



INFRASTRUCTURE NEWSLETTER

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In – Focus

“G20 presents an opportunity for India to showcase the strength of its States”
 – Shri Narendra Modi

The G20 is a strategic multilateral platform connecting the world’s major developed and emerging economies. It holds a strategic role in securing future global economic growth and prosperity. Together, the G20 members represent more than 80 percent of world GDP, 75 percent of international trade and 60 percent of the world population. Starting in 1999 as a meeting of the Finance Minister and Central Bank Governors, the G20 has evolved into a yearly summit involving the Head of State and Government in addition to the Sherpa meetings, working groups, and special events organized round the year.




Shri Narendra Modi discussing India’s G20 presidency in 2023 at the seventh meeting of the Governing Council

The Indian G20 Presidency starting from December 2022 is expected to be spread over 215 meetings including a leader's summit and foreign ministers' meeting besides 57 working group meetings, 46 engagement group meetings and 4 G20 Sherpa meetings. The meetings are expected to be held pan India across all states and Union Territories at near 55 locations from Leh to Kavaratti, Port Blair, Srinagar, Imphal, Kevadia and Khajuraho to Delhi, Chennai, Kolkata, Hyderabad, Mumbai and Bengaluru. The thematic ideas under consideration are 'One Earth/ Sustainable Responsible Inclusive Growth/ World is one family or Vasudev Kutumbukum'.

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KEY INFRASTRUCTURE INDICATORS




Capital Expenditure

Up to August 2022 – Rs. 2,52,328 Crore

47% higher than capex in corresponding period (up to August 2021)


Source: CGA



Deployment of Gross Bank Credit in Infrastructure

Period	Y-o-Y Growth (%)
September 2021	2.4%
September 2022	11.1%

Source: RBI



Infrastructure project progress update

NIP Status	Sep 2021	Sep 2022
Overall Projects	7,223	8,964
Completed	893	971

Source: IIG

INFRASTRUCTURE POLICY ENABLEMENT

Gati-Shakti Vision for Telecom Infrastructure – Right of Way Rules Amended for Faster 5G Roll-out

The amendment in rules aim to facilitate faster and easier deployment of Telecom Infrastructure. The salient features of the amendments include:

- Expansion of telecom infrastructure
- Improving ease of doing business
- Rationalization of fees/charges
- Development of Telecom infrastructure over private property

The 4 basic ingredients for ensuring faster rollout of 5G services across the country mainly include allocation of spectrum, reforms in the processing of RoW permission, co-operative federalism, and rollout of services

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National Highways Logistics Management Limited & JNPT signed MoU for the development of Multi Modal Logistics Park (MMLP) at Jalna in Maharashtra

The proposed Jalna MMLP will serve as a functional Dry port of the Marathwada region, thus benefiting Steel & Allied industries, Fruits and Vegetables processing units, Seed industries and cotton sector. The MMLP would be connected via Samruddhi Marg and Delhi-Mumbai Industrial Corridors to enable promotion of the export of Agro products thereby transforming Jalna into Automobile Hub of Marathwada region.

The project will also boost the logistics sector and bring economic growth in the region by benefiting farmers and boosting EXIM trade.

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Tripartite MoU signed for swift development of modern Multi Modal Logistics Park (MMLP) under Bharatmala Pariyojna

The tripartite agreement was signed by National Highways Logistics Management Limited (NHLML), Inland Waterways Authority of India (IWAI) and Rail Vikas Nigam Limited (RVNL) with an objective to centralize freight consolidation and reduce logistics cost from 14% to less than 10% of GDP at par with International Standards.

MMLP focuses on a technology driven implementation for a state-of-the-art freight management system. It is developed under a 'Hub & Spoke' model, which aims to integrate multiple modes of freight transport through highways, railways & inland waterways. The seamless modal shift facilitated by MMLPs will ensure that cargo is swapped/shifted from and to Waterways, Dedicated Freight Corridors & Road Transport.

