A Report on

National Conference on Infrastructure Sector in India

RELOOKING AT NATIONAL FLAGSHIP INFRASTRUCTURE PROGRAMS

Nishank

CFA
Centre for Financial Accountability

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National Conference on Infrastructure Sector in India

Relooking at National Flagship Infrastructure Programs

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Foreword

In the past few years the pace of constructing infrastructure projects has increased many fold through national programs including smart cities mission, Bharatmala, Sagarmala, inland waterways, ports, freight corridors, airports, logistics hubs among others and integrating various infrastructure schemes through National Infrastructure Pipeline and PM Gati Shakti Mission to improve connectivity and integrate these infrastructure projects. International Financial Institutions have estimated that the country may require US $4.5 trillion to develop its infrastructure by 2040.

The Centre for Financial Accountability (CFA) organised a national conference titled "National Conference on Infrastructure Sector in India: Relooking at National Flagship Infrastructure Programs" on 29th & 30th August, 2022 at India International Centre, New Delhi to build on discussions on the infrastructure development in India, and the increasing importance and speed in implementation of infrastructure projects with regards to the economic growth and national development. The conference brought together onboard participants and speakers from civil society organisations, social movements, academics, researchers, subject experts, people's representatives and media persons for critical discussions and engagement in the deliberations.

The conference delved into building the inter-linkages between the macro and the micro factors in this aspect, including the launch of national programs to construct infrastructure projects and formation of new institutions to finance these projects. The conference also deep dived into specific thematic sectors and develop understanding into the recent legal, regulatory, financing and other mechanisms to increase the pace of implementation of these projects. The sessions included discussions on the governance issues, privatisation and public private partnerships, climate crisis, environmental jurisprudence and new mechanisms of land grabbing.

An attempt was also made to critically analyse these in the context of the looming ecological, climate and financial crisis and its implications for the national economy. The conference also looked into building solidarities among various actors working on issues related to infrastructure projects in the country.

The proceedings of the national conference are being shared in this report which would help the reader gain an understanding of the learnings and insights shared by various speakers throughout the conference. The presentations used in the conference are also being made available for perusal.

Gaurav Dwivedi

Session 1

Panel Discussion: Myth of Infrastructure Development and Economic Recovery

Moderator - Anirban Bhattacharya

Speaker - Prof. Surajit Mazumdar

Professor Surajit Mazumdar started with the fact that the economy was slowing down even before the collapse at lockdown. The employment data would have been 20% higher if we were in the earlier trajectory. If we look at the index of industrial production, even before the pandemic, there was a much slower growth in production. We are producing lesser value of capital goods now. It can be identified as the second decade of industrial slowdown in India, even before the pandemic. Despite all the concessions to the corporates and the tax cuts, the private corporate sector has been on strike. Public expenditure has been dwindling due to the preoccupation with fiscal deficit.

Find the presentation here.

Speaker - Prof. Chirashree Dasgupta

Chirashree Dasgupta said that the real purchasing power of people in the bottom 60% has fallen. Share of operating surplus for the owners is increasing while the share of workers is falling. This is nothing but a private grab. When we speak of the National Monetisation Pipeline there is no clarity about the sectoral break up, the duration of lease, the details of it. There is a lack of transparency. This obscurity is deeply disconcerting. When we speak of the National Infrastructure Pipeline, there is no thought of striking a balance between nodal and arterial infrastructure. An overemphasis on the former is disproportionate. It comes at the cost of limited investment in social infrastructure.

Speaker - Nitin Sethi

Nitin Sethi spoke about the many continuities. All parties have gone for big infra at this time of the five year cycle towards general elections as they indulge in distributive tendering. There is no difference in the opaqueness in which such large infra projects are dealt with. That is what we can call the distributive economy of corruption. The economy is suffering, but in polity they are still in upperhand. The economic, social and political ball bearings are operating at different tangents.

Session 2

Presentation and Discussion: Financing and Financing Models for Infrastructure Projects

Moderator - Priya Dharshini

Speakers - Sonal Raghuvanshi and Gaurav Dwivedi

In this session, the Centre for Financial Accountability presented on the current status of financing of infrastructure projects in India and the various modalities existing through which big infrastructure projects are financed. To begin with Sonal Raghuvanshi laid the background to the presentation, elaborating on the reason why it is important to track big capital projects and the reasons as to why they are laden with various hurdles for those not looped into the financing modalities. She also elucidated on the various ways in which this financing gets facilitated by various stakeholders, making it a difficult web to trace. She also differentiated between the arterial and nodal infrastructure while doing a study of this kind, building on the presentation from the previous panel. Gaurav Dwivedi went into the second part of the presentation and explained the sectoral trends in the Indian Union Budget over the years, the sectoral division and the kind of infrastructure push the country has been experiencing. He took the audience through the undercurrents of the plain numbers and the requirements forecasts put forth for India by various multilateral agencies across the world. He then went into explaining the different turn and how over a period of time the government's push for infrastructural expansion started having the state's involvement not just as a financier, but as a facilitator and backer of private investment through PPPs or pure private projects.

The presentation further elaborated on various funding mechanisms like Hybrid Annuity Model (HAM), government fully serviced bonds, Private Investment, Foreign Direct Investment, Infrastructure Investment Trusts, Real Estate Investment Trusts route, LIC, Long Term Pension Funds. While Gaurav Dwivedi explained the modalities used from the fiscal side, Sonal Raghuvanshi elaborated the attempts by the RBI, over the years towards reforms in order to remove the complexity of infrastructure funding like the stressed assets management, 5/25 Scheme, Take-out Financing, pension/provident funds,

bonds issued by banks, etc, among others. She also went on to explain how fiscal conservatism combined with infrastructural ambition has necessitated reliance on multiple sources of international financing for infrastructure, such as private international financial markets, bilateral donors and multilateral lenders such as the World Bank, Asian Development Bank, Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB). The major routes through which this happens are External Commercial Borrowings, Foreign Direct Investment (FDI), Foreign Institutional Investor (FII), Offshore Rupee Bonds etc.

The presentation by both the speakers ended with a discussion on the implications of such a complex web of modalities and how displacement and disputes over land acquisition and weak environmental regulation, shortfalls in compliance with prevalent laws, and poor monitoring and enforcement have plagued the infrastructure landscape.

