NEWS ITEMS ON CAG/ AUDIT REPORTS (10.03.2023)

1. CAG seeks explanation from NAAC over irregularities in awarding grades *(onmanorama.com)* 10 March 2023

The Comptroller and Auditor General of India (CAG) recently found irregularities in the inspections carried out by the National Assessment and Accreditation Council (NAAC) which resulted in awarding inaccurate grades to several higher education institutions and has sought an explanation from the Council in this regard.

According to the notice sent by CAG to NAAC, there were discrepancies in the reports prepared by the expert panels which visited the educational institutions and the final scores awarded. The CAG has also listed several instances of mismatch between the reports and marks given to institutions.

Instances of mismatch

For instance, the expert panel which visited an institution at Bellampalli in Telangana had mentioned in its report that waste was burnt on the premises, causing air pollution. However, this institution received full marks for waste management. On the other hand, the expert panel's report praised a college in Mumbai for becoming a plastic-free campus. However, this college was awarded a mere one mark for waste management!

Yet another college where the expert panel had found that no academic timetable was prepared or implemented received full marks in this category.

NAAC's response; Chairman quits

Meanwhile, NAAC authorities have released a media statement claiming that accreditation procedures were transparent as well as proper.

Incidentally, Bhushan Patwardhan, who was the Chairman of NAAC, had recently alleged that malpractices were involved in awarding high NAAC grades. Patwardhan's statement created a furore and he resigned from the post on March 5.
https://www.onmanorama.com/career-and-campus/top-news/2023/03/10/cag-seeks-explanation-from-naac-over-irregularities-in-awarding-grades.html

STATES NEWS ITEMS

2. Imminent Economic Disaster: Why Punjab Is another Sri Lanka in The Making *(swarajyamag.com)* 10 March 2023

Unfortunately, in the recent months, after the Aam Aadmi Party (AAP) took over the reins of the state, the politics of Punjab has gone down a path where economic thinking and planning is a distant priority.

Today, the state battles separatism and consequent law and order issues with a hapless Chief Minister watching on.

The Member of Parliament from Sangrur, once AAP's only Lok Sabha seat, is today openly calling for Australia to recognise Sikhs as a separate nationality while a new separatist leader, guarded by armed men, has emerged out of nowhere.

None of it, however, takes away from the deep economic mess the state of Punjab is in.

Only recently, one of the most absurd suggestions in the economic history of India was proposed by three economists from Punjabi University, Patiala.

In their opinion, the AAP government should consider turning to generous Punjabis, worldwide, who can contribute to decrease the state debt, currently in the neighbourhood of Rs 2.5 lakh crore.

Now, with the budget session finally underway, another bombshell has been delivered by the CAG.

The State Finances Audit Report of the Comptroller and Auditor General (CAG) of India for the financial year ending in March 2022 was presented in the state legislature earlier this week.

The economic revelations, especially the ones pertaining to the debt of the state, are alarming.

As per the CAG report, if the state financial trajectory continues in the same manner as it has been for the last few years, by the end of 2032, the state could be staring at a debt of Rs 5 lakh crore. Beyond the numbers, however, there are other concerning observations.

As a percentage of the Gross State Domestic Product (GSDP), Punjab's debt has gone from 41.43 per cent in 2017-18, 41.35 per cent in 2018-19, 42.71 per cent in 2019-20, 46.88 per cent in 2020-21, to 44.74 per cent in 2021-22.

In absolute numbers, the debt has increased from Rs 1.95 lakh crore in 2017-18 to Rs 2.6 lakh crore in 2021-22. Of the total debt, only 2 per cent is made up of loans from the Government of India, while more than 84 per cent is internal debt alone. The rest is Public Account Liabilities.

The state has mounting debt that must be repaid in the coming years. Factoring in the interest payments, the total public debt, to be settled over a period of not more than ten years, stands at Rs 3.6 lakh crore.

More than 50 per cent of that debt is payable over the next seven years, while the long-term debt, to be paid between the seventh and the tenth year, is around Rs 1.54 lakh crore.

Put simply, if the next five years appear tough for the state with respect to public debt management, the next five after are going to be punishing in every way.

The Debt Problem Is Aggravated By Two Reasons.

One, while the state is paying off some of its debt, it is also taking over more to finance both debt payments and capital expenditure, thus trapping itself in a vicious cycle.

For instance, in 2017-18, against Rs 7,152 crore internal debt repaid, Rs 18,057 crore was borrowed. In 2020-21, against Rs 12,863 crore repaid internal debt, Rs 33,595 crore was borrowed.

In 2021-22, Rs 16,781 crore was paid as internal debt, and Rs 26,584 crore was borrowed. Most internal debt is composed of loans from the market.

Thus, in the last five years, the annual borrowings by the state government have been focussed towards repayments. In 2017-18, 73 per cent of the total borrowings were directed towards the repayment of principal.

For the next four years, the percentage hovered around 70 per cent before coming down to 59 per cent in 2021-22.

The capital expenditure has therefore taken a hit, with three of the five years witnessing less than 10 per cent of the total borrowings being used for capital expenditure.

Two, the CAG estimates that given the debt trap the state government is in, over the next ten years, it would have to borrow more. Factoring in the past trends, the CAG estimates that by the end of 2031-21, the state's debt could breach Rs 5.14 lakh crore.

The problem is that the state government, instead of focussing on indulging the private sector are too busy squandering away resources on subsidies and freebies.

Further, the political climate dents private sector investment that could create both revenue and employment.

Even the majority expenditure of the state is directed towards debt obligations or fixed costs, like wages and pensions. Subsidies and interest payments are responsible for one-third of the expenditure, while wages and pensions take away another one-third of the pie.

Power subsidy, allotted to rich farmers, makes up for at least two-thirds of the subsidies.

Further, the state government did not invest the funds allotted to the state disaster relief fund, was incurring loses over investments in corporations, and losing money to incomplete infrastructure projects.

Punjab's Economic Situation Resembles That Of Sri Lanka For Multiple Reasons.

One, quite like Sri Lanka, Punjab is caught in a debt trap where they are dependent on the market loans (bonds, etc). While the payments may appear feasible in the initial years, they will only pile up as the time goes on.

Two, the state is indulging in economic wokeism, rejecting private investment in agriculture, one of its strongholds, quite like Sri Lanka that ushered naive experiments like banning synthetic fertilizers.

The island nation was also guilty of allowing tax cuts, resulting in reduced income for the government.

AAP, while not responsible, entirely, for the economic mess the state is in, misused its strong mandate for change and went a step further offering freebies.

The upcoming budget, given the elections next year, may have more such offerings in the name of welfare. However, in the long run, it will only damage the state's debt profile.

Unlike Sri Lanka, Punjab will not have to worry about inflation at a macro level, but fundamental problems remain.

