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How does NaBFID scale up infrastructure lending while keeping risks low and projects sustainable?

The Institution has been established to address India's persistent infrastructure financing gap by developing long-term non-recourse infrastructure financing, including development of the bonds and derivatives markets.

Within 3 years of operationalization, we have built strong capabilities in project appraisal, risk management, and sector analytics. Our risk management tools factor in different scenarios from earlier experiences, and proper risk mitigation covenants are stipulated. We are enabling transformative projects in renewable energy, transport, data centres, social infrastructure, and emerging sectors.

While we finance projects with strong viability, long-term cash flows, and proven sponsors' track record, we also work with governments and market participants to strengthen

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early-stage preparation and ensure bankability. Projects are evaluated for environmental and social impact, climate resilience, and sustainability to mitigate risks and support India's energy transition and development goals.

Some light on strategic priorities for NaBFID to attract private and global capital to the sector.

Our strategy is to enable domestic and global capital to participate in India's infrastructure with confidence and long-term visibility.

We have launched the Partial Credit Enhancement (PCE) product to catalyze participation from insurance companies & pension funds in infrastructure and support fresh issuances in the bond market. To facilitate foreign investment, we are in the process of setting up investment arms at GIFT City through a Finance Company, Fund Management Entity and Alternative Investment Fund. We aim to attract private capital by co-participating in equity investment, sharing risks, and aligning interests with private investors.

To address the limited availability of viable projects, we offer Transaction Advisory Services (TAS) to build a steady pipeline of bankable projects, support project identification, develop risk-aligned financing models, identify funding gaps, and facilitate investor mobilization.

What is your approach towards mobilizing blended finance

and credit enhancement for infrastructure financing?

We are advancing the developmental agenda by expanding access to innovative infrastructure - financing instruments. We offer fixed-rate loans with longer reset periods to improve borrowers' cash-flow visibility and we are increasing participation in restricted-group structures, InvtTs and refinancing opportunities.

We remain committed to develop the corporate bond market through the PCE product and we are working with Multilateral Development Banks (MDBs) on a backstop guarantee facility to enhance PCE pricing competitiveness.

To augment capital availability for urban infrastructure, we are participating in municipal bond issuances, fostering greater market competition and supporting market development through a market-making role. We have also launched a programme-based lending product for financing of Waste Management projects by Urban Local Bodies.

We are engaging with various MDBs to explore joint financing opportunities and exploring blended finance structures.

We have been recommended by the Ministry of Environment, Forest and Climate Change (MoEFCC) as a Direct Access Entity for accreditation with the Green Climate Fund, enabling mobilization of concessional funds for green climate-positive projects. ■