

Minutes of 12th meeting of the "Group on Financial Aspects under Task Force for Interlinking of Rivers" held on 12.07.2018 in the Committee Room of NWDA, Palika Bhawan, New Delhi.

The Twelfth meeting of the "Group on Financial Aspects under Task Force for Interlinking of Rivers" was held under the Chairmanship of Dr. Prodipto Ghosh, former Secretary to Govt. of India and Chairman of the Group on 12.07.2018 (Thursday) at 11.30 A.M. in the Committee Room of NWDA, Palika Bhawan, New Delhi. List of Members and other participants present in the meeting is enclosed as Annex-I.

At the outset, the Chairman welcomed all the Members, Special Invitees and other participants. He introduced Dr Tulasidhar, Finance and Public Resource Management Specialist, formerly of the ADB Manila, and the National Institute of Public Finance and Policy, Special Invitee, to other Members/Special Invitees/participants. He once again reiterated the decision of the Task Force that the Interim Report of the Finance Group should be submitted by end of July, 2018. After consideration of the Interim Report in the Task Force Meeting, the decision by Mo RD, WR and GR, regarding continuance of the Group with modified terms of reference would be taken. He then requested Member Secretary of the Group to take up the agenda item for discussion.

Item 12.1: Confirmation of minutes of the Eleventh Meeting of the Group on Financial Aspect held on 28.06.2018

The Member Secretary informed that the minutes of the eleventh meeting of the Group on financial aspects were circulated among the Members/Special Invitees vide letter no. SCILR/Tech/400/12/2017/666-682 dated 09-07-2018 through email. Since no comments were received from any of the Members, minutes of eleventh meeting were confirmed as circulated.

Item 12.2: Presentation by Dr. Gosain, Professor of IIT Delhi

Dr. Gosain, Professor of IIT Delhi could not attend the meeting possibly due to his other engagements. Chairman informed that the required input for report on climate change is to be prepared by Chairman with the help of presentation made by Dr. Gosain, Professor of IIT Delhi in the earlier meetings of the Group.

However, Dr Gosain has agreed to provide an input on the methodology of establishing the potential of link projects for climate change adaptation.

Item 12.3: Presentation by Shri H. Satish Rao

The Member Secretary informed that Shri Rao vide his email dated 23rd June, 2018 has informed that he would be taking an assignment with New Development Bank (NDB) in Shanghai. As such he would not be available for meetings of this Group. Chairman informed that Shri Deepak Das Gupta is also not available till September. However both the persons would be available on email/Skype.

Item 12.4: Presentation by Yes Bank on projections of possible flow of funds for ILR programme from Indian Banks/Financial Institutions

YES Bank team presented the financial model after incorporating changes as discussed during the eleventh meeting. While the team had prepared phasing of costs for the 4 priority projects on yearly basis, there were certain ambiguities on the total cost of these projects which were discussed amongst the entire group and finalized. The team was advised to submit the final model after incorporating the following modifications:

- Estimate of real costs (costs at 2015-16 PL) to be incorporated also along with nominal cost (at PL of relevant year) estimates in the final model.
- Estimation of increment in Government's fiscal deficit and incremental Debt: GDP ratio on account of the funding scenarios to be captured, assuming that all borrowings would be sovereign borrowing.

Item 12.5: Review of progress of work of the Group and to draw up a work programme for completion of its tasks .

The Chairman made a review of the work programme at the end of the discussion and subsequently made presentation on the proposed structure of Interim Report. He also distributed the responsibility for write up on different topics to the different Members /Special Invitees/NWDA/other organisation who participated in various Group meetings. Structure of the Interim Report and Responsibly assigned are as under:

- (I) **Introduction-(Chair and NWDA)**
 - Outline of ILR, anticipated benefits

- TORs of Finance group
- Action Plan to respond to the TORs
- Progress on Action Plan, Tasks remaining
- Directions of Hon. Minister MoWR, RD&GR
- Feedback from Task Force members
- Broad assumptions regarding macroeconomic parameters
- Risk factors
- (II) Review of First Task Force Report on Finance Aspects: (Chair)**
 - Recommendations of NCAER
 - Recommendations of First Task Force
- (III) Updating Capital Costs of ILR Components: (Shri MK Sinha)**
 - Methodology,
 - Updated costs
- (IV) Grouping of ILR components and phasing of construction: (Shri MK Sinha and NWDA)**
 - 5-year phasing of groups of projects ,
 - Detailed phasing of 4 prioritized projects
- (V) Projections of flow of funds: (YES Bank)**
 - From Indian Financial Institutions, and requirements of funds from GoI/Beneficiary States under the “Skin in the Game” model
 - Balance Funds required from International Financial Institutions (Public and Private)
- (VI) Funding Prospects from Multilateral Financial Institutions: (Shri H. Satish Rao/ Dr V. Tulasidhar)**
 - Projections of possible funding from MFIs
 - General considerations regarding funding by MFIs and IFIs
- (VII) Mandates of MFIs and other IFIs regarding funding climate change projects: (Dr V. Tulasidhar)**
 - Summary of mandates
 - Funding modalities
- (VIII) Suggested Financing Plan for 4 prioritized links: (YES Bank)**
 - Year-wise requirements of funds, by link

- Estimates of availability of funds from IFIs, and requirements from Government and IFIs, year-wise, under different macroeconomic scenarios.

(IX) Enhanced requirements of due diligence for MFI funding:

(Dr V. Tulasidhar/NWDA)

- Comparison of due diligence requirements for GoI funding and MFI funding.

In the meeting it was informed that total cost of links have been revised from 8.68 lakh Crore to 8.44 Lakh Crore due to refinement of statements and consideration of the estimated cost of three links of NWDA for which DPR has been prepared as per decision taken in the earlier meeting.

Apart from above, YES bank was advised to focus their presentation on funding pattern of the four prioritized links: (i) Ken Betwa, (ii) Par-Tapi-Narmada, (iii) Damanganga- Pinjal, and (iv) Godavari (Akinepalli)- Cauvery. It should be yearly basis spread over the period 2020-2030 while 5 year blocks should be followed for other remaining links(to be taken up after 2030 to allow for resolution of international as well as inter-state implications). The copy of modified cost of links was given to the representative of YES bank for doing necessary analysis, finalization of their presentation and submission of the report.

Chairman advised the Members/Special Invitee to add any new Para in the proposed structure, if they consider it necessary. He also requested all the Members/ Special Invitee to submit their inputs to the Member Secretary of the Group for preparation of first draft report of the Group and circulation of the same among all concerned before the next meeting.

Item 12.6: Any other matter(s) with the permission of the Chair

After discussion with Members and other participants, it was decided to convene next meeting of the Group on 25/07/2018 (Wednesday) at 11.30 A.M. in the Committee room of NWDA, Palika Bhawan, New Delhi.

The meeting ended with vote of thanks to the chair.

List of Members, Special Invitees and other participants of the Twelfth meeting of the “Group on Financial Aspects under Task Force for Interlinking of Rivers” held on 12th July, 2018 at New Delhi.

1.	Dr. Prodipto Ghosh, Former Secretary to Govt. of India & Member of Task Force for ILR and Distinguished Fellow, TERI, New Delhi	In Chair
2.	Shri A. B. Pandya, Secretary General ICID & Former Chairman, CWC, New Delhi	Member
3.	Shri R. K. Jain, Chief Engineer (Hq.), NWDA, New Delhi	Member
4.	Shri Bhupesh Rathore, President, Strategic Govt. Advisory, Yes Bank Ltd., New Delhi	Representing Shri Rana Kapoor, Managing Director and CEO, Yes Bank Ltd., Mumbai
5.	Shri K. P. Gupta, Director (Tech.), NWDA, New Delhi	Member-Secretary
6.	Dr. Vankina B. Tulasidhar, Finance & Public Resource Management Specialist Hyderabad	Special Invitee
7.	Shri M. K. Sinha, Assessor, Krishna Water Disputes Tribunal & (Retd.) Chief Engineer, CWC, New Delhi	Special Invitee
8.	Shri R. K. Pachauri, Chief Engineer (PPO), CWC, New Delhi	Special Invitee
	Other Officers	
9.	Shri Muzaffar Ahmad, Superintending Engineer, NWDA, New Delhi	
10.	Shri Anil Kumar Jain, Deputy Director(SCILR), NWDA, New Delhi	
11.	Shri R. K. Agrawal, Consultant, NWDA, New Delhi	
12.	Shri Pranay Ranjan, Sr. Vice President (CF), Yes Bank Ltd., New Delhi	
13.	Ms. Yuvika Oberoi, Economist & Sr. Vice President, Yes Bank Ltd., New Delhi	