Compared to other states in India, Punjab's liabilities, as a percentage of the GSDP, are the worst.

As per the recent Reserve Bank of India (RBI) report on state's finances, Punjab, in 2021, was the worst performing state, only behind Mizoram and Nagaland, the north-eastern states constrained by an array of factors.

Be it the neighbouring states of Haryana and Himachal Pradesh, or the bigger states like Gujarat, Karnataka, and Tamil Nadu, none of them are nowhere near to the mess Punjab finds itself in. Concerning, yes, but even West Bengal is relatively better.

For Punjab, the equation is quite simple.

In the narrow window, of around three to four years, they must get their act together through more room for private investment, participation of corporations in agriculture, industry, and manufacturing, and doubling down on law and order issues, corruption, and lack of infrastructure.

Ideally, the AAP with all its promises should have already embarked on this path, and even though the problem has its origins in history with every government of the past being responsible, the onus lies with AAP.

However, if AAP's previous budgets are any indication, they are perhaps the worst possible selection for this herculean economic task.

An imminent economic disaster. https://swarajyamag.com/politics/imminent-economic-disaster-why-punjab-is-another-sri-lanka-in-the-making

3. **कैग रिपोर्ट में खुलासा:न मजदूरों को मजदूरी दी गई और न सप्लायर्स को भुगतान हुआ** *(bhaskar.com)* 10 March 2023

पंजाब में मनरेगा (महात्मा गांधी नेशनल रूरल एम्प्लॉयमेंट गारंटी स्कीम) को लेकर व्यापक गड़बड़ियां सामने आई हैं। कहीं पर मजदूरों से काम करवाने के बाद उनका भुगतान नहीं किया गया तो कहीं पर जिन लोगों से कंस्ट्रक्शन और अन्य सामान खरीदा गया, उनको भुगतान ही नहीं किया गया। इसके चलते बाद में सामान की सप्लाई बंद हो गई और प्रोजेक्ट अधूरे ही छोड़ दिया।

उस पर तुर्रा ये कि अधिकारियों ने प्रोजेक्ट पूरे होने की रिपोर्ट भेज दी और कैग अधिकारियों ने मौके पर जाकर देखा तो प्रोजेक्ट आधे-अधूरे थे। कई जगह पर तो एक ईंट भी नहीं लगाई गई और भुगतान पूरा ले लिया गया। कैग ने पंजाब सरकार को कहा है कि इन सभी अधिकारियों के खिलाफ सख्त कार्रवाई की जाए और इनसे रिकवरी भी जाए।

कम्पट्रोलर एंड ऑडिट जनरल ऑफ इंडिया (कैग) की साल 2023 की पहली रिपोर्ट के अनुसार साल 2016 से 2021 तक मनरेगा के तहत विभिन्न प्रोजेक्ट के लिए 743 करोड़ रुपए का सामान खरीदा गया, जिसमें सीमेंट, ईंट, सरिया और अन्य सामान शामिल है। इनमें से 381.42 करोड़ रुपए का भुगतान सामान सप्लाई करने वालों को किया ही नहीं गया। परिणामस्वरूप सप्लायर्स ने आगे सामान देने से इंकार कर दिया और प्रोजेक्ट आधे अधूरे ही रह गए। इसके अलावा रिकॉर्ड भी पूरी तरह से मेंटेन नहीं किया गया। https://www.bhaskar.com/local/chandigarh/news/neither-the-laborers-were-paid-wages-nor-the-suppliers-were-paid-131020529.html

4. **आपसी गुटबाजी के कारण धरी की धरी रह गई पंजाब सरकार की 52 करोड़ से ज्यादा की राशि** *(jagran.com)* March 09, 2023

पंजाब सरकार वित्त वर्ष 2021-22 में 52,834.52 करोड़ रुपये की राशि का उपयोग नहीं कर सकी। चुनावी वर्ष के दौरान खर्च करने के लिए रखी गई भारी भरकम राशि कांग्रेस की आपसी गुटबाजी के कारण धरी रह गई क्योंकि उन दिनों में कांग्रेसी नेता आपस में ही लड़ते रहे।

राज्य में तब कैप्टन अमरिंदर सिंह को हटाकर चुनाव से ठीक पहले कांग्रेस ने चरणजीत सिंह चन्नी को मुख्यमंत्री बना दिया गया। लेकिन उक्त राशि को चुनाव के अंतिम तक और खर्च ही नहीं की गई।

इतनी थी सरकार की बचत

महालेखाकार की एक रिपोर्ट के मुताबिक 2021-22 के दौरान, 1,79,405.00 करोड़ रुपये के कुल बजट प्रावधान के मुकाबले 1,26,570.48 करोड़ रुपये का खर्च किया गया, जिसके परिणामस्वरूप कुल 52,834.52 करोड़ रुपये की बचत हुई। वर्ष के दौरान कुल बचत में से 42,039.66 करोड़ रुपये (बचत का 79.57%) वापस कर दिया गया।

चुनावी वर्ष के दौरान कैप्टन अमरिंदर सिंह सरकार ने राज्य में 2022 के विधानसभा चुनाव से पहले बड़े पैमाने पर विकास कार्य करने के लिए राशि (52,834.52 करोड़ रुपये) देने की योजना बनाई थी। केंद्र की ओर एफआरबीएम (राजकोषीय उत्तरदायित्व और बजट प्रबंधन) की सीमा को बढ़ाने के बाद सरकार अतिरिक्त धन उत्पन्न करने में सक्षम थी, ताकि राज्यों को तब आर्थिक संकटों से निपटने की अनुमति मिल सके।

तीन महीने में कई विकास योजनाएं और परियोजनाएं शुरू करना आसान नहीं

राज्य में चरणजीत सिंह चन्नी के मुख्यमंत्री बनने के बाद तीन महीने का समय मिला और वह जो कुछ भी खर्च कर सकते थे करने की कोशिश की गई। लेकिन तीन महीने में एक विकास योजना शुरू करना, निविदाएं बुलाना और फिर परियोजनाओं को शुरू करना आसान नहीं था। इसलिए उपलब्ध धन का 79.75% सरेंडर किया गया था।महालेखाकार की रिपोर्ट में पूर्व सरकार की आलोचना करते हुए कहा गया कि राज्य सरकार की बजटीय प्रक्रिया वर्ष के दौरान ठीक नहीं थी और कई अनुदानों के तहत बचत हुई थी।

बिना बजट प्रावधान के 3,492.28 करोड़ रुपए का खर्च किया गया। 24 मामलों में पुनर्विनियोजन आदेशों से निधियों के प्रावधान में वृद्धि अनावश्यक सिद्ध हुई। क्योंकि व्यय बजट प्रावधानों के स्तर तक भी नहीं आया। 10,794.86 करोड़ रुपये की प्रत्याशित बचत अभ्यर्पित नहीं की गई जिससे अन्य विकासात्मक उद्देश्यों के लिए इन निधियों के उपयोग की कोई गुंजाइश नहीं रह गई।

