

# INFRASTRUCTURE NEWSLETTER

Infrastructure Divisions, Department of Economic Affairs



सत्यमेव जयते



In – Focus

May 2022

***“NDB will play a significant and meaningful role in the development journey of its member countries in the decades to come.”***

– Smt. Nirmala Sitharaman

The 7<sup>th</sup> Annual Meeting of the Board of Governors of New Development Bank (NDB) was chaired by the Union Minister of Finance & Corporate Affairs and India’s Governor for the NDB, Smt. Nirmala Sitharaman through video conferencing in New Delhi. The meeting was also attended by Governors/ Alternate Governors of Brazil, China, Russia, South Africa and the newly joined members Bangladesh and United Arab Emirates (UAE).

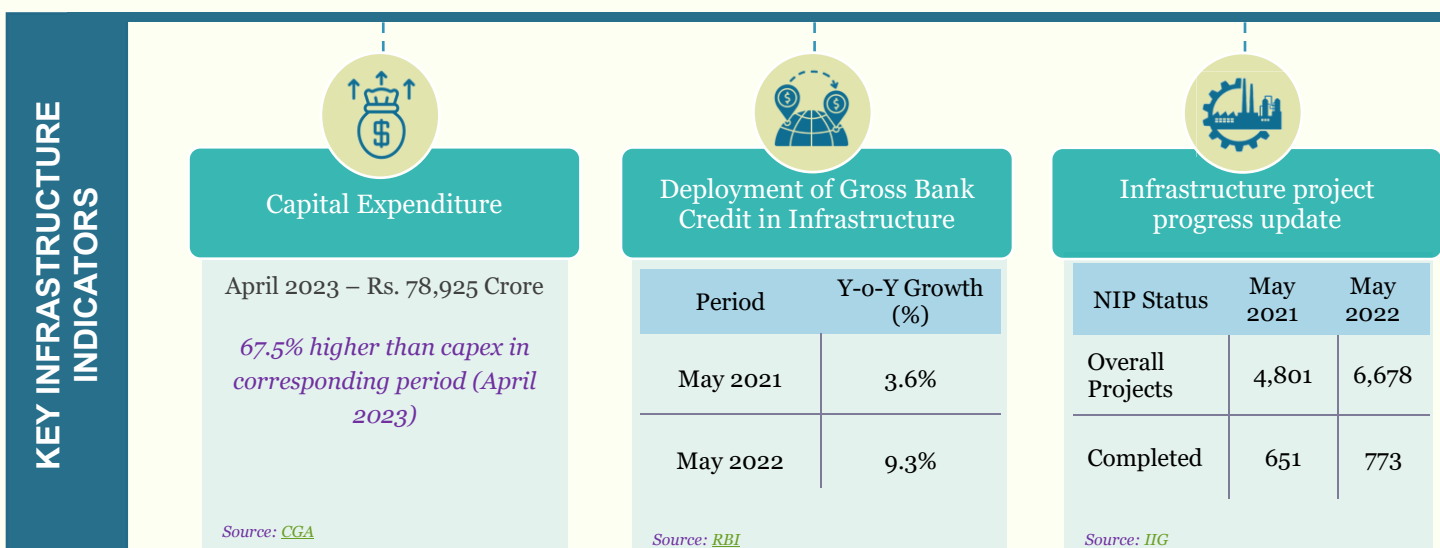


*Smt. Nirmala Sitharaman chaired 7th Annual Meeting of Board of Governors of NDB*

NDB is a multilateral development bank, which was set up by the BRICS countries (Brazil, Russia, India, China, and South Africa) in 2014 with the objective of mobilizing resources for infrastructure and sustainable development projects in the BRICS as well as other EMDCs of the world. Last year, NDB has expanded its membership to include four countries namely, Bangladesh, UEA, Egypt and Uruguay.

The Finance-Minister underscored the importance of multilateralism and the spirit of global cooperation for economic recovery. She highlighted that the NDB has successfully established itself as a reliable development partner for Emerging Market Economies. While acknowledging the NDB’s achievements and progress made over the last six years, she emphasized that the Bank has demonstrated strong results within its core mandate.

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# INFRASTRUCTURE POLICY ENABLEMENT

## Guidelines for early Resolution of Stuck Public Private Partnership (PPP) projects at Major Ports

The Ministry of Ports, Shipping & Waterways has finalized the guidelines to facilitate revival of Stressed Public Private Partnership (PPP) Projects at the Major Ports of India. These guidelines would expedite resolution of the cases under arbitration.

