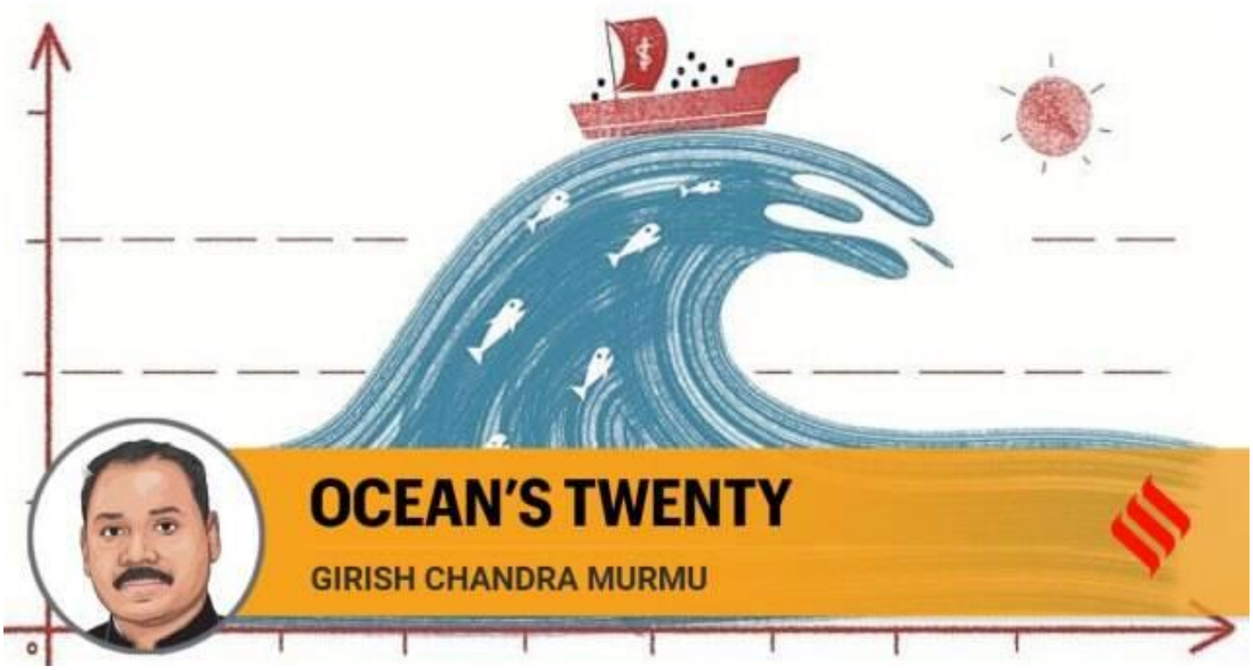
NEWS ITEMS ON CAG/ AUDIT REPORTS (04.05.2023)

1. **India's CAG writes: Blueprint for a blue economy** *(indianexpress.com)* Written by: Girish Chandra Murmu | Updated: May 4, 2023

As Chair of SAI20, India's CAG aims to help create a framework for G20 nations to ensure inter-generational equity and mitigate climate change while developing ocean resources.



Girish Chandra Murmu writes: As a public audit authority, the CAG values independence, accountability and transparency — ideals that shall remain the hallmark of SAI20. (Illustration by C R Sasikumar)

Under the Indian presidency, G20 leaders will address urgent policy needs for collective progress, equity and inclusive growth when they meet in New Delhi this year. With the summit theme of "One Earth, One Family, One Future", India has set the tone and perspective for commitment to green development, circular economy and lifestyle behaviour changes as an actionable plan for achieving the 2030 Sustainable Development Goals. A slew of events will also be held across the country to focus on solutions to a wide range of issues from climate finance and technology sharing to financial inclusion and digital public infrastructure.

The Comptroller & Auditor General of India (CAG) will chair SAI20, the Engagement Group for Supreme Audit Institutions (SAIs) of G20 countries in Goa in June. Two priority areas have been selected for SAI20 deliberations — blue economy and responsible Artificial Intelligence. The engagement of SAIs in advising executives is crucial in balancing key developmental concerns while ensuring sustainable development. SAIs' role in promoting inter-generational equity and addressing climate change concerns highlights their importance in ensuring that the benefits of economic growth are shared fairly across generations.

For SAI20, the CAG is to prepare technology-driven tools to assess authorised development in coastal stretches and track marine water quality. SAI20 member countries are being engaged in a collaborative exercise to evolve globally relevant audit toolkits along with a compendium of case studies and challenges in the broader framework of auditing coastal spaces, which, inter-alia, include legal and institutional frameworks, compliance to coastal regulation, biodiversity conservation, capacity building and compliance to SDGs.

Interest in the blue economy has been steadily gaining traction in recent years. In 2018, the United Nations Environment Programme (UNEP) had for the first time laid out the Sustainable Blue Economy Finance Principles, a framework investors can use to fund ocean-based industries. Financiers can use it as a reference point to see how marine investment can impact livelihood and poverty eradication.

The four goals and 23 targets set out in the global biodiversity framework of COP15 aim to conserve and sustainably use the planet's biodiversity. These objectives focus on topics such as reducing the rate of loss of biodiversity, ensuring the fair and equitable sharing of benefits arising from the use of genetic resources, and restoring degraded ecosystems. The framework aims to strengthen cooperation and coordination among countries and stakeholders to effectively conserve biodiversity and promote its sustainable use. The biodiversity framework of COP15 serves as a blueprint for countries to work together and make progress in addressing the global biodiversity crisis. In this article, I shall touch upon the blue, or ocean economy, whose global annual value is an estimated $2.5 trillion. About 90 per cent of global trade is carried out through sea routes.

The blue economy encompasses an array of coastal activities, including fishing and tourism. The measurement of the blue economy is challenging due to conflicting definitions and issues while classifying different sectors and sub-sectors. Existing international economic classifications are unable to properly differentiate between land-based and ocean-based activities, and even the System of National Accounts (NAS) does not provide a clear understanding of the blue economy. Given these difficulties, a new accounting framework is needed that can objectively identify production, trade, and services related to the various segments of the blue economy.

As a public audit authority, the CAG values independence, accountability and transparency — ideals that shall remain the hallmark of SAI20. Our institution is a constitutional authority with wide responsibilities to strengthen democracy and governance. We have been steadfast in our commitment to improving audits performance and compliance concerning state finances, local governance and environmental auditing. Last year, the CAG released the first-ever country-wide Compendium of Asset Accounts of Natural Resources, prepared in line with the UN system of Environmental and Economic Accounts. One of the few exhaustive natural resource accounting methodologies anywhere in the world, the handbook is a guide for the government to utilise natural resources optimally.

Setting compliance standards and a national accounting framework for the blue economy is a long-term priority for the CAG. India has marked the blue economy as one of the 10 core sectors for national growth and a National Blue Economy Policy that aims to harness maritime resources while preserving the country's rich marine biodiversity has been prepared by the Ministry of Earth Sciences.

In August last year, the CAG tabled its Conservation of Coastal Ecosystem report in Parliament, which contained its observations on how the Coastal Regulation Zone (CRZ) notification for 2011 and 2019 have been implemented between 2015 and 2019. It looked at the underlining efficiency of development drivers such as project clearances, construction activity, institutional capacity to curb land and forest violations, community livelihood support mechanisms, as well as mitigation management plans to conserve biodiversities such as mangroves and near-shore coral reefs that protect us from weather vulnerabilities like storms and coastal floods. The audit resulted in focused recommendations to help improve the CRZ ecosystem.

Sea-level rise, water temperature, storm surges and wave conditions are some of the signs of climate change. We already know how unbridled land use changes, sand mining and deforestation impinge on the coastal ecosystem. In the context of India, studies indicate that hazards of cyclones and sea-level rise are likely to be higher in the coastal regions. According to one study, GIS maps from the European Space Agency indicate that 15 per cent of India's coastal areas have witnessed changes between 1992 and 2018 due to agriculture, depleting forest cover and urbanisation. Besides that, the population living along the country's coastal areas is expected to rise from 64 million in 2000 to 216 million by 2060.

Disaster-resilient infrastructure along coasts that can withstand the impacts of hurricanes, typhoons, and tsunamis is the need of the hour. This is particularly important for coastal communities that are vulnerable to the effects of sea-level rise and increasingly intense storm events. The executives should be adequately equipped with infrastructure, especially ICT hubs in place for early warning systems. The development of disaster-resilient infrastructure has implications for the auditing community, as auditors are responsible for ensuring that organisations comply with relevant regulations and standards.

The toolkits being prepared by SAI20 under the leadership of the CAG of India will be presented at the SAI20 Engagement Group meet. This will provide a unique opportunity for constructive dialogue and agreement to improve auditing of performance in specific areas of ocean-based activities. This collaborative effort would not only build capacity of auditors across SAI20 member countries initially but would also help regional auditing communities such as ASOSAI and AFROSAI by providing a common and replicable auditing tool.

This will help in the assessment of how clearly the policy goals are planned and implemented, and how resource efficiency is maintained while leveraging economic opportunities towards a truly sustainable blue economy-based global development model. https://indianexpress.com/article/opinion/columns/indias-cag-writes-blueprint-for-a-blue-economy-8590303/

2. Tariffs on electricity, water and gas: The cost of inefficient pricing *(indianexpress.com)* Written by Ishan Bakshi | Updated: May 4, 2023

At some point, the burden on the exchequer will simply become unmanageable. The preoccupation with managing prices across the entire economy must end.

Tariffs levied by power distribution companies across states do not reflect the cost of supplying power.

The pricing of utilities — electricity, water and gas — is a notoriously complicated exercise in India. Prices tend to be largely administered, not market driven. They seldom cover the costs of provision. As such they are a deeply political decision, weighed, at times, by the imperatives of the electoral cycle. This holds true across all levels of government, irrespective of the ideological inclination of the ruling dispensation.

Take electricity. Tariffs levied by power distribution companies across states do not reflect the cost of supplying power. In 2020-21, the average cost of supplying power was pegged at Rs 6.19 per unit. In comparison, the revenue from discoms operations worked out to only Rs 4.21 per unit. This means that for every unit of power sold, discoms were able to recover only a little more than two-thirds of the cost.

In the case of water, the recovery is even lower. According to some estimates, water boards across the country are on average able to recover only around a third of their operation and maintenance costs. For instance, in Tamil Nadu, the operational cost is about Rs 20.81 per kilolitre. But as per the state's White Paper in 2021, only Rs 10.42 per unit was levied from urban local bodies and Rs 8.11 per unit from rural bodies. In the case of the Delhi Jal Board, in 2021-22, its projected income was insufficient to cover its operating costs and its interest liability. And in Haryana, the tariffs proposed for treated wastewater are less than half the total costs of water supply estimated at Rs 11.67 per kilo litre.