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Cabinet approves PLI Scheme on 'National programme on High Efficiency Solar PV Modules'

MNRE's proposal for implementation of Tranche II of the Scheme aims to build an ecosystem for manufacturing of high efficiency solar PV modules in India, and thus reduce import dependence in Renewable Energy sector.

Solar PV manufacturers will be selected through a transparent selection process. PLI will be disbursed for 5 years post commissioning of solar PV manufacturing plants.

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Cabinet approves policy on long term leasing of Railways Land for implementing PM Gati Shakti framework

Railways with its existing land policies could not integrate well with other modes of infrastructure. Streamlining land lease policy aims to enable faster integrated planning.

Liberalizing the policy would open avenues for all stakeholders / service providers / operators to establish more cargo related facilities and render their participation assisting in generation of additional cargo traffic and freight revenues to Railways

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Cabinet approves redevelopment of New Delhi, Ahmedabad, and Mumbai Railway Stations

The proposal envisages investment of INR 10,000 crores for transformation of its 3 major railway stations. This decision was chaired by Hon'ble Prime Minister, Shri Narendra Modi to give a new direction to station developments.

Work on redevelopment of 199 Stations is going on. Out of these, tenders have been issued for 47 stations while Master planning and design for the remaining is underway

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INFRASTRUCTURE POLICY ENABLEMENT

Draft Indian Ports Bill, 2022 issued for Stakeholder Consultation

The proposed bill will homogenize and streamline the development of the maritime sector, along with, promoting ease of doing business by eliminating unnecessary delays, disagreements and defining responsibilities. It has been prepared with the following objectives:

1. Promote integrated planning between States inter-se and Centre-States through a purely consultative and recommendatory framework
2. Ensure prevention of pollution measures for all ports in India while incorporating India's obligations under international treaties
3. Address lacunae in the dispute resolution framework required for burgeoning ports sector
4. Usher-in transparency and cooperation in development and other aspects through use of data

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Joint initiative of Union Ministry of Agriculture and Farmers Welfare and FICCI launched to attract PPP Projects in Agriculture

The Project Management Unit (PMU) on Public-Private Partnership (PPP) in Agriculture was launched by the Union Minister of Agriculture and Family Welfare to strengthen the agriculture sector. This initiative aims to accelerate large scale PPP projects in Agriculture by leveraging the private sector investments and bring convergence of Government schemes and subsidies.

The primary objective of this PPP initiative is to enhance the income of small farmers by creating additional value, - from provisioning of quality inputs, technology extension to market linkages, and value addition. PPP initiatives are also expected to lead to modernizing agriculture practices, promoting research in climate resilient crops, developing agriculture and rural infrastructure, and increasing agricultural exports.

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Cabinet approves continuation of PMAY-U - "Housing for All" Mission up to 31st December 2024

The scheme is being implemented through 4 verticals namely Beneficiary Led Construction/ Enhancement (BLC), Affordable Housing in Partnership (AHP), In-situ Slum Redevelopment (ISSR) & Credit Linked Subsidy Scheme.

Financial assistance is to be provided for the completion of already sanctioned 122.69 lakh houses till end of March 2022. State Govt/UTs are responsible for implementing the scheme including selection of beneficiaries.

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IREDA signs MoU with MAHAPREIT to provide loans for Green Energy projects

Under this collaboration, IREDA will offer financing facilities to MAHAPREIT for the Renewable Energy projects to be implemented for state utilities, local bodies, and the infrastructure of Renewable Energy Parks

It will also undertake Techno-Financial due diligence of Renewable Energy and Energy Efficiency & Conservation projects.

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Singing of MoU between NHLML and Katra Development Authority for developing Inter-Modal Station in Katra, Jammu and Kashmir

The Inter-Modal Station will improve the travelling experience of Pilgrims who are visiting Mata Vaishno Devi Temple. Inter-Modal Stations are being developed across the country for improving passenger infrastructure development.

