



INFRASTRUCTURE NEWSLETTER

Infrastructure Finance Secretariat
Department of Economic Affairs
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In – Focus

G20 New Delhi Leaders’ Declaration endorsed framework to make cities of tomorrow inclusive, resilient, and sustainable

Leaders of the G20, the premier global forum for international economic cooperation, met in New Delhi on 9-10th September 2023, under the theme ‘**Vasudhaiva Kutumbakam**’ and committed to actions on the priorities of Accelerating Inclusive and Resilient Growth, Digital Transformation, Green Development and LiFE, Women-led Development and Need for Reformed 21st Century Institutions.

Under its first G20 presidency, India managed to achieve **100% consensus** on all developmental and geopolitical issues concerning global economy, climate change and inclusive growth. The Leaders’ declaration, adopted during G20 summit, was unanimously passed by all the G20 member countries, with agreement of China and Russia as major achievements.

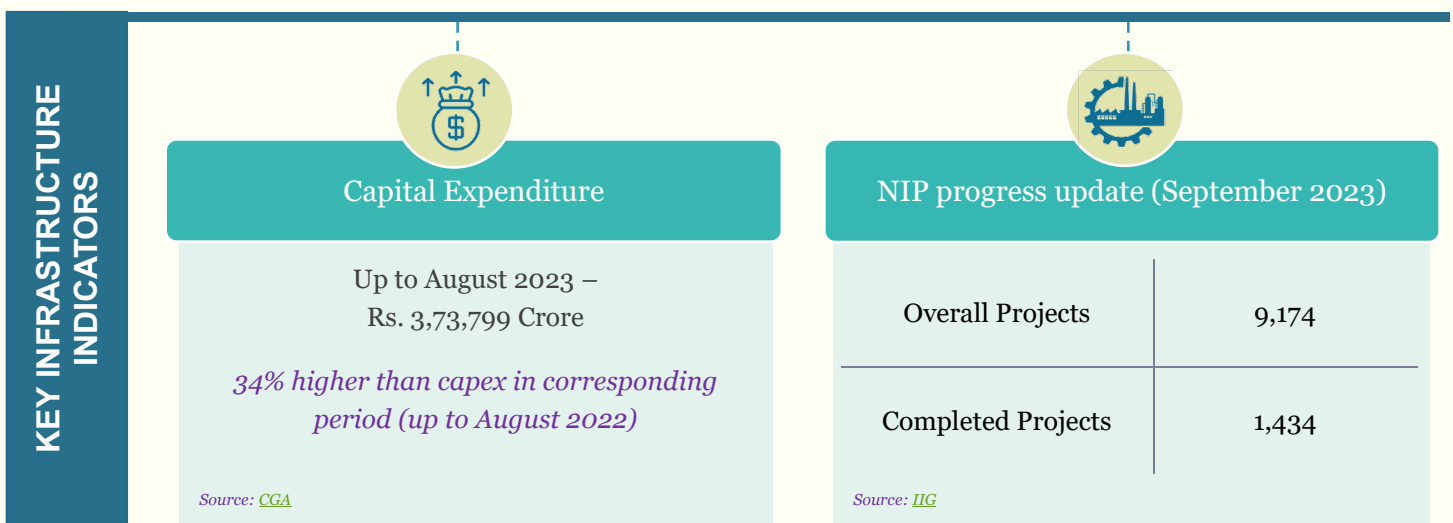


Hon’ble Prime Minister, Hon’ble Minister of Finance and Corporate Affairs, Secretary (Economic Affairs) and other delegates at the G20 Summit, New Delhi

Among the various priorities discussed during G20 India presidency, ‘**Financing Cities of Tomorrow**’ was identified as a flagship priority by the Infrastructure Working Group (IWG) under the G20 Finance Track. Under the leadership of Department of Economic Affairs (DEA), the IWG underscored the importance of optimizing financial mobilization and resource efficiency for building inclusive, resilient, and sustainable cities.