Dig a little deep and the political impulses behind the pricing decisions, the distributional imperatives become even more evident. In most states, power and water tariffs paid by agricultural consumers are a fraction of those paid by industrial and commercial users. For instance, in 2020-21, power tariffs for commercial users were nine times more than those for agricultural consumers, industrial tariffs were seven times higher, and household tariffs more than four times. In comparison, in developed countries, tariffs for industrial consumers tend to be lower than those for households. And while higher tariffs, levied on industrial users in India, help to subsidise agricultural consumers to some extent, the volumes involved in water mean that the same cannot be the case.

But the anomalies in pricing don't just end here. Chhattisgarh's tariff order, for instance, lays bare the existence of multiple pricing regimes even within these broad consuming segments. Industrial consumers are further divided into six slabs and each slab is charged a different fixed and energy cost. Domestic consumers are divided into five slabs. A similar demarcation exists in the pricing of water. In addition, the sewerage charges levied across states also vary depending on the built-up area, the number of rooms and even the number of beds in the case of nursing homes. How are all these slabs and tariffs determined? Administrative fiat.

In the case of gas too, there are multiple pricing regimes — from the administered pricing mechanism (APM) framework to the non-APM and imported LNG regimes. With the acceptance of the Kirit Parikh committee's recommendations, another dimension has been added. Markets are allowed to operate in the APM regime but only so much. The government has put in place a floor and ceiling price, ostensibly to protect companies from lower prices and consumers from higher prices.

But, doing so raises the question — shouldn't consumers get the full benefits of lower gas prices during a down cycle, and alternately, shouldn't producers get the full upside when prices rise? Not only is the imposition of the floor and ceiling arbitrary but so is the proposed increase in gas prices every year. In a similar vein, there was some talk of fixing a floor price in the telecom sector a few years ago to help telcos. Thankfully, that proposal was never implemented.

Prices tend to act as signals for both producers and consumers. Market based pricing tends to lead to optimal usage, increased efficiency and better outcomes. For instance, higher prices that reflect the true costs of electricity and water would perhaps encourage farmers to shift away from water-guzzling crops. But, their low cost encourages inefficient usage.

As costs outstrip revenues, the supplying entities are left with little funds to either pay for repairs and maintenance or invest in capacity enhancement. For instance, as per a CAG report, of the 1,797 unauthorised colonies in Delhi, 1,573 colonies (88 per cent) had not been provided with sewerage facilities as of March 2018. Moreover, 567 unauthorised colonies were still dependent on tube-wells/hand-pumps and water supplied through tankers for their needs. Higher tariffs would have allowed for greater investments by the Delhi Jal Board to ramp up water supply in these areas. The provision of free or heavily subsided utilities is not a governance model.

The losses involved in supplying these utilities at prices that don't reflect market realities are growing at a staggering pace. The total discom debt now exceeds Rs 6 lakh crore. In the case of water, while it is difficult to arrive at aggregate estimates of the financial burden, there are some indications of the scale of the problem. As per a CAG report, at the end of March 2019, outstanding loans to the Delhi Jal Board stood at Rs 27,660 crore. In the case of Tamil Nadu, the accumulated losses of the Tamil Nadu water supply and drainage board and the Chennai Metropolitan Water Supply and Sewerage Board stood at Rs 5,282 crore at the end of 2020-21. And in 2022-23, the total fertiliser subsidy was Rs 2.3 lakh crore, up from Rs 1.6 lakh crore in 2021-22.

At some point, this burden on the exchequer will simply become unmanageable. This calls for shifting away from administrative pricing. The preoccupation with managing prices across the entire economy must end. https://indianexpress.com/article/opinion/columns/tariffs-on-electricity-water-and-gas-the-cost-of-inefficient-pricing-8590302/

3. **Flimsy Cover: The Inadequacy of Crop Insurance** *(tatsatchronicle.com)* May 3, 2023

The heavy unseasonal rains and hailstorms in March destroyed vast swathes of standing crops that were ripe for harvesting, across India. Even as states collect data to determine the extent of damage, there is pressure on the Central and state governments to ensure adequate compensation for farmers. Records indicate severe limitations of the Centre's crop insurance scheme, both in terms of coverage and timely payouts

The untimely rainfall and hailstorms this year have played havoc with rabi or winter crops, especially wheat, that were close to harvesting. There is likely to be a significant depletion in yield. While this may not immediately affect India's food security, the affected farmers face gloomy prospects. More so the small and marginal farmers, who hold less than one hectare of land and hardly ever manage to make ends meet.

The Central government introduced the yield-based Pradhan Mantri Fasal Bima Yojana (PMFBY) from the kharif or summer 2016 season. It was said that care had been taken to eliminate the shortcomings of previous crop insurance schemes and create trust among farmers on crop insurance.

The new scheme intended to provide financial support to farmers suffering crop loss or damage arising out of natural calamities, adverse weather incidence and to stabilise the income of farmers. Comprehensive risk insurance was also promised under the scheme from pre-harvesting to post-harvest losses.

Thus, while PMFBY replaced the National Crop Insurance Programme introduced in 2013 by the United Progressive Alliance (UPA-2) government, the Restricted Weather Based Crop Insurance Scheme (RWBCIS) launched in 2007 and the Coconut Palm Insurance Scheme (CPIS) continued in their original forms.

Period	Average Monthly Income (in ₹)
2012-13 (70th Round)	6,426
2018-19 (77th Round)	10,218

Source: Rajya Sabha, Unstarred Question No. 174, February 3, 2023

When Prime Minister Narendra Modi launched the government's flagship PMFBY from Madhya Pradesh seven years ago, he announced: "…we have taken a decision, not a single farmer—even if it's only one field—facing trouble, the benefit of the insurance scheme will be given… This was a big historic decision."

Economically unviable

However, the reality is far removed from the optimistic picture painted by the prime minister. The government's own data reveals that farming is a grossly underpaying profession. The National Statistical Office (NSO), under the Ministry of Statistics and Programme

Implementation (MoSPI), conducted a Situation Assessment Survey (SAS) of Agricultural Households during the National Sample Survey (NSS) 77th round (January-December 2019) with reference to the agricultural year July 2018-June 2019 in rural parts of the country.

With farming becoming increasingly economically unviable, farmers, especially small and marginal landholders, are migrating to towns and cities, while some resort to the extreme step of suicide. National Crime Records Bureau (NCRB) data shows a marginal decrease in farmer suicides since 2019, the last report published by NCRB, including data up to 2021 at the time of writing.

The Bureau, under the Ministry of Home Affairs, compiles and disseminates information on suicides in its publication titled "Accidental Deaths and Suicides in India" (ADSI). No separate data on tenant farmers' suicides is published by NCRB in its ADSI reports and it does not specify distinct reasons for such extreme steps by peasants. According to the ADSI report 5,763 farmers or cultivators committed suicide in 2018. The next year, this number increased to 5,957. Since then, the data suggests a gradual decrease with 5,579 farmers or cultivators dying by suicide in 2020 and 5,318 in 2021.

Incidentally, the Swaminathan Committee report suggested that agrarian distress leads to farmer suicides. The major causes for agrarian crisis, it said, are unfinished agenda in land reform, quantity and quality of water, technology fatigue, access, adequacy and timeliness of institutional credit, and opportunities for assured and remunerative marketing. Adverse meteorological factors also add to these problems.

Farmers need to have assured access and control over basic resources, which include land, water, bio-resources, credit and insurance, technology and knowledge management, and markets. The National Commission on Farmers (NCF), constituted on November 18, 2004, under the chairmanship of Dr M.S. Swaminathan, recommended that "agriculture" be inserted in the Concurrent List of the Constitution. It currently comes under the State List.

So, how far will the crop insurance scheme help farmers in Telangana, Maharashtra, Madhya Pradesh, Punjab, Rajasthan and Haryana, where they have suffered heavy losses due to unseasonal rainfall and hailstorms?

One news report after the March rains claimed that about 4.5 lakh farmers in Jharkhand had received ₹400 crore in crop insurance claims that were paid into their accounts. It stated that insurance companies had further cleared the claims of two lakh additional farmers. Similar inputs came in from other states too.

But the catch was buried casually in these news reports. This "settlement" pertained to claims made five years ago. A quick calculation would suggest that the average amount per famer would work out to less than ₹9,000. Of course, the amount will depend on the affected area, land, crop, and so on, and thus would be more or less than the average estimate above. However, it reflects on the benefit that farmers have received in states that have opted for the scheme.

Some states and Union Territories (UTs) like Bihar, Telangana, Jharkhand, West Bengal and Gujarat opted out of the scheme. Such states identified certain risks and stated their financial constraints while implementing the crop insurance scheme. Andhra Pradesh re-joined the PMFBY from the kharif 2022 season and Punjab has shown an inclination towards joining it. States and UTs are free to subscribe to the scheme keeping in view their risk perception and financial considerations, among other issues.

All farmers growing notified crops in the notified areas are eligible under this scheme. However, farmers availing of seasonal agriculture operations loans from financial institutions for the notified crop would be covered compulsorily, while the scheme is optional for non-loanee farmers.

Adding to the fine print regarding the "good news", farmers are still waiting for their claims since the kharif 2018 and rabi 2019 seasons. Since then, several cycles of sowing have already taken place. Insurance companies attribute the long delay in disbursement to state and Central governments not paying their share of the premium on time. Yet, farmers continue to grow our food, facing acute hardship themselves. Reports from Haryana suggest that over 24,000 farmers have been waiting for three years for disbursal of crop insurance claims worth around ₹54 crore.

The onus is on insured farmers to call insurance firms within 72 hours to inform them about crop damage. Since the introduction of PMFBY, it is mandatory for the insurers to record every such call. The affected cultivator may also send an email or call the local revenue officer to inform about damage. In addition is the option to inform the local branch of a bank, which then updates the intimation on the common portal for the state agriculture department. An app is also available for farmers to inform about crop damage. However, as with most government systems, there is a lot hidden in the fine print. Given the communication system and connectivity in rural areas, especially in the hinterland, such intimation within the stipulated period may itself prove a challenge. Secondly, not all farmers may own a smartphone, leave alone a computer.

To each their own

Given this year's unseasonal rain and hailstorms, which have severely impacted small farmers, the Madhya Pradesh government intends to cover their crop insurance premiums. According to reports, the government is working on a road map for insurance for farmers with two hectares or less farmland. This will cost the government between ₹25 crore and ₹30 crore.

