



INFRASTRUCTURE NEWSLETTER

Infrastructure Finance Secretariat
Department of Economic Affairs
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INFRASTRUCTURE POLICY ENABLEMENT

Cabinet approves Viability Gap Funding (VGF) scheme for implementation of Offshore Wind Energy Projects

The Scheme aims to capitalize on the vast offshore wind energy potential of India's economic zone. Out of total ₹7,453 crores outlay approved under the scheme, ₹6,853 crores have been allocated for installation and commissioning of **1 GW of offshore wind energy projects** off the coast of Gujarat and Tamil Nadu, whereas remaining ₹600 crores would be utilized for **upgrading** infrastructure of **two existing ports** to facilitate storage and movement of heavy and large dimension equipment for the proposed projects.

VGF support will help in **reducing cost** of power from offshore wind projects, thus making them viable for purchase by DISCOMs. The projects aim to produce 3.72 billion units of renewable electricity annually, resulting in annual reduction of 2.98 million tonnes of CO_{2e} emissions over 25 years period.

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Cabinet approves development of all-Weather Greenfield deep-draft Major Port at Vadhavan in Maharashtra

The project is proposed to be developed on **PPP mode**, with core infrastructure components including 9 container terminals, 4 multipurpose berths, 4 liquid cargo berths, a Ro-Ro berth, and a Coast Guard berth. It involves reclamation of 1,448 hectares area in the sea and the construction of 10.14 km of offshore breakwater and container/cargo storage areas.

Aligning with the objectives of **PM GatiShakti Program**, the port would be integrated with the existing roads and railway network as well as the upcoming Dedicated Rail Freight Corridor. The port will add container handling **capacity of 14.3 million TEUs** in the year 2035 and would compete with top 10 ports globally. It would also generate direct & indirect employment opportunities for ~12 lakh individuals, thus contributing to local economy.

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NHAI Invites Global Expression of Interest (EOI) for Implementation of GNSS-Based Electronic Toll Collection

The GNSS-based electronic toll collection (ETC) system aims to facilitate smooth movement of vehicles along National Highways by providing benefits such as **barrier less free-flow tolling** and **distance-based tolling** of vehicles. The system would be implemented within the existing FASTag ecosystem, by providing few dedicated GNSS lanes at toll plazas, which would be adopted on all lanes, as the GNSS-based ETC becomes widespread.

NHAI seeks EOI from experienced and capable global companies that can deliver and implement a robust, scalable, and efficient GNSS based ETC system in India. The EOI invites suggestions and a complete plan of implementation from interested companies.

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Network Planning Group under PM GatiShakti evaluates infrastructure projects worth ₹6,000 cr

Three infrastructure projects in Rail, Roads, & Urban transit sectors were submitted by Ministry of Railway, MoRTH, and MoHUA, respectively to the Network Planning Group (NPG) during its 72nd meeting. The projects were evaluated for their alignment with the principles of PM GatiShakti National Master Plan and would play a pivotal role in integrating various modes of transport.

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Infrastructure provisions made in the recently notified sections of the Telecommunications Act

Few sections of Telecommunications Act, 2023 (published in Dec 2023) were notified in June 2024. In line with PM GatiShakti Vision, the law provides for Central Government to establish common ducts and cable corridors for laying the telecom network. The act also distinguishes telecom infrastructure from the property on which it is installed, to reduce disputes while selling or leasing the property.

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Govt. approves two new transmission schemes worth ₹13,595 crore for evacuation of 4.5 GW Renewable Energy

The proposed Inter State Transmission System (ISTS) schemes comprise power evacuation scheme of Rajasthan (with 2 yrs. duration) and system strengthening scheme of Karnataka (with 3 yrs. duration).

The schemes would be implemented through Tariff Based Competitive Bidding (TBCB) mode and are in alignment with the Panchamrit goal of achieving 500 GW of Renewable Energy capacity by 2030.

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INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Secretary (Economic Affairs) co-chaired India-Qatar meeting on Joint Task Force on Investments

The 1st meeting of the Joint Task Force on Investments (**JTFI**) was convened on 6th June 2024 with the aim to leverage the collective potential of **India & Qatar** for accelerated growth, investment opportunities and synergistic collaboration across **diverse sectors** ranging from infrastructure & energy to technology & innovation.

The task force serves as a platform for **enhanced investment relations** between India & Qatar. It facilitates long-term strategic partnership by **mobilizing financial resources** towards priority sectors & areas of mutual interest, enhancing cooperation between start-up ecosystems, supporting innovators, and guiding companies to benefit from cooperation opportunities such as "Make in India" and "Made in Qatar." It also seeks to explore new investment sectors and facilitate/streamline investment procedures to boost investor confidence.



