

## \*Fast forward (Gati Shakti National Master Plan)

### - Gati Shakti National Master Plan

- A national master plan for multi-modal connectivity

- Aims to develop infra to reduce logistic costs and boost the economy.

- It is a digital platform that will bring Ministries including Railways and Roadways together for integrated planning and coordination

- It will incorporate the infra schemes of various Ministries and State Govts like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN, etc.

- Economic Zones like textile clusters, pharma clusters, defence corridors, electronic parks, industrial corridors,

fishing clusters, agri zones will be covered to improve connectivity .

• It will also leverage tech extensively including spatial planning tools with ISRO

imagery developed by BISAG-N

(Bhaskaracharya National Institute for Space Applications and Geoinformatics).

- States have a crucial role as port linkages and land availability depend on political consensus.

- Need for Gati Shakti

- Lethargic work culture present in development work, with depts working in silos
- There was no coordination on projects.
- India has a high logistics cost at 13-14 % of GDP which impacts competitiveness in exports.

## - Monitoring of the Plan

- It has set targets for all infra ministries.
- A project monitoring group under the (DPIIT) will monitor the progress
- DPIIT to report any inter-ministerial issue to an empowered group of ministers.

## - Significance

- Provide integrated and seamless connectivity for the movement of people, goods and services
- It will facilitate the last mile connectivity of infra and also reduce travel time for people.
- Improve global competitiveness, promote manufacturing and modernize infrastructure in the country.

- It will help raise the global profile of local manufacturers and help them compete with their counterparts worldwide.
- It can generate employment opportunities for the youth in future.
- The portal will also highlight all the clearances any new project would need, based on its location
- Allows stakeholders to apply for these clearances from the relevant authority directly on the portal.



## \* FM reviews NIP

- Reviewed progress of National Infra Pipeline as part of infra spending push
  - ↳ expanded from 6385 projects (at time of its introduction) to 7300 projects now
- NIP
  - ↳ Go India initiative to provide world class infra to its citizen
  - ↳ enhance ease of living

### ₹ 102 LAKH CRORE NATIONAL INFRASTRUCTURE PIPELINE (NIP) TO MAKE INDIA A \$5 TRILLION ECONOMY BY 2025

#### PROJECTS LINED UP UNDER NIP:

- Energy projects- ₹ 2,454,249 crore
- Road- ₹ 1,963,943 crore
- Railways- ₹ 1,368,523 crore
- Irrigation- ₹ 772,678 crore
- Rural infrastructure- ₹ 772,765 crore
- Urban infrastructure - ₹ 1,629,012 crore
- Industrial Infrastructure- ₹ 307,462 crore
- Social Infrastructure- ₹ 356,701 crore
- Ports- ₹ 100,923 crore
- Airports- ₹ 143,398 crore
- Telecommunications- ₹ 320,498 crore
- Agriculture and Food Processing Infrastructure- ₹ 60,553 crore



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### NATIONAL INFRASTRUCTURE PIPELINE (NIP)



- Finance Minister unveiled National Infrastructure Pipeline (NIP), a ₹102 lakh cr infrastructure project to be implemented over the next five years (2019-2025).
- NIP includes **economic and social infrastructure projects**. Roads, urban, education, health, railways, power & irrigation sectors comprise approx. 80% of them.
- **Major projects** are the Delhi-Mumbai Expressway, Chennai-Bangalore Expressway, National Gas Grid, PMAY-G (Pradhan Mantri Awas Yojana - Gramin), Jal Jeevan Mission (Urban), Godavari-Cauvery river linking, etc.
- NIP will serve as **'a tool for inclusive growth'** by creating jobs, improving ease of doing business & providing equitable access to infrastructure. It would eventually contribute to **the SDG 2030 agenda** to which India is a signatory.
- It emphasizes on **ease of living** or the physical quality of life i.e. Safe drinking water, access to clean and affordable energy, healthcare for all, modern transportation and world-class educational institutes.
- It is expected to turn India into a **\$5 trillion economy by 2024-25**.

# \* New freight corridor a big boost : PM

- Golden Quadrilateral Freight Corridor comprises

1. Western dedicated Freight Corridor (DFC)
  - ↳ from Dadri (UP) to JNPT (Mumbai)
2. Eastern DFC (Punjab to Dankuni (W.B))

Under Implementation

## PROJECT MAP



3. East-West DFC (Kolkata to Mumbai)
4. North-South DFC (Delhi to Chennai)
  - ↳ longest (2173km)

Approved in 2018



- 5. East Coast DFC (Kharagpur to Vijayawada)
- 6. South West DFC (Chennai to Goa)

Approved  
in 2018

- Implemented by DFCCIL

- ↳ a PSU under Ministry of Railways
- ↳ registered as a company under Companies Act (1956) in 2006

- PM inaugurated sections in Western DFC

- flagged off world's first 1.5 km long electrified double stack long haul container train

