



## PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

**Subject :** Amendments to the Karnataka Infrastructure Policy, 2007

- Read :**
1. Govt. Order No. IDD 01 UIP 1997, dated 26.12.1997.
  2. Govt. Order No. IDD 32 IDM 2003, dated 16.07.2007.
  3. Corrigendum Order No. IDD 59 ITS 2009, dated 31.05.2010 and 16.08.2010.
  4. Govt. Notification No. IDD 59 ITS 2009, dated 01.06.2010 and 02.06.2010
  5. Govt. Order No. IDD 07 ITS 2010, dated 08.08.2011.
  6. Govt. Notification No. IDD 59 ITS 2009 dated 19.05.2012

### **Preamble:**

Government of Karnataka brought out an Infrastructure Policy during 1997 vide Government Order read at [1] above. At the Government Order read at [2] above, the policy was revised during 2007, aiming to meet the growing needs of industrial and agricultural sectors by private investment and adopting an integrated approach to infrastructure development. The policy provided certain incentives and concessions for infrastructure projects. At the Government orders read at [3] above, threshold limits were prescribed besides giving certain clarifications for the three sectors eligible under Swiss challenge mode. In the Government Notifications read at [4] above, operational guidelines and further clarifications were provided under the Swiss challenge mode. In the Government Order read at [5] above, clarification on the computation of the exemption of entry tax was provided. In the Government Notification read at [6] above, some clauses of the guidelines pertaining to the Swiss Challenge mode were modified.

2. However, with the efflux of time, there have been changes in formulation of Government of India's Policy of Public Private Partnership (PPP) in infrastructure projects and the concept of Viability Gap Fund (VGF), special status to Hyderabad Karnataka Region, etc. have necessitated certain modifications in the infrastructure policy, 2007. Hence, Infrastructure Development Department proposed the necessary changes and obtained the suggestions of various Departments.

Hence the following order.

**GOVERNMENT ORDER No. IDD 07 ITS 2013, BANGALORE  
DATED 30.10.2015**

1. Under the circumstances explained in the preamble, the Government of Karnataka is pleased to make the following amendments to the Infrastructure Policy, 2007.
2. The following 14[fourteen] sectors and sub-sectors are now covered under the policy:

Infrastructure Sectors	Existing Sub-sectors/Sectors as in the Infrastructure Policy 2007	Addition to the existing Sectors / Sub-sectors
1. Agri- infrastructure	<ol style="list-style-type: none"> <li>1. Agriculture and horticulture markets.</li> <li>2. Floriculture parks and markets.</li> <li>3. Agro-food processing and allied infrastructure (including common-user cold storage facilities).</li> </ol>	<ol style="list-style-type: none"> <li>1. Agriculture and horticulture infrastructure:               <ol style="list-style-type: none"> <li>a. Terminal storage</li> <li>b. Post-harvest storage infrastructure</li> <li>c. Logistics parks</li> <li>d. Warehouses</li> </ol> </li> <li>2. Animal Husbandry Parks and Dairy infrastructure</li> </ol>
2. Education	Infrastructure and facilities for educational institutions, not on a purely commercial basis, but which satisfy a public need.	<ol style="list-style-type: none"> <li>1. Knowledge City</li> <li>2. Vocational Training</li> <li>3. Skill Development</li> <li>4. Science &amp; Technology Parks</li> <li>5. e-Libraries</li> </ol>
3. Energy	<ol style="list-style-type: none"> <li>1. Power generation, including captive power generation, as per provision of the Electricity Act 2003, and co-generation projects, transmission, distribution and power trading services.</li> <li>2. Oil and Gas (origination, terminals, transmission and gas works).</li> <li>3. Renewable and non-conventional energy sources (Wind, Hydro, Solar, Tidal, Biomass and Municipal Solid Wastes[MSW]).</li> </ol>	No change
4. Healthcare	Infrastructure and facilities for healthcare, not on a purely commercial basis, but which satisfy a public need.	<ol style="list-style-type: none"> <li>1. Infrastructure and facilities for healthcare               <ol style="list-style-type: none"> <li>a. Primary</li> <li>b. Secondary</li> <li>c. Tertiary</li> </ol> </li> <li>2. Diagnostic centres</li> </ol>