To further the global infrastructure agenda, IWG came up with two publications: i) **G20 Principles** on Financing Cities of Tomorrow and ii) **G20/OECD Report** on Financing Cities of Tomorrow. Both these documents were finalized by IWG after multiple rounds of consultative meetings with member countries, invitee countries and international organizations. The documents offer voluntary guidance and provide a comprehensive financing strategy that encourages stakeholders (including the DFIs and MDBs) to adopt these principles.

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INFRASTRUCTURE POLICY ENABLEMENT

Cabinet approves Viability Gap Funding support for development of Battery Energy Storage Systems (BESS)

The BESS Scheme envisages development of 4,000 MWh of BESS projects which are designed to harness the potential of renewable energy sources such as solar and wind power. Under this scheme, at least 85% of the project capacity has been allocated to Discoms to help enhance integration of renewable energy into the electricity grid and minimize wastage while optimizing the utilization of transmission networks.

To reduce the cost of battery storage for distribution companies and consumers as well as increase project viability, government has approved VGF support of up to 40% of the capital cost for development of BESS scheme. Through this support, the scheme would be able to achieve a Levelized Cost of Storage (LCoS) ranging from Rs. 5.50-6.60 per kilowatt-hour (kWh), making stored renewable energy a viable option for managing peak power demand across the country.

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Cabinet approves proposal of 7 Multi-tracking Railways projects worth ₹32,000 crore, with 100% Central funding

The projects would be developed as a result of PM-Gati Shakti National Master Plan for Multi-modal connectivity and would spread across 35 districts & 9 States to provide seamless connectivity for movement of people, goods, and services by collectively expanding the existing rail network by 2,339 Kms.

The projects aim to increase the existing line capacity to cater to an additional freight traffic of 200 MTPA, apart from smoothening train operations, reducing congestion and facilitating travelling and transportation along the busiest sections of the Railways network. These projects would also enable creation of multi-tasking work force in the region and generate direct employment for 7.06 crore man-days during construction phase.

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NHLML signs agreement with RVNL and KIADB to develop Multi Modal Logistics Park (MMLP) at Bengaluru

The MMLP would be developed under PPP (DBFOT) model at an estimated cost of ₹1,770 crores and covering an area of 400 acre at Muddelinganahalli, a rural district in Bengaluru, Karnataka. While the site is strategically located adjacent to the upcoming KIADB industrial area, it is 58 kms away from Bengaluru Airport and 48 kms away from Bengaluru city railway station.

The development would spread across three phases and would give a huge boost to the surrounding industrial catchments of Bengaluru and Tumkur.

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IREDA ties-up with multiple public sector banks and financial institutions to finance big-ticket-size renewable energy projects

IREDA has signed MoUs with Union Bank of India, Bank of Baroda, Bank of Maharashtra & IIFCL to co-finance diverse spectrum of renewable energy projects, including established as well as emerging RE technologies.

The aim of these collaborations would be to provide a robust financial ecosystem for Green Energy projects, making clean and sustainable energy accessible to more communities and industries.

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NHAI collaborates with DMRC to Strengthen Design & Construction of Bridges and Other Structures

DMRC would support NHAI in strengthening its 'Design Division' reviewing designs of randomly selected standalone bridges as well as special structures at the DPR stage.

DMRC would also assist in reviewing construction methodologies and organizing customized capacity building programs for NHAI officials.

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Announcement of UK-India Infrastructure Finance Bridge to support investments in NIP

This collaborative initiative between NITI Aayog and City of London aims to secure long term investments for vital infrastructure sectors by leveraging expertise in project structuring and phasing. The partnership would help build a diverse investment and financing system that is long-term and sustainable with manageable risks.

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INFRASTRUCTURE POLICY ENABLEMENT

Six infrastructure projects worth ₹52,000 crores recommended for approval under PM Gati-Shakti

The Network Planning Group under PM Gati Shakti, in its 56th meeting, assessed proposals of six infrastructure projects presented by MoRTH and Ministry of Railways. These comprised four Road projects worth ~₹45,000 crores located in the States of Gujarat, Maharashtra, Bihar and Uttar Pradesh and two Railway projects worth ~₹6,700 crores in the State of Odisha and Kerala.