वर्ष 26 से 27 तक बाजार ऋण चुकाना होगा

2015-20 के दौरान किए गए 37,737.49 करोड़ रुपये के अतिरिक्त व्यय को नियमित करने की आवश्यकता है।कैग ने राज्य के कर्ज को लेकर भी टिप्पणी की है। रिपोर्ट में कहा गया है 31 मार्च, 2022 तक, 1,93,598 करोड़ रुपये (उदय बांड सहित) का बाजार ऋण चुकाने के लिए बकाया था।

राज्य को अगले पांच वर्षों के दौरान यानी 2026-27 तक 59,940 करोड़ रुपये (31%) (मूलधन के रूप में 55,250 करोड़ रुपये और ब्याज के रूप में 4,690 करोड़ रुपये) का बाजार ऋण चुकाना होगा। 85,281 करोड़ रुपये (44%) (मूलधन के रूप में 79,278

करोड़ रुपये और ब्याज के रूप में 6,003 करोड़ रुपये) का बाजार ऋण 2031-32 तक बाद के पांच वर्षों की अवधि में चुकाना होगा।

अगले 5 वर्षो में 11,988 करोड़ रुपये सालाना बाजार ऋण चुकाना होगा

इसका मतलब है कि अगले पांच वर्षों (2022-27) में, राज्य को औसतन 11,988 करोड़ रुपये सालाना बाजार ऋण चुकाना होगा, जो बाद के पांच वर्षों (2027-2027) में बढ़कर 17,056 करोड़ रुपये हो जाएगा। शेष 48,378 करोड़ रुपये (25%) (मूलधन के रूप में 45,214 करोड़ रुपये और ब्याज के रूप में 3,164 करोड़ रुपये) 2032 के बाद चुकाने योग्य होंगे। रिपोर्ट में आगे कहा गया, "राज्य सरकार ने कहा (दिसंबर 2022) की पंजाब राज्य ने वित्त विभाग में एक ऋण प्रबंधन इकाई को शामिल किया था।

सीएजी ने सुझाव दिया है कि राज्य सरकार वैधानिक निगमों, सरकारी कंपनियों, सहकारी बैंकों और समितियों से निवेश पर अपर्याप्त रिटर्न के कारणों का आकलन करने और उपचारात्मक उपायों का सुझाव देने के लिए एक समिति बनाने पर विचार कर सकती है। राज्य अधूरी परियोजनाओं को समयबद्ध पूरा करना सुनिश्चित कर सकता है, राज्य सरकार को उधार पर निर्भरता कम करने के लिए अपने संसाधनों को जुटाना चाहिए।
https://www.jagran.com/punjab/chandigarh-chandigarh-news-punjab-government-lost-more-than-52-crores-due-to-mutual-factionalism-23351423.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. Old Pension System will take from the poor and give to the rich *(indianexpress.com)* March 10, 2023

Most governments, regardless of their ideology, implement policies that redistribute wealth from the rich to the poor in varying degrees. It is in this regard that I find the recent proposals in favour of the return to the Old Pension System (OPS) the most puzzling.

For the uninitiated, the OPS is a "pay-as-you-go" scheme where the contributions of current government employees are used to fund the pension liabilities of past government employees. In contrast, the New Pension Scheme, or the National Pension System (NPS) — established by the NDA government in 2003 — is a defined contribution scheme where the employees invest a certain fraction of their salary that is complemented by a contribution from the government. In OPS, the employees are guaranteed an amount equivalent to 50 per cent of their last salary in perpetuity.

It is not difficult to imagine the vastly different fiscal implications the two policies entail. With rising lifespans, the only way the OPS can be made sustainable is by either having more government employees — and therefore its associated inefficiencies — or by progressively borrowing more.

How this will play out is obvious. States' finances will be crippled under the pension burden. A recently released report by the Reserve Bank of India on states' finances (November 19, 2022) provides a detailed breakdown of states' expenditures on pensions. In Rajasthan, which moved to OPS the earliest, the state's expenditure on pensions as a percentage of its own tax revenues is a whopping 28 per cent. In contrast, for example, in Maharashtra, the same percentage is 14 per cent, while in Gujarat it is 15 per cent.

Eventually, when the states hit the borrowing constraints, they will end up having to cut down on expenses. Expenses on health, education, and other long-term assets will naturally be the first ones to go. The losers will be the majority of poor people who will be denied basic services and support from the state. The winners will be the minority of wealthy government employees.

None of this is rocket science. Several economists across the party lines have criticised OPS for its fiscal implications. However, while future obligations of this disastrous proposal indeed need to be flagged, the immorality of this proposal is more important to highlight.

This is a rare example of a policy that explicitly takes away the wealth of the poor to distribute it to the rich. Supporters of the OPS might cite the recent corporate tax cuts as a counterexample. However, corporate tax cuts have at least an in-principle rationale of spurring corporate investment contributing to even larger tax collections and employment. Whether or not this actually happens is an empirical question where the evidence is mixed. But can one argue with a straight face that paying more pension to an ostensibly wealthy class of retired government employees would spur similar economic activity justifying these benefits? More importantly, of course, cash transfers to any class would increase their consumption. Would we, then, be okay if the government were to stop a scheme like Ayushmann Bharat and use the proceeds to pay cash to some of the richest people in the country?

Make no mistake, the retiring government employees are amongst the top 5 per cent of income earners in India. Finally, the sixth and the seventh pay commissions revised the salaries of government employees upwards assuming that they would be under NPS. Therefore, any switch to OPS now is a breach of trust of all citizens.

That brings me to my second point: Why are some political parties so openly advocating for benefits to rich government employees while denying the poor their right to a better material life? Since this is an obviously terrible economic policy, this proposal must make political sense. But given that government employees are a small minority, how can it make political sense? I can think of two explanations. One benign, and one disturbing.

The benign explanation is that freebies are not mutually exclusive. Parties desperate to win elections are promising everything to everyone. In the short run, they may even fulfil their promise. Finally, when the chickens come home to roost, they will cut down on expenditures such as defence, healthcare, etc, to finance these profligacies. If the current dispensation at the Centre is re-elected, opposition parties will inherit an even better fiscal situation when they eventually come back to power in states and the Centre. The other benign explanation is sheer error: Parties have simply miscalculated the political costs and benefits of OPS, and even if these parties win some upcoming elections, OPS will not be a major factor behind their victories.

The disturbing explanation is that the Opposition has realised that the main obstacle it faces in its quest for power at the Centre is the last-mile delivery of welfare schemes like Jal Se Nal, Ujjwala, etc. The success of these schemes eventually rests on the ability of the lowest layer of government employees to deliver these schemes. OPS could simply be bait for government employees to sabotage these welfare schemes. Do I think this to be most likely? Probably not. Do I think it is impossible? Certainly not.

