



## UK-India Infrastructure Financing Bridge Year 1 Report - September 2025



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Image: Mumbai City skyline



# Foreword



**Chris Hayward**  
Policy Chairman, City of London Corporation

India is one of the world's most exciting investment destinations — a rapidly growing economy with ambitious infrastructure goals and a clear commitment to sustainability. But realising the full potential of international capital flows into India's infrastructure sector requires partnership, trust, and reform.

The UK India Infrastructure Financing Bridge (UKIIFB) is a first-of-its-kind initiative designed to meet this challenge — by matching India's infrastructure needs with global capital and UK expertise in sustainable project finance. This report captures the progress made in the Bridge's first year and sets the stage for deeper collaboration.

Led jointly by the City of London Corporation and NITI Aayog, and supported by an expert working group drawn from both countries, the UKIIFB is helping to unlock investment into strategic sectors such as roads and rapid transit. At its core is a shared recognition: international investors need clarity, confidence and consistency — and India's economic growth ambitions deserve a financing model that matches their scale.

This report provides a compelling case for change. It identifies practical steps to make Indian infrastructure projects more investible, including a new Project Assessment Framework developed to align with global standards. It highlights the importance of risk transparency, sustainability, and a shift in mindset — from project-centric to deal-centric thinking. And it outlines how deeper partnerships between Indian sponsors and UK financial institutions can accelerate the flow of capital.

The UKIIFB is emblematic of the type of high-impact, practical cooperation that will define the UK-India relationship in the years ahead. This work supports India's \$4.5 trillion infrastructure ambition while reinforcing the UK's role as a trusted global financial partner.

We thank all contributors to this first-year programme and look forward to building on this foundation. The opportunity ahead is immense. Together, we can drive capital where it is needed most — to power sustainable, inclusive, and long-term growth.



**Shri B.V.R. Subrahmanyam**  
CEO, NITI Aayog

India has been steadfast in its commitment to creating a sustainable and resilient infrastructure ecosystem that supports inclusive economic growth. As we continue to pursue our national development priorities, catalysing international capital into sustainable infrastructure remains an essential part of this journey.

The UK-India Infrastructure Financing Bridge (UKIIFB) was launched on 12th September 2023 under the Joint Statement of the 12th Economic and Financial Dialogue (EFD) between India and the UK, followed by the subsequent exchange of letters between NITI Aayog and the City of London Corporation in September 2024 in London. It is a timely initiative that reflects our continued efforts to foster cross-border collaboration and bring global expertise to accelerate investment into India's infrastructure sector. I am glad to note that in its first year, the UKIIFB has made important progress—developing practical tools such as the Project Assessment Framework, facilitating rich policy dialogue, and aligning project preparation processes with global investor expectations.

I may add that this work comes at a critical juncture for India, as we expand our infrastructure footprint in line with the ambitions of the National Infrastructure Pipeline and Gati Shakti. The collaboration with UK stakeholders has provided valuable insights into how we can further enhance project bankability, integrate sustainability, and de-risk capital flows to attract high-quality investment.

I congratulate the teams at NITI Aayog, the City of London Corporation, and our technical and sectoral partners for their work in advancing this initiative. I appreciate the continued support of stakeholders from both countries who have contributed to this effort and helped strengthen the foundation for future progress.

I request policymakers, investors, and practitioners to carefully consider the findings of this report and work together to unlock India's infrastructure potential. I am confident that through shared commitment and sustained action, we can shape a future that is prosperous, green, and inclusive for all.

# Executive Summary

This report marks the first year of the UK-India Infrastructure Financing Bridge (UKIIFB) and comprises a set of insights and recommendations that have been surfaced from Working Group deliberations, as well as a series of interviews with investors and other stakeholders.



India is fast emerging as the world's fourth largest economy and is pegged to be the fastest growing major global economy. Sustainable infrastructure is critical for India's economic trajectory - while fulfilling its net-zero climate commitments. The UKIIFB has been established to build collaboration between the UK and India in the development of an international project finance sector to meet the demand for infrastructure growth on sustainable terms.

India's infrastructure demand is underpinned by rapid urbanisation, and a large rising middle class, resulting in substantial infrastructure deficits and opportunities. India's focus on global priorities, including energy transition and sustainability, has further increased its appeal to investors. Proactive government measures to address concerns around governance, such as the Insolvency and Bankruptcy Code and ongoing regulatory enhancements, have further strengthened the investment climate; enabling greater private sector participation and creating a more predictable framework for international investors.

Additionally, the government has taken significant steps to improve the bankability of infrastructure projects through interventions and incentives such as the Hybrid Annuity Model (HAM), land acquisition guarantees, and the removal of connection tariffs in renewable energy.



## \$4.5tn

India's dynamic growth trajectory calls for an estimated \$4.5 trillion investment in infrastructure by 2030

India's dynamic growth trajectory calls for an estimated \$4.5 trillion investment in infrastructure by 2030, encompassing cost escalations, green initiatives, and transformative projects like 100 smart cities and enhanced connectivity. Major projects are increasingly drawing international private sector interest, particularly in centrally owned, operational brownfield and yellowfield initiatives. While international investment in renewables remains focused on photovoltaic solar and wind energy, greenfield projects face challenges in attracting global capital due to limited revenue track records and uncertainties in planning and construction. To fully tap into greenfield potential, India is focused on enhancing project preparation, strengthening delivery frameworks, and improving risk mitigation strategies. There is also a growing emphasis on evaluating all capital (domestic and international) through a value-for-money perspective rather than just cost. The UK-India Infrastructure Financing Bridge (UKIIFB) has prioritised these discussions, with its Year One recommendations reflecting this strategic focus.

There was also some acknowledgement from stakeholders that perception played a role in their dimmed enthusiasm for Indian projects. Much of these perceptions lingered from past several decades, rather than recent experiences by the stakeholders. As an example, losses incurred by early investors in the early 2010s have made investors cautious about the underlying opportunity of investing in Indian infrastructure in the present. There is both a lack of understanding of how the market has changed and, in some instances, some reticence to making the investments needed to build this understanding – although this isn't universal and most investors showed interest in the Indian market.

The UK brings deep and distinctive strengths to the challenge of infrastructure investment. As a global hub for project finance, legal services, institutional investment, and green finance, the UK has decades of experience structuring complex, large-scale infrastructure deals that deliver long-term value. Its regulatory frameworks, risk allocation models, and public-private partnership expertise are internationally recognised and widely emulated. The UK is also home to many of the world's leading infrastructure investors, advisers, and developers — institutions that not only bring capital but also a track record of delivering resilient, sustainable infrastructure across markets. This unique ecosystem enables the UK to offer strategic insights, practical tools, and investor-aligned frameworks that can support countries like India in unlocking international capital at scale.

This report examines how India can capitalise on the promise of scale and returns, and the critical steps that need to be taken in order to engage the international finance community effectively. As well as how UK can play a role in supporting that transition.

