



INFRASTRUCTURE NEWSLETTER

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In – Focus

“GIFT City to be the gateway for India’s vision to become developed nation by 2047”

- Smt. Nirmala Sitharaman

The Union Minister of Finance and Corporate Affairs, Smt Nirmala Sitharaman addressed a seminar on ‘GIFT City-An Aspiration of Modern India’, organized on 11th January 2024 as part of the **10th Vibrant Gujarat Global Summit 2024**, at Gandhinagar, Gujarat. She said that **GIFT City** is ideally poised to be the **gateway for financial and investment hub** and has an important role to play in making India a developed nation by 2047. Highlighting India’s prominence on the global stage, Smt. Sitharaman said that India is now driving the growth engine of the world and it can become the bridge between the developed Western world and the Global South.



Hon’ble Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman addressing a seminar during the 10th Vibrant Gujarat Global Summit

GIFT city has a **crucial role** to play in realizing the aspirations of people of India, who want to become innovators and entrepreneurs. Smt. Sitharaman said that in order to help India advance towards its vision of **green technological growth**, GIFT should aim at becoming a platform for green credits. Describing **GIFT City** as a **fusion of technology and financial world**, the Union Finance Minister said there is a need to offer technology enabled financial services, and GIFT City has a distinctive advantage of getting financial services infused with technology, which would enable India’s entrepreneurs to get easy access to global finance.

Listing out the **growing presence of operations** at International Financial Services Centres (**IFSC**), Smt Sitharaman

said there are now **3 exchanges**, including International Bullion Exchange; 25 banks, including 9 **foreign banks**, 26 aircraft lesser, 80 fund managers, 50 professional service providers and 40 **fintech entities** housed in the GIFT City. The Union Finance Minister further added that India should aim to become a manufacturing hub for shipping. She noted that there are 8 ship leasing entities already working in IFSC that would enable access to global finance.

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KEY INFRASTRUCTURE INDICATORS

Capital Expenditure

Up to December 2023 –
Rs. 6,73,630 Crore

37% higher than capex in corresponding period (up to December 2022)

Source: [CGA](#)

NIP progress update (January 2024)

Overall Projects	9,422
Completed Projects	1,825

Source: [IIG](#)

INFRASTRUCTURE POLICY ENABLEMENT

Cabinet approves signing of MoU between India and USAID for supporting Indian Railways to achieve Mission Net Zero Carbon Emission (NZCE) by 2030

The MoU would facilitate utility modernization, regional energy and market integration, exchange of advanced energy solutions and systems, private sector participation and engagement, training and seminars/workshops focusing on specific technology areas like Renewable Energy, energy efficiency and enable other interactions for knowledge sharing about latest developments in the sector.

Technical assistance for services under the MoU would be provided by USAID under the South Asia Regional Energy Partnership (SAREP) initiative, without involving any financial commitment from Indian Railways. The MoU would help reduce dependence of Railways sector on imported fuel such as Diesel, Coal etc. and enable development of local ecosystem for deployment of Renewable energy (RE) technology.

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NHAI inks agreement to develop Multi Modal Logistics Park (MMLP) at Nagpur for Rs. 673 crores

The MMLP, spanning over 150 acres of land, is poised to be the first MMLP in Maharashtra under the PM GatiShakti National Master Plan. It would be developed on Public Private Partnership (PPP) mode in three phases, with Phase 1 planned to be completed in two years at an investment of Rs 137 crores.

A government SPV, Nagpur MMLP Pvt. Ltd. has been formed between NHLML and JNPA, where JNPA has provided land for development and NHLML is providing the external rail, road connectivity as well as water and power supply. The MMLP will cater to about 9.47 million metric tonnes cargo over a period of 45 years and will give huge boost to the industrial zones in the catchment region such as Nagpur, Wardha, Chandrapur and Gondiya.

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Inland Waterways Development Council (IWDC) commits ₹45,000 crores for development of River Cruise Tourism

The first meeting of IWDC was held at Kolkata, where an estimated ₹35,000 crore have been earmarked for cruise vessels and another ₹10,000 crore for development of cruise terminal infrastructure by 2047.

A roadmap was chalked to enable capacity in an additional 26 waterways, fit for River Cruise tourism from currently operational 8 waterways. The roadmap had identified 30+ additional potential routes for different cruise types, including long & short, recreational and heritage segments to attract all tourist categories.

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IREDA & Indian Overseas Bank join hands in co-lending for Renewable Energy Projects

The MoU includes provisions for co-lending and co-origination support for all Renewable Energy projects.

The partnership aims to streamline loan syndication and underwriting processes, management of Trust & Retention Account (TRA) for IREDA borrowers, and work towards fixed interest rates over 3-4 years period.