Read the presentation here.

Session 3

Panel Discussion: Democratic Governance in the Era of Privatised Infrastructure Projects

Moderator - Shweta Tripathi

Speaker - Ravikant Joshi

Ravikant Joshi began by saying that the 74th constitutional amendment was promising local bodies democratic decentralisation. Municipal bodies tried raising funds without much success. Privatising urban infrastructure is not happening – water supply contracts have not gone ahead, with just one case of Nagpur where it is implemented. Centralisation is still in process and got accentuated (2014 onwards) because of the central and state events – 2006 onwards (JNNURM), in relation to urban governance and urban finance. Urban Local Bodies (ULBs) are 50% shareholder of Smart City SPV but broad data indicated that in more than 85 SPVs ULBs received less than 85% representation in board of directors against the 50% shareholding. Smart City SPVs have become super institutions in financial terms undermining democratic local body institutions. These SPVs also lack transparency and disclosure norms. Achievement – At the end of 7th year SCM has achieved completion of 3,997 projects with spending of Rs. 65,628 crores which is 32% performance. Lack of information and service level improvements have been observed. He said that the broader narrative of centralisation is do not ask for functions, autonomy, resources, or powers but you will get the money and the accountability under the scheme will not be asked.

Read the presentation here.

Speaker - Tikendra Panwar

Tikendra Panwar spoke about his experiences that have come directly from his involvement with local bodies in administrative capacities. It is not like we did not know how to build cities, just that back then there weren't rulers ruling cities. There was a huge inflow of migrants but the state existed and was very much present. When Chandigarh and Nangal were built for the working class at that time it was not magnificent, but the vision of urbanization was clear. Parastatals started coming up that were lean and aloof from people. We brought in experts instead of people.

Driving force – cities as manufacturing hubs, infra for mobility, housing – industrial capitalism was supposed to dominate the cities. Then we needed competitive cities and that is what has driven the picture till date. The push has been for more capital intensive technology.

Smart Cities Mission has an inherent problem; they are designed under the area development model and are exclusive by design. He said he is not sure as to what is the future of urbanization in India, with the projects like Central Vista, JNNURM, etc., being the guiding light.

Speaker - Indranil

Indranil spoke about the trajectory of the private healthcare industry in India. The objective is private profit with public money - however, the market for healthcare fails to ensure supply of affordable healthcare; public subsidies become a prerequisite for private healthcare to enter, operate, sustain and earn profits.

Traditional forms of subsidies (pre-reform) - Subsidised medical education, 'Moonlighting' of government doctors, Inputs subsidies in the form of cheap land, electricity, credits, etc. Exemptions in import duties for equipment etc., R&D for pharmaceuticals and supply of cheap ingredients (APIs).

Health sector reforms (1990s) - Structural Adjustment - 'Efficiency' in resource mobilisation and allocation and Trade liberalisation. Many forms of PPPs were entered into during the reforms (outsourcing of different kinds – key supportive functions, key geographic areas, etc). Aggressive privatisation in the name of demand side financing. National Health Policy 2017 preaches privatisation. It talks about universal access; also emphasises that private investment has to be supported for public health goals. Corporatisation and monopolisation of the private health care industry and the attempts have been very aggressive. Attempts towards regulation during COVID 19 – 15 States to move beyond the central frameworks and impose short-term regulations on rates of private healthcare. There have been encouraging stories from some states where active attempts have been made to de-privatise healthcare.

Read the presentation here.

Session 4

Panel Discussion: Privatisation/ PPPs in infrastructure projects

Moderator - Rajendra Ravi

Speaker - AJ Vijayan

A J Vijayan shared his work on Vizhinjam port with the communities. He said that under Sagarmala, several infrastructure projects are proposed along the coast such as ports, exclusive economic zones where the rules are more relaxed and the industries get a free hand. Every state now has already seen establishments of coastal economic zones or are proposed. Among all the port-led development projects, the funds are allocated for four major activities under the Sagarmala scheme - 1. For Port Modernization; 2. Connectivity enhancement; 3. Port-linked industrialization; 4. Coastal community development. Out of all the projects, the least investment is being made for the development of the coastal communities. He highlighted the fact that all the ports that are being developed in areas which have to be reclaimed or altered and artificially constructed like in Enayam and Vizhinjam. There is no scope for development of natural ports whereas ports like Mumbai and Cochin are saturated.

What are natural harbours/ports? - Natural harbours normally offer sheltered locations for berthing of ships, the construction of which may not result in any change to the shoreline and estuarine ports. What are artificial ports? - Artificial harbours are constructed in open sea where breakwaters are constructed to provide tranquil conditions for ship operations. Breakwater constructions could result in major shoreline changes as well as alter the hydraulic characteristics resulting in major impacts like accretion and erosion. The location of a port, construction of breakwaters and capital dredging may cause changes in current patterns and littoral drifts. The change of littoral drift may lead to erosion or accretion in shore zones.

Sagarmala, the port-led development will ruin the communities he said; more shoreline changes, more erosion, forced eviction due to erosion, increased marine pollution, loss of livelihoods and so on. The coasts will become more vulnerable for the coastal communities as laws and restrictions will favour ports, tourism and major industries. Out of the total Kerala's coast, 52% of the coast is already eroding and cumulatively almost about 63% of the coastline is either eroding, or prone to different levels of erosion. Vizhinjam port's construction has escalated the erosion along the coast of Kerala that has forced several people to move away from the coast since their houses have been lost to the sea. Even NCESS, a scientific organization, lost their office to the coastal erosion.

The Kerala State Government has also got into a contract with Adani, providing financial support to the Vizhinjam port. As per the contract between Adani and the State Government, 75% of the total cost of the project including the railway and road connectivity will be met by the State Government. The breakwater that will be constructed for the project will be fully by the State Government. The remaining amount is of Rs. 4,09 0 crore, out of which 40% has been given as a grant to the project. For the first 15 years that the project will run, there will be no profit sharing with the State Government. From the 16th year onwards, the company will pay 1% to the State Government and 2% from the 17th year onwards. The contract period of the project is 40 years, extendable by 20 years. The CAG also in its findings found that the project terms and conditions of the contract between Adani and the State Government favours Adani more than the Government. This is a kind of influence companies have on the policies and the Governments. As per the CAG report, Adani will earn Rs. 61,095 crore by just investing Rs. 14,651 crore in the Vizhinjam port thanks to the State Government's concession norms.

