

GUIDELINES FOR SELECTION OF SITES/LOCATIONS FOR PROJECTS/INSTITUTIONS/SCHEMES THROUGH CHALLENGE METHOD

BACKGROUND

The inclusive economic development of a nation necessitates improvement in the socio economic infrastructure such as education, health, housing, civic amenities, food parks etc. The Governments both at the centre and the state are committed to provide facilities/institutions/infrastructure that support sustainable development and improve the living standards of the citizenry. As per existing practice the location of projects /institutions / schemes is decided on various considerations often without due diligence in terms of suitability of the location or project readiness. In many instances projects along with locations are announced in the Budget or as a Development package. The formulation of the scheme, land selection and acquisition etc., are done after the announcement. Such projects often face risks such as non-availability of suitable land, delay in land acquisition, delay in clearances, political opposition, lack of supporting infrastructure, lack of urban agglomeration to attract high end technical and managerial expertise etc. The result is delay in implementation along with cost and time overruns leading to sub optimal utilisation of scarce resources. Thus, there is a need to evolve an objective criterion for selection of sites for various projects. It is, therefore, proposed that the Challenge Method may be adopted for site selection across various sectors to ensure transparent, objective and merit based decision making in selection of sites for projects/institutions/schemes.

2. OBJECTIVES OF INTRODUCING CHALLENGE METHOD IN SITE SELECTION

These guidelines have been formulated to provide a framework to help the Ministries/Departments to select the most suitable site for projects through a challenge based process. The framework for site selection indicated in these guidelines is generic in nature and applicable across various sectors. Appreciating the variation in requirements across sectors, the framework has been designed to offer adequate flexibility to Ministries to customise it to best suit their sectoral and project requirements. This would encourage competition among States/UTs to offer the best suited sites and commit resources in terms of land, utilities, infrastructure support, financial contribution etc. This in turn would help in timely completion of projects, optimum utilisation of scarce resources and achievement of the following desired outcomes.

- Selection of the most suitable site
- Commitment of the stakeholders
- Encourage innovation in financing & use of technology
- Speedy implementation
- Transparency and Accountability
- Promoting Competitive federalism

3. COVERAGE OF SECTORS/PROJECTS FOR SITE SELECTION

3.1 Challenge method for site selection can be adopted for projects/institutions/schemes both in the Social as well as Physical Infrastructure sectors. This method can be applied to both Greenfield projects such as setting up of new institutions/facilities as well as Brownfield projects

like expansion/upgradation of existing facilities etc. In addition, the Challenge Method may be used for Selection of States/UTs or sites for holding national or major events such as National Games, Youth Festivals etc.

3.2 An indicative list of sectors and projects where the Challenge Method can be adopted for site selection is as follows:

- Higher Education:
 - Setting up institutions such as IITs, IIMs, NITs, Central Universities
 - Upgradation/Expansion of existing institutions or selection as centres of excellence
- Health Infrastructure:
 - Setting up of institutions such as AIIMS, Upgradation of Medical Colleges etc
 - Upgradation/expansion of existing healthcare institutions
- Information Technology:
 - Setting up of IT Parks
- Textiles Sector
 - Setting up of Mega Textile Parks
 - Expansion of existing Textile Parks
- Power sector:
 - Setting up of Thermal Power Plants
- Civil Aviation:
 - Setting up New airports
 - Setting up small airports for regional connectivity
 - Upgradation of existing airstrips
- Railways:
 - Construction/Upgradation of Railway stations
 - Doubling of existing railway lines
- Roads:
 - Laying new roads/upgradation of existing roads
- National Games and National Youth Festivals

The Guidelines would be applicable only for the Central Sector Projects/Institutions/Schemes both in the Greenfield and Brownfield. The guidelines will be applicable for future projects only.