It is clear that the opportunity in India is real and the potential for scale is unique amongst its peers. Yet the shift in investor appetite is not expected to happen overnight. The opportunity in sustainable infrastructure is tempered by real and perceived issues. And the best way forward is that both the UK and Indian Governments comprehensively articulate those issues objectively and communicate a clear strategy for how they will help the market address them. The Key Recommendations section bring together an initial set of interventions that have arisen during discussions and engagement in Year 1 of the UKIIFB.



# Key Recommendations

The global interest in India's infrastructure market is undeniable, but converting this enthusiasm into concrete investments requires a strategic overhaul. By adopting a 'deal-centric', value-focused, and risk-aware approach, India can overcome perception barriers and compete effectively in the global investment landscape. These recommendations provide a roadmap to align infrastructure opportunities with investor priorities, ensuring India emerges as a top destination for international capital.

To attract substantial international investment in India's infrastructure, a profound shift in mindset is imperative before implementing new practices. This transformation goes beyond procedural changes, requiring a strategic reorientation that prioritizes investor appeal and global competitiveness. The key is to adopt an investor-centric approach that aligns with the priorities of risk, value, and returns, while addressing outdated perceptions and bridging the gap between global interest and tangible investment actions.



Image: Mumbai skyline

## Core Elements of the Mindset Shift

### i From Project-Centric to Deal-Centric Focus

Historically, infrastructure development in India has centred on individual projects, often presented as standalone initiatives with limited appeal to global investors. A deal-centric approach reframes these projects as integrated investment opportunities, bundling financing, execution, and long-term benefits into compelling packages. By crafting deals that address investor needs - such as clear timelines, stakeholder alignment, and profitability - this approach makes projects more attractive, fostering trust and encouraging capital commitment. Instead of pitching a single highway project, a deal could encompass a network of highways with integrated tolling systems, maintenance contracts, and public-private partnership structures, offering a cohesive investment opportunity.

### ii Prioritizing Long Term Value Over Cost-of Capital

- Focusing solely on cost-of-capital (e.g., interest rates or financing costs) often undervalues the broader economic and social benefits of infrastructure projects, such as job creation, regional development, and sustainability. Highlighting long-term value aligns with global investors' goals of sustainable returns and societal impact.
- Projects that demonstrate enduring value, such as renewable energy grids or smart cities, are more likely to attract investors seeking stable, long-term gains over short-term cost savings.
- A solar power project should emphasize its contribution to India's renewable energy goals, reduced carbon emissions, and predictable revenue streams, rather than just the upfront financing costs.

### iii Shifting from Rigid Specifications to Robust Risk Management

- Traditional infrastructure proposals often rely on rigid technical specifications, which can deter investors by limiting flexibility and ignoring uncertainties. A risk-focused approach proactively identifies, mitigates, and communicates risks, addressing investor concerns head-on.
- Transparent risk management - covering regulatory, financial, and operational risks - builds confidence and differentiates India from other markets where risks may be less clearly articulated.
- Example: For a port development project, detailing mitigation strategies for environmental regulations, labour disputes, or geopolitical risks can reassure investors of the project's viability.

### iv Evaluating Total Project Costs Beyond Capital Expenditure

- Quoting only capital expenditure (capex) overlooks ongoing costs like operations, maintenance, and lifecycle expenses, which can significantly impact investor returns. Presenting total project costs provides a comprehensive financial picture, enabling better decision-making.
- This transparency ensures investors understand the full scope of their commitment, reducing surprises and enhancing trust in India's infrastructure market.
- Example: A railway project proposal should include not just construction costs but also maintenance, operational staffing, and technology upgrades over the project's lifespan.

### v Embracing an Investor-Centric Approach

- Global investors prioritize risk, value, and returns above all else. An investor-centric strategy tailors proposals to these priorities, ensuring projects are structured to meet international standards and expectations.
- By aligning with investor needs, India can position itself as a competitive destination, overcoming perceptions rooted in past decades of bureaucratic or regulatory challenges.
- Offering clear exit strategies, such as buy-back clauses or secondary market options for infrastructure assets, can appeal to investors seeking liquidity and flexibility.

The importance of this mindset shift cannot be overstated. India's favourable economic growth and young demographic profile are compelling, but they alone are insufficient to secure investment in a highly competitive global market. Countries like Singapore, Vietnam, and the UAE also strive for international capital, offering streamlined processes and investor-friendly environments. A sales strategy that fails to incorporate these investor-centric principles, or relies solely on India's macroeconomic narrative, will struggle to convert interest into action.

Moreover, stakeholder feedback highlights that lingering negative perceptions, often based on outdated experiences from past decades, continue to dampen enthusiasm for Indian infrastructure projects. These perceptions - related to bureaucratic delays, regulatory opacity, or project execution risks - create a significant barrier for new and large investors. To overcome this, India must not only select high-potential opportunities but also design and present them in ways that address investor concerns with clarity and foresight. The persistent gap between global interest and actual investments underscores the urgency of adopting a strategic, investor-focused approach.



These recommendations aim to attract a diverse pool of international investors, secure optimal pricing, and expedite infrastructure development while bolstering investor confidence and establishing India as a global leader in managing investment risks within emerging markets.

For India, adopting this approach promises long-term advantages, including sustainable economic growth, enhanced global competitiveness, and access to the expertise and resources of international partners. Each recommendation is paired with a notable advancement in Indian infrastructure, showcasing the country's openness and commitment to welcoming global capital.

These examples, drawn from significant central and operational assets, serve as illustrative cases that highlight the strategic direction and intent of India's infrastructure investment landscape.





## 1. Recommendation 1: Enhance Project Development by Aligning with Global Standards

To attract international investment and build investor confidence, India's procurement teams should adopt globally recognised frameworks, such as the UK's Five Case Model<sup>1</sup>, to guide project development from inception. This investor-centric approach provides a structured methodology that addresses strategic, economic, commercial, financial and management dimensions, effectively mitigating perceived risks and aligning projects with international expectations.

Currently, India's Detailed Project Report (DPR) process focuses primarily on technical and financial aspects. To enhance its effectiveness, the DPR framework should evolve to incorporate a more comprehensive perspective, integrating critical elements like project resilience, sustainability, and robust risk management, which are the key priorities for global investors. By embedding these best practices early in the project lifecycle, rather than using them as a presentation tool in later stages, India can ensure that projects are designed and executed to meet world-class standards.

To achieve this, significant investment in capacity building is essential. Training and upskilling procurement teams and project developers will enable them to effectively implement these frameworks, fostering consistency and transparency. This strategic alignment with global standards will not only enhance the credibility of Indian projects but also position India as a competitive destination for international capital, driving sustainable economic growth.



Image: Noida Airport

### Promising Innovation Box Out: Noida Airport

Aligning project development with global standards can enhance investor confidence, and India has already made significant strides in strengthening its infrastructure project frameworks through well-established Public-Private Partnership models. Over the past year, several large-scale infrastructure projects have successfully demonstrated India's ability to balance risk, ensure financial viability, and attract global investments. A prime example is the Jewar International Airport (Noida International Airport) project, which is being developed under a Public-Private Partnership model with Zurich Airport International Airport as the concessionaire. This project has incorporated best practices in risk-sharing, financial structuring, and long-term sustainability, setting a benchmark for large-scale infrastructure development.