Infrastructure Sectors	Existing Sub-sectors/Sectors as in the Infrastructure Policy 2007	Addition to the existing Sectors / Sub-sectors
		3. Trauma and Rescue centres 4. Rehabilitation and training centers for specially abled persons 5. Geriatrics centres 6. Medical education infrastructure
5. Industrial Infrastructure	1. Industrial Parks (including Biotechnology, Information Technology parks). 2. Special Economic / Free Trade and Export Promotion Zones. Industrial Estates and Industrial Townships.	1. Marine Parks 2. Food Parks 3. Special Investment Regions 4. Development of Specific Zones like National Investment and Manufacturing Zones 5. Corridor Development a. Industrial Corridors b. Infrastructure Corridors c. Freight Corridors 6. IT Services
6. Irrigation	Canals, Dams and Weirs	No change
7. Public Markets	Infrastructure and facilities for Public Markets, not on a purely commercial basis, but which satisfy a public need.	Markets to promote handicrafts and other items produced by women and specially abled persons
8. Tourism	1. Amusement, Entertainment, Theme Park. 2. Hotels/ Resorts. 3. Convention and Exhibition Centres. 4. Trade Fairs. 5. Cultural Centres	1. Golf Courses 2. Hospitality Districts 3. Special Tourism Region 4. Interpretation Centre and Cultural heritage 5. Wellness/Eco/ Wild life Tourism 6. Museum 7. Sports, Adventure related infrastructure
9. Transportation and Logistics	1. Roads (including bridges, interchanges and flyovers). 2. Railways 3. Urban transport system: MRTS, LRTS, Monorail, High-Capacity bus systems. 4. Airports and Airstrips. 5. Minor Ports and Harbours. 6. Inland Water Transport. 7. Bus/ Truck/ Urban Transport Terminals and associated public facilities such as Public Amenities Centres. 8. Warehousing infrastructure (including container freight	1. Railways a. Tunnels b. Viaducts c. Bridges d. Terminals 2. Urban Transport System-High Speed Rail System 3. Transport Terminals a. Inter-modal Transit Centres b. Traffic Management Centres 4. Parking Facilities a. Surface Parking b. Underground public parking facilities

Infrastructure Sectors	Existing Sub-sectors/Sectors as in the Infrastructure Policy 2007	Addition to the existing Sectors / Sub-sectors
	stations, container depots, cold storage facilities and tank farms). 9. Mechanised and Multi-storey Parking Facilities.	
10. Urban and Municipal Infrastructure	<ol style="list-style-type: none"> <li>1. Township Development.</li> <li>2. Commercial development with common-user facilities.</li> <li>3. Water Supply and Sewerage.</li> <li>4. Desalination.</li> <li>5. Wastewater recycling and reuse.</li> <li>6. Underground drainage.</li> <li>7. Solid Waste / Bio-Medical Waste/ Hazardous Waste: Collection, transportation, treatment and disposal facilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Energy Efficiency in               <ol style="list-style-type: none"> <li>a. Street Lighting</li> <li>b. Intelligent Traffic Management</li> </ol> </li> <li>2. Signage</li> <li>3. Abattoirs</li> <li>4. e-waste management</li> </ol>
11. Sports and Youth Services	<b>New Sector added</b>	<ol style="list-style-type: none"> <li>1. Sports Infrastructure</li> <li>2. Art &amp; Culture Theatres</li> <li>3. Play grounds/ courts/stadiums</li> <li>4. Hostels/quarters in the games villages</li> <li>5. Sports training centres and Gyms</li> </ol>
12. Housing	<b>New Sector added</b>	<ol style="list-style-type: none"> <li>1. Low cost / EWS housing</li> <li>2. Affordable housing</li> <li>3. Old-age homes</li> <li>4. Working Women Houses/ hostels</li> </ol>
13. Rural Development	<b>New Sector added</b>	<ol style="list-style-type: none"> <li>1. Rural Roads</li> <li>2. Waste to energy (agri-waste)</li> <li>3. Rural drinking water projects</li> </ol>
14. Tele-communications	<b>New Sector added</b>	<ol style="list-style-type: none"> <li>1. Telecommunication - Fixed network Optic fibre/cable networks which provide broadband/internet</li> <li>2. Telecommunication Towers</li> </ol>