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REC sanctions ₹22,000 Cr. under new LPS Rules

The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules 2022) have been issued by Ministry of Power to not only ensure reliable and quality uninterrupted supply of electricity to consumers, but also alleviate the interest burden on account of late payment of power purchase dues by the State utilities.

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Ministry of Textiles approved Pashmina Wool Development Scheme

The scheme has been launched under the Integrated Wool Development Programme (IWDP) with a budget allocation of Rs. 29 Cr. for implementation during FY from 2021-22 to 2025-26.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT

Inauguration of the Infrastructure Finance Secretariat, Department of Economic Affairs

The Infrastructure Finance Secretariat (IFS) was inaugurated at the Jawahar Vyapar Bhawan, Janpath in the gracious presence of Shri Ajay Seth, Secretary, Department of Economic Affairs (DEA), Ministry of Finance. The IFS has been constituted with the objective to leverage the collective strengths of its Infrastructure Policy & Planning (IPP) and Infrastructure Support & Development (ISD) Divisions and has been housed at DEA with technical assistance from Asian Development Bank and World Bank.



Secretary, DEA and officials of DEA, M/o Finance at the inauguration ceremony of IFS

The key goals of IFS are to harmonize policies and initiatives such as mobilizing private investments in infrastructure, stimulating structured financing options, catalyzing sectoral reforms, and bridging gaps across implementing agencies through capacity building plans.

State Infrastructure Outreach Workshops by IFS, DEA

A series of workshops have been planned with key infrastructure ministries, State Governments and Union Territories, with the aim to understand on-ground issues faced by project authorities in undertaking large infrastructure projects and to enhance private investment in infrastructure sector. Three workshops have been conducted till now in Mumbai, Chandigarh and Varanasi covering 12 States and 2 Union Territories.



Mumbai Chapter



Chandigarh Chapter



Varanasi Chapter

Workshop to sensitize Ministries/ States regarding empaneled TA for PPP projects

Officials from state/ central ministries were sensitized with the **pivotal role of PPPs in boosting the infrastructure development** of the country and the key interventions that are being undertaken by the Central Government.

DEA explained that the empanelment of Transaction Advisers (TAs) is done for making the process of appointment of transaction advisors/ consultant Effortless, Efficient and Effective.

It was clarified that support can be taken from the **empaneled TAs to structure bankable PPP projects** and that the manual “*Transaction Advisers for PPP projects: Manual for use of the panel*” can be referred by the project sponsoring authorities to on-board a transaction adviser. [Read More](#)

Workshop with empaneled TAs for PPP Projects

The TAs were sensitized about their support required in **creating awareness about DEA schemes** such as VGF and IIPDF, providing desired levels of **handholding support** in document preparation, data sharing and other interventions required to bridge the gap between the stakeholders involved in PPP projects.

TAs were also apprised about the **TA Manual** developed by DEA for use of the panel which will act as a step-by-step guide that can be referred by the Project Sponsoring Authorities (PSAs) to on-board a transaction adviser for structuring their PPP projects.

The workshop was attended by representatives of 12 empaneled Transaction Advisers (TAs) for Public Private Partnership (PPP) Projects. [Read More](#)

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT

DEA organized workshop on “Interventions Required for Strengthening the PPP Ecosystem”

The Workshop was inaugurated by Shri Ajay Seth, Secretary, DEA, Ministry of Finance (MoF) with special addresses delivered by Dr. V. Anantha Nageswaran, Chief Economic Adviser, MoF, Ms. Sally Taylor, Minister Counsellor (Director Development, Climate, Science and Technology), and Ms. Wendy Werner, Country Head India, International Finance Corporation, World bank Group.

