

NEWS ITEMS ON AUDIT DIWAS (16.11.2022)

1. CAG as institution has exemplified spinal strength: Vice President ([business-standard.com](https://www.business-standard.com), [devdiscourse.com](https://www.devdiscourse.com), [newsdrum.in](https://www.newsdrum.in)) PTI | 16 Nov 2022

Vice-President of India Jagdeep Dhankar on Wednesday said the country's apex audit body CAG (Comptroller and Auditor General) as an institution has, over the years, exemplified spinal strength.

Delivering the inaugural speech at the week-long Audit Diwas celebrations, he said the credibility earned by the institution is due to the the painstaking efforts of the successive CAG chiefs that brought this institution where it is today.

"It is indeed satisfying to note that CAG as institution has, over the years, exemplified spinal strength. This elevated status is consequence of seminal leadership the institution has been benefiting from," he said.

Impactful and wholesome CAG functioning has generated evolution of transparent and accountable ecosystem, he said and added that such a scenario has "affirmatively contributed to our growth trajectory".

The Vice President noted that by virtue of constitutional prescription under Article 151 of the Constitution, the Comptroller and Auditor General of India reports are required to be laid before each House of Parliament as also before the legislature of states.

"It is expected such reports receive due attention and consideration of the parliamentarians and legislators," the Vice President said.

Painstaking efforts of CAG would bear fruit and results with timely legislature and executive actions in tandem and togetherness, he said.

Among others, former CAGs of India, Accountants General of states, officials of the central government and Indian Audit and Accounts Department, apart from members of the Audit Advisory Board of the CAG were present on the occasion.

CAG Girish Chandra Murmu said beginning Wednesday, several events are being organised to mark Audit Diwas across our offices in the country.

He said that one of the core responsibilities of the CAG is to assist the Parliament and state legislatures in ensuring executive accountability and transparency.

"We have been able to perform our tasks with a sense of purpose and duty despite the challenges of newer priorities of governance and changing dynamics of work culture in terms of emerging financial accounting systems and new technologies," he said.

In recent years, the CAG said the volume of work and activities has also increased manifold.

"We need to, therefore, constantly innovate to stay relevant," he said.

Murmu further said, to strengthen executive accountability, the institution has introduced various innovative audit products for focused engagement such as departmental appreciation notes, management letters and study reports.

These products, he said, will be useful for the executive to keep track of audit findings.

"We believe that this initiative, along with the CAG's audit reports, will bring tangible benefits in the day-to-day working of the executive.

"An impacting audit and a responsive executive can improve efficiency to a large extent, which will ultimately impact the lives of ordinary citizens in the spirit of 'minimum government and maximum governance'," he said.

Audit Diwas commemorates the day the first auditor general took charge of the office in 1860. Over time, the role of the CAG has evolved to assume wider responsibilities to strengthening democracy and governance of the country. https://www.business-standard.com/article/current-affairs/cag-as-institution-has-exemplified-spinal-strength-vice-president-dhankar-122111600660_1.html

2. Vice President Jagdeep Dhankhar emphasises importance of transparent accountability in public service delivery ([newsonair.com](https://www.newsonair.com)) 16 Nov 2022

Vice President Jagdeep Dhankhar today said that the reputation of Comptroller and Auditor General of India, CAG at the global level is well recognised as a robust auditing organisation.

Inaugurating the second Audit Diwas at the Office of the Comptroller and Auditor General in New Delhi, the Vice President said it is on account of this recognition that CAG is playing a critical role as external auditor at various UN organisations.

He emphasised that transparent accountability in public service delivery is quintessential to good governance.

Vice President lauded the good work done by CAG. He added that CAG should find innovative work to involve public in its audit processes. He further stated that doing so will yield rich dividends and this proactive role will help in efficient monitoring of the schemes.

On the occasion, Vice President conferred awards on the winners of the National Online Essay Writing Competition organized by CAG as part of 2nd Audit Diwas celebrations. <https://www.newsonair.com/2022/11/16/vice-president-jagdeep-dhankhar-emphasises-importance-of-transparent-accountability-in-public-service-delivery/>

3. Accountability and transparency are twins that help blossom and sustain our democratic progress – Vice President ([pib.gov.in](https://www.pib.gov.in)) 16 Nov 2022

Absence of audit or inefficient audit is sure passage to system degeneration – Vice President

VP lauds Comptroller and Auditor General of India (CAG) for establishing itself as an auditing organization of global repute

Vice President inaugurates 2nd Audit Diwas celebrations at CAG office today

The Vice President, Shri Jagdeep Dhankhar today described accountability and transparency as twins that help to sustain our democratic progress. He said that accountability in public service delivery is quintessential to good governance to ensure that benefits trickle to the last rows.

Addressing a gathering after inaugurating 2nd Audit Diwas celebrations at CAG office in New Delhi today, he highlighted that CAG has a pivotal role in ensuring these values; corruption and inefficiency would creep into the system, otherwise.



Describing audit as a powerful and inescapable tool of good governance, Shri Dhankhar cautioned that the absence of audit or inefficient audit would lead to system degeneration. He also called for increased focus by CAG on the instances of utility certificates involving massive public funds not being imparted for long by governmental entities.

Noting that CAG of India has been the External Auditor of various United Nations (UN) organizations over the years, Shri Dhankhar praised CAG for establishing a reputation for itself as a robust auditing organisation with global best practices. He expressed confidence that with the enhanced pro-active stance of the CAG, there is bound to be improved efficiency and monitoring and reach of government schemes. “Timely detection of fiscal misdemeanours and effective consequential correction mechanisms are peremptory CAG obligations,” he added.

Calling for continually enhancing credible systems to tackle the challenges before us, the Vice President highlighted that engaging in self-audit would be rewarding.



On this occasion, the Vice President also felicitated the winners of the National Online Essay Writing Competition - 2022 organized by CAG as part of its 2nd Audit Diwas celebrations. Appreciating the initiative, he hoped that the august institution would continue to find ways to involve the public at the grassroots in its impact assessment process and act as crusader against corruption and fiscal inefficiency.

The Comptroller and Auditor General of India, Shri Girish Chandra Murmu, Deputy Comptroller and Auditor General, Ms Parveen Mehta, officers of the Indian Audit and Accounts Department and other dignitaries were present.

Following is the full text of speech –

Delighted to be part of the Audit Diwas celebrations today.

Congratulations on CAG foundation day, and for organising the 30th Accountants General Conference to mark the occasion.

Critical importance of the institution of the CAG was significantly indicated by Dr. B R Ambedkar in the Constituent Assembly. He reflected:

“I am of the opinion that this dignitary or officer is probably the most important officer in the Constitution of India. He is the one man who is going to see that the expenses voted by Parliament are not exceeded, or varied, from what has been laid down by Parliament.”

It is indeed satisfying to note that CAG as institution has, over the years, exemplified spinal strength.

This elevated status is consequence of seminal leadership the institution has been benefiting from.

The credibility earned by the institution is due to the the painstaking efforts of the successive CAGs that brought this institution where it is today.

Impactful and wholesome CAG functioning has generated evolution of transparent and accountable eco system. Such a scenario has affirmatively contributed to our growth trajectory.

By virtue of constitutional prescription under Article 151 of the Constitution CAG reports are required to be laid before each House of Parliament as also before the Legislature of the States.

