

## कार्यालय प्रमुख अभियन्ता एवं विभागाध्यक्ष, उत्तराखण्ड,लोक निर्माण विभाग, देहरादून



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पत्रांक 908/0/17/2022

दिनांक 02/11/2022

सेवा में,

समस्त मुख्य अभियंता/ अधीक्षण अभियंता/ अधिशासी अभियंता लोक निर्माण विभाग उत्तराखंड

Subject: Feedback Note for Second National Conference of Chief Secretaries to be held in January 2023– Setting up of Working Groups of States/ Union Territories

Reference: OM No. 12107/8/2022-S-C., dated 01-12-2022 of NITI Aayog, GoI.

कृपया नीति आयोग, भारत सरकार के संदर्भित पत्र का अवलोकन करें, जिसमे राज्य सरकार के समूह "क" के समस्त अधिकारियों से जनवरी 2023 में प्रस्तावित राज्यों के मुख्य सचिवों की द्वितीय सभा हेतु विचार आमंत्रित किए गए है।

अतः "Specific Area : Urban Infra, Urban Transport, Roads, Logistics, Power and Industrial Infrastructure" के विषय पर सलग्न निर्धारित प्रारूप पर अपने विचार / कथन दिनाक 04-11-2022 तक email [cepwdua@gmail.com] के माध्यम से अनिवार्य रूप से उपलब्ध करना सुनिश्चित करें।

उक्त विषय पर दिनांक ०३-११-२०२२ को अपराहन १:०० बजे अधोहस्ताक्षरी द्वारा समस्त अधिकारियों के साथ Google Meet के लिंक <u>meet.google.com/ryc-zkgf-scg</u> पर VC की जाएगी। VC में सलग्नों का गहन अध्ययन कर ससमय प्रतिभाग करना सुनिश्चित करें।

सलग्न : १- संदर्भित पत्र

- 2- Feedback Note का प्रारूप
- 3- प्रस्तावित विषय के सम्बंध मे आलेख

(इं. अयाज अहमद) प्रमुख अभियंता

प्रतिलिपि : मुख्य अभियंता (नियोजन), विभागाध्यक्ष कार्यालय, लोक निर्माण विभाग देहरादून

प्रमुख अभियंता

#### No. 12107/8/2022-S-Co. Government of India NITI Aavog

#### (National Chief Secretaries Conference Coordination Division)

NITI Aayog, Sansad Marg Dated: 1st November, 2022

#### **OFFICE MEMORANDUM**

Subject: Second National Conference of Chief Secretaries to be held in January 2023– Setting up of Working Groups of States/ Union Territories

In continuation with the meeting taken by Cabinet Secretary on October 27, 2022, it has been decided to set up 12 Working Groups under six sub-themes of two pillars for the second National Chief Secretaries Conference to be held in January 2023. The specific subjects of these working groups and composition of States/ UTs is given in the **Annexure**. Respective Ministries, States and Union Territories are requested to take note of the same and initiate the process of consultations as per the time line indicated earlier.

This issues with the approval of the competent authority.

(Dr. Yogesh Suri) Sr. Adviser

#### To,

- 1. Shri Ajay Seth, Secretary, Deptt of Economic Affairs, Ministry of Finance, GoI
- 2. Shri Rajesh Bhushan, Secretary, Department of Health & Family Welfare, GoI
- 3. Shri Indevar Pandey, Secretary, Ministry of Women & Child Development
- 4. Shri B.B. Swain, Secretary, Ministry of Micro, Small and Medium Enterprises
- 5. Shri Anurag Jain, Secretary, Department for Promotion of Industry and Internal Trade (DPIIT), GoI
- 6. Shri Atul Kumar Tiwari, Secretary, Ministry of Skill Development & Entrepreneurship

#### Copy forwarded for information and necessary to

Chief Secretaries of all States/ Union Territories

#### Copy also for necessary action to :-

- 1. Ms V Radha, Additional Secretary, NITI Aayog
- 2. Shri Rajib Kumar Sen, Senior Adviser, NITI Aayog
- 3. Shri Sanjeet Singh, Senior Lead, NITI Aayog
- 4. Ch Partha S Reddy, Adviser, NITI Aayog
- 5. Shri Kundan Kumar, Adviser, NITI Aayog
- 6. Shri Avinash Champawat, Director, NITI Aayog

#### **Copy for information to:-**

- 1. PS to Vice Chairman, NITI Aayog
- 2. Shri Govind Mohan, Secretary, Culture
- 3. Shri Ashutosh Jindal, AS, Cabinet Secretariat



### Second National Chief Secretary Conference Templates : State Specific Note & Feedback Note

### **Template 2: Feedback Note (by all IAS officers / State Department Officers)**

Section 1:Officer Name and Details
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- Name
- Designation
- Batch
- Current Posting

### **Section 2:** Feedback for Second Chief Secretary Conference

1. Name of the topic
(Choose from the topics of the conference)
2. Policy Gaps and Challenges
(Current policy challenges, administrative and implementing challenges with respect to the topic selected)

#### 3. Potential Solutions

(Can potentially highlight new technology solutions, scope for convergence with other schemes/programmes etc.)