It intended to encourage private sector investmnets by providing a platform to the key stakeholders for sharing their views about the current PPP landscape, areas/ sectors of interest, and suggesting interventions/ initiatives required to further strengthen the current PPP ecosystem. [Read More](#)



Shri B. Purushartha, Joint Secretary, (ISD), Infrastructure Finance Secretariat delivering welcome address at the workshop on strengthening PPP Ecosystem

Consultative meetings on development of LMS Portal for DEA

DEA has envisaged development of an online infrastructure-focused learning and certification portal which would host world class, self-training courses with key features of videos, lectures and case studies including assignments.

For the e-learning portal to take appropriate structure and increase the outreach/ impact of Capacity Enhancement Plan (CEP), DEA conducted consultative meetings with National e-Governance Division (NeGD) to understand the features of their Learning Management System (LMS) and explore possibilities to leverage it for development of DEA’s LMS.



Consultative meeting with NeGD and QCI Teams

Assistance provided to Shivamogga Smart City regarding admissibility of 25 MW solar project

Shivamogga Smart City Limited (SSCL), Bangalore is undertaking development of 25 MW Solar Power Generation project on PPP basis at Canal Top of the Tunga left bank Canal under the Viability Gap Funding (VGF) Scheme of Government of India.

The project has been tendered five times by SSCL with minimum tariff as the bidding parameter. However, no bidders participated, stating that if tariff is taken close to the recently approved tariff in the vicinity, then the project would require a VGF support within 20% of EPC.

The meeting with MD and representatives of SSCL was chaired by JS (ISD) and Department of Economic Affairs (DEA) agreed to provide handholding support to SSCL upon receipt of all the project related documents.

Handholding support to State of Karnataka regarding clause on Escrow Account in DCAs

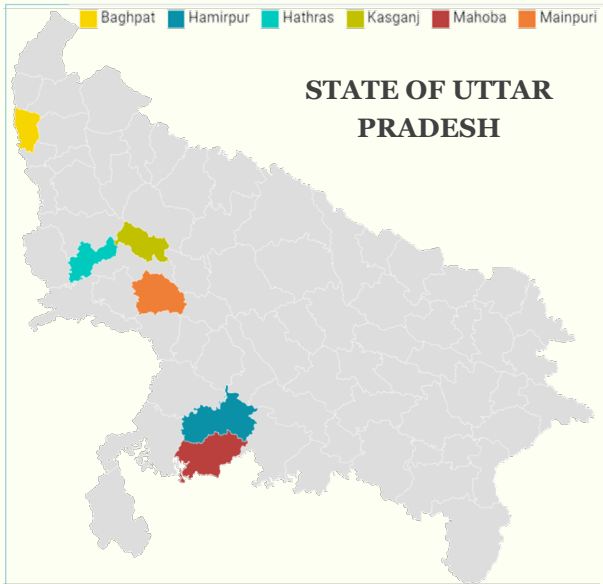
Government of Karnataka was in process of preparing study reports and draft bid documents for three projects proposed to be developed on PPP Mode, with Highest concession fees as the bidding parameter.

However, the Transaction Advisors for these projects expressed that there is no need of having an escrow account clause in the Draft Concession Agreements (DCAs), as the Authority gets annual concession fee, and the developer would keep the Authority informed about his accounting details through the quarterly reporting mechanism. In this regard, suggestions were sought from DEA.

DEA advised the PPP cell of the Government of Karnataka on few considerations necessitating inclusion of the Escrow Account clause in a concession agreement.

