



INFRASTRUCTURE NEWSLETTER

Infrastructure Finance Secretariat
Department of Economic Affairs
Ministry of Finance

Vol. XII
OCTOBER – NOVEMBER
2023





In – Focus

Hon’ble Finance Minister unveils strategic initiatives for advancing India’s Maritime Sector at GIMS 2023

The Global Maritime India Summit (GMIS) 2023, recently inaugurated by Hon’ble Prime Minister of India, Shri Narendra Modi, aimed to bring together key figures from the industry to explore opportunities, address challenges and promote investment in India’s maritime sector. The summit featured **participation of Ministers** from various **countries spanning** Europe, Africe, South America and Asia (including central Asia, the Middle East and the BIMSTEC region), as well as prominent Global CEOs, business leaders, investors and other industry stakeholders.

Chairing a session on ‘Maritime Financing, Insurance and Arbitration’ at GMIS 2023, Hon’ble Minister of Finance and Corporate Affairs, **Smt. Nirmala Sitharaman** said that financing, insurance and arbitration and creation of more diverse options is required to boost India’s ship-building capacity. She highlighted that the proposed **India-Middle East-Europe economic corridor** aims to significantly reduce logistics costs by utilizing maritime routes to reach Europe. In response to the intricate challenges presented by the post-COVID era, the Hon’ble Minister of Finance and Corporate Affairs indicated pivotal measures such as the creation of a dynamic “Marine Cargo Pool” and strategic modifications in the reinsurance sector, aimed at strenthening maritime trade.



Hon’ble Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman chairing a session at the Global Maritime India Summit 2023

Hon’ble Minister of Finance and Corporate Affairs also mentioned that ‘ship lease’ has been recognized as a financial product by International Financial Services Centre Authority (**IFSCA**) and the International Arbitration Centre (**IAC**) established in GIFT City illustrate government’s commitment to **facilitating investment** and **resolving disputes** efficiently. These, along with improvements in port infrastructure, efficient turnaround times, and various tax incentives, paint a clear picture of the government's strong focus on developing India's maritime infrastructure as a key driver of economic growth.

[Read More](#)

KEY INFRASTRUCTURE INDICATORS

Capital Expenditure

Up to October 2023 –
Rs. 5,46,924 Crore

55% higher than capex in corresponding period (up to October 2022)

Source: [CGA](#)

NIP progress update (November 2023)

Overall Projects	9,292
Completed Projects	1,730

Source: [IIG](#)

INFRASTRUCTURE POLICY ENABLEMENT

REC Ltd. and RailTel sign MoU to finance infrastructure projects worth Rs. 30,000 crore covering Telecom, IT, and Railway signaling

RailTel, a CPSE of Ministry of Railways, is set to execute several telecom infrastructure-projects with financial support from REC over the next 5 years, covering areas such as Data Centers, Telecom & IT services, and revolutionary safety systems like the KAVACH Train Collision Prevention System.

The MoU has set the tone for detailed discussions on potential opportunities in emerging fields like Renewable Energy, Smart Metering and other projects where RailTel and REC can collaborate. It also extends the possibility of financing overseas projects related to High-Speed Rail, Metro, IT network, and Upgradation of Railway Network.

[Read More](#)

CCEA approved inclusion of the Jamrani dam Multipurpose Project in Uttarakhand under PMKSY Accelerated Irrigation Benefit Programme (AIBP)

Jamrani dam is part of the AIBP, a component of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) which aims to enhance physical access of water to farms, expand cultivable areas and improve on-farm water use efficiency through development of major & medium irrigation projects. The project has estimated cost of Rs 2,584 crore and involves construction of a dam on river Gola (a tributary of river Ram Ganga) in Nainital district of Uttarakhand.