People can draw their own judgement on the likelihood of these or other reasons. But the party that has ruled over the country for decades despite its economic performance is unlikely to bet on a policy that so obviously favours the rich against the poor unless it sees clear electoral benefits. https://indianexpress.com/article/opinion/columns/old-pension-system-will-take-from-the-poor-and-give-it-to-the-rich-8488061/

6. multipronged threat *(millenniumpost.in)* March 09, 2023

The National Statistical Office (NSO), on February 28, released the GDP data for the third quarter of the current financial year, which is in line with the Reserve

Bank of India's estimate of 4.4 per cent. The GDP in the first quarter of FY 2021-22 was 21.6 per cent, while the GDP in the first quarter of FY 2022-23 was 13.2 per cent. At the same time, the GDP in the second quarter of FY 2021-22 was 9.1 per cent and in the third quarter 5.2 per cent, while the GDP in the second quarter of FY 2022-23 was 6.3 per cent and 4.4 per cent in the third quarter.

The NSO, in its second advance estimate, has predicted a growth rate of 7 per cent in the current financial year. According to the NSO, the GDP at constant prices of the base year 2011-12 is estimated to be Rs 40.19 lakh crore in the third quarter of FY 2022-23, as compared to Rs 38.51 lakh crore in the same quarter of the previous financial year.

The decline in GDP has been recorded largely due to the poor performance of the manufacturing sector. Manufacturing sector output registered a decline of 1.1 per cent in the December quarter, while a growth of 1.3 per cent was registered in the same quarter of the previous financial year. GDP was affected in the June and September quarters due to a weak base.

Inflation has damaged the GDP figures for the December quarter. Despite this, the Indian economy is in a better position as compared to the global economy.

Amidst the questions like whether there will be a recession in India or not, it is important to understand what will be the picture of growth in FY 2023-24. The Union Budget has projected a nominal growth of 10.5 per cent, while the Economic Survey has projected a growth of 6-6.8 per cent. It can be said that the Indian economy can grow at the expected rate if there is no change in the current situation and expectations. There are no signs of recession in India, but the pace of the economy may slow down a bit.

The country's Consumer Price Index (CPI) reached a level of 6.52 per cent in January 2023, which was the highest level in the last 3 months. The reason for the rise in retail inflation is the rise in the cost of food items. For the time being, it is unlikely to come down, because the supply chain is disrupted and the price of fuel is still high.

The central bank has set the lower limit of retail inflation at 2 per cent and the upper limit at 6 per cent. During the current financial year, the Reserve Bank achieved this target only in November and December. Right now, core inflation also remains at a high level.

According to an estimate, the RBI may increase the repo rate by 25 basis points in the monetary review to be held in April 2023. Since inflation is unlikely to come down now, the policy rate may remain elevated for a prolonged period, and if so, growth may remain subdued in the months ahead.

Now, the government is trying to maintain the growth momentum through higher capital expenditure, but has failed to get the expected results. While gross fixed capital formation has increased to 8.3 per cent, private consumption grew by only 2.1 per cent in the December quarter of the current fiscal, which is not a good sign for the economy.

At present, the fiscal situation is also not good. It may take several years for the government to achieve the targets set by the Fiscal Responsibility and Budget Management (FRBM) Act. The government has set a target of bringing down the fiscal deficit to the level of 5.9 per cent of GDP during FY 2023-24. Presently, this deficit is 6.4 per cent of GDP. Therefore, to achieve the target, a reduction of 0.5 per cent in the current financial year is required.

Slow growth leads to a shortfall in tax collection. 2024 is an election year. The fiscal deficit may rise instead of decreasing, as the government may increase expenditure to woo the public.

The government is stressing on capital expenditure. It is necessary because India needs huge investment in infrastructure. Only through this, the vehicle of development can move forward at a fast pace. In such a situation, the government will have to accelerate both capital expenditure and revenue collection, and work towards fiscal consolidation by striking a balance between the two, as there are dangers of strengthening infrastructure by taking more loans. For example, high government borrowing leads to a decrease in private investment, as people perceive that it is the government's responsibility to strengthen infrastructure. Apart from this, paying more interest on the loan hinders the development work. Therefore, it is necessary to keep the fiscal deficit within a reasonable range, but the biggest hurdle in achieving this target is the tax-GDP ratio of 10-11 per cent.

Since the Goods and Services Tax (GST) and corporation tax have already been rationalised, there is little hope of further improvement on this front. In such a situation, the government can emphasise on non-tax revenue and increase the direct tax base.

To sum up, it can be said that due to rising inflation, the RBI may be forced to increase the policy rates in the upcoming monetary reviews and, subsequently, banks too will increase the lending rate and demand will decrease due to costlier loans. Owing to inflation, the spending capacity of the people has also decreased, due to which private expenditure is coming down. Tax collections are also coming down due to slow growth, which was confirmed by GST collections falling below Rs 1.5 lakh crore in February 2023 after a long time. Therefore, to strengthen the Indian economy, the government and the central bank will have to control inflation as soon as possible, the chances of which are not visible at the moment. https://www.millenniumpost.in/opinion/a-multipronged-threat-511069?infinitescroll=1

7. States' capex subdued, as revenue concerns linger *(financialexpress.com)* March 10, 2023

States' capital expenditure remained subdued in the first ten months of the current financial year even as the Centre and the central public sector undertakings maintained their momentum.

The combined capex of 20 states, whose finances were reviewed by FE, contracted by around 4% in the first ten months of FY23 to around Rs 3 trillion, compared with over 41% growth in the year-ago period. These states represent about 90% of the country's GDP.

Including the Rs 40,000 crore 50-year interest-free capex loans by the Centre – which are accounted for once the funds are disbursed by the Centre– capex by these states grew by about 8.7% on year in April-January of FY23.

The regulation of capex by the states shows their concerns over revenue sustainability after the end of the GST compensation period in June this year. Notably, these 20 states reported a robust 22% growth in their tax revenues in the April-January period, upon 31% growth recorded in the year ago period.

The states had set a combined target (Budget Estimates) of 38% rise in capex in FY23. The realisation that states are reducing their own capex after getting Central aid for asset creation has led the Union government to tighten rules for availing the grant-like capex support in FY24.

Accordingly, the release of Rs 33,300 crore or a third of the Rs 1 trillion untied capex loans to states are linked to their incremental capex in FY24.

While the Centre would provisionally release these funds after states achieve 45% of their annual capex target in H1FY24, the amount would be fully recovered from them in FY25 if they fail to meet the investment target by March 2024.

While the states compressed capex as well as borrowings, they used the revenue buoyancy so far in FY23 to meet double-digit expansion in revenues expenditure such as on pension and subsidies.

