



INFRASTRUCTURE NEWSLETTER

Infrastructure Finance Secretariat
Department of Economic Affairs
Ministry of Finance

Vol. IX
APRIL – MAY
2023





In – Focus

2nd meeting of G20 Finance Ministers and Central Bank Governors (FMCBG) under the Indian G20 Presidency held in Washington DC

Hon’ble Finance Minister, Smt. Nirmala Sitharaman and Governor, Reserve Bank of India, Shri Shaktikanta Das **jointly chaired the second meeting of the G20 Finance Ministers and Central Bank Governors (FMCBG)** under the Indian G20 Presidency was held on 12th-13th April 2023. The meeting witnessed participation of **350 delegates** from G20 member countries, 13 invitee countries, and various international and regional organizations.

The objective of the meeting was to deliberate on the **progress made by the various workstreams** under G20 Finance Track on their respective deliverables tasked by the Ministers and Governors in the 1st G20 FMCBG meeting held in February.




Hon’ble Finance Minister, RBI Governor, Chief Economic Advisor and Secretary, Economic Affairs addressing the Press conference post 2nd FMCBG meeting at Washington DC in April 2023

The meeting was organised in **three sessions** covering Global Economy, International Financial Architecture, Sustainable Finance, Financial Sector, Financial Inclusion, and International Taxation. The discussions focused on strengthening multilateral coordination towards addressing the increasing debt distress in low-income and vulnerable middle-income countries and mobilizing resources for climate change. Member countries exchanged views on financial challenges posed by crypto-assets ecosystem and the need to leverage Digital Public Infrastructure (DPI) for financial inclusion and productivity gains. Members also recognized the need for coordinated efforts toward effective implementation and wider adoption of the two-pillar international tax package, and the ways in which G20 forum can complement global efforts to enhance tax transparency.

Progress achieved during the 2nd G20 FMCBG meeting will inform the discussions during the **3rd G20 FMCBG meeting scheduled in July 2023** in Gandhinagar & subsequently the Leaders’ Summit scheduled for Sept’23 in New Delhi.

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KEY INFRASTRUCTURE INDICATORS




Capital Expenditure

Up to April 2023 –
Rs. 78,457 Crore

0.6% lower than capex in corresponding period (up to April 2022)


Source: CGA



Deployment of Gross Bank Credit in Infrastructure

Period	Y-o-Y Growth (%)
April 2022	9.7%
April 2023	1.7%

Source: RBI



Infrastructure project progress update

NIP Status	May 2022	May 2023
Overall Projects	8,774	8,994
Completed	1,224	1,260

Source: IIG

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INFRASTRUCTURE POLICY ENABLEMENT

Memorandum of Understanding for Project SMART signed between MoHUA, Ministry of Railways and JICA

Station Area Development along Mumbai-Ahmedabad High Speed Rail (SMART) is a project envisaged to develop surrounding areas of Mumbai-Ahmedabad High Speed Railway (MAHSR) Stations to enhance accessibility and convenience of commuters and to promote economic activities in the vicinity of station areas. For this project, Ministry of Housing and Urban Affairs (MoHUA) and Ministry of Railways (MoR) have jointly signed an MoU with Japan International Cooperation Agency (JICA) for four High Speed Rail Stations – Sabarmati & Surat in Gujarat and Virar & Thane in Maharashtra.

A series of seminars and field visits are being organized jointly by MoHUA, Govts. of Gujarat & Maharashtra and JICA to guide preparation of Station Area Development (SAD) Plans and model handbook, containing experiences and methodologies adopted in Japan, India and other countries.

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Expansion of power transmission network under PM Gati Shakti Master Plan

The power transmission network, presently at 4,25,000 circuit kilometers (ckm), is set to be expanded to 4,54,200 ckm by 2024-5 under PM Gati Shakti Master Plan. The addition of 28,700 ckm has been proposed as part of the Inter State Transmission System (ISTS) network at a voltage level of 220 kV and above. Out of the 28,700 ckm of transmission lines to be added, 27,00 ckm will be added by 2024-25 at an estimated cost of Rs. 75,000 Cr. The remaining 1,700 are likely to be completed beyond 2024-25.

The proposed Transmission projects under PM Gati Shakti National Master Plan are intended to facilitate evacuation of power from generation project with an increased degree of reliability of Power System Network in the country.

