

NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

MONDAY, FEBRUARY 02, 2026

[^ TOP](#)

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-  [Economic Survey 2025-26: Need to improve India's PPP frameworks](#)
-  [Economic Survey: PPP framework needs focus on market building](#)
-  [Economic Survey 2025-26: What will it take to skill for Viksit Bharat?](#)
-  [Infra projects see cost overrun of Rs 5.42 lakh cr in December](#)
-  [Mira Bhayandar flyover row: MMRDA explains why route in Mumbai abruptly narrows from four lanes to two](#)

Economic Survey 2025-26: Need to improve India's PPP frameworks
 The Economic Times,
 February 02, 2026

Synopsis

India's Public-Private Partnerships require a strategic shift. The focus must move from individual projects to building robust markets. Reducing uncertainty and broadening the definition of infrastructure are key. This evolution is crucial for India's growth and its vision for Viksit Bharat @2047.

"Joining the Hands that Believe in Building Sustainably # Platform for Sustainable Infra"

Public-Private Partnership (PPP) frameworks in India need to move from transaction-centric execution toward system-level market building, with a sharper focus on reducing structural uncertainty, the Economic Survey 2025-26 has said.

Noting that wider understanding is needed for what should be categorised as infrastructure, the survey noted the concept is evolving beyond physical networks to encompass digital public infrastructure, clean energy systems, resilient water management and future-ready technologies.

“While PPP frameworks have matured at the central level and in select sectors, challenges persist at the sub-national level,” the survey noted adding the distinction between PPPs and Engineering Procurement and Construction (EPC) contracts—namely that PPPs are partnerships rather than vendor arrangements—is not always fully understood.

According to the Survey tabled in parliament Thursday, trust deficits and a limited understanding of risk-reward principles continue to constrain the uptake of PPPs in several states and urban local bodies.

“These challenges are compounded by uneven institutional capacity, even as states and cities account for a rising share of infrastructure demand,” the survey said noting the next reform frontier lies in professionalising PPP cells, adopting programmatic approaches instead of project-by-project experimentation, and leveraging data platforms to track performance, renegotiation, and lifecycle outcomes.

Highlighting how public perception, an often-overlooked aspect related to PPP, is also crucial, the survey noted that they are sometimes perceived as ‘selling of assets’ rather than long-term service partnerships, particularly at the state level.

“Improving communication and transparency is therefore important for sustaining public acceptance and investor confidence, especially for projects with long concession periods,” the survey said, adding the perception principle has improved by a long margin among central projects as compared with States.

“The lesson is often lost that wrong signalling in this regard creates two problems – adversely affecting the public mood and driving away investors willing to stomach the entirety of risks across a long concession period (30-60 years),” the survey noted.

This year’s survey also highlighted how India’s widened infrastructure base is enhancing productivity, competitiveness, innovation and sustainability across the economy.

“Looking ahead, maintaining investment momentum, deepening private participation and aligning infrastructure development with emerging priorities—such as decarbonisation, digitalisation and resilience—will be critical,” the survey said adding these efforts position infrastructure as a central pillar of India’s medium-term growth strategy and a key enabler of its long-term development vision under *Viksit Bharat @2047*.

The Survey noted that coordinated investments across roads, railways, ports, civil aviation, energy, digital and rural infrastructure have begun to yield tangible efficiency gains—shorter

travel times, faster freight movement, improved logistics performance and wider access to essential services.

These improvements in transport connectivity are enhancing ease of travel for people and businesses by reducing travel times, lowering transaction costs and expanding access to markets.

“Enhanced multimodal integration and more reliable freight movements are strengthening regional integration and improving the competitiveness of the Indian economy by enabling firms to participate more effectively in domestic and global value chains,” the survey said.