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NGEL signs MoU with Govt. of Maharashtra for development of Green Hydrogen Projects

The agreement envisages a potential investment of ~₹ 80,000 crores. The projects include development of Green Hydrogen and its derivatives (Green Ammonia, Green Methanol) of up to 1 million Ton capacity per annum, including pumped storage projects of 2 GW and development of renewable energy projects with or without storage up to 5 GW in the state.

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National Remote Sensing Centre (NRSC) under ISRO to develop a Green Cover Index for NHAI

NHAI has signed an MoU with NRSC to undertake a comprehensive pan-India estimation of green cover, for National Highways using high-resolution satellite imagery.

This approach is a robust and reliable mechanism of providing time saving & cost-effective solution to generate a macro-level estimate of the degree of greenness along National Highways. It will also facilitate targeted interventions in regions that are reported to lack adequate green cover.

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INFRASTRUCTURE POLICY ENABLEMENT

Government aiming revival of Built-Operate-Transfer (BOT) model for PPP projects in the Road sector

NHAI has proposed certain modifications in the Model Concession Agreement (MCA) of BOT (Toll) segment to address the concerns and remove roadblocks highlighted by stakeholders in the road sector. During a conference organized by MoRTH on 17th Jan'24, Union Minister of Road Transport and Highways, Sh. Nitin Gadkari expressed government's commitment to revive the BOT model and make it investment friendly & attractive for private partnerships.

Several initiatives have been taken in the past for revival of BOT projects. To further reinvigorate the sector, 53 BOT (Toll) Projects of 5200 km length and worth Rs. 2.1 lakh crore have been identified and bids for 7 projects with 387 km length and worth Rs. 27,000 crores have been invited.

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Cabinet approves signing of MoU between India and Guyana on cooperation in the hydrocarbon sector

The proposed MoU covers the complete value chain of hydrocarbon sector including sourcing of crude oil from Guyana, cooperation in the areas of crude Oil refining, capacity building, strengthening bilateral trade, collaboration in natural gas sector, collaboration in developing regulatory policy framework in oil & gas sector in Guyana and encourage cooperation in areas of clean energy including biofuels and renewables sector including solar energy etc.

This MoU will strengthen bilateral trade between India and Guyana, thus fostering cross border investments and augmenting the energy & supply security of India by diversifying source of crude oil. It will also provide opportunity to Indian company to participate in Exploration and Production sector of Guyana and gain experience by working with global oil & gas companies in upstream projects.

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Cabinet approves proposal to declare Ayodhya Airport as an International Airport

Ayodhya is strategically positioned as a key economic hub and pilgrimage site. It has the potential to attract international pilgrims and businesses that align with the city's historical prominence. Elevating Ayodhya Airport to international status was paramount for realizing its economic potential and its significance as a global pilgrimage destination, thus opening doors to foreign pilgrims and tourists.

The new constructed terminal building of the Ayodhya Airport spans over 6,500 square meters and is designed to accommodate 600 peak-hour passengers, with an annual handling capacity of 10 lakh passengers.

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India Infrastructure Report (IIR) 2023 on Urban Planning & Development released

The report is a collaborative effort of IDFC foundation, iDeCK and NIUA. The report is a compendium of knowledge, expertise, and experience summarized in the form of 25 well-researched papers written by learned authors with decades of experience in the urban planning sector.

The report provides a roadmap for India's urban future, reflecting its shared vision of sustainable development.

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REC Ltd. issues its first Yen denominated Green Bonds aggregating to 61.1 Billion Japanese Yen

The bonds have been issued under its USD 10 billion global medium term notes programme with maturity period of 5-years, 5.25 years and 10 years. Proceeds generated from the issuance will be applied to finance the Eligible Green Projects in accordance with the Company's Green Finance Framework., RBI's ECB guidelines & approvals granted from time to time.

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PM inaugurates Kochi-Lakshadweep Islands Submarine Optical Fibre Connection

The project will lead to an increase in internet speed and enable faster and more reliable internet services, telemedicine, e-governance, educational initiatives, digital banking, digital currency usage, digital literacy etc. in the Lakshadweep islands.

This is for the first time since independence, that Lakshadweep will be connected through Submarine Optic Fibre Cable.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

DEA collaborated development & launch of PPP Beginner's e-course in partnership with World Bank

The PPP Beginner's e-course is a **infra-focused capacity-building programme** jointly undertaken by the IFS, DEA and the World Bank. The key **objectives** of the course is to **provide** basic knowledge and insights on PPPs and its development cycle, **support** inter-sectoral PPP project/ program development and **guide** stakeholders towards practical implementation of PPP models in infrastructure projects.