The people of Vizhinjam are protesting against the massive port that stands along the coast. Not only threatening the port but also posing a threat to the biodiversity and the environment around. Beyond, the port's impact would not be limited to the place where it is proposed, the project would require huge amounts of rock for landfilling, not only for the port, but for the

construction of the breakwater and other infrastructure development also that would come from the mountains that would further the environmental impact of the port to a greater extent. He concluded with a hope that people's protest would be able to protect the eroding coast of the Vizhinjam.

Find the presentation here.

Speaker - Shripad Dharmadhikary

Shripad Dharmadhikary talked about the water infrastructure and its privatisation. He said it was in the late 90s that some of the efforts to privatise water infrastructure started in the country with larger implications. Some conceptual examples related to water - hydropower projects, wherein the water is privatised for the use of generating power and other users are restricted.

Privatisation implies the change of ownership from government to private companies. In the water sector private projects started to come in the form of urban water supply, industrial water supply and some irrigation projects. The 1991 policy opened the power sector which got extended to hydropower. When there was resistance, the government said that we are not privatising water, we are privatising water supply infrastructure. We should first understand the meaning of privatisation. He defined water privatisation as - "Any mechanism that gives a private player control of any part of the water system, or an arrangement where water is a commodity that is bought and sold, and profits can dominate other concerns." A similar understanding would apply to other natural resource based sectors.

We make the infra commercially viable that dominates social objectives of the system. Asian Development Bank's loan to introduce water sector privatisation in MP led to the elimination of subsidies, elimination of all public stand posts since the water losses were high and houses were connected to meters. Hydropower is interesting since it exemplifies that public money is being used for private profits. Wetland reclamation or reclamation of mangroves is also an encroachment of water resources which is for private interest. This is an example of conversion of water infrastructure for private profits. Even in Smart city projects where beautification of river projects took place, they are also an example of water privatisation as in the process we take away the banks of the river and also use it for commercial purposes when restaurants, etc. are developed along the bank which are pay and use facilities.

Mining also leads to dewatering of the mine on a large scale. The mine owner is then entitled to the water and in times where mines are also being privatized, it is also privatisation of water. Often there is privatisation of the mines as well so it is directly privatised. In 1991, when the power sector was opened up, a lot of people jumped in and applied for hydropower projects. After years, when 1,500 MW of hydropower were to be constructed in 10 years, several projects were proposed in the himalayan region and these projects of 4,500 MW are being constructed by private companies.

Speaker - Ranjit Gadgil

Ranjit Gadgil talked about the transport infrastructure. What constitutes urban transportation infrastructure? Roads, public transportation, parking spaces, flyovers etc. that facilitate any kind of transport and development can be considered as urban infrastructure. The urban road infrastructure is public sector dominated and has failed in many aspects. It is a politically dominated area as well. Despite significant quantities of funds being spent on developing urban transportation, the transportation infrastructure in the urban areas is still poor. The roads and increased roads are leading to loss of ecosystems. It is difficult to monetise the roads as tolls cannot be successfully installed along these areas. Land privatisation is difficult in cities.

Metro projects are white elephants in the room in terms of the huge investment costs it entails. These metro rail projects, except for Mumbai's Andheri-Ghatkopar project Mumbai Metro line 1 have been successful. Metro projects elsewhere in the

country have been a huge financial disaster. Metro Act is an outdated Act which was basically land acquisition act and gives tremendous land acquisition kind of power to private entities. These metro projects, despite being publicly owned, publicly decided, publicly run projects and politically supported have all been disasters. Public funds have been tremendously wasted in urban areas.

Parking should be privatised and not subsidised. The market price should be high which would discourage the private vehicle users. The parking should be based on market prices that will eventually discourage the use of cars. However, if paid parking spaces are expensive, the public will park on the road and eventually, the privatisation plan would not serve the purpose. Public transportation has been private largely, so should we think of making public what is private already. The government does not pay anything to these service providers. We lose safety, comfort and reliability. As soon as a person can move away from such public transport, they will go to private vehicles. The quality of buses in cities like Mumbai, Bangalore, Pune etc. are also very poor. There are large private players running buses.

Speaker - Jammu Anand

Jammu Anand talked about the fundamental changes in Urban Governance and broader impacts. In 2005, the Government of India defined cities as the engines of growth and the centre of investments. The ULBs were also defined. The ULBs would act as facilitators and would not be providing public facilities. After this there were changes in the laws, like octroi was abolished. It was the first time a double accounting system in the municipality was initiated. User charges, Special Purpose Vehicles (SPVs) were introduced through the National Urban Renewal Mission (NURM). These had conditional reforms - mandatory and optional.

Regime of smart cities was introduced in which SPVs were also created. These SPVs were different from the earlier SPVs which were on services. The services which under the NURM were provided by the ULB were now being privatised. It was the first time in NURM, the list of consultants was shared with the ULBs and they were free to appoint consultants. 74th Amendment, where the local bodies were declared as planning constitutional authority, within 13 years were outsourced to consultants and privatised. The question is are we willing to outsource the right of planning to consultants having private and commercial interests?

In Smart Cities, there is another concern which is not much talked about. In Smart Cities, the ward councillor will be sidelined from playing his/her role since the company is also registered under the Companies Act. There is a minimum requirement of 50 acres for the SPVs for a project. Can ULBs create infrastructure, taking the focus away from public services? Whatever services the ULB provides in cities like Nagpur is privatised leading to deteriorated services. Until yesterday, the local bodies were mandated to provide for services like education, health, fire services, maintenance of water bodies, gardens, etc. Today, we are being told that infrastructure does not consist of schools, hospitals etc. but are few roads, metros, flyovers, only. Under these agreements, there is a prohibition on new recruitments; more than 3,000 sanctioned posts are vacant in municipalities.

