

# A REPORT ON INDIA AND GREEN AFFORDABLE HOUSING



**NEW DELHI**  
**28th NOVEMBER, 2023**

Current Policies & Reforms

Green Lending, Refinance, Support to HFCs & Developers

Green Construction techniques



**60+**  
PARTICIPANTS



**13**  
EXPERT SESSIONS

[iiflhomeloans.com/kutumb](http://iiflhomeloans.com/kutumb)

# Kutumb: ADB TA Closure Event

## Introduction

Kutumb stands as a testament to the unyielding commitment towards ushering in a new era of sustainable and affordable housing in India. 16th Kutumb and 10th in association with the esteemed Asian Development Bank (ADB), this initiative has traversed a transformative two-year journey, carving pathways for innovative solutions and inclusive strategies to address the pressing challenges in the housing sector. The closing ceremony, held on 28th November, 2023, served as a reflective juncture to acknowledge and celebrate the remarkable milestones achieved through the collaborative efforts of key stakeholders, policy influencers, and dedicated practitioners in the field.

## Background

As urbanization and population growth place unprecedented demands on housing infrastructure, the Kutumb initiative, fortified by the collaborative expertise of ADB, emerged as a beacon of change. Chapter 10 marked the culmination of a comprehensive program dedicated to not only bridging the housing deficit but also steering the narrative towards environmentally conscious, green housing solutions. The collective pursuit of sustainable urban development and the realization of affordable housing as a fundamental right for every citizen have been the guiding principles steering the course of Kutumb.

## Opening Remarks

The event commenced with a warm welcome from Mr. Hoe Yun Jeong, Deputy Country Director of ADB, expressing gratitude for the attendees and acknowledging the collaborative efforts that shaped the Kutumb initiative. Mr. Monu Ratra, Executive Director & CEO of IIFL Home Finance Ltd, provided insights into the transformative journey over the past two years.



## PANEL 1: Green Housing Profitability and Affordability: Current Policies and Reforms

### Overview

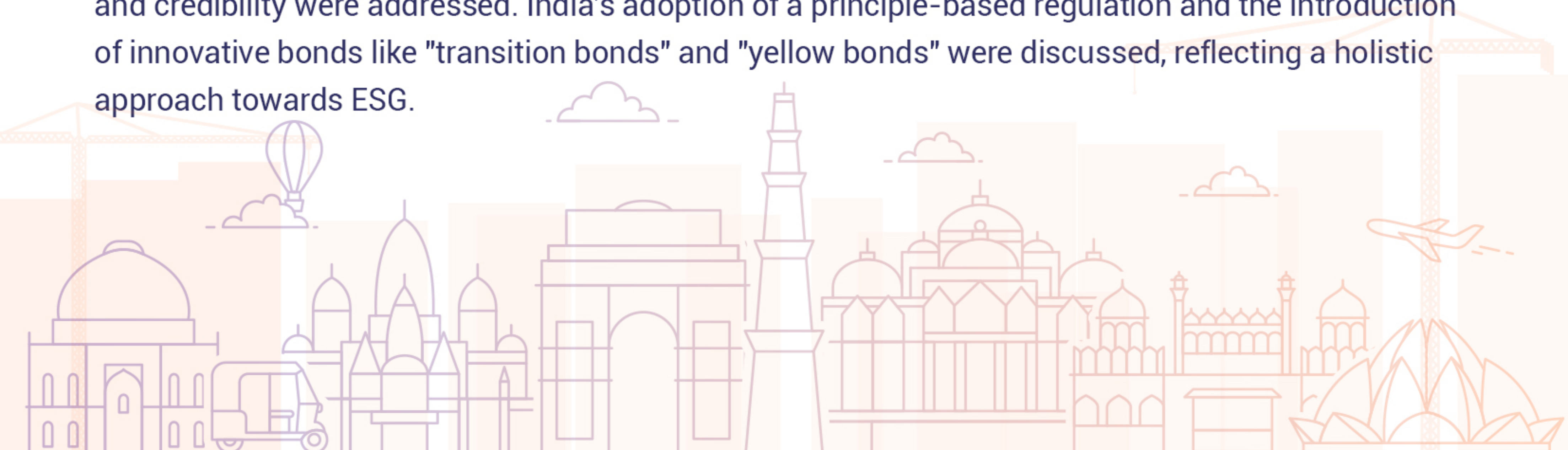
The panel discussion on green affordable housing in India addressed the multifaceted landscape of policies and initiatives aimed at fostering sustainable housing. Dr. Sejal highlighted the broad spectrum of housing in India, emphasizing the need for policy convergence in the fragmented and multi-sectoral policy landscape. The focus was on making affordable housing and green building policies more cohesive to maximize benefits and ensure visibility and profitability.

