

# INFRASTRUCTURE NEWSLETTER

Infrastructure Divisions, Department of Economic Affairs



In – Focus

July 2022

***“Without inclusion, real growth is not possible and, without growth the goal of inclusion too cannot be accomplished”***

– Shri Narendra Modi

Hon'ble Prime Minister Shri Narendra Modi graced the first 'Arun Jaitley Memorial Lecture' (AJML), delivered by Mr. Tharman Shanmugaratnam, Senior Minister, Government of Singapore in recognition of Shri Arun Jaitley's invaluable contribution to India. The event was organized by Department of Economic Affairs, Ministry of Finance.

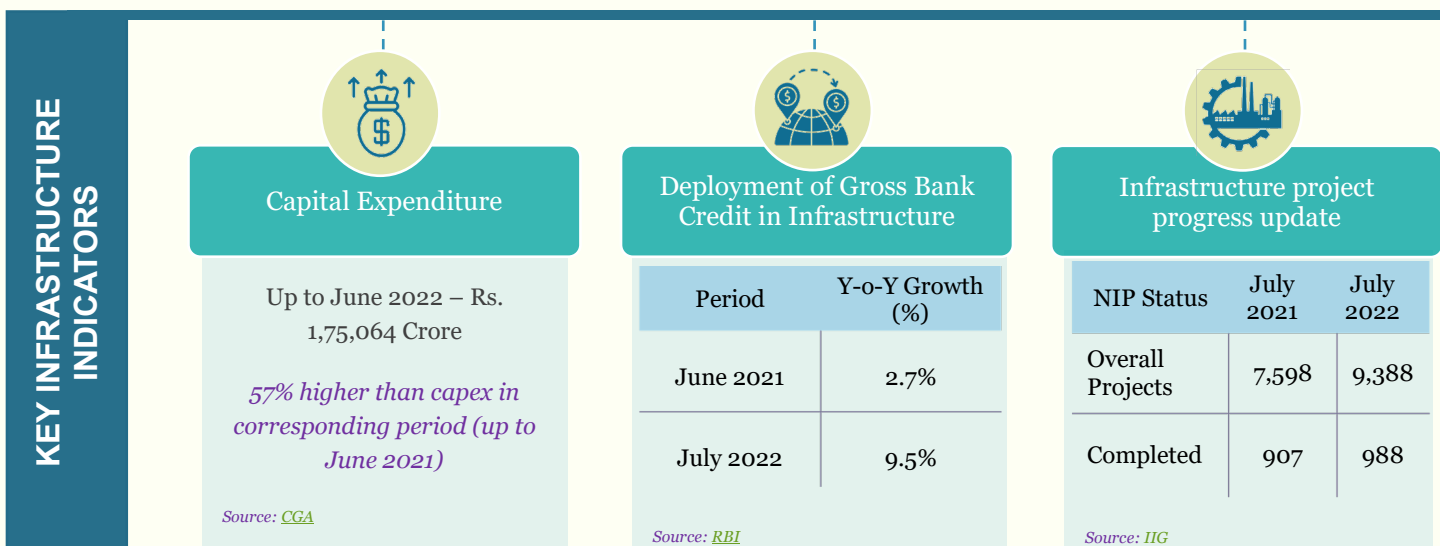


*Smt. Nirmala Sitharaman, Shri Narendra Modi and Mr. Tharman Shanmugaratnam attending the first AJML event*

The Prime Minister expressed his memory of experiences with Shri Jaitley highlighting his diversified persona, friendly nature and his enduring oneliners. He thanked Mr. Tharman Shanmugaratnam for his thoughts on the theme of the event and praised the depth of his intellect, research and inclusion of local touch in his research. The Prime Minister said that the topic of the AJML "Growth through Inclusivity, Inclusivity through Growth" is the foundation of India's development policy and it very well captures the challenges and dilemmas of today's policy makers.

The lecture was followed by a panel discussion by Mr. Mathias Cormann (OECD Secretary-General) and Shri Arvind Panagariya (Professor, Columbia University). The Prime Minister also interacted with the delegates who participated in the Kautilya Economic Conclave (KEC).

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## INFRASTRUCTURE POLICY ENABLEMENT

### Centre to develop a capacity of 111 LMT of Hub and Spoke Model Silos at 249 locations across the country

With a view to modernize storage of food grains and to ramp-up the storage capacity for food grains in India, a new model 'Hub & Spoke' Model for implementation under PPP has been proposed on DBFOT mode (FCI's land) and DBFOO mode (Land of concessionaire/ other agency), through Food Corporation of India as the implementing agency.

Land acquisition is most crucial for a DBFOO project and hence the Department of Food & Public Distribution identified suitable surplus land parcels for lease/ transfer to respective concessionaires under applicable rules.