These states–Uttar Pradesh, Gujarat, Andhra Pradesh, Maharashtra, Madhya Pradesh, Karnataka, Tamil Nadu, Odisha, Telangana, Kerala, Rajasthan, West Bengal, Bihar, Punjab, Chattisgarh, Haryana, Assam, Jharkhand, Uttarakhand, Himachal Pradesh—revenue spending rose 12% on year with pension outgo rising 14% and subsidies by 19%.

The consolidated capital outlay of the states is budgeted to grow by 38.4% on year to Rs 8.19 trillion in FY23, but given the trend till January, this target will surely be missed by a wide margin even if they step up capex in February-March.

For example, Uttar Pradesh which has a massive capex target of Rs 1.36 trillion for FY23, has achieved Rs 0.54 trillion or 40% of the annual target in the first ten months of the year.

With the fiscal deficit (2.8% in FY22) of the states rebounding to pre-pandemic level aided by buoyant revenue collections and prudent expenditure management, a Reserve Bank of India report recently said states should mainstream capital expenditure planning rather than treating them as “residuals and first stops” for cutbacks to meet budgetary targets.

In April-January of FY23, the Centre achieved Rs 5.7 trillion (including capex support to states) or 78% of its annual target of Rs 7.28 trillion.

In April-December 2022, CPSES and departmental arms (with capex of Rs 100 crore or more) achieved 68% of their FY23 target of Rs 6.62 trillion including budget support to railways and NHAI. https://www.financialexpress.com/economy/states-capex-subdued-as-revenue-concerns-linger/3004141/

8. SDG attainments may take time to become visible *(thehindubusinessline.com)* March 09, 2023

Over the past few years, India has made sustained progress towards the attainment of United Nations' Sustainable Development Goals (SDGs). But population scale change takes time to reflect via sustained outcomes in indices. The sheer size of our country, diversity of our population and varied topography, climate, and the federated structure of governance are all factors that play a part in development.

According to a study published in The Lancet journal in February, India is trailing behind in achieving more than 50 per cent of indicators under the SDGs, seven years before the 2030 deadline.

The study used the National Family Health Surveys, 2016 and 2021, to assess progress on SDGs in 707 districts of the country.

India is running a clutch of sustainable development programmes to improve health outcomes, literacy, access to water and sanitation facilities, and the overall ease of living of its citizens. Schemes like the Swachh Bharat Mission (SBM) and Jal Jeevan Mission (JJM) are broadening access to basic services and aiding sustainable development.

Swachh Bharat Mission

At the time of its implementation in 2014, the Swachh Bharat Mission sought to provide safe sanitation for all by creating toilets and by promoting their use. Its aim was to make India open-defecation free. India achieved this on October 2, 2019, by constructing over one hundred million toilets across its villages. This marked the end of Phase-I of SBM. The Prime Minister announced phase-2 of SBM in February 2020, just before the first Covid-19 wave in India.

SBM's Phase-2 emphasises the sustainability of achievements made under Phase-1 and seeks to provide adequate facilities for solid and liquid waste management, including plastic waste management across rural India. Under the Swachh Bharat – Grameen, Phase 2, villages are progressing towards achieving the Open Defecation Free Plus (ODF Plus) status. This involves the management of all kinds of waste.

India has over six lakh villages. In August 2022, the country reached another milestone with over one lakh villages declared as ODF Plus. This is a big achievement because the process of solid and liquid waste management involves complex technical aspects. Till now, over 199,000 villages have become ODF

Plus, which means they are making arrangements for the management of solid and/or liquid waste.

The Jal Jeevan Mission, another national priority, seeks to provide potable tap water connections to all households by 2024. India recently achieved a new milestone of connecting 11 crore rural households with safe and clean drinking water through tap connections. The aim is to address the issue of access to safe water and achieve 100 per cent tap water connectivity by 2024.

In August 2019, only 3.24 crore households had tap water connections. Since then, connections have been provided to 11.3 crore households.

Another area where India has made significant progress is disease elimination. This has improved the ease of living of citizens, cut medical costs, and improved their productivity and economic well-being. India aims to eliminate tuberculosis by 2025, and malaria and AIDS by 2030.

The private sector's participation in effective reporting of malaria, and technological innovation are areas that require more work. Profound change for a population of 1.4 billion people will take more time to manifest. https://www.thehindubusinessline.com/opinion/sdg-attainments-may-take-time-to-become-visible/article66600391.ece

9. **Indian States Must Establish Their Own Net Zero Targets** *(saurenergy.com)* 10 March 2023

India announced its goal to achieve net zero carbon emissions by 2070 at the COP26 conference in Glasgow in November 2021. India can achieve this by enabling the states to develop and meet their own net zero carbon targets. While, in September 2021, Maharashtra became the first state to announce net zero targets, other states need to follow suit. To do this, the government should work towards improving national and subnational coordination between agencies; clearly demarcating center-states jurisdiction; accelerate the green finance ecosystem; and further technical expertise.

Center-state coordination

While important steps have been taken, further streamlining of coordination and clear separation of responsibilities between the national and state governments can go a long way. Currently, due to a directive under the National Action Plan on Climate Change (NAPCC) released by the Government of India in 2008, in general climate change adaptation is the responsibility of states whereas mitigation is the responsibility of the national government. Under the NAPCC, the center also directed states to develop their own State Action Plans on Climate Change (SAPCC), leading most Indian states to begin drafting more general climate action plans even before India signed the Paris Agreement in 2016. However, the plans did not often include net zero targets for carbon emissions reduction goals. Recently states have been revising these action plans, but many still lack the scope, or the scale required to contribute effectively to India's national goal of carbon neutrality. A central government directive outlining minimum essential features would be a very good start.

Intra-state agency level coordination

While center-state coordination is important, coordination between all relevant intra-state government agencies should also be improved. Currently, the state-level approach to climate action is not being fully implemented in tandem with the changing development priorities. For example, in several states, responsible departments prepare climate change action plans. However, they often do not take carbon emissions reduction challenges in allied areas like agriculture, energy, water resources, and urban and rural development into account. To address this, states should establish inter-agency task forces that can better coordinate and guide states. Such task forces could better integrate sectoral climate change expertise into existing policy frameworks and plans. For instance, State Designated Agencies (SDAs) under the Bureau of Energy Efficiency provide a good roadmap. SDAs are state level agencies created by the central government's Energy Conservation Act, 2001 but are operationally controlled by state governments. SDAs have brought stakeholders such as distribution companies, renewable energy agencies, electrical inspectorates, and power departments in the states under the common ambit of energy conservation, and enabled state level coordination, while also maintaining state agencies' autonomy in agenda setting and implementation. Based on a similar structure, state level taskforces could also ensure representation from relevant state ministries by mandating board seats for ministerial representatives.