Panel Discussion: Overlooking Environmental Jurisprudence for Infrastructure Development

Moderator - Anil Thayarath Varghese

Speaker - Avli Verma

Avli Verma talked about the infrastructure projects on rivers with a focus on inland waterways. Inland waterways are the flagship project of this government. There were tall claims made since 2014 about waterways; they will be game changers, they will change the logistics of growth – a new era of growth. Waterways are navigable channels to transport people and goods. In 2016, under the National Waterways Act, 106 new national inland waterways were declared for large scale commercial operations. Ganga waterway is a World Bank funded project now. Studies showed that out of these 106 newly declared waterways, more than 50% are financially non-viable. Only 26 are viable and only 13 have been implemented.

Most of the waterways are in tidal waters in Goa and Gujarat. These waterways are developed and managed by private players – JSW, Adani etc. To convert rivers into waterways certain things are needed. Indian rivers don't have the depth and width for barrages and dams; associated infrastructure like terminals, storage facilities are needed. Dredging means cutting the river bed 2-3 m deep which causes noise, impacts the morphology and water habitats and therefore, affects the livelihoods of fishermen. Construction of terminals and storage facilities leads to land acquisition and affects fishing communities. There are no consistent studies on the impact assessment of these activities.

A study in 2017 shows the effects on fishing communities in Ganga. Fishing department is being asked to remove the fishing nets which is leading to underutilisation of waterways. Because there was no movement even after declaration of waterways, the fishermen nets were removed but still there is no objective of waterway utilisation as such. Other hindrances have been mentioned such as disposal of dredged material, extra bank protection etc. One would expect stringent rules and regulations to supervise such activities but no such rules are being added or updated. Inland waterways should be included in the EIA notifications as per the experts. The whole process of EC is circumvented. The MOEFCC in December 2017 exempted maintenance dredging from EC in all inland waterways projects. NGT directed MOEFCC to submit a report on whether EC is required or not but the report did not include any expert consultation. In March and May this year, 5 barrage accidents took place in various stretches of NW-1.

Draft EIA 2020, puts all inland projects as category B2 projects which would not require any EIA, public hearing or appraisal. Inland waterways, seaplanes and river cruises impact air and water alike. The impacts of these should be assessed but all these interventions have been circumvented. There are many impacts of artificial light on marine life as well.

Speaker - Sarath Cheloor

Sarath Cheloor talked about the Silverline Project implemented in Kerala. The project is 95 mm broad gauge. Standard gauge 1,455 mm for K-Rail will be completed by 2025. 1,226 hectares of land is required. A lot of requirements are needed such as structures, vehicles/ machineries and still it is called a green project.

The Government of India says Indian Railways needed Rs 64,000 crore but the Niti Aayog says it requires double the amount which will come from international financial institutions. A public hearing was held, in the initial stage DPR was not released; only after various protests the DPR was released. EIA was done by a company which did not hold the credentials. So, the EIA was challenged. No geological, hydrological survey was done; just a small geo technical survey was done.

26 trains pass through Kerala with an average of 40,000 passengers per day; yet K-rail claims that almost 80,000 passengers will ride daily. How many people will actually use this; that is the question? There have been problems with earlier projects as well such as the express highway project, Kochi Metro rail project, etc. K-rail is passing through Western Ghats and extremely flood prone areas. There are wetlands, agricultural areas, mangrove forest, rivers and other natural biodiversity.

Among the social impacts – 20,000 families will be evicted, 9,340 buildings to be demolished; houses, shops, roads, public-private institutions will also have to be demolished. The land related issues will also come up. Experts say it will take more than 15 years to complete the entire project and will cost Rs 300,000 crores. Kerala is already in debt as per April 2022 report. This will affect the state's economy.

Experts say that the rules and acts and laws are being violated by this project. Environment laws are being diluted to allow the project without any hindrances. Public transport needs to be strengthened; installation of signalling lines in railways, increased passenger services, eco-friendly transport services, charges of public transport need to be reduced. Construction of roads and maintenance also needs to happen regularly.

Find the presentation here.

Speaker - Bharat Patel

Bharat Patel talked about the infrastructure projects and their implications on the socio-environmental aspects in the Kutch region of Gujarat. After the 2001 earthquake and tax holiday in the Gulf of Kutch led to an increase in such projects and companies there. It has been observed that the fisheries are being impacted by the port projects in the Gulf. Kutch is a big region. There is a 5-10 kms distance between scattered villages. With industrial pressure, salinity in water has increased. Tata Mundra project took clearance for closed cycle turbine but actually made it open cycle. 60,000 litres of water is being pumped into this and then released back after the temperature is increased by 7 degrees. Temperature of water reaches above 32 degrees and this affects marine life. Tata Chemicals is putting a deep pipeline but its social impact assessment is not done by an accredited organisation. On the other hand being in SEZ area, Adani has gotten exemption from getting clearances. In Gulf of Kutch, wherever jetties and ports are there, then in 6 km periphery fishing cannot be done. Then there is hardly any fishing area left. The question is where will the fishermen go to earn their livelihoods?

Speaker - Suma TR

Kerala as a landscape is very beautiful and unique from the Western Ghats to the shore. Tourism is happening in these places. People lost their houses in 2018 floods but proper rehabilitation has been missing. In Kerala, in the past 25 years, panchayats have been at the forefront of economic development, but Kerala has become more urbanised and prone to climate change. Since 2000 onwards, the alerts to climate change have become more evident. In 2012, the State Climate Change Action Plan in various districts was implemented. From 2002 to 2018, districts like Wayanad and Iddukki were facing loss in agricultural production and water table and farmer suicides were increasing. In this time, tourism has been declared as the alternative for these losses.

In 2018, "Rebuild Kerala" plan was launched – the economy to be rebuilt in a framework building resilience for economic, social, political aspects. The state government was under financial pressure and promoted construction on the assumption that these constructions would propel consumption and energise the local economy. The government came up with different bonds – municipal/ masala bonds to pool into the economy. The state government has given more importance to linear infrastructure development therefore, coastal highways are being developed/ national highways/ highways through hills, tunnel projects in Wayanad and now K-rail.