It is expected such reports receive due attention and consideration of the Parliamentarians and Legislators so that probity, efficiency and transparency in governance improves and accountability is enforced.

Painstaking efforts of CAG would bear fruit and results with timely Legislature and Executive actions in tandem and togetherness.

In a recent milestone accomplishment India secured the status of the fifth largest economy in the world and is on way to being the third largest global economy by turn of the decade.

The country has made rapid strides in structural and institutional reforms making the Country attractive opportunity and investment destination in the world.

The world is rightly looking at us today as a catalyst for positive change.

Transparent accountability in public service delivery is quintessential to good governance so as to ensure benefits trickle to the last rows. This can be impactfully brought about and enhanced by CAG acting as vigilant watchdog.

Appreciate significantly apt theme of today’s Accountants General Conference- ‘SAI India: Contributing to India Onward and Ahead’.

Am sure the deliberations would focus on opportunities and challenges with a view to fast track our continual upward growth trajectory.

Accountability and transparency are twins that help blossom and sustain our democratic progress. Lack of these breeds corruption and inefficiency. CAG has a massive role to root out this menace.

We must build and continually enhance credible systems to tackle the challenges before us.

Engaging in self audit and calibration would be rewarding. Timely detection of fiscal misdemeanours and effective consequential correction mechanism are peremptory CAG obligations.

Audit is a powerful and inescapable tool of good governance. Absence of audit or inefficient audit is the surest passage to system degeneration. This underlines imperatives of CAG focus. Instances of utility certificates involving massive public funds not being imparted for long by governmental entities needs exemplary corrective focus.

By discerning errors and highlighting wastefulness and extravagance in public spending, the CAG not only ensures that the government delivers its promise with economic efficiency, but also it helps to stamp out inefficiency and corruption.

Functional, vibrant and impactful CAG mechanism is safest assurance that the intended benefits actually reach the citizens- the ultimate beneficiaries.

It is soothing to gather that the CAG has given priority to audit many citizen centric programmes such as Direct Benefit Transfer, National Pension System and so on. CAG focus will make the system robust delivery mechanism.

The findings of these types of audits will give extremely important inputs which will help in better planning and management of citizen centric schemes.

The digital revolution, combined with CAG's exemplary service in promoting transparency, is revitalising grassroots democracy in our country.

This august institution should find ingenious and innovative ways to involve public at the grassroots level in its audit processes.

In fact, the CAG has to play a proactive role in improving efficiency, monitoring and outcomes delivered by Government schemes.

It is satisfying to note that to manage emerging challenges CAG is continuously engaged in upgrading its professional skills and practices to stay ahead of the learning curve.

I commend CAG initiatives to become an IT-led institution and using data analytics for auditing.

This has helped CAG in enhancing efficiency and enabling analysis and risk based audit.

CAG of India has established a reputation as a robust auditing organisation with global best practices.

It is the External Auditor of various United Nations (UN) organizations over the years.

Its international audit portfolio includes external audit of several important UN organizations including

World Health Organization (WHO), Food and Agriculture Organization (FAO), Inter-Parliamentary Union (IPU), Organization for Prohibition of Chemical Weapons (OPCW) and International Atomic Energy Agency (IAEA).

On this occasion, I would also like to congratulate all the seven university students who have won the National Online Essay Writing Competition, and who've joined us here today from different parts of the country.

They wrote exceptional essays on themes in align with current governance vision.

I am confident that this august institution would continue to find ways to involve public at the grassroots level in its impact assessment process and act as crusader against corruption and fiscal inefficiency.

With enhanced pro-active stance of the CAG, there is bound to be improved efficiency and monitoring and reach of government schemes.

I take this opportunity to commend the supreme audit authority and all the officers for their high ethical standards.

I am sure, CAG will continue to emerge stronger and vibrant in days ahead.

Jai Hind! <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1876434>

4. Vice President Jagdeep Dhankhar inaugurates second Audit Diwas at CAG Office in New Delhi (newsonair.gov.in) 16 Nov 2022

Vice President Jagdeep Dhankhar today said that the reputation of Comptroller and Auditor General of India, CAG at the global level is well recognised as a robust auditing organisation.

Inaugurating the second Audit Diwas at the Office of the Comptroller and Auditor General in New Delhi, the Vice President said it is on account of this recognition that CAG is playing a critical role as external auditor at various UN organisations.

He emphasised that transparent accountability in public service delivery is quintessential to good governance.

Vice President lauded the good work done by CAG. He added that CAG should find innovative work to involve public in its audit processes. He further stated that doing so will yield rich dividends and this proactive role will help in efficient monitoring of the schemes.

On the occasion, Vice President conferred awards on the winners of the National Online Essay Writing Competition organized by CAG as part of 2nd Audit Diwas celebrations. <https://newsonair.gov.in/News?title=Vice-President-Jagdeep-Dhankhar-inaugurates-second-Audit-Diwas-at-CAG-Office-in-New-Delhi&id=450939>

5. Vice President Jagdeep Dhankhar attends the inauguration of Audit Diwas (sansadtv.nic.in) 16 Nov 2022

Video Link: <https://www.youtube.com/watch?v=WIPwtwntvJY>

6. कैग ने एक संस्था के रूप में अपनी मजबूती का उदाहरण दिया: उपराष्ट्रपति (navbharattimes.indiatimes.com, hindi.business-standard.com, punjabkesari.in, ibc24.in) 16 Nov 2022

उपराष्ट्रपति जगदीप धनखड़ ने बुधवार को कहा कि देश के सर्वोच्च लेखा परीक्षा निकाय नियंत्रक और महालेखा परीक्षक (कैग) ने वर्षों से एक संस्थान के रूप में अपनी मजबूती का उदाहरण दिया है।

उन्होंने सप्ताह भर चलने वाले ऑडिट दिवस समारोह में उद्घाटन भाषण देते हुए कहा कि संस्था द्वारा हासिल किया गया भरोसा, कैग प्रमुखों के प्रयासों का परिणाम है। उनके प्रयासों से ही यह संस्थान आज यहां तक पहुंचा है।

धनखड़ ने कहा,

“यह वास्तव में संतोषजनक है कि संस्थान के रूप में कैग ने वर्षों से मजबूती का उदाहरण दिया है। यह ऊंचा दर्जा उस मौलिक नेतृत्व का परिणाम है, जिससे संस्थान लाभान्वित हो रहा है।”

कैग गिरीश चंद्र मुर्मू ने कहा,

“हमें प्रासंगिक बने रहने के लिए निरंतर नवोन्मेषण करने की जरूरत है।”

इस मौके पर भारत के पूर्व कैग, राज्यों के महालेखाकार, केंद्र सरकार और भारतीय लेखा परीक्षा और लेखा विभाग के अधिकारी, कैग के लेखा परीक्षा सलाहकार बोर्ड के सदस्य मौजूद थे। <https://navbharattimes.indiatimes.com/business/business-news/cag-exemplifies-its-strength-as-an-institution-vice-president/articleshow/95554073.cms>

7. सीएजी की स्थापना दिवस के उपलक्ष्य में ऑडिट सप्ताह 16 नवम्बर से (hindusthan-samachar.in) 15 Nov 2022