## Second National Chief Secretary Conference Templates : State Specific Note & Feedback Note

4. Be	st Prac	tices	
(Hioh	liohts th	ie pract	ices which are sustainable, replicable, scalable, monitorable etc. Can also
	_	-	district/ State level practices)
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Instru	ictions	for filii	ng feedback note:
1.	Refere	ences:	
	•		t citing as well as the listing of all the references used for compiling the data
		and in	formation.
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2.	Docur	nentatio	on style:
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Use additional spacing for section heading with spacing (After) - 6 pt

Line Spacing: 1.25

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#### Pillar 1: Growth and Job Creation

#### **Sub-Theme 2: Infrastructure and Investments**

# Specific Area 1: Urban Infra, Urban Transport, Roads, Logistics, Power and Industrial Infrastructure

#### Threads of discussion

- Investment required to scale up infrastructure in these sectors and a suitable roadmap for the same
- Framework for improving viability of infrastructure projects in these sectors
- Ways to attract private sector for investment as well as operational efficiencies
- Assessing sector challenges with suggested interventions
- Creating infrastructure that has a strong direct and indirect employmentgenerating effect
- Creation of urban centres of accelerated growth for the next twenty-five years
- Augmenting financial and managerial capacity of urban local bodies
- Employing saturation principle in providing urban infrastructure
- Developing a comprehensive plan and innovative financing approaches for multimodal urban transport including last-mile connectivity
- Challenges in increasing logistics efficiency and implementation of multimodal transportation projects
- Showcasing best practices and cross-learning from each other

#### **Context and Background**

Importance of Infrastructure and Centre's commitment

Quality Infrastructure is a critical driver of quality of life and ease of living for citizens specially those at the bottom of the pyramid. Benefits of higher investment in Infrastructure manifest in form of increased employment opportunities, access to market and materials, improved quality of life and empowerment of vulnerable sections. Since states are where people experience the impact of all policies, programmes and initiatives of the government, their vision towards a shared infrastructure blueprint of the future, becomes paramount.

Government of India has committed to set the tone towards infrastructure development through both policy and financial interventions especially increased capital spending. The last two budgets have each seen a consistent increase of 35% over capex allocation of previous years, resulting in an allocation of 7.54 lakh cr in FY23. When various grants for capital expenditure is added to this, 'Effective Capital Expenditure' of the Central Government goes upto well over 10 lakh cr in 2022-23.

States with a 40% share (Rs 44 lakh crore) in planned investments under the National Infrastructure Pipeline (NIP), are hence an equal partner in realizing the vision of infrastructure for India. Being the proponent in a lot of these projects, States play an active part in planning, conceptualizing, funding and implementing programmes, policies & projects. Further, in case of projects anchored by the Centre / central sector agencies or by private sector, States play a critical role in facilitating ever-important aspects such as land, right of way and clearances.

Policy-wise, riding on the back of flagship infrastructure programmes such as the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), a need was felt to bring an overarching master-planning approach to infrastructure through the PM GatiShakti program that leverages the synergistic effects of 7 engines of growth namely, Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.

#### Sectors for discussion in this specific-area

In the last two decades, the importance of sustainable urbanisation has been globally recognised through several globally accepted agendas like the Millennium Development Goals (MDGs) in 2000 and the Sustainable Development Goals (SDGs) in 2015. SDG 11 aims to "make cities and human settlements inclusive, safe, resilient and sustainable".

Cities/urban areas are recognized as the key engines of growth in an economy. While urban areas constitute only about 3% of the total land area, they contribute to over 70% of the Gross Domestic Product<sup>1</sup>. Thus, urban areas/cities can contribute significantly to sustainable economic growth through increased productivity and innovation if planned well.

By 2047, as per UN estimates, India's population is projected reach a figure close to 1.64 billion, of which nearly 0.82 billion (approx. 50 per cent) is expected to be residing in urban areas. The number of million-plus cities is projected to grow from 53 in 2011 to 68 in 2030. The realization of Prime Minister's vision for urban India@2047 will need concerted efforts across infrastructure sectors, including upgradation of local capabilities and capacities.

