fixed fee. The DG informed that estimated concession fee will be adjustable with prevailing inflation annually. The Secretary Finance further informed that the efforts will be made to utilize Govt. land for the construction of silos for bringing down the concession fee.

Decision:

The board approved the project structure in the existing form and asked that the process for developer solicitation be initiated.

AGENDA # 7: RUN OF RIVER HYDRO POWER PROJECT

8. The Secretary Power informed that the Consultant Selection Committee (CSC) has completed the evaluation of bids and accordingly Ernst & Young led consortium has been recommended for selection. Minister Food enquired about the names of other members of the consortium. The Secretary Power informed that besides Ernst & Young, a reputable and experienced firm by the name of WS Atkins is part of consortium on technical side. Engineer M.A Jabbar asked for the TORs for which the consultants are being selected. The Secretary Power informed that initially survey would be conducted to identify potential sites thereafter the feasibility study on at least four selected sites would be conducted. On query, the Secretary Power informed that the feasibility study would be undertaken at least in eight months. The members were of the view that the efforts be taken to complete feasibility study in shortest possible time and in order to check the quality of work of consultants, members from the private sector shall also be taken in the committee to be constituted for supervising the work of consultants.

Decision:

After detailed discussion, the Chair approved for undertaking of the feasibility study for Run of River Hydro Power Project with the consortium proposed by CSC. A member from the private sector will also be inducted in the process of supervising the work of the consultants.

AGENDA # 8: SECURITIZED NUMBER PLATES OF VEHICLES

9. The Secretary Excise and Taxation informed the forum that the efforts have been made to develop a project through PPP mode in which existing number plates shall be replaced with securitized number plates which would ensure safety of vehicles. The Secretary Finance informed the chair that this is not a PPP project therefore the department may explore other options. The Chairman ordered to constitute a committee to look into the viability of this project.

Decision:

The Chief Minister directed for formation of a committee comprising members from PPP Unit, Planning & Development and Excise & Taxation Departments to explore the viability of the project in all respect.

AGENDA # 9: KHAJOOR MANDI DISTRICT KHAIRPUR

10. The DCO Khairpur informed the forum that the Agro Economic Zone has been established and need for a Khajoor Mandi (Market) is immense, which should be developed in PPP mode for efficiency and effectiveness in the long run. He further informed the forum that this is very viable project for which funds are required from PDF facility for engaging consultants to undertake feasibility study. On responding to a query by, the Minister Food, DCO informed that appropriate site for the Project has been identified.

Decision:

The Chair approved the PDF funding for hiring consultants for undertaking feasibility study for the development of Khajoor Mandi at district Khairpur.

11. In the end, Engineer M.A Jabbar a member PPP Policy Board informed the forum that there are lot of developments taking place around the world with regard to preparation and development of PPP projects, therefore, it is the need of the hour that proper training may be imparted for the capacity building of PPP Policy Board members and the staff of PPP Unit and PPP nodes which are associated with the preparation and development of PPP projects in Sindh. The Board approved the proposal of capacity building plan in general.

The meeting ended with vote of thanks from the chair and the members.

List of Participants : Annexure A.

01. The Honourable Chief Minister of Sindh
02. The Minister for Finance, Govt. of Sindh
03. The Minister for Food, Govt. of Sindh
04. The Minister for Law, PA, CPS & HR, Govt. of Sindh
05. The Minister for Excise & Taxation, Govt. of Sindh
06. The Minister for Electric Power, Govt. of Sindh
07. Additional Chief Secretary (Dev), P & D Department, Govt. of Sindh.
08. Secretary, Finance Department, Govt. of Sindh
09. Secretary, Works & Services Department, Govt. of Sindh
10. Secretary, Power Department, Govt. of Sindh
11. Secretary, Food Department, Govt. of Sindh
12. Secretary, Law Department, Govt. of Sindh
13. Secretary, Excise and Taxation, Govt. of Sindh
14. DCO, District Khairpur
15. Mr. Aqeel Kareem Dhedi, *PPP Policy Board member*
16. Engr. M.A Jabbar, *PPP Policy Board member*
17. Director General, PPP Unit, Finance Department, Govt. of Sindh
18. Director-I, PPP Unit, Finance Department, Govt. of Sindh
19. Director-II, PPP Unit, Finance Department, Govt. of Sindh
20. Director-F&RM, PPP Unit, Finance Department, Govt. of Sindh
21. Director-Legal, PPP unit, Finance Department, Govt. of Sindh
22. Assistant Director-III, PPP Unit, Finance Department, Govt. of Sindh
23. Mr. Tanveer Ahmed, Independent Engineer HMDC project, I/A Consulting Pvt Ltd.