भारतीय लेखा परीक्षा एवं लेखा विभाग 16 से 24 नवम्बर तक सीएजी की स्थापना दिवस के उपलक्ष्य में ऑडिट सप्ताह मना रहा है। जिसमें सीएजी कर्मचारियों-अधिकारियों तथा उनके परिवारी जनों के लिए प्रतियोगिताएं आयोजित की जायेगी।

उक्त जानकारी राजेश कुमार तिवारी, स.ले.प. अधिकारी, प्रधान महालेखाकार (लेखापरीक्षा-प्रथम) उत्तर प्रदेश, प्रयागराज ने देते हुए बताया कि नियंत्रक एवं महालेखापरीक्षक (सीएजी) भारतीय लोकतंत्र का एक महत्वपूर्ण प्रहरी है। जो भ्रष्टाचार के विरुद्ध भारत की लड़ाई में महत्वपूर्ण भूमिका निभाता है। जिसका गठन 16 नवम्बर 1860 को हुआ था। 162 वर्षों के लंबे इतिहास के साथ सीएजी 1860 के दशक से निर्दिष्ट अधिदेश का निर्वहन कर रही है।

उन्होंने बताया कि सीएजी एक संवैधानिक संस्था है जो यह सुनिश्चित करती है कि सार्वजनिक धन का प्रभावपूर्ण तरीके और कुशलता से उपभोग किया जा रहा है। सीएजी ये भी सुनिश्चित करती है कि सरकारी विभाग वित्तीय नियमों एवं विनियमों का पालन कर रहे हैं। सीएजी सभी विभागों के व्यय और प्राप्तियों दोनों की लेखा परीक्षा करता है। लेखा परीक्षा के उपरांत सीएजी विधायिका में अपना प्रतिवेदन प्रस्तुत करता है। जिस पर विधायिका की लोक लेखा समिति द्वारा विचार किया जाता है। विचारोपरांत लोक लेखा समिति द्वारा विधायिका को एक रिपोर्ट प्रस्तुत किया जाता है एवं उस पर आवश्यक कार्यवाही होती है।

राजेश तिवारी ने बताया कि इस दौरान ड्राइंग प्रतियोगिता, साइकिल रैली, रंगोली प्रतियोगिता सभी भारतीय लेखा परीक्षा एवं लेखा विभाग के कार्यालयों में स्वच्छता अभियान और व्यापक जागरूकता के लिए चयनित सार्वजनिक स्थान पर सफाई अभियान, “सीएजी के कर्तव्यों और शक्तियों” पर अंतर कार्यालय प्रश्नोत्तरी प्रतियोगिता तथा सांस्कृतिक कार्यक्रमों के बाद विशेषज्ञों द्वारा चर्चा के साथ “लोकतंत्र को मजबूत करने में सीएजी की भूमिका- अतीत, वर्तमान और भविष्य” विषय पर एक ऑनलाइन निबंध प्रतियोगिता आयोजित की जाएगी। <https://www.hindusthansamachar.in/Encyc/2022/11/15/Audit-week-to-mark-CAG-s-foundation-day-from-Nov-16.php>

8. CAG ने एक संस्था के रूप में अपनी मजबूती का दिया उदाहरण- जगदीप धनखड़ (firstindianews.com) 16 Nov 2022

उपराष्ट्रपति जगदीप धनखड़ ने बुधवार को कहा कि देश के सर्वोच्च लेखा परीक्षा निकाय नियंत्रक और महालेखा परीक्षक (कैग) ने वर्षों से एक संस्थान के रूप में अपनी मजबूती का उदाहरण दिया है।

उन्होंने सप्ताह भर चलने वाले ऑडिट दिवस समारोह में उद्घाटन भाषण देते हुए कहा कि संस्था द्वारा हासिल किया गया भरोसा, कैग प्रमुखों के प्रयासों का परिणाम है। उनके प्रयासों से ही यह संस्थान आज यहां तक पहुंचा है।

कैग ने वर्षों से मजबूती का उदाहरण दिया:

धनखड़ ने कहा कि यह वास्तव में संतोषजनक है कि संस्थान के रूप में कैग ने वर्षों से मजबूती का उदाहरण दिया है। यह ऊंचा दर्जा उस मौलिक नेतृत्व का परिणाम है, जिससे संस्थान लाभान्वित हो रहा है। कैग गिरीश चंद्र मुर्मू ने कहा कि हमें प्रासंगिक बने रहने के लिए निरंतर नवोन्मेषण करने की जरूरत है। इस मौके पर भारत के पूर्व कैग, राज्यों के महालेखाकार, केंद्र सरकार और भारतीय लेखा परीक्षा और लेखा विभाग के अधिकारी, कैग के लेखा परीक्षा सलाहकार बोर्ड के सदस्य मौजूद थे। सोर्स-
भाषा <https://firstindianews.com/news/Vice-President-Jagdeep-Dhankar-emphasises-the-importance-of-transparent-accountability-in-public-service-delivery-536948373>

9. Vice President Jagdeep Dhankar to inaugurate CAG audit day tomorrow (aninews.in, theprint.in, latestly.com) 15 Nov 2022

As the week-long Audit Day celebrations begin from Wednesday, Vice-President Jagdeep Dhankar will deliver the inaugural speech at the headquarters of the Comptroller and Auditor General of India in New Delhi, as per an official press release.

Vice-President Jagdeep Dhankar will address former CAGs of India, Accountants General of states, officials of the Government of India and the Indian Audit and Accounts Department, apart from members of the Audit Advisory Board of the CAG.

As part of CAG’s outreach activities for Audit Diwas, a national online essay writing competition was organised for the youth of the nation. The objective was to make them appreciate the value and benefits the Supreme Audit Institution accorded in ensuring public accountability and effective governance, as per the official press release.

The bilingual competition in Hindi and English was open to students enrolled in any recognised university or institution. It elicited an enthusiastic response from the student community. Vice President Dhankar is expected to give away the awards to seven winners of the competition.

On November 17, Lok Sabha Speaker Om Birla will deliver the valedictory address at the 30th Accountants General Conference. The conference's primary objective is to provide an enabling forum for discussions to improve the functioning of the CAG.

As per the official statement, the title of the two-day conference, to be held on November 16 and 17 2022, is SAI India 'Contributing to the Nation Onward and Ahead'.

Four themes will be discussed: OIOS towards transformation, the Next step towards strengthening local bodies audit, Identifying socially relevant audits and Reporting on the sustainability of state finances.

The Comptroller and Auditor General of India is one of the oldest institutions in the country. It was established in 1858 when the British Crown set up a separate department with an Accountant General at its helm, and was entrusted with the responsibility of accounting and auditing East India Company's financial transactions, read the official press release.

After taking over the administration of India, the British Crown passed the Government of India Act, of 1858. This Act introduced a system of an annual budget of Imperial Income and Expenditure in 1860, which laid the foundation of Imperial Audit. Sir Edward Drummond took charge on 16 November 1860 as the first Auditor General.

After India's independence, the Comptroller and Auditor General of India were established as a constitutional authority, with the adoption of the Constitution of India in 1950. The role of the Comptroller and Auditor General of India evolved through legislation and practices in British India, and in independent India after 1947, as per an official statement.

