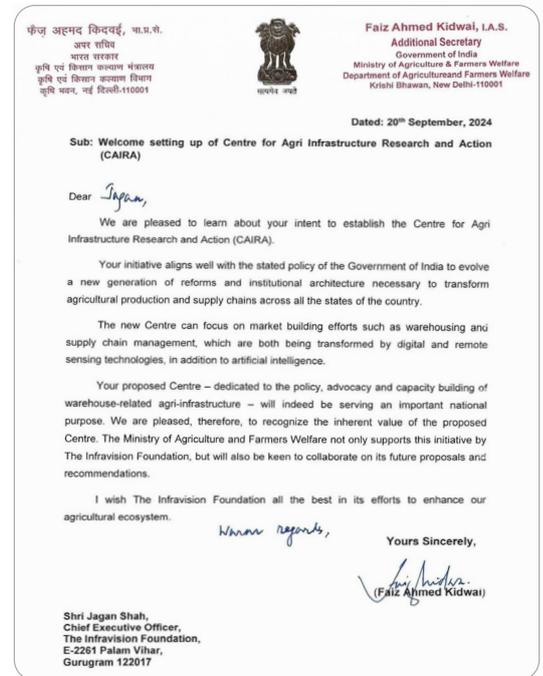


Editor's Note

Election campaigns, festivals, and the shadow of war. The good and terrible coexisted in a month where India celebrated the vanquishing of the venal. The Infravision Foundation worked towards its goal of mainstreaming issues such as road safety and the necessity for high-speed rail, which seemed to be gaining traction in the media as well, even in a hotly contested, politicised time. For TIF, every small step on the long journey to bringing infrastructure issues to the top of the national agenda is a big victory.

CAIRA takes shape

TIF is establishing a new Centre for Agri Infrastructure Research and Action (CAIRA). The centre, under the aegis of TIF, will be a hub for advocacy on issues related to regulation, finance, management and planning for agri infrastructure. Former Secretary for Agriculture in the Government of India, Siraj Hussain, has agreed to be the Chairman of the CAIRA Governing Council. TIF Founder and Managing Trustee Vinayak Chatterjee and public policy expert Akhilesh Tilotia will join him as founding members on the Governing Council. The Chairman and members will expand the Governing Council by inducting new members as work progresses. TIF has received a Letter of Support from the Ministry of Agriculture and Farmers Welfare. The letter states that the CAIRA initiative "aligns with the stated policy of the Government of India to evolve a new generation of reforms and institutional architecture necessary to transform agricultural production and supply chains across all states of the country". The prospect of establishing CAIRA as a leading national centre for development and promotion of agri infrastructure in India seems closer than ever.



On the Road, Safely

It's not every day that a Union Minister admits the government has failed. But then Minister for Road Transport and Highways Nitin Gadkari believes in speaking his mind. More people, he said recently, have lost their lives in road crashes than in wars, militancy, and Naxalism combined. He called it a "dark issue" for his ministry, and symptomatic of a society lacking both "fear and respect for the law." There could be no better time for all stakeholders to follow the recommendations made in the road safety study by TIF and IIT Delhi's Transportation Research and Injury Prevention Centre. TIF has put its weight behind the report with a powerful call to action in Business Standard through an advertisement and article (https://www.business-standard.com/economy/analysis/road-safety-authority-crucial-to-reducing-accidents-says-new-study-124100800839_1.html).



Infra in the Age of AI

The world stands at the precipice of a fundamental shift in its relationship with work. One in five jobs could possibly disappear, displacing the vulnerable, eliminating repetitive tasks, automating services and predicting knowledge. It will also enable the highly skilled to learn, grow and be efficient. Competition will create equity, but it will also raise some tough questions: what happens when labour is abundant and what is the role of education in such an environment. These were among the many insights from AI expert Shailesh Kochhar, who was in conversation with TIF CEO Jagan Shah at the India Habitat Centre in the sixth edition of InfraKatha. The topic was AI: Reshaping the Digital Infra Landscape. Kochhar took a long view of technological innovation and how each age of change brought with it fears of unemployment. AI, he said, would provide as many challenges as opportunities. Here's more on the riveting conversation which included fascinating insights in answer to several questions from a curious audience : <https://youtu.be/hlzp4YhZcMo> .



Shailesh Kochhar at InfraKatha



Audience listening to Kochhar



Kochhar and TIF CEO Jagan Shah



Sneak Peek Infrakatha #7

Author and historian William Dalrymple will be in conversation with TIF Founder and Managing Trustee Vinayak Chatterjee on the Indosphere and the rise of cities in ancient India. It's the seventh edition of InfraKatha on November 24, 2024, at 7 pm at Gulmohar, India Habitat Centre. Here's the registration link to attend. <https://habitatclub.indiahabitat.in/registration?id=4890> .