State and local level climate finance

Developing climate finance opportunities for states will be a crucial piece that will require states' attention. Presently, most states do not have a dedicated climate fund to support the implementation of state-level net zero targets. Tamil Nadu became the first state to launch a fund on January 2, 2023, however, it is still nascent. Although the National Adaptation Fund and the National Clean Energy and Environment Fund, set up by the center support states' climate action, state level funds can provide additional vigor. Additionally, state governments haven't been able to localize climate action, given limited district involvement in agenda setting or implementation. The Reserve Bank of India (RBI) report on municipal finances pinpoints cities' inability to raise their own funds as a hindrance to their implementation capacity. Allowing cities to raise capital may fortify their ability to lead climate action initiatives in line with the state and central agendas. Apart from the central government, industrialized economies also must fulfill their commitment to provide climate finance opportunities to developing economies like India.

Assess scientific and technical expertise
There is a need to assess the technical and scientific capabilities of the states to effectively analyze the impacts of climate change and implement net zero targets. This will enable the states to understand their technical shortcomings, and thus seek appropriate assistance. To further this, India can deepen its engagement with domestic and international partners who can establish knowledge exchanges on best practices, assess the technical and scientific knowledge of state government policy offices and offer support where required to allow well-informed policy choices. New partners can help transfer new technologies to assist India's state governments in establishing net zero targets and achieving carbon emissions reduction goals. For example, Indian states could learn from the experiences of state governments in the United States which have successfully adopted net zero targets. In this regard, the Wadhwani Chair at CSIS continues to bring together states, national laboratories and clean energy experts from both the US and India to advance technical knowledge exchange.

India's net zero target by 2070 can only be fulfilled by effective state participation. In line, the central government will need to help states overcome existing challenges and meet their own net zero targets.https://www.saurenergy.com/solar-energy-blog/indian-states-must-establish-their-own-net-zero-targets

10. Infra projects' cost escalation doubles *(bizzbuzz.news)* 10 Mar 2023

Cost overrun was 21.67% in last Jan as against 11% in March 2017; Key factors like monopolistic pricing by vendors of equipment services, general price rise, disturbed conditions and time overruns resulting in cost rise

Even as the Narendra Modi government is zealously working on infrastructure development, cost and time overruns continue to remain a big headache. In March

2017, cost escalation for projects Rs150 crore and more with respect to the original cost was 11 per cent. It almost doubled to 21.67 per cent in January this year.

In January, 335 infrastructure projects reported cost overruns, whereas 871 projects were delayed. The total original cost of the 1,454 projects was Rs2,059,065.57 crore, now, it's anticipated that at the time of completion, the cost will be Rs2,505,248.43 crore. This means that the overall cost escalation would be Rs446,182.86 crore..

In the last nine years, cost escalation has gone up by more than two percentage points. In March 2014, it was 19.4 per cent, whereas in January 2023, it was 21.67 per cent. After a slight rise in March 2015, when it was 20.03 per cent, there was a steep decline till March 2017. Since then, there has been an almost continuous rise, official sources told Bizz Buzz.

In March 2018, cost overruns went up to 13.44 per cent; in March 2019 to 18.25 per cent; in March 2020, 19.6 per cent; in March 2021, 19.53 per cent; in March 2022, 22.01 per cent; and in January 2023, 21.67 per cent.

It is interesting to note that the upward trend in cost escalations predated the Covid pandemic and the resultant disruptions. Officials have been listing similar causes of cost escalation: under-estimation of original cost; changes in rates of foreign exchange and statutory duties; the high cost of environmental safeguards and rehabilitation measures; more expensive land; changes in the scope of projects; monopolistic pricing by vendors of equipment services; general price rise; disturbed conditions; and time overruns. Now, Prime Minister Narendra Modi is himself monitoring the progress of infrastructure projects. On February 22, he chaired the meeting of the ICT-based multi-modal platform for Pro-Active Governance and Timely Implementation or PRAGATI. https://www.bizzbuzz.news/markets/infra-projects-cost-escalation-doubles-1203582?infinitescroll=1

11. **Defence indigenisation can't happen overnight** *(orfonline.org)* Updated: 09 Mar 2023

New Delhi realises it must be self-reliant in all significant areas relating to the military. Accordingly, it is working overtime to build its defence-industrial capacity, but it will not yield significant results for another two decades..

The Russian war on Ukraine has devastated the country, and is also hollowing out Russia. But just as there was an underestimation of Ukraine's capacity to fight off giant Russia, so, too, has there been a tendency to underrate Russia's ability to work around the western sanctions and its determination to conduct its "special military operation". The Indian view sits uncomfortably between these two poles.

Events have belied Prime Minister (PM) Narendra Modi's belief that this was not "an era of war". But New Delhi has had sound practical reasons for taking a Russia-centred neutral stand, arising from its enormous dependence on Russian systems in its arsenal, adding its somewhat opportunistic access to discounted Russian oil.

PM Modi's comments were more likely an oblique admonition of Russian President Vladimir Putin. But, as far as the military is concerned, their staff and training institutions have been taking a hard look at the lessons of the war.

Speaking in Pune in January, army chief General Manoj Pande said that the ongoing conflict had brought to the fore "the impact of asymmetric warfare, potential of information warfare, digital resilience, weaponisation of the economic mechanism, communications redundancy, space-based systems and many more — all driven by technological prowess." As the Ukraine war enters its second year, it would be prudent to hold back judgment on some of the issues that had gained salience last year. The tank has not become obsolete, it is still being used in the war, and the Ukrainians are planning to up the game with German Leopard and US M1 tanks. Technologies, such as networked drones, have made the battlefield much more transparent, and this extracts a price from any attacker.

As the Ukraine war enters its second year, it would be prudent to hold back judgment on some of the issues that had gained salience last year.

Artillery remains the queen of battle, and its use is devastating. However, the accuracy and longer range of western-supplied systems used by the Ukrainians have ensured that the Russian-style massed artillery may have had its day. Indeed, according to a recent report, while the demand inEurope for American weaponry is soaring, it is doing so for small-ticket items such as shoulder-fired missiles, artillery and drones, which have proved themselves in Ukraine, rather than the big-ticket ones, such as jets and tanks. As a result, instead of the contactless war that has been talked about, the war in Ukraine has been a grinding man-to-man affair.

General Pande’s reference to asymmetric warfare is about the main lesson from Ukraine: Modern inter-State war need not be a short, sharp affair. If prolonged, attrition sets in. With three times the population of Ukraine and a sizable military-industrial base and weapons reserves, Russia has an edge that cannot be countered, no matter how much the West backs Kyiv.

In terms of asymmetry, China presents a similar challenge. Chinese military expenditures at $229 billion are three times that of India. While in terms of numbers, troops facing each other along the Line of Actual Control may be roughly equal, the Tibetan plateau, with its excellent infrastructure, enables the Chinese to double, if not triple,their numbers within a month. Indian infrastructure may be expanding, but it cannot equalise the geographic advantage that the Chinese have.