November 16 is celebrated as 'Audit Diwas' to mark this history. The First Audit Diwas was celebrated on 16 November 2021. Various activities were held to mark the event. <https://www.aninews.in/news/national/general-news/vice-president-jagdeep-dhankar-to-inaugurate-cag-audit-day-tomorrow20221115201828/>

10. A&G Nagaland team to visit Mokokchung (nagalandpost.com) November 16, 2022

As part of the "Audit Diwas" and "Audit Awareness Week", a team from Accountant General (A&G) Nagaland would go on an "outreach mission" to Mokokchung and expand its outreach activities and organise various programme.

A press release by A&G Nagaland, Sr. deputy A&G informed that an awareness programme on various audit and accounts function would be held on November 25 at Town Hall, Mokokchung Town. In this regard, all officers/staff in Mokokchung district offices dealing with audit and accounts and entitlement matters like pension, GPF, payslip etc. have been requested to attend the programme.

A&G Nagaland would also take up the issue of settling outstanding inspection reports of auditee units in Mokokchung. The office has informed that various pavilions for pension, GPF, payslip, inspection report settlement etc. would be set up for awareness and grievance redressal.

A&G Nagaland informed that the office would personally meet and hand over the latest Pension Payment Orders (PPOs) to the persons from the districts of Mokokchung, Longleng, Tuensang, Zunheboto and Wokha. It said Sr. Treasury Officers of districts would be handed over the payment copies of PPO at Mokokchung. <https://nagalandpost.com/index.php/ag-nagaland-team-to-visit-mokokchung/>

OTHER NEWS ITEMS ON CAG

11. Future Ready Governance for 21st Century India - Foresight Makes the Difference (*businessworld.in*) 16 Nov 2022

Governments in the VUCA age must prepare themselves for both the slow-moving future as electric vehicles have been developing for the past 50 years and the unpredictable such as Covid19

In the past 70 years, the country's economy, despite three wars and several bouts of famine, has grown steadily as has the health and education of its inhabitants. The uncertain future of \$2 billion GE diesel locomotive plant presents an illustration to underline anticipatory planning for capital intensive and multi-year projects.

The proposal to set up a high-power diesel locomotive plant in India was made by the railways in September 2006 and GE was awarded the contract in November 2015. The railways will pay GE Rs 14,656 crore for assured off-take of 1,000 engines apart from Rs 2,228-crore as a maintenance fee, a total of \$2 billion over 11 years. It was understood that the railways would go in for near-100% electrification of its network and thus, this plant under construction became superfluous to its needs. An agreement for electric locomotives had already been signed with another company but since the contract was already awarded, the government had no option but to honour it.

The Comptroller & Auditor General of India (CAG) also pointed out in its audit report on railways for 2016-17 that the diesel locomotive manufacturing unit is not aligned with the plan of the Indian Railways to maximise electric operations. The CAG report further noted that the diesel locomotives already available with the railways are sufficient to take care of the present needs.

A foresight study during the period of negotiations (over 10 years) would have shown the futility of this large investment which the Railway in its present financial crisis is saddled with and would have thrown up warning signals much earlier to the final commitment.

It is not that the government does not have institutions which undertake Anticipatory studies and research. For example, expertise is available with Technology Information, Forecasting and Assessment Council (TIFAC), whose services could have been utilized for horizon scanning before taking an investment decision involving hundreds of millions of dollars.

This is just to show that long range planning backed-up with anticipatory approach is essential in a country's growth. For long-range planning spanning 10-50 years, the country's policy

makers must have systems to look into the distant future, prepare a multidisciplinary radar, capture weak signals, interpret & analyse these and create several scenarios which are likely to develop. As time passes and more concrete data is available, certain options become more feasible than others and planning can take a more definite shape. This whole process is known as foresight.

Foresight is the process of anticipation that identify opportunities and threats in mid-term to long-term future. Critical thinking is the skill for asking questions. Before you can solve a problem, you must be able to critically analyse and question what is causing it.

The future is not pre-determined or predicable and complete information about the future is never fully available. Therefore, it makes sense to look for ways to understand the future to deal with uncertainty. All our knowledge is about the past, but all our decisions are about the future. We create our future by what we do or don't do today; it makes sense to try and understand it as best as we can.

To build an anticipatory infrastructure to take Indian public governance into the 21st century planning & decision-making process require both skills and budgets. Foresight systems which are effective and resilient, consists of information generation and management process. It generally consists of three elements:

- Collecting information
- Interpreting data and visualising various scenarios of the future
- Developing options for action

Foresight activity starts with horizon scanning. Horizon scanning, also known as environmental scanning, is a method for detecting early or weak signals in the wider environment to identify potential threats, risks, emerging issues and new opportunities. The aim is to produce a volume of information about the future.

It has often been shown in studies that experts and consultants are less likely to provide information and data about the distant future. For the past 20 years, The Economist has kept a database of projections by banks and consultancies for annual GDP growth. It now contains 100,000 forecasts across 15 countries. In general, they fared well over brief time periods, but got very inaccurate, the further the analysts peered into the future.

The future is made up of a complex web of technological, economic, social, political and environmental changes. In VUCA, these changes accelerate and form complex relationships with each other. For example, environmental changes are influenced by economic, political and technological changes. The next step, interpreting data and formulating a library of approaches to the future, generally consists of applying a combination of foresight techniques and practices.

The final and often most challenging phase is developing agile recommendations that could aid the decision-makers, in its planning. It has been practised in the military & intelligence agencies for decades. The objective of foresight developed through horizon scanning is not to predict the future, which is simply not possible for complex socio-economic systems but to monitor signals and fine-tune various options. These options are in the shape of scenarios about the future, many too farfetched to be called "ridiculous". Most scenarios will be discarded so

the Futurists (group of employees given this task), will regularly test assumptions and patterns to find the few that will evolve into positive or certain trends.

Therefore, to understand and interpret the wide gamut of signals, bureaucrats must be trained in critical thinking, which is one of the survival skills for the VUCA world.

For example, we woke up to Electric Vehicles (EV) only around 2018 when Niti Aayog produced a paper on the changeover to EV. EV has been around for at least 50 years and even if we have initiated R&D on batteries, charging stations etc. 20 years back, when strong signals were detected, by now, we would have the entire technology in place.

Governments in the VUCA age must prepare themselves for both the slow-moving future as electric vehicles have been developing for the past 50 years and the unpredictable such as Covid19. Long-term threats and complex challenges are all around us. As seen in the cases described above, government planning must adopt an anticipatory long-term approach and ensure that government planning continues to sustain and evolve into the 21st century. <https://www.businessworld.in/article/Future-Ready-Governance-for-21st-Century-India-Foresight-Makes-The-Difference/16-11-2022-454300/>

12. Undermining federalism, eroding States' autonomy (*thehindu.com*) November 16, 2022

Rather than strengthening cooperative federalism, the central government of the day is resorting to policies that make Indian federation coercive

When the National Democratic Alliance Government (NDA) took office in 2014, there were hopes that India would move towards cooperative federalism. This was because Narendra Modi, as the Chief Minister of Gujarat, had been championing the cause of States' autonomy. This hope was reinforced when NITI Aayog replaced the Planning Commission of India with the main objective of promoting cooperative federalism.

The Cabinet Resolution of January 1, 2015 constituting the National Institution for Transforming India (NITI Aayog) has articulated, among others, that "India is a diverse country with distinct languages, faiths and cultural ecosystems... The States of the Union do not want to be mere appendages of the Centre. They seek a decisive say in determining the architecture of economic growth and development. The one-size-fits-all approach, often inherent in central planning, has the potential of creating needless tensions and undermining the harmony needed for national effort".