The road projects aim at improving connectivity to industrial belts and aspirational districts of the related states. These projects would also enhance inter-state connectivity as well as logistics efficiency by reducing the existing route and travel time. Likewise, the railway projects have been planned to connect industrial and mineral clusters and reduce travel time both for Goods as well as Passenger trains.

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REC & PNB sign MoU to co-finance Infrastructure Project Debts amounting to ₹55,000 crores over next three years

REC Ltd. and Punjab National Bank have jointly resolved to explore the possibility of funding projects in the Power Sector and Infrastructure & Logistics Sectors. REC Ltd. provides long-term loans and other finance products for Power sector, comprising Generation, Transmission, Distribution, Renewable Energy and new technologies like Electric Vehicles, Battery Storage and Green Hydrogen.

More recently, REC Ltd. has diversified into Non-Power Infrastructure sector comprising Roads & Expressways, Metro Rail, Airports, IT Communication, Social & Commercial Infrastructure (Educational Institutions, Hospitals), Ports and Electro-Mechanical (E&M) works in respect of various other sectors like Steel and Refinery.

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Cabinet approves “PM-eBus Sewa” scheme worth ₹57,613 crores for augmenting city bus operation on PPP model

The scheme comprises 2 segments, wherein Segment A aims to deploy 10,000 e-buses on PPP model in 169 cities and provide support for development and upgradation of depot infrastructure as well as creation of behind-the-meter power infrastructure (substation, etc.) for e-buses.

Segment B of the scheme envisages green initiatives like bus priority, infrastructure, multimodal interchange facilities, NCMC-based Automated Fare Collection Systems, Charging infrastructure, etc. in 181 cities.

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Next-Gen mega container terminal being developed in Gujarat on PPP mode

Deendayal Port Authority and DP World have signed a concession agreement to develop a new container terminal at Tuna-Tekra near Kandla, Gujarat for ₹4,244 crore on PPP mode

The terminal will have annual handling capacity of 2.2 million TEUs and would be capable of handling next-generation vessels carrying more than 18,000 TEUs to cater to the future trade demand from Northern, Western and Central India.

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IREDA upgraded from ‘Schedule-B’ to ‘Schedule-A’ CPSE

The elevation of IREDA to Schedule A category would open its door for upgradation from Mini Ratna (Category 1) to Navratna Status, which would help increase its financial autonomy and enable strategic decision making to further drive the transformation of India's energy landscape towards sustainability.

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Kolkata port signs agreement with Bangladesh based firm for multi modal transport routes

Shyama Prasad Mookerjee Port in Kolkata has signed a pact with Saif Powertec ltd. to establish a new multimodal transport route connecting the riverine port with northeast India.

This development would have a positive impact on trade and commerce between India and Bangladesh as well as the north-eastern region. It would also provide an alternative route to avoid congestion on Siliguri and Guwahati corridors.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

4th and last IWG meeting under G20 India Presidency 2023 concluded at Khajuraho, Madhya Pradesh



Shri Solomon Arokiaraj representing Indian Presidency at the G20 fourth IWG meeting

IFS participated in the 4th Infrastructure Working Group (IWG) meeting held in Khajuraho, Madhya Pradesh during 21st - 22nd September 2023, which was also the last IWG meeting under India's G20 presidency for this year. The meeting witnessed participation of over 54 delegates from G20 member countries, guest countries and international organizations.

Furthering the discussions held during the previous three IWG meetings, the forum deliberated on various aspects of infrastructure investments, including developing infrastructure as an asset class, promoting quality urban infrastructure, Infratech, and identifying innovative instruments for mobilizing financial resources for investment towards resilient, sustainable, and inclusive urban infrastructure. The IWG finalized the priorities of the 2023 Infrastructure Agenda such as the **World Bank report** on the Enablers of inclusive Cities, the **compilation of Infrastructure Taxonomies**, and the **infra tracker tool** to track investments made by various countries in the infrastructure sectors.