TIF@Media

The International Centre for Settlement of Investment Disputes (ICSID) is a World Bank Group institution set up in 1996, with a specific mandate to resolve disputes that arise between foreign investors and the countries in which they invest. Although India actively participates with the World Bank and its affiliated institutions — the International Finance Corporation and the Multilateral Investment Guarantee Agency — it is not a signatory to ICSID. India's hitherto non-participative position in ICSID requires a fresh assessment, according to TIF Founder and Managing Trustee Vinayak Chatterjee in Business Standard.

Business Standard NEW DELHI | FRIDAY, 18 OCTOBER 2024

India should join World Bank's dispute centre

The International Centre for Settlement of Investment Disputes (ICSID) is a World Bank Group institution set up in 1996. With a specific mandate to resolve disputes that arise between foreign investors and the countries in which they invest, although India actively participates with the World Bank and its affiliated institutions — the International Finance Corporation and the Multilateral Investment Guarantee Agency — it is not a signatory to ICSID. India's hitherto non-participative position in ICSID requires a fresh assessment, as in the world of global investment flows, ICSID does stand out as a credible institution for cross-border investment-related disputes resolution.

Over time, ICSID has indeed become a pre-eminent forum for settling disputes between foreign investors and host states. As of December 31, 2023, it had 158 Contracting States and seven Signatory States under its fold, with 967 arbitration and conciliation cases registered under its Convention and Additional Facility Rules. Arguably, India's non-participation stands out, as many of the 158 states that are members of the ICSID Convention include India's major trade and investment partners. Being a member of ICSID not only gives states and their investors access to dispute resolution under the Convention, but also a voice in ICSID's governance. Membership is voluntary, with its services being utilised only if both parties consent.

The ICSID has demonstrated over the years that it plays a crucial role in maintaining stability in international investments through arbitration, conciliation, and mediation. Its inclusion in numerous treaties and national laws underscores its significance in shaping the cross-border investment landscape, which has grown exponentially since the institution's founding. With the powerful involvement of the World Bank, solutions delivered are given the recognition by both parties in a dispute.

India's membership issue arises at a time when the country is working earnestly towards attracting \$100 billion in annual foreign direct investment (FDI) over the next few years, up from \$71 billion in 2022-23. To achieve that, the government has correctly focused on the drivers of private investment, including rapid improvements to infrastructure and logistics, and streamlined processes for establishing businesses. Being a signatory to ICSID would provide the much-needed booster dose of confidence to a new cohort of foreign investors.

At the same time, India's outward foreign direct investment (OFDI) has been steadily increasing since the financial year 2020-21, when it was approximately \$17.8 billion. The sectors that attracted significant OFDI from India include information technology, pharmaceuticals, minerals, energy, manufacturing and infrastructure. Indian companies have been actively pursuing mergers, acquisitions and greenfield investments in various countries across Asia, Africa, Europe, and the Americas. These investments are driven by factors such as market access, technology acquisition, resource diversification, and strategic expansion. Overall, India's outward investment flows are expected to continue growing as Indian companies seek to strengthen their global presence and competitiveness. This trend underscores India's increasing economic influence on the global stage.

As India's FDI flows increase inward and outward, so does the potential for investment disputes arising from various sources: Political and regulatory changes, geopolitical tensions, economic crises, expropriation risks, contract breaches, capital convertibility issues, restrictions on currency repatriation, changes in royalties and taxes, cultural misunderstandings, environmental concerns, and transparency issues. India's expanding overseas investment footprint increases exposure to these scenarios, highlighting the need for an effective and impartial dispute resolution mechanism to navigate the intricate landscape of international investments, and mitigate risks. In the past, India has faced several controversies with foreign investors, including tax disputes with Vedatone and Cairn Energy, as well as

issues related to Enron's Dabhol Power project and the POSCO steel plant. Similarly, Indian investments abroad have seen shocks. The imposition of an unexpected cess by Indonesia on coal exports had raised serious existential questions about the viability of two of India's very large imported-coal-based power plants. There are also several well-known cases where Indian investments have been jeopardised due to commercial disputes with host countries.