4. PROCESS FOR SITE SELECTION THROUGH CHALLENGE

4.1 The site selection process would begin with Ministries/Departments identifying the projects to be taken up; initiate preparation of feasibility studies and project agreements for project execution with the help of legal, financial and technical experts and obtaining necessary administrative approvals as per laid down financial delegation for undertaking the project. It would also initiate process for obtaining clearances from the Central Agencies wherever necessary at the central level such as Environmental Clearances and make necessary budget provision. It would also lay down timelines for each stage of the project and also fix the key performance indicators for the project for monitoring the progress.

4.4 Stage 2 -Challenge Round

4.4.1 The eligible States will be invited to participate in the challenge and furnish proposals. The proposals will be based on the Challenge parameters worked out by Ministries in consultation with experts and State governments. The States/UTs will furnish the proposals by a stipulated date to be indicated by the Ministries. These will be evaluated by the Selection Committee as referred in 4.3.3 of the guidelines on the basis of Generic and sector specific criteria. The same are elaborated in Section 5.

4.5 Stage 3- Evaluation and Selection

4.5.1 The proposals received from the States/UTs will be evaluated by the Selection Committee on the basis of the predefined Challenge parameters and score. The locations would be ranked from the most suitable to the least suitable. This will be done in a transparent and objective manner. The proposal(s) securing the highest overall score out of 100 will be recommended for selection.

4.5.2 The concerned Ministry/Department will enter into an MoU with the selected State(s)/UT(s) for the implementation of the proposal.

5. CRITERIA/CHALLENGE PARAMETERS FOR EVALUATION WITH ILLUSTRATION

5.1 Proper site/location selection is essentially a multi criteria decision making process which is critical for successful implementation of any development project. It should be based on factors like suitability of location, benefit to the community, environmental sustainability etc. The Challenge criteria/parameters need to be designed in a manner so as to bring out relevant high level information, promote a spirit of competition among the aspiring States/UTs and obtain their commitment for the project.

5.2 Indicative Generic parameters that would apply across all sectors may include:

- i) Early Availability of suitable land/area as per FAR/FSI and provision of utilities: Aspects such as location, land use, accessibility of the identified land along with rehabilitation and resettlement, wherever required, may be considered. Provision of utilities such as power, water supply, drainage facilities etc., by the State is also critical.
- ii) Socio Economic indicators: Indicators such as per capita income, literacy levels, health index etc. may be considered to factor in the existing gaps. These have been included for equity consideration and higher weightage may be given to States where there is a greater need for the project.
- iii) Connectivity: Connectivity of the proposed site by road, rail, air or ports, may be considered.
- iv) Financial contribution by States for the project.
- v) Innovative financing and mode of delivery: States may come up with innovative and creative proposals for reducing cost and implementation period of the project.
- vi) Fast track Single window for clearances which facilitate ease of doing business including environment and forest clearance to expedite implementation may be included. Some weightage for fast track record in ease of doing business and clearances may also be included.

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vii) Availability of school/college and medical facilities and employment opportunities for family nearby could be considered so as to ensure that there are adequate facilities/opportunities for the families of persons employed in the projects/institutions/schemes.

viii) Financial viability/Economic Internal Rate of Return may be included especially in case of infrastructure projects.

ix) Employment generation potential of the project could be also be considered.

x) Sustainability including use of environment friendly practices, energy and water efficient technologies may be included.

xi) Plan of action for the next 25 years for development of the State.

xii) Cleanliness in Cities/Villages and performance in EK Bharat Shrestha Bharat.

5.3 Specific weights have not been assigned for all the generic parameters as they will vary from sector to sector and project to project. In the case of brownfield projects, due consideration would have to be given to past track record of the institution, existing capacity utilisation, scope for expansion etc.

5.4 In addition to the generic parameters indicated above, Ministries may also include sector specific parameters that capture the particular requirements of the project which may include availability of skilled/technical manpower; availability of raw material; beneficiary proximity; Healthcare, schooling, employment opportunities and other support facilities for family. Ministries may draw up their own parameters and assign weights according to specific requirements of the projects/institutions/schemes for the Challenge Method. However, for providing guidance to the Ministries, Indicative Challenge Parameters along with weights for both Greenfield and Brownfield projects in various sectors have been suggested in Annexures.