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Development of 10,000 km of Digital Highways by NHAI by FY 2024-25

NHAI is developing over 10,000 km of Optic Fibre Cables (OFC) infrastructure in India by FY 2024-25. National Highways Logistics Management Limited (NHLML) is a fully owned SPV of NHAI and will be nodal for the implementation of the Digital Highways network through integrated utility corridors along National Highways to develop OFC infrastructure. Pilot projects will be carried out along the 1,376 km stretch of the Delhi-Mumbai Expressway and the 512 km stretch of Hyderabad – Bengaluru Corridor. The project will enable expedited roll out of new technologies such as 5G & 6G. OFC network will enable direct plug-and-play or 'Fibre-on-demand' model.

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Stakeholder consultations to be held on the draft 'Sagarmala Innovation and Start-up Policy'

Ministry of Ports, Shipping and Waterways issued the draft policy that aims to nurture start-ups and other entities to co-create the future of India's growing maritime sector.

The thrust of the policy is towards facilitating collaboration among various stakeholders and institutions to build a strong ecosystem that fosters innovation and Startups in the country, to drive sustainable growth and generate large scale employment opportunities.

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Nuclear Power Plants to be jointly developed by NTPC and NPCIL

A Supplementary Joint Venture (JV) Agreement was signed between NTPC Ltd and NPCIL on 1st May 2023. The JV Company will be developing two Pressurized Heavy Water Reactor Projects at Chutka Madhya Pradesh Atomic Power Project and Mahi Banswara Rajasthan Atomic Power Projects. The project holds immense significance as it will help India in meeting its Clean Energy Commitments to achieve net zero emissions target by 2070.

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Network Planning Group (NPG) under PM Gati Shakti recommended four infrastructure projects for Railways

The NPG at its 46th session recommended four infrastructure projects: first for Broad-Gauge double line between Savai Madhopur and Jaipur in Rajasthan. Other projects include the construction of new Broad-gauge line in UP and Odisha, provision of automatic block signaling on Freight Dense high utilization network on Western Railways.

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INFRASTRUCTURE POLICY ENABLEMENT

Moving towards achieving the target of 500 GW renewable energy capacity by 2030

Ministry of New and Renewable Energy is targeting an annual increase in renewable energy capacity by 50 GW over the next five years to achieve the 500 GW target by 2030. The Government is inviting bids of Inter-State Transmission System (ISTS) that will include setting up wind power capacity of over 10 GW per annum.

India's renewable energy capacity as of February 2023 stands at 168.96 GW, with 82 GW at different stages of implementation and approximately 41 GW under tendering stage. Renewable Energy projects typically span over 18-24 months for commissioning, the bid plan intends to add 250 GW of renewable energy to ensure 500 GW of installed capacity by 2030. The targeted bid capacity for FY 2023-24 would be allocated among four REIAs which will initiate bids for solar, wind, solar-wind hybrid, RTC RE power etc.

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NTPC and Chempolis India to conduct a feasibility study for Bamboo-based Bio-Refinery in Assam

A Memorandum of Understanding has been signed between NTPC, Chempolis India and a Finnish bio-refining technology company to explore the possibility of setting up Bamboo-based Bio-Refinery in the city of Bongaigaon in Assam. Chempolis and NTPC will jointly conduct a feasibility study for the project that utilizes bamboo for the production of value-added products such as 2G Ethanol and Bio-Coal.

The integrated Bio-Refinery will be supplied with all utility requirements from the Bongaigaon Power Plant, while the Bio-Coal produced by the Bio-Refinery will partly replace the coal in the power plant converting 5% of the total power generation at the plant to green. The project is seen as a source for job creation as well as demonstrating a sustainable model of effectively using locally available resources.

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First phase of development of Bhogapuram International Greenfield Airport in Andhra Pradesh set in motion

Hon'ble Chief Minister of Andhra Pradesh, Shri Jagan Mohan Reddy laid the foundation stone for development of Bhogapuram International Airport on 3rd May 2023. The project is envisaged to be developed in three phases, where Phase 1 will be executed at an estimated project cost of Rs. 4,592 cr and would serve 6 million passengers per annum.

The total land area of the airport will be 2,203 acres with Category-I enabled runway spread across 3,800 meters and a cargo terminal in 5,000 sq meters.

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Development of more than 250 projects over five years under the Parvatmala Pariyojana

Ministry of Road Transport and Highways is to develop over 250 projects with a Ropeway length of more than 1,200 km. The projects will be developed under Hybrid Annuity Model with 60% contribution from Govt. of India. Additionally, manufacture of ropeway components is being promoted under Make in India initiative.