<sup>1</sup> "The Five Case Model is the UK government's best practice approach to developing spending proposals and enabling effective business decisions. It provides a disciplined, step-by-step approach that helps to ensure that projects and programmes are supported by a robust and transparent business case."— Source: HM Treasury Green Book, "Guide to Developing the Project Business Case" (2022)



## 2.

## Recommendation 2: Prioritise Sustainability and Resilience to Attract Global Investment



To position India as a prime destination for international capital, infrastructure projects must proactively integrate sustainability and long-term resilience, aligning with global investor priorities. These priorities encompass two critical dimensions: adherence to Environmental, Social, and Governance (ESG) commitments and the incorporation of robust resilience measures to ensure project viability and mitigate risks. finance capital.

### 2.1 Aligning with Global ESG Standards

International investors, including banks and construction firms, prioritize ESG compliance, with firm commitments to decarbonising portfolios and meeting sustainability targets, such as those outlined in the United Nations Sustainable Development Goals (SDGs). Projects lacking objective, measurable ESG metrics are less likely to secure funding, as investors seek alignment with their environmental and social goals. The Working Group has noted a potential misalignment between domestic and international ESG compliance expectations. To bridge this gap, India must adopt globally recognised sustainability frameworks from the outset of project planning. By embedding ESG principles into the Detailed Project Report (DPR) process, projects can demonstrate credible commitments to environmental stewardship, social responsibility and governance transparency, thereby reducing perceived risks and appealing to international investors.

### 2.2 Embedding Long-Term Resilience

Beyond ESG compliance, resilience is a cornerstone of sustainable infrastructure. Investors increasingly prioritise projects designed to withstand long-term environmental, economic, and operational challenges to avoid stranded assets. This requires integrating adaptive design principles, such as modular construction, climate-resilient infrastructure and advanced risk assessments, into project frameworks. For instance, incorporating climate adaptation strategies, such as flood-resistant designs or heat-tolerant materials, ensures projects remain viable under changing environmental conditions. By prioritising resilience in early planning stages, India can lower risks, reduce long-term capital costs, and deliver predictable financial outcomes, making projects more attractive to global investors.

### 2.3 Strategic Implementation for Global Appeal

To operationalize these priorities, India should:

- **Adopt International Standards:** align project sustainability metrics with globally accepted frameworks like the SDGs to enhance credibility and access to global climate finance.
- **Incorporate Resilience in Design:** use modular designs, climate-adaptive strategies, and comprehensive risk assessments to future-proof infrastructure.
- **Build Capacity:** invest in training for project developers and procurement teams to ensure expertise in ESG compliance and resilience planning.
- **Engage Stakeholders Early:** collaborate with international investors during project conceptualization to align with their ESG and resilience expectations.

By embedding sustainability and resilience into the core of infrastructure projects, India can not only meet global investor demands, but also unlock access to climate finance and green investment opportunities. This strategic focus will enhance project bankability, reduce financial risks, and position India as a leader in delivering sustainable, future-ready infrastructure on the global stage.



Image: Delhi-Mumbai Expressway – Aligning with Global Sustainability Standards

### Delhi-Mumbai Expressway – Aligning with Global Sustainability Standards

A key example is the Delhi-Mumbai Expressway - India's longest expressway which has been designed with solar-powered lighting, wildlife corridors, and rainwater harvesting systems to ensure environmental sustainability. These wildlife corridors, have been constructed in ecologically sensitive regions such as the Aravalli hills and the Sariska Tiger Reserve, allowing for uninterrupted movement of wildlife and reducing habitat fragmentation. The rainwater harvesting structures are strategically embedded to collect groundwater in drought-prone zones, contributing to long-term water security. Solar installations along the expressway reduce operational emissions and promote energy self-sufficiency for highway infrastructure. Together, these features make the expressway a model for climate-resilient design, aligning with global sustainability standards and boosting investor confidence in India's green infrastructure ambitions.



### 3. Recommendation 3: Enhance Transparency and Consistency in Risk Management to Attract International Investment

To make India's infrastructure projects more appealing to international investors, it is critical to address the perception of opacity and unpredictability in construction and operational risks. By improving transparency, standardising risk-sharing frameworks, and providing clear government-backed incentives, India can reduce risk premiums, enhance project bankability, and attract competitive global capital.

#### 3.1 Addressing Perceived Risks in Emerging Markets

In established markets, infrastructure risks are well-understood, predictable, and priced accordingly. However, in emerging markets like India, risks such as regulatory changes, land ownership disputes, competition from other assets, or the integration of unproven technologies are often perceived as opaque or unpredictable, leading to higher risk premiums.

International investors are comfortable pricing risks for operating assets with established track records, such as toll roads, but are deterred by uncertainties in greenfield projects where complexities like construction challenges, local partner reliability, and unproven revenue streams converge.

The Working Group has identified that India's Detailed Project Report (DPR) process at times lacks comprehensive risk articulation and mitigation strategies, which hinders the private sector's ability to accurately price risks.



The pricing of risk in such markets is driven by two elements: the risk itself and the complexity surrounding it. The compound effect of these factors is a market that becomes increasingly complicated and less attractive to international investors. To account for the elevated risks, higher expected returns are required, which can ultimately price international capital, including UK investors, out of the market. This challenge is further compounded by the lower cost of local capital – whether debt or equity – which often makes international capital less competitive.

#### 3.2 Enhancing the DPR for Risk Transparency

A robust DPR is pivotal to addressing investor concerns. It needs to clearly articulate all potential risks across the project lifecycle - strategic, regulatory, financial, and operational - and outline how procuring authorities will manage them. Key improvements include:

- **Comprehensive Risk Identification:** detail risks such as regulatory shifts, land acquisition challenges, or technological uncertainties, supported by historical data or case studies where possible.
- **Risk Management Strategies:** specify mitigation measures, including timelines, responsible parties, and contingency plans.
- **Standardized Risk Frameworks:** develop consistent methodologies for risk assessment and allocation to reduce ambiguity and align with international expectations.

By embedding these elements into the DPR process from project inception, India can enhance transparency, enabling investors to price risks accurately and reducing the need for elevated returns that often price international capital out of the market.





### 3.3 Standardising Risk-Sharing and Incentives

To further enhance project bankability, India should establish standardised risk-sharing frameworks and government-backed guarantees, particularly for greenfield projects. Infrastructure markets rarely operate on purely commercial terms, and both developed and developing economies commonly use incentives to secure investments. India has already demonstrated success with innovative tools like the Hybrid Annuity Model, Infrastructure Investment Trusts (InvITs), and renewable energy offtake guarantees. Expanding these mechanisms can address investor concerns by:

- Mitigating Greenfield Risks: offer guarantees for construction, regulatory, or revenue risks to reduce uncertainty and improve financial predictability.
- Encouraging Long-Term Viability: use standardised contracts and risk-sharing models to ensure fair allocation of risks between public and private sectors, fostering trust and collaboration.

