

INFRASTRUCTURE NEWSLETTER

Infrastructure Divisions, Department of Economic Affairs



सत्यमेव जयते



In – Focus

April 2022

“India’s new economic activities would help resolve global supply chain issues”

– Smt. Nirmala Sitharaman

A bilateral meeting was held between Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman and Ms. Kristalina Georgieva, Managing Director, International Monetary Fund (IMF), to discuss several issues being faced by global and regional economies, on the sidelines of the International Monetary Fund-World Bank (IMF-WB) Spring Meetings in Washington D.C. Participants from India included senior officials like Shri Anantha V. Nageswaran, Chief Economic Advisor, Ministry of Finance, Government of India, and Ms Gita Gopinath, FDMD of IMF.

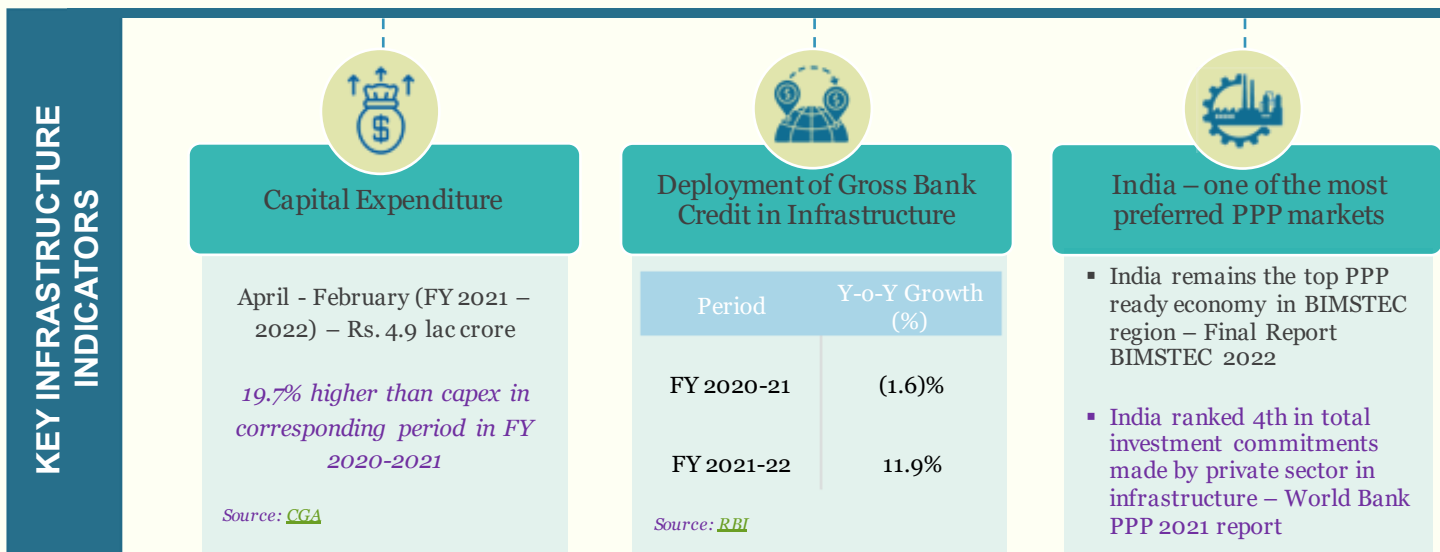


Ms. Kristalina Georgieva & Smt. Nirmala Sitharaman in Washington D.C.

India’s contribution to the capacity development activities of the IMF and effective policy mix was well appreciated. Further, its resilience to remain the fastest-growing country across the globe, despite challenges posed by the COVID-19 pandemic and its support to neighboring vulnerable economies like that of Sri Lanka was applauded. Smt. Sitharaman indicated that IMF should support and urgently provide financial assistance to Sri Lanka. Active engagement of IMF with Sri Lanka was assured by the IMF MD.

Concerns regarding impact of the recent geopolitical developments on global economy and challenges linked to the rising energy prices were also raised.

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INFRASTRUCTURE POLICY ENABLEMENT

Government incentives and support for Solar Energy generation and usage

For promoting solar energy in the residential sector, the Ministry of New and Renewable Energy is implementing Rooftop Solar Programme Phase-II. Under this Programme 4000 MW rooftop solar (RTS) capacity addition is targeted in residential sector through Central Financial Assistance (CFA).