Mustard crop takes a bad hit

Unseasonal showers, along with hailstorms in some places, have caused widespread damage to the standing rabi crop, with the northern, western and eastern parts of the country being affected. This will also delay harvesting of crops this season. While significant loss in output of wheat and pulses is expected, reports are coming in about a similar fall in yield of flowers, fruits, and vegetables. Yet another rabi crop which has seen considerable damage is potato.

Mustard has been affected roughly between 20% and 80%, depending on the region. The untimely rains in March served as a double whammy for farmers in Haryana, Punjab, and Rajasthan, where the January frost had already taken a toll in many of the districts. Whatever produce has reached the market, farmers are complaining, has had to be sold below the stipulated minimum

Mustard procurement began in Haryana from March 15. Reports from the state in mid-April suggest that over 30% of mustard procured had to be sold below MSP, especially in Hisar district. This is being attributed to low market price, reportedly on account of the import of edible palm oil this rabi season. While MSP is fixed at `5,450 per quintal, in the open market the price ranges from `4,000 to `5,400.

The Solvent Extractors Association of India (SEA) has claimed that free import of palm oil is leading to fall in mustard seed prices in the domestic market. Moreover, the higher volume of imports is putting the domestic industry under stress. Every year, India imports around 56% of the edible oil it consumes. Of the rest, mustard has the highest share of 39%. It is followed by soybean at 24% and groundnut at 7%.

Mustard is a major rabi crop in Rajasthan and Madhya Pradesh. The SEA has sought “immediate intervention” to prevent the “distress sale of mustard seeds”. In this rabi season, Rajasthan had the highest acreage at 39.722 lakh hectares, up from 35.3 lakh hectares last year. The state contributes about 49% to the country’s total mustard production, followed by Uttar Pradesh, Haryana and Madhya Pradesh (11% each). A severe hailstorm that lashed Lunkaransar in Bikaner district in March is estimated to have damaged about 80% of gram and mustard crops. Alwar too has witnessed severe hailstorms. The vagaries of nature have delivered a blow to the already derelict lot of mustard growers.

The state agriculture minister, Kamal Patel, was quoted as declaring that there are large numbers of farmers whose cultivation area is very small, and they cannot afford insurance. In such cases, the government would pay the premium. “The department is putting together a road plan to assist them. In this context, discussions have taken place with Chief Minister Shivraj Singh Chouhan. The government intends to pay their premium,” said the minister.

It can be seen as a generous gesture by the state government, considering that Madhya Pradesh has about one crore farmers, many of whom are small and marginal. Small farmers, with holdings of one to two acres of land, account for 27.15% of the farming community, while marginal farmers with holdings of no more than one hectare account for 48.3%. Farmer union leaders, however, complain they are yet to get payment for old claims. They argue that, instead of paying the premium to the insurance companies, the government can provide farmers financial assistance directly.

Crop assessment is in progress in Haryana, Punjab, and Rajasthan at the time of writing. The respective state governments have announced relief to affected farmers. In Punjab, the amount is ₹15,000 per acre for farmers who have suffered more than 75% crop loss and ₹6,750 per acre for those facing a loss between 33% and 75%. With Punjab now opting for PMFBY, the state’s agriculture department recently sought ₹400 crore from Punjab’s finance department for premium payment. Meanwhile, Telangana has announced a compensation package of ₹10,000 per acre for affected farmers. The state government, according to Telangana MLC Palla

Rajeshwar Reddy, has sanctioned ₹228 crore for crop loss aid to farmers from the State Disaster Response Fund (SDRF).

In April 2015, the Union home ministry issued orders for revision of the items and norms in respect of centrally notified disasters. The revised orders include various aspects of response and preparedness and included “gratuitous relief for families whose livelihoods may seriously be affected due to disasters, agricultural input subsidy to farmers, replacement of different categories of animals, procurement of search, rescue, evacuation and communication equipment, etc”.

It added, “The Government of India has permitted up to 10% of allocation under the State Disaster Relief Fund (SDRF) to be spent on equipment. A maximum of 5% of SDRF allocation can be spent on capacity building. The state governments can also use up to 10% of their SDRF allocation on ‘local disasters’, for which the State Executive Committees have to work out the modalities and criteria.”

Seven years later, the ministry issued guidelines for assistance from SDRF and the National Disaster Relief Fund (NDRF) for the period 2022-23 to 2025-26. The approved list of items and norms for assistance from such funds, apart from “assistance for land and other loss”, included input subsidy (where crop loss is 33% and above), “assistance to small and marginal farmers and landless livestock owners”, and assistance to fishermen.

The Churu district unit of the RSS-affiliated farmer union, the Bharatiya Kisan Sangh (BKS), in a memorandum to the prime minister, has demanded removal of the provision for adjusting disaster grant amount in the PMFBY. Rajasthan Chief Minister Ashok Gehlot has also written to the prime minister to amend the new rules issued by the Union government in October 2022 to end the inclusion of assistance given to farmers from SDRF for crop damage with the amount received through PMFBY.

Stating that his organisation stands for the delinking of disaster grants from crop insurance, Pramod Choudhary, member of the BKS Executive Committee, agreed that companies handling crop insurance have to keep in mind business and profits. “They have to earn a profit after providing compensation, meeting operational expenses—all from the premium they are getting,” says Choudhary. “Thus, such entities would ensure that spending is minimal. An equilibrium has to be built considering all these aspects. Understandably, corporates have to earn profits, but it can’t be at the cost of farmers’ interests.”

“It’s an insurance for corporates,” retorted Hannan Mollah, vice-president of the leftist farmer organisation, All India Kisan Sabha (AIKS). He alleged that the government has no regulatory mechanism to ensure that insurance companies and other private agencies involved in the process do not indulge in malpractice. “There are no statutory provisions for verification of enrolment of farmers or of payment of claims by the insurance companies. Statistics on enrolment of farmers and payments of claims are directly taken from crop insurance companies and reported as official data,” he said (see table).

The revised operational guidelines for PMFBY which came into effect from October 1, 2018, stipulated insurance companies should compulsorily spend at least 0.5% of the total gross premium collected by them for Information, Education and Communication (IEC) activities.

Details of farmers insured, premium and claims paid for the years 2016-17 to 2021-22 under PMFBY					
Year	**Total Farmer Applications** (In Lakhs)	**Farmer Premium** (In Crores)	**State Premium** (In Crores)	**GOI Premium** (In Crores)	**Claims Paid** (In Crores)
2016-17	581.7	4085.1	8944.6	8648.7	16795.5
2017-18	531.8	4172.0	10239.8	10055.9	22065.5
2018-19	582.0	4695.7	12676.6	12316.7	28651.8
2019-20	616.2	4482.0	14321.1	13525.9	27361.6
2020-21	623.2	4044.9	14620.5	13034.0	20423.9
2021-22	832.8	3772.1	13929.9	12562.1	14716.9

While furnishing the above figures in Parliament, Minister of Agriculture and Farmers Welfare Narendra Singh Tomar stated, “As regards profit and loss of insurance companies, most of the general insurance companies except Agriculture Insurance Company of India Ltd. (AIC) are doing different types of businesses and policies. Thus, overall profit/loss of these companies is due to profit/loss in overall underwriting business of the company. However, crop insurance is a major risk mitigation tool for the benefit of farmers. Insurance is all about spreading the risk spatially and temporally. As per provisions of the PMFBY/RWBCIS, premium from farmers along with Central and state government share in premium subsidy is paid to the concerned insurance company for acceptance of risk and payment of claims. Insurers save premium in good seasons/years and pay high claims, if any, in bad years from the savings made in the good years.”

He added, “Further, difference between premium collected and claims paid may not be the margin/profit for the insurance companies as there is a cost of reinsurance and administrative cost which generally ranges up to 10% to 12% of gross premium. This cost also has to be borne by the insurance companies. Out of the total crop insurance business under the scheme about 50% is shared by the five public sector insurance companies, including Agriculture Insurance Company of India Ltd.”

However, a Communist Party of India Rajya Sabha member, Binoy Viswam, alleged grave irregularities are being committed by private insurance companies in settling insurance claims of farmers. He wrote a letter to Prime Minister Modi late last year highlighting such “irregularities”. He claimed that this results in a bonanza for the private companies. According to the hexagenarian Communist leader, over the past five years, the Central and state governments have contributed almost ₹1.265 lakh crore to the scheme but available reports suggest only ₹87,320 crore have been paid to farmers. He urged the prime minister to look into this matter and initiate a Comptroller & Auditor-General (CAG) audit on how farmers are being deprived by corporates.

Official figures claim that in the past six years, against ₹25,186 crore worth of premium received from farmers, they were paid ₹1,25,662 crore against their claims. Thus, the Central and state governments bore most of the premium costs under the scheme. That, claim farmer union leaders, is lining the pockets of private firms.

In the wake of such protests by farmer leaders and the Opposition, demanding an overhaul of the scheme and making it farmer-friendly, the government has indicated that it is open to making "pro-farmer changes". The agriculture ministry is seeking inputs to face the challenges of climate change and technological help.

Meanwhile, the peasants wait, toil, and suffer to feed a nation of over 1.42 billion. A question was raised in the Lok Sabha in March on whether the government was considering changes in the crop insurance scheme "for a liberal approach in disbursal of compensation for the crops affected due to climate factors such as floods and drought as many farmers are left out…."

To this the agriculture minister answered, "The rationalization, revisions, improvements in the crop insurance schemes is a continuous process and decisions on suggestions, representations, recommendations of the stakeholders and studies are taken from time to time after consultation with various stakeholders." https://tatsatchronicle.com/flimsy-cover/

STATES NEWS ITEMS

4. CAG report reveals extra money spent on Pune Metro Rail Project *(punemirror.com)* May 4, 2023

Auditor General's report reveals Rs 146 taxpayers' money was paid extra for consultancy services for project; tendering process not followed

The Comptroller and Auditor General (CAG) has slammed Maha Metro for paying Rs 146 crore in excess to consultancy firms for the Pune Metro Rail Project.

According to the CAG audit report, which was made public recently, the Maharashtra Metro Rail Corporation Ltd (MMRCL) granted the work of the Pune Metro project for general consultancy without holding a bidding process.

While criticising the Pune Metro Project in its report, CAG stated that Maha Metro's claims of cost savings and delays in the tendering process lacked credibility. Additionally, it noted that this demonstrates poor management techniques and a lack of transparency in the project.

M/s AECOM, AGIS, and RITES of Sistra were chosen as temporary consultants for the Nagpur Metro Rail Project. By paying Rs 183 crore on a nomination basis, Sistra was also given the additional job of the Pune Metro Rail Project with this contract.