### 3.4 Building Investor Confidence Through Transparency

Clear communication about risk ownership and management throughout the project lifecycle is essential to securing competitive pricing for international capital and services. By proactively addressing investor concerns through transparent DPRs, standardised frameworks, and targeted guarantees, India can reduce perceived risks, lower capital costs, and make its infrastructure market more attractive. This approach will not only enhance the bankability of projects but also position India as a leader in delivering transparent, investor-friendly infrastructure opportunities on the global stage.



### The Hybrid Annuity Model (HAM) - Vadhavan Port Project

The Vadhvan Port Project in Palghar, Maharashtra, is a major maritime infrastructure initiative utilizing a modified Hybrid Annuity Model (HAM) for its \$2.47 billion dredging, reclamation, and shore protection works. The Jawaharlal Nehru Port Authority (JNPA) and the Maharashtra Maritime Board (MMB) are developing the port through Vadhvan Port Project Limited (VPPL) under a public-private partnership (PPP) framework. The total project cost is estimated at \$9 billion, including land acquisition and development of core infrastructure, terminals, and commercial facilities.

Under the HAM, the government funds 60% of the project cost (\$1.48 billion) during the three-year construction phase, with the remaining 40% (\$0.99 billion) paid over a 5-7-year maintenance period [differing from the NHAI's 40:60 split over a longer term]. This structure reduces borrowing needs for JNPA and MMB, with VPPL planning to raise \$3.46 billion in long-term debt (15-20 years) from onshore and offshore markets. JNPA and MMB will jointly invest \$1.5 billion (Rs 13,000 crore) in equity for Phase 1.

Thus, Vadhavan Port's development under the Hybrid Annuity Model (HAM) represents an ongoing effort to establish a robust, long-term risk-sharing structure between the public and private sectors.



# \$9bn

The total project cost is estimated at \$9 billion



## 4.

## Recommendation 4: Safeguard Investor Returns Through Revenue Protection and Simplified Repatriation

To attract and retain international capital for India's infrastructure projects, it is critical to address investor concerns about revenue security and ease of repatriation. Key challenges include foreign exchange (FX) risks, unpredictable tax environments, and the absence of long-term financial mechanisms tailored to infrastructure investments.

By implementing policies that protect returns and streamline repatriation, India can enhance investor confidence, reduce financial risks, and position itself as a competitive destination for global capital.



### 4.1 Mitigating Foreign Exchange Risks

International investors consistently highlight FX risk as a barrier, particularly due to the Indian rupee's perceived volatility and the lack of long-term hedging instruments aligned with the 20+ year tenors typical of infrastructure projects. While India's FX market supports swaps for up to seven years, longer-term hedging remains a challenge. To address this, India could adopt mechanisms inspired by other emerging markets, such as Mexico, which allow investments in USD to reduce currency risk exposure. A potential solution is the introduction of a currency risk pass-through model, where the procuring authority assumes the risks - and potential benefits - of currency fluctuations. This approach would shield investors from FX volatility, making projects more bankable and appealing to global financiers.

### 4.2 Addressing Taxation Barriers

Taxation policies, particularly withholding taxes on foreign exchange lending from offshore entities (e.g., UK bank branches or subsidiaries), place international capital at a competitive disadvantage compared to local funding sources. To encourage greater participation from offshore investors, India should seek to implement policies to ensure international companies' participation on an equitable basis. India could consider mitigation measures such as a withholding tax exemption, subject to conditions, specifically for infrastructure finance. This targeted policy would lower the cost of capital for foreign investors, levelling the playing field and incentivising increased investment in India's infrastructure sector.

### 4.3 Policy Consistency and Government Guarantees

Investors seek assurance that policies supporting equitable participation and revenue protection will remain stable throughout a project's lifecycle. The Indian government can build trust by:

- **Demonstrating Policy Commitment:** clearly articulate and enforce policies that ensure fair treatment of international investors, with guarantees that these measures will remain consistent over long-term project durations.
- **Offering Revenue Guarantees:** provide government-backed assurances to protect investor returns against unforeseen regulatory or economic shifts, such as changes in tax regimes or revenue streams.
- **Facilitating Repatriation:** streamline processes for repatriating profits to reduce bureaucratic hurdles and enhance investor confidence in accessing their returns.





#### 4.4 Strategic Benefits of Revenue Protection

By addressing FX risks, reforming taxation policies, and ensuring policy stability, India can significantly enhance the attractiveness of its infrastructure market. These measures would:

- **Lower Financial Risks:** Reduce the cost of capital by mitigating uncertainties related to currency fluctuations and taxation.
- **Attract Long-Term Investment:** encourage participation in capital-intensive, long-term projects by providing predictable and secure returns.
- **Enhance Global Competitiveness:** position India as a reliable and investor-friendly destination, competing effectively with other emerging markets.

#### 4.5 Implementation Roadmap

To operationalize these recommendations, India may consider the following:

- **Develop Currency Risk Mechanisms:** pilot a currency risk pass-through model for select infrastructure projects, drawing on global best practices.
- **Introduce mitigation measures including Tax Incentives:** enact withholding tax exemptions, with certain conditions, for offshore infrastructure financing, with clear eligibility criteria to ensure transparency.
- **Strengthen Policy Frameworks:** establish a dedicated task force to ensure policy consistency and communicate guarantees to investors through platforms like the Detailed Project Report (DPR).
- **Engage International Stakeholders:** collaborate with global investors and financial institutions to design mechanisms that align with their risk tolerance and return expectations.

By prioritising revenue protection and ease of repatriation, India can unlock significant foreign capital inflows, support sustainable infrastructure development, and solidify its reputation as a trusted investment destination on the global stage.



#### Climate and Energy Transition Finance Initiative (CETFI)

Japan's Climate and Energy Transition Finance Initiative (CETFI) promotes currency risk mitigation to enhance investor confidence in climate-resilient infrastructure projects. By integrating robust financial and legal frameworks, CETFI stabilizes returns and facilitates cross-border investments. To mitigate currency risk, CETFI offers flexible investment options, allowing investors to use either local or foreign currencies, reducing exposure to exchange rate volatility. For foreign currency investments, CETFI collaborates with institutions like the Japan Bank for International Cooperation (JBIC) to provide hedging tools, such as currency swaps or forward contracts, and risk guarantees. These mechanisms shield investors from losses due to currency fluctuations.

CETFI further employs fixed or indexed payment models to ensure predictable revenue streams, minimizing financial uncertainty. Risk-sharing arrangements between public and private partners distribute currency and project risks, enhancing stability. Government-backed guarantees or support from multilateral institutions add another layer of security, making returns more reliable and easier to repatriate. By creating a transparent and predictable investment environment, CETFI encourages private sector participation in energy transition and climate-focused infrastructure, aligning with global sustainability goals.



5. Recommendation 5:  
Utilise the Project Assessment Framework to Meet Global Investor Expectations

The UK-India Infrastructure Financing Bridge (UKIIFB) has introduced a Project Assessment Framework (PAF) tailored for Year 1 (Y1) deliberations in the highways and rapid transit sectors (preliminary). Developed in close collaboration with the Working Group, the PAF outlines the minimum priorities and expectations of international investors regarding project preparation and execution. By providing a standardised, investor-centric tool, the PAF enhances India's ability to attract global capital, ensuring projects are presented in a manner that aligns with international standards and facilitates effective engagement with investors.