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336 villages in Arunachal Pradesh to be connected via 254 4G Mobile Towers for uninterrupted Telecom Service

Government of India and State Government of Arunachal Pradesh have jointly worked towards dedicating 254 4G mobile towers to enable high-speed network connectivity to thousands of residents in Arunachal Pradesh.

The step will augment various digital services in sectors such as health, education, e-commerce and agriculture.

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Infrastructure Projects worth Rs. 148 Cr inaugurated to augment the capacity of Chennai and Kamarajar Ports in Tamil Nadu

A bunker berth at Bharathi Dock (Rs. 50.25 Cr project cost), Goods Shed yard at Jolarpet and 40 KLD sewage treatment plant were inaugurated by the Minister of Port, Shipping and Waterways. These projects are said to boost EXIM trade in the region and leverage Blue Economy potential of India.

Further, Chennai-Vladivostok Maritime Corridor is proposed to be opened up, propelling growth & investment cooperation between India and Russia.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

IFS conducts State Infrastructure Outreach Workshop at Bhopal, Madhya Pradesh

IFS has been organizing a series of workshops for senior government officials representing State Governments, Union Territories, and key central infrastructure ministries to provide a platform for exchange of ideas and initiatives pertaining to infrastructure development, understand on-ground issues faced by project sponsoring authorities in undertaking large infrastructure projects, identify challenges in financing infrastructure and allow showcase of best practices adopted by States/UTs.

Total four workshops have been organized by IFS since its inception, with the participation of **over 250 senior government officials** from the States of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand and West Bengal and Union Territories of Chandigarh, Dadra & Nagar Haveli & Daman & Diu, Jammu & Kashmir and Ladakh.

The **two-day workshop at Bhopal**, fourth in the series of state outreach workshops conducted by IFS, was held in May 2023; previously three workshops were organized in Mumbai, Chandigarh, and Varanasi. These workshops aim to bring together government officials of Centre & States/UTs, private sector experts and academicians associated with the infrastructure sector to increase awareness about various central schemes, infrastructure financing instruments, and development trends in India.



Total 15 States and 4 UTs have participated in the State Infrastructure Outreach Workshop till date



Group photograph of participants in the State Infrastructure Outreach Workshop conducted in Bhopal, Madhya Pradesh

State outreach meetings with State Governments of Bihar and Madhya Pradesh

IFS has also undertaken focused one to one interaction with States to understand their key challenges with respect to infrastructure development and long-term project financing. Two such meetings were conducted with the **States of Bihar and Madhya Pradesh** in May 2023. During these meetings, it was identified that many states will benefit from an overall or sectoral roadmap for infrastructure development.

To encourage development of infrastructure projects on PPP mode, IFS is preparing a reference framework for setting up **State level PPP units** and for undertaking **PPP project appraisals**. IFS is also developing a Project Implementation mode selection guideline to help Sponsoring Authorities (SAs) make better decisions regarding project mode selection.

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Affordable healthcare projects successfully bid-out in Odisha under VGF Scheme

Government of Odisha has envisaged development of hospitals for providing secondary healthcare in 25 districts on PPP (DBFOT) mode. Under this program, hospital projects at four pilot locations have been awarded to Choitram Hospitals and Cygnus Medicare, with **VGF support of 40% of Capex and 25% of OPEX** from the Central Government.

The projects shall add **600 NABH-accredited beds** in the relatively backward districts of Barbil, Angul, Bhadrak and Jharsuguda, thereby enhancing the overall healthcare infrastructure of the State. These projects would provide **cashless treatment** to patients under government insurance schemes, while regular patients will be treated at market rates, thus providing comprehensive coverage in the region.

Approval for hiring of TAs under IIPDF Scheme for development of Data Centre at Goa

The approval committee (in its 5th meeting under the chairmanship of Joint Secretary, ISD Division, IFS) granted approval for release of funds under the IIPDF Scheme for hiring of **Transaction Advisor (TA)** to develop a **Data Centre** at Tuem, Pernem, **Goa on PPP (DBFOT) mode**.

Govt. of Goa intends to set up Tier-III and Tier-IV cloud based **Data Centre of 5MW IT load** comprising network of computers, storage systems and computing infrastructure to assemble, process, store and disseminate large amount of data. The proposal was submitted by Dept. of Information Technology, Electronics and Communications, Govt. of Goa through Goa Information Technology Development Corporation (**GITDC**) as the **Project Sponsoring Authority**.