**Executive Summary:** The discussion revolved around the challenges and opportunities in the green affordable housing sector in India, highlighting the presence of policy instruments for mitigation and adaptation. However, concerns were raised regarding a policy vacuum post-certification, hindering the realization of life cycle benefits. The consensus among the participants was that reforms in certification, housing cooperative society act rules, and measures such as RERA are imperative to sustain green buildings.

The conversation then shifted towards scaling up the green housing landscape, with a particular focus on climate bonds. Three key levels were outlined: policy ecosystems, cross-cutting initiatives, and the repurposing of institutions. Emphasis was placed on the need for regulators to clarify their intent, and a "Bank–Borrower" engagement was deemed crucial. The scarcity of credible green building projects in India was brought to light, with discussions touching on the potential for growth through more interoperable and science-based standards.

Light was shed on existing rating systems in India, with a specific focus on energy efficiency. Challenges like harmonizing rating systems, lack of awareness, and the necessity for regulatory authorities at both central and state levels were discussed. The urgency to transition towards a transparent marketplace with demonstrator projects and faster execution was underscored.

Delving into the RBI discussion paper on climate and sustainable finance, the initiative in introducing the green bonds framework was highlighted. Challenges related to interoperability, policy vacuum, and credibility were addressed. India's adoption of a principle-based regulation and the introduction of innovative bonds like "transition bonds" and "yellow bonds" were discussed, reflecting a holistic approach towards ESG.



Exploring the convergence of green bonds with affordable and green housing, considering factors such as cost capital, pipeline, policy, and interoperability, was further discussed. Acknowledging the principle-based approach, the focus was on avoiding greenwashing. The importance of standards based on specific thresholds, responding to international frameworks, and the need to bring the story together more concretely were emphasized.

Emphasizing the risk of reputational damage due to greenwashing and discussing the role of BRSR in providing assurance throughout the value chain, the panel concluded with expressing hope for increased traction in green finance, interoperability between green and affordable housing, and potential reflections on gender-based inclusion in the future.

In conclusion, the panel provided insights into the challenges and opportunities in the green affordable housing sector in India, emphasizing the importance of cohesive policies, innovative financial instruments, and a collaborative approach involving regulators, financial institutions, and developers.

## Panel 1 Speakers



**Dr. Sejal Patel**  
Professor and Program Chair,  
Master of Urban Housing at  
CEPT University



**Neha Kumar, Head**  
South Asia Programme,  
Climate Bonds Initiative



**Shounak Ray**  
Business Development Lead,  
International Finance Corporation



**Pradeep Ramakrishnan**  
General Manager, Department of  
Debt & Hybrid Securities (DDHS) |  
Securities & Exchange Board of  
India (SEBI)



