

Japan to fund mass rapid transit systems

The sources said the Detailed Project Report (DPR) for the MRTS was ready and land was being acquired. The MRTS in Haryana will be an 'elevated' one and will connect Gurgaon and Bawal (part of the Manesar-Bawal Investment Region in the DMIC).

The land has been acquired and the DPR has been finalised, officials said, adding that the MRTS has been included in the JICA 'Rolling Plan' for the ODA loan. The Department of Economic Affairs will soon ask JICA to work on preparatory surveys for the project, they said. The length of these two MRTS projects will be 85 km each.

Grant-in-aid

According to the Commerce and Industry Ministry (the nodal body for industrial corridors), the financial assistance for the DMIC project is to be in the form of grant-in-aid worth Rs. 17,500 crore — as a 'revolving fund'. This, it said, was for the development of 'trunk infrastructure' in the proposed seven industrial cities in the DMIC at Rs. 2,500 crore per city on an average, subject to a ceiling of Rs. 3000 crore per city.

In September 2011, the Union Cabinet — in addition to giving approval for Rs. 17,500 crore as 'Project Implementation Fund' — had also okayed an additional corpus of Rs. 1000 Crore as grant-in-aid to carry out project development activities. The funds are released to the Special Purpose Vehicles (SPVs) formed between the Centre and the respective State Governments. Official sources said, out of all this, the total amount spent till September 2017 was around Rs. 3,500 crore.

As per the ministry, the Japanese government had announced financial support for the DMIC project to an extent of \$4.5 billion in the first phase — for projects with Japanese participation through a mix of JICA and Japan Bank for International Cooperation (JBIC) lending. Also, the JBIC currently holds 26% equity in the DMIC Development Corporation (the SPV which is the DMIC's project development agency) aggregating to Rs. 26 crore. The Indian government holds 49% equity in the DMICDC, while the remaining is held by HUDCO (19.9%), IIFCL (4.1%) and LIC (1%).

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com