It is designed for **self-paced** learning, spread across **5** modules which cover the major elements associated with lifecycle of PPP projects, including introduction to PPPs, identification of PPP projects, structuring of projects, tendering and implementation and monitoring aspects of PPP projects. The overall **duration** of the course is **7 hours & 15 mins**. Successful completion of the entire course will be followed by an assessment, passing of which would earn a **completion certificate**.

The e-course is ideal for officials who have or are about to take up charge of PPP desk or portfolio. It would also serve as a **starter** for learners and officials having no prior practical experience in the PPP sector. The course can be accessed through **DEA's Learning Management System (LMS)** website (<https://dea.lms.gov.in/>) and mobile app powered by NeGD or through the Integrated Government Online Training (**iGOT**) **Karamyogi Bharat** website (<https://igotkarmayogi.gov.in/>) and the iGOT mobile app. So far, the course has witnessed **500+ registrations**, comprising 50% learners from the private sectors, while 25% learners each from Central & State government PSEs and project implementing agencies. [Read More](#)



Sh. Ajay Seth, Secretary (Economic Affairs), MoF, Dr. V. Anantha Nageswaran, Chief Economic Advisor, MoF and Sh. Baldeo Purushartha, Joint Secretary, DEA, MoF, along with Sh. Ajay Banga, President, and Sh. Parameswaran Iyer, Executive Director, from the World Bank Group gracing launch of PPP Beginner's e-course on 20th Dec 2023

IFS organized workshop on PPP structuring toolkit for Solid Waste Management (SWM) sector



Shri Baldeo Purushartha, Joint Secretary, DEA addressing the participants of the workshop on PPP Project Structuring Toolkit

Development and dissemination of **PPP Structuring Toolkits** is one among the several initiatives being undertaken by IFS, DEA to support project sponsoring authorities (PSAs) for developing their projects with objectivity, thus encouraging private sector investments in the infrastructure sector.

IFS organized a two-day workshop on 18th & 19th January 2024, to sensitize PSAs on the use of **PPP structuring toolkit** for PPP projects in the **Solid Waste Management sector**. The workshop provided an overview of the toolkit and a demonstration of tools developed for Solid Waste management sector. This was the second in a series of workshops related to SWM sector.

The workshop was attended by **80+ officials** from Central Government and State/UT Governments departments, who were familiarized with **five integral tools** of the structuring toolkit namely (i) Suitability Filter, (ii) Family Indicator Tool, (iii) Mode Validation Tool, (iv) Financial Viability Indicator, and (v) Value for Money Indicator tool. The PPP Structuring Toolkits developed by DEA can be accessed on the website - [Home-Public Private Partnerships in India \(pppinindia.gov.in\)](http://Home-Public Private Partnerships in India (pppinindia.gov.in)).

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Central & State government officials attending the PPP Structuring Toolkit

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Approved funding of TA cost under IIPDF to develop Centre for Fintech Excellence at IIM Mumbai

The Approval Committee (in its 13th meeting under the chairmanship of Joint Secretary, ISD Division, IFS) granted approval for release of funds under IIPDF Scheme to hire Transaction Advisors for **development of a Centre for Fintech excellence, alongside accommodation and other facilities** for students and faculty on PPP mode.

The proposed **Fintech Centre** would be a state-of-the-art holistic learning facility, which would enhance knowledge sharing through seminars, workshops, recreational facilities, etc. The **scope of the TA support** would include end-to-end PPP transaction starting from project structuring to bid process management and onboarding of concessionaire.

Approved funding of TA cost under IIPDF to develop Eco-tourism resorts in Andaman & Nicobar Islands

Andaman and Nicobar Islands Integrated Development Corporation (ANIIDCO) has proposed **development of Eco-tourism Resorts** at Long Island, Aves Island, Smith Island and Shaheed Dweep Island on PPP mode. It has also proposed **outsourcing of Megapode Resort** in Port Blair on PPP basis.

The Approval Committee (in its 15th meeting) granted approval for release of funds under IIPDF Scheme for hiring of Transaction Advisors (TAs), with the **scope of work encompassing** preparation of a feasibility report, bid process management & concessionaire onboarding. For megapode resort, ANIIDCO would grant **full rights to the concessionaire** for designing, developing, and operating the resort.

Project Monitoring Unit (PMU) to be setup for Holistic development of Great Nicobar Islands

The **Great Nicobar Island** is the southernmost and largest of the Nicobar Island of India. Its **strategic significance** lies in its close proximity, a mere 40km, to the crucial Malacca Strait, a major international shipping route. This positioning grants India a prime location within the Indian Ocean region, offering potential influence and control over this vital maritime passage. A vision document crafted by the NITI Aayog in July 2020 has outlined **a comprehensive development plan** for development of the Great Nicobar Island encompassing establishment of an International Container Transshipment Terminal (**ICTT**), a Greenfield International **Airport, Power plant** and **Township**, all envisaged **on PPP mode**. These developments would help transform the Island into a key Economic Hub in the Indian Ocean. The plan also incorporates vital components focused on environment conservation and tribal welfare.