^ TOP

Economic Survey: PPP framework needs focus on market building

The Economic Times,
February 02, 2026

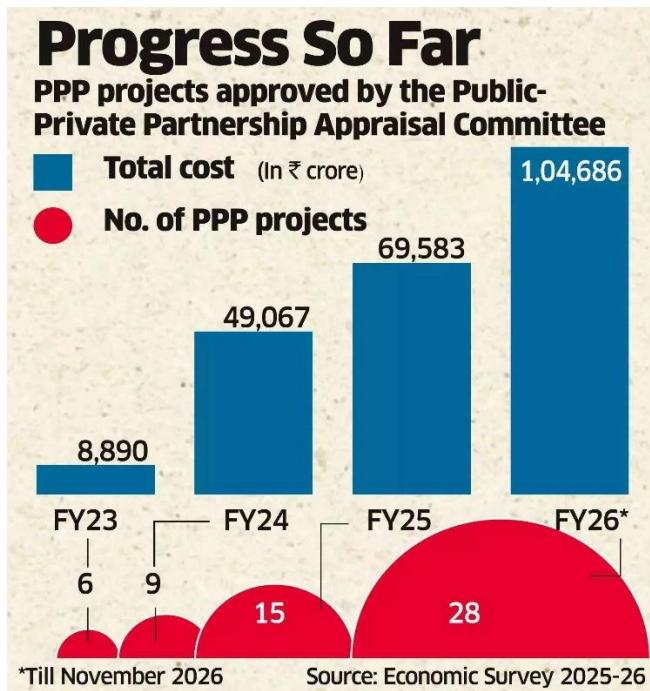
Synopsis

India's Economic Survey urges a shift in public-private partnerships from mere transactions to market-building, emphasizing reduced uncertainty and multi-year project visibility. It calls for innovative financing, including user charges and municipal bonds, to boost infrastructure.

India's public-private partnership (PPP) framework needs to move from transaction-centric execution toward system-level market building, with a sharper focus on reducing structural uncertainty, said the Economic Survey.

“Public sector efforts alone cannot meet India's growing infrastructure requirements. A multi-pronged financing approach is essential to attract the requisite investments from the private sector and long-term institutional investors,” it said. “This strategy requires strengthening resource mobilisation across all levels through innovative measures, including viable user charges and empowering municipal bodies to float bonds for localised resource generation.”

Laying out a roadmap for more PPP projects in the country, the survey called for sectoral pipelines with multi-year visibility on bankable projects, predictable exit and restructuring pathways. It also recommended a renegotiation framework for complex cases to help sustain investor confidence and scale up PPPs, with a focus on emerging and socially critical sectors such as health, education, warehousing, sanitation, urban infrastructure and green hydrogen.



"The Economic Survey has rightly focused on the need to develop a wider array of PPP models with nuanced risk-sharing and right-price infrastructure services that can facilitate infrastructure development significantly," said the Confederation of Indian Industry director general Chandrajit Banerjee, adding that strong and transparent dispute settlement mechanisms and predictability of policies would ensure certainty in returns.

As per the survey, the next challenge is to extend the PPP maturity seen in traditional infrastructure sectors to a new generation of PPPs in emerging and socially critical sectors where the conventional concession-style risk transfer is often insufficient.

Kuljit Singh, partner and national infrastructure leader, EY India, however, said that to ensure PPPs in health, education and other social sectors, the government needs to form a central agency charged with the exclusive responsibility for implementing PPP in these sectors.

"Further, the government needs to frame model bid documents and also provide budgetary support to kick-start the process of identifying and conceptualising new PPP projects," Singh said.

Highlighting the challenges in PPP projects at the sub-national level, the survey said trust deficit and a limited understanding of risk-reward principles continue to constrain the uptake of PPPs in several states and urban local bodies.

"There is a need to professionalise PPP cells," it said, suggesting expansion of construction-period risk mitigation tools, partial credit guarantees in social sectors, takeout financing and standardised refinancing frameworks as potential measures that can materially lower the cost of capital.

^ TOP

Economic Survey 2025-26: What will it take to skill for Viksit Bharat?

The Hindustan Times,
February 02, 2026

The survey states that while the size of India's workforce, over 560 million, is itself a strength, "it is equally important to improve its quality, as economic growth relies on both the size and capabilities of its labour force."