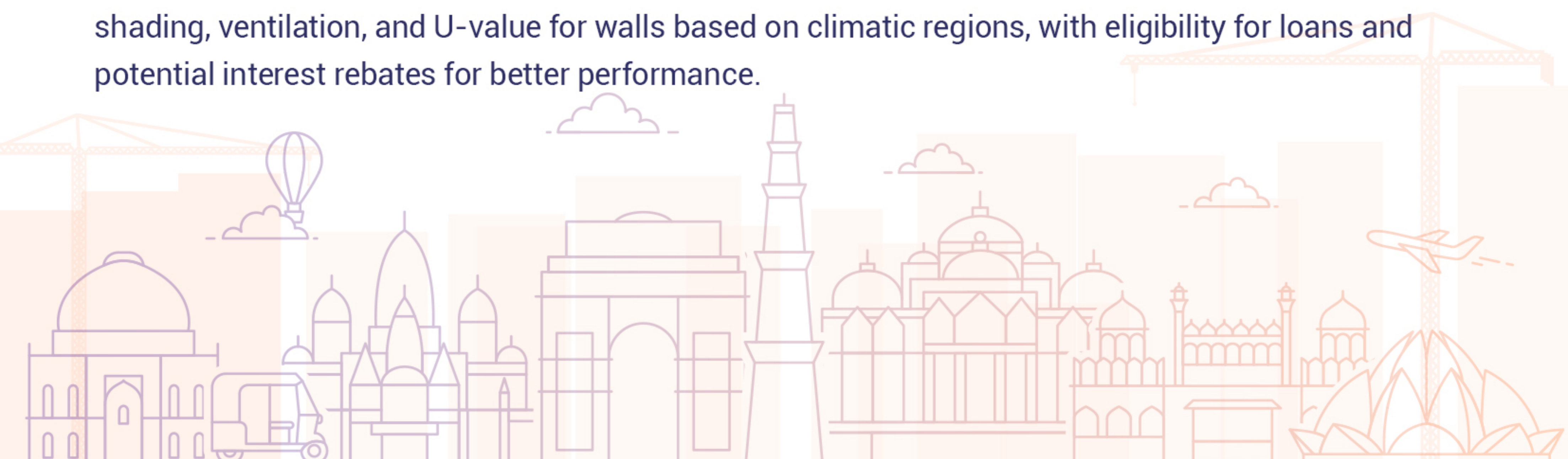
## PANEL 2: Green Affordable Housing and Climate Emergencies: Sustainable Design and Green Construction Techniques

### Overview

Understanding the explicit challenges faced by affordable housing initiatives in India is crucial. Noteworthy examples like the Light House Projects (LHPs) showcase the effective utilization of sustainable construction materials and cost-efficient techniques, serving as exemplars that demand wider dissemination and practical application. In the pursuit of resource-efficient buildings that enhance occupants' health and well-being, the concept of Green Buildings (GB) has emerged. Green Building Rating Agencies (GBRA) play a pivotal role in formulating Green Building Rating Programs (GBRP) characterized by predetermined, intent-based Rating Criteria. The existing rating mechanism hinges on a relative comparison between a building's base case and its green iteration, without necessarily considering its absolute operational performance. As the backdrop of challenges and innovative solutions is set, the conclusion must address the imperative need for a paradigm shift towards performance-based assessments in the affordable housing landscape in India.

**Executive Summary:** Under the moderation of Mr. Ravi Chaudhary, Head Technical at IIFL Home Loans, a distinguished panel provided expert insights into sustainable practices in the housing sector. Shailesh Kumar Agrawal, Executive Director of Building Materials & Technology Promotion Council (BMTPC), shared valuable perspectives on innovative building materials and technologies. Ashok B Lall, Founder and Principal Architect at Ashok B Lall Architects, contributed architectural insights, while Ashok Kumar, Deputy Director General at the Bureau of Energy Efficiency (BEE), Ministry of Power, discussed the crucial role of energy efficiency in housing. The collaborative expertise of the panelists, guided by Mr. Chaudhary's moderation, enriched the dialogue on advancing sustainable housing initiatives.

The panel highlighted the reliance on rating systems to certify projects for financial support. While intent-based systems emphasize documentation and design, the absence of a robust monitoring mechanism for actual performance over the years poses a significant challenge. The essentials for affordable housing propose mandates on the municipal level, such as roof insulation, external shading, ventilation, and U-value for walls based on climatic regions, with eligibility for loans and potential interest rebates for better performance.



The discourse emphasized the need for a balance between mandatory regulations and voluntary processes driven by market forces, particularly for affordable housing. The Light House Project, initiated in 2009, showcased the government's commitment to resource-efficient technologies, with a focus on 3D printing and a global housing technology challenge yielding 54 innovative construction systems. The project, encompassing 1000 houses for economically weaker sections, utilized technologies like precast concrete and drywall construction, promoting sustainability. The concept of Technograhya as change agents reflected the government's proactive role in ushering innovative technologies into the construction sector. The discussion also underscored the importance of mainstreaming sustainable materials, such as cement-stabilized earth blocks and lightweight concrete, for broader accessibility.

The panel emphasized the necessity of updating standards and codes to address future challenges, with a focus on the Energy Conservation and Sustainability Building Codes (ECSBC). As the building sector plays a pivotal role in India's commitment to reducing emission intensity, the code incorporates a comprehensive range of sustainability features, necessitating continual updates in response to climate change and evolving building materials.