Secretary, Economic Affairs (India) & Senior Official, Ministry of Commerce & Industry (Qatar) at the JTFI

Consultative meeting with private players on Stapled financing concept for PPP Infra Projects

Stapled financing concept is commonly used in Mergers and Acquisition (M&A), wherein financiers attract buyers (bidders) by providing them **pre-arranged financial assistance** (usually debt) to accelerate the bidding/sale process in acquisition of an asset. Globally in infrastructure projects, this approach has been adopted in brownfield projects, where project authority offers a pre-arranged financing package to the bidders at the tender stage to help them **secure project finance at competitive terms**.

The practical implementation of this concept in Indian infrastructure projects was discussed with private players during a **consultative meeting** organized by IFS on 15th May 2024 under the chairmanship of Joint Secretary, ISD Division (DEA). The stakeholders shared their views and concerns around the proposed concept to address the challenge of infrastructure project financing.



Consultative meeting with Private developers on the concept of Stapled Financing

IFS represented India at the second meeting of the BRICS PPP and Infrastructure Task Force

The BRICS PPP and Infrastructure Task Force plays a pivotal role in enhancing public-private partnerships (**PPPs**) in **infrastructure across the BRICS nations** with focus on infrastructure development. The current year's agenda emphasizes the implementation of blended finance in infrastructure projects, a critical area for sustainable development and economic growth within the BRICS framework.

During the second meeting of the task force held in May 2024, a presentation was made by Joint Secretary, ISD Division (DEA) on **use of blended finance approach** for infrastructure development in India. Successful implementation of blended finance approaches like VGF and HAM for infrastructure project delivery were showcased through **case examples** of Pune metro rail project and Vadodara Mumbai Expressway.

IFS organized an interactive session on PPPs for Government officials from Bangladesh

Public Private Partnership Authority, Bangladesh's PM office, visited India to **gain exposure and international insights into PPP projects** and other strategic initiatives being undertaken by India for infrastructure development.

During the visit, the Bangladesh delegation comprising 20 Govt. officials and 7 consultants were given information about India's journey in PPPs, covering challenges faced and the strategies adopted to overcome the challenges. The training aimed to enable participants in using their PPP expertise on various ongoing projects in Bangladesh.



Bangladesh Delegation's visit to India for discussion on PPPs

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Approved funding of TA cost under IIPDF scheme to develop Multi Tourism product zone in Puducherry

The Approval Committee (in its 21st meeting under the chairmanship of Joint Secretary, ISD Division, IFS) granted approval to Dept. of Tourism, Govt. of Puducherry for release of funds under IIPDF Scheme to hire Transaction Advisors for **development of Multi-Tourism Product Zone on 100 acres land parcel at Manapet in Puducherry under PPP mode.**

The project encompasses **core elements** such as Multi attraction park, MICE/Fintech Park, Film-city, Spiritual/wellness centers, along with few **supplementary facilities** as well as **essential services**. The project would provide a boost to the local economy of Manapet, while also preserving its natural charm and attraction amongst travelers.

Meeting with Central Ministries/ Dept. to discuss Knowledge Documents developed by IFS, DEA

To strengthen the PPP ecosystem in the country and discuss the infrastructure focused schemes being implemented by the Govt., IFS organized an **inter-ministerial meeting** on 24th April 2024 under the chairmanship of JS (ISD), DEA.

During the meeting, the **VGF and IIPDF schemes** of DEA were discussed. In addition, **brief presentations** were made on the **knowledge documents developed by DEA** to discuss their objective, salient features, & applicability. Participating Ministries/Department acknowledged the efforts being made by IFS, DEA for promoting PPPs and agreed to share written comments/suggestions for further improvement in the **4 knowledge documents discussed.**

Training on SFC Portal developed by Private Investment Unit of DEA, ISD Division, DEA

The integrated SFC Portal **developed by** the Private Investment Unit (PIU) of **ISD Division**, IFS aims to streamline the process of appraising and approving road infrastructure project proposals which are submitted to the Standard Finance Committee (SFC) for consideration. To explain the various features and benefits of the online portal, a **training session was organized by IFS** in May 2024, that witnessed active participation of 25+ government officials, dealing in road sector projects.



Training on use of the SFC Portal organized for Government officials

The participants were briefed about the **process of submitting project proposals** on the portal, which is followed by circulation of proposals to SFC members, scheduling of meetings and monitoring the different stages of projects. The **portal reduces significant time** otherwise spent in submission of proposals and approval of projects.

DEA Progress Tracker (from April to June 2024)



IIPDF Approved Projects

1 project Approved*
* Till date Total 29 Approved



Trainings conducted on PPPs in Infra

Total 400+ Officials Trained till date



PPPAC Appraised Projects

Total 358 Projects Appraised till date



PPP Beginner's e-course

449+ learners Registered*
* Till date Total 1,987+ Registered on DEA LMS and iGOT Portals

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Department of Economic Affairs
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5th Floor, Jawahar Vyapar Bhawan
Tolstoy Marg, New Delhi – 110001

Website - www.pppinindia.gov.in

Email ID – nipteam-dea@gov.in; ppp-infrasectt@gov.in