Balanced urban development requires provision of adequate infrastructure for equitable access to civic services across the state, while also creating a conducive policy and regulatory environment. 24x7 piped water supply, adequate sewage treatment capacity, door-to-door waste collection, improved public urban transportation are important for urban development.

Sustainability of state's overall growth will depend on how its centers of growth are connected to each other, and how well they are supported by enabling infrastructure. This requires development of all-weather roads and low-cost and efficient logistics infrastructure. Gol is already in the process of addressing these gaps with revised plans under the Bharatmala as well as creating 35 Multi-Modal Logistics Parks across the country. It is here that State plans

<sup>&</sup>lt;sup>1</sup> https://home.kpmg/in/en/home/insights/2022/03/urban-india-smart-cities-roadmap-infrastructure.html

and visions riding on the planning architecture of PM GatiShakti can become a game changer in developing multi-modal connectivity across states in the years to come.

Currently, regional imbalance in road infrastructure, logistics costs and multi-modal connectivity is an issue of grave concern for the states. Well-connected district/state roads, state/national highways and expressways will be important for propelling inter and intra state trade and commerce. However, given the rapid urbanization of cities, transport infrastructure must not only keep pace with the pressures of people moving inter and intra-cities, but also must aim to incorporate technologies and approaches from around the world. Improving urban connectivity through expanding metro rail, city bus and regional rail systems across cities and states is also important for reducing congestion on urban roads and providing seamless connectivity to residential, office and commercial areas. However, the scaling up of urban transport will require a huge investment by the private participation over and above public budgetary allocations. States must look at leveraging innovative financing as well as structural approaches to build more viable projects, explore a taxpayer-rent payer model, and implement practices such as Transit Oriented Development etc.

The 1-lakh cr. Scheme for Capital Assistance to States promotes this through incentives for supplemental funding for priority segments of Gram Sadak Yojana (including for state share) as well as urban reforms such as transit-oriented development and transferable development rights.

Currently, the regional concentration of industries is a key issue being faced by some of the states as it promotes imbalanced development caused by rapid migration to one part of the state. This leads to the twin problem of pressure on provisioning services on one side, and deficiency of enabling services in other parts of the state. There is a need to develop adequate infrastructure around industries, provide access to adequate raw material markets, improve proximity to consumption centres and strengthen connectivity within and outside the states.

Rising population will also necessitate opportunities for employment across the value-chain from low-skilled to multi-skilled professionals. Center-State will need to work in unison to create infrastructure that not only enables a growth-led economy, but also creates direct and indirect employment.

Additionally, there is a strong requirement to bring in private investment in development of efficient urban and industrial infrastructure. This could either be done through structuring more greenfield projects under PPP mode, or by identifying brownfield assets that can be handed over to the private sector for efficient operations. Partnerships with private sector could also be explored to build smart cities, industrial townships, logistics parks and regional infrastructure. Equally important would be introducing new technologies, facilitating international trade and enabling the efficient use of resources for achieving economies of scale in industrial development.

Gol's 11 industrial corridor projects<sup>2</sup> are expected to be developed by NICDC in 4 phases till 2024-25 spread across the length and breadth of country. These are expected to usher in quality infrastructure, enhanced connectivity and specific areas for concentrated sectoral investments.

All of this development would necessitate provisioning of quality, uninterrupted power. Even as there is insufficiency in power or energy in some parts of the country, we as a country need to ramp up power from renewable sources as well in line with our commitments towards Net Zero goals.

Identifying and addressing the challenges resulting from urbanization and industrialization would be essential for sustainable growth. The existing mismatch in population growth and infrastructure development has resulted in several problems - uncontrolled groundwater extraction by industries, above average per capita water consumption (greater than 135 lpcd), health hazards, congested roads in urban areas, lack of adequate road infrastructure in semi-urban and rural areas, inadequate public transportation facilities, higher logistics costs and poor sanitation facilities.

States need to look for long-term solutions to address these challenges in order to sustain the growth momentum resulting from rapid urbanization and industrial development. As long as the national vision emanates from the planning on ground in a bottom-up approach, the future of our country would be both sustainable, balanced and realistic.

States play an all-encompassing role in realizing the vision of infrastructure for India as they are the primary beneficiaries of such far-reaching system and a stakeholder at every stage of implementation of practically every project. In fact, being the primary proponent in a lot of these projects, they are responsible for end-to-end conceptualization and delivery playing an active role in planning, funding and implementation. In case of Centre or Private led Projects, they have a critical role in facilitating for land, right of way and clearances.