5.5 Multi –State Projects: For projects involving more than one State, the generic and sector specific parameters would be applicable to all the States involved. However, in case a State in the project area does not fulfil the criteria the project would either be considered for dropping or the scope of the project could be limited to the State fulfilling the criteria. The financial contribution of each of the States will be linked to the cost of the project in the State.

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1. Indicative Parameters and weightage for setting up of IIT/IIM - Greenfield

Parameters	Weightage
Early availability of suitable area/ land	30
Provision of utilities(Power, water supply, Drainage)	15
Financial Contribution by States /Innovation	15
Availability of school/college& medical facilities and employment opportunities for family nearby/other urban amenities	10
Connectivity (Road/Rail/Airport)	15
Presence of Industry in the area	10
Fast track single window for clearances (including environment & forest)	5
Total	100

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Annexure -2

2. Indicative Parameters and weightage for setting up of AIIMS - Greenfield

Parameters	Weightage
Early availability of suitable area/ land	20
Provision of utilities(Power, water supply, Drainage)	15
Gaps in Tertiary Health Care Facilities	15
Financial Contribution by States / Innovation	10
Availability of school/college& medical facilities and employment opportunities for family nearby	10 ✓
Connectivity (Road/Rail/Airport)	15
Per capita income & literacy level of State/ UT	5
Fast track single window for clearances (including environment & forest)	10
Total	100

3. Indicative Parameters and weightage for Up gradation of District Hospital to Medical College - Brownfield

Parameters	Weightage
Availability of clear site of required size within the existing District Hospital	20
Distance of nearest Medical college	15
Doctors Per thousand and Bed Density	20
Financial Contribution by States / Innovation	10
Connectivity (Road/Rail/Airport)	15
Availability of school & college facilities nearby	05
Track record in implementation of MoHFW schemes	15
Total	100

4. Indicative Parameters and weightage for upgradation of Govt. Medical Colleges -
Brownfield

Parameters	Weightage
Availability of clear piece of land of the required size within the existing campus	25
Gap in Super Speciality care	30
Financial Contribution by States / Innovation	10
Availability of faculty and manpower	20
Track record in implementation of MoHFW schemes	10
Availability of school & college facilities nearby	05
Total	100

5. Indicative Parameters and weightage for Mega Textile Parks-Greenfield

Parameters	Weightage
Early availability of area/ land	25
Provision of utilities (Power, water supply, Drainage	10
Financial Contribution by States / Innovation	15
Fast track single window for clearances (including environment & forest)	15
Availability of skilled manpower & raw material	15
Availability of market linkages	10
Connectivity (Road/Rail/Airport)	10
Total	100

6. Indicative Parameters and weightage for Textile Parks-Brownfield

Parameters	Weightage
Early availability of area/land	25
Provision of utilities	10
Financial Contribution by States /Innovation	10
Technology up gradation	15
Infrastructure and logistics improvement	15
Size of existing project in terms of employment /investment	10
Impact on additional employment generation and investment	15
Total	100

7. Indicative Parameters and weightage for setting up IT Parks - Greenfield

Parameters	Weightage
Early availability of suitable land	20
Provision of utilities (Power, Water Supply and Drainage)	15
Smart infrastructure including OFC connectivity	15
Financial Contribution by States / Innovation	10
Connectivity (Road/Rail/Airport)	10
Availability of schools, colleges and medical facilities nearby	05
Availability of skilled IT manpower	15
Fast track single window for clearances (including environment & forest & Ease of Doing Business)	10
Total	100