5.1 Objectives of the PAF

The PAF is designed to serve as a concise, accurate, and actionable summary of infrastructure projects, enabling international investors to quickly evaluate opportunities. It bridges the gap between India's project development processes and the expectations of global financiers by presenting critical project details in a structured, globally recognised format. Key objectives include:

- Standardised Communication: ensures consistency in how project information, such as scope, financial structure, risk mitigation, and ESG compliance, is presented to investors.
- Investor-Centric Design: highlights priorities like revenue protection, regulatory stability, and long-term resilience, addressing the core concerns of international stakeholders.
- Facilitating Early Engagement: acts as a foundational tool for initiating investor discussions, enabling procuring authorities to build trust and momentum from the outset.



Project Assessment Framework: Example Structure

Project Overview	Market Assessment	Pre-Feasibility Assessment	Technical Feasibility	Procurement & Financing
Sector	Demand Assessment	Local Considerations	Design	Government Counterparty
Description of the project	Development Considerations	Other Declarations	Revenue Considerations	Financial Analysis
Public/Private Development	Project Benefits	Regulation	Development Considerations	Impact and Reporting
Development Status	Project Risks	Legal	Construction Considerations	Other Declarations
Project Authority/Leader	Other Declarations	Development Considerations	Operation considerations	Taxes
Project Developer and SPV		Investors and Financing	Investors and Financing	Legal
Broad sector strategy or National Programme		Project financing structure	Risk Allocation	Revenue Considerations
Estimated Project Cost		Internal Rate of Return	Carbon Impact and Reporting	Development Considerations
Revenue Sources		Risk Allocation	Other Declarations	Construction considerations
Risk		Impact and Reporting		Operation considerations
Governance				Investors and Financing



## 5.2 Strategic Importance for Attracting Investment

International investors often encounter challenges when navigating India's infrastructure market due to inconsistent or incomplete project documentation. The PAF addresses this by establishing a clear standard for information quality, making it easier for investors to assess and compare opportunities. By adopting the PAF, India can:

- **Enhance Project Bankability:** present projects in a way that reduces perceived risks and aligns with global investment criteria, increasing their appeal.
- **Build Investor Trust:** provide transparent, reliable information that fosters confidence and encourages long-term investment commitments.
- **Streamline Decision-Making:** enable investors to quickly evaluate projects, accelerating the investment process and reducing delays in project financing.



## 5.3 Integration with Project Development

To maximise its impact, the PAF may be seamlessly integrated into India's project development lifecycle, particularly within the Detailed Project Report (DPR) process. Key implementation strategies include:

- **Early-Stage Adoption:** incorporate the PAF during project conceptualisation to ensure investor priorities, such as risk allocation and sustainability, are embedded from the start.
- **Collaboration with Stakeholders:** work with the Working Group, international investors, and financial institutions to refine the PAF, ensuring it reflects evolving market expectations and global best practices.
- **Capacity Development:** train procurement teams, project developers, and policymakers on the effective use of the PAF to ensure consistent application and high-quality project documentation.
- **Scalability Across Sectors:** while initially focused on highways and rapid transit, adapt the PAF for other infrastructure sectors, such as energy or urban development, to create a unified approach to investor engagement.



## 5.4 Operationalizing the PAF

The PAF is not intended as a rigid or definitive tool but rather as a flexible framework that sets a baseline for the information required to attract international investment. To operationalise it effectively:

- **Customise for Project Needs:** tailor the PAF to highlight project-specific details while maintaining a standardised structure for comparability.
- **Iterate Based on Feedback:** continuously refine the PAF based on investor input and lessons learned from initial project engagements to ensure relevance and effectiveness.
- **Promote Transparency:** use the PAF to clearly articulate risks, mitigation strategies, and financial projections, addressing investor concerns about opacity in emerging markets.

## 5.5 Long-Term Benefits

By institutionalising the PAF, India can transform its infrastructure investment landscape. The framework will:

- **Position India as a Global Leader:** align project preparation with international standards, making India a competitive destination for infrastructure financing.
- **Unlock Greater Capital Flows:** attract a broader pool of investors by reducing barriers to entry and enhancing project credibility.
- **Support Sustainable Development:** ensure projects meet global expectations for ESG compliance and resilience, aligning with long-term economic and environmental goals.

By leveraging the PAF as a cornerstone of its infrastructure financing strategy, India can foster stronger partnerships with international investors, streamline project execution, and drive sustainable economic growth across critical sectors.



## Recommendation 6: Foster Strategic Relationships with UK Project Sponsors to Attract Investment

To secure substantial and sustained UK investment in India's infrastructure sector, India must prioritise building strong, long-term relationships with leading global infrastructure project sponsors, developers, and contractors, particularly those based in the UK.

In global infrastructure markets, financing often follows established sponsors into new markets, making strategic engagement with these stakeholders critical for unlocking capital flows. By fostering collaborative partnerships through targeted outreach and sustained dialogue, India can enhance its appeal as an investment destination and drive competitive participation in its infrastructure market.

### 6.1 Importance of Engaging Project Sponsors

Project sponsors, developers, and contractors play a pivotal role in shaping infrastructure markets, as their expertise, track records, and networks attract financing from global investors. UK-based sponsors, with their experience in delivering high-quality, sustainable projects, are well-positioned to partner with Indian counterparts to develop bankable projects.

However, initial perceptions of India as a complex market may lead to scepticism among UK sponsors. Overcoming this requires proactive, consistent engagement to build trust, raise awareness of India's infrastructure opportunities, and demonstrate a commitment to facilitating successful collaborations.



### 6.2 Strategies for Building Relationships

India can adopt a multifaceted approach to engage UK project sponsors effectively:

- **High-Level Delegations:** organize delegations to the UK to meet with key industry players, including major developers, contractors, and industry associations. These visits should focus on exploring partnership opportunities, understanding sponsor priorities, and addressing concerns about market entry.
- **Targeted Roadshows:** host investment roadshows in the UK to showcase India's infrastructure pipeline, highlighting projects tailored for international participation, such as those using Public-Private Partnerships or the Hybrid Annuity Model. These events should emphasize India's policy reforms, risk mitigation strategies, and alignment with global ESG standards.
- **Sustained Dialogue:** establish ongoing communication channels to maintain engagement with UK sponsors, ensuring regular updates on market developments, policy incentives, and project opportunities. This long-term approach will help shift initial scepticism into genuine interest and collaboration.
- **UK-India Contractor Partnerships:** facilitate the formation of Global-India or UK-India consortia to compete in India's infrastructure market. These partnerships can leverage UK expertise in project delivery and Indian local knowledge to create competitive bids and enhance project bankability.