Identification of surplus government land in advance will prevent delays and difficulties in acquiring private land through purchase, amongst other issues.

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### Ministry of Power issued revised Guidelines & Standards with remarkable features for charging infrastructure

The salient features of the guidelines and standards (amongst others) include:

- Single part tariff for supply of electricity to Public Charging Stations (PCS) shall not exceed average cost of supply till March 31<sup>st</sup>, 2025
- Land available with Government/Public entities shall be provided to Government/Public entity on a revenue sharing basis at a fixed rate of Re.1/kWh initially for a period of 10 years
- Any PCS/chain of charging station may also obtain electricity from any generation company through open access

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### Executive Committee of NMCG Approves Industrial and Sewerage Pollution Abatement Projects amounting to around Rs. 38 Crores

Projects pertaining to industrial and sewerage pollution abatement through new technologies, afforestation, development of Kalindi Kunj ghat landscape etc. were approved at an estimated cost of around Rs. 38 crores in the EC meeting of the National Mission for Clean Ganga (NMCG) held under the chairmanship of Shri G. Asok Kumar, Director General, NMCG

While most of the approved project cost can be attributed to Afforestation Programmes in States of Uttar Pradesh & West Bengal 2022-23 and sewerage pollution in Gauri Kund and Tilwara in Rudraprayag district of Uttarakhand, the approved list also includes a pilot project on Upgradation/ integration of existing UASB system with micro-aerobic processes under the head of Research, Studies, Pilot, Training, Workshop, Seminar, Publication etc.

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### Central Government is providing an incentive of Rs 120 crore under PLI scheme

A provisional list of 23 PLI beneficiaries was released in July 2022 further to the notification of the PLI Scheme for drones and drone components in September 2021. The beneficiaries include 12 drone manufacturers and 11 drone component manufacturers.

The eligibility criteria have been set for drones and drone component manufacturers

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### Ministry of Power notifies 'Green Energy Open Access' Rules to accelerate ambitious renewable energy programmes

The Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 have been notified with the objective of ensuring access to affordable, reliable, sustainable and green energy for all.

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### MoHUA notified an alternate land policy based on land pooling concept in Delhi

Under this policy, owners or group of owners will pool land parcels for development as per prescribed norms. Till date landowners of approx. 7,313 Ha. of land have expressed willingness to participate.

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### Draft Guidelines for Operationalization of Ro-Ro and Ro-Pax ferry service

The guidelines seek to homogenize and streamline the development and operations of ferry services, along with, promoting ease of doing business by eliminating unnecessary delays, disagreements and introducing digital interventions at customer interface

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## INFRASTRUCTURE MARKET NEWS

### Annual passenger traffic increased from 2.6 lakh to 33 lakh in five years under UDAN Scheme

Under the UDAN scheme of the M/o Civil Aviation 425 UDAN routes have been operationalized across the country, connecting 68 UDAN airports including 2 water aerodromes & 8 heliports.

Government has approved another scheme for the revival and development of unserved and underserved airports of State Government, State Government, AAI, Civil Enclaves, Central Public Sector Enterprises, Helipads and Water Aerodromes at the total cost of Rs.4500 crore. The expenditure incurred under this scheme is estimated as Rs. 2610 crore.

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### Jawaharlal Nehru Port (JNP) becomes first 100% Landlord Major Port of India

JNP, one of the leading container ports of the country is currently handling five container terminals, of which one is completely port owned. The port meets all the international standards, user-friendly atmosphere, and excellent connectivity by rail and road to the hinterland. Facility of backup infrastructure like CFS, connectivity with ICDs, full-fledge Custom House, Airport, Hotels, proximity to Mumbai, Pune, Nashik city and its industrial belt makes it a unique container terminal.

The total handling capacity of the port is envisaged to increase to 1.8 million TEUs as against the present handling capacity of 1.5 million TEUs in 2020-21. Port received royalty price of Rs. 4,520 per TEU against the Minimum Reserve Price of Rs. 1800 per TEUs. Further the cargo volume of 2020 is expected to become 1.7 to 2 times by 2030, whereas the percentage of cargo handled at Major Ports by PPP or other operators, is expected to reach 85% by year 2030

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### Notification issued to include compliance with Fuel Consumption Standards (FCS), for light, medium and heavy-duty motor vehicles of various categories, manufactured in, or imported by, India

As per the notification, the continued compliance to FCS shall be verified as per the procedure of Conformity of Production, outlined in Automotive Industry Standard 149.

The aim of the notification is to expand the ambit of vehicles for compliance with FCS, and hence introduce more fuel-efficient vehicles. The date of applicability of this notification is 01<sup>st</sup> April 2023. Comments have been invited from all stakeholders.