CFA up to 40% of the benchmark cost is provided for RTS projects up to 3 kW capacity and up to 20% for RTS system capacity beyond 3 kW and up to 10 kW for individual households. For Group Housing Societies/ Residential Welfare Associations (GHS/ RWA), CFA is limited to 20% for RTS plants for supply of power to common facilities maximum 500 kW capacity.

Government has additionally taken several steps to promote solar energy in the country such as permitting 100% FDI, waiver of ISTS charges, setting up of Ultra Mega Renewable Energy Parks, etc.

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NITI Aayog Releases Draft Battery Swapping Policy for Stakeholder Comments

During the COP26 summit in Glasgow, India committed to reduce carbon emission intensity by 45% by expanding its non-fossil energy capacity to 500 GW by 2030 and meet 50% of its energy requirements from renewable energy by 2030 to achieve the Net Zero target by 2070

In this regard, NITI Aayog held an inter-ministerial discussion to formulate a robust and comprehensive Battery Swapping policy framework in February 2022 and also drafted a Battery Swapping Policy thereby seeking comments from all stakeholders latest by 5th June 2022

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National Highway Pre-cast Concrete Policy

MoRT&H has made it mandatory to use factory manufactured pre-cast concrete elements in projects within 100 km radius of Pre-cast factory. The minimum mandatory usage should be 25% of total concrete volume other than the foundations & sub-structures of Bridges/ Viaduct/ RoB.

Pre-cast factory shall be certified by Quality Council of India (QCI)/ NCCBM/ RDSO/ IITs and shall have minimum facilities of fully automatic RMC plant for better quality, arrangement for steam curing, mechanical handling of concrete and pre-cast components, bar bending machines, stacking yard, in-house design team and NABL accredited quality control laboratory, RO plant for water purification etc.

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Gati Shakti Cargo Terminals

The new 'Gati Shakti Multi-Modal Cargo Terminal (GCT)' policy, launched in Dec 2021, aims to boost investment from industry in development of additional terminals for handling rail cargos. The locations for GCTs are being identified/ finalized based on demand from industry and potential of Cargo Traffic. So far, 6 GCTs have already been commissioned and around 74 more locations have been provisionally identified for development of GCTs.

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Station Development Under PPP Mode

Ministry of Railways is exploring various possibilities to develop Railway Stations under different models including Public Private Partnership (PPP) model amongst others. Chhatrapati Shivaji Maharaj Terminus (CSTM) Railway Station in Maharashtra and New Delhi Railway Station in Delhi have been identified for development under Hybrid Build Operate and Transfer (HYBOT) model of Public Private Partnership mode.

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Steps Initiated for Sustainable Mining

Sustainable mining reduces environmental impact and carbon footprint which can be evaluated through the Star Rating system. The system mandates every lessee to obtain at least 3-star rating within four years of operations and maintain thereafter. The same is being monitored through sample surveys being undertaken by Indian Bureau of Mines

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Government policy to offer solar panels at subsidized rates

Under Ph-II of the RTS Programme, incentives are being provided to DISCOMs towards installation of RTS projects in all sectors, including solar power panels at educational and religious institutions, NGOs, etc.

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INFRASTRUCTURE MARKET NEWS

Ministry of Civil Aviation and Govt. of Himachal Pradesh Sign MoU for Development of Nagchala Airport in Mandi

The new greenfield airport at Nagchala, Mandi is being developed under the Greenfield Airport Policy of MoCA. A Joint Venture Company between State Government of Himachal Pradesh and Airport Authority of India has been formed to overlook project development. The projected land requirement for airport is 515 acres approx. and the project is estimated to cost around Rs 900 crore excluding the cost of land.

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Mumbai-Goa highway to be completed in one year: Union Minister Nitin Gadkari

The work on Mumbai-Goa highway is underway in eleven phases. Hon'ble Minister said the initial work was delayed due to land acquisition and obtaining permissions from railways and forest department.

It has been proposed to extend the highway to Mangalore and set up a logistics park and truck terminal on the Mumbai-Goa Highway depending on the land availability.

