



### First Spain-India Forum

The first edition of Spain-India Forum was inaugurated on 3<sup>rd</sup> December, 2014 in Madrid. The theme of this forum was "Sustainable Cities and Transport Networks for the Generations to come". This forum was organised by the Spain-India Council Foundation.

While speaking at the inauguration, the President of the Spain-India Council Foundation said that this forum provided a great opportunity to promote interest in both the countries and that it could well become a reference point in terms of bilateral cooperation in trade and investment between the two countries. He also remarked that the centre of gravity was moving towards the east, thus recognizing the potential of India and other Asian countries. Secretary General (FICCI) talked about the need for developing infrastructure and ease of doing business in India, while also referring to four major initiatives undertaken in India, viz, Make in India, 100 Smart Cities, Digital India project and Skilling India programme. Mr. Talleen Kumar, CEO, Delhi Mumbai Industrial Corridor, also talked about the recent initiatives undertaken in India to ease the process of doing business. He also pointed out the challenges in doing so. The Spanish Secretary of State for Foreign Affairs talked about 3 areas of importance in the sphere of bilateral relationship between Spain and India - he briefly talked about strengthening political dialogue, promoting bilateral trade and investment and undertaking exchanges in academic and cultural spheres.

The inauguration of the forum was followed by a bilateral session on infrastructure finance. On the question whether financing posed a constraint to development of infrastructure, Mr. Unai Parra of Santander bank stated that Santander bank had already deployed a lot of capital in Latin America, North America and Europe and that infrastructure assets are capital intensive and hence should be a result of long-term decision making. It must also be integrated with economic cycle and growth of an economy. He also referred to the legal framework while making available finance for infrastructure. Ms. Tatiana Gallego of Asian Development Bank stated that ADB provides assistance for various projects and also does 'hand-holding', which is guiding the borrower through different phases of the project. She stated that ADB tended to finance on the sovereign side, with sovereign guarantee. Interestingly, she added that

processes in such funding/assistance were slow, but sometimes it is not bad. She also talked about the issue of capacity building, strengthening of urban local bodies and building up capacity of the contractors. Ms. Rinki Dhingra of Yes bank said that the financing sector in India is not that well developed. Among other things she called for the need to develop the bonds market to strengthen infrastructure financing in India. Mr. Sunil Kanoria of SREI laid emphasis on learning from the past experiences and India's experiment with PPP models in the infrastructure sector. He talked about striking a balance between risk and return in infrastructure financing. He pointed out that long-term financing was a problem in India. Mr. Ke Fang of World Bank, dealing with transport sector financing in India, stated that availability of finance was not a big problem, but expressed his concerns about repayment. The representative from BBVA bank stated that they had no notable presence in India but were looking forward to invest in India. He added that BBVA was interested in developing long-term financing in India, but he also raised concerns about availability of economically and financially viable projects and risk sharing systems. He also pointed out the hindrances faced in local currency financing.

The bilateral session on infrastructure finance was followed by three simultaneous bilateral sessions on Urban Development, Urban Sustainability and Urban Transport, attended by experts and administrators. Thereafter, the participants and guests of the forum made technical visits and held on-site meetings at Main Control Center of Canal de Isabel II, CITRAM and Madrid Metro Control Center. A few more technical visits and on-site meetings followed on 4th December, 2014