8. Indicative Parameters and weightage for National Games

Parameters	Weightage
State's financial Contribution for hosting the Games	35
Maintenance & Utilization Plan of infrastructure by State	35
No. of International level players from the State in disciplines included in the Asian games/Common Wealth Games/Olympics	20
No. of Centres for training of National level Players *	10
Total	100

* Lesser the No. of Centers, more marks to be allocated

9. Indicative Parameters and weightage for National Youth Festivals

Parameters	Weightage
Availability of Infrastructure (Stadium, Open Spaces and Auditoriums) & provision of utilities	25
Availability of accommodation & catering facilities (for approx.5000 delegates)	20
Local transport, medical facilities and security arrangements	20
Financial Contribution by States/Innovation	15
Connectivity (Road/Rail/Airport)	15
Weather Condition (12 th to 16 th January)	05
Total	100

*National Youth Festival is organized every year from 12-16 January

10. Indicative Parameters and weightage for Railway Projects - Greenfield

Parameters	Weightage
Early availability of suitable land	20
Provision of utilities (power, water supply and Drainage	10
Traffic potential (Passenger/Freight)	15
Absence of facility	15
Financial Contribution by States / Innovation	15
Financial viability/Economic IRR	10
Fast track single window for clearance (including environment & forest)	15
Total	100

11. Indicative Parameters and weightage for Railway Projects - Brownfield

Parameters	Weightage
Early availability of land/ Increase in FAR for Station Redevelopment and provision of utilities	25
Financial Contribution by States / Innovation	25
Capacity Utilization of existing lines	20
Financial viability/Economic IRR	15
Fast track single window for clearance (including environment & forest)	15
Total	100

12. Indicative Parameters for setting up of new Airports - Greenfield

Parameters	Weightage
Early availability of suitable land	25
provision of utilities	10
Potential for passenger traffic	20
Distance from existing airport	15
Financial Contribution by States /Innovation	15
Connectivity to the site (Multimodal)	10
Fast track single window for clearance (including environment & forest)	05
Total	100

13. Indicative Parameters and weightages for Upgradation of Airports – Brownfield

Parameters	Weightage
Availability of adequate land and provision of utilities	35
Capacity utilisation of existing airport/ Potential for passenger traffic	30
Financial Contribution by States / Innovation	15
Connectivity to the site (Multimodal)	10
Fast track single window for clearance (including environment & forest)	10
Total	100

14. Indicative Parameters for Regional Connectivity Airports*

Parameters	Weightage
Early availability of suitable land and provision of utilities	25
Financial Contribution by States / Innovation	20
Distance from nearest airport	20
Potential for passenger traffic including tourism potentials	25
Connectivity to the site (Multimodal)	10
Total	100

* To be set up in places where airlines have committed to fly

Annexure -15

15. Indicative Parameters and weightages for Road Projects - Greenfield

Parameters	Weightage
Early availability of suitable land and provision of utilities	30
Existing road network & potential for traffic	30
Financial Contribution by States / Innovation	10
Availability of earth	10
Financial viability/Economic IRR	10
Fast track single window for clearance (including environment & forest)	10
Total	100

16. Indicative Parameters and weightages for Road Projects - Brownfield

Parameters	Weightage
Early availability of suitable land and provision of utilities	30
Congestion on existing road network & potential for traffic	30
Financial Contribution by States / Innovation	10
Availability of earth	10
Financial viability/Economic IRR	10
Fast track single window for clearance (including environment & forest)	10
Total	100

17. Indicative Parameters and weightages for Thermal Power Projects - Greenfield

Parameters	Weightage
Early availability of suitable land and provision of utilities	10
Water A.V(flowing Water)	10
Fuel Linkages-Proximity of coal	15
Fast track single window for clearance and past record (including environment & forest)	05
Power Purchase Agreement (at Least 65%)	15
Technology and Size	15
Financial Contribution by States / Innovation	05
Connectivity (Rail, Road, Gas pipeline, port)	05
Evacuation infrastructure	10
Disposal of Fly Ash	10
Total	100