To facilitate the above proposed developments, Ministry of Home Affairs (MHA) had proposed **establishment of a Project Monitoring Unit (PMU)** for undertaking thorough appraisals of the project proposals, analyzing and synthesizing reports such as DPRs, feasibility studies and Gap/Need analysis, while also monitoring project progress and recommending key actions for timely execution of the proposed projects. The Approval Committee (in its 16th meeting under the chairmanship of Joint Secretary, ISD Division, IFS) **granted approval** for **release of funds** under the **IIPDF** scheme for setting up the proposed PMU for a period of **2 years**. The progress of the PMU would be monitored by Island Development Agency (IDA) of the UT division of MHA.

DEA Progress Tracker (during December 2023 and January 2024)



IIPDF Approved
Projects

4 projects Approved*

* Till date Total 28 Approved



Trainings conducted
on PPPs in Infra

80+ officials Trained*

* Till date Total 300+ Trained



PPP Beginner's
e-course

360+ learners Registered*

* Till date Total 550+ Registered

STATE INITIATIVES

Arunachal Pradesh Cabinet approves infra projects worth ~Rs 1,253 cr under SIDF

The Arunachal Pradesh Cabinet Committee on Infrastructure has **approved 2,816 projects** under the State Infrastructure Development Fund (SIDF). The **indicative expenditure**, provisioned under this approval, can be incurred only after necessary budgeting, and would observe **guidelines of SIDF**, General Financial Rules (**GFR**) and Central Vigilance Commission (**CVC**).

The **projects** would span **across departments such as** Health & Family Welfare, Higher & Technical Education, Home, Indigenous Affairs, Panchayati Raj, Tourism, Environment, & Forests.

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UP Govt released Rs 450 crore for development of road infrastructure in Defence corridor

The Industries Department of the State of Uttar Pradesh has sanctioned release of **funds for development of Defence industrial corridor** and **industrial areas in Ghaziabad**. The funds would be **utilized** for various development projects **in Ghaziabad industrial sectors**, including installation of roads, drainage systems, interlocking, street lighting & LED high masts.

The sanction would help speed up road infrastructure projects in Jhansi, Chitrakoot, Aligarh, and Agra nodes of the corridor. A **revolving fund of Rs 207 crore** has also been earmarked for the planned development projects in Sahibabad, Loha Mandi, South side GT Road and Bulandshahr road industrial areas. [Read More](#)

Case Study

Development of All-Weather Deepwater Greenfield Port at Keni, Karnataka



Project Name	All-Weather Deepwater Greenfield Port
Project Authority	Karnataka Maritime Board
Concessionaire	JSW Infrastructure Limited
Concession Period	30 years (including 5-years for construction of Phase 1)
Cargo handling capacity	30 MTPA
Project Cost	Rs. 4,119 crores

Project Highlights

Karnataka is mainly served by the Centre-owned New Mangalore Port, the only major port in the state. However, the state has a projected **hinterland cargo potential of 117 MPTA**. The proposed **Keni Port**, strategically located between Mormugao Port (Goa) in the north and New Mangalore Port (NMPA) in the south, is expected to **handle cargo** up to **200,000 tonnes**. It will not only provide the world markets a **quick access to Coastal Karnataka**, thereby facilitating the expansion of port-led industries in the state, but also serve industries in the **North Karnataka** region covering Bellary, Hospete, Hubballi, Kalaburagi and South Maharashtra.

The concessionaire would need to handle a **minimum guaranteed cargo (MGC)** of 2.5 million tons (MT) in the first year of operations, 5 MT in the second year, 7.5 MT in the third year and 10 MT from the fourth year till the end of the concession. Any **shortfall** in the MGC during the concession period would be **payable by the private operator** in the form of **royalty to the state** government. Direct royalty contributions from the 4th year, after the commencement of commercial operations shall be **minimum Rs. 15 Cr per annum** and the land lease rentals is expected to be **Rs. 1 cr per annum**.

The Government of Karnataka shall benefit from direct revenue addition and gain up to **Rs. 10,000 Cr.+ GDP multiplier effect** from the project. Additionally, the project would generate **employment** opportunities across Ports, Maritime and Logistics sectors for **~1,00,000 youths** of the state. Therefore, the project is expected to greatly augment the trade and socio-economic scenario of the hinterland.



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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