3. In order to improve the infrastructure facilities on priority basis in the Hyderabad Karnataka Region, the following measures are proposed:
  - a. Prepare an Infrastructure Strategic Action Plan for the region that would address key social and economic infrastructure such as roads and bridges, health care, educational, drinking water supply, minor irrigation, animal husbandry, sericulture, forestry and urban development.
  - b. Create a PPP cell in the Hyderabad-Karnataka Area Development Board (HKADB) which will be equipped to:
    - i. Identify potential PPP projects that can be undertaken in the region
    - ii. Facilitate selection of private developers for implementation of various projects
    - iii. Oversee performance of these projects
  - c. A committee under the Chairmanship of the Principal Secretary, Infrastructure Development would be formed to monitor the progress of PPP projects on a quarterly basis. All projects being implemented on PPP mode would be fast tracked to ensure faster delivery of services.
  - d. Undertake specific capacity building programs for the officers in the region to understand the need and benefits of PPP.
4. For monitoring PPP projects, a two-tier mechanism shall be introduced wherein the PPP Cells within each department shall have a Project Monitoring Unit (PMU), which monitors the projects through a reporting mechanism and the State Level Performance Review Unit (PRU) would review the reports submitted by the different PMUs.
5. Government of India has brought out several model bid documents for various sectors. The State will adopt them for PPP projects undertaken in the State. The State will consider policies and rules on PPP as and when formulated by Government of India.

6. To promote innovative projects by maximising competition & transparency, the private sector participant can submit the proposal under Swiss Challenge/suo-moto route for projects in all the 14 [fourteen] sectors mentioned under para [2] above. An important condition for the Swiss Challenge or Suo-moto proposals is that it must be an innovative proposal. An “Innovative proposal” means an infrastructure proposal submitted by a private sector participant that has innovation in technology that is unique and legally owned or authorised to be used by the Proposal Initiator that could result in increased value addition; it may refer to incremental, emergent or revolutionary changes in products, services and/or process. The proposal should not only be suo-moto but also innovative and with the prescribed threshold limits. The scheme will be operated as per the operational guidelines issued earlier with the following threshold limits:

Infrastructure Sectors	Threshold Limits
1. Agri-infrastructure	Projects costing Rs.25 crore and above.
2. Education	Projects costing Rs.25 crore and above.
3. Energy	Projects costing Rs.50 crore and above.
4. Healthcare	Projects costing Rs.50 crore and above.
5. Industrial Infrastructure	Projects costing Rs.100 crore and above.
6. Irrigation	Projects costing Rs. 500 crore and above for <b>major irrigation</b> projects; and Projects costing Rs.200 crore and above for <b>minor irrigation</b> projects.
7. Public Markets	Projects costing Rs.25 crore and above.
8. Tourism	Projects costing Rs.50 crore and above.
9. Transportation and Logistics	Projects costing Rs.500 crore and above.
10. Urban and Municipal Infrastructure	Projects costing Rs.50 crore and above.
11. Sports and Youth Services	Projects costing Rs.50 crore and above.
12. Housing	Projects costing Rs.50 crore and above.
13. Rural Development	Projects costing Rs.25 crore and above.
14. Tele-communications	Projects costing Rs.100 crore and above.