Image: Houses of Parliament, London

### 6.3 Leveraging UK Government Support

The UK government can play a pivotal role in fostering these relationships by:

- **Creating Collaborative Forums:** establish platforms, such as UK-India infrastructure summits or working groups, to bring together Indian authorities and UK sponsors for knowledge sharing and partnership development.
- **Aligning with Existing Initiatives:** integrate engagement efforts with current UK-India corridor initiatives, such as trade agreements or bilateral investment programs, to amplify impact.
- **Supporting Capacity Building:** facilitate training and knowledge exchange programs to build capacity on both sides, enabling UK sponsors to navigate India's market and Indian stakeholders to meet global project delivery standards.

### 6.4 Strategic Benefits

Building relationships with UK project sponsors offers significant advantages:

- **Attracting Financing:** strong sponsor relationships will draw UK and global investors, as financing often follows reputable sponsors into new markets.
- **Enhancing Project Credibility:** partnerships with established UK firms will signal project quality and reliability, boosting investor confidence.
- **Driving Innovation and Expertise:** collaboration with UK sponsors will bring advanced technologies, sustainable practices, and global best practices to India's infrastructure sector.
- **Strengthening Market Competitiveness:** UK-India partnerships will create competitive consortia capable of delivering high-quality projects, positioning India as a leader in global infrastructure markets.



### 6.5 Implementation Roadmap

To operationalize this recommendation, India should:

1. **Identify Key UK Sponsors:** map leading UK infrastructure sponsors, developers, and contractors with expertise in highways, rapid transit, or other priority sectors.
2. **Plan Strategic Outreach:** organize a series of high-level delegations and roadshows in the UK, supported by professional marketing consultants to ensure impactful messaging.
3. **Establish a Coordination Entity:** create a dedicated team within a relevant ministry or agency to manage relationships with UK sponsors and coordinate engagement efforts.
4. **Leverage the PAF:** use the UKIIFB's Project Assessment Framework (PAF) to present projects to UK sponsors in a standardized, investor-friendly format.
5. **Monitor Progress:** track the outcomes of engagement efforts, gathering feedback from UK sponsors to refine strategies and address barriers.

### 6.6 Long-Term Impact

By prioritizing strategic relationships with UK project sponsors, India can transform its infrastructure investment landscape.

These partnerships will not only unlock significant capital inflows but also foster knowledge transfer, enhance project delivery standards, and build a robust track record of successful international collaborations.

Over time, this approach will position India as a trusted and competitive destination for global infrastructure investment, driving sustainable economic growth and strengthening UK-India bilateral ties.

## Recommendation 7: Enhance Project Transparency and Governance Through Digital Public Infrastructure

To bolster investor confidence and improve governance in India's infrastructure sector, leveraging Digital Public Infrastructure (DPI) is critical. DPI offers a transformative opportunity to address persistent challenges in transparency, accountability, and efficiency across the infrastructure project lifecycle.

By integrating digital tools into procurement, project execution, and asset monetization, India can mitigate risks, streamline processes, and align its infrastructure pipeline with international investor expectations, thereby enhancing its appeal as a global investment destination.



### 7.1 Addressing Transparency Challenges

A significant barrier to attracting international investment is the perceived opacity in India's infrastructure processes, particularly in auctioning, bidding, and supply chain management. These processes, often managed between Special Purpose Vehicles (SPVs) and local authorities, lack adequate digital oversight, leading to governance gaps, especially with tier 1 and tier 2 suppliers, including subcontractors handling labour, vehicles, and materials. This opacity increases risks, erodes investor trust, and complicates project delivery. Mandating DPI for projects exceeding a threshold—such as US\$10 million—can enhance transparency by:

- **Digitising Procurement and Bidding:** implementation of digital platforms to ensure open, competitive, and auditable bidding processes, reducing instances of favouritism and irregularities.
- **Real-Time Oversight:** this can be achieved through use of project tracking dashboards to monitor construction progress, subcontractor performance, and compliance with contractual obligations.
- **Supply Chain Accountability:** integration of digital tools to track supplier and subcontractor activities, ensuring transparency and mitigating risks associated with labour and material procurement.





## 7.2 Strengthening NIP and NMP Through DPI

India's National Infrastructure Pipeline (NIP), targeting US\$1.5 trillion by 2025, and National Monetisation Pipeline (NMP), aiming to monetize US\$75 billion in public assets, have laid a strong foundation for infrastructure development and asset optimization. These initiatives have introduced some level of digital transparency by showcasing project pipelines online, attracting private sector participation, and supporting economic growth. However, challenges persist in bidding transparency, project execution oversight, and post-monetization monitoring. Strengthening these initiatives with DPI can address these gaps and align them with international investor expectations:

- **Digital Procurement Systems:** introduce automated procurement platforms for NIP projects to ensure fair competition, reduce inefficiencies, and provide auditable records.
- **Real-Time Performance Monitoring:** deploy dashboards for NMP assets to track performance metrics, ensuring effective management and investor confidence in monetized assets.
- **Prioritization and Ringfencing:** curate a subset of high-potential projects within the NIP and NMP, using DPI to present prioritized opportunities in a clear, investor-friendly format to navigate the daunting scale of India's pipeline.

## 7.3 Strategic Benefits of DPI Integration

Integrating DPI into infrastructure projects offers multiple advantages:

- **Enhanced Investor Confidence:** transparent, digital processes reduce perceived risks, making projects more attractive to international investors seeking accountability and governance.
- **Improved Efficiency:** automated systems streamline complex processes like bidding, contract management, and payments, reducing delays and costs.
- **Risk Mitigation:** real-time tracking and auditable records minimize governance gaps, fraud, and mismanagement, particularly in subcontractor ecosystems.
- **Alignment with Global Standards:** DPI adoption signals India's commitment to modern, transparent practices, aligning with investor expectations for ESG compliance and operational excellence.

## 7.4 Implementation Roadmap

To effectively leverage DPI, India should:

1. **Mandate DPI for Large Projects:** require digital tools for projects above US\$10 million, integrating platforms for procurement, tracking, and supply chain management.
2. **Enhance NIP and NMP Platforms:** upgrade existing digital interfaces for NIP and NMP to include real-time data, investor-friendly dashboards, and prioritized project lists.
3. **Engage Technology Partners:** collaborate with global technology providers to develop secure, scalable DPI solutions tailored to infrastructure needs.
4. **Build Capacity:** train procurement teams and local authorities on DPI tools to ensure effective adoption and consistent implementation.
5. **Pilot and Scale:** launch pilot projects using DPI in select NIP and NMP initiatives, refining tools based on feedback before scaling nationwide.

## 7.5 Long-Term Impact

By embedding DPI into its infrastructure ecosystem, India can transform its project delivery and asset monetization processes. This approach will not only address governance and transparency challenges but also position India as a leader in leveraging technology for sustainable infrastructure development.

A transparent, digitally enabled pipeline will attract global capital, maximize the impact of NIP and NMP initiatives, and drive long-term economic growth, cementing India's reputation as a reliable and forward-thinking investment destination.