## Panel 2 Speakers



**Shailesh Kumar Agrawal**  
ED, Building Materials & Technology  
Promotion Council (BMTPC)



**Ashok B Lall**  
Founder and Principal Architect,  
Ashok B Lall Architects.



**Ashok Kumar**  
Deputy Director General,  
Bureau of Energy Efficiency (BEE),  
Ministry of Power



**Ravi Chaudhary**  
Head Technical,  
IIFL Home Loans



## PANEL 3: Green Affordable Housing Landscape in India: Green Lending, Refinance, Support to HFCs & Developers

### Overview

The discussion underscores the critical need for tailored climate finance training, emphasizing robust monitoring processes and the absence of enforcement mechanisms. The conversation commences with a critical examination of training needs within the climate finance landscape. Panelists emphasize the necessity for tailored training programs for various stakeholders, ranging from urban local bodies to architects and lenders. A recurring theme is the urgent requirement for robust monitoring and verification processes to underpin climate finance claims. The absence of enforcement, monitoring, and follow-up mechanisms is identified as a major gap that hinders progress.

**Executive Summary:** Moderated by Mr. Ajay Jaiswal, Chief Operating Officer at IIFL Home Finance Ltd., the panel brought together diverse expertise to discuss crucial aspects of energy and finance. Ekta Mehra, Senior Specialist at KfW, shared insights into sustainable financing. Mohua Mujherjee, Senior Research Fellow at the Oxford Institute of Energy Studies and Independent Director at IIFL Home Finance Ltd., contributed research perspectives. Gagan Sidhu, Director at the Centre of Energy Finance, CEEW, discussed the evolving landscape of energy finance. Monu Ratra, Executive Director and CEO at IIFL Home Finance Ltd., provided leadership insights.

The collaborative discussion, steered by Mr. Jaiswal's moderation, offered multifaceted insights into the intersection of energy and finance in the housing sector. Panelists discuss that the training imperative extends to urban local bodies and municipalities, urging them to grasp the stake they hold in climate initiatives and the spillover benefits tied to sustainable infrastructure. Architects, engineers, students, next generations, end-users, and lenders are all identified as crucial elements requiring targeted education. The emphasis is not merely on replication but on the adaptation of international practices to suit the specific needs and challenges of the Indian context. The prevailing sentiment is that comprehensive training is integral to overcoming capacity-building gaps.

The dialogue then navigates towards the financial instrument of green bonds and its potential growth in the Indian market. Drawing parallels with the renewable energy sector, panelists highlight the ease of defining and certifying projects in the green bond space, underscoring the attractiveness of international markets due to low-interest rates. However, questions arise regarding the readiness of the domestic market and the associated credit ratings of green bonds.

The need for a visible path linking demonstration projects to a comprehensive program and eventual green bond issuance is posited, bringing forth the importance of a structured approach.

A pivotal point surfaces as the panelists discuss the necessity of target setting in the green housing sector. Clear targets are perceived as a catalyst for progress, providing a roadmap for stakeholders. Expressing optimism, panelists foresee a unified approach to climate initiatives within the next few years. As a testament to this optimism, an ambitious goal is articulated – dedicating 8 to 10% of incremental financing to green projects over the next five years. This commitment signifies a collective determination to drive change and allocate resources to sustainable endeavors.

The discussion culminates with a visionary look into creating a carbon credit market for housing, envisioning green initiatives as tradable commodities. Lighthouse projects are cited as essential, emphasizing the importance of moving from demonstrations to pilots, programs, and eventually green bond issuance. The potential of a carbon credit market adds a layer of financial innovation to the discourse, turning sustainability into a tradable asset.