One of the main mandates of NITI Aayog is to foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognising that strong States make a strong nation.

It is unfortunate that NITI Aayog has not taken any major steps since its constitution to promote cooperative federalism. Contrary to its public statements on promoting cooperative federalism, the Government of India has been doing exactly the opposite. The following instances clearly demonstrate as to how the central government's policies have undermined the spirit of federalism and eroded the autonomy of the States.

Breaking the 'award and package' tradition

It has been a well-established tradition to treat all the recommendations of the Finance Commissions relating to transfers to States as an award and a package. This tradition was broken for the first time while dealing with the recommendations of the Fifteenth Finance Commission. The Fifteenth Finance Commission, in its first report, had recommended a special grant to three States amounting to ₹6,764 crore to ensure that the tax devolution in 2020-21 in absolute terms should not be less than the amount of devolution received by these States in 2019-20. This recommendation was not accepted by the Union Government. Similarly, the recommendation relating to grants for nutrition amounting to ₹7,735 crore was not accepted. A similar approach has been followed by the Union Government with regard to grants to States recommended by the Finance Commission for the period 2021-26. The sector-specific grants and State-specific grants recommended by the Commission amounting to ₹1,29,987 crore and ₹49,599 crore, respectively, have not been accepted. This clearly demonstrates that the Union Government has undermined the stature of the institution of the Finance Commission and cooperative federalism.

Off-Budget borrowings

The decision to treat off-Budget borrowings from 2021-22 onwards serviced from the State budgets as States' borrowings and adjusting them against borrowing limits under Fiscal Responsibility and Budget Management (FRBM) in 2022-23 and following years is against all norms. This is the first time that the Government of India is proposing to treat off-Budget borrowings as government borrowings retrospectively from 2021-22. The Government of India has indicated that such a decision is in accordance with the recommendation of the Finance Commission. In fact, there is no recommendation to this effect by the Fifteenth Finance Commission. The Finance Commission recommended that governments at all tiers may observe strict discipline by resisting any further additions to the stock of off-Budget transactions. It observed that in view of the uncertainty that prevails now, the timetable for defining and achieving debt sustainability may be examined by a high-powered intergovernmental group and that the FRBM Act may be amended as per the recommendations of this group to ensure that the legislations of the Union and the States are consistent. No such group has been appointed so far by the Centre.

The borrowings by corporations against State guarantees are mostly used for capital investment. The Centre has also been raising off-Budget borrowings but mainly for meeting revenue expenditure. The Comptroller and Auditor General of India (C&AG) Report on the Compliance of FRBM Act for 2017-18 and 2018-19 pointed out as many as eight instances of meeting revenue expenditure through Extra Budgetary Resources (EBR). Revenue expenditure met through EBR by the Centre amounted to ₹81,282 crore in 2017-18 and ₹1,58,107 crore in 2018-19. Such borrowings were not reflected in the Budget of the central government. In view of this, treating off-Budget borrowings of State corporations as States' borrowings retrospectively is totally unjustified.

The use of cesses and surcharges

The NDA government has been resorting to the levy of cesses and surcharges, as these are not shareable with the States under the Constitution. The share of cesses and surcharges in the gross tax revenue of the Centre increased from 13.5% in 2014-15 to 20% in the Budget estimates for 2022-23. Though the States' share in the Central taxes is 41%, as recommended by the Fifteenth Finance Commission, they only get a 29.6% share because of higher cesses and surcharges.

The C&AG in its Audit Report on Union Government Accounts for 2018-19 observed that of the ₹2,74,592 crore collected from 35 cesses in 2018-19, only ₹1,64,322 crore had been credited to the dedicated funds and the rest was retained in the Consolidated Fund of India. This is another instance of denying States of their due share as per the constitutional provisions.

Committee after committee appointed by the Government of India has emphasised the need to curtail the number of Centrally Sponsored Schemes (CSS) and restrict them to a few areas of national importance. But, what the Government of India has done is to group them under certain broad umbrella heads (currently 28). In addition, in 2015, the Centre increased the States' share in a number of CSS, thereby burdening States. Most of the CSS are operated in the subjects included in the State list. Thus, States have lost their autonomy.

The Sub-Committee of Chief Ministers appointed by NITI Aayog has recommended a reduction in the number of schemes and the introduction of optional schemes. These recommendations have not been acted upon.

The Centre has enacted three farm laws though agriculture is a subject listed in the State List under the Constitution. These farm laws have been enacted under Entry 33 of the Concurrent List relating to trade and commerce in, and the production, supply and distribution of foodstuffs including edible oils and oils. Though these Acts have been repealed, their enactment is against the spirit of the Constitution, and States were not even consulted while introducing these Bills.

All these instances indicate clearly that the Centre has not walked the talk on cooperative federalism. Instead, its policies have made Indian federation coercive. <https://www.thehindu.com/opinion/op-ed/undermining-federalism-eroding-states-autonomy/article66141425.ece>

13. PIL in Calcutta HC seeks CBI probe into irregularities in MGNREGA scheme ([business-standard.com](https://www.business-standard.com)) November 15, 2022

Leader of Opposition in West Bengal Assembly, Suwendu Adhikari, on Tuesday filed a PIL in the Calcutta High Court seeking a CBI probe into the alleged irregularities in the implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme in the state.

In the petition, the LoP also sought an audit by the Comptroller and Auditor General (CAG) of India in the matter.

A division bench headed by Chief Justice Prakash Srivastava is likely to hear the case this week. In the Public Interest Litigation (PIL), the BJP leader has reportedly highlighted irregularities in the statistics provided by the state government.

He has cited examples where the number of job cards in certain panchayat areas have exceeded the number of people residing there.

"The state government cannot be allowed to be engaged in corrupt practices with the funds provided by the Union government. I have written several letters to different ministers in on this count. I have also given statistics on how the funds under MGNREGA have been diverted by the state government, Adhikari said.

He also claimed that the irregularities have especially become rampant before the panchayat elections in the state scheduled next year.

To recall, on November 7, Adhikari wrote a letter to Union Minister for Rural Development and Panchayati Raj, Giriraj Singh, demanding a probe by the CBI or equivalent central agency into the "irregularities" relating to rural job creation under the MGNREGA scheme in the state. Now he has approached the Calcutta High Court with the same demand.

In the letter to Singh, Adhikari had alleged that the state government is resorting to "innovative, malicious and fake" data creation in order to claim "false employment generation" in rural Bengal."

