

NEWS ITEMS ON CAG/ AUDIT REPORTS (22.03.2023)

1. Either listed or not, if project is under PPP, CAG can audit process of contract: Murmu ([millenniumpost.in](https://www.millenniumpost.in)) Dhirendra Kumar | 21 Mar 2023

Amid the ongoing tussle between Opposition parties and the BJP-led government at the Centre over the formation of a Joint Parliamentary Committee (JPC) to look into the allegations of fraud and stock manipulation against the Adani Group, the Comptroller and Auditor General (CAG) of India has stated that it is open to audit the books of account of companies engaged with the government through the public private partnership (PPP) projects.

While talking to Millennium Post, in an exclusive interview CAG GC Murmu said that it is our responsibility to review/audit the implementation of different projects commenced under the public private partnership (PPP) scheme.

“Whether listed or not listed, if a project is under the PPP model, it is the responsibility of the CAG to audit the process of identifying the private sector partner, requests for proposals (RIP), bidding and tendering process of the contract with due diligence to fairness, transparency and objectivity. It is under the purview of our policy to audit PPP projects,” the CAG said when asked if it is under the purview of CAG to initiate auditing of listed companies.

Commenting on ignorance of “discrepancies in implementation of social welfare schemes” in different reports, the CAG said, “There is no question of ignoring anything. We are supposed to point out evidence. In fact we are auditing different flagship schemes of the government too.”

“The performance audit of scholarships for students belonging to SC/ST, PM Kisan Yojana, Fasal Bima Yojana, and many others are being done by the CAG. We have pointed out discrepancies and red-flagged the areas where corrective actions were required to be taken by the implementing agencies,” he said, adding that in certain cases, we have also recommended fixing the responsibilities for discrepancies.

Notably, under the Comptroller & Auditor General’s (DPC) Act, 1971, and as incorporated in the Regulations of Audit and Accounts (2020), the CAG has the mandate to audit the data, records and documents in the possession of the government department, PSU or autonomous body which is the public sector partner of the PPP arrangement.

The apex auditor CAG has also the mandate to audit the data, records, analysis and the decision process of the government department/public sector agency to prefer the PPP route to execute the project instead of undertaking it directly. The Adani Group has been given many airports, ports, and greenfield expressways under the PPP model. On Blue Economy, the CAG said, "Right now the contribution of the blue economy in the GDP is around 4.1 percent and if we sustainably harness the activities in ocean, river water or any other source of blue economy, the contribution to GDP can be multiplied."

Also, employment generation and sustenance for many is possible through blue economy as we have a very long coastline of 43,000 sq km, he said, adding that when it will be managed and integrated in a systematic manner, it will become a great source of wealth creation resulting into creating better livelihood meaning opportunities for the people. <https://www.millenniumpost.in/business/sri-lanka-to-be-first-country-in-asia-to-come-under-imfs-governance-diagnostic-exercise-512467?infinitescroll=1>

2. SPVs formed by pvt parties for execution of PPP projects not subject to govt audit (cityairnews.com) March 21, 2023

The Special Purpose Vehicles (SPVs) formed by private parties for the execution of Public-Private Partnership (PPP) projects are not subject to government audit.

Minister of State of Finance, Pankaj Chaudhary, said this in a written reply to the Lok Sabha to a question -- "Whether government has proposed to get an audit conducted by the Comptroller and Auditor General of India of the expenditure of private companies in PPP projects".

The reply said that the joint ventures (JVs) incorporated under the Companies Act, 1956/2013, in which government or a government company in combination with other companies or corporations holds less than 51 per cent of the paid up capital of the concerned JV company or subsidiaries of PSU, incorporated outside India, are not subject to audit by the C&AG within the framework of C&AGs (DPC) Act, 1971 or the Companies Act, 1956/2013.

The PPP projects, through audit of contracting authority are audited by the Comptroller & Auditor General (C&AG). The C&AG can audit the process of selection of the private partners by the public authority, the agreements entered for PPP projects and implementation thereof, said the reply.

The minister informed that award of PPP projects by the government, expenditure by the government for PPP projects and monitoring of projects by the government are subject to government audit.

"However, the SPVs formed by the private parties for the execution of PPP projects are not subject to government audit. The audit of SPVs is conducted by statutory auditors as per the Income Tax Act or Companies Act, and they are appointed in consultation with the sponsoring or implementing authorities.

