

CUTS Institute for Regulation and Competition

Panel Discussion on

“Infrastructure Development for SDGs - Role of Private Finance”

New Delhi, Saturday 5th November, 2022

Speaking Note by Pradeep S. Mehta, Director General

Good Afternoon!

Thank you so much for investing your time with us on a Saturday afternoon.

CIRC the organisers of this panel discussion is a not for profit and independent research and capacity building organisation which has been active in the areas of competition, regulation and sustainable infrastructure including PPPs. It was established in 2008 as Registered Society under the Presidentship of Dr. C. Rangarajan, Chairman, Prime Minister’s Economic Advisory Council.

We assist multilateral and bilateral government and private agencies in knowledge creation as well as capacity building for achieving better outcomes in policy formulation and also projects that they undertake.

CIRC’s capabilities and contribution are now internationally acknowledged and this is amply demonstrated by the mandates it has received from international organisations such as the UNCTAD, UNICEF and the ADB.

Today, we have an excellent panel on “Infrastructure Development for SDGs - Role of Private Finance,” where we’ll be talking about the SDGs, their funding, role of banks, reformulating the infrastructure strategy, innovative infrastructure financing instruments, importance of PPP and other relevant issues.

The importance of this panel can be directly linked to the ambitious commitment towards Sustainable Development Goals (SDGs) that are to be achieved by 2030 and their dependence on sustainable/inclusive infrastructure development.

According to an OECD report, more than 80 percent of the goals are linked directly or indirectly and/or rely on development of infrastructure of one form or the other. However, trillions of dollars are required in terms of new investment across the globe to meet these goals, that too at a time when development assistance across the world is declining and global growth decelerating.

The lack of sufficient investments due to scarce financial resources, combined with a lack of capacity within the infrastructure sector has its negative impact on the overall competitive index of a developing country like India.

Responding to the emerging situation, governments across the globe are now turning towards the private sector for sourcing new investment to finance infrastructure development projects. Thus, PPPs needs to play a promising role in the market as a solution to

overcome investment challenges and provide effective service delivery with overall value for money.

However, we need to take people along because of their inherent doubts on the private sector. This needs to be buttressed by a proactive communication strategy. Here let me take just one example of how people react to the entry of the private sector into the infrastructure sector.

I was being driven in a taxi to the New Delhi airport when it was being operated by the Government agency, AAI. There were some people, mainly staff of AAI, protesting against the transfer of the airport to GMR on a PPP basis. I asked the taxi driver about his qualms when he said that in future the GMR will not allow regular taxis to drop and pick up passengers from the airport since the airport is being sold to GMR. That was his misperception on the basis of rumours.

I reassured him that: a) the airport is not being sold to GMR but is being handed over in a partnership mode to be run by them and the property will remain that of the Government represented by the people of India which includes him and me, and b) they cannot stop regular taxis from plying in the airport.

That said, this panel discussion provides a unique platform for corporate leaders, government, faculty, researchers, students and other stakeholders to deliberate issues on Sustainable Infrastructure Development for SDG's.

Also, this panel discussion is a prelude to an international conference on “Infrastructure Development for SDGs” that we will be hosting in March 2023 and to series of other similar events.

The format for today’s event is as follows:

Dr Arvind Mayaram, Chairman of the Governing Council of CIRC, will introduce the panelists briefly and then invite them to make their opening remarks for about ten minutes each. After this, we will have one round of questions and answers from amongst the panelists, to make the panel more interesting and participative. Then we would open up the Q&A to the august gathering assembled here and virtually.

At 4:30 pm IST, we will have a book release of “Selected Social Sector Case Studies from India” by Dr Suman Bery, vice chairman, NITI Aayog, Government of India, and Dr Urjit Patel, former Governor, Reserve Bank of India.

This will be followed by Dr Bery's address who will surely speak about the issues particularly SDGs which are NITI Aayog’s terrain.

With this I would like to welcome all the panelists and participants for the Panel Discussion and look forward to a fruitful discussion for next few hours.