The ICSID offers a credible risk-mitigating opportunity. By becoming its member, India can provide foreign investors with a trusted legal framework for dispute resolution, significantly enhancing its appeal as an investment destination. Indian businessmen investing abroad would also benefit from similar protections. The underlying concept behind ICSID is that foreign investors everywhere depend on the rule of law and fair mechanisms for resolving legal disputes. This is as true for investors coming into India as it is for Indian investors going abroad.

In the race to sustain its impressive FDI growth, India must do more than tweak policies — it needs to modernise its approach to investment. A game-changing move would be joining the ICSID. This step would signal to the world that India is serious about creating a transparent and reliable environment for investors, driving confidence and unlocking even more foreign capital flows. While concerns about sovereignty remain, the potential to elevate India's global investment standing and secure long-term economic growth far outweigh the risks.

It's important to note that ICSID membership aligns with India's model bilateral investment treaty. It would complement India's broader efforts around legal reforms, such as the need to make judicial procedures more efficient and responsive to current needs. Ultimately, investors benefit from a range of options to settle disputes, both domestic and international.

The competition for global capital is fierce and India must leverage every tool at its disposal. In this fiercely competitive global market, joining the ICSID is a move India cannot afford to miss.

The author is an infrastructure expert. He is also the founder and managing trustee of The Infravision Foundation. Vrinda Singh contributed to this piece



INFRATALK
VINAYAK CHATTERJEE

TIF@Roundtable

TIF Advisor and former director of IIM Bangalore G Raghuram spoke at the second National Warehousing & Supply Chain Summit on Driving Efficiency with Innovative Solutions, organized by the Federation of Indian Chambers of Commerce and Industry (FICCI) in October. Raghuram made a strong pitch for government lands to be opened up to private warehousing players for the field to grow.

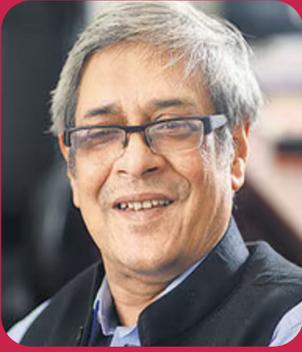


TIF@Workshop

There were two representatives from TIF at Josh Talks' City Champions summit. TIF CEO Jagan Shah and TIF Distinguished Fellow Rajiv Ranjan Mishra spoke at a panel discussion on shaping the future of our cities for a Viksit Bharat. They shared their vision on how the startup ecosystem can enhance coordination with the government in addressing India's complex city systems. The event also saw honours for the top 16 change-making organisations driving urban transformation across India.



Jagan Shah and Rajiv Ranjan Mishra (left, second left) at the City Champions Summit



We shall miss you, Bibek

Bibek Debroy was a Renaissance Man. An economist, a passionate translator of ancient Hindu texts, a railways enthusiast, and a dear friend of TIF as well as juror of the InfraShakti Awards, he was an early proponent of the Sooraj Se Rozgari study. TIF's presentation to the Economic Advisory Council to the Prime Minister, which he chaired, was seminal in the later crafting of the Prime Minister's Surya Ghar Muft Bijli Yojana. But TIF's association with him went beyond and above that. He was much loved for his passion for limericks as much for his illuminating advocacy of Itihasa.

TIF@Mission Karmayogi

TIF Founder and Managing Trustee Vinayak Chatterjee participated in a webinar on India's infrastructure development journey as part of Karmayogi Saptah, under the banner of Mission Karmayogi, launched by Prime Minister Narendra Modi. Chatterjee spoke on key phases of growth, challenges faced and the path forward for creating sustainable and world-class infrastructure. He was one among key Karmayogis such as Infosys co founder Kris Gopalakrishnan, Chairperson of the M.S. Swaminathan Research Foundation Dr Soumya Swaminathan and CEO of the Azim Premji Foundation Anurag Behar who spoke during National Learning Week, which aims to foster lifelong learning and skill development for civil servants. The goal is to provide actionable insights for government officials to improve their effectiveness and contribute to a stronger, more responsive public service.

Test Your Infra Power

1. Which river rejuvenation project is causing a controversy in Telangana?
2. Where in India is the Tata Advanced System Limited-Airbus facility dedicated to manufacturing C-295 military aircraft.
3. Where will the 2024 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, more commonly known as COP29, be held?
4. Which is the longest highway in India?
5. Which fort was the location for some scenes in this year's biggest hit, the horror comedy Stree 2?



1. Musi, with 100 activists demanding that the government not indulge in arbitrary demolitions.
2. Vadodara
3. Baku, Azerbaijan
4. National Highway 44 (NH 44), which stretches 4,112 kilometers from Srinagar in the north to Kanyakumari in the south.
5. The Chanderi Fort



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