## Enhancing transparency and governance through Digital Public Infrastructure (DPI):

India's use of Digital Public Infrastructure (DPI) in major infrastructure projects has notably improved transparency, efficiency, and investor confidence. The National Highways Authority of India's Online Contract Management System (OCMS) digitizes the entire project cycle, allowing real-time tracking and ensuring fair competition in procurement. Similarly, the Eastern Dedicated Freight Corridor (EDFC), led by Dedicated Freight corridor corporation of India limited (DFCCIL) under the Ministry of Railways, uses digital tools like integrated project monitoring and automated control centres to smoothen land acquisition and freight operations. These digital systems minimize regulatory opaqueness and execution delays, creating a more predictable and investor-friendly environment.

## Recommendation 8: Foster a Competitive Infrastructure Ecosystem by Supporting Mid-Tier Firms

International stakeholders perceive India's infrastructure sector to be dominated by a few large Engineering, Procurement, and Construction (EPC) firms and financial institutions, whose deep local expertise and economies of scale limit opportunities for mid-tier construction companies. This market concentration stifles the growth of a diverse, innovative ecosystem, reducing the sector's global competitiveness and deterring international firms, who struggle to find reliable local partners for effective project delivery. To address this, India must adopt bold strategies to nurture mid-tier firms, fostering a vibrant, inclusive market that attracts global capital and enhances project execution.

### 8.1 Challenges of Market Concentration

Dominant EPC firms leverage their extensive networks, regulatory familiarity, and cost advantages to secure major projects, marginalizing mid-tier firms. This results in:

- **Limited Growth Opportunities:** mid-tier firms lack access to high-value projects, hindering their ability to build capacity or credibility.
- **Innovation Barriers:** concentration discourages adoption of new technologies and sustainable practices, as dominant firms prioritize cost over innovation.
- **Shallow Market Depth:** the absence of a robust mid-tier ecosystem limits the sector's ability to scale or adapt to diverse project needs.

### 8.2 Impact on International Participation

International firms, bringing global expertise and capital, rely on credible mid-tier partners to navigate India's complex market. The scarcity of such firms creates:

- **Partnership Challenges:** without experienced mid-tier companies, international firms struggle to form reliable alliances for efficient project execution.
- **Elevated Risks:** dependence on untested smaller entities increases risks of delays, quality issues, or regulatory non-compliance.
- **Reduced Investor Confidence:** uncertainty about partnerships discourages international firms from investing in bids or market entry.

### 8.3 Importance of a Mid-Tier Ecosystem

A thriving mid-tier ecosystem is vital for:

- **Driving Competitiveness:** mid-tier firms foster innovation, specialization, and alignment with global Environmental, Social, and Governance (ESG) standards.
- **Enhancing Scalability:** a diverse ecosystem supports a wide range of projects, aligning with the National Infrastructure Pipeline (NIP) ambitions.
- **Attracting Global Capital:** reliable mid-tier partners give international firms confidence to invest, combining global expertise with local capabilities.



Image: Ambala to Kotputli Axis Control Corridor

### 8.4 Strategies to Build a Mid-Tier Ecosystem

India can foster mid-tier growth through:

- **Capacity Building:** offer training programs to enhance technical, financial, and governance skills, enabling mid-tier firms to meet global standards.
- **Project Allocation:** reserve NIP projects for mid-tier firms or consortia to build experience and credibility.
- **Partnership Incentives:** provide tax breaks or streamlined approvals to encourage collaborations between international and mid-tier firms.
- **Digital Connectivity:** use Digital Public Infrastructure (DPI) to create platforms connecting mid-tier firms with global players, enhancing visibility.
- **Mentorship Programs:** facilitate knowledge transfer from dominant EPC firms or international partners to mid-tier companies, sharing best practices.

### 8.5 Long-Term Benefits

By nurturing mid-tier firms, India can:

- **Diversify the Market:** reduce dependence on dominant players, fostering innovation and resilience.
- **Boost Investor trust:** Provide reliable partners, lowering entry barriers for international firms.
- **Promote Sustainable Growth:** align mid-tier firms with ESG and climate-resilient goals, enhancing project appeal.

This strategic focus will deepen India's infrastructure market, attract global investment, and establish the country as a competitive, inclusive leader in sustainable infrastructure development.



# Further Considerations for Enhancing India's Investment Landscape

In addition to the eight recommendations outlined above, India may wish to consider how it can continue to strengthen its investment environment and international competitiveness.



As India builds on the momentum of its infrastructure ambitions, there are valuable lessons to draw from the UK's evolving approach to attracting investment, as well as strategies employed by other jurisdictions that have successfully positioned themselves as global investment destinations. The following areas highlight opportunities for deeper reflection and future action:

## 1. Strengthening Market Engagement to Build Investor Confidence

While India has made significant strides in improving its ease of doing business and institutional capacity, investor perceptions of risk and complexity remain a barrier. International investors continue to view India as a high-potential but challenging market, particularly for greenfield infrastructure projects with limited precedent for private-sector delivery.

There is scope for India to further develop a structured and sustained market engagement strategy. This could involve:

- Ongoing dialogue with global investors to showcase opportunities, policy reforms, and risk mitigation mechanisms;
- Professionalising the marketing of India's infrastructure pipeline, including through tailored investor communications and transparent project packaging;
- Drawing from global examples—such as the UAE and Southeast Asian markets—where consistent, targeted outreach has successfully built investor trust and visibility over time.

Proactive engagement, anchored in transparency and consistency, can help shift perceptions and signal India's commitment to being a long-term, investor-friendly market.

## 2. Curating a Cohesive and Investible Project Pipeline

India's infrastructure pipeline is vast, but its complexity can deter international capital. Investors often struggle to identify projects that align with their risk appetite, ESG priorities, or financing models. To address this, India could consider enhancing the structure and presentation of its pipeline to better align with global investor expectations.

Key considerations include:

- Prioritising and packaging projects that are most suitable for international investment, particularly those with clear risk-sharing models and predictable revenue streams;
- Leveraging familiar frameworks, such as PPPs, InvITs, and the Hybrid Annuity Model, to enhance project bankability;
- Using standardised tools like the UK-India Infrastructure Financing Bridge's Project Assessment Framework (PAF) to ensure clarity and comparability.

A curated and clearly communicated pipeline not only increases investor confidence but also facilitates repeat investment and long-term engagement.

## 3. Enhancing Investor Navigation and Market Access

India could further improve the investor experience by providing streamlined access to information, guidance, and credible local partnerships. A "concierge" approach—common in leading investment promotion agencies—could support this goal. Such a function would:

- Act as a central point of contact for international investors;
- Offer tailored guidance on project opportunities, local regulations, and partnership development;
- Provide transparency and consistency in communications with prospective investors.

This kind of investor-facing infrastructure is increasingly seen as a competitive differentiator among emerging markets.