Cabinet Committee on Economic Affairs (CCEA) has approved central support of Rs 1,557 crore to Uttarakhand for project completion. The project would facilitate additional irrigation of 57,065 hectares in Uttarakhand and Uttar Pradesh and enable hydro power generation of 14 MW and supply of 42.70 million cubic meters of drinking water to Haldwani and nearby areas thus benefiting over 10.65 lakh people.

[Read More](#)

Setu Bandhan scheme propels Infrastructure development in Arunachal Pradesh

Government has granted approval for seven crucial bridge projects worth Rs 118 crore in Arunachal Pradesh under the Setu Bandhan Scheme for the fiscal year 2023-24. Notable projects include RCC bridges over Pacha River in East Kameng district and over Sigen & Ngopok rivers in Lower and East Siang district. The projects reflect government's commitment to improve connectivity across regions and are poised to play a pivotal role in shaping Arunachal Pradesh's development trajectory.

[Read More](#)

NHAI accepts Insurance Surety Bond for monetization of TOT Bundle 14

Insurance Surety Bond is being utilized as a Bank Guarantee (BG) for the first time in the roads sector for monetization of bids. This instrument allows insurance companies to act as 'Surety' and provides the financial guarantee that the contractor will fulfil its obligation as per the agreed terms

This initiative would enhance liquidity in the market, boost capacity of bidders and encourage private participation in the highway sector.

[Read More](#)

Railway PSUs IRCON & RITES Ltd. granted Navratna status by Ministry of Finance

RITES Ltd. has completed 50 years of its incorporation, while IRCON has completed 47 years of core competence in the areas of Railways, Highways and Extra High Tension sub-station. This elevation will enhance market credibility of these PSUs and help in undertaking large size PPP projects.

[Read More](#)

India and Saudi Arabia sign MoU to strengthen their energy cooperation at MENA Climate Week

The MoU establishes a general framework for cooperation in the field of electrical interconnections, exchange of electricity during peak times and emergencies, co-development of projects and co-production of green/ clean hydrogen, and renewable energy. Both countries have also agreed to conduct regular B2B interactions & summits to establish comprehensive supply and value chains of materials used in the energy sector.

[Read More](#)

INFRASTRUCTURE POLICY ENABLEMENT

Cabinet approves project on Green Energy Corridor Phase-II to transform Ladakh's Energy Landscape

The Intra-State Transmission System Green Energy Corridor Phase-II (InSTS GEC-II) scheme aims to facilitate grid integration and power evacuation of approx. 20 GW of renewable generation capacity by 2026. Under the scheme, a 13 GW capacity Renewable Energy project has been envisaged in Ladakh, to be implemented by PGCIL at an estimated cost of Rs 20,774 crore, with central financial assistance of Rs 8,309 crore.

The project involves deployment of state-of-the-art Voltage regulation systems, which would contribute to achievement of India's NDC targets, while ensuring long-term energy supply, enabling sustainable growth as well as generating employment opportunities in Ladakh.

[Read More](#)

Cabinet approves revitalization of North Koel Reservoir Project

North Koel Reservoir Project is a major inter-State irrigation initiative that aims to provide annual irrigation to 42,301 hectares across the drought-prone districts of Bihar & Jharkhand. The project, with command area being shared by both the states, involves the construction of a dam on the North Koel River in Jharkhand and intricate canal system. Although, started in 1972, the project got stalled due its high reservoir level which dreaded impact on Betla National Park and Palamu Tiger Reserve.

Government has reinvigorated the project by approving its revised cost of Rs 2,431 crore, with Rs 1,836 crore of financial assistance. Revised project scope involves development of additional components like lining of main canals, remodeling and construction of enroute structures, and a one-time Special Package for resettlement and rehabilitation of project affected families.

[Read More](#)

Ministry of Coal and MNRE to collaborate for promotion of Green Energy projects

Government has identified surplus land masses held by coal sector CPSEs which can be utilized for setting up green hydrogen projects. Similarly, de-coaled land mass, having natural average water head of 100 m are being converted into pump storage projects and land in form of overburden dumps, are being used to set up solar projects.