On the sidelines of the IWG meetings, IFC organized a discussion with the World Bank, OECD, EBRD, UNDP, and representatives from public and private sector on the mechanisms to scale up private sector investments in urban infrastructure. The discussion aimed to capture private sector perspective on addressing the challenges and enabling cities to mobilize private and commercial finance.

In addition to formal discussions, excursions were organized for the delegates to enlighten them about the rich history and culture of Khajuraho. Visits were organized to the famous UNESCO World Heritage site at the Western Group of Temples, Adivart Museum and Raneh Falls.



Side event organized by IFC to capture private sector perspective on engaging with Cities

IFS represented India at the BRICS Infrastructure Investment Symposium



Shri Solomon Arokiaraj (JS, IPP) participating in Session 3

The BRICS infrastructure investment symposium was organized by the BRICS task force on private-public partnerships and infrastructure during 28th and 29th September 2023. The symposium spanned over two days and aimed at exploring strategies to fast-track infrastructure development and delivery through greater private sector participation and blended finance approaches. IFS represented India in session 2 and session 3 of the symposium.

During **session 2**, a presentation on “**Partnership Models to Support Infrastructure Investment**” was made which emphasized on promoting the uptake of private capital in achieving the infrastructure agenda. Case studies were presented to promote use of PPP and blended finance instruments as effective partnership models. Further, the session discussed other partnership models and regulatory reforms that can enable greater private sector participation. **Session 3** deliberated on Digital Technologies that can be leveraged to address the developmental challenges of **implementing and monitoring the infrastructure pipeline**.

The symposium also discussed the use of Green, Transition and Sustainable Finance as well as the role of New Development Bank (NDB) in supporting BRICS countries to advance their infrastructure agenda.



Shri Baldeo Purushartha (JS, ISD) participating in Session 2

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Approved funding of TA cost under IIPDF scheme for development of industrial park in Karnataka

The Approval Committee (in its 8th meeting under chairmanship of Joint Secretary, ISD Division, IFS) granted approval for release of funds under IIPDF Scheme to hire Transaction Advisor (TA) for **developing common infrastructure of an Industrial Park** in Haveri district of **Karnataka** on **PPP mode**.

The proposed **integrated processing cluster**, spreading over **~28.3 acres** of government land, would not only help in reducing post-harvest losses but also enable better price realization as well as local economic development. The role of Transaction Advisor would be to assist in conducting **feasibility analysis**, preparing **bid documents**, and guiding **financial closure**.

Approved funding of TA cost under IIPDF scheme for development of assets on PPP mode in Assam

Assam State Housing Board (ASHB) has proposed to take up **development and redevelopment** of its **infrastructure assets on PPP mode**, for which it has sought financial assistance under the IIPDF scheme.

The Approval Committee (in its 10th meeting) granted approval for release of funds under IIPDF Scheme for hiring of a Transaction Advisor (TA) who would assist ASHB in conducting **feasibility study** and undertaking **technical viability analysis** of potential projects through use of financial models. TA would also help in developing a **business plan** and a **commercialization strategy**, as well as support in **bid management process**.

Capacity Building workshops organized in collaboration with premier institutes

IFS organized total of **10 training programmes in Aug'23 and Sep'23** in collaboration with premier institutes like, IIM Bangalore, Raipur, Calcutta, Kozhikode, IIM Mumbai (NITIE), AJNIFM, SP Jain and NLSIU. The 5-day training programs witnessed participation of 303+ senior government officials from various State Governments, UT Administrations, Infrastructure Ministries/ Departments, CPSEs and Implementing Agencies. Trainings were conducted on topics such as Project Management, PPP Project Finance, Risk & Valuation, PPP - A Basic Perspective.

