

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:6497
ANSWERED ON:16.05.2012
TARGET FOR DEVELOPMENT OF INFRASTRUCTURE
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Will the Minister of PLANNING be pleased to state:

- (a) the details of the targets set in Twelfth Five Year Plan for the development of infrastructure sector;
- (b) the details of the action plan to achieve the physical and financial targets; and
- (c) the targets set and achieved for the infrastructure sector during the Eleventh Plan Period?

Answer

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

(a): The Approach Paper for the Twelfth Plan (2012-17) as approved by the NDC on October 22, 2011 has indicated that the total investment in infrastructure would have to be over Rs. 45 lakh crore during the Twelfth Plan period.

(b): The Twelfth Five Year Plan is under formulation. However, the following steps are being taken to achieve physical and financial targets for the infrastructure sector:

High Level Committee on Financing Infrastructure

The Government has appointed a High Level Committee on Financing Infrastructure under the chairmanship of Dr. Rakesh Mohan to make a range of recommendations to enable the requisite flow of investment in infrastructure during the Twelfth Five Year Plan. The Committee has set up four key sub-groups on developing capital markets for intermediating long-term savings for investment in infrastructure projects, taxation and debt, foreign capital inflows in infrastructure financing, and flow of equity to infrastructure projects to make recommendations in their respective areas.

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. The IIFCL has initiated several new measures such as Take Out Finance Scheme and Credit Enhancement Scheme besides direct financing of infrastructure projects.

Infrastructure Debt Fund (IDF)

India's first Infrastructure Debt Fund (IDF) of US \$ 2 billion has been launched on March 5, 2012. This IDF would be structured as a non-banking finance company with an initial equity share of Rs. 300 crore and is envisaged to expand the availability of debt to infrastructure projects. Further, a few more IDFs are also proposed to be launched soon and by the end of 2012 at least two IDF's would be functional.

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 per cent 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.

(c) : The Eleventh Five Year Plan (2007-12) had projected an investment of Rs. 20,56,150 crore during the Plan period. As a part of the Mid-Term Appraisal of the Plan, it is estimated that the investment realized would be Rs. 20,54,205 crore i.e. the Plan projections would be broadly realized.