



Editor's Note

September was an action-filled month, where The Infravision Foundation did as much thinking as doing. There was an intense three-hour long surety bonds roundtable with key stakeholders, meetings with our friends at The Convergence Foundation and World Bank, as well as preparations for our second quarterly meeting of the year. Research papers on sustainability ratings and financial viability of metro systems (more on this next month) were published, while work on the water body census in Rajasthan was in full swing.

Green Signal For Green Ratings

India is in the midst of an economic transition to become a \$5 trillion economy by 2026-27. As a signatory to the Paris Agreement, India has committed in its Nationally Determined Contributions (NDCs), to reduce the emission intensity of GDP by 45 per cent in 2030 from 2005 levels. In addition, India has also committed to Net Zero emissions by 2070. The Infravision Foundation (TIF)'s research paper published in collaboration with Envint Global suggests an S-I Rating, a sustainability ratings mechanism for infrastructure projects based on environmental and social Key Performance Indicators (KPIs) that help in objective assessments of the sustainability considerations embedded in the project. The mechanism incorporates 102 KPIs across 15 themes. The TIF's research paper recommends that a 'Sustainable Infra Development Cell' or SIDC be created under the aegis of the National Bank for Financing Infrastructure and Development (NaBFID) to act as the owner/promoter for the development and administration of such ratings, and promotion of adoption of ratings for infrastructure projects.

To watch video interview with logistics expert Rajaji Meshram on Sustainability Ratings: An Idea Whose Time Has Come, please click here

<https://www.youtube.com/watch?v=Jis2Q7oOfr0>



TIF Synergies with NaBFID

TIF Founder Vinayak Chatterjee met officials of NaBFID to explore possible collaborations in shaping the development trajectory, capacity building, pushing financial instruments, and cross border project conceptualisation. Chatterjee met the MD of NaBFID Rajkiran Rai G and two senior teammates, Monika Kalra, Deputy Managing Director, and TD Sivakumar, Vice President, Corporate Strategy, Partnerships and Ecosystem Development. They saw synergies and have decided to take a proposition for association to their board.

Surety Bonds Roundtable Resounding Success

The detailed planning paid off with a full house at the Surety Bonds Roundtable organized by The Infravision Foundation (TIF) under the auspices of CII. Attended by key stakeholders, it acquired serious heft with the presence of chairman of the Insurance Regulatory and Development Authority of India (IRDAI) Debasish Panda, who argued for a collaborative approach to aid the Government's big push in infrastructure. The discussion was prefaced by the presentation of a research paper by Supratim Sarkar, Distinguished Fellow, TIF. It was authored by TIF in collaboration with the SP Jain

Institute of Management and Research. Among those who attended were senior officials from Ministry of Finance, National Highways Authority of India (NHAI), representatives from several insurance companies, the World Bank, other public and private banks, infrastructure companies, reinsurers and insurance brokers. The IRDAI chairman pointed out that India is expected to spend about Rs 100 lakh crore on infrastructure through the National Infrastructure Pipeline in the next five years. This requires bank guarantees of approximately Rs 90 lakh crore in the next five years which banks currently do not have capacity for. This is where surety bonds need to step in to complement bank guarantees. He also underlined the guidelines IRDAI has issued since last year on surety bonds, among them the IRDAI (Surety Insurance Contracts) Guidelines, 2022 opened up the sector. The IRDAI followed this with circulars of January 2023 and May 2023 which removed restrictions on business to be underwritten, relaxed solvency margin requirements, allowed insurance for commercial and contractual surety and removed limit of guarantee with the aim of giving a boost to the business of surety insurance. Surety bonds have a robust \$20 billion market in advanced economies, noted Vinayak Chatterjee, founder and managing trustee of TIF, and it is about time these were widely used in India.



JCB CEO Deepak Shetty, TIF Founder Vinayak Chatterjee, IRDAI Chairman Debasish Panda and Bajaj Allianz CEO Tapan Singhel at the roundtable



More than 90 stakeholders attended the roundtable



Panda addresses the gathering



Supratim Sarkar makes TIF presentation

Test Your Infra Power

1. Which is the longest bridge in India?
2. On which lake did the reunion of Raju, Farhan, Ranchoddas Chanchad and Pia take place in the 2009 hit movie, 3 Idiots?
3. Bangalore International Airport was renamed in 2018. Whom was it named after?
4. Which is the oldest running train in India?
5. Which state became the first in India to have 100 per cent piped water connection?

"The success of surety bonds is critical to the growth of the economy envisioned by the Government."