Maha Metro stated that it backed the decision to award the Pune project to the same company in order to avoid delays in the tendering process and because a new tender might have higher rates than the present consultancy firm's contract.

Maha Metro put out a tender and awarded the Pune Metro Rail Project work to the same consultancy firm. This company received a total of Rs 368.09 crore, of which Rs 221.93 crore was allocated to the Nagpur Metro Rail Project.

However, it was observed in the CAG report that subsequently MMRCL tendered in December 2019 for the work of a general consultant relating to the Pune Metro Rail Project, and the work was awarded in November 2020 at a contract price of Rs 185 crore. Hence, the total value of the general consultant contract came to Rs 368.09 crore –

Rs 183.09 crore for interim consultancy and Rs 185 crore for consultancy for Pune Metro, which was much higher than the Nagpur Metro general consultant contract value of Rs 221.93 crore. Hence, the report added, the arguments regarding cost savings and tendering delays are not convincing.

As reported earlier by Mirror, the estimated cost of the Pune Metro Project went up to Rs 13,636 crore from Rs 11,400 crore. The Metro officials blamed the dropping value of the Rupee for the inflated cost.

The CAG report said that avoiding tendering of high-value contracts citing the time required for following the tendering process is not a valid justification and indicates poor project management besides a lack of transparency in awarding of major works.

Reacting to the report's revelations, Aam Aadmi Party (AAP), Pune, has criticised the Pune Metro's tendering process. AAP leader Abhijeet More said, "The BJP has been ruling the PMC for the past five years. The CAG report of Nagpur Metro has revealed the flaws in the tendering process in the Pune Metro Rail Project. The four companies that were allotted the general consultancy work for Nagpur Metro were also awarded the Pune Metro consultancy work without any tender process from March 2017 to February 2017. The consultancy fees paid for Pune Metro was Rs 368.09 crore while that of the Nagpur Metro was Rs 221.93 crore – an extra Rs 146 crore was paid for Pune Metro consultancy."

"The reason given by the Pune Metro states that if the tender process is followed it will be a waste of time and will slow down the work. But Rs 146 crore rupees taxpayers' money was wasted in this process. A tender was allotted later in December 2019.

The Pune Metro administration has deceived Punekars and the taxpayers. What is the role of the BJP in this process? Who ordered MMRCL to follow this process? There should be an in-depth investigation of the tendering process," added More.

When Mirror contacted the MMRCL authorities, they refused to comment on the issue. https://punemirror.com/pune/others/cag-report-reveals-extra-money-spent-on-pune-metro-rail-project/cid1683145088.htm

5. Pune Metro Project Consultants Awarded Work worth Rs 368 Crore without Tender, Says CAG Report *(punekarnews.in)* May 3, 2023

A report by the Comptroller and Auditor General (CAG) has revealed that the chief consultants appointed for the Pune Metro project were given work worth Rs 368 crore without a tender.

The report states that a group of companies were given the responsibility of chief consultant for Pune Metro on a temporary basis from May 2017 to February 2019, after they had worked as the main consultants for the Nagpur Metro.

According to the report, Mahametro awarded the work worth Rs 183 crore to these companies without inviting tenders, arguing that a fresh tendering process would cause delays and cost more than the current rate of work. The tender process for this work was conducted in November 2020 and was valued at Rs 185 crore.

The report also revealed that the cost of the chief consultants for Pune Metro was 60% more than that of Nagpur Metro, despite Mahametro's claim of saving costs and avoiding delays in the tendering process. The lack of transparency in the allocation of major works has also been highlighted in the report.

The revelation of the report has raised questions about the functioning of Pune Metro and poor project management by Mahametro. When contacted, Mahametro officials refused to speak.

The report has called for greater transparency and adherence to tendering processes to ensure that public funds are utilized efficiently and effectively. https://www.punekarnews.in/pune-metro-project-consultants-awarded-work-worth-rs-368-crore-without-tender-says-cag-report/

6. HP: CAG Report is a Severe Indictment of Govts on 74th Amendment Implementation *(newsclick.in)* May 4, 2023

As Shimla elects a new city council, a recent report published by the Comptroller and Auditor General (CAG) of Himachal Pradesh is a severe indictment of successive governments.

This report concerns the "efficacy of implementing the 74th Constitutional Amendment Act 1992". The 74th amendment, which came into effect in 1993, was a significant departure from the past in the country in the outlook towards the urban centres. It was a continuation of the 'First Urban Commission', which was constituted by Rajiv Gandhi, the country's then Prime Minister. This 10-member commission was headed by one of the most profound architect planners in the country, Charles Correa.

The 74th Amendment laid out the roadmap for the empowerment of city governments and emphasised regular elections. Under the 12th Schedule, 18 subjects should be transferred to city governments for their 'autonomous functioning'. However, many studies in the past decade have revealed that little progress has been made.

Not more than three subjects have been universally transferred to cities. City planning, the foremost function of the city, is nowhere delegated to cities. It remains the domain of the parastatals – the Delhi Development Authority in Delhi, town and country planning departments in most states, and likewise.

Story of Himachal Urban Local Bodies

The CAG report takes the period from April 2015 to March 2020. This report is a 298-page document, which is a scathing exposure of the implementation of the democratic decentralisation process in the hill state.

The executive summary mentions, "Though the state government carried out amendments in the states' statutes, however, no firm action in terms of empowerment of ULB's to discharge their functions freely and effectively."

The notification for the implementation of the Act was done in August 1994. The hard reality is that just five functions have been transferred to urban local bodies. In some of the functions, city governments have no role. Likewise, in four functions, city governments have a limited role.

The term of office of the mayor, deputy mayor, is not co-terminus with the duration of the house. House means the period of the city council. The term of the house and the mayor and deputy mayor was for the same period only once when there were directly elected mayor and deputy mayor elections.

Likewise, another critical area visited by the CAG report is the question of democratic decentralisation, which involves more than just holding regular elections for city governments or providing reservations to women in the city council.

Of course, all that is part of the process, but democratic decentralisation means empowering the people. One of the forms of empowering them is through the process of ward sabhas. This is an essential part of the 74th Amendment. It is also part of the HP Municipal Act. However, in none of the urban local bodies is this being practised. Except once in Shimla, during the period 2012-17, when the city council was run by the directly elected mayor and deputy mayor belonging to the Communist Party of India (Marxist) or CPI(M). However, that did not continue after the 2017 period. The report categorically mentions the absence of ward sabhas and committees.

On Shimla Water Utility and Smart Cities

Notably, the report, which the Chief Minister tabled in the recently concluded Assembly session, goes into great depth while reviewing the smart cities model and the Shimla water utility.

It may be mentioned that the Shimla water utility was created during the CPI(M)-led municipal body subordinated/answerable to the municipal corporation but with a fair amount of autonomy. This utility was called Greater Shimla Water Supply and Sewage Circle. The primary reason for creating this utility was an integrated approach to handling water and sewage in the city and keeping it under democratic control.

Before that, there was a duality in the system. The water was supplied by the state government's Irrigation and Public Health Department (a parastatal), and then it was distributed by the Shimla Municipal Corporation. Likewise, sewage with the municipal bodies was managed by the municipality and treated by the IPH. This duality led to complete mismanagement and the recurrent outbreak of Hepatitis in the city.

The city government in 2015-16 evolved this proposal for a single utility under the municipal corporation. The World Bank also agreed to help GSWSSC with a soft loan to increase bulk water supply and manage the city infrastructure.

However, in 2017, the Bharatiya Janata Party (BJP) won the city government and the state and transformed this utility into a company called the Shimla Jal Nigam Prabandhan Limited (SJNPL) on June 19, 2018. This utility was taken away from the Shimla Municipal Corporation (SMC) and was headed by the chief secretary with a bunch of board of directors.

The CAG report has commented on this transformation. It has said, “The function of ‘Water Supply and Sewage Management’ was stated to be devolved to ULBs. However, it was noticed that:

• The SMC had a 51% share in the company. However, out of the 09 Board of Directors (BoD), the SMC had only three representatives (further reduced to two).

• As per the notification (June 2018) issued by the SMC, SJPNL was to submit quarterly reports about works/steps taken by the Company. However, it was noted that the company is not submitting its status/progress report of working to the SMC.

• Control over MD-cum-CEO of the company had been kept out of the purview of SMC by the BoD.

From the above, it is evident that SMC had limited control over the functioning of SJPNL, thereby defeating the purpose of devolution of functions.”

There are two more essential reports: one by the World Bank, released in December 2022 and another by the Reserve Bank of India. These reports have favoured an empowered city government structure where essential utilities must be under their ambit. However, the inverse is true when it comes to implementation.

Smart City and SPV

There are two smart cities in Himachal Pradesh, designated as part of the flagship programme of the smart city mission by the government of India. These are Shimla and Dharamshala. The CAG report has also reached out to their functioning.

The report stated, “In Himachal Pradesh, two cities viz., Dharamshala and Shimla were selected to be covered under the Mission and two companies (SPVs) were constituted under Company Act 2013 for Smart City Dharamshala and Shimla. However, it was noticed that in Dharamshala

Smart City Limited (DSCL), 03 out of 12 members of BoD were from MC Dharamshala, and in Shimla Smart City (SSCL), 02 out of 12 members of BoD were from MC Shimla. Thus, the representation of Municipal Corporations in the BoDs of these two SPVs varied between 25% (DSCL) and 17% (SSCL). However, the stake holding power was 50:50 between State Government and ULB."

This, in itself, shows the fundamental flaw of the smart city concept. The structure of SPVs robbed city governments and even took away some of their basic functions like maintenance etc. The report highlights, "In this process, some of the devolved functions/works such as upgrading and maintaining roads, streets, Skill Development Centre, underground bins, e-toilets of the Municipal Corporations were being executed by the line departments or other agencies instead of Municipal Corporations. These SPVs were directly accountable to State Government than to ULBs."

There are some good recommendations that the CAG report has made that go in tune with the spirit of the 74th Amendment.

Some of these are:

· Taking decisive action to translate the vision of decentralisation into reality, besides providing an adequate degree of autonomy to ULBs in respect of functions assigned to them in line with the Constitutional provisions;

· Constituting requisite committees for effective planning and better execution at ULBs' level;

· Involving greater participation of ULBs in the functioning of various parastatals in the State.

The election to the Shimla Municipal Corporation or the municipalities of Bombay and Bangalore must raise these issues of importance and uphold the spirit of the 74th Amendment.

Though the 74th Amendment needs to be further strengthened, for example, issues of livelihoods, climate change, migration, massive informality that has crept into the urban centres, housing, etc., are not even structured in this amendment, but are the most pressing problems of the day. The linkage of 17 SDGs, 11 directly linked to the city framework, is not even part of the discussion.