Early vocational education, stronger industry participation, outcome-based financing, expansion of apprenticeships, and digitally enabled monitoring systems are among the interventions that will help India's skilling ecosystem meet the evolving demands of the labour market and realise the vision of Viksit Bharat by 2047, Economic Survey 2025-26 said.

The survey states that while the size of India's workforce, over 560 million, is itself a strength, "it is equally important to improve its quality, as economic growth relies on both the size and capabilities of its labour force." It adds that "opportunities for vocational education at all levels are vital for strengthening the skill ecosystem and realising the Viksit Bharat's vision."

Flagging that only 0.97% of 14-18-year-olds have received institutional skilling, while nearly 92% have had none, the survey calls for embedding structured skilling pathways in secondary schools (Classes 9 to 12). It says early exposure to market-relevant skills can boost employability, reduce dropouts, and help convert India's demographic advantage into productive human capital.

The Central Board of Secondary Education (CBSE) offers skill and vocational education from Class 6 to Class 12, aiming to equip students with practical, industry-relevant skills. It offers short-duration (12-hour) skill modules through NCERT's 'Kaushal Bodh' books in Classes 6 to 8. Students can choose skill subjects as electives in secondary (9 to 10) and senior secondary (11 to 12) levels.

Flagging persistent gaps between training and employability of youths, the survey says that "local skilling remains inadequately aligned with industry needs", while "weak technical and vocational education and training (TVET) quality" and limited practical exposure often result in certified candidates failing to meet employer expectations. The survey states that evaluation of skilling initiatives must move "beyond compliance-based metrics such as enrolments and certifications" and instead focus on "whether skilling programmes generate sustained labour-market value in terms of employability, earnings, and job retention."

To address these challenges, the survey calls for a shift from supply-driven to industry-driven skilling with industry involvement in training, apprenticeships and assessments. The survey also lays strong emphasis on apprenticeships. "Apprenticeship opportunities should expand into new-age and gig economy sectors, including green manufacturing, logistics, and digital services, to meet emerging industry demands," the survey says while recommending unified governance of apprenticeship schemes, stronger district-level outreach, and greater incentives for MSMEs (micro, small and medium enterprises) to increase participation.

At the institutional level, the survey highlights reforms to modernise Industrial Training Institutes (ITIs), including smart classrooms, modern labs, digital content, and industry-

aligned courses. These measures aim to “reposition ITIs as modern, industry-integrated institutions that deliver high-quality, demand-driven vocational training.”

On financing, the survey proposes moving towards outcome-based funding models to encourage closer employer partnerships and counselling of trainees.

According to the survey, digital infrastructure is another critical enabler. The integration of Skill India Digital Hub (SIDH), National Career Service (NCS) and the e-Shram portal (national database of unorganised workers) has created “a robust digital infrastructure that can be leveraged for real-time monitoring and assessment, linking training records with employment outcomes, employer demand, and individual skilling trajectories,” the survey explains. This will enable continuous tracking of trainees and support evidence-based policy decisions, it said.

Dr Nipun Sharma, CEO, TeamLease Degree Apprenticeship (a work-integrated learning and apprenticeship platform), said the survey rightly stresses on foundational and soft skills for enhancing employability.

“To fully capture this opportunity, growth must be matched with capability. As AI reshapes employability globally, deeper investment in skilling, re-skilling and work-based learning, especially apprenticeships, can create a powerful engine for employability, productivity and inclusive participation, bringing the country closer to its vision of a Viksit Bharat,” he said.

Box | Learning Outcome Pattern

Economic Survey 2025-26 emphasizes a shift from input-based education to a “learning outcome” assessment framework that measures actual competencies instead of years of schooling or course completion. It notes that despite improved enrolment at all levels of schooling, “learning outcomes remain uneven across regions, social groups, and institutions,” weakening employability and productivity.