## Panel 2 Speakers



**Ekta Mehra**  
Senior Specialist,  
KfW



**Gagan Sidhu**  
Director, Centre of Energy Finance,  
CEEW



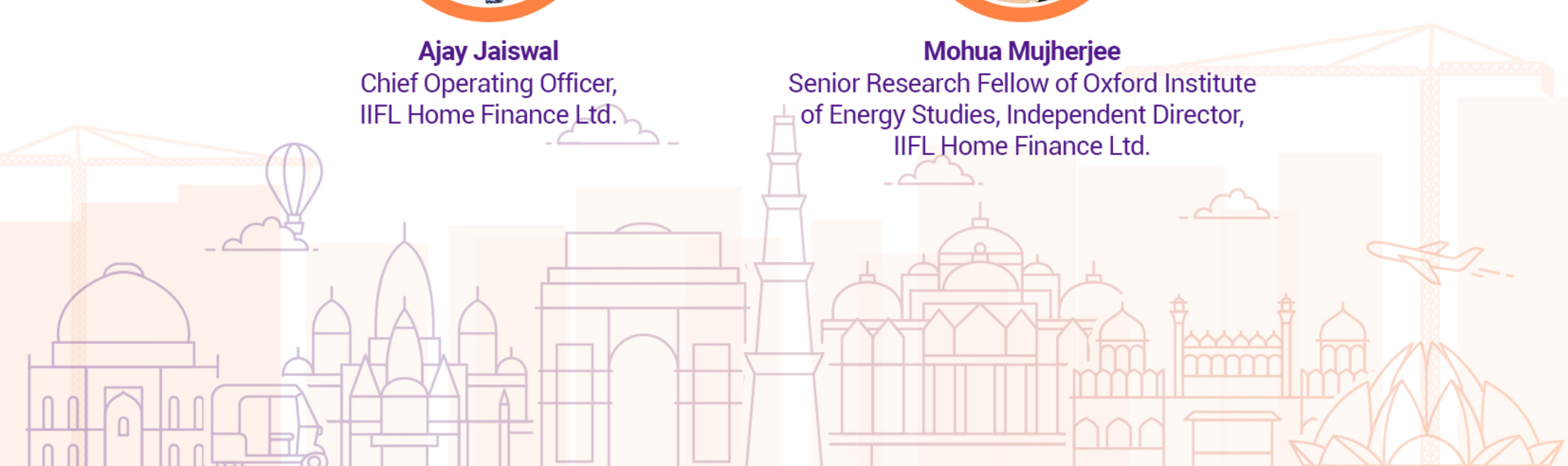
**Monu Ratra**  
ED & CEO,  
IIFL Home Finance Ltd.



**Ajay Jaiswal**  
Chief Operating Officer,  
IIFL Home Finance Ltd.



**Mohua Mujherjee**  
Senior Research Fellow of Oxford Institute  
of Energy Studies, Independent Director,  
IIFL Home Finance Ltd.





## KUTUMB 1.0 CULMINATION

As we draw the curtains on Kutumb 1.0, a collaborative venture between IIFL Home Finance Limited and the Asian Development Bank (ADB), the event stands as a testament to the transformative journey embarked upon in the realm of green affordable housing in India. The culmination of this two-year initiative marks not just an endpoint but a significant milestone in the ongoing pursuit of sustainable and inclusive housing solutions.

Throughout Kutumb 1.0, distinguished speakers, experts, and stakeholders converged to dissect and deliberate on the multifaceted challenges and opportunities in the Indian affordable housing landscape. From policy discussions and financial instruments to sustainable design and climate resilience, each panel offered nuanced insights, laying the groundwork for a more cohesive, resilient, and environmentally conscious housing ecosystem.

The dedication and commitment expressed by Mr. Monu Ratra, Executive Director & CEO of IIFL Home Finance Ltd, underscore the unwavering resolve to propel this initiative forward. His forward-looking vision, encapsulated in Kutumb 2.0, signifies a strategic shift from luxury settings to grassroots engagement, leveraging technology to disseminate best practices and foster a more inclusive dialogue. Dr. Mischa Lentz, Senior Urban Development Specialist from ADB, emphasized the program's accomplishments, notably the development of 30 training courses and community learning events, addressing the gender dimensions of urban design. The collaboration successfully raised awareness about the pivotal role of women in the housing sector, marking a step towards a more inclusive and gender-sensitive approach.

The panel discussions, featuring esteemed participants from diverse sectors, not only highlighted the challenges but also illuminated the path forward. From green bonds and sustainable construction techniques to the urgent need for training programs, the panels provided a comprehensive understanding of the landscape, setting the stage for informed and collaborative action.

As Kutumb 1.0 concludes, it leaves behind a legacy of knowledge, collaboration, and commitment. The journey does not end here; instead, it transitions into Kutumb 2.0, promising a more challenging yet rewarding phase. The collective vision for a sustainable and accountable future remains at the forefront, and the anticipation for future interactions and collaborations resonates in the closing remarks. In essence, Kutumb has not only laid the foundation for a greener and more affordable housing sector but has ignited a spark of collective responsibility, innovation, and inclusivity that will continue to shape the narrative of India's housing ecosystem in the years to come.