These are political issues and must be raised politically for the betterment of our cities and people. https://www.newsclick.in/hp-cag-report-severe-indictment-govts-74th-amendment-implementation

7. **After Liquor, Transport Cases and Bungalow Splurge, Kejriwal Government Now Faces Heat Over 'Jal Board Scam'** *(swarajyamag.com)* May 03, 2023

The Arvind Kejriwal-led Delhi government has come under fire after news of one of its officials was alleged to have demolished a 15th-century palace to construct his own house.

The case is being linked to the Delhi Jal Board billing scam when several officials of the water body were arrested on 22 February 2023. The officer under question, Udit Prakash Rai, was the former Chief Executive Officer of the Board.

The Bharatiya Janata Party (BJP) has continuously alleged of a massive ongoing scam in the Delhi Jal Board since 2015.

The Comptroller and Auditor General (CAG) has also written to the Delhi government over 22 times about an audit of the board but no reply was given.

On 20 February 2023, the Anti-Corruption Bureau (ACB) of the Delhi Police arrested several Delhi Jal Board officials under allegations of siphoning off Rs 20 crore through fake water bills.

Delhi Police also arrested officials of two e-payment gateway firms, namely Freshpay IT Solutions and Aurrum ePayments, in connection with the scam in Delhi Jal Board.

Reportedly, the payment firms set up e-kiosks around the cities for bill payments, but the officials never reconciled those payments with the firms.

According to ACB Chief Madhur Verma, the names of the arrested accused are Rajendran Nair, Gopi Kumar Kedia, and Dr Abhilash Vasukuttan Pillai.

It is has been alleged that the firms in return paid bribes to these officials and siphoned off funds over Rs 20 crore. The accused were absconding from India and were arrested upon their return.

An FIR was registered last year after the detection of embezzlement of more than 20 crore in connivance with officials of Corporation Bank (now Union Bank of India) and Jal Board.

Notably, Satyendra Jain was in-charge of the ministry when Rai destroyed the historical monument and erected a personal residence in its place. Jain is currently in jail in relation to another corruption case. https://swarajyamag.com/politics/after-liquor-transport-cases-and-bungalow-splurge-kejriwal-government-now-faces-heat-over-jal-board-scam

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. India's green financing requirement estimated at 2.5 pc of GDP: RBI Study *(financialexpress.com)* May 3, 2023

India's green financing requirement is estimated to be at least 2.5 per cent of GDP annually till 2030, a Reserve Bank report said on Wednesday.The country aims to achieve net zero emissions target by 2070.The Reserve Bank of India's report on Currency and Finance (RCF) for the year 2022-23 covers four major dimensions of climate change to assess future challenges to sustainable high growth in India.The areas are the unprecedented scale and pace of climate change; its macroeconomic effects; implications for financial stability; and policy options to mitigate climate risks.

The country’s goal of achieving the net zero target by 2070 would require an accelerated reduction in the energy intensity of GDP by around 5 per cent annually and a significant improvement in its energy-mix in favour of renewables to around 80 per cent by 2070-71, it said.”India’s green financing requirement is estimated to be at least 2.5 per cent of GDP annually till 2030,” the report said.According to the report, a balanced policy intervention with progress ensured across all policy levers will enable India to achieve its green transition targets by 2030, making the net zero goal by 2070 attainable.

“Climate change is upon us”.As per the World Meteorological Organisation (WMO), the 2015-22 period was the warmest on record.Despite the cooling effects of La Nina into its third year, 2022 was the eighth consecutive year in which annual global temperature reached at least 1 degree celsius above pre-Industrial Revolution levels, fuelled by ever-rising Green House Gas (GHG) concentrations and accumulated heat.”India’s diverse topography makes it highly vulnerable to climate risks, manifested in the form of sustained rise in temperature, erratic monsoon patterns, and rising frequency and intensity of extreme weather events.”India’s goal of becoming an advanced economy by 2047 and achieving the net zero target by 2070 would require accelerated efforts in terms of reducing the energy intensity of output as well as improving the energy-mix in favour of renewables,” it said.

Further, the report said scenario analysis suggests that delayed climate policy actions could be costlier in terms of larger output losses and higher inflation. As per the report, India’s susceptibility to physical risks emanating from climate change raises significant concerns on policy trade-offs surrounding growth-inflation.”Scenario analysis indicates that the Indian economy may be deeply impacted, with inflation rising and output falling in the medium-term under a lenient mitigation plan,” it said.Risk mitigating domestic policies and global concerted efforts could, however, help in containing the adverse impact on growth and inflation, the report said.

According to the report, the financial sector faces the dual challenge of recalibrating its operations and business strategies to support the green transition process while also strengthening resilience to rising vulnerability to adverse climate events so as to safeguard financial stability.On the first challenge, estimates suggest that the green financing requirement in India could be at least 2.5 per cent of GDP annually to address the infrastructure gap caused by climate events.The financial system may have to mobilise adequate resources and also reallocate current resources to contribute effectively to the country’s net-zero target, it added.On the second challenge, results of a climate stress-test reveal that public sector banks may be more vulnerable than private sector banks in India.”A pilot survey of key stakeholders in the financial system in India suggests that notwithstanding rising awareness about climate risks and their potential impact on the financial health of entities, risk mitigation plans are largely at the discussion stage and yet to be widely implemented,” the RBI study said.

On policy options to mitigate climate risks, the report said the enormous scale of the green transition challenge and the colossal cost of delayed policy actions warrant a comprehensive decarbonisation strategy, encompassing all carbon emitting sectors of the economy and all available policy levers — fiscal, technology, regulatory, trade and monetary.”The policy mix needs to strike the right balance between a carbon tax, technology support for non-fossil fuel, green hydrogen, carbon capture and storage, standards for energy efficiency, regulatory tweaks incentivising flow of adequate resources for green projects and adoption of energy saving appliances at home and in business establishments," it said.Estimates suggest that compared with a no policy action scenario that could increase India's carbon emissions to 3.9 gigatonnes by 2030 (from 2.7 gigatonnes in 2021), a balanced policy intervention can lower carbon emissions to 0.9 gigatonne by 2030, the report added. https://www.financialexpress.com/economy/indias-green-financing-requirement-estimated-at-2-5-pc-of-gdp-rbi-study/3073220/

9. India should introduce carbon-pricing system *(financialexpress.com)* Updated: May 4, 2023

The 'Report on Currency and Finance' has been prepared by the Department of Economic and Policy Research. It does not represent the views of the RBI.

India needs to introduce a broad-based carbon pricing system to meet its climate goals, the Reserve Bank of India (RBI) said in a report on Wednesday. The 'Report on Currency and Finance' has been prepared by the Department of Economic and Policy Research. It does not represent the views of the RBI.

The report has urged the government to introduce an emissions-trading system, linked to the green taxonomy to cover all the sectors of the economy.

The report also stated the need to bring about an effective green taxonomy so that sustainable green assets and activities can be identified and the potential risk of green washing can be limited.

In the United Nations Climate Change Conference, 2021, India pledged to cut its emissions to net zero by 2070. Half of India's energy is expected to come from renewables by 2030.

Broadly, the report estimates that India's annual green financing requirements could be at least 2.5% of the GDP. India would have to arrange for new investment of $7.2-12.1 trillion till 2050, which would be a challenge.

In the absence of policy interventions, estimates show that India's carbon emissions could increase to 3.9 gigatonne by 2030 from 2.7 gigatonne in 2021. On the other hand, a balanced policy intervention can lower carbon emissions to 0.9 gigatonne by 2030.

"The enormous scale of the green transition challenge and the colossal cost of delayed policy actions warrant a comprehensive de-carbonisation strategy, encompassing all carbon emitting sectors of the economy and all available policy levels," the report said.

The central bank will soon issue a disclosure framework on climate-related financial risks and guidance on climate scenario analysis and stress testing.

The report has urged the government to adopt a sector-specific approach to mitigate climate risks since different sectors of the economy have varying emission intensities. It noted that the response of individuals to climate events by geographical locations must be taken into consideration.

“Alongside significant technological breakthroughs required to achieve green transitioning in the hard-to-abate industrial sectors, policy focus on sectors with low emission intensities such as textiles, fisheries, land transport and services could support India’s growth and employment objectives,” the report said, adding that India has already demonstrated a capacity to achieve transformations in certain sectors like renewables and agriculture.

Before implementing green capital regulation, NPAs in the banking system must be reduced to alleviate potential financial risk, it said. “If green capital regulation amplifies NPAs, it could impede monetary policy transmission.” https://www.financialexpress.com/economy/india-should-introduce-carbon-pricing-system/3073461/

10. Delayed green power projects under government scanner, only a few eligible for extensions *(cnbctv18.com)* May 3, 2023

The Centre has clarified that the timelines of project developers might not be extended for the completion of hybrid and solar projects, for which bids had been completed prior to the basic Customs duty announcement on modules.

The Centre has also said that if it finds the developer has not taken adequate measures towards the implementation of the projects, they will be cancelled. In February, the government had issued an order saying that if a renewable energy was incomplete by the prescribted completion date, then the project's bank guarantee will be encashed and its developer will be blacklisted for three to five years asking them to show cause.

In March 2021, the government had said that from April 1, 2022, any solar PV module imports would attract a basic Customs duty of 40 percent. On the other hand, solar PV cells would be eligible for a 25 percent basic Customs duty. This affected solar projects of around 26,000 megawatts (MW). Hence, on December 29, 2022, the Ministry of New and Renewable Energy said the projects for which the bids had been submitted prior to March 9, 2021, would be given time till March 2024 to be completed.

In a May 1, 2023, order, the ministry said that extension given to finish such projects is not unconditional. The Centre has told the renewable energy implementing agencies (REIAs) like NTPC, SECI and NHPC to examine every request they have got for seeking such project extensions under the policy on the basis of case-to-case.

The ministry has told the REIAs that it should grant extensions to only those cases where the developer has taken the required steps to complete the project but has still not been able to due to reasons beyond their control.

"Where the developer has taken no steps to implement the project but is merely sitting on the award, such projects shall not qualify for an extension, and consequence of cancellation of the project will follow," the ministry's order said, Monecontrol reported.

The ministry added that the question to be asked in such cases would be — if the land has been acquired, have orders been placed for balance of plan/modules/balance of system, etc. https://www.cnbctv18.com/environment/green-energy-power-projects-solar-government-scanner-merit-few-further-extensions-16552451.htm

11. Does nuclear power have a role in our climate change strategy? *(livemint.com)* May 4, 2023

The threat of climate change has prompted much needed action to expand capacity in renewable energy (RE) generation, mainly wind and solar, to meet the net zero target. But we also need to consider the role that nuclear power can play. The recent announcement that National Thermal Power Corp (NTPC) and Nuclear Power Corp of India Ltd (NPCIL) will jointly develop nuclear power plants should therefore be welcomed. But does it do enough?