To address this, the survey calls for strengthening the National Achievement Survey (NAS) which assesses the learning competencies of students in grades 3, 5, 8, and 10, and introducing “a PISA-like competency-based assessment at the end of Class 10” to benchmark student learning. Created by Paris-based Organisation for Economic Co-operation and Development (OECD), the Programme for International Student Assessment (PISA) measures 15-year-olds’ ability to use reading, mathematics and science knowledge and skills to meet real-life challenges.

The survey also proposes “a NIRF-like ranking system for schools,” on the lines of the National Institutional Ranking Framework (NIRF), to promote transparency, accountability, and performance-driven improvement.

The learning outcome framework focuses on setting measurable benchmarks for literacy, numeracy, digital skills, problem-solving, communication, and job-specific competencies. The survey says that “assessment systems must evolve to capture cognitive, technical, and behavioural skills,” including continuous evaluation, practical testing, and workplace-based assessments, while aligning curriculum design with industry standards to ensure relevance.

[**^ TOP**](#)

Infra projects see cost overrun of Rs 5.42 lakh cr in December

The Economic Times,
February 02, 2026

Synopsis

Central infrastructure projects exceeding Rs 150 crore each have accumulated a cost overrun of Rs 5.42 lakh crore as of December 2025. A total of 1,392 projects, with a revised cost of Rs 35.10 lakh crore, are being monitored. The Transport & Logistics sector leads in project numbers, highlighting a focus on connectivity.

Several infrastructure projects worth above Rs 150 crore each registered a cumulative cost overrun of Rs 5.42 lakh crore, according to a monthly government report for December 2025.

The 'Flash Report on Central Sector Infrastructure Projects' (worth Rs 150 crore or more) for December last year showed that the revised cost of these 1,392 projects monitored by the statistics ministry stood at Rs 35,10,920 crore compared to their original cost of Rs 29,68,248 crore.

The report did not specify the actual number of projects that are facing cost overrun.

The Ministry of Statistics and Programme Implementation (MoSPI) stated in a press release on Thursday that as of December 2025, 1,392 ongoing infrastructure projects related to 17 central ministries/departments, with a revised cost of Rs 35.10 lakh crore, have been reported on the PAIMANA portal.

As of December 2025, the cumulative expenditure incurred on 1392 under implementation projects stood at Rs 19.01 lakh crore, accounting for approximately 54.1 percent of the revised project cost.

Out of the 1,392 ongoing infrastructure projects, 469 (33 percent) have achieved over 80 percent physical progress, while 221 (16 percent) have crossed 80 percent financial completion, reflecting that a substantial portion of projects are at advanced stages of implementation.

The Transport & Logistics sector accounts for the highest number of ongoing projects (896 projects), with revised estimates of Rs 17.70 lakh crore, underscoring the priority to connectivity-driven infrastructure growth.

The total 1,392 ongoing projects include 585 'mega' projects (worth Rs 1,000 crore and above) with a revised cost of Rs 31.44 lakh crore, and 807 'major' projects (valued between Rs 150 crore and Rs 1,000 crore) amounting to Rs 3.66 lakh crore.

The Ministry of Statistics and Programme Implementation (MoSPI) has operationalised a new portal, PAIMANA (Project Assessment, Infrastructure Monitoring & Analytics for Nation-building), for the monitoring of central sector infrastructure projects worth Rs 150 crore and above, replacing the OCMS-2006 (Online Computerised Monitoring System).

In line with the principle of 'one data, one entry', PAIMANA has been integrated with DPIIT's Integrated Project Monitoring Portal (IPMP/IIG-PMG), enabling automatic information sharing between central ministries/departments. This integration has substantially reduced manual data entry, with about 60 percent of projects on PAIMANA being updated automatically.

[^ TOP](#)

Mira Bhayandar flyover row: MMRDA explains why route in Mumbai abruptly narrows from four lanes to two

The Hindu Business Line,
February 02, 2026

The flyover runs along Metro Line 9 and connects the Mira Bhayandar Road with Golden Nest Circle in Bhayandar --- one of the busiest junctions in the area where five roads meet and traffic remains heavy throughout the day.

