

DPA-I/230/64/2017
Development Partnership Administration-I Division
Ministry of External Affairs
Government of India

New Delhi
January 15, 2018

**Sub: Project Preparation Facility (PPF) for Government of India Lines of Credit
(LoCs)**

A Project Preparation Facility (PPF) for Government of India Lines of Credit (LoCs) has been set up to expeditiously provide free-of-cost Indian consultancy support to requesting governments in the preparatory phase of project formulation and design for projects that may be considered for Government of India Lines of Credit (LoCs). Modalities of the Facility have been finalized with the approval of competent authority. A copy of the same is enclosed.


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To:

1. Secretary (ER), Ministry of External Affairs, New Delhi
2. Secretary, Department of Economic Affairs, New Delhi
3. Managing Director, Exim Bank of India, Mumbai

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Project Preparation Facility (PPF) for Government of India Lines of Credit (LoCs)

BACKGROUND

1. Government of India (GoI) Lines of Credit (LoCs) are governed by the IDEAS Guidelines¹ issued on 07 December 2015 by Ministry of Finance, Government of India,. GoI has announced a commitment of USD 10 billion for LoCs to Africa over 5 years (2015-2020) and separate large value LoCs have been committed for neighbouring countries as well as partner countries in different regions.
2. The first step in the LoC process is the submission of a project proposal by the requesting government in the form of a pre-feasibility study/ feasibility study or a detailed Project Report (DPR).
3. Since a DPR is a detailed and resource-intensive document, the IDEAS Guidelines provide for 1% of LoC amount to be utilised for preparing the DPR once an LoC has been sanctioned.
4. However, for the purpose of processing GoI sanction for an LoC proposal, a proper project proposal is needed. At times, requesting governments may not have the required resources readily available to identify a need, conceive a project and prepare a proper project proposal, and assistance may be needed for preparing such a proposal.

PROJECT PREPARATION FACILITY (PPF)

5. A Project Preparation Facility (PPF) is accordingly being set up to expeditiously provide free-of-cost Indian consultancy support to requesting governments in the preparatory phase of project formulation and design. The PPF is envisaged as a demand-responsive mechanism and a quick access facility to address the priority needs of requesting governments.
6. The need for such grant support is envisaged and provided for in Para 14 of the IDEAS Guidelines, which mentions that "*GoI may consider providing grant funds for project identification, preparation and appraisal as well as evaluation and assessment of projects. This may include consultancy charges to be paid to professionals/organisations.*"

MODALITIES FOR IMPLEMENTATION OF PPF

7. **Geographical Coverage:** Requests for availing PPF may be made by countries in Africa as well as other geographical regions.
8. **Eligible countries:** Countries in all three categories I, II and III as per current IDEAS Guidelines may make request for availing PPF.
9. **Operation:** The PPF may be operated by Exim Bank of India in accordance with agreed modalities.
10. **Eligibility of consultancy firms for undertaking work under PPF:** Selection of consultancy firms for undertaking activities under the PPF will be done from among the list of

¹ Available online at <https://www.eximbankindia.in/assets/pdf/loc/GOI-Guidelines-on-LOC.pdf>

consultancy firms empanelled by Exim Bank of India for DPR preparation / PMC. It may be noted that such empanelment by Exim Bank of India is a continuous process.

11. Process flow:

- (i) Request for availing PPF to be initiated by requesting country as per proforma at **Annexure-A**.
- (ii) The request to be forwarded to Ministry of External Affairs (MEA) by the concerned Indian Mission along with its recommendation and assessment.
- (iii) Request to be examined in MEA and if found suitable, to be recommended to EXIM Bank of India by DPA-I Division, MEA for consideration under PPF.
- (iv) The selection of consultancy firms would be done by Exim Bank of India through due procedure on the basis of a Quality and Cost Based Selection (QCBS) process. Exim Bank of India would seek Expressions of Interest (EoIs) from the firms empanelled by Exim Bank of India in the concerned sector and evaluate them on technical parameters including quality of personnel, experience, methodology, work plan etc. The estimated time in which the assignment is to be completed would be indicated in the Eoi notice. Applicants would be asked to submit their consolidated cost bid for the work with detailed break-ups. The final selection will be done through an 80:20 QCBS process. The parameters of the QCBS process are at **Annexure B**.
- (v) Exim Bank will convey details of selected Consultancy firm along with proposed TOR and time-lines to MEA. On receipt of MEA's go-ahead, Exim Bank of India would award the work to the selected consultancy firm which would undertake the requested activity on immediate basis and submit its report within the stipulated time-frame.
- (vi) Once the report is submitted by consultancy firm, the same to be examined by MEA and the project proposal processed further in accordance with IDEAS Guidelines.