GOVERNMENT OF SINDH
SECTION OFFICER (C-IV) ADMINISTRATION
& COORDINATION DEPARTMENT

Karachi, dated the 20th August, 2011.

NOTIFICATION

NO: SO(C-IV) SGA&CD/4-4/09 in partial modification of this department's notification of even number dated 08-02-2011 Government of Sindh is pleased to reconstitute the Technical and Financial Evaluation Committee (TFEC) for Modern Grain Storage Facility (MGSF) in Sindh in Public Private Partnership (PPP) mode as under:-

| | | |
|----|--|------------------|
| 1. | Additional Chief Secretary (Dev.), P&D Department, GoS. | Chairman |
| 2. | Secretary, Food Department, GoS, Karachi. | Member |
| 3. | Secretary, Finance Department, GoS, Karachi. | Member |
| 4. | Secretary, Agriculture Department, GoS, Karachi. | Member |
| 5. | Director General, Public Private Partnership Unit, Finance Department, GoS, Karachi. | Member |
| 6. | Director-III, Public Private Partnership Unit, Finance Department, GoS, Karachi. | Member/Secretary |
| 7. | Director (Finance & Risk Management), PPP Unit, Finance Department, GoS, Karachi. | Member |
| 8. | Director Food/Project Manager, MGSF (Silos) Project, Food Department, Govt. of Sindh, Karachi. | Member |

2. The TORs already notified, will remain unchanged.

NO: SO(C-IV) SGA&CD/4-4/09 Karachi, dated the 20th August, 2011.

A copy is forwarded for information and necessary action to:-

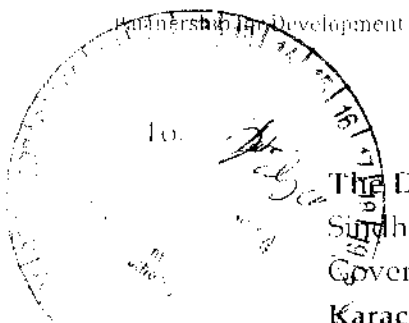
- The Additional Chief Secretary (Dev.), P&D Department, Govt. of Sindh.
- The Additional Chief Secretary, Home Department, Govt. of Sindh.
- The Principal Secretary to Governor Sindh.
- The Secretary to Chief Minister Sindh.
- Chairman/ all Members of the Committee.
- The Administrative Secretaries to Govt. of Sindh (all)
- The Deputy Secretary (Staff) to Chief Secretary Sindh.
- The P.S. to Secretary (Imp.), SGA&CD.
- Master file.

Signature
20/08/11

(Abdul Wajid Khan)
SECTION OFFICER (C-IV)

No:FD/PPPUNIT/MSE/WP/2013/00
GOVERNMENT OF SINDH
FINANCE DEPARTMENT
Public Private Partnership Unit
Karachi, dated the January 06, 2014

A.K Lodhi.Complex, Sindh Secretariat Building No. 6,Shahrah-e-Kemal Ataturk, Karachi Ph: (021) 99222194



To: *A.K Lodhi*
The Director (CB),
Sindh Public Procurement Regulatory Authority (SPPRA),
Government of Sindh,
Karachi

SUBJECT: UPLOAD THE PREQUALIFICATION DOCUMENT ON SPPRA WEBSITE

Attached with this letter, the "Prequalification Document" pertaining to "Sindh Grain Storage Project". The said document has been uploaded on PPP Unit's website as well as on Food Department's website.

Please upload this document on your website and kindly expedite the process.

AKL

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SYED OWAIS ALI
ASSISTANT DIRECTOR-PPP UNIT

Copy for information to:

1. RO to Finance Secretary, Government of Sindh, Karachi.
2. PS to D.G (PPP Unit), Government of Sindh, Karachi.
3. PS to Director Food Department, Government of Sindh

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6/11/2014

