Effective and adequate financing is the most crucial aspect of any infrastructure project, and according to an estimate India will require around $400 bn additional fund to sustain its growth by 2050.

Currently India invests around 15 lakh crore in social infrastructure, & according to Economic survey 2020 this investment has rosed from 1.5% of GDP to 7% of GDP from 2014 to 2019.

Various channels through which these fund reach are

(i) Directly from Government
→ from centre to state to local bodies.
These include in Education sector, Health etc through schemes like Samagra Siksha Abhiyan and Ayushman Bharat.

(ii) private sector investment

→ private sector also invested in education, health with direct management control and thus profit is recieved 100% from people.

(iii) Public private model -

→ various models like BOT, Hybrid Annuity model are functioning under PPP.

→ Government also provide viability gap funding for viable projects.

(iv) social stock exchange - SEBI has lanched SSE so that investors and various funderunching social actors link themselves for funding like NGOs.

(v) Impact investment - like Rajasthan Government has allowed to uplift its women through education.

(vi) Municipal Bonds

- Banglury and Hyderabad municipal corporations are raising funds by issuing bonds for social infrastructure.

Dispite this as economic survey pointed out, India is way behind in social indicators like Human Development Index (129th), Hunger Index (94th) etc at the same time inequality is rising.

Way Forward

(i) National Infrastructure Pipeline aims to invest $102 bn by 2024 through centre-state and private share.

This should be made effective by minimising wastage of money by delays & project overrun.

(ii) NEP envisaged to raise share of education by 6% of GDP - government should take effective steps for it.

(iii) minimising corruption (rank 80th) through zero tolerance.