"The genuineness of the cost escalation of PPP projects are usually undertaken by the independent engineer appointed by the SPV in consultation with the sponsoring authority. In PPP projects, cost escalation, if any, is borne by the concessionaire/private entity of the project," added the reply.

The Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 provides for audit of all expenditures from the Consolidated Fund of India; transactions of the Union and the states relating to contingency funds and public accounts; as well as trading, manufacture, profit and loss accounts and balance sheets of any department of the Union or of a state.
<https://www.cityairnews.com/content/spvs-formed-by-pvt-parties-for-execution-of-ppp-projects-not-subject-to-govt-audit>

3. **नियमों का उल्लंघन करने वाली कंपनी को मिली पूर्वोत्तर की सबसे बड़ी कोयला खदान** (hindi.newslaundry.com) March 21, 2023

बीते दो मार्च को कोयला खदानों की नीलामी में अक्टूबर 2020 में पंजीकृत हुई निजी कंपनी कोल पुल्ज प्राइवेट लिमिटेड ने अरुणाचल प्रदेश-स्थित नामचिक-नामफुक खदान के लिए सबसे ज्यादा बोली लगाई.

नामचिक-नामफुक पूर्वोत्तर भारत की सबसे बड़ी वाणिज्यिक कोयला खदान है, जहां लगभग 15 मिलियन टन कोयले के भंडार हैं. यहां ग्रेड 4-5 कोयले का उत्पादन होता है, जो सबसे बेहतरीन क्वालिटी के कोयलों में गिने जाते हैं. हालांकि, कोल पुल्ज की यह सफलता अब विवादों में घिर गई है.

पहले तो यह एक ऐसी कंपनी से जुड़ी है, जिस पर कोयले की आपूर्ति में अनियमितताओं का आरोप है, जिसकी केंद्रीय अन्वेषण ब्यूरो द्वारा जांच की जा रही है.

दूसरा, इस बात के सबूत हैं कि इसने नीलामी में बोली लगाकर केंद्रीय कोयला मंत्रालय के नियमों का उल्लंघन किया है.

इस खदान की नीलामी 2022 में भी की गई थी और प्लेटिनम एलॉयज प्राइवेट लिमिटेड नामक एक कंपनी ने सबसे अधिक बोली लगाकर इसे प्राप्त किया था.

लेकिन उसने सरकार को बकाया भुगतान नहीं किया, इसलिए खदान की फिर से नीलामी की गई.

प्लेटिनम एलॉयज ने दूसरी नीलामी में भी भाग लिया, लेकिन यह खदान कोल पुल्ज़ ने जीती. लेकिन कोल पुल्ज़ के संबंध प्लेटिनम एलॉयज से भी हैं, इसलिए नीलामी में भाग लेकर उसने निविदा नियमों का उल्लंघन किया है, जिसके तहत संबद्ध कंपनियां एक ही खदान पर बोली नहीं लगा सकती हैं.

इस सबमें हमने जो पाया उसे आप भी पढ़िए.

विवादों का जाल

नामचिक-नामफुक को नवंबर 2022 में 28 अन्य कोयला खदानों के साथ नीलाम किया गया था. सरकार ने इसे "वाणिज्यिक कोयला खदानों की नीलामी की सबसे बड़ी खेप" कहा था.

नामचिक-नामफुक के वाणिज्यिक खनन के लिए बोली लगाने वाली छह कंपनियों में कोल पुल्ज़ भी शामिल थी. अन्य पांच कंपनियां थीं असम खनिज विकास निगम लिमिटेड, प्लेटिनम एलॉयज प्राइवेट लिमिटेड, अरुणाचल प्रदेश पावर कॉर्पोरेशन प्राइवेट लिमिटेड, प्राची इंफ्रा प्राची इंफ्रा एंड रोड्स प्राइवेट लिमिटेड, और स्टार्ट सीमेंट.

कोयला मंत्रालय ने एक प्रेस विज्ञप्ति में कहा कि नीलामी के 'इस राउंड में पहली बार बोली लगाने वालों में कड़ी प्रतिस्पर्धा' देखी गई.

"इससे यह भी पता चलता है कि सरकार कोयला क्षेत्र में वाणिज्यिक कोयला खनन के माध्यम से जो सुधार लाई थी, उन्हें कोयला उद्योग ने अच्छी तरह से ग्रहण किया है."