Nuclear power has many advantages. It neither emits CO2 nor creates air pollution. Disposal of radioactive waste does pose a problem, but it is manageable. And unlike RE which is intermittent, presenting challenges for grid management, nuclear power provides a steady supply—precisely what we need to replace coal-based power.

These considerations suggest that we should scale up nuclear power much beyond its current 3% share of total electricity in India. Two reasons for its limited growth globally in recent years are safety and high costs. A third that is relevant in India is our policy framework which makes nuclear power a public sector monopoly.

The safety issue is easily shown to be overstated. Although Germany has shut down its last reactors, other advanced countries are working to scale them up. France relies on nuclear energy for about 70% of its power and expects to continue at this level. The US gets 20% of its electricity from nuclear power and this could increase in the future. The UK, South Korea and even Japan—the site of the 2011 Fukushima accident—are planning to increase the share of nuclear power in their electricity mix.

The cost of nuclear power is a major concern. The Central Electricity Authority recently estimated the capital cost of nuclear power plants at 2.5 times that of coal-based plants (though there are fuel savings that offset some of this differential). However, cost comparisons are heavily affected by assumptions and methodologies.

Coal-based power appears relatively cheap today only if we disregard its high social costs on account of CO2 emissions and also air pollution. A $25 per tonne CO2 tax (the minimum recommended by the International Monetary Fund) would raise costs of coal-based power in India by at least 50%. RE is much cheaper, but it is intermittent. Introducing storage batteries at grid scale would at least double the cost of RE in the foreseeable future, although one can hope that storage costs will decline as grid-scale batteries get cheaper.

On balance, there is a good case for expanding the share of nuclear power in India. China is targeting a 10% share of nuclear power in its energy mix by 2035. If we were to target the same share by 2040, then considering the additional power demand on account of electrification—a key element of the energy transition—our nuclear power capacity would have to expand from 6.8GW today to around 65GW. Our current target is only to have 22.5GW capacity by 2031.

A key constraint on achieving these ambitious targets is the present institutional framework which requires that nuclear power stations in India can only be run by public sector undertakings (PSUs). This has effectively given NPCIL a monopoly and its record on meeting targets is poor. Ending this monopoly and allowing new entrants, with new capabilities and management cultures, could help reduce implementation times and thereby also lower costs.

As noted above, the government has announced that NTPC will collaborate with NPCIL through a joint venture (JV) and will set up 4.2GW of combined nuclear power capacity at two sites in India by 2035. Bringing NTPC into the nuclear sector is a welcome step, but the joint venture arrangement does not provide the same flexibility as allowing NTPC to enter this area independently.

Ideally, we should go even further and allow private players to enter this sector in due course. This should be combined with strong institutional arrangements for a suitably empowered independent regulatory authority that will enforce safety standards on all operators. The private sector can bring in both technology and capital. The extent to which the private sector will respond depends on many factors, including policy stability and regulatory transparency, but enabling their participation remains the first step.

A possible halfway house is to allow both NPCIL and NTPC to form JVs with private companies including foreign companies. As experience is gained, we could move to allowing majority private sector ownership in this area, as is the case in some countries. Allowing JVs with foreign companies with technology would allow us to explore the possible involvement of French and Japanese firms in setting up nuclear power plants in India. South Korea, in partnership with US firms, is commercializing small modular reactors (SMRs), which are typically under 300MW in capacity.

SMRs represent a new technology which may be especially relevant for India. They could reduce costs by enabling prefabrication of reactor units in factories, which would yield scale economies. They could also be installed in existing sites of coal-based power plants that are to be phased out in the country’s transition to net zero. This is something that NTPC might find especially attractive.

Public-private partnerships as described above would involve some investment by the public sector, but there could be substantial additional financing from a combination of bilateral official credit and loans from sovereign wealth funds. The International Finance Corporation could be an important source of such credit. One possible step to facilitate this is through the classification of nuclear power as “green", or at least zero-carbon.

Finally, bringing private companies into the country's nuclear power sector would require an amendment of the Civil Liability for Nuclear Damage Act, 2010, which extends liability to suppliers of nuclear equipment in case an equipment failure leads to a disaster. The Act is not in line with current international practice where the liability is strictly limited to the operator, and which can be covered by insurance (or a public backstop). A review of this legislation is highly desirable and could be entrusted to the Niti Aayog.

To summarize, as the world seems set to resume expansion of nuclear power, there is a distinct possibility of new developments like SMRs, passive safety designs and even advanced nuclear fuels and new fuel cycles. These innovations could reduce costs. We need to be well placed to benefit from these developments, but this calls for a comprehensive rethink of our domestic policy constraints that could otherwise prevent us from participating fully in this process. https://www.livemint.com/opinion/columns/expanding-nuclear-power-in-india-opportunities-and-challenges-for-private-sector-participation-and-policy-reform-11683139229040.html

12. Coal Ministry sets Rs 50,000 crore asset monetisation target for FY24 *(economictimes.indiatimes.com)* May 04, 2023

The coal ministry has set a ₹50,119- crore assets monetisation target for the current fiscal, much higher than the FY23 target of ₹30,000 crore.

Auction of commercial coal mines is expected to fetch ₹40,000 crore while ₹10,100 crore of revenues are expected through CoalIndia Ltd, as per the action plan for FY24 released by the ministry.

The Coal India component usually comes through revenue sharing of mine development operations, sale of abandoned mines, and long-term outsourcing contracts for hiring equipment for coal extraction, overburden removal and transportation.

Coal India has a ₹16,500-crore capital expenditure plan for FY24, while NLC India is expected to spend ₹2,880 crore and Singareni Collieries Company Ltd ₹1,650 crore. The ministry has set the coal production target for FY24 at about 1 billion metric tonnes, as stated earlier.

The plan, apart from the expansion of Coal India's core business, also includes diversification of its operations into new areas such as aluminium, power, solar wafer, and renewable energy among others for sustainable future business operations.

Coal gasification and coal-to-hydrogen projects are also listed in the projection for the year.

The coal ministry, in consultation with the railway ministry, is closely monitoring the new railway line projects that are critical for coal evacuation.

The ministry also plans to launch the coal trading exchange, for which a consultant was appointed in 2020, in the current fiscal. https://economictimes.indiatimes.com/industry/indlgoods/svs/metals-mining/coal-ministry-sets-rs-50000-crore-asset-monetisation-target-for-fy24/articleshow/99969908.cms?from=mdr

13. An Insightful Overview of Issues Concerning India's Defence Security *(thewire.in)* 03 May 2023

While all the essays in 'In Hard Times: Security in a Time of Insecurity' are instructive and intellectually stimulating, collectively they do not conflate into a ‘whole-of-defence-and-security’, or even ‘whole-of-military’ perspective.

The British mathematician-philosopher Bertrand Russel famously said that there were two motives for reading a book; one, that you enjoy it, and the other, that you can boast about having read it. To this postulate, another motive can be added unhesitatingly to recommend In Hard Times: Security in a Time of Insecurity (Bloomsbury, 2022); it provides an insightful overview of the issues concerning India’s defence and security.

This erudite anthology of 10 essays edited by security analysts Manoj Joshi, Praveen Swami and Nishtha Gautam is posited against the backdrop of contemporary geopolitics, which is increasingly becoming ‘bi-multipolar’, with the US and China representing the first half of this hyphenated equation and ‘middle powers’ like France, Germany and India, the other half.

The contemporary geopolitical complexity, argues Sanjay Baru in his context-setting essay India’s World, offers an opportunity for India to consolidate its position as a middle power, provided it accelerates and sustains economic development. However, this is a big IF, considering that there has been a virtual ‘race to the bottom between Asian powers’, triggered by an economic slowdown since 2016 and exacerbated further by two years of the COVID-19 pandemic that erupted in 2020.

Arguably, India’s economy has not done too badly in this downward race, but there is no denying that its revenues continue to be woefully inadequate to fulfil the ever-growing needs of diverse sectors like health, education, infrastructure, rural development, poverty alleviation and other developmental projects, while at the same time liberally financing military modernisation and internal security reforms.

Pranay Kotasthane acknowledges this grim fiscal reality in his essay Nor Guns Nor Butter: The Inconvenient Truth of India’s Defence Financing. He cautions India’s strategic establishment to be mindful that days of steady economic growth are “behind us and getting back on the growth path will take time”. Acknowledging that resources for defence modernisation would remain “severely constrained”, he recommends a “whole-of-government” approach towards this goal.

He also recommends the creation of a “non-lapsable fund” for unhindered capital acquisitions – which, ironically, the government has virtually given up on – reducing expenditure on defence pensions that are depleting procurement funds, and a more practical shift in operational doctrines. These ideas need fleshing out to determine their workability and whether they can ultimately create sufficient fiscal space for military capacity building.

Four of the next five chapters by military veterans largely elaborate on doctrinal aspects of military reforms, while the fifth, How can the Indian Army Address the Resource Crunch Logjam?. by Colonel Vivek Chadha (Retd) from the Manohar Parrikar Institute of Defence Studies and Analyses (MP-IDSA), focuses on the possible ways of containing the Indian Army's (IA's) expenditure on manpower, currently accounting for about 65% of its overall revenue budget.

Handing over IA's counter-insurgency responsibilities to central armed police forces, re-evaluating the need for three strike corps to handle the threat from Pakistan on its western front, lateral entry of soldiers into the paramilitaries, and enhanced harnessing of technology are some of the recommendations he makes to reduce manpower costs, including the burden of pension payouts. Some of these ideas have been around for long but, as Col Chadha admits, the cost of developing and adapting new technologies as the key to savings in manpower costs will necessitate increased investment, wherein lies the intrinsic rub.

Echoing Kotasthane's assessment, Lieutenant General D.S. Hooda (Retd) too acknowledges that military capability building will continue to be incremental as the country's parlous financial state will not permit any "significant increase" in future annual defence budgets. Hence, in his cogently argued analysis Army Capability Building, the three-star officer cautions that the IA "will have to look at its basic manning structure, review its operational responsibility, integrate common roles in the three services, undertake a doctrinal study of future warfighting, and develop high-end capability".

Gen Hooda is spot on in pointing out that reduction in the army's numerical strength does not necessarily mean a decrease in military capability. On the contrary, he reasons that a "leaner, technologically advanced force supported by a coherent doctrine, high standard of training and good human capital will be more effective". Considering that previous attempts at reducing manpower haven't had much success, it'll take a lot of doing to bring about this doctrinal change.

