



# India: Supporting New Infrastructure Development through Public-Private Partnerships and Implementation Monitoring of National Infrastructure Pipeline

Project Name	Supporting New Infrastructure Development through Public-Private Partnerships and Implementation Monitoring of National Infrastructure Pipeline				
Project Number	55336-001				
Country	India				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6905-IND: Supporting New Infrastructure Development through Public Private Partnerships and Implementation Monitoring of National Infrastructure Pipeline</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 1.50 million</td> </tr> </table>	TA 6905-IND: Supporting New Infrastructure Development through Public Private Partnerships and Implementation Monitoring of National Infrastructure Pipeline		Technical Assistance Special Fund	US\$ 1.50 million
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Technical Assistance Special Fund	US\$ 1.50 million				
Strategic Agendas	Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development				
Sector / Subsector	Education - Education sector development - Tertiary Energy - Renewable energy generation - biomass and waste Health - Health care finance Transport - Transport policies and institutional development - Urban public transport Water and other urban infrastructure and services - Urban sewerage				
Gender Equity and Mainstreaming	Some gender elements				
Description	The proposed Technical Assistance (TA) will support government's multi-billion dollar NIP and NMP programs through knowledge based support. Necessary project monitoring support through sector experts will be provided to aid the government's project implementation efforts as part of NIP program. Knowledge based support will also be provided for effective monetization of assets that meet the government's overall development objective under the NMP program. The TA will also focus on building capacity for undertaking rigorous due diligence that is often necessary for developing new infrastructure projects through PPP mode. Expertise will be extended for designing novel PPP alternatives across sectors and states. New PPP models in untapped sectors like health, municipal infrastructure, logistics, education etc. will be encouraged and supported through the TA. The TA is consistent with ADB's Strategy 2030 Operational Priority 1: Addressing remaining poverty and reducing inequality; Operational Priority 4: Making Cities more Livable, and Operational Priority 6: Strengthening Governance and Institutional capacity by providing knowledge and capacity building support for project executing and implementing agencies across states in India.				
Project Rationale and Linkage to Country/Regional Strategy	Over the next 5 years, 8979 new infrastructure development projects with an aggregated project cost of \$1.9 trillion spread across 7 sectors and 35 sub-sectors are being planned by Government of India (GoI) under the National Infrastructure Pipeline (NIP) initiative. Implementing this challenging and ambitious program in a fiscally responsible manner will require robust private sector investments and strong implementation monitoring support for ensuring optimal delivery of infrastructure projects through judicious usage of public funds. India achieved 22% and 37% private sector investment in infrastructure in the tenth (2002-2007) and eleventh (2007-2012) five-year plans, respectively. However, private sector investments decreased to 30% during the period 2013-19 . It is also noted that existing PPP investments are limited to only few sectors and states. Expert committee constituted by the government for revitalizing PPPs for infrastructure development in India has outlined several measures for increasing investments from private sector for infrastructure development . The committee in its recommendations has noted that the current practice of adopting a one-size fits all' approach by project implementing agencies using pre-defined concession agreements without adequate due diligence undermines appropriate risk allocation among key stakeholders, thereby hindering private sector investments through PPPs. Developing large scale infrastructure projects through PPPs requires a tailor-made approach backed by strong sector expertise and adequate due diligence to ensure success of contracts which could spread over few decades. Lack of requisite expertise leads to poorly structured PPP investments resulting in failure of projects. This in turn affects subsequent investments from the private sector, thereby leading to further decrease in PPP projects. Ensuring success of PPP projects through strong support at project appraisal stage is thus pivotal for ensuring long term private sector engagement in government's infrastructure development programs. Enhancing private sector participation is one of the critical ways for ensuring complete Value for Money' for the public infrastructure investments envisaged by the government. Building institutional capacity across project executing and implementing agencies for undertaking thorough project due diligence to support structuring of PPP investments that meet the demands of both the public and the private sector in an equitable manner is pivotal for ensuring sustainable private capital inflow in government's infrastructure development programs. Capacity building programs designed to develop PPP practitioners across various agencies at central and state level will aid in institutionalizing necessary expertise required for further developing PPP alternatives suited to meet governments development objective. Implementing trillion-dollar greenfield infrastructure development through National Infrastructure Pipeline (NIP) program also requires strong monitoring support to ensure completion of projects without any major time and cost overruns. Slippages on project schedule would not only result in wasteful public expenditure but also result in contract failures which could completely derail the delivery of public infrastructure projects. Supplementing government's efforts in monitoring the implementation of projects under the challenging NIP program will aid in troubleshooting the longstanding issue of time and cost overruns in public infrastructure projects. Further, the government has set an ambitious objective of increasing private sector investments for managing brownfield infrastructure through the \$81.1 billion National Monetisation Pipeline (NMP) . Under this four year program, GoI intends to tap revenues and increase operational efficiency of public assets across sectors. A range of monetary options including PPPs, REITs , InvITs could be availed by the government depending on the sector's operational requirements. Through requisite expertise and support, the government's objective of increasing revenue and enhanced efficiency through private sector engagement can be effectively achieved.				
Impact	Equitable access to infrastructure accelerated and achieved.				

Project Outcome	
Description of Outcome	Private sector investments in infrastructure expanded and accelerated
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Effective implementation of NIP and NMP programs supported Development and structuring of new PPP investments enhanced.
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	A consulting firm and few individual consultants will be engaged. ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.
Procurement	NA
Responsible ADB Officer	Challa, Keerthi Kumar
Responsible ADB Department	South Asia Department
Responsible ADB Division	India Resident Mission
Executing Agencies	Department of Economic Affairs Ministry of Finance Room No. 40-B North Block New Delhi-110001, India
Timetable	
Concept Clearance	01 Dec 2021
Fact Finding	03 Dec 2021 to 13 Dec 2021
MRM	-
Approval	02 Feb 2022
Last Review Mission	-
Last PDS Update	02 Feb 2022

## TA 6905-IND

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,500,000.00	0.00	0.00	0.00	0.00	0.00	1,500,000.00	-	0.00

Project Page	<a href="https://www.adb.org/projects/55336-001/main">https://www.adb.org/projects/55336-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=55336-001">http://www.adb.org/forms/request-information-form?subject=55336-001</a>
Date Generated	03 February 2022

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