In Kerala, 46% of the tourism areas are located in flood prone areas and 26% are in landslide prone regions. Wayanad is located in the mountainous terrain with wildlife sanctuaries. There are 21 tourist destinations in Wayanad. Due to altitude

and slope it is highly susceptible to floods and landslides. The question is do projects/ linear projects have any consideration to the susceptibility of natural disasters? Land use changes are causing land disasters along with rock type slope, rainfall, etc. Tourism entrepreneurs and locals also have conflicts on water usage.

Find the presentation here.

Session 6

Presentation and Discussion: New Models of Land Grabbing

Moderator - Sanjeev Kumar

Speaker - Preeti Sampat

Preeti Sampat discussed the kind of investments and developments that will be made in infrastructure projects. Manufacturing industry investments continue to represent 15% of GDP. By acquiring land using land acquisition law, urban development law, etc., the major infrastructure projects have been launched one after the other. To be able to obtain the rental income from the upcoming projects, there must be some increase in the flow of money because there is already too much money in the larger economy and among the population. The type of investments that are currently being made take over 10–15 years. There is no equivalent economic employment or purchasing power.

The question is whether there are any existing hardcore industrial investment opportunities. On a continuous, small-scale, local economic foundation, destruction is taking place. They constantly re-produce these kinds of wants of global capital, global hub; rather than considering what kind of support systems are required at the local infrastructure level. Apart from focusing on its destructive aspect, we need to examine where the overall economic development is going. We must concentrate on where the investment is coming from, whether there is a chance for its implementation and success, and where the funding will come from. If the services being provided at that stage of development are insufficient, then for whom this infrastructure investment is coming.

Speaker - Kumar Sambhav

Kumar Sambhav works with the Land Conflict Watch and said they have documented around 609 ongoing land conflicts in the nation. Communities have protested against these massive land conflicts, calling for changes to the laws governing land use and resource management. Infrastructure initiatives are the cause of more conflicts. According to research, there are complaints about contentious land acquisitions in about 50% of the cases. The remaining concerns relate to the lack of land price protection. It is a major problem that there are no formal titles to this land, which makes it simple for the government to assign it for infrastructure projects. When these lands are acquired, the issue of livelihood and rehabilitation is not taken into account. In about 28% of these infrastructure conflicts, it was discovered that the compensation estimates were wrong and imprecise. 15% of cases did not even receive compensation. Forced evictions occurred in 23% of the cases, and there was no attempt to rehabilitate the displaced in 21% of the cases.

In addition to quantitative patterns, we have also examined qualitative trends to determine the precise root of these problems. One is the dilution of all social impact studies, and state governments have now released their own versions of India′s defective laws. The estimation of actual compensation is also very important. Social impact assessment is significantly essential because, first of all, it not only allows the payment of compensation to land owners but also to the impacted communities. District authorities have the authority under the land acquisition law to determine the appropriate market value of the property. With the use of social impact assessments, SIA agencies can examine current market rates in the area. The agency offers the market rate after calculating the average over the previous three years of land register data. Due to the lack of implementation in any state, compensation is not based on market rates. The other crucial clause is Section 24, which states that if a land acquisition was initiated under holder laws (laws that were in effect prior to the 2014 laws) but the land wasn′t acquired for 5 years or the compensation was not paid to the landowners for 5 years, the landowners would be entitled to higher compensation. Landowners, farmers challenged and demanded higher compensation under the new law in cases that were heard in high courts and the Supreme Court across the nation.

Speaker - Bhargavi Rao

Bhargavi Rao talked on recent developments in the realm of renewable energy. For projects using renewable energy, land is crucial. A study that was published in 2021 revealed that the total project area for solar and wind energy may each occupy anywhere from 50,000 to 75,000 sq km of land. According to this figure, an additional 1.7 to 2.5% of the nation's total land mass or 2.23% of its non-forested area may be required for solar energy. Most reports from throughout the nation suggest that we are not adhering to the Land Acquisition and Rehabilitation and Resettlement Act while acquiring land for renewable energy projects in the nation. Communities that are vulnerable and on the margins are mostly losing their land and means of subsistence everywhere. Companies either directly purchase land from small, marginalised farmers, or persuade them to lease it to them, or intimidate them before grabbing it, leaving the local communities completely at a loss. The Right to Fair Compensation and Transparency in Land Acquisition, as well as the Resettlement and Rehabilitation Act of 2013, remain on paper only. The states modify their own laws as they see appropriate, bringing in a variety of amendments. State laws governing land reform were frequently changed. Additionally, policies for solar and wind energy have been developed that essentially supersede many state laws pertaining to property.

A step in the process is the Digital India Land Records Modernization Program (DILRMP), which aims to make sure that land is accessible for renewable energy projects. All of these high-level initiatives have led to automatic approvals from local, state, and federal governments for land use, environmental regulations, and SPV formation; all of which are helping renewable energy entrepreneurs. According to a new study, climate change will cause some solar radiations, wind speeds, and directions to alter in the near future. The solar radiations themselves will also shift. Therefore, it's possible that none of the investments made in renewable energy projects would be able to generate the profit they were expecting. The failure of these enterprises could result in a search for more profitable investment opportunities. There are landless labourers working for such energy projects, who receive irregular employment, are not paid on a regular basis, etc. It has also impacted the habitat of wildlife species. The rights of local people are completely eroded and they are not in a position to negotiate or do anything about it. In the coming years, we will see a lot more transition with the coal mining projects. Locals are fully losing their rights, and they are powerless to bargain or take any other action. There will be a lot more transition with coal mining and renewable projects in the upcoming years.

Speaker - Siddharth Joshi

Sidharth Joshi shared insights on the industrial corridor programme. Greenfield industrial nodes are being developed in India with the aim of facilitating the provision of plug and play infrastructure at the plot level, aiding in the expansion of industrial output, boosting employment opportunities, and offering better living and social facilities for the new and expanding workforce. 11 industrial routes spanning 17 states have thus far received permission. In the development of DMIC, the first Memorandum of Understanding (MoU) was signed between the governments of India and Japan in 2006, and IL&FS published the concept paper in 2007. Delhi Mumbai Industrial Corridor Corporation (DMICC) was founded in 2008 by SPV. Total land acquired at Tumkuru, Karnataka, is 8,484.15 acres, of which 1,668.3 acres were transferred to an SPV. The total amount of land purchased in Krishnapatnam, Andhra Pradesh, is 12,662 acres, and 1,814.51 of those acres were transferred to SPV. The contestations against the CBIC′s Tumakuru Node have been observed.