The stressed port asset, likely to be activated through re-bidding, will result in unlocking the blocked cargo handling capacity of approximately 27 MTPA thereby creating better trade opportunities for the prospective investors and generating revenue for the Port Authority. It will repose confidence in the investors/ concessionaires and generate employment opportunities.

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## Cabinet approves Amendments to the National Policy on Biofuels -2018

To increase biofuel production, several amendments proposed by National Biofuel Coordination Committee (NBCC) such as introduction of Ethanol Blended Petrol with up to 20% ethanol, allowance of more feedstocks for production of biofuels and export of biofuels in specific cases have been approved by the Union Cabinet, chaired by Prime Minister Shri Narendra Modi.

This proposal will also attract and foster developments of indigenous technologies which will pave the way for Make in India drive thereby leading to reduction in import of petroleum products besides generating more employment.

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## New Guidelines of Micro & Small Enterprises Cluster Development Programme (MSE-CDP) approved

The guidelines, to be implemented during 15th Finance Commission Cycle (2021-22 to 2025-26), will aim at enhancing competitiveness and productivity of Micro & Small Enterprises by undertaking interventions such as:

1. **Common Facility Centers (CFCs):** The central government grant to be restricted to 70% of project cost for cost varying between Rs. 5.00 crore to Rs. 10.00 crore and 60% for cost varying between Rs. 10.00 crore to Rs. 30.00 crore.
2. **Infrastructure Development:** Grant will be restricted to 60% of project cost for project cost varying between Rs. 5.00 crore to Rs. 15.00 crore for setting up of new Industrial Estate / Flatted Factory Complex and 50% for up-gradation of existing Industrial Estate / Flatted Factory Complex.

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## MNRE issues advisory for the General Public on PM Kusum Scheme

*Under the PM-KUSUM Scheme, subsidy is being provided for setting up of standalone solar pumps and for the solarization of agricultural pumps. Farmers can also install grid-connected solar power plants up to 2 MW. The scheme is being implemented by the designated departments of the state governments.*

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## Leading Oil PSUs sign Tripartite-cum-Escrow Agreement for upcoming dedicated ethanol plants

*According to the Tripartite-cum-Escrow Agreement (TPA) signed among OMCs, project proponents and Banks, ethanol produced by these dedicated ethanol plants shall be sold to OMCs for blending with Petrol as per Govt of India's Ethanol Blended Petrol (EBP) Program.*

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## Government lifts "Export Prohibition" on Bamboo Charcoal for Higher Profitability of Bamboo Industry

*The move will facilitate optimum utilization of raw bamboo and would reduce the high input cost thus making the bamboo-based industries, mostly in the remote rural areas, financially profitable.*

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## Quadripartite Agreement worth INR 274 Cr. signed by NMCG for development and management of 35 MLD STP at Maheshtala, WB

*This project aims to stop the flow of sewage into River Ganga from Maheshtala; to be developed under Hybrid Annuity Mode ~ 40% of construction cost to be paid over 24-months of construction period and balance 60% to be paid as quarterly annuities over a period of 15 years*

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## INFRASTRUCTURE MARKET NEWS

### “GatiShakti Sanchar” Portal to Streamline the process of Right of Way (RoW) Applications Across the Country

The portal will enable applicants from various Telecom Service providers (TSPs) as well as Infrastructure providers (IPs) to apply at a common portal for Right of Way permissions to lay down Optical Fibre Cable and for erecting mobile towers to State/UT Governments and local bodies. This would further facilitate easy rollout of 5G services in the country

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### Shri Nitin Gadkari chairs meeting to review the proposal of NHLML to revamp logistics and allied activities in Delhi region

NHLML plans to develop an efficient logistics system in Delhi by creating integrated freight villages at strategic locations with the aim of decongesting the capital city and generating huge investment opportunities in the infrastructure sector besides creating sustainable employment opportunities for the youth.

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### NHAI Signs Two MOUs in Lucknow to Enhance Highway Infrastructure

First of its kind MOU was signed between NHAI and State Rural Livelihood Mission, Uttar Pradesh to involve the self-help groups in taking up the plantations along the National Highways. The initiative will also be introduced in other states.

The second MOU was signed between NHAI and AMMANN India Pvt. Ltd. Both entities have collaborated to create a talent pool of highly skilled workforce, fully trained on advanced technologies in Highway construction, rehabilitation, and maintenance.

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### India advances in 5G/ORAN testing eco system through public private partnership

The MoU signed between TEC, a technical arm of the Department of Telecommunications and M/s VVDN aims to facilitate registered startups, innovators and MSMEs working in the field of Open RAN to get their product tested by TEC at the existing lab of M/s VVDN.