On the one hand, while Suwendu Adhikari had been vocal on this issue for quite some time, the leaders of the ruling Trinamool Congress have alleged that the leader of the opposition had been playing an "anti- Bengal" role by trying to halt the central dues to the state government. https://www.business-standard.com/article/current-affairs/pil-in-calcutta-hc-seeks-cbi-probe-into-irregularities-in-mgnrega-scheme-122111501064_1.html

14. अधिकारियों की भ्रष्ट नीतियों के कारण एचएसवीपी को लगा 5000 करोड़ से अधिक का चूना - सांसद रितेश पांडे (dailynews360.patrika.com) Nov 15, 2022

हरियाणा के शहरी विकास प्राधिकरण के प्रमुख अधिकारी, 2003 बैच के आईएएस अफसर, अजीत बालाजी जोशी की मुश्किलें कम होने का नाम नहीं ले रही हैं। पिछले लम्बे समय से मीडिया के लिए चर्चा

>> आईएएस अजीत बालाजी जोशी, सतीश कुमार सिंगला, संजीव कुमार सिंगला व प्रोजेक्ट मैनेजर अनिरुद्ध गुप्ता पर लगाए गंभीर आरोप

>> 2021 से ई-नीलामी में एचएसवीपी को 5000 करोड़ रुपये के राजस्व का नुकसान

>> कीमती जमीनों को औने-पौने दाम पर बेचने का आरोप

>> आईटी विभाग की मदद से हो रही घपलेबाजी

हरियाणा के शहरी विकास प्राधिकरण के प्रमुख अधिकारी, 2003 बैच के आईएएस अफसर, अजीत बालाजी जोशी की मुश्किलें कम होने का नाम नहीं ले रही हैं। पिछले लम्बे समय से मीडिया के लिए चर्चा का विषय बने हुए अजीत बालाजी जोशी, इस बार आंबेडकर नगर से सांसद रितेश पांडे के निशाने पर हैं, जिन्होंने हरियाणा शहरी विकास प्राधिकरण (एचएसवीपी) की स्थिति पर गहरी पीड़ा और चिंता व्यक्त करते हुए हरियाणा के मुख्यमंत्री मनोहर लाल खट्टर को पत्र लिखा है। दरअसल, एचएसवीपी ने कोविड की जटिलताओं के तुरंत बाद, 2021 से अपने भूमि बैंक की मेगा नीलामी शुरू की थी, हालाँकि सूत्रों के मुताबिक, कई हजार करोड़ की जमीन, नीलामी से पहले ही बिक चुकी है। यहां तक कि इन नीलामियों में हरियाणा के सभी शहरी क्षेत्रों, विशेष रूप से, गुरुग्राम के शहरी क्षेत्र में बड़ी संख्या में हेर-फेर देखने को मिला है।

सांसद रितेश पांडे ने एचएसवीपी के चीफ एडमिनिस्ट्रेटर, आईएएस अफसर अजीत बालाजी जोशी और एचएसवीपी पर तैनात, दोनों सिंगला भाइयों, सतीश कुमार सिंगला, एचसीएस, सचिव, एचएसवीपी और संजीव कुमार सिंगला, एचसीएस, संपदा अधिकारी, पर इल्जाम लगाते हुए कहा है कि, ये सभी अधिका

री गुरुग्राम II, में एचएसवीपी जमीनों को औने-पौने दाम में बेचने के लिए, ई-नीलामी प्रक्रिया चला रहे हैं। वहीं एचएसवीपी के प्रोजेक्ट मैनेजर अनिरुद्ध गुप्ता, (एक थर्ड पार्टी एजेंसी के माध्यम से एचएसवीपी द्वारा नियुक्त) सूचना प्रौद्योगिकी (आईटी) के साथ उन की मदद कर रहे हैं। सांसद ने आरोप लगाया कि, अनिरुद्ध गुप्ता एचएसवीपी का आईटी विभाग अकेले ही चला रहे हैं। जबकि एचएसवीपी से पहले अनिरुद्ध, अजीत जोशी के साथ उच्च शिक्षा विभाग में कार्य रत थे।

सांसद रितेश पांडे ने सीएम खट्टर को लिखे खत में कुछ उदाहरणों का जिक्र करते हुए लिखा कि अमूल्य और कीमती जमीन को औने-

पौने दामों पर बेचने का ऐसा ही एक उदाहरण गुरुग्राम के सेक्टर 56 में 5 एकड़ से अधिक के एचएसवीपी हॉस्पिटल साइट की ई-नीलामी भी है। यह साइट,

2021 में एम/एस मैक्स हॉस्पिटल्स को केवल 80 करोड़ रु. में बेची गई थी। हालांकि,

2014 में, उसी प्लॉट को सबसे ज्यादा 462 करोड़ रुपये की बोली मिली थी और एम/एस मैक्स हॉस्पिटल

284 करोड़ रुपये की बोली के साथ दूसरा सबसे बड़ा बोलीदाता था। सांसद ने पत्र में यह भी उल्लेख किया है कि एम/एस मैक्स हेल्थकेयर इंस्टीट्यूट लिमिटेड के प्रमोटर, चेरमैन और मैनेजिंग डायरेक्टर अभय सोई, आम आदमी पार्टी के कोर सदस्य रहे हैं। उन्होंने सीधा इल्जाम लगाते हुए कहा कि अजीत बालाजी जोशी की अभय सोई के साथ मिलीभगत के कारण, सरकारी खजाने पर कम से कम 400 करोड़ रुपये का चूना लगा है।

रितेश पांडे ने पत्र के माध्यम से ऐसे मामलों की सूची भी शेयर की है, जहां एचएसवीपी के चीफ एडमिनिस्ट्रेटर, अजीत बालाजी जोशी द्वारा प्रमुख जमीनों को औने-

पौने दामों पर बेचा गया है। यह अनुमान लगाया गया है कि अजीत जोशी की भ्रष्ट नीतियों के कारण एचएसवीपी को कम से कम 5,000 करोड़ रुपये के राजस्व का नुकसान हुआ है।

इस आधार पर बहुजन समाज पार्टी के सांसद रितेश पांडे ने 2021 तक की ई-नीलामी का परफॉर्मेंस ऑडिट, कैग द्वारा किये जाने का अनुरोध किया है। उन्होंने सीएम खट्टर को निवेदन करते हुए कहा कि कैग को परफॉर्मेंस ऑडिट का कार्य तत्काल सौंपा जाए। उन्होंने यह भी कहा कि, ऑडिट को एचएसवीपी द्वारा उपयोग किए जाने वाले सॉफ्टवेयर को भी देखना चाहिए। इसके अतिरिक्त, लेखापरीक्षा को उचित और पारदर्शी प्रक्रिया के पहलू सहित, अस्वीकार या स्वीकार की गई प्रत्येक ई-नीलामी के कारणों का पता लगाना चाहिए।

इसके अतिरिक्त केंद्रीय जांच ब्यूरो को सेक्टर 56 में एम/एस मैक्स अस्पताल को 5 एकड़ भूखंड की नीलामी के मामले में एफआईआर दर्ज कर जांच सौंपी जाए, जिसके परिणामस्वरूप कम से कम 400 करोड़ रुपये के राजस्व का नुकसान हो रहा है।

बता दें कि पिछले दिनों परफॉर्मेंस अवॉर्ड न मिलने और अन्य मांगे मनवाने के लिए शहरी विकास प्राधिकरण (एचएसवीपी) के कर्मियों ने कार्यालय में मुख्य प्रशासक अजीत बालाजी जोशी के खिलाफ नारेबाजी की थी। कर्मियों ने ऐलान किया कि 9 नवंबर तक कर्मचारी इसी तरह कार्यालय सेक्टर-

18 में लंच टाइम के दौरान इसी तरह प्रदर्शन करेंगे। तब भी बात नहीं बनी तो 10 को पंचकूला मुख्यालय में जाकर प्रदर्शन करेंगे। <https://dailynews360.patrika.com/news/-120617.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

15. Why is GST revenue running ahead of overall economy? ([livemint.com](https://www.livemint.com)) November 16, 2022

Revenues from the goods and services tax (GST)—the countrywide indirect tax since June 2017—have been on a tear. In October, GST revenues touched ₹1.5 trillion, the second-highest monthly collection ever, after April 2022. Monthly GST revenues have exceeded ₹1.4 trillion for eight straight months, a statistic the central government has been playing up. Why have GST revenues risen this fast, outpacing even direct tax collections? Are there certain segments pulling performance? And what do GST trends tell us about the regional spread of economic activity post-covid?