Find the presentation here.

Session 7

Presentation and Discussion: Aggravating Climate Crisis: Impacts of large infrastructure projects

Moderator - Jimmy James

The moderator started with an anecdote on the Silver Line Project in Kerala which has been facing heated opposition. The project was pitched as an alternative for better transport and efficiency and environment friendly. But when the questions were asked as to what was the environmental cost of the infrastructure for this project from one end of Kerala to other end, suddenly the government changed its argument to pro-development vs. anti-development. Studies after studies have shown that building of such infrastructure projects result in 79% of Greenhouse Emissions and 88% of the adaptation costs are caused due to such constructions.

Speaker - Aahana Ganguly

Aahana Ganguly presented on The Climate Crisis and the Resilience of India's Coastal Region. Her session focused on the importance of resilience of India's coastal region in the wake of the climate crisis, what we are doing about it and what we should be doing. She also talked about this in context of Sundarbans as how it highlighted the issue of poor planning and how locked-in vulnerability looks like. Stressing that we are already in the middle of a climate crisis and we need to prepare for factors such as temperature increase, unpredictable monsoons, extreme rainfall events followed by longer dry spells, more drought and flood events, more intense cyclones and sea level rise. Glaciers are melting at an accelerated rate due to excess levels of pollution in Northern India leading to more floods, as black carbon soot on ice makes it melt faster. With the rising ocean temperature, we are also changing the marine ecosystem, killing marine wildlife, leading to a decreased catch yield.

IPCC came out with a special report in 2019 on Oceans and Cryosphere which predicted that maximum catch yield will decrease by 15-20%, which is a significant number. The world is going to witness more Category-4 and Category-5 storms. Sea-level rise is also a matter of deep concern. Right now the IPCC forecast for the rest of the century is for sea level to rise 0.1 to 0.5 m, where approximately half of it is attributable to expansion and half of it to melting of ice of glaciers and we also need to take into account the factor of melting of ice sheets of Greenland and Antarctic, which might happen much sooner than expected. Indian sea level expansion has happened much faster in the east coast than the global average. What people also confuse is that the "Mean Sea Level" rise does not matter alone, but also that the historical flooding events which happened only once in a century will become much more common, even to the extent of becoming once a year, which is predicted in the literature.

An OECD Climate Impact paper has highlighted the impacts on different sectors, such as Transport, Energy, Telecom, Urban Development and Water which had key 3 takeaways which are - infrastructure should be consistent with low-GHG transitions, Infrastructure to be resilient to the impacts of changing climate and due to the long-lived nature of infrastructure assets, the decisions made in the present will have lock-in vulnerability for decades to come.

So the larger question which needs to be addressed is what are we doing about this ongoing crisis? One thing we have been doing well is that we have minimised loss of life due to any kind of natural disaster due to factors such as increased awareness, better housing, better early warning systems, etc. But what have we been doing wrong? We are not rebuilding infrastructure which is climate resilient. We are having a one size fits all approach, which shows a lack of knowledge of locally appropriate architecture based on local material. We don't have a better warning system for rapid intensification. For example, Fani, Amphan, Taukate, cyclones intensified from weak to severe status in less than 24 hours. National Urban Renewal Missions

like AMRUT had no focus on Climate Resilience housing. There have been changes in Coastal Regulation Zone Notification, which essentially means that in certain areas we are building structures which are only 50 meters from the coastline.

Taking the focus to Sundarbans region, Aahana talked about the aggravating Climate Crisis in Sundarbans. Sundarbans essentially represents 2 types of regions:

1. Parts of the mainland – connected by roads and having other infrastructural facilities

2. Parts almost entirely detached from the mainland – living in islands on the fringes of reserve forest

It was found in a collaborative study with CFA on Sundarbans that annual flooding events, such as breaching of embankments are happening much more frequently than severe storms and cyclones. Any heavy rain or any high tide event leads to an embankment breach. Rise in Sundarbans sea level is almost four times of the global mean, which is essentially a relative sea level rise caused due to factors such as Land subsidence, auto-compaction, sedimentation/erosion, embankments and groundwater withdrawals. What can be observed from historical data is that some islands of Sundarbans are now totally submerged such as Ghoramara and people from Ghoramara have been rehoused in the bigger island Sagar next to it and people who have been rehoused are in extreme poverty. What has happened in the entire river system is that there has been an increased sediment load because of deforestation, and at the same time, there is a decrease in river flow due to diversion of water. Eventually, the water entering Sundarbans is slower but carrying a very high sediment load. Due to this the sediment is settling at the bottom, which is forcing the river bed to become higher than the agricultural land being separated by embankments, making people living in kind of a "bowl", which puts people at higher risk, when there is any kind of embankment breach due to any kind of rise in water levels. Because of this there is saline intrusion along with the saline intrusion caused due to a negative feedback such as shrimp cultivation.

When it comes to exploring solutions for the problems being faced in Sundarbans, then the World Bank has its typical kind of solutions such as facilitation of voluntary, permanent out migration, which is not feasible in a country like India, where millions of people are affected. Some of the solutions which are suggested are reimagining the overall ecology of Sundarbans, such as embankments tuned with the hydrological processes (letting water in at a certain time and removing water at a certain time), shifting back to salt-tolerant varieties of rice and moving to sustainable fishing.

Find the presentation here.

Speaker - Soumya Dutta

Soumya Dutta's session focused on aggravating the climate crisis linked to mega renewable energy projects. He started the session with the caveat that any activity we do will have some carbon footprint, even if it's linked to renewable energy. He had started using the term "Climate Crisis" back in 2010 at leading conferences and it was pointed out to him that it sounded alarmist at that time, but now the crisis has been acknowledged everywhere. Most of the ecological crises have a short to medium timeframe, unlike the climate crisis and if we allow things to happen in this manner then the changes will be irreversible.