Two essays – Trajectory of Indian Air Power by Air Vice Marshal Manmohan Bahadur (Retd) and Vectored Thrust: The Future of Indian Air Power by Group Captain Kishore Kumar Khera (Retd) – drive home the message underlying the US military maxim that the Army cannot control the ground under the sky if the Air Force does not control the sky over the ground. "Rather than an all-domain parity with China," argues Group Captain Khera, "Indian aerospace power would do well to focus on specific areas and generate capability dominance or parity in specific subdomains."

The maritime perspective has been effectively presented by former Indian Navy Chief of Staff Admiral Arun Prakash. In India's Neglected Maritime Domain, he expatiates on his core contention that India's maritime sector could have, but had not, "provided an impetus to heavy industry, spawned a complex of ancillaries, helped in skilling our youth and created job opportunities by the thousands". All it had managed to achieve was to establish "an indigenous supporting industrial base for the Indian Navy, which is currently forced to rely largely on imported weapons and systems".

With an eye on China's burgeoning maritime might – that remains a recurring refrain in Admiral Prakash's and other accompanying essays – the former naval chief recommends instituting an inter-departmental "oceanic administration" alongside an overarching ministry of "maritime affairs" to promote fishing, shipbuilding, seabed exploration and other related activities. This recommendation, however, seems to be at odds with his recurring lament over the enduring indifference of the "politico-bureaucratic system" to prioritising India's maritime capacity building.

Moving away from defence, two essays – Reforming Indian Intelligence, anonymously authored by a former senior intelligence officer, and India's Counter-insurgency Crises by Praveen Swami – provide insights primarily into domestic dimensions of India's security predicament arising from relentless cross-border terrorism, extremist violence and sporadic emergence of assorted fissiparous movements.

The author of the first of these two informative pieces argues for reformation of India's intelligence agencies based on four 'pillars' of development – legal status, accountability and parliamentary oversight, focus on recruitment and training of professionals, and a better system of coordination and information gathering.

Swami makes a similar case for police reforms on the premise that "India might be better off using a policing-led model (for counter-insurgency operations) that involves less force, effectively coupling lower numbers with better intelligence and training, freeing troops and resources in the process, for more compelling strategic purposes." The need for reforms in intelligence gathering is unquestionable but considering the trajectory of governmental disinterest in this project, it is anybody's guess how and when such a process is likely to materialise.

With Beyond Equal Opportunities: Women in the Armed Forces, Nishtha Gautam has broken into the male-dominated discourse on defence and security, She presents a heartfelt perspective on why women's participation in the forces "ought not be looked at through the prism of "sentimentality" (spouses of martyred personnel joining as officers) or gender equality (though important)". Instead, it needed to be viewed from a "purely utilitarian" standpoint of how increased participation of women can augment security outcome. It is a passionately advocated refreshing perspective that merits serious attention.

While all the essays in the book are instructive and intellectually stimulating, collectively they do not conflate into a 'whole-of-defence-and-security', or even 'whole-of-military' perspective, as some other vital Ministry of Defence organs like the Defence Research and Development Organisation, Indian Coast Guard, Border Roads Organisation and the 16 Defence Public Sector Enterprises, which play a significant complementary role in boosting India's defence capabilities, are left out of the discourse.

Considering the centrality of monetary resources in implementing several recommendations made by the authors, problems besetting comprehensive and finally viable defence planning, encompassing all these organs, too merited more attention.

In his Afterword, Manoj Joshi has contemporised all the essays which were obviously written before COVID-19 unfolded in its full fury. “At this crossroads of our history,” he argues, “the need of the hour is a “whole-of-the-nation” approach to problems”, rightly adding that in dealing with these critical security and military issues, “India must retain a sense of humility and modesty” in the face of challenges it confronts.

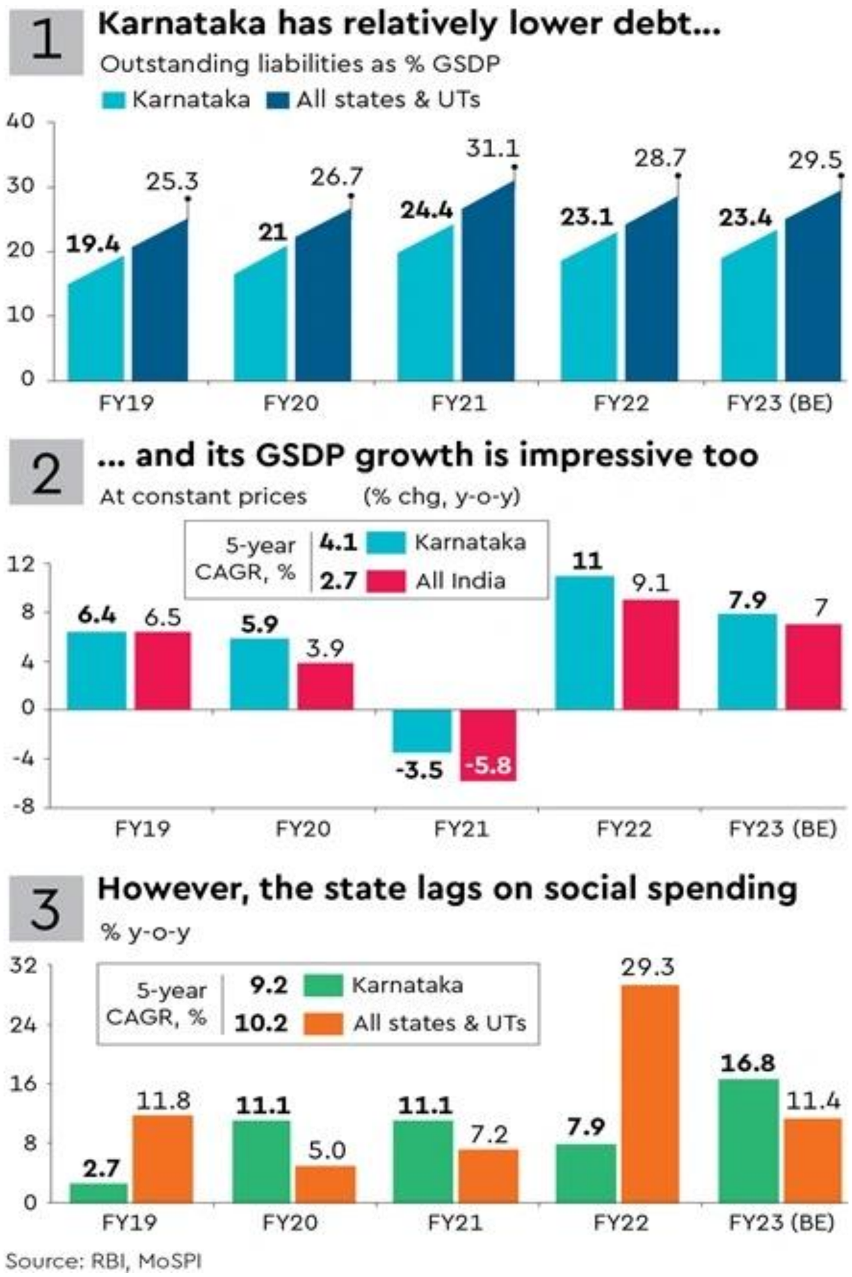
Joshi is also right in stating that India can draw a lesson from Deng Xiaoping’s 24-character strategy: Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership. Even a simple reworking of President Theodore Roosevelt’s policy of speaking softly and carrying a big stick could go far.

Both are sensible approaches, but the question is whether a rambunctious democracy, with its myriad contradictions, can doggedly pursue them or not. Therein lies the abiding challenge of reforming defence and security set up of the country. https://thewire.in/books/an-insightful-overview-of-issues-concerning-indias-defence-security

14. **Karnataka’s low social spending** *(financialexpress.com)* May 3, 2023

As Karnataka goes to the polls on May 10, an analysis of its gross state domestic product (GSDP) shows the GSDP recorded a higher growth (4.1% CAGR) between FY19 and FY23 than the all-India rate (2.7%).

Similarly, the state’s per capita income grew 8% CAGR—higher than the national growth rate of 6.4% during the period.



The state's debt-to-GDP ratio remains at 23.4% for FY23—slightly higher than the N K Singh panel's recommendation of 20% for states—but significantly lower than that of many other major states. Despite its economic soundness, the state lags in social sector spending. https://www.financialexpress.com/opinion/karnatakas-low-social-spending/3072080/

15. 11 years on, no area in city getting 24x7 water supply, reveals NMC & OCW data *(timesofindia.indiatimes.com)* May 4, 2023

Nagpur: The Nagpur Municipal Corporation (NMC), and Orange City Water Private Limited (OCW) have revealed that not a single locality in the water command areas is getting 24x7 water supply. After consistently claiming for years that 34 of 103 water command areas are getting

24x7 water supply, the civic body and its contractor have now said that 32 water command areas are getting 18-24 hours water supply.

TOI had on April 26 reported that MLC and BJP city president Pravin Datke exposed the claims of supply of 24x7 water by NMC and OCW in areas under Qilla Water Command Area. In front of all concerned officials, Datke, also former mayor, himself contacted residents on mobile phone numbers shared by NMC and OCW officials, and confirmed water was being supplied for only four hours and not 24x7.

Datke later sought factual data of water command areas getting 24x7 water. Shockingly, NMC and OCW did not claim 24x7 water supply in a single command area in the data sent to Datke. These agencies clearly mentioned 18-24-hour supply in 32 command areas.

Under JNNURM, the central government had sanctioned over ₹1,100 crore between 2006 and 2009 for improving infrastructure and supplying 24x7 water to entire city by March 31, 2012. NMC engaged OCW from March 1, 2012, and set deadline of five years, which ended on March 31, 2017.

A joint venture of Veolia India and Vishvaraj Infrastructure, OCW claimed to have converted some command areas into 24x7 from 2017. https://timesofindia.indiatimes.com/city/nagpur/11-years-on-no-area-in-city-getting-24x7-water-supply-reveals-nmc-ocw-data/articleshow/99973834.cms

16. **Chalai heritage street project comes to a standstill** *(newindianexpress.com)* 04th May 2023

THIRUVANANTHAPURAM: The much-touted heritage street project at the 400-year-old Chalai market in the capital, modelled on the SM street in Kozhikode, is likely to be shelved as the fund allocated for the project by the state government for the 2016-2021 tenure has lapsed due to the delay in the project's execution.

The delay was caused by frequent opposition from the traders in the market. Though the architect G Sankar's Habitat Technology Group, which is the implementing agency, wrote to the Tourism Minister P A Mohamed Riyas and Tourism Director to review the project months ago, nothing has happened further.

