



KAMARAJ IAS ACADEMY
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India Infrastructure Project Development Funding Scheme

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Why is in news? Infrastructure Finance Secretariat (IFS), DEA launches the revamped website of PPPININDIA and online portals for India Infrastructure Project Development Funding Scheme (IIPDF)

- As part of this endeavour, the IFS has revamped its website for its enhanced value to the stakeholders involved in PPP projects.
- **PPPININDIA** is a **website dedicated to promoting and facilitating Public Private Partnerships** in India and helps in bridging the gap between the public and private sectors.
- The website serves as a digital platform that brings together government entities, private companies, investors and entrepreneurs fostering collaboration and innovation for sustainable growth.
- Through this revamped website, the IFS **aims to create a vibrant ecosystem that nurtures partnership, encourages investment, and facilitates the exchange of knowledge and resources.**
- To promote Digital India initiative of the Government of India, the IFS has launched the **IIPDF Portal for submitting applications for consideration under IIPDF Scheme.**
- The online portal will allow Sponsoring Authority to apply online under IIPDF scheme that will significantly reduce the processing time, involve less paperwork and help the PSAs to obtain speedy and time bound approvals for the submitted projects.
- The IFS is also in process of launching similar online portals on this website for submitting online applications for Public Private Partnership Appraisal Committee and VGF Scheme.

India Infrastructure Project Development Funding Scheme:

- The **Department of Economic Affairs (DEA)**, Ministry of Finance, notifies **Scheme for Financial Support for Project Development Expenses of PPP Projects – India Infrastructure Project Development Fund Scheme (IIPDF Scheme)** on **03.11.2022**.
- DEA is laying great thrust on improving the quality and pace of infrastructure development in the country by encouraging private sector participation in the infrastructure sector.
- The DEA has been actively **engaged in developing the appropriate policy framework for private investment** in infrastructure development.
- Public Private Partnerships (PPPs) are being encouraged to bring private capital and efficiency in execution and operation of infrastructure projects. Besides, new schemes and initiatives are being introduced to provide financial and technical support to the private sector, wherever necessary.
- Now, the IFS, DEA has come out with Scheme for Financial Support for Project Development Expenses of PPP Projects – ‘IIPDF Scheme’ (India Infrastructure Project Development Fund Scheme) for **providing necessary support to the PSAs, both in the Central and State Governments**, by extending financial assistance in meeting the cost of transaction advisors and consultants engaged in the development of PPP projects.
- It is a **Central Sector Scheme** with total outlay of Rs 150 crore for a **period of three years** from **2022-23 to 2024-25**.
- It is aimed to **provide financial support for quality project development activities.**
- It is available to the Sponsoring Authorities for PPP projects for meeting the project development costs.

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- It would be necessary for the Sponsoring Authority to create and empower a PPP Cell to undertake PPP project development activities and also address larger policy and regulatory issues.

Significance:

- The Sponsoring Authority will, be able to source funding to cover a portion of the PPP transaction costs, thereby reducing the impact of costs related to procurement on their budgets.

Financial Outlay:

- The IIPDF will contribute upto 75% of the project development expenses to the Sponsoring Authority as an interest free loan. The balance 25% will be co-funded by the Sponsoring Authority.
- On successful completion of the bidding process, the project development expenditure would be recovered from the successful bidder.
- However, in the **case of failure of the bid, the loan would be converted into grant.**
- In case the Sponsoring Authority **does not conclude the bidding** process for some reason, the **entire amount contributed would be refunded to the IIPDF.**