Given the current situation, there is no alternative but to decarbonize the entire global economy, not just electricity production but all kinds of energy production. We have options of Renewable Energy, but the way it is being done, almost everywhere in the world, but particularly in India, it is aggravating one kind of crisis which has the most impact. If we look at the investments coming for Renewable Energy projects, then the question comes as from where these investments are coming in, which would be touched upon later. He shared about the studies he has been part of in states like Rajasthan and Chhattisgarh, which included Mega Renewable Energy Projects as well as community-level renewable energy projects and one thing was clear that irrespective of the scale of the renewable energy projects, it will have some kind of carbon footprint, which will add to the climate crisis to the extent which would be dependent on the size of the project and the kind of the project. And

if all the external costs are taken together, then it can be seen that wind energy projects overall have the least impact, both in terms of carbon footprints and ecological footprints, along with the social impacts. Other projects have slightly larger impact but far less impact than coal or any other fossil fuels.

In India, out of the 114 GW of new renewable energy projects, excluding the big hydro projects (25 GW and bigger), if one looks only at the renewable energy projects, some 58GW of Photo-Voltaic Solar and 41 GW of Wind Energy projects, these all are mega scale. The scale of Photo-Voltaic Cells and the Wind Turbines have become much larger over the last decade. If one takes the example of Thar Desert in Rajasthan (with 320 days of Sunlight, intensity is high and "very less economic activity), large areas up to 10,000 acres have been cordoned off as Solar Energy Parks and many of these lands were grazing land of the villagers, whose main source of livelihood was goat and sheep raising. Communities which over centuries had built their own systems to harness 140-200 mm of annual precipitation, their entire systems of water harvesting, their systems of livelihood through animal grazing, these systems have been destroyed. It has been observed during field visits to certain regions that families are able to raise much less animals (goat and sheep) than before because of lack of grazing lands and the access to water sources in dry regions such as wells have been cut off for them as these have been allocated to solar parks for cleaning the solar panels. Because of this animals don't get a drinking water source. Other major impact which has been seen in regions like Gujarat and Rajasthan is that water harvesting structures unique to the topography have been destroyed due to the solar and wind energy projects including their installation. The mega infrastructure projects are impacting those who are on the margins. On the other hand, small-scale renewable energy projects have helped such communities. During the visit to Sundarbans it was observed that in places which had small scale renewable energy projects in place, they had access to basic electricity even when the main power lines were down due to weather events such as cyclones. Even in Chhattisgarh such examples could be seen inside the tiger reserves where there are no power lines, but the Adivasi communities had access to micro-solar micro-grids, which were still functional even though they were supplied some 15 years ago.

It was emphasized that we are at a critical juncture, where we should focus on the two things. One, that the way the renewable energy projects are being implemented in India is extremely problematic, and the problem is once all renewable energy resources which are easily accessible and highly democratic, falls in the hands of big corporates, it will be implemented and controlled in a totally corporate controlled way, we will be at the mercy of the same corporates which are controlling the other things. The second is that if renewable energy sources are community owned and community controlled, the possibility of rejuvenation of rural economy is high. There are good examples and models around it. India had earlier a very good framework of KUSUM 1, KUSUM 2 and KUSUM 3 (Pradhan Mantri Kisan Urja Suraksha evem Utthan Mahabhiyan (PM KUSUM)) schemes but this has been implemented very slowly and we are missing the opportunity of democratizing the energy access. If KUSUM schemes are implemented properly then it can benefit people in rural areas, but proper efforts are not being put in this direction and in turn this is favouring corporate-controlled enterprises in the renewable energy space.

Speaker - Sreedhar R.

Sreedhar R started the session with sharing an anecdote about CEO of one of the largest mining companies Rio Tinto, whether his conscious ever got hurt due to people dying due to the mining and he brought upon the topic of limited liability, which allowed any company to have limited liability in terms of the damages happened but the company could have unlimited profits. Drawing parallels to it in the infrastructure sector, he shared how until the 2008 Economic Recession, Infrastructure was not considered an asset class but was considered basic to any country's development. There is a debate going on in different countries including Indonesia, as to whether there can be a re-municipalization, i.e. the infrastructure assets which were privatized, can they be taken back. It's a crime to call Infrastructure an asset class and allow private speculative capital, which pushes up the basic cost and therefore structurally the poor would be severely affected. We have twisted our laws in such a manner that anything which is being decided in the Department of Economic Affairs can become a public purpose. He referred to a Master List of Infrastructure and once something gets added to it, it becomes a public purpose and no matter who owns it, all the acquisition laws can be applied to it to take the land of a poor peasant. The idea of Infrastructure as an asset class, and then categorizing everything as Infrastructure, right from Education to assigning everything as "Social Infrastructure" allows private speculative capital to capture it. Because of this the base level cost of everything goes up.

When there is a talk of Mega Infrastructure, it's not just large Solar, but because of it silicon is being mined somewhere else. Because of this expansion of copper and aluminium is going to happen in India and to accelerate the transition to renewables, human rights violations will be bypassed to push the mining.

PPPs in terms of coal haulage, for example in Chhattisgarh, from main railway lines, private lines are being spurred, owned by coal companies like SECL, IRKON and different coal companies. 90% of that investment is coming from banks in the form of debt. The other kind of issue with large infrastructure projects is that a 20:80 debt to equity structure is allowed. For example, when Adani builds a Rs 17,000 crore power plant in Godda, Jharkhand, it takes a major chunk of loans from public funds through companies such as Power Finance Corporation (PFC) and Rural Electrification Corporation (REC). It is being found that Mega Infrastructure Projects also lead to huge public debt, which leads to higher interest payments, which in turn cuts into the welfare costs for the poor. This way there are multiple levels through which the poor have to face the brunt. Such huge debts also turn into NPAs. The case of Infrastructure Finance Corporation and IL&FS has been observed earlier, but even such instances can be seen in the cement industry. There is artificial demand created, there is cartelization and the price doesn't come down. And there is also building of irrelevant infrastructure, such as Bharatmala which has nothing to do with communities. Similarly, highways and airports have no relevance to the local community. Similarly, in the Steel and Power sector we have over-capacity and right now transition means we are only adding to the existing infrastructure and we are not reducing something to transit from coal to renewables. We are going to end up with a lot more NPAs. It is also found that most of the infrastructure in India is built with very poor quality and there are instances of huge corruption. In the E-Suvidha Portal run by the PM Office, there are 1,066 projects that are currently being pushed, which are human and climate unfriendly and the PM Office can arrange for different kinds of clearances if it's a mega project. At the end, it was emphasized that addressing things in a piecemeal manner may not help. We need to address some key questions such as how infrastructure should not be treated as an asset class, when public money is spent there must be greater accountability and how there can be a concurrent kind of audit of all kinds of infrastructure projects, especially when it is handed over to the private sector on a platter.