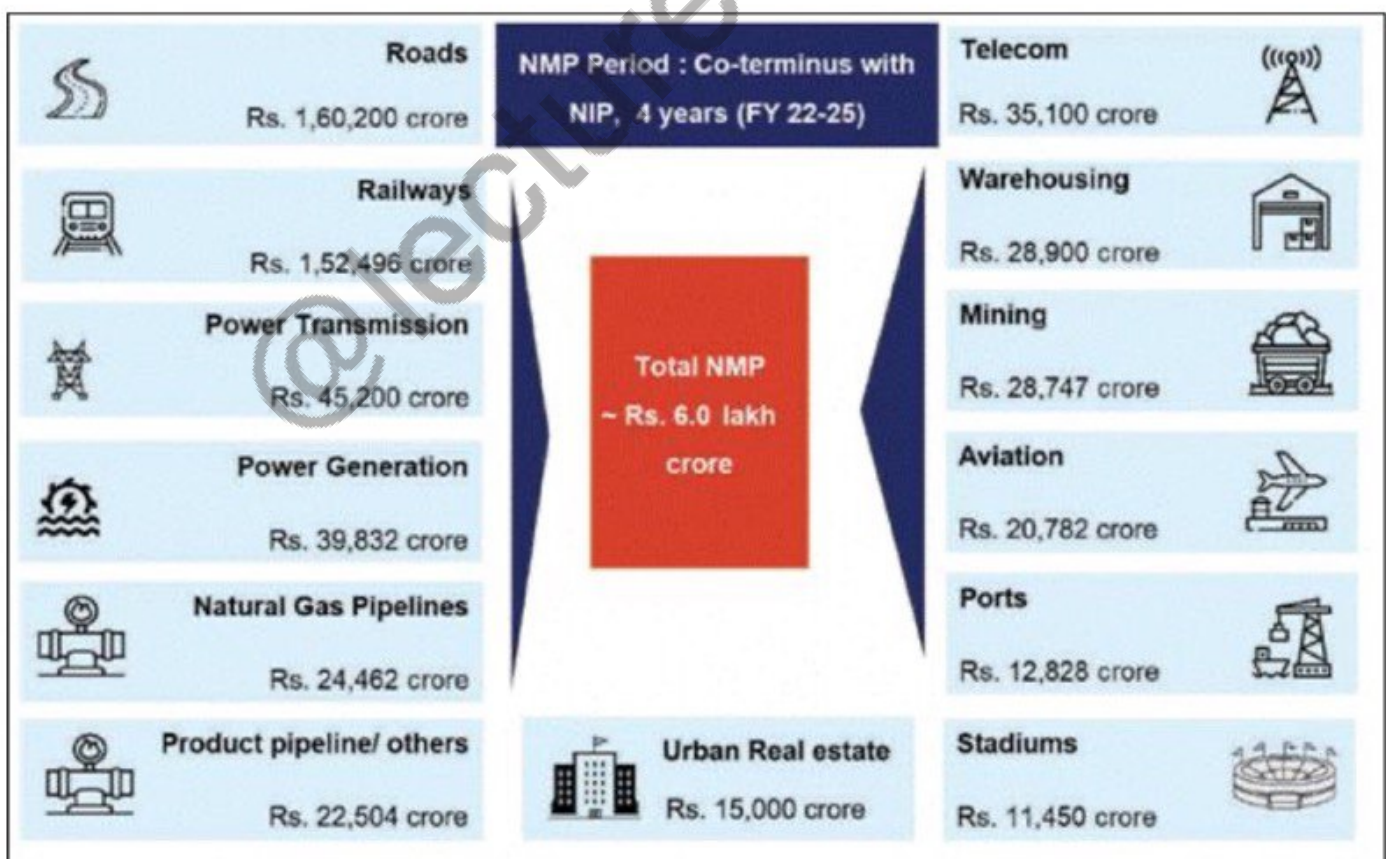
- Advantage of DFCs

- growth centres & investment attraction
- job opportunities
- encourage local industries & manufacturing units
  - ↳ faster & cheaper access to markets
- Easy access to ports in Maharashtra & Gujrat
- Freight train speeds achieved ~ 90 kmph from earlier 25 kmph
- 133 railway stations connected by DFCs
- Farm produce from Punjab & coal from Jharkhand can reach markets easily

## \* National Monetisation Pipeline (NMP)

- The Centre launched the NMP

- 4-year NMP plan
- To unlock value in brownfield projects by engaging the private sector
- Transferring to them the rights
- But not the ownership in projects.





## \*Risks and rewards

### —Rewards:

1. Total valuation of monetization through National Monetization Plan (NMP) → 6 lac crore rupees.
2. It could help fund the National Infrastructure Pipeline with new projects worth ₹100-lakh crore.
3. NMP does not include the change of ownership.
4. These assets or the land therein will not be sold but private players will be asked to pay for operation and management rights .

## Risks & Challenges:

1. Govt did not implement its 2014 Budget promise to set up an apex body to devise new PPP models.

2. Govt is yet to complete a single PSU sale as a part of its strategic disinvestment plan.

3. Risks of adverse audit paras (questioning by audit authorities) about valuations and processes.

4. Post-transaction troubles → As proposed concession periods are running up to 60 years for some assets, NMP deals could pose issues in the long-term



## \*Decoding asset monetisation

### - National Monetization Pipeline:

- It is not about the sale of government-owned assets.
- It is not about privatisation or disinvestment.

### - NMP Vs PPP

- The NMP is very different from the previous govt's (PPP) infrastructure development of the mid-2000s.

PPP	NMP
It was about attracting pvt parties to build, operate and then transfer 'greenfield' infra projects under (BOT) agreements.	NMP is about leasing out brownfield infra assets under a toll-operate-transfer (TOT) concession agreement.

### Risks for bidder:

1. Operating risk
2. Development and construction risk .

No need for construction.

### Complex and messy

process-

1. Involved acquisition of land.

2. Securing enviro and other regulatory approvals.

Led to a huge volume of disputes for which there was no readily available resolution mechanism.

It promises much simpler and cleaner .

- No acquisition of land is involved.



— Success of NMP depends on—

1. **Flexible contracts:** Given the long tenure of these concession agreements for assets.

2. **Key performance indicators:** Contracts must also incorporate clear key performance indicators expected of the private party.

3. **Effective implementation:** Administering the concession agreements should not lie directly with the ministries and/or their agencies.

4. Robust dispute resolution mechanism.

- An institution such as '3 PPP India', first mooted in the 2014 Budget, is needed.

- **Infra PPP Adjudication Tribunal** along the lines of what was recommended by the Kelkar Committee (2015)