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India's first pure green hydrogen plant commissioned in Jorhat

Oil India Limited (OIL) commissioned India's First 99.999% pure Green Hydrogen pilot plant, with an installed capacity of 10 kg per day at Jorhat Pump Station in Assam within a record time of 3 months. The plant produces Green Hydrogen from the electricity generated by the existing 500kW Solar plant using a 100 kW Anion Exchange Membrane (AEM) Electrolyser array, a technology which is being used for the first time in India.

The newly commissioned plant is expected to increase production of green hydrogen from 10 kg per day to 30 kg per day in future.

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Inauguration of 5 National Highway projects of 297 km length costing Rs 2,872 crore in Sonapat, Haryana

Construction of Jind to Gohana highway included in the 5 National Highway projects will provide connectivity to NCR, Sonapat, Narwana and Punjab. Using the Bhiwani-Mundhal-Jind 2-lane road, it will be easy to reach Rajasthan, Haryana, NCR and Uttar Pradesh. Also, construction of Jhajjar to Loharu 98 km 2-lane highway will provide better connectivity with Haryana, Rajasthan, NCR, and parts of Uttar Pradesh thus benefiting the farmers.

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Shri Sarbananda Sonowal inaugurated Container Scanner worth Rs 29.68 crore

The shipping container scanner at Paradip Port can scan up to 25 Trucks per hour. It complies to International Security Screening standards and reduces the need for manual inspection further boosting movement of container traffic in the Port.

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Digital University

The University will provide access to world-class quality universal education with personalized learning experience. It will be built on a networked hub-spoke model, with the hub building cutting edge ICT expertise.

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Swachh Bharat Mission-Urban 2.0 launches National Behaviour Change Communication Framework for Garbage Free Cities

The framework shall serve as a guiding document and blueprint for States and Cities to undertake large scale multimedia campaigns along with intensive and focused inter-personal communication campaigns, intensifying messaging around the key focus areas of source segregation, collection, transportation, and processing of waste, plastic waste management, and remediation of legacy dumpsites.

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Green Hydrogen Method for Steel Production

MNRE has proposed setting up of National Hydrogen Energy Mission with an aim to develop green hydrogen production technology, to make it affordable and widely accessible. Based on success of the pilot projects, the DRI units shall be encouraged for large scale adoption.

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INITIATIVES BY DEPARTMENT OF ECONOMIC AFFAIRS (DEA)

To give further impetus to the implementation of priority programmes of National Infrastructure Prioritization, National Monetisation Pipeline and GatiShakti, there has been a renewed thrust on scaling up infrastructure-centric capacity among public officials. Budget 2022 also specified the importance of capacity building, wherein it stated “With technical support from the Capacity Building Commission, central ministries, state governments, and their infra-agencies will have their skills upgraded. This will ramp up capacity in planning, design, financing (including innovative ways), and implementation management of the PM GatiShakti infrastructure projects”.

With this view, the Department of Economic Affairs, Ministry of Finance has designed several structured capacity building programmes and is in the process of developing Capacity Enhancement Plan (CEP) in collaboration with Capacity Building Commission (CBC). Recently, DEA has conducted following capacity building programmes:

- ✓ Training programmes in collaboration with Infrastructure & Projects Authority, Govt. of UK and UNESCAP on PPPs
- ✓ **Ownership Models, Risk Management and Negotiations** by ISB Hyderabad
- ✓ **Capital Structure Decision** and Project Finance by IIM Bangalore
- ✓ **Infrastructure Finance and PPP** by All India Management Association in collaboration with World Bank

These programmes witnessed participation of more than 100 officials from Central and State Govts. which helped officials not only in uncovering and understanding PPP concepts but also in catalyzing investments for new infrastructure creation across the country.

Meeting with Pension Funds and Insurance Companies



MDs and CEOs of domestic pension funds and insurance companies met senior officials from Department of Economic Affairs (DEA) to discuss their perspectives and experiences of investing in infrastructure projects in India. Joint Secretary (IPP), DEA assured support from the Govt. to address challenges faced by companies investing in infrastructure sector to encourage channelized investment of domestic capital.

Investment Conclave for NE states at Shillong



Senior officials from IPP and ISD divisions participated in a Conclave on Investment, Infrastructure and PPPs on 29th April, 2022 at Shillong, Meghalaya. The officials presented an overview on NIP implementation in NE states along with the need for Public Private Partnerships (PPPs) & Initiatives of the Government of India for promoting PPPs.