Under this collaboration, MNRE will provide technical, policy and capacity-building support for this initiative, while the Ministry of Coal will provide land, capital, and oversee the implementation of these projects.

[Read More](#)

IWAI and Amazon sign MoU for promoting cargo movement via inland waterways

This collaboration would enable Amazon to utilize all possible modes of transport, including Rail, Air, Water, and Surface, to ensure faster, cost-effective, sustainable and reliable delivery of packages.

The partnership seeks to harness the efficiency and sustainability of inland water transport to optimize logistics, diminish environmental footprints, and promote economic development.

[Read More](#)

Government approves schemes worth Rs. 154.25 crore under the Central Road and Infrastructure Fund (CRIF)

To strengthen Himachal Pradesh's infrastructure which got affected due to natural disasters, central government has approved funding of two bridge projects through CRIF on the Swan and Beas Rivers in Una and Kangra region of Himachal Pradesh.

[Read More](#)

REC partners with NICS I for advanced ICT and Digital Transformation services

The collaboration between Rural Electrification Corporation (REC) and National Informatics Centre Services Inc. (NICS I) will enable one-stop end-to-end NIC/NICS I software products deployment, hosting, core roll-out, technical support, security, services, system administration, etc.

It will benefit the REC ecosystem by facilitating exploration of latest technology in evolving areas like IoT, Artificial Intelligence, Machine Learning, Data analytics, & cyber security etc.

[Read More](#)

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

IFS, DEA organized National workshop on leveraging private finance in collaboration with IFC

To draw key learnings and reflect on the discussions held during the Infrastructure Working Group (IWG) meetings under India's successful G20 presidency, a **national workshop** on 'Leveraging private finance for urban infrastructure development' was **organized by DEA**, IFS in association with Ministry of Housing & Urban Affairs (**MoHUA**) and the International Finance Corporation (**IFC**). The workshop aimed to integrate IWG meeting outcomes into India's domestic policymaking, i.e., tap the potential of **cities** to act as primary growth engines and take initiatives to attract **private capital** for financing urban infrastructure.



Shri Ajay Seth, Secretary (Economic Affairs), Ministry of Finance at IFC National Workshop

During their inaugural speech Shri Ajay Seth, Secretary, DEA, MoF and Shri Manoj Joshi, Secretary, MoHUA emphasized on the need for **long-term urban planning**, unlocking the **potential value of land**, creating a conducive environment for **attracting private financing** and augmenting **technical and institutional capacities**.

Discussions held during the workshop centered around the need to deliver quality urban infrastructure, while keeping in view the constrained fiscal condition of ULBs, thereby necessitating the role of private financing. The workshop witnessed participation of **175+ senior government officials**, from State and Central govt., as well as senior executives from financial institutions, regulators, and industry partners. [Read More](#)

IFS organized workshop on PPP Project Structuring Toolkit for Roads and Highways Sector

IFS has developed **PPP Structuring Toolkits** which offer web-based tools to assist Project sponsoring authorities (PSA) in structuring bankable PPP projects. A two-day workshop was organized in hybrid mode to sensitize Central & State level **PSAs** on structuring of PPP projects using these toolkits, which can be accessed through [DEA's website](#). Similarly, the **Contingent Liability Toolkit** was also presented to PSAs as a tool for estimation of probable pay-outs due to occurrence of various contingencies arising during the project.



Shri Ajay Seth, Secretary (Economic Affairs) addressing the participants of the workshop on PPP Project Structuring Toolkit

The workshop witnessed participation of **70+ officials** from Centre & State/ UT Govt. departments, who were familiarized with the features and objectives of the integral toolkits with help of case studies. [Read More](#)

DEA participated in the country roundtable organized during APN conference 2023 at Seoul, Korea

The Asia PPP Practitioner's Network (**APN**) conference was organized on 31st Oct 2023 by Ministry of Economy & Finance of the **Republic of Korea**, with support from Korea Development Institute, World Bank and Asian Development Bank. **Sh. Baldeo Purushartha, Joint Secretary (ISD)**, DEA made a presentation at the conference, showcasing **India's PPP journey** over last 3 decades with help of successful case studies.