## India's National Infrastructure Pipeline:

India has introduced the National Infrastructure Pipeline (NIP) and the Climate Resilient Cities initiative in part to offer investors a consolidated view of the Indian infrastructure market. NIP is a government initiative focused on boosting infrastructure development across various sectors. It's a comprehensive investment plan spanning from 2019 to 2025, aiming to improve infrastructure access and promote inclusive growth. The NIP includes both greenfield and brownfield projects with a total projected capital expenditure of ₹111 trillion. The Department of Economic Affairs (DEA) led a task force in developing the NIP. The NIP includes a monitoring mechanism to track progress and address potential delays. These types of consolidated initiatives are being increasingly used by jurisdictions, to plan major projects and present them to investors. In Brazil, the Ministry of Infrastructure and the National Land Transport Agency (ANTT) in Brazil serves as a knowledge centre which has and builds expertise and can ensure that all the appropriate steps are taken in developing infrastructure projects and facilitating PPP activities. Some of these bodies also provide a communication channel to investors, helping bidders and financiers with information and opportunities, as well as providing contract management after financial close.

## Looking Ahead

By continuing to refine its investor engagement and project preparation efforts, India has the opportunity to position itself as a leader in global infrastructure investment. Drawing from the UK's project finance expertise, and learning from the strategies of other successful jurisdictions, India can further unlock capital, build trust, and drive sustainable growth.





## Appendix - Report Context

The United Kingdom-India Infrastructure Financing Bridge (UKIIFB) is a collaboration between the City of London Corporation and the National Institution for Transforming India (NITI Aayog).

### About NITI Aayog and City of London Corporation National Institution for Transforming India

The National Institution for Transforming India (NITI Aayog) is the premier policy think tank of the Government of India. Formed via a resolution of the Union Cabinet on 1 January 2015, NITI Aayog provides technical and policy inputs towards development of long-term policies and programmes of the Government of India, State Governments and Union Territories. The Governing Council of NITI Aayog is chaired by the Prime Minister, and comprises Chief Ministers of all the States and Union Territories with legislatures and Lt Governors of other Union Territories as members.



### City of London Corporation

The City of London Corporation (CoLC) is the governing body for London's main financial district, the Square Mile. The CoLC promotes the UK as a leading global hub for financial and professional services (FPS). As a trusted convener, it connects firms with governments and regulators, engaging on policy and regulation while championing trade and investment. A key part of its work is engaging with UK and international policymakers to help remove trade and investment barriers and enable FPS firms to do more business across borders. CoLC is committed to a thriving, sustainable City that supports a globally successful UK.

The UKIIFB aims to:

- Accelerate the mobilisation of international private sector investment into Indian sustainable infrastructure
- Develop best practices and share sector knowledge on sustainable infrastructure projects and how these can be better positioned as investible and attractive to international investors
- Deliver structured recommendation for demonstrator projects, focusing on sustainable infrastructure development

The initiative leverages the UK's expertise in designing, structuring and phasing major projects to unlock sustainable infrastructure investment into India from international investors. The UKIIFB was announced at the 12th Economic and Financial Dialogue between the UK and India which took place New Delhi in September 2023. Work began in February 2024 and the official launch took place in London on 4th September 2024. The initiative is to run for 2 years, completing its work in 2026. This report is the first of two instalments.

The UKIIFB is led by its Honorary Co-Chairs; Chris Hayward, Policy Chairman of the City of London Corporation, and BVR Subrahmanyam, CEO of NITI Aayog.

The work in the UK has been led from the Innovation and Growth Department at the City of London Corporation led by Simi Shah, Director, alongside Meenu Niranjana based in London and James Hannah based in Mumbai. The work in India has been led by Sanjeet Singh, Senior Advisor at NITI Aayog, alongside CPS Reddy, Advisor with support from Muskan Agarwal and Devyanshi Didwania – Young Professional, NITI Aayog, in New Delhi. The knowledge partner is 3B Impact, an independent consultancy based in the UK. 3B Impact's work on this programme is led by John Kjorstad and Kay Scott, subject-matter experts with more than twenty years of experience in global energy and infrastructure development and finance.



The work in the UK is steered by individuals from HM Treasury, Aon, Arup, Mott MacDonald, Clifford Chance and Sequoia Investment Management Company. The work in India is represented by individuals from Department of Economic Affairs, Larsen & Toubro, Sorin Investment Fund, Economic Laws Practice and AECOM India Private Limited. Together they form the UKIIFB Working Group and a full list of members follows below.

The UKIIFB has benefitted throughout its operation from the consistent and proactive support of both the High Commission of India in the UK and the High Commission of the UK in India. We would like to acknowledge and thank both organisations for their ongoing commitment.

#### Honorary Co- Chairs

- Chris Hayward, Policy Chairman, City of London Corporation
- B.V.R Subrahmanyam, CEO, NITI Aayog

#### Working Group Co-chairs

- Sanjeet Singh, Senior Adviser, Trade & Commerce, Economic & Finance, Disinvestment, International Cooperation & G-20 Co-ordination, NITI Aayog
- Simi Shah, Director, Innovation and Growth, City of London Corporation
- UK Working Group Member Representation
- Simon Harris - Managing Director, International Development Services Unit, Mott MacDonald.
- Sowmya Parthasarathy - Director, Urban Design and Master planning, Arup
- Mark Courtneidge - Client Director, Aon
- Jenny Young - Deputy Director, His Majesty's Treasury (HMT)
- Sohini Kar-Purkayastha - Project Finance Counsel, Clifford Chance LLP
- Anurag Gupta - Chief Risk Officer, Sequoia Investment Management
- Indian Working Group Member Representation
- Baldeo Purushartha - Joint Secretary, Department of Economic Affairs, Ministry of Finance
- Anmol R Soni, Executive Vice President & Head, Corporate Affairs, Larsen & Toubro
- Sanjay Nayar - Founder & Chairman, Sorin Investment Fund
- Sanjay Notani - Partner, Economic Laws Practise
- Dinesh Arora - Tech Director, AECOM India Private Limited
- P S Reddy - Advisor, NITI Aayog

Additional support has been given from Clifford Chance from Nandini Das, Project Finance Lawyer and Adrian Cartwright, Global Senior Partner.

The India Working Group visited London twice in the first year and the UK side travelled to Mumbai and Delhi in November 2024. Together, the Working Group has created Project Assessment Frameworks – one template each for the identified sectors of interest rapid transit and highways – and reviewed demonstrator projects against these frameworks. These reviews gave rise to both the asset level feedback and has prompted the wider recommendations included in this report.

An executive summary emphasises the key points and recommendations taken from the first full year of programme work.

The body of the report details the insights shared between UK and Indian counterparts and translates the discussions under the UKIIFB around interventions to increase the flows of international capital and professional services to sustainable infrastructure projects in India.

The report also references the results of 3B Impact's research conducted in June 2024, which set out to better understand current international investor and lender perspectives on the wider Indian infrastructure market and the sectors of interest. This research has been used as a high-level view to frame wider project discussions and inform the recommendations in this report. Where appropriate it references the relevance of comparative market case studies from other high markets.





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#### About the Global City campaign:

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[www.theglobalcity.uk](http://www.theglobalcity.uk)



#### About the City of London Corporation:

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

We aim to:

Contribute to a flourishing society

Support a thriving economy

Shape outstanding environments

By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

[www.cityofondon.gov.uk](http://www.cityofondon.gov.uk)