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### India's largest floating solar power project commissioned

The 100-MW Floating Solar project at Ramagundam, spreads over 500 acres of its reservoir and is now fully operational. It is endowed with advanced technology as well as environment friendly features. It is constructed by M/s BHEL as EPC at a cost of Rs. 423 crores.

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### MoHUA sanctions 122.69 lakh houses under PMAY-U 'Housing for All' Mission for providing all-weather pucca houses to urban beneficiaries

Pradhan Mantri Awas Yojana-Urban (PMAY-U) – 'Housing for All' Mission provides central assistance to States / Union Territories for providing all-weather pucca houses to all eligible urban beneficiaries.

The financial assistance ranges from INR 1 lakh under "In-situ" Slum Redevelopment (ISSR) scheme to 6 lakhs for EWS (annual income upto 3 lacs) and LIG (annual income between 3 lacs to 6 lacs) under the Credit Linked Subsidy Scheme (CLSS), with 6.5% of interest subsidy

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### Several interventions undertaken by Power Ministry to improve financial and operational efficiencies of DISCOMs

Government has launched the Reforms-based and Results-linked Revamped Distribution Sector Scheme with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector.

The scheme has an outlay of Rs. 3,03,758 crores and estimated GBS from Central Government of Rs. 97,631 crores. Financial assistance under this scheme is tied to reform measures and achievement of results as per mutually agreed action plans.

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# INITIATIVES BY DEPARTMENT OF ECONOMIC AFFAIRS (DEA)

## Capacity Building Initiatives by DEA: Training on Public Private Partnership (PPPs)

Under the Capacity Enhancement Plan framed by DEA, another 5-day training programme was conducted in partnership with **Indian School of Business (ISB)** at their Mohali Campus on the topic “**Project Management and Leadership**”. It was attended by 34 senior officials from Union Ministries/Departments, CPSEs and State Governments.

Similar, 5-day training programs on “**Capacity Building Program in Project Management**” was conducted in partnership with **Indian Institute of Management, Calcutta (IIM-C)** at their campus which was attended by 35 senior officials. The programme covered areas like Project Ownership models, Risk Management, Scheduling, Monitoring & Control, Value Analysis, Contract Management, Dispute Resolution



*Participants for the training conducted at Indian School of Business (ISB), Mohali*

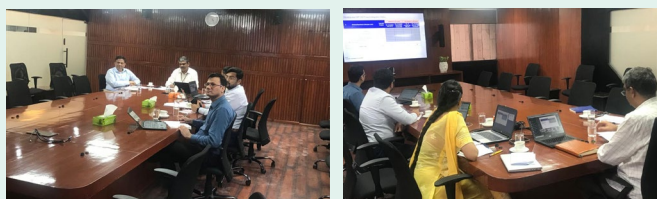


*Participants for the training conducted at Indian Institute of Management (IIM), Calcutta*

## DEA empanels Transaction Advisers for PPP Projects

To provide necessary support to **Project Sponsoring Authorities in transaction of PPP projects**, DEA has empaneled **12 Transaction Advisers** via its notification dated July 01, 2022. The panel has been made available to Central Ministries, State Governments, Statutory Bodies, Public Sector Enterprises, and other such undertakings within the purview of Ministries/ Departments of Government of India and State Governments. The aim is to create an enabling environment for stepping up of private investment in Infrastructure, cater State Governments demand and to make the process of appointment of transaction advisors/ consultants effortless, efficient, and effective. A manual for use of the panel has also been published in July 2022 and a workshop regarding the same is planned in August 2022. [Read More](#)

## Meeting on IIG-PMG Portal Integration



*IIG-NIP portal integration meeting being chaired by JS (IPP) through Video conferencing mode*

Integration of the India Investment Grid (IIG) and the Project Monitoring Group (PMG) portals has been underway to avoid duplication of efforts and data while uploading, reviewing, and monitoring projects having Total Project Cost more than 500 Crores.

Several meetings are being undertaken with NIP Ministries, BISAG-N, Invest India Team, and NIP Team at DEA with the focus to reduce the reporting burden on Ministries/ Departments due to similar data entry on different portals. This initiative will enable Ministries/User Agencies to fill data on just one portal, and the projects can be monitored at one single place.