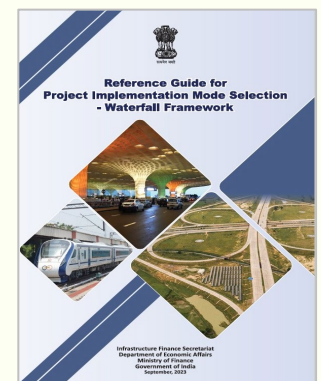


Group photographs of participants from trainings at IIM Calcutta, IIM Bangalore, and IIM Indore

Waterfall Framework published to guide selection of infrastructure project implementation mode

IFS has been issuing several guidance materials to facilitate PPP and create a vibrant ecosystem that nurtures partnership and encourages private investments. In continuation to the release of several guidance material and knowledge documents for guidance of states and project development authorities, IFS has now released a **Reference Guide** for facilitating decision makers/project sponsoring authorities in deciding the **most appropriate mode of implementing infrastructure projects**.

The 'Reference guide for project implementation mode selection – **Waterfall Framework**' may be downloaded DEA's website (www.pppinindia.gov.in). It would assist project sponsoring authorities (PSAs) in undertaking well informed selection of infrastructure Project Implementation Mode (PIM) to further enhance its biddability and success. The reference guide would also guide upgradation of the PIM towards models that are less dependent on public expenditure and more dependent on private investment.



Reference Guide for Waterfall Framework

STATE INITIATIVES

Monetization of vacant land parcels along Mumbai Pune Highway to fund Infrastructure

Maharashtra State Road Development Corporation (MSRDC) has planned to **generate revenue from vacant land parcels** by leasing land along the Pune-Mumbai expressway. Techno-Economic Feasibility and corridor planning for development of land along the expressway has already been carried out.

24 land parcels, totaling ~ 450 hectares, have been identified along the expressway (abutting Samruddhi Mahamarg, Pune ring road etc.). The plan involves monetization of land through **99 years long lease** to secure financing for big-size infrastructure projects.

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Uttar Pradesh coming up with its third international cricket stadium at Varanasi

Hon'ble Prime Minister laid the foundation stone of the international cricket stadium in Varanasi, Uttar Pradesh. The estimated cost of the project is **₹450 crore**, of which **₹120 crore** has been spent by the State Government towards **land acquisition**, while the remaining **₹330 crore** would be contributed by BCCI on design and construction of the stadium.

The stadium will have modern facilities with a seating capacity of **30,000** persons and its design would reflect the religious essence of Kashi (Varanasi). This would be UP's third international cricket stadium after Kanpur Lucknow, and it is likely to be ready by December 2025.

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Case Study

Development of Dwarka Integrated Multi Sports Arena on PPP mode



Project Name	Development of Integrated Multi-Sports Arena at Dwarka, New Delhi
Project Authority	Delhi Development Authority (DDA)
Project Structure	Design, Build, Finance, Operate & Transfer (DBFOT)
Concession Period	30 years for mandatory development and 99 years lease for remunerative commercial development
Project Cost	Rs. 350 crores (Sports arena) Debt-Equity Ratio – 70:30

Project Highlights

Dwarka Integrated Sports Complex is the first of its kind multi-sports project being implemented on PPP model. The complex will comprise a Cricket-cum-football stadium with seating capacity of 30,000 persons and indoor multi-sports facilities with seating capacity of 2,000 persons. The facilities being developed under this project would be available to the local community on “**pay and play**” or “**membership**” basis. The **built-up area** of the sports facility will be **6.4 lakh sq ft**, of which **3.45 lakh sq ft** will be allocated **for commercial facilities**, including retail, hotel, hospitality, commercial office space, and supporting facilities for the multi-sports arena.

The concessionaire will be allowed to operate ancillary commercial facilities **on design, build, finance, operate and transfer model**. The sports complex would be developed as per international standards and specifications to provide an unmatched experience to the sporting fraternity. The commercial development planned as part of the project will provide job opportunities and give impetus to economic growth of the region. Apart from promoting the sporting events in New Delhi, this project will change the face of Dwarka, from a mere residential and industrial neighborhood to a modern sub-city of New Delhi.



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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