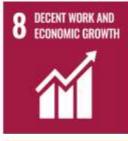
Hence, for expedited delivery of the huge pipeline of assets to be created/operated, there is a strong case for rolling out standardized models/frameworks as well as collaborative sharing of knowledge/resource among various Central and State government agencies.

#### **Relevant Sustainable Development Goals**

<sup>&</sup>lt;sup>2</sup> DMIC, Chennai-Bengaluru, Amritsar-Kolkata, East-Coast, Vizag-Chennai, Bengaluru-Mumbai, CBIC to Kochi, Hyderabad-Nagpur, Hyderabad-Warangal, Hyderabad-Bengaluru, Odisha Economic, Delhi-Nagpur













### Performance of States in Focus (Scores in SDG India Index, 2020)

States	% of wards with 100% door-to- door waste collection	Installed sewage treatment capacity as % of sewage generate	% of urban HH with draina ge facility	% of MSW process ed to total generat ed	% of inhabitan ts connecte d by all-weather roads*	Score as per Logistics Ease Across Different States	% share of GVA in manufacturi ng to total GVA (current prices)	% of houses electrified
Target	100.00	100	100	100	100	5	25	100
		.00	100	100	100	3	23	100
India	96.77	38.86	87.60	68.05	97.65	3.18	16.10	99.99
India Chandigar	96.77	38.86	87.60	68.05		3.18	16.10	

Arunachal	82.43	0.00	59.40	23.97	81.75	2.77	3.2	100
Pradesh								
Assam	87.91	0.11	58.70	63.24	94.38	3.00	12.25	100
Bihar	99.44	5.62	87.80	58.27	97.18	2.85	7.21	100
Delhi	100.00	70.23	97.50	55.24	-	3.36	5.2	100
Goa	100.00	80.48	95.60	70.00	100.00	2.78	42.5	100
Haryana	93.94	115.76	97.40	49.95	100.00	3.37	20.22	100
Kerala	85.46	4.29	75.1	74.96	99.5	3.16	10.76	100
Nagaland	63.25	0	59.5	67.87	87.16	2.28	1.37	100
Odisha	100	29.49	65.7	80.02	98.51	3.18	19.61	100
Puducherr	100	44.19	83.2	12.42	-	3.28	29.65	100
у								
Rajasthan	100	29.6	89.1	77	100.01	3.16	10.39	100
Uttar	99.18	41.19	92.1	68.26	99.99	3.08	14.54	100
Pradesh								
Uttarakha	100	26.88	97.4	56.5	84.67	2.85	37.52	100
nd								

<sup>\*</sup>Under Pradhan Mantri Gram Sadak Yojana Source: SDG India Index, NITI Aayog

# Budgetary Support to Urban Infra, Urban Transport, Roads, Logistics and Industrial Infrastructure

The government has substantially increased its investments in development of urban areas and industries in the last couple of years.

Budgetary Allocations from FY2020-21 to FY2022-23 (INR billion)

Ministry	Actual 2020-21	RE 2021-22	2022-23
Ministry of Road Transport	991.59	1,311.49	1,991.08
and Highways			
Ministry of Housing and	467.00	738.50	765.49
Urban Affairs			
Ministry of Power	105.82	153.22	160.74
Ministry of Micro, Small and	54.55	156.99	214.22
Medium Enterprises			

Source: Union Budget 2022-23

- ➤ While calling for fragmented urban development in Tier 2 and 3 cities, the Union Budget 2022-23 recognises the significance of going beyond 'business as usual' and 'reimagining cities'. The Budget 2022-23 also lays greater emphasis on expanding the reach of mass transit networks, promoting public transportation use, and leveraging the central government's financial assistance for mass transit projects and the AMRUT scheme in states.
- ➤ The Union Budget 2022-23 stated plans to take the PM GatiShakti National Master Plan forward to spur the logistics infrastructure. The plan has received its first outlay of INR 20,000 crore for 2022-23. A massive target has set for expanding National Highways network by

25,000 km in 2022-23. Development of four multi-modal logistics parks through the PPP mode has been envisaged to strengthen logistics infrastructure. Additionally, all data exchange among all mode operators will be brought on Unified Logistics Interface Platform (ULIP).

- In a major boost to spur regional connectivity in NCR, Gol is bringing forth Regional Rapid Transit System (RRTS) project. This is one of the regional connectivity projects that is expected to boost urban transport. Further, the budget highlighted that innovative ways of financing will be encouraged for building suitable metro type in cities depending on their population. Designs and standards will be reoriented and standardized for Indian conditions.
- ➤ To boost industrial growth, particularly small and medium industries, the Aatmanirbhar Package has been announced by the Government for INR 20.97 lakh crore. Financial support has been given to the stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt. The Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs has been extended till March 2023. Besides, the guaranteed cover under the scheme has been extended by an additional INR 50,000 crore.

