INFRA-FISCAL RADAR · WEEKLY

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What is your toll actually worth?

Four governments just did four different things with the same asset — a future stream of user revenue. One **sold** it forward. One **auctioned it away by design.** One **wrote down** that it might not arrive. In the fourth it already didn't, and **31% of the financing landed on the budget.**

Four decisions and one anchor. Everyone is trading the toll; **the forecasts underneath it run a quarter high.**

Austral Fiscal & Infrastructure Intelligence · drawn from public reporting, with the Austral research series referenced throughout.

INDIA · SELLING THE TOLL

India is selling fifteen years of toll revenue to build the next road.

NHAI has finalised its list of national-highway stretches for monetisation in **FY 2026–27** under **Toll-Operate-Transfer** and infrastructure investment trusts: **17 assets, 1,692.5 km**, across nine states. Ownership stays with the State — what is sold is the operating right and the toll stream that comes with it, and the proceeds fund fresh construction.

1,692 km of operating highway whose **future toll revenue is being converted into cash today** — 17 assets, nine states

This is good treasury management and a real answer to a capital constraint. It is also, in substance, **a financing transaction**: cash now against revenue the State was already collecting and will not collect again.

> **Publish the traffic assumption, not just the price.** The upfront payment is a discounted forecast of somebody's traffic projection. Disclose the volume and growth assumptions behind the winning bid, and the transaction becomes auditable against outturn rather than only against the next auction.
>
> Austral papers → ***The Recognition Rule*** · ***The Viability Gap Is an Output***

BRAZIL · BIDDING THE TOLL AWAY

In Brazil, the winning bid *is* the toll you agree not to collect.

On **21 May 2026** the ANTT board homologated the concession of **BR-116/251/MG**, “Rota Gerais”, to Ecorodovias — the winning bid expressed, in the Diário Oficial, as a **19.00% discount on the basic toll tariff**. Weeks earlier EPR took the São Paulo–Curitiba Régis Bittencourt corridor at a reported **22.53%** discount, against R$7.2bn of works.

19.00% off the basic toll — not a side effect of the auction but **the award criterion itself**: the concession goes to whoever promises to charge users least

This is competitive tension working as intended, and users get the benefit on day one. It also means the revenue stream is deliberately thinned at the moment of award — **before a single vehicle has been counted.**

> **Publish the traffic case the discount was bid against.** A 19% haircut is prudent if the forecast was conservative and a hostage to fortune if it was not. The reserve price already embeds a volume assumption: disclose it, and the auction becomes a test of that assumption rather than of appetite.
>
> Austral papers → ***The Renegotiation Triangle*** · ***The Optimal Risk-Retention Frontier***

KENYA · COUNTING THE TOLL

Kenya's Treasury wrote down that the toll might not come.

The **2026 Budget Policy Statement** puts the PPP portfolio at **36 projects** and, on the flagship **Rironi–Nakuru–Mau Summit road (KSh 150 billion)**, names the exposure in the government's own budget document: "traffic demand uncertainty, revenue shortfalls and potential renegotiation risks."

KSh 150bn on one road inside a **36-project portfolio** — with demand risk named by the Treasury, in the budget statement, before anything has gone wrong

This is the case on this page that is going *right*. Most finance ministries disclose PPP exposure as a stock of commitments. This one names the mechanism — demand — and the remedy the mechanism triggers: **renegotiation.**

> **Name the mechanism, then price it.** Disclosure that identifies demand risk is most of the work. The step after is a distribution rather than a sentence: what the shortfall costs at the 10th percentile of traffic, and which budget line absorbs it in the year it appears.
>
> Austral papers → ***Stress-Testing PPP Portfolios*** · ***The Anchor and the Perimeter***

THE BAHAMAS · WHEN IT DOESN'T COME

Thirty-one per cent of the financing has already become debt.

The **Fiscal Strategy Report 2026**, tabled with the budget, records that of **US$140m** in PPP financing from the Africa Export-Import Bank for road upgrades on Eleuthera and Cat Island, **US$43.1m has crystallised** as an obligation the Public Treasury must repay. The report rates PPP exposure as of "moderate potential fiscal impact and a possible likelihood of realisation."

31% of the PPP financing has **moved from contingent to actual** — US$43.1m of US$140m, now a Treasury repayment

Note what the rating and the outcome do together. The exposure was assessed as moderate and possible — and roughly a third of it realised anyway. **"Possible" is not a number, and it cannot be budgeted for.**

> **Give crystallisation its own budget line.** A contingent liability that realises has to be paid from somewhere. Naming the line in advance turns a fiscal surprise into an appropriation, and forces the probability language into a figure someone has to defend.
>
> Austral papers → ***The Recognition Rule*** · ***The Third-Party Guarantee Decision***

GLOBAL · THE ANCHOR

The forecasts under all four run about a quarter high.

The largest study of toll-road forecasting performance — over **100 internationally, privately financed toll roads** — found the mean ratio of actual to forecast traffic at **0.77 in the first year of operation**. By year three it had moved to 0.79. **The optimism does not wear off with operating experience.**

0.77 **actual traffic as a share of forecast, first year — a systematic 23% optimism bias across geographies, road types and decades**

Read the four pages before this one against that number. The monetisation price, the Treasury's named demand risk and the crystallised third are not four unrelated events. **They are the same forecast error at four stages of one contract's life.**

> **Bid against the distribution, not the base case.** If the central forecast is systematically a quarter high, the honest reserve price, the honest guarantee premium and the honest provision all sit below the base case — and by a knowable amount.
>
> Austral papers → ***The PPP Feasibility Framework*** · ***Stress-Testing PPP Portfolios***

THE THROUGH-LINE

You can only sell the toll once.

Sold forward in India, bid away in Brazil, named as a risk in Kenya, already crystallised in the Bahamas — and underpinned everywhere by a forecast that runs **23% high and stays there**. The toll is not spare capacity. **It is the only thing standing between the contract and the budget:**

VfM value for money	Re-run the case at 0.77 of the forecast, not at the forecast.
FARO PPP fiscal risk	Price demand shortfall as a distribution, with a budget line attached.
GFS accrual accounting	Show revenue sold forward as what it is — financing, not income.

Four governments traded the same asset four ways this year. **Only one of them wrote down what it might not be worth.**

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