Session 8

Panel Discussion: Resisting Mega Infrastructure Projects

Moderator - Joe Athialy

Speaker - Anand Yagnik

Anand Yagnik said public advocacy is more effective than legal advocacy in resisting development projects. The model of development being pursued has given rise to what are called 'development refugees.' Taking three examples he showed how it has become increasingly difficult to resist large development projects as governments have tended to support corporates and the courts too have become subservient to the model of development.

Ahmedabad Mumbai Bullet Train Project - The bullet train project has displaced around 8,800 farmers and 6,900 non-farmers and has given rise to more than 150 litigation petitions. In mult-istate projects it is the Government of India which is the prime acquirer. The Gujarat government made amendments to the Land Acquisition Act that made social impact assessment discretionary. Thereby, the Land Acquisition Act is responsible for rural to urban migration, unemployment, distress suicides, creation of urban ghettoes and people becoming trapped by the land mafia. As for rehabilitation and resettlement, the Gujarat government said that they would pay money in lieu of acquisition. The Government of India issued a directive delegating the government of Gujarat the power to acquire land in retrospect. Monetary compensation was paid based on the circle rate prevalent in 2011 and not based on the market rate. Even SCs and STs were not given land which is mandated by law.

Adani SEZ - The Machimar Adhikar Sangharsh Sangathan had filed petitions in the Gujarat High Court alleging that neither Adani Enterprises nor the other units had any environmental clearance so they could not initiate any projects. Until 2014 the projects remained stalled. When BJP won the 2014 Lok Sabha elections, the position of government changed. Environmental clearance was granted to Adani. When the government is in the hands of the corporations, laws are interpreted in a very different manner. Judiciary has become subservient and no hope exists for judicial activism. It is a disappointing situation. Liberalisation has meant freedom for industrialists from all the laws, which are imposed to their full effect on the people. The Justice DY Chandrachud judgement underlined that there is an environmental rule of law which needs to be adhered to in these days of climate change, and sustainable development is the only development.

Speaker - Leo Saldanha

When statutory institutions collapse, the judiciary becomes complicit with developmentalism. Social movements have become dispersed owing to protests on a wide variety of issues from Citizenship to Article 370 to unemployment. Mega industrial projects are being mainstreamed without people being consulted. The mainstreaming of developmentalism has happened in the United States, USSR, and China too. In South America workers' parties have struggled to chart out a path of inclusive development leading to right wing parties coming to power. Society does not have the capacity to move at the pace of corporate flux. We are witnessing corporatisation of politics. When large numbers of people are displaced and are forced to settle in poorly designed urban ghettos then it will lead to social chaos. Most organisations are content with writing reports. The current government may be riding the juggernaut of development now, but even the previous governments contributed to its creation. There is a perception being created that the government functions for the people. Most civil society groups are not looking at big development projects in the granular aspect through field-based impact studies, where affected communities speak of their own vision. Civil society organisations, unions and community groups should facilitate the people speaking.

The example of the European Investment Bank which was funding Bangalore Metro's Vellava Station is instructive. The metro station was supposed to be built in a place where the lush and green All Saints' Church was located. The people regularly protested and invoked grievance mechanisms in Bank's policy and held regular consultations with the Bank's top executives eventually leading to the church being saved from proposed demolition. What really matters is for civil society organisations to build and amplify the voices of those affected by such projects.

Speaker - Krishnakant Chauhan

The successful struggle against Mithividi Nuclear Power Project shows that people used all available mechanisms. Our struggles should be plural. Only relying on courts is not sufficient. It should be the last resort. Safeguard mechanisms of International Finance Institutions such as public hearing, impact assessment and complaint redressal should be used. Indian banks do not have such accountability mechanisms. Every movement should chart out its own strategies. Most important component of our strategy is that people should retain decision making power in their hands and not delegate it to political representatives, parties or even courts.

Speaker - Anuradha Munshi

In a time when mega infrastructure projects have become synonymous with growth and development, in the common person's psyche it is extremely difficult to challenge them. It requires a multi-faceted struggle to mount a challenge to such projects. It requires massive education to decouple the idea of growth and development from mega infrastructure projects. It requires big and large struggles on the ground. It requires creating an environment where there is strong media support which can also be organically raised. Additionally, it requires networking with international civil society organisations as mega projects are not simply an Indian issue, and similar struggles are happening in South East Asia and Africa.

International Organisations are significant and need to be challenged at two levels. One in connection with the projects they fund, the other at the level of the eco-system they create in terms of transactional advisories they issue, the technical assistance they offer, development policy loans issued by them, etc. Struggles in India have been pivotal in pushing these institutions into being accountable. Examples are struggles against the Sardar Sarovar Dam which compelled the World Bank to form independent accountability mechanisms. And the struggle against Tata Mundra port by fish workers which made the International Finance Commission accountable to projects they fund in various countries. The struggle against GMR Thermal Power Plant in Odisha made IFC adopt complete disclosure when it comes to projects funded by financial intermediaries. As far as IFIs are concerned we need to challenge the ecosystem they create in terms of development policy loans, transaction advisory and technical assistance. For national finance institutions we need to challenge the absence of any safeguard policy.

Centre for Financial Accountability (CFA) engages and supports efforts to advance transparency and accountability in financial institutions. We use research, campaigns and trainings to help movements, organisations, activists, students and youth to engage in this fight, and we partake in campaigns that can shift policies and change public discourse on banking and economy.

We monitor the investments of national and international financial institutions, engage on policies that impact the banking sector and economy of the country, demystify the world of finance through workshops and short-term courses and help citizens make banks and government more transparent and accountable, for they use public money.

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