Sh. Baldeo Purushartha, JS (ISD), DEA at the APN conference 2023 in Seoul, Korea

Shri Purushartha highlighted government's **programmatically approach** to address the challenges faced in implementing PPPs. Underscoring the importance of building climate resilient infrastructure, he also elucidated various interventions taken by the Indian government towards developing environmentally sustainable and economically viable infrastructure.

INITIATIVES BY INFRASTRUCTURE FINANCE SECRETARIAT (IFS)

Approved funding of TA cost under IIPDF scheme for development of Floating Solar & Sewerage projects

The Approval Committee (in its 11th 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 Floating Solar Photovoltaic power plant**. This project would help tap the underutilized potential of Meghadrigedda & Mudasarlova reservoirs in Andhra Pradesh and scale up existing solar generation capacity.

The committee also approved hiring of Transaction Advisors for **development of a Sewerage system** in Madhurawada and Bheemunipatnam areas of Visakhapatnam. The project would supply recycled water to feasible industries in the North part of the city, thereby **benefitting ~9 lakh citizens**.

Approved funding of TA cost under IIPDF scheme for development of integrated sports complex in Vizag

Greater Visakhapatnam Smart City Corporation Ltd. (GVSCCL) has proposed development of an **Integrated Sports Complex** (Sports Village) in Bheemli on appropriate PPP mode. The project would comprise construction of a **multi-purpose sports facility** including football, basketball, badminton, and table-tennis, etc. and revamping of an existing indoor stadium.

The Approval Committee (in its 11th meeting) granted approval for release of funds under IIPDF Scheme for hiring of a Transaction Advisor (TA) who would assist GVSCCL in conducting **end to end PPP transaction** involving detailed market assessment, financial feasibility study, project structuring and Bid process management.

Approval granted for development of Outer harbor container terminal at VOC Port, Tuticorin on PPP

Proposal for development of **Outer Harbor Container Terminal project** at the V.O. Chidambaranar Port at Tuticorin, Tamil Nadu on **PPP (DBFOT) mode** has been recommended for approval of the Competent authority by **PPPAC**. The **43rd Empowered Committee**, chaired by Secretary (Economic Affairs) also granted in-principle approval for VGF support up to **Rs 1,950 crore under the VGF scheme**, with **GoI share** of Rs 1,411 crore.

The project comprises of **two stage development**, involving construction of breakwater and rubble bund, mechanization of container terminal, capital dredging in turning circle basin and installation of navigational buoys. The proposed project would enable handling of present and **future trend vessels** with increased sizes.



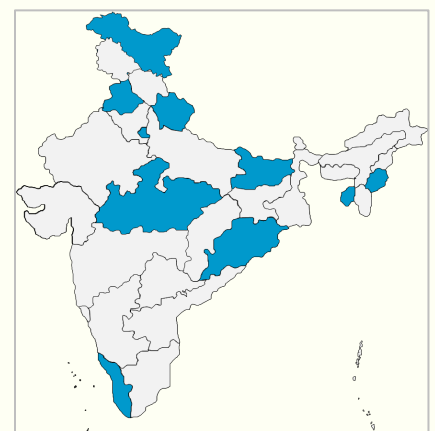
A view of Inner harbor container terminal at VOC Port in Tuticorin

18 successful infrastructure projects uploaded by 11 States/ UTs on DEA's Best Practices Portal

The **Best Practices portal** launched by IFS, DEA on its revamped website - <https://www.pppinindia.gov.in>, had emerged as an action point from the recommendations made during the 2nd National Conference of Chief Secretaries held in January 2023 under the chairmanship of Hon'ble Prime Minister.