Data suggests there is a boost that goes beyond circumstantial factors like high inflation. In the last eight months, the Wholesale Price Index (WPI), which measures year-on-year change in prices, has ranged from 11-17%. By comparison, the y-o-y increase in GST collections during this period is much higher, ranging from 14%-56%. During July to September, y-o-y growth ranged from 26-28%. Gross revenues from GST have grown faster than the overall economy, thus increasing their share in nominal gross domestic product (GDP).

In the first six months of 2022-23, gross GST revenues grew 31% over the same period last year. That's also much faster than the 23.5% growth in tax collected from companies and individuals. According to the GST Council, which sets GST rates, and comprises Central and state governments: "Better reporting coupled with economic recovery has been having positive impact on GST revenues on a consistent basis." But there's another driver, one that needs to be seen with some tempering: high imports. Import Driver GST is levied on the sale of goods and services. It comprises three components. For a transaction between two parties whose GST registration is in the same state, Central GST (CGST), accruing to the Central government, and state GST (SGST) accruing to the state government, is charged. When their state of registration differs, integrated GST (IGST) is charged, and the division of collections between the Centre and states happens later. On select items like alcohol and luxury cars, a cess on top of GST is also charged.

Importantly, IGST is also charged on imports, and this is another reason for the current buoyancy. IGST on imports accounts for about 25% of total GST. While GST on domestic transactions have risen, GST on imports (including cess) have grown faster, closely tracking growth in imports. Excluding GST revenues from imports from total GST revenues, the first-half growth in total GST revenues drops from 31% to 26.7%, narrowing the gap between growth in direct taxes (23.5%) and indirect taxes.

States of Recovery The growth in GST collections is being driven by states that are also leaders in economic activity. Just seven states accounted for about 69% of GST revenue growth between April-August 2023 and April-August 2022. Further, just two of these seven states accounted for one-third of this GST revenue growth: Maharashtra (22.6%) and Karnataka (11.7%).

One of the concerns about GST was its impact on smaller versus larger firms. Smaller firms were expected to feel the administrative and accounting burdens that GST imposes on entities that were otherwise in the informal sector. Besides GST, smaller entities were also affected by demonetization and the pandemic. As a result, the micro, small and medium enterprises

(MSME) sector in India was left far worse off than larger companies. This has a regional impact too, since larger companies tend to be concentrated in big economic centres (Delhi, Mumbai, Bengaluru), which are, in turn, located in more economically-successful states.

Economic Concentration State-wise GST numbers also indicate what has happened to economic activity after the covid lockdown. Following the opening up of economies, larger states, as defined by the size of the total GST revenues collected, have also grown faster than smaller states (with lower GST collections). Apart from a few small states, where growth is high due to a low base effect, states like Maharashtra, Karnataka, Gujarat and Haryana—which account for a bulk of GST collections—have also grown the fastest. These are also states where larger companies are typically located.

Looking ahead, inflation is moderating and there are growth pangs, not just in India but across the world. Also, with exports dropping in recent months, India would like to rein in imports as well, to avoid pressure on its currency. How GST collections move in this morphing landscape will be interesting to see. <https://www.livemint.com/economy/breaking-down-the-surge-in-gst-revenues-11668531458502.html>

16. Govt to trim fiscal deficit in FY24, follow glide path ([financialexpress.com](https://www.financialexpress.com)) November 16, 2022

The Centre will trim its fiscal deficit meaningfully in 2023-24 by using a portion of the fiscal space available in the year, including savings of `1 trillion from the discontinuation of the free grains scheme and lower subsidies on fertilisers and cooking gas due to a moderation seen in global commodity prices, a senior official told FE.

It will use some of the space available from savings on subsidies to keep capital expenditure at a robust level, though a sharp increase in the overall expenditure is unlikely, the official added.

“We have to see how much capex can be increased in 2023-24 as there is a fiscal deficit reduction path outlined by the finance minister,” the official said. According to the glide path, the Centre has to bring down the fiscal deficit to 4.5% of GDP by 2025-26.

“We are likely to close 2022-23 with a fiscal deficit very much around the budgeted level as a percentage of GDP (6.4%), even though expenditures will rise,” the official added.

Of course, the Centre is unlikely to be ultra-aggressive in fiscal tightening in 2023-24 to avoid any negative impact on growth. It will seek to contain its already-elevated gross market borrowing in the next fiscal at a lower level of GDP than in 2022-23, as it intends to mitigate its elevated debt as well as interest burden.

The Centre will likely spend an additional `2.8 trillion on major subsidies compared with `3.18 trillion budgeted for 2022-23, including about `1.24 trillion on the free grains scheme, `1.3 trillion on fertiliser subsidy and `22,000 crore on cooking gas subsidy. The FY23 budget estimate (BE) was `2.06 trillion for food subsidy, `1.05 trillion for fertilisers and `5,812 crore for petroleum.

The Russia-Ukraine war has led to a spike in fertiliser and fuel subsidies as global prices of the relevant commodities remained elevated. Imported fertiliser costs almost doubled in less than

a year. Despite the lowering of the distress level among masses after the pandemic, the government extended the free grains scheme for the first nine months of the current fiscal.

According to an FE analysis, the net (post-devolution) tax revenue for the Centre could be around `2.5 trillion higher than the BE of `19.3 trillion. This would provide comfort to fund additional expenditure on subsidies even though non-tax revenues may see a shortfall of about `50,000 crore in 2022-23. Savings of about `70,000-80,000 crore from the existing budget heads will help keep the deficit at the targeted level for 2022-23. Higher nominal GDP growth due to elevated inflation than budgeted will also help.

“Hopefully, if prices come down, there will be some relief on some of the subsidies next year, especially fertilisers and petroleum,” the official said, adding that discontinuation of the free grains scheme will yield a substantial reduction in food subsidies.

“We anticipate that a moderate fiscal correction would be attempted next year, with a fiscal deficit in the range of 5.5-6%, depending on factors such as the market-driven level of fertiliser subsidy and whether free food grains are provided in the coming fiscal,” rating agency Icra’s chief economist Aditi Nayar said.

The Centre is unlikely to raise its Budget size substantially for the next fiscal, upon the bloated revised estimate (RE) for FY23. The budget spending may rise by around `2 trillion to `41.4 trillion in the 2022-23RE over the BE.

However, given its sustained focus on productive spending to spur economic growth, the budgetary capex could still witness a decent expansion.