Such testing certification shall accelerate the research innovation domestic design and manufacturing. This test certification eco system will position India as the emerging design testing and certification hub of Asia in 5G/ORAN.

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### National Sagarmala Apex Committee reviews the progress of the Sagarmala program

802 projects worth Rs. 5.5 lakh Crore are targeted to be executed by 2035, out of which, 202 projects worth Rs. 99,281 Crore have been completed. 29 projects worth Rs. 45,000 Crore of the completed projects have been implemented under PPP model. Additional 32 PPP projects worth Rs. 51,000 Crore are currently being implemented

Further, more than 200 projects worth Rs. 2.12 lakh Crore are under construction, completion expected in next 2 years

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### Ministry of Civil Aviation invites applications for Production Linked Incentive (PLI) scheme for drones and drone components

The eligibility criteria for the PLI scheme for drones & drone components includes an annual sales turnover of INR 2 crore for drone companies and INR 50 lacs for drone components manufacturers; & value addition of over 40% of sale turnover.

Under the scheme, a total incentive of INR 120 crore is spread over three financial year which is nearly double the combined turnover of all domestic drone manufacturers in FY 2020-21. The PLI rate is 20% of the value addition which is one of the highest among other PLI scheme

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### 7th Japan-India ICT Joint Working Group meeting held under India-Japan ICT Comprehensive Cooperation Framework

The meeting deliberated on the best practices and experience on Open RAN, Massive MIMO, Quantum Communications, Connected Cars, 5G Use cases and 6G Innovation and agreed to enhance cooperation under the framework of Memorandum of Cooperation (MoC) between India and Japan.

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# INITIATIVES BY DEPARTMENT OF ECONOMIC AFFAIRS (DEA)

## DEA organized a 2-day workshop on Awareness Building and Guidance on using the PPP Toolkits

Organized in collaboration with Foreign, Commonwealth and Development Office (FCDO), UK, the workshop aimed at sensitizing and training government officials in using PPP toolkits for decision making in PPP projects. It broadly covered introduction and walkthrough of PPP structuring Toolkit, Value-for Money Toolkit, Framework for recognition, valuation and reporting of contingent liabilities Toolkit, Post Award Contract Management (PACM) toolkit.



*Shri Baldeo Purushartha, JS (ISD) delivering a session during the workshop on PPP Toolkits organized by DEA*

PPP structuring Toolkits developed by DEA are a web-based resource designed to help improve decision-making for infrastructure PPPs in India and to improve the quality of the infrastructure PPPs that are implemented in India. The Toolkits are for use by PPP practitioners across India in both the public and private sectors, covering five infrastructure sectors- State highways, Water and sanitation, Ports, Solid waste management, Urban Transport. Other toolkits such as PPP Post-Award Contract Management Toolkit, Value for Money (VfM) toolkit, and Framework for recognition, valuation and reporting of contingent liabilities have also been developed to assist in the PPP decision-making process.

The workshop was organized on hybrid mode, to ensure outreach to maximum stakeholders involved in the decision-making process. It witnessed active participation of 155 participants (35 participants from 16 Central Infrastructure Line Ministries/ Departments) and 120 participants from 15 states and 2 UTs. Sessions were delivered by Industry experts.

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## Key Infrastructure Projects approved by DEA

### 1. In-Principle approval granted to Healthcare Projects in 4 districts of Odisha under VGF Scheme

The project entailed development of Affordable Healthcare Projects on PPP mode in Angul, Jharsuguda, Barbil and Bhadrak districts of Odisha. Project involves development of greenfield higher secondary/ tertiary care hospital & operation of the facilities for 30 years

### 2. Project proposal for development of Steel Silos at 66 locations approved on DBFOO basis under Hub & Spoke model

New standalone Spoke silos will be developed across procuring and consuming regions by leveraging road connectivity for bulk grain movement with operations envisaged for 30 years

## Discussion on EL based Credit Rating mechanism



*Shri Peeyush Kumar, JS (IPP) addressing the delegates*

DEA had organized a discussion with Regulators, Banks, Credit Rating Agencies, Industry Associations on 31st May 2022 under the chairmanship of Joint Secretary (IPP), DEA with the following objectives:

- To discuss **Expected Loss (EL) based credit rating mechanism** for infrastructure projects
- To understand **perspectives & experiences** of stakeholders related to EL based credit rating system
- To recognize the **challenges faced by developers** in EL based credit rating system