The portal ([access link](#)) acts as a **one-stop platform to capture and showcase** best practices in **successful implementation of infrastructure projects** by States/ UTs & Central ministries. The portal enables mutual knowledge exchange among project sponsoring authorities to ensure **wider implementation**.

Since April 2023, **11 States/ UTs** namely, Bihar, Chandigarh, Delhi, Kerala, Ladakh, Madhya Pradesh, Manipur, Odisha, Punjab, Tripura, and Uttarakhand have uploaded **18 best practices** representing projects from **various sectors** including Renewable energy, Waste management, Water management, Urban Transport, Land Management, and Ease of Doing Business.



11 States/ UTs have uploaded 18 projects on DEA's best practices portal

STATE INITIATIVES

MP Cabinet approves projects worth Rs 6,000 crore to transform Bhopal's Road Network

The approved projects include **6.71 km eight-lane elevated lake corridor** with estimated cost of Rs 3,155 crore and **41 km-long south-west city bypass** with estimated cost of Rs 2,982 crore, both to be developed on Hybrid Annuity Model (**HAM**).

The proposed projects would help in **alleviating** traffic congestion, **reducing** road accidents and **saving** travel time for commuters.

The lake corridor project will prioritize **conservation of lakes** in the city, while the proposed western bypass would act as a **ring road**, thus enabling systematic development of west Bhopal region. [Read More](#)

Odisha cabinet approves healthcare scheme to improve hospital infrastructure

The '**Ama Hospital**' Scheme worth Rs 3,389 crore aims to improve healthcare infrastructure in the State and ensure basic amenities as well as sufficient manpower in the **state-run healthcare facilities**.

Under the scheme, all public health facilities will have **improved** patient waiting area, **hygienic** toilet facilities, attendant rest shed and digital display boards for public awareness announcements. Services like **queue** management and patient calling system, online **registration** system, **drug distribution** counters and digital distribution of laboratory **reports** would be deployed to avoid multiple visits of patients to hospitals.

[Read More](#)

Case Study

Development of multi-cargo, deep draft, all weather Port at Chhara, Gujarat



Project Name	Chhara Port Development Project
Project Authority	Gujarat Maritime Board
Project Structure	Build, Own, Operate and Transfer (BOOT)
Concessionaire	Simar Port Private Limited
Concession Period	30 years + 20 years (extendable)
Project Cost	Rs. 4,085 crores Debt-Equity Ratio – 70:30

Project Highlights

Chhara coastline is known to have **natural water depths of 18-20 meters** and presence of a shoal bank, just 3 kms away from the land, makes it an excellent location for construction of **India's longest** (~4 km) **island breakwaters**. This feature significantly **reduces** the overall capex requirements of the project. The waterfront availability of the location allows **development of up to 11 berths** which can handle all types of cargo.

The project comprises development of a bulk terminal, with handling capacity of **8 million MT** and a regasification terminal with LNG handling capacity of **5 million MT**. Presence of established industries and availability of land and resources for industrial development boosts the region's cargo handling potential.

Chhara Port Project is one of the biggest infrastructure projects under development in the Saurashtra region as it would provide high **international connectivity** as well as easy availability of **LPG/ LNG to downstream industries** operating in the region. The project would **generate revenue** from operation of bulk terminal and from other port users in form of **throughput royalty, land lease rentals** and **marine charges** for using port services. It would also provide local employment opportunities to ~3,000 workers.



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

Patrons

- Shri Solomon Arokiaraj
Joint Secretary,
Infrastructure Planning and Policy
(IPP) Division
- Shri Baldeo Purushartha
Joint Secretary,
Infrastructure Support and
Development (ISD) Division

Infrastructure Finance Secretariat

Department of Economic Affairs
Ministry of Finance

5th Floor, Jawahar Vyapar Bhawan
Tolstoy Marg, New Delhi – 110001

Website - www.pppinindia.gov.in

Contact No. – 011-23701006; 011- 23701037

Email ID – nipteam-dea@gov.in