However, the pace of rise in capex in 2023-24 will be lower than the budgeted 27% for this fiscal to `7.5 trillion (including `1 trillion in long-term, interest-free loans to states for capex) due to the already high base and the limited capacity of departments to scale up such spending substantially year after year. But the tightening of growth in revenue expenditure will likely continue in 2023-24, despite elections in 2024. <https://www.financialexpress.com/economy/govt-to-trim-fiscal-deficit-in-fy24-follow-glide-path/2816605/>

17. Don’t COP out on climate finance ([financialexpress.com](https://www.financialexpress.com)) November 16, 2022

In all the buzz, negotiations, photo-ops, and urgency at Egypt’s Sharm El-Sheikh in the first week of COP27, there was a chorus that stuck out—protesting youth shouting, “Pay up, pay up.” That’s been the most contentious issue of the conference—climate finance, which is well short of the \$100 billion promised per year by developed countries to developing ones for climate action, which is itself short of the money actually needed.

Released a week before the commencement of COP27, the UNFCCC Standing Committee on Finance’s Biennial Assessment and Overview of Climate Finance Flows found that annual global capital flows for climate action stood at \$803 billion, whereas per the IPCC, investments of up to five times that could be necessary to limit warming to 1.5°C. Much of this will be needed in developing countries, where domestic financial systems lack the capacity to fund investments at scale for climate action. That’s why the urgent call to ‘pay up’.

Let’s talk money now

Not only have the latest reported climate finance flows fallen short of the \$100 billion target by 17%, but also questions on the accuracy, methodological robustness, and verifiability of the reported figures suggest that the extent of underperformance is much larger. Further, only one-third of reported flows, amounting to \$28 billion, were directed towards adaptation. With the impact of extreme climate clearly showing, such as the recent floods in Pakistan and the droughts in East Africa, developing countries want developed ones to follow through on their promise of doubling adaptation finance from 2019 levels by 2025.

According to the UNEP's latest Adaptation Gap Report, adaptation could cost up to \$340 billion per year by 2030 and \$565 billion per year by 2050. If adaptation remains poorly funded, loss and damage financing, on the agenda at COP27 finally, would need that much more attention. Further, the share of concessional capital, which can underwrite investment risks, continues to remain low, with grants accounting for only 26% of reported public climate finance flows. With the bulk of public climate finance channelled in the form of loans instead of blended finance, this capital was able to mobilise a paltry 19% of itself in private capital flows. The majority of the public climate finance was delivered through multilateral sources, particularly multilateral development banks (MDBs).

Time for four shifts

COP27 must correct current flaws in the implementation of climate finance support to developing countries. With a few days left to negotiate, four shifts are necessary to align climate finance flows with global climate objectives.

First, capital is needed at a much greater scale than the levels that have been promised and delivered. Negotiations are underway on a new collective quantified goal to replace the \$100 billion per year figure for the period beyond 2025. Considering the extent of support developing countries need, the scale of finance must shift by order of magnitude to trillions from billions.

Second, delivered finance must strike an optimal balance between public capital provided and private capital mobilised, mitigation and adaptation, and grant and non-grant funding. The impact of public capital must be maximised by directing it to fund blended finance instruments that underwrite risks to crowd in many multiples in private sector capital flows. To underwrite risk as well as fund adaptation activities, many of which are not commercially viable, the share of grants in public climate finance would need to rise considerably. For this, the inherent constraints of the major vehicles of finance delivery (MDBs) would also need to be addressed. The need for MDBs to maintain top-notch credit ratings to keep borrowing costs low makes it challenging for them to offer grants at scale. A review of capital adequacy frameworks of MDBs to identify ways for these institutions to extend more grant capital is urgently needed. Failing this, public climate finance must be routed through alternative institutions that have a greater capacity to extend grant capital.

Third, climate finance must be directed towards addressing investment risks that either deter climate investments in developing countries or increase the cost of finance. According to a CEEW analysis, five broad areas are of particular relevance—de-risking utility-scale renewable energy investments by focussing on non-project specific risks (currency risk, political risk, off-taker risk), reducing the cost of finance for distributed renewable energy applications for small and medium enterprises, the orderly repurposing of fossil fuel assets, providing risk capital for R&D in emerging clean technologies such as green hydrogen, and insuring against climate risks.

Lastly, regulation in developing countries should facilitate the delivery of climate finance. Regulation governing sectors associated with climate mitigation and adaptation should endeavour to deliver a conducive business environment for investors. In addition, financial regulators should ensure that taxonomies and disclosure frameworks, which aid investors in identifying credible investment opportunities, are interoperable with global standards to facilitate the flow of international capital.

Sharm El-Sheikh has just a couple of days left to fulfill its ambition of becoming an “Implementation COP” and break the habit of broken promises on climate finance. <https://www.financialexpress.com/opinion/dont-cop-out-on-climate-finance/2816441/>

18. COP-27: India’s net-zero strategy lays out the challenge before it, and the world ([indianexpress.com](https://www.indianexpress.com)) November 16, 2022

At the COP26 in Glasgow last year, India made two significant commitments: It promised to meet 50 per cent of its energy needs from renewable fuels by 2030 and transition to a net zero carbon economy by 2070. By all accounts, the country is well on course to achieve its short-term target. Accomplishing the decarbonisation target will, however, require tackling much stiffer challenges. India will need “trillions of dollars” to become carbon neutral, according to a report that lays down the country’s strategy to meet its 2070 goal. The document, released at the ongoing COP27 at Sharm El-Sheikh in Egypt, also notes that adapting to climate change could cost India more than Rs 85 trillion by 2030. In the past, funding has been a deal breaker in climate negotiations. That’s why the world’s third-highest emitter could have its task cut out. But there’s another takeaway from the document which the negotiators at Sharm El-Sheikh, especially those from the rich countries, would do well to not miss out on: A business-as-usual scenario in funding would seriously imperil the Paris Pact’s goal of keeping temperature rise down to 1.5 degrees Celsius.

The strategy document does not specify mid-term targets or goals. However, the government’s other policies do offer insights into the net-zero pathway. The National Hydrogen Mission launched in 2021, for instance, aims to make India a green hydrogen hub. The country also has clean energy plans such as 20 per cent ethanol blending with petrol to burn less fossil fuel by 2025 and an electric vehicle project has been on the government’s anvil for at least five years. Using several of these technologies will require industries to make large-scale changes. Electricity’s share in industrial energy will have to multiply three-fold by 2070. Electricity-driven four-wheelers should constitute 70-80 per cent of the road traffic. The recent impetus on renewables could mean that such electricity is from a clean source. However, China dominates the market of most essentials in the EV supply chain. That’s perhaps one reason the strategy document is alive to scenarios in which fossil fuels continue to constitute a significant part of the energy mix. It talks of using methods such as carbon capture and storage (CCS) to remove GHGs before they enter the atmosphere. These technologies are currently expensive and of uncertain utility. That said, in recent times, CCS has become a key constituent of decarbonisation strategies of countries such as the UK. India should find ways to make knowledge transfers in these emerging technologies part of its trade pacts with rich countries.

Releasing the strategy document, Environment Minister Bhupender Yadav underlined India’s energy security concerns. India’s per capita energy consumption is barely a tenth of that of the USA — the world’s highest emitter. The country cannot afford to forgo its developmental

imperatives, especially since that involves lifting a large section of its population above poverty levels. That's why addressing the climate problem can no longer be postponed: The solution to the crisis must be found without the poor having to do the heavy lifting. <https://indianexpress.com/article/opinion/editorials/cop-27-indias-net-zero-strategy-lays-out-the-challenge-before-it-and-the-world-8270393/>