Tapan Singhel, CEO, Bajaj Allianz General Insurance

"Surety bonds need a structure where the traditional banking structure and the insurance sector can work in partnership with each other."

Vinayak Chatterjee, founder and managing trustee of TIF

"The current regulatory framework presents the general insurance industry with a unique opportunity to diversify their portfolio and play an important role in nation building. The time for organic growth is over and there is a need to accelerate the early adoption of surety bonds."

Debasish Panda, chairman, IRDAI



TIF@CII

Rumjhum Chatterjee, co-founder TIF, was chairperson of the steering committee on CII's Corporate Women Leadership Awards, where some extraordinary women were honoured. Among them was Radhika Gupta, MD and CEO, Edelweiss Asset Management; Ameera Shah, Promoter and MD, Metropolis Healthcare, and Rituparna Chakraborty, co-founder Teamlease Services.



The CII members with the award winners

The Lifetime Achievement Award deservedly went to former MD of HDFC Bank, Renu Sud Karnad. The CII instituted the CII Corporate Women Leadership Awards 2022 – 23 to recognise exceptional women leaders whose passion, perseverance and performance have created positive changes in the business world. Speaking on the occasion, Rumjhum Chatterjee reiterated that for India to become a USD 5 trillion economy, reducing gender disparities in the economic domain will need to play a bigger role in economic growth and development.



Welcome Aboard

Geetanjali Vikram Kirloskar

Chairperson and MD, Kirloskar Systems, and Chairperson, Toyota Tsusho Insurance Brokers, joins us as member, Council of Advisors



Why did Mumbai's monorail fail? And how can we rescue it?

Mumbai's monorail project has come under the scanner yet again. Recent media reports have highlighted that the monorail project that became operational in phases since 2014 is expected to incur a net financial loss of Rs 529 crore in FY 2023-24. With an estimated daily ridership of about 12,000 and an annual fare box revenue of less than Rs 14 crore, the monorail system, critics argue, has become a "white elephant." Discussion on whether monorail should have been developed in Mumbai or not is moot. In order to attempt to save Mumbai's monorail system from financial distress and ridership losses, transportation decision-makers should urgently consider ways to integrate the system with other regional transportation networks effectively. Transfers should be quick and easy, and not via buses that require additional transfers or long walks that are burdensome. Even then, however, monorail may not be able to ease crowding on suburban trains or traffic congestion on expressways. Additionally, densification and local economic development strategies along the monorail corridor may be pursued to make the monorail a feasible local people mover. It is not clear, however, whether land use planning interventions specifically aimed at saving a financially struggling transportation infrastructure is good planning. Can supply-side improvements help? Studies need to be conducted to assess whether further investments to increase train capacity, frequency, service quality and reliability are worthwhile. When fundamental conditions are unfavourable, service quality may not affect demand significantly. With all these fixes, whether Mumbai's monorail can generate sufficient revenues that can, at the least, cover a substantial part of operations costs, and whether it can generate private sector excitement in operations remains to be seen.

Infra@TheMovies

On the face of it, *The Bridge on the River Kwai* (1957) is a story of building and destroying a railway bridge in occupied Burma during the Second World War. Based on Pierre Boulle's novel, it is, however, a deeper examination of honour and discipline. Sometimes an honourable soldier can be so blinded by the discipline demanded of him that he ends up enabling the enemy. And sometimes a man who lies and cheats can show tremendous courage in the face of great



odds. The suffering of the British prisoners of war at the hands of the brutal Japanese soldiers forever scarred the souls of those who watched it. Boulle's novel was based on the Burma-Siam railway built to support the large Japanese army in Burma. Approximately 13,000 prisoners of war and 100,000 civilians died during the construction. A masterpiece by David Lean who later came to India to shoot another brilliant literary work, *A Passage to India*, in 1984.

TIF@TheMedia

The introduction of FASTags has improved system efficiency, says Vinayak Chatterjee but we still need better synchronization at toll plazas and monitoring of recharge. Speaking to BQ Prime, he elaborated on FASTags, a system introduced to reduce the time taken at highway tolls. Problems such as long queues (with the average waiting time of 8 minutes reduced to 47 seconds), linkage of cash collection with the Wholesale Price Index creating a shortage of change, routine arguments with toll plaza officials, and often unaccounted cash generation posing tremendous problems to banks have almost disappeared. Almost every vehicle now has a FASTag attached to the windscreen, with 97 per cent penetration, as of May 2023. Annually, the collection is now a staggering Rs 73,000. To watch the full video please click on this link: <https://www.bqprime.com/must-watch/advantages-of-fastag-the-future-of-toll-collection>



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