

Annual Conference on
Sustainable Investing and Responsible Development of Indian Highway Infrastructure

Key Take-Aways

Summarization Note

December 20, 2023
New Delhi

Overview

- Inaugural Session
 - 3 Inspiring speeches
- 5 Panel Discussions
 - 19 panellists
- Guest Speaker
- Key Note Address

A packed day – Listening to over 30 distinguished speakers on Sustainable investing and responsible development

Inaugural Session

- Session was graced by the key Decision Makers in the Government pertaining to the Road Sector in the Country , Chairman NHAI, Secretary, MoRTH and Hon'ble Minister of State.
- In their address, they set the bench mark for our deliberations and each of them mentioned that they look forward to the key recommendations from this Conference.
- In a very endearing note, the Chairman, NHAI crystallized the role of HOAI as serving as a “Bridge” between the Investors, Operating Platform and the Government.
- Secretary MoRTH gave us a glimpse of how the maintenance contracting model is moving toward Performance Based Models and Short Term Contracts for maintenance.
- Hon'ble Minister of State emphasized on the need to enhance Road User Satisfaction and exhorted the HoAI members to make sure that the Assets managed by them bears their Stamp.
- Finally, one assurance was given “ *Bring a Good Idea – be assured of Government's Support*”

Chair: Shri S K Nirmal, Secretary General, Indian Roads Congress

- It was brought out that over the years, ESG has moved from being considered as an impediment to an enabler for development
- 3 Rs – Reduce – Recycle- Reuse could not be emphasized better
- Professor brought out how research findings are not fully translated to the field and the need to do so
- Professor also cautioned us as to what to expect in terms of the use of new technology which requires fine tuning at the site level, and more patience with regard to performance monitoring
- With regard to Pavement Performance Monitoring Management Systems – importance of maintaining pavement maintenance records, use of new technology and continuous evaluation was emphasized.
- How to introduce and incentivize the use of sustainable asset maintenance practices was discussed.
- Can we incorporate the best practices into contracts while procurement ?

Panelists :
Smt Neha Vyas
Prof Murali Krishnan
Shri Madhavan R

Panel Discussion 2

Theme: Green Highway Initiatives

Chair: Shri R K Pandey, Former Member, NHAI & Advisor, MoRTH

- ESG goals to be made as *Social License* to operate an Asset - Gone are the days when ESG was a selective choice!!
- The audience was taken through a three year journey of Interise as they embarked on Green House Gases – assessment, management and monitoring . It was an inspiring story !!
- Green energy sourcing, the technological options were discussed, and how the existing policies can be synergized for the use of renewable energy in the projects
- One recommendation that came up during discussions was : how can this be introduced into technical specifications of the project to encourage wider use.
- LED conversion, urban forestry, Solar coverage, reduction of GH emission at toll plaza and strategies for Damage control were discussed

Panelists :
Shri Pawan Kant
Shri Viral Dholakia
Dr Prasad Modak
Shri Muralee Mohan

Panel Discussion 3

Theme: Growth Opportunities and Key Initiatives to be undertaken over the next 3 years

Chair: Shri Anup Vikal, CEO, Maple Highways

- This panel brought in the perspective of Investors to Highway Operation & Maintenance
 - Focus on safety, sustainability, communities, technological innovation, governance were key highlights
- The presentation on the operation aspect of the highway project struck a chord with the hands on Project Managers present
- Future technological innovations, how the future of tolling operations will look like and how are we to prepare for the new era was the focus of this panel. The tolling operation from being manpower centric to man-less operation was traced.
- Closed loop tolling such as ANPR & GPS tolling will be the order of the day very shortly
- Innovations in Maintenance was discussed - the comparison of performance over 5 years for various pavement rehabilitation technologies was shown

Panelists :
Shri Gaurav Chandna
Dr Zafar Khan
Shri Cherukuri Bhagwan
Raju

Panel Discussion 4

Theme: Vision Zero Fatality

Chair: Shri Neeraj Sanghi, Highway Concessions One

- Passionate discussion on the need for enhancing safety on our roads through Engineering, Education and Enforcement
- Awareness and Capacity building also plays an important role in moving towards Zero Fatality
- Lane distribution and Junction/intersection design has not been given its due during DPR.
- Another aspect that was deliberated was to dovetail the requirements of local community into the highway design – a big safety enhancer!!
- Communication from vehicle to others – V2X technology which is under development and testing could play a role in reducing road crashes/fatalities
- Concept of *Empathetic Engineering designs* in improving road safety was discussed

Panelists :

Shri Pawan Parik

Dr Roshan Jose

Shri Lijo Thomas

Shri Bovin Kumar

Chair: Shri Rajendra Kumar, Member, Finance, NHAI

- This panel evoked a lot of interest amongst the audience
- We were able to listen to the perspectives from the Lenders, Authority, Credit Rating Agencies and Concessionaires on the various opportunities and challenges in Financing Road Assets in the Country
- Lot of discussion centered around NHAI's Asset Monetisation effort through TOT mode.
- Member Finance, very patiently explained the process that goes into fixing the reserve price and the predicament of NHAI in price discovery for TOT offers.
- Some suggestions were made in order to move to the next level of reform in highway financing
 - Revisions to MCA – a wider consultation with stakeholders could be arranged including incorporating lenders perspective
 - Is it high time that we require an Independent Regulator for Road sector?
 - Dispute Resolution to be streamlined – AT Award get litigated and lenders are at disadvantage
 - Sanctity of contracts to be maintained – All parties to CA must uphold contractual provisions
- INVITs – Lenders are quite comfortable with INVIT structures
- Access to green finance to be explored - Rating agencies would soon get into Green Rating as well

Panelists :

Shri Pawan Kumar
Shri Paritosh Kashyap
Shri K Ravichandran
Shri Neeraj Sanghi
Shri Gaurav Khanna

Government Support

- For seamlessly integrating ESG initiatives into projects support of the Government is essential
 - Put in a framework to quantify, recognize and incentivize ESG efforts of Firms
 - Quantification of sustainability index
 - Providing flexibility in contracts for use of new sustainable materials
- One of the findings from the experience of implementing ESG in other countries – the government always made *ESG implementation as a Business Case* - business friendly
- Revision of Concession Agreements to involve wider stakeholders, including Lenders
- Standardizing a methodology for arriving at Green Index to provide access for highway projects to access “ Green Finance”

Thank you