Capacity Building workshops organized in collaboration with premier institutes

IFS organized total of **5 training programmes in Apr'23 and May'23** in collaboration with premier institutes like, IIM Lucknow, ISB Hyderabad, SPJIMR, NITIE Mumbai and AJNIFM. The 5-day training programs saw participation of 140 senior government officials from various State Governments, UT Administration, Infrastructure Ministries, Departments, CPSEs and Implementing Agencies. The topics covered include Project Planning & Scheduling, Digital Transformation in Infrastructure Development, Project Finance, Public Private Partnerships, Project Leadership & Change Management, etc.



Group photographs of participants from trainings at AJNIFM, IIM Lucknow and ISB Hyderabad

Workshop conducted on revamped PPP structuring toolkit for Ports and Roads Sector

A one-day virtual workshop on **PPP structuring toolkits** was conducted under the chairmanship of Joint Secretary, ISD Division in April 2023. The aim of the workshop was to provide an overview of the revamped toolkit that has been designed to guide Project Sponsoring Authorities (**PSAs**) in **identifying and developing projects on PPP mode**. The toolkit would help PSAs in improved decision making and better project preparation by guiding adoption of suitable PPP models. Presently, the **toolkits are available for five sectors** namely Highways, Ports, Solid waste management, Water and Sanitation and Urban Transport (BRTS).

The workshop witnessed active participation from officials of Central Ministries, State Governments and implementing agencies engaging with PPP projects. A series of **similar workshops have been planned by IFS in the coming months** to sensitize participants with the usage of toolkits. The workshops would focus on sector specific interventions undertaken by the government, covering the entire gamut of PPP lifecycle.

STATE INITIATIVES

Haryana govt approved two new Regional Rapid Transit System (RRTS) projects

Government of Haryana granted approval to develop **RRTS projects on the Delhi-SNB and Delhi-Panipat corridors** with the objective to provide comfortable and faster transportation to NCR towns. The **Delhi- Gurugram-Shahjahanpur-Neemrana-Behror (SNB)** project will be **107 kms long** with 37 kms elevated & 37 km underground alignment, while the **Delhi-Panipat corridor** will be **103 km long** with 11 kms elevated & 92 kms underground alignment.

The corridors will be **implemented by** National Capital Region Transport Corporation (NCRTC) and pass through the states of Delhi, Haryana, & Rajasthan. The projects are awaiting sanctions from Govt. of India.

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NHLML to set up four ropeway projects in Maharashtra at more than Rs. 1,000 crores

The National Highways Logistics Management Ltd (NHLML), a 100% SPV of NHAI, has taken up 4 ropeway projects under the **Centre's Parvatmala scheme**. The scheme aims to provide ecologically sustainable alternative to conventional roads in difficult hilly areas besides promoting tourism.

The **four projects** comprise 5.8km ropeway linking Brahmagiri mountain to Anjaneri hill in Trimbakeshwar, 1.4 kms ropeways in Rajgad and Mahad each, and 5km ropeway at the Matheran. Ropeway connecting **Brahmagiri and Anjaneri** would be implemented on **HAM model in a period of 2 years**. It will have capacity to carry 1,500 pax/hr. per direction.

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Case Study

Asia's largest Gobardhan (BioCNG) plant on Zero-waste discharge model



Project Name	Gobardhan Bio CNG Plant project in Indore
Project Authority	Indore Smart City Development Ltd. (ISCDL)
Project Structure	Build Operate and Transfer (BOT), PPP model
Concession Period	20 years
Project Features	Plant Capacity 550 TPD
Project Cost	Rs. 150 crores

Project Highlights

The Gobardhan Bio-CNG Plant project was envisaged to address issue of waste disposal and provide a sustainable solution for energy production and agricultural development in the city of Indore. The project has been established with the help of Green fund in association with Ever Enviro, and has **enhanced Indore's cumulative waste management capacity to 585 TPD**, facilitating treatment of ~543 TPD segregated wet waste which has 95% purity.

The project aims to use a **decentralized approach to waste management** by setting up small-scale bio-gas plants across the city. Biogas produced from these plants is purified and compressed to produce compressed biogas which is a cleaner and sustainable alternative to conventional fossil fuels. It also generates organic manure as a by-product, which can be used for agricultural purposes, thus **promoting circular economy** by converting waste into a valuable resource and reducing dependence on non-renewable sources of energy.

Key Project Benefits

- Total earning of ~9 crore in 1st two years of Carbon credit trading
- ~77,400 r-km/day of equivalent transport fuel being produced for 430 buses
- 150 direct local jobs and 300 indirect jobs created
- 1,30,000 tons of CO₂eq saved/year
- Replenishes 12,000 tons/year of organic carbon



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.

Infrastructure Newsletter

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