The flyover runs along Metro Line 9 and connects the Mira Bhayandar Road with Golden Nest Circle in Bhayandar --- one of the busiest junctions in the area where five roads meet and traffic remains heavy throughout the day.

Mumbai is no stranger to bizarre flyovers — from routes that were closed within hours of inauguration for being “too slippery” to a misaligned pathway that dangled several feet above the bridge it was supposed to connect. Others have managed to worsen congestion or create traffic bottlenecks upon use in the past few years. The latest entrant to this rather baffling list of architectural curiosities is a flyover within the Mira-Bhayandar suburb adjacent to Mumbai.

The yet-to-be-inaugurated route features a broad four-lane road that abruptly transforms into a two-lane design without much preamble. The outer tracks come to an abrupt end — forming a ledge with only empty space beyond it while the two central lanes forge determinedly ahead. It is not a gradual process. Vehicles using the flyover will have to force their way into the middle lanes or remain stranded on top of the flyover.

“That chokepoint is going to create more traffic jams than the flyover was intended to reduce. Not to mention vehicles launching themselves into thin air at night,” lamented one Reddit user.

“Four lanes to two with an abrupt choke point is not ‘future planning’. It’s crash engineering. If space is tight, you design a proper taper, merge length, signage, and speed control. Who signed off on this, and where’s the safety audit?” another asked on X.

The flyover runs along Metro Line 9 and connects the Mira Bhayandar Road with Golden Nest Circle in Bhayandar — one of the busiest junctions in the area where five roads meet and traffic remains heavy throughout the day. The Mumbai Metropolitan Region Development Authority has positioned it as the solution to congestion woes along the busy highway by offering those travelling towards Bhayandar a separate route.

Why does the flyover narrow from four to two lanes?

Local residents have questioned the design — pointing out that the flyover narrows sharply as it merges under Metro Line 9 near the Shaheed Bhagat Singh Garden station. Photos and

videos flagging the bizarre design have also gone viral on social media with netizens heaping criticism on the civic bodies operating within Mumbai. The MMRDA however offered an explanation as the clips went viral.

“The flyover does not ‘suddenly narrow’. The transition from 4 lanes to 2 lanes is not a design flaw, but is based on available road width constraints, and future network planning....This design enables smooth crossing of one of the busiest junctions in the Mira–Bhayandar region while accommodating on-ground constraints. Provision has been kept for future widening, wherein the outer side of the flyover on both carriageways will be extended by an additional 1+1 lane to ensure improved east–west traffic continuity,” began a lengthy fact-check from the MMRDA.

The agency also noted that the expansion proposal was currently in a planning stage — likely to be taken up in coordination with the municipal corporation after obtaining the relevant approvals. It insisted that the current edition had been “designed primarily for traffic dispersal and congestion reduction in the Mira–Bhayandar area”.

“The flyover has been designed with two lanes for Bhayandar East and future connecting two lanes for Bhayandar West. Since the Bhayandar East arm comes first along the alignment, the 4-lane configuration presently transitions into 2 lanes. The remaining two lanes on the outer side are planned as part of the future extension towards Bhayandar West across the Western Railway line,” the MMRDA wrote on X.

The post also asserted that necessary safety measures have been incorporated while building the bridge. This included rumble strips, delineators, adequate signage, retro-reflective tags, directional boards, and anti-crash barriers.

Recurring issue in Mumbai?

Much has been said about recent infrastructural developments in Mumbai — as a growing list of flyovers face structural or design flaws. Perhaps the biggest example would be the Gokhale bridge fiasco that went viral in February 2024. A section of its foot overbridge had collapsed onto railway tracks amid heavy rain in July 2018 — exposing several design flaws and leaving multiple people injured. The main bridge was eventually closed for reconstruction in November 2022 after an audit flagged glaring concerns.

It was partially reopened in February 2024 but instantly faced heat due to misalignment with the CD Barfiwala flyover. Former BMC Commissioner IS Chahal had noted during the inauguration that the height of Gokhale Bridge needed to be increased by a whopping 1.5 metres in order to make sure the two roads connected.

^ TOP