# Investment requirements envisaged under the National Infrastructure Pipeline (2020-2025)

Sectors	No. of Projects	Total Cost (INR billion)
Roads & Bridges	3,564	31,827
Logistics	155	3,700
Urban Transport	227	9,156
Water and Sanitation	912	9,381
Energy	726	30,205

Source: National Infrastructure Pipeline Report dated 27 October 2022

Public Private Partnership (PPP) is a well-tested and feasible alternative to bridge the gap between planned investments and fiscal resources available along with bringing in efficiency of private sector. Robust framework is available, but a robust pipeline of PPP projects is lacking. Development of infrastructure through PPP projects are lacking not only in social infra sectors but also in traditional economic infrastructure sectors. State Governments may hence also explore PPP models for implementation of infrastructure projects using models successfully adopted by other agencies/State/Central Government. Demand for Private Investment is expected to be further higher due to (i) Limited Fiscal Space at Central & State Level (ii) Higher Commitment to Social Infrastructure and (iii) Benefits of Life cycle Costs, Flexibility & Efficiencies associated with PPP projects. Various public/private led models adopted by Central and State Governments have been formulated into Model Bidding Documents and Concession Agreements which can be suitably adopted for rolling-out projects. This will ensure necessary speed as also alignment with international best practices and minimum implementation/ operational challenges. This enables optimal allocation of risk to party best suited to manage the same.

➤ With a view to provide an impetus to PPPs in social sectors, the government in FY20-21 revamped the Viability Gap Funding (VGF) Scheme of the Centre enabling significantly higher levels of financial support for socially desirable but commercially unviable projects. However, there is potential to improve the offtake of support by the States under this scheme.

# Discussion on sub-themes related to Urban Infra, Urban Transport, Roads & Logistics, Power and Industrial Infra

- 1. Urban planning should follow a Bottom up approach. The ground level requirements of the cities/towns etc. should be given due cognizance and incorporated into a master plan for the entire state. What steps are being taken to ensure holistic urban development?
- 2. Whether the States have undertaken exercise to identify the present towns and villages which will experience transition into Cities during the Amrut Kaal (by 2047)? Whether holistic planning for such transition initiated?
- 3. The 'tax-payer' model for development of Infrastructure has its own pros and cons. Whether a shift to 'User Pay' model is necessitated in order to spearhead fast paced infra development and at the same time ensure its judicious utilisation?
- 4. While most states have near-complete access to power, quality and timeliness of power remains an issue, with some areas getting less than 6 hours of electricity. What are state plans to improve transmission and distribution, and cut A&D losses?
- 5. How do states attempt to bring in employment focus in infrastructure planning?
- 6. Are States looking at creating a diversified urban transport planning? Does it involve leveraging transferable development rights as well as land-value capture for financing projects?
- 7. The infrastructure being developed should also be energy efficient net neutral, if possible. Whether any plan for the same has been envisaged by the State?
- 8. One of the issues being faced by the Cities is that of inadequate public transport infrastructure, congested city buses and poor connectivity of metro and regional rail systems. How is the problem of inadequate public transportation being solved? Have States created comprehensive mobility planning for their million plus cities with investment requirements over long term? Have UMTAs been formed? What steps are being taken to reduce congestion on urban roads?

- 9. A lot of states do not have all-weather roads and regional road connectivity especially between two districts / district-city. How has the road infrastructure expanded in the state? What are the new national highways and expressways planned for improving road connectivity?
- 10. Until now, government budgetary support has been the biggest source of financing the urban infra, roads and logistics projects. In the past few years, there has been increased focus on tapping private sector participation, however, there is an increased reliance on Annuity based models as compared to pure play PPPs. What steps are being taken to increase uptake of PPP projects in these sectors? How can we increase private investments in these sectors?
- 11. How important is industrial development as an enabler of higher growth trajectory in States? What steps are being taken for industrial diversification?
- 12. Logistics inefficiencies continue to impact freight movement, productivity and costs in transport sectors. What steps are being taken by the states to improve logistics infrastructure?
- 13. Regional imbalance in infrastructure creation, connectivity and growth has resulted in asymmetric development in cities and towns. What are the states doing to reduce the regional imbalance in infrastructure and connectivity?
- 14. In what way central government schemes like AMRUT, PM Gati Shakti, Smart Cities, Swachh Bharat, Bharatmala could help states in building adequate infrastructure? How are the states faring in project implementation under these schemes till now?
- 15. In what way GoI can help in partnering with States? What are the best practices that states must learn from each other?