The Group had redesigned the project as per the requirements of the traders in a meeting in November last year. Since then, no meeting has been conducted pertaining to the heritage street project.

Sources said that the city corporation has also done nothing in this regard, and this project will likely be shelved. G Sankar told TNIE that he had approached the state government to revive the project, but the government had yet to respond to his request.

"I have redesigned the project. I have also submitted it to the corporation. But there was no development, either from the corporation or from the government. So I have written to the tourism minister and tourism director. However, the project has come to a standstill," Sankar said.

When contacted, S Salim, Welfare Standing Committee chairperson, city corporation, said that he was not aware of the present status of the project. "It is learned that the traders of the market are opposing it. But I am not aware of the project's status," he said.

Fund lapse

According to Corporation secretary Binu Francis, the funds allocated for the project have lapsed, and the project could be revived only after mobilising funds for it again.

"The fund of over Rs 10 crore was allotted when Kadakampally Surendran was the tourism minister in the previous tenure of the state government. However, a delay has occurred, and the funds could not be utilised on time. So the fund has lapsed now. Now, the ball is in the court of the state government to ensure fresh funding for the project," Binu said.

Flagging space constraints, the traders contend that the new market could not rehabilitate all vegetable vendors as promised. Adding to their woes, the interconnection of the roads at Chalai proposed to be renovated under the smart road project under the Smart City Mission has also been dropped due to the termination of contracts owing to inefficiency and deadline lapses. Sources associated with the Chalai project reveal that only 10 per cent of the work has been completed so far.

The project was launched amid much fanfare in 2018 and promised to incorporate a variety of features to make Chalai a commercial and tourist destination. As per the plan, the first phase was to see the renovation of the vegetable market, the construction of a walkway and amenity centre, and the installation of two traditional gates at East Fort and Killippalam. However, the vegetable market renovation is the only work that has been executed so far.

Revival soon

Meanwhile, a top official of the state tourism department said that efforts were underway to revive the project.

"It is true that the project has come to a standstill due to the opposition from traders, as they demanded a proper rehabilitation from them while developing the meat and fish market. Also, many components of this project are part of the Smart City Mission project. Since Smart City is not a stakeholder now, the project hits a dead end. However, the government is taking measures to revive the project by resolving the disputes," the official said.

As per the plan, the heritage street would have wall graffiti showcasing the commercial hub's history. Benches and flowers, too, would be added to the roofed walkway.

The entry to the market from the Gandhi Park side will feature a gateway modelled on the lines of the East Fort gate. A similar gate will be constructed on the Killipalam side as well. Another highlight will be a statue of former Travancore diwan Raja Kesavadas, proposed to be installed at Aryasala junction.

Overall, for the heritage project, the Union government's Smart City programme sanctioned `16 crore, and the state tourism department earmarked Rs 10 crore. So far, only Rs 5 crore has been spent, mostly on renovating the vegetable market. https://www.newindianexpress.com/cities/thiruvananthapuram/2023/may/04/chalai-heritage-street-project-comes-to-a-standstill-2571891.html

17. Discoms in Haryana have to mop up Rs 7,000 crore in dues *(timesofindia.indiatimes.com)* Updated: May 4, 2023

GURGAON: Discoms in the state – Dakshin Haryana Bidyut Vitran Nigam (DHBVN) and Uttar Haryana Bidyut Vitran Nigam (UHBVN) – together have to recover around Rs 7,000 crore from defaulters in the state.

Of the combined 20 lakh defaulters, nearly 14 lakh are existing consumers of discoms while the connections of 6 lakh consumers have been snapped due to failure to pay dues.

The DHBVN, which covers south Haryana, including Gurgaon and Faridabad, has a total of 12.9 lakh defaulters with a defaulting amount of Rs 4,866 crore spread across different consumer categories. Similarly, the UHBVN has 7.5 lakh defaulters amassing a defaulting amount of Rs 2,263 crore across different consumer categories.

Of these defaulters, 9.5 lakh are DHBVN consumers with defaulting amount of Rs 2,518 crore, and 4.9 lakh consumers with defaulting amount of Rs 1,446 crore in UHBVN. Around 3.5 lakh permanently disconnected consumers owe about Rs 2,347 crore to DHBVN and 3.5 lakh permanently disconnected consumers owe about Rs 2,347 crore to UHBVN.

R K Pachnanda, chairman of Haryana Electricity Regulatory Commission (HERC), has directed the discoms to submit a report within 15 days with details of action taken against the officials for not disconnecting the defaulter's electricity connection, thereby aggravating the financial loss.

The commission has directed to fix the personal responsibility of the officers for recovery of the amount.

The commission has also directed the discoms to share an action plan for the recovery of the defaulting amount from defaulters who are still connected to the distribution system. The commission also inquired into what legal action has been taken for recovery of the defaulting amount from defaulters who are permanently disconnected from the distribution system. A power department official said that both Haryana discoms have remained profitable for the past few years .

"Discoms have been proactively implementing a number of efficiency and loss reduction measures to deliver a strong operational and financial performance, besides improving supply reliability in both urban and rural areas," said the official, adding that Haryana's discoms are among the few distribution utilities in India that are currently operating at a sub-15 per cent aggregate technical and commercial (AT&C) loss..

DHBVN’s rankings in the annual discom rating exercise, carried out by the ministry of power, reflect this strong performance. https://timesofindia.indiatimes.com/city/gurgaon/tall-ask-discoms-have-to-mop-up-7k-crore-in-dues/articleshow/99973601.cms

18. Govt claims 47 lakes developed and 17 underway, but this is not quite true *(bengaluru.citizenmatters.in)* May 3, 2023

On January 25 2022, the state government put out a full page ad in the Deccan Herald showcasing its achievements in Bengaluru. The ad praised the government’s expenditure of hundreds of crores spent on restoring lakes, building BBMP schools, the much publicised Namma clinics, roads, and various BDA layouts. In the upcoming series, we look at some of these claims and see the reality behind it.

On January 25th, the state government claimed in an advertisement that “47 lakes had been developed under the Nava Nagarothana scheme at the cost of 317.25 crores.”

Under the Amrutha Nagarothana scheme, another Rs 200 crores were sanctioned for 17 new lakes to be restored. The advertisement makes it seem fairly straightforward–the government has spent close to Rs 500 crores restoring our lakes.

In reality, the city’s lakes are receiving piecemeal funds leading to work being done in a stop-start fashion. Moreover, concerned citizens have no way of actually understanding how the lakes were going to be restored.

The lack of transparency has led to many Bangaloreans fearing that the restoration works were merely superficial fixes that were at best a waste of public funds and at worst going to end up destroying lake habitats. Worse, some citizens allege that renovation plans are an excuse to reduce the size of the lakes and encroach upon them.

Claims made in the advertisement

The Nava Nagarothana scheme is an urban development grant that was first fashioned by former CM Siddharammaiah. The scheme was called Nava Bengaluru at that time. HD Kumaraswamy also allotted a large grant through this scheme in 2019. When the BJP came to power after the political crisis in June 2019, it was renamed the Nava Nagarothana scheme.

Advertisements put out by the Department of Information and Public Relations claimed that Rs 317.25 crore had been spent to develop 47 lakes under the Nava Nagarothana scheme in 2021. However, this is not entirely accurate. Officials at the BBMP Lakes department explained that all the lakes were still in varying phases of development.

Moreover, the Urban Development Department’s (UDD) Annual report (2021-22) shows that Rs 317.25 crore was allocated for 47 works, based on the budgetary allocations of the fiscal year 2019-2020 under the Kumaraswamy government. Of this, roughly Rs 88 crores were given to the Yelahanka, Bommanahalli, and RR Nagar zones. The remaining Rs 229 crores were allocated to the lake works.

It is important to note that 47 works is not the same as 47 lakes. Works can include multiple activities in the same lake. For instance, fencing and desilting are two works that are routinely carried out as part of lake development.

In fact, a UDD government order approving lake work dated September 2019, shows that the Nava Nagarothana amount and additional funds was spread across works for 59 lakes.

The advertisement also claimed Rs 200 crores had been allocated to develop 17 new lakes in 2022 under the Amrutha Nagarothana scheme. The Amrutha Nagarothana scheme is yet another urban development grant this time fashioned under the Basavaraj Bommai led BJP government in 2022.

A UDD government order approving BBMP expenditure (dated June 18 2022) shows that Rs 200 crores were allocated for rejuvenation work in 67 lakes.

Although the state government claims that 47 lakes were fully developed under the Nava Nagarothana Scheme, the BBMP lakes department could not confirm which lakes had actually been completed. Moreover, at least 10 lakes, which were being developed under the Nava Nagarothana scheme, were also being developed under the Amrutha Nagarothana scheme.

Piecemeal funding and work

This is because lakes are rarely developed in one go, according to Nithya, executive engineer (Lakes) for the BBMP Central Zone. Money required for lake management or any other activity by the BBMP is rarely given in full. UDD disburses it at different times.

For instance, UDD broke up the Rs 229 crores meant for lakes under the Nava Nagarothana scheme into 15 packages or installments and disbursed it at different times. This money is then distributed to different zones. The zonal lake officials then decide which lakes to develop based on the amount available and urgency, Nithya explains.

Despite the claims of the government advertisement, this piecemeal approach means that 47 lakes had not been completely developed. Rather, several lakes had undergone the first phase of development, according to Vijay Haridas, the BBMP Chief Engineer for Lakes. Phase 1 includes basic works such as desilting, bund formation, sewage diversion and fencing to prevent encroachment. Phase 2 included works like pathway improvements.

The 17 lakes mentioned under the Amrutha Nagarothana scheme in the advertisement were being developed for the first time. Among the remaining 50 lakes, some were spillovers from work undertaken in 2021, according to the chief engineer.

Inexplicable delays

Moreover, the entire chronology from the Chief Minister’s budget speech to when lake restoration work actually begins, suggests major delays in the process.

For instance, the allocations under the Nava Nagarothana scheme were announced by the HD Kumaraswamy government as part of the 2018-2019 budget. The BJP took over in July 2019 and the UDD approvals came in September 2019.

Yet, some of these lakes which were approved are only being worked on this year. For instance, Saul Kere in the Mahdevapura zone and the controversial Hosakerehalli lake in the RR Nagar zone were approved in September 2019. The work appears to have begun in January 2023, a few months before elections.

This piecemeal approach and delays make it difficult to monitor how much work is actually completed in a lake. This has led to accusations of lack of transparency and widespread corruption by citizen groups. https://bengaluru.citizenmatters.in/claims-vs-reality-1-autocratic-and-opaque-governments-lake-rejuvenation-plans-111689