The Indian Army needs to expand its artillery — guns and missiles — manifold. More important is the need to integrate drones into the system. Unfortunately, the Defence Research and Development Organisation remains a laggard in drone development.

Another lesson from Ukraine is that in real wars, ammunition consumption is orders of magnitude above those in paper exercises. Equally important is ensuring that all critical ammunition is manufactured in India and has facilities that can be quickly scaled up.

Another vital area is space, where the Chinese have developed various counter space systems that can be deployed in conflict. Ukraine was able to offset Russian dominance with American help, but such support may not be forthcoming for India, which must develop its digital resilience.

Speaking in Washington last September, external affairs minister SJaishankar said India had not faced“any particular problems in terms of servicing and spare parts supply of equipment.” But reports suggest that there are delays of some spares for Kiloclass submarines, MiG-29 fighters and Mi-17 transport helicopters, as well as for the project to make AK 203 assault rifles and the supply of four Grigorovich (Talwar)class guided missile frigates whose engines would have been made in Ukraine.

But contrary to reports, India has been receiving its S-400 missile regiments on schedule, with two delivered and a third of the five contracted to arrive soon. Recently Dmitry Shugayev, the head of Russia’s Federal Service for Military-

Technical cooperation, claimed that India remains the world's biggest buyer of Russian arms, accounting for 20% of its $15 billion annual exports. In the last five years, India has imported supplies worth $13 billion and has placed orders for Russian military equipment and weapons worth $10 billion.

Russia has taken the opportunity of the 14th international aerospace exhibition(Aero India 2023) that was held in mid-February in Bangalore to showcase its wares.
Some 200 items of weapons and equipment had been brought for the exhibition. In April last year, India inducted the Igla S, a short-range hand-held surface-to-air missile. Russian officials hoped that India would sign a deal for the licenced missile production during Aero India. But there is no news of that so far.

Given all this, New Delhi realises it must be self-reliant in all significant areas relating to the military. Accordingly, it is working overtime to build its defence-industrial capacity, but it will not yield significant results for another two decades. At present,though, India remains in an awkward situation where it will remain reliant on Moscow for key capabilities for its military, even while its strategic partnership with Washington is getting even closer. https://www.orfonline.org/research/defence-indigenisation-cant-happen-overnight/

12. Labour data points to significant distress in the Indian economy *(livemint.com)* Updated: 10 Mar 2023

Last month, the National Statistical Office (NSO) released the Periodic Labour Force Survey (PLFS) estimates for 2021-22. This is the fifth of the annual survey started in 2017-18. Unlike urban quarterly surveys, which are available with a few months lag, annual surveys provide estimates of employment and unemployment for all of India. The 2021-22 survey is important because it is the first after the covid pandemic.

First, the broad estimates. Total workforce or the total persons employed in the economy is estimated at 542 million, 2 million higher than in 2020-21. The unemployment rate for the country is at 4.1%, marginally lower than the 4.2% in 2020-21. Even for the 15-29 age group population, broadly defined as youth, the unemployment rate has declined only marginally from 12.9% to 12.5%.

The data set indicates a recovery, but only marginal. Broadly, conditions are unchanged. But it is not the annual statistic that raises concern. Rather, the fact that the estimates reinforce some of the trends seen after 2018-19 that should worry policymakers. PLFS estimates between 2017-18 and 2020-21 clearly reflected distress in the economy—first on account of the economic slowdown after 2016-17 and then its accentuation by the pandemic. The 2021-22 estimates confirm these trends.

A strong piece of evidence of distress is a statistically observed workforce shift back to agriculture, thereby reversing the gains of a structural transformation in the economy between 2004-05 and 2017-18. The absolute number of workers in agriculture declined by 33 million between 2004-05 and 2011-12. Almost a matching decline was observed between 2011-12 and 2017-18. However, the slowdown and pandemic reversed this process. The agricultural sector witnessed a return of 36 million workers between 2017-18 and 2021-22. So pronounced was it that the absolute count of workers in agriculture stood higher in 2021-22 than in 2011-12, a decade ago. Besides a reversal of the structural transformation, the numbers also imply a declining per worker income in agriculture, thereby worsening the rural distress. Though the number of workers in agriculture is no longer increasing, the data suggests that those who found refuge in agriculture during the pandemic are yet to return to their original occupations. This indicates that the economy is yet to fully recover from the twin shocks of the slowdown and pandemic.

Further, income and consumption estimates from the PLFS confirm a high level of distress in the economy. The survey's estimates also suggest that it is no longer only the rural economy that is seeing slow growth of incomes, but also the urban economy, for which real incomes have declined. Per capita income from all employment sources in urban areas was ₹5,186 per month for the pre-pandemic year of 2018-19. By 2021-22, in real terms at 2018-19 prices, this had marginally declined to ₹5,175 per month. For the country as a whole, per capita income increased by only 0.9% per annum between 2018-19 and 2021-22. Per capita consumption in urban areas is lower than its level in 2018-19, though this increased 1.4% per annum for the country. Declines in income and consumption are not surprising, as the PLFS data also shows that regular wages continue to decline in real terms, with urban regular wages declining at 1.4% per annum, faster than the 0.4% decline in rural regular wages.

Employment-unemployment estimates remain an important barometer of the health of the Indian economy. Participation in economic activity by workers is as much an indicator of the level of economic activity as the aggregate gross domestic product (GDP) data. PLFS reports confirm the extent of devastation caused by the pandemic and slowdown, which forced workers to return to agriculture. But the fact that a substantial number of them remain tied to agriculture also suggests that the non-agricultural economy has not fully recovered. This is particularly true in urban areas, where urban regular workers, who account for almost half of all workers, are facing declining wage incomes. While the agricultural sector may have provided refuge to millions displaced from the non-farm sectors, excess workers in agriculture is also depressing per worker incomes in the sector, thereby adding to the pressure on agricultural incomes.

For the Indian economy to revive, employment in non-agricultural sectors needs to increase along with a rise in income from such employment. This is also necessary for us to make the country's economic growth more employment-intensive, which would be the best antidote to poverty and distress in the economy. https://www.livemint.com/opinion/columns/labour-data-points-to-significant-distress-in-the-indian-economy-11678385756636.html

13. A tonne of fossil carbon isn't the same as a tonne of new trees: Why offsets can't save us *(downtoearth.org.in)* March 10, 2023

This week, the Albanese government is attempting to reform the safeguard mechanism to try to make it actually cut emissions from our highest polluting industrial facilities.

Experts and commentators see Labor's plan as a cautious, incremental change that doesn't yet rise to the urgency of the intensifying climate crisis. But it could generate momentum after a wasted decade of climate denial and delay under the previous government. Done right, it could set our biggest industrial polluters on a pathway to cut their emissions and be a springboard for more ambitious changes.

