

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:3301  
ANSWERED ON:14.12.2011  
GROWTH IN INFRASTRUCTURE INDUSTRIES  
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**Will the Minister of PLANNING be pleased to state:**

- (a) whether the Government has proposed 9% domestic production growth rate in the infrastructure sector;
- (b) if so, the details thereof;
- (c) the details of the investments made in the infrastructure sector during the last three years along with the targets thereof;
- (d) the percentage increase in domestic production in infrastructure sector during the year 2010-11;
- (e) the reaction of the government on the above growth rate; and
- (f) the corrective measures taken to increase domestic production?

**Answer**

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a): The Eleventh Five Year Plan has set an ambitious target of increasing the total investment in infrastructure from about 5 per cent of Gross Domestic Product (GDP) in the Tenth Five Year Plan to about 9 per cent of GDP by the terminal year (2011-12) of the Eleventh Plan.

(b): The above target amounts to an investment of Rs. 20,56,150 crore over the Plan period (2007-12) in electricity (including non-conventional electricity), roads & bridges, telecommunications, railways (including mass rapid transit system), irrigation (including watershed), water supply & sanitation, ports (including inland waterways), airports, storage and oil & gas pipelines sectors.

(c): The sector-wise Eleventh Plan investment projections and anticipated investment as per Mid-Term Appraisal of the Eleventh Plan in the first three years of the Plan are given below:

Projections and anticipated achievements of Investment in Infrastructure in first three years (2007-10) of the Eleventh Plan

(Rs. crore at 2006-07 prices)

| Sectors | Projected investment | Anticipated investment |
|---------|----------------------|------------------------|
|---------|----------------------|------------------------|

|  |          |          |
|--|----------|----------|
| Electricity (including non-conventional electricity) | 3,09,887 | 3,54,185 |
|--|----------|----------|

|                   |          |          |
|-------------------|----------|----------|
| Roads and Bridges | 1,65,811 | 1,45,487 |
|-------------------|----------|----------|

|                   |          |          |
|-------------------|----------|----------|
| Telecommunication | 1,18,102 | 1,48,401 |
|-------------------|----------|----------|

|  |          |          |
|--|----------|----------|
| Railways (including mass rapid transit system) | 1,24,714 | 1,13,107 |
|--|----------|----------|

|                                  |          |          |
|----------------------------------|----------|----------|
| Irrigation (including watershed) | 1,10,602 | 1,32,740 |
|----------------------------------|----------|----------|

|                                    |        |        |
|------------------------------------|--------|--------|
| Water Supply & Sanitation          | 69,402 | 60,990 |
| Ports (including inland waterways) | 44,605 | 20,413 |

|          |        |        |
|----------|--------|--------|
| Airports | 16,632 | 21,526 |
|----------|--------|--------|

|         |        |       |
|---------|--------|-------|
| Storage | 12,321 | 3,856 |
|---------|--------|-------|

|                     |        |        |
|---------------------|--------|--------|
| Oil & Gas Pipelines | 9,043# | 65,124 |
|---------------------|--------|--------|

|       |          |           |
|-------|----------|-----------|
| TOTAL | 9,81,118 | 10,65,828 |
|-------|----------|-----------|

# Projection pertains to gas pipelines only.

(d): Investment in infrastructure is projected at 7.94 per cent of GDP in 2010-11 as per Mid Term Appraisal (MTA) of the Eleventh Plan.

(e): As per MTA of the Eleventh Plan the overall Eleventh Plan investment projection is envisaged to be met substantially.

(f): The Government has taken following steps to achieve the targets fixed for the Eleventh Five Year Plan:

#### Cabinet Committee on Infrastructure (CCI)

The CCI was constituted under the chairmanship of the Prime Minister on July 6, 2009. The CCI approves and reviews policies and annual targets and projects across infrastructure sectors.

#### Public Private Partnership Appraisal Committee (PPPAC)

For streamlining and simplifying the appraisal and approval process for PPP projects, the PPPAC has been constituted under the chairmanship of Secretary, Department of Economic Affairs.

#### Empowered Committee / Institution (EC/EI)

An institutional framework has been established for appraising and approving PPP projects for availing the Viability Gap Funding (VGF) grant of up to 20 per cent of the cost of infrastructure projects.

#### Viability Gap Funding (VGF) Scheme

To enhance the financial viability of competitively bid PPP infrastructure projects which do not pass the standard thresholds of financial returns, VGF grant up to 20 percent of capital costs is provided by the Central Government to projects undertaken by any Central Ministry, State Government, statutory entity or local body. An additional grant of up to 20 per cent of the project costs can be provided by the sponsoring authority.

#### India Infrastructure Finance Company Limited (IIFCL)

The IIFCL was set up as a non-banking company for providing long-term loans for financing infrastructure projects that typically involve long gestation periods. The IIFCL lends up to 20 per cent of the project costs.

#### Model Documents

Model documents that incorporate key principles and best practices relating to the bid process for PPP projects have also been developed. Guidelines for the pre-qualification of bidders along with a Model Request for Qualification (RFQ) document have been issued by the Ministry of Finance.