12. Settlement of bills: Exim Bank will seek reimbursement of expenditure incurred for PPF activities from MEA on a quarterly basis. Payments to be settled by MEA as grant assistance under suitable budget head.

13. Nature of activities: PPF will support the following activities:

- Project identification
- Project formulation
- Pre-feasibility study
- Revision or re-validation of outdated pre-feasibility/feasibility reports
- Revision of project criteria and costs in case of geographical or technological shifts
- Any other relevant activity [to be specified]

14. Review: The above modalities would be reviewed from time-to-time on the basis of operational feedback to further optimize the process.

Request* for availing Project Preparation Facility (PPF) of Government of India

1. **Proposed project:**
2. **Nature of project:**
[New project or rehabilitation/expansion/geographical or technological shift for existing project]
3. **Type of activity to be undertaken under PPF:**
[Project identification/ project formulation/pre-feasibility study/revision or re-validation of outdated pre-feasibility/feasibility reports/revision of project criteria and costs in case of geographical or technological shifts/ any other (please specify)]
4. **Location:**
4. **Project objective:**
5. **Project description:**
[Information as available on background, components, phases if any, size, estimated number of beneficiaries, availability of land and basic infrastructure, availability of raw material, tentative cost etc. Please attach separate sheet(s) as required]
6. **Project related data:**
[Any relevant data, reports, surveys etc that can be made available for the activity to be undertaken under the PPF]
7. **Nodal government agency for the project and PPF:**
8. **Name, designation, contact details and signature of nodal officer with date:**

** to be filled by requesting government*

Annexure - B

A. Technical evaluation of the bidder will be based on parameters with due weightage attached to the following items:

S.No.	Eligibility Criteria	Marks	Sub-division of Marks
1	Relevant Experience of the applicant firm	20	Marks shall be awarded for number of similar assignments undertaken by the applicant firm in India during the last 7 years in the following manner: > 4 = 100% 3 to 4 = 80% 1 to 2 = 50%
2	Proposed methodology and work plan with reference to scope of work	30	Evaluation would be based on the demonstration of understanding of the assignment's terms and deliverables, quality of submission and proposed method to deliver the assignment
3	Relevant experience of the key Personnel – Team Leader	50	(i) 20% of the maximum marks shall be awarded for academic and professional qualification of the team leader. (ii) 40% of the maximum marks shall be awarded for total cumulative work experience of the team leader in similar field in the following manner: ≥ 15 years = 100% 10 to 14 = 75% 5 to 9 years = 50% ≤4 = 25%

				<p>(iii) 30% of the maximum marks shall be awarded for number of projects / studies of similar nature undertaken as team leader during the last 7 years in the following manner</p> <p style="text-align: center;"> $\geq 10 = 100\%$ 7 to 9 = 75% 4 to 6 = 50% $\leq 3 = 25\%$ </p> <p>(iv) 10% of the maximum marks shall be awarded for undertaking at least 01 foreign assignments of similar nature by the expert/ team leader during the last 7 years by the Applicant.</p>
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B. All financial bids shall be graded on a scale of 1 – 100 with the lowest financial bidder getting highest marks. The marks of the financial bids are to be calculated proportionately as illustrated in the following example. Example: if three bids of the amount x,y and z have been received, and x is the lowest bid, then x is to be given 100 marks. The marks to be given to other bidders will be: Marks of y = $100 \times \frac{x}{y}$ and Marks of z = $100 \times \frac{x}{z}$.

C. The total score shall be obtained by adding the technical and financial scores. Thus, the technical and financial bids would get 80:20 weightage, respectively.

The formula shall be:

$$\text{Total Score} = \text{Technical Score} \times 0.8 + \text{Financial Score} \times 0.2$$

D. The bidder scoring highest total score shall be successful bidder.

E. In case two bidders score equal marks after final evaluation, the bidder offering lower fee shall be declared successful