STATE IN FOCUS

VGF funding approval for capacity augmentation of Medical Infrastructure



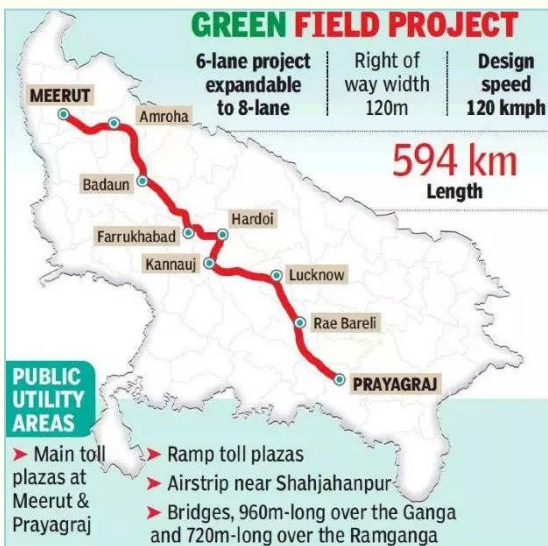
Project Name	Setting up of Medical Colleges in 6 unserved districts of Uttar Pradesh
Description	Utilization of these facilities by private partners for development & operation of Medical College
Project Type	PPP – Augment Operate Transfer (AOT) Model
Concession	33 yrs (including 5 years of construction period) + 33 yrs

Project Highlights

Government of Uttar Pradesh (GoUP) through Directorate of Medical Education & Training (DGME) proposed to augment the infrastructure of the District Hospitals at six districts of Uttar Pradesh and allow the utilization of these facilities to a private partner for developing and operating a Medical College with an annual intake of at least 100 MBBS students through Public Private Partnership.

The existing district hospital and additional land for medical college as per NMC norms shall be provided on lease to the Concessionaire for development of medical college. The Concessionaire will upgrade the district hospital to teaching hospital standards as per NMC norms.

EC recommends India's longest Access Controlled Expressway



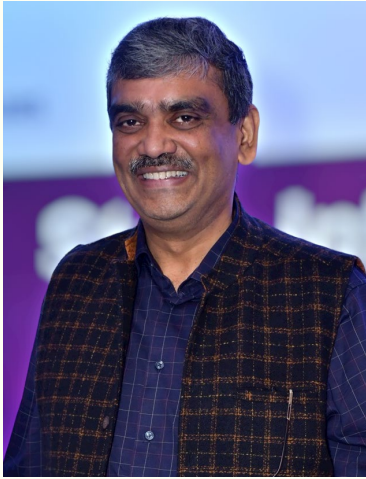
Project Name	Ganga Expressway Project
Description	Access Controlled Six-Lane (expandable to 8-Lane) Greenfield Expressway with structures for 8 lanes
Project Type	PPP – DBFOT Mode
Concession	30 years from Appointed Date
Authority	Uttar Pradesh Expressways Industrial Development Authority (UPEIDA)
Project Cost	22,125 Crores
Total Grant	7,742 (35% of TPC)
Total VGF from GOI	3,871 (17.5% of TPC)
Project IRR	13.22% (average for 4 groups)
Equity IRR	14.57% (average for 4 groups)

Project Highlights

The envisaged expressway has been proposed by UPEIDA to provide seamless flow of traffic on access-controlled road between Meerut and Prayagraj. The existing alignments between Meerut and Prayagraj are longer and more time consuming than the proposed Ganga Expressway.

The design speed of the proposed Expressway is almost double the average journey speed on existing alternative routes. In addition to the significant saving in fuel and time, the proposed Expressway is anticipated to enhance connectivity across various districts of Uttar Pradesh and access to the NCR, thus, providing an impetus to the trade and growth in the region.

Under the Leadership of:



Shri Peeyush Kumar

Joint Secretary, IPP
Department of Economic Affairs
Ministry of Finance



Shri Baldeo Purushartha

Joint Secretary, ISD
Department of Economic Affairs
Ministry of Finance

The Infrastructure Finance Secretariat (IFS) has been established by the Department of Economic Affairs (DEA), Ministry of Finance with the idea of harmonizing policies and initiatives related to infrastructure financing and development. It plans to leverage the collective strengths of its Infrastructure Policy & Planning (IPP) and Infrastructure Support & Development (ISD) Division with technical assistance from a team of consultants and experts housed at the secretariat. The key goals of IFS are to mobilize private investments, stimulate infrastructure financial reforms, catalyze sectoral reforms work in collaboration with ministries and bridge gaps across implementing agencies through capacity building plans to improve capabilities for efficient and effective infrastructure development.

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