## Stakeholder interaction by IFS at DEA

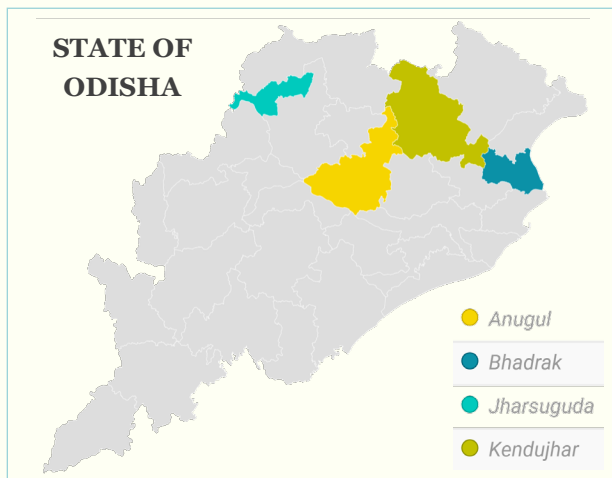


*DEA conducting stakeholder consultation with concerned ministries under the chairmanship of JS (IPP)*

Infrastructure Financing Secretariat (IFS) has been established by DEA to facilitate sustainable economic growth through increased investment in infrastructure. It has been making efforts in identifying policy measures, financing mechanisms and other enabling provisions to enhance private participation in Infrastructure development.

In this regard, DEA had recently conducted stakeholder consultations with concerned Ministries/ Departments to better understand the sectoral priorities and seek relevant data/ information for preparation of sectoral financing reports.

## STATE IN FOCUS

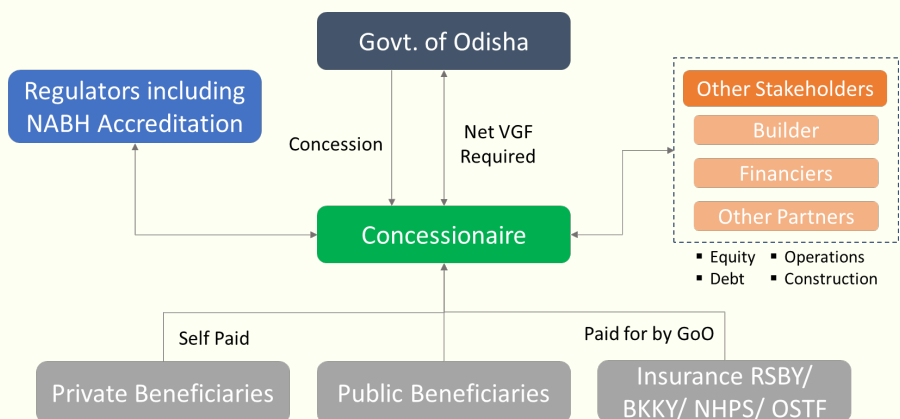


Project Name	<b>Affordable Healthcare Project</b>			
Description	Development of greenfield higher secondary/tertiary care hospital			
Unique Feature of the Project	First project in India to get VGF approval for Operations and Maintenance Phase of the project			
Project Type	PPP – DBFOT Model			
Construction Period	Phase I: 2 years from effective date Phase II: 5 years from effective date			
Operation Period	30 years			
	<b>Locations</b>	<b>No. of Beds</b>	<b>Project Cost</b>	<b>Project IRR</b>
	Angul	200	97.54 Cr.	14.96%
	Barbil	200	97.54 Cr.	14.89%
	Bhadrak	100	48.35 Cr.	15.05%
	Jharsuguda	100	48.35 Cr.	15.05%

### Project Structure

To increase equity and access to quality healthcare services, across all the districts, Government of Odisha has adopted a programmatic approach to develop hospitals offering quality care services at affordable rates in 25 districts of the state in PPP mode. The projects have been structured with financial assistance during construction as well as 1st 5 years of operation phase.

Out of the 25 identified locations for development of affordable healthcare project, in the 1st phase, projects at 4 locations namely Angul, Barbil, Bhadrak and Jharsuguda have been evaluated and in-principally approved for VGF support under sub-scheme II of the VGF scheme. VGF support to the tune of 80% of Total Project Cost (TPC) (including 40% contribution by GoI) and up to 50% of the O&M Cost (including 25% contribution by the GoI) for the first five years after Commercial Operations Date (COD) has been granted by the Department of Economic Affairs (DEA).



### Healthcare Infrastructure in Odisha

Odisha has around 36,000 hospital beds for 42 million people (only 0.8 bed available /'000 people), which indicates a large health infrastructure gap of 120,000 hospital beds, as compared to the WHO average of at least 3.5 beds /'000 people for low-mid income countries. Existing hospitals are heavily congested and over utilized with 90% hospitals having an occupancy of more than 100%, signifying following reasons for development of healthcare infrastructure in the state:

- All the quality higher secondary/ tertiary care services are concentrated in 3 districts out of 30 (Khurda, Cuttack & Berhampur)
- 82% of 100 bed plus private hospital beds are concentrated in Bhubaneswar and Cuttack
- Bed gap as a percentage of required beds stands at 78% in entire Odisha
- High unmet demand for Specialty Services across the state
- Highly centralized health system: Most people travel to the 5 referral centers (Cuttack, Bhubaneswar, Berhampur, Burla, Rourkela) within the state or outside (Raipur & Vizag) for higher secondary care services