But there's one glaring problem. Under the government's proposed rules, there is still no requirement for polluters to actually cut their emissions at the sites where they are released into the atmosphere. Instead, companies can choose to buy carbon credits or offsets to meet their obligations. Incredibly, there would be no limit on the number of offsets companies can use.

You've probably heard about Australia's rubbery offset schemes and questions of integrity. But there's an even more fundamental problem. One tonne of carbon dioxide pumped into the atmosphere by burning fossil fuels is not the same as one tonne of carbon stored in the tree trunks of a newly planted forest.

The carbon in coal, gas and oil has been safely stored underground for extraordinary lengths of time. But when trees take carbon dioxide back out of the atmosphere, they may only store it for a short period.

There is simply no way around it. Avoiding the worst of climate change means stopping the extraction and burning of fossil fuels. Offsets will not save us. In fact, unlimited use of offsets could see even more emissions, if coal and gas companies "offset" emissions and ramp up exports.

Why can't we rely on nature to pull carbon dioxide from the air?
In 2023, many policymakers still believe we can adequately offset emissions. It would certainly be easier if we could keep burning fossil fuels and offsetting them by planting forests. But it doesn't work. It's simply not possible to fully "offset" billions of tonnes of greenhouse gas emissions from burning of coal, oil and gas by regrowing forests, increasing the amount of carbon in soils or other measures.

That's because the carbon dioxide released by burning fossil fuels is fundamentally different to the way carbon is stored above ground in trees, wetlands and in the soil.

Carbon is everywhere on Earth — in the atmosphere, the ocean, in soils, in all living things, and in rocks and sediments. It is constantly being cycled through these different parts. Carbon is also being continually exchanged between the atmosphere and the ocean's surface. Together these processes make up the earth's "active" carbon cycle.

When we burn fossil fuels, we release carbon locked away for millions of years (hence "fossil" fuels), pumping vast new volumes of carbon into the active carbon cycle. This is very clearly altering the balance of carbon in the Earth system and faster than ever recorded in the Earth's geological history. Planting trees does not lock carbon away again deep underground. Instead, the introduced fossil carbon remains part of the active carbon cycle.

To compound the problem, much of the carbon stored in land-based offsets does not stay stored. Forests can easily be destroyed by fire, disease, floods and droughts, all of which are increasing with climate change.

Offsets are a last resort – nothing more
Despite these issues, offsets will still have a small role. Some emissions cannot be avoided or reduced at present, given low-emissions technologies for industries like

steelmaking are still scaling up. But these offsets must be strictly limited and set to progressively decline over time, as opportunities for genuine emissions reductions – at the source – are developed and rapidly scaled.

Unfortunately, paying for offsets is the first and only thing many large companies are doing about their harmful emissions.

If we allow fossil fuel companies to offset their emissions without limit, they will keep along a business as usual track or even expand their operations. That, in turn, will mean significantly more emissions when Australian fossil fuels are burned overseas.

Our leaders must avoid the offset trap

It's taken Australia decades too long, but we're finally past climate denial, perhaps due to unprecedented fire and floods. Our leaders tell us it's now about finding solutions. Well, offsets are not a solution. There is no substitute to actually ending the routine burning of fossil fuels.

We all want our comfortable lives to continue with a minimum of change. Offsets seem to deliver that. But all they really do is offset our guilt and responsibility. They cannot solve the central problem which is that every year, we add another 33 billion tonnes of carbon dioxide to the atmosphere by burning fossil fuels.

The atmosphere doesn't respond to good intentions or clever schemes. All it responds to is the volume of greenhouse gases which trap ever more heat.

If Labor is to make the safeguard mechanism fit for purpose, it must focus on genuine emissions reductions at the source.

What Australia does matters a great deal to the world's efforts to tackle the climate crisis. If Australia became the first major fossil fuel exporter to embrace a future as a clean energy superpower, it will demonstrate it is possible – and that it comes with benefits like new industries, cleaner air and energy security.

First, though, we have to give up on offset pipe dreams. The only thing that matters is cutting emissions. The Conversation -Wesley Morgan, Research Fellow, Griffith Asia Institute, Griffith University https://www.downtoearth.org.in/blog/climate-change/a-tonne-of-fossil-carbon-isn-t-the-same-as-a-tonne-of-new-trees-why-offsets-can-t-save-us-88168

14. 90% of proposed waste management projects in Kerala still on paper: Data *(timesofindia.indiatimes.com)* March 10, 2023

As waste disposal and related issues have become a major health and environmental concern for citizens, government data shows that more than 90% of the proposed projects relating to waste management are still on paper.

A presentation document on the projects for a review before chief minister Pinarayi Vijayan (accessed by TOI) shows that as on March 08 this year, while there are 92 projects for sewage and septage treatment plants and faecal sludge treatment plants (FSTPs) proposed by various agencies, 83 of them are still on paper.

According to government sources, several of these are still on paper because of various technicalities, some of which are as old as two years now. These projects are proposed to be undertaken by various agencies - Kerala water authority (KWA), Atal Mission for Rejuvenation and Urban Transformation (Amrut), IMPACT Kerala (special purpose vehicle for KIIFB projects in local self-government institutions) and Suchitwa Mission.

These projects are worth Rs 633.65 crore, of which the implementing agencies have received Rs 198.23 crore. Of this, Rs 50.23 crore only has been utilized so far, shows data.

Though land has been made available in a majority of the projects (in 74 out of 92 projects, land has been identified), the administration sanction (given after submitting the detailed projects report) has been issued only in 30 project proposals.

While work has started only in seven projects, work has been completed in just two projects, while three projects -one each under the KWA, AMRUT and IMPACT Kerala- are set to be cancelled for various reasons.

Among reasons for delay in projects, public protest is a key factor. In at least three projects, the project is pending because of public protests. In two projects in Kozhikode Corporation (Avikkalthodu and Kothi) and one in Kochi Corporation (Edakkochi), the projects have been stalled because of public protests.

Other projects are pending in their various stages for multiple reasons - clearances from fire and rescue, pollution, public works department, inter-departmental land transfer issues and other similar impediments.

Experts point out previous experiences of the public in implementing projects as the main reason for public protest. "Public protest is erupting because of people's fear based on previous experiences. At least 10 have been closed down. Our experiences with centralized plants have been disastrous," said environmentalist C R Neelakantan.

He also pointed out that waste generated in the state is unsuitable for waste-to-energy plants because of the high water and moisture content. "It would mean that the cost of energy produced from our wastes will be very high. In effect, the waste-to-energy plants are not technically as well as commercially unviable, which people are now very well aware of, and they would protest," he said. https://timesofindia.indiatimes.com/city/thiruvananthapuram/90-of-proposed-waste-management-projects-in-kerala-still-on-paper-data/articleshow/98530344.cms