उसी दिन, इकोनॉमिक टाइम्स ने रिपोर्ट किया कि "पूर्वी भारत के दो प्रमुख औद्योगिक समूहों" सत्यम ग्रुप और महालक्ष्मी ग्रुप के "कंसोर्टियम" ने नामचिक-नामफुक की "नीलामी में जीत हासिल की".

कोल पुलज़ महालक्ष्मी समूह का हिस्सा है. महालक्ष्मी समूह के कार्यकारी निदेशक संजय केडिया ने न्यूज़लॉन्डी से बातचीत में इसकी पुष्टि की.

महालक्ष्मी समूह हमेशा से भाजपा का डोनर रहा है. पार्टी की 2021-22 की डोनर लिस्ट में इसका नाम 19 बार आया है. अपनी कंपनियों के माध्यम से यह समूह अबतक कुल 7,45,01,000 रुपए भाजपा को डोनेट कर चुका है. इसी समूह की कंपनी, महालक्ष्मी कॉन्टिनेंटल प्राइवेट लिमिटेड, का नाम इसी सूची में छह बार आया है, जिसने दो करोड़ रुपए से अधिक डोनेट किए.

महालक्ष्मी कॉन्टिनेंटल को कोयले से संबंधित कथित गड़बड़ी के दो मामलों में नामजद किया गया था. सीबीआई ने इन मामलों में क्रमशः 2012 और 2016 में चार्जशीट दायर की थी. पहले मामले में कंपनी और उसके निदेशक नवीन कुमार गुप्ता पर कोल इंडिया द्वारा आवंटित कोयले को निर्धारित लाभार्थियों के बजाय खुले बाजार में बेचने का आरोप था. दूसरा मामला असम के हैलाकांडी जिले में कछार पेपर मिल के लिए कोयले की खरीद में अनियमितता से जुड़ा था. दोनों मामलों में अभी जांच चल रही है.

इस कंसोर्टियम के दूसरे सदस्य सत्यम ग्रुप के बारे में बात करें तो इसके प्रत्यक्ष और अप्रत्यक्ष संबंध प्लेटिनम एलॉयज के साथ हैं, जिसने 2022 में नीलामी जीती और 2023 की नीलामी में फिर से भाग लिया. सत्यम ग्रुप के कम से कम चार निदेशकों के पास विभिन्न शेल कंपनियों के माध्यम से प्लेटिनम एलॉयज के शेयर हैं.

सत्यम ग्रुप के अध्यक्ष रतन शर्मा 2009 से 2013 तक प्लेटिनम एलॉयज में निदेशक थे. इस दौरान, वह नेशनल माइनिंग कंपनी प्राइवेट लिमिटेड में भी एक निदेशक थे और 43.5 प्रतिशत के साथ सबसे बड़े शेयरधारक भी थे. नेशनल माइनिंग के नामचिक-नामफुक से कोयला निकालने और बेचने हेतु अरुणाचल प्रदेश मिनरल ट्रेडिंग एंड डेवलपमेंट कॉर्पोरेशन लिमिटेड के साथ हुए अनुबंध को सर्वोच्च न्यायालय ने 2014 में "अवैध" करार दिया था.

हम रिपोर्ट में आगे इस पर विस्तार से चर्चा करेंगे.

फिलहाल रतन शर्मा के पास सीधे तौर पर प्लेटिनम एलॉयज के शेयर नहीं हैं. उनके पास एसएमएस स्मैल्टर्स प्राइवेट लिमिटेड के 15,500 शेयर्स हैं, जो 69.6 प्रतिशत की हिस्सेदारी के साथ प्लेटिनम एलॉयज का सबसे बड़ा शेयरधारक है.

सत्यम समूह के चार पदाधिकारियों- निदेशक हर्ष शर्मा और कमल शर्मा, मैनेजिंग डायरेक्टर सुरेश शर्मा, और सीनियर एग्जीक्यूटिव श्याम सुंदर लट्टा- के पास निशु लीजिंग एंड फाइनेंस लिमिटेड के शेयर हैं, जिसकी प्लेटिनम एलॉयज में 19.6 प्रतिशत हिस्सेदारी है.

प्लेटिनम एलॉयज की एक अन्य निदेशक हैं रमा शर्मा, जो सत्यरतन ग्रुप लिमिटेड नामक कंपनी में भी निदेशक हैं. श्याम सुंदर लट्टा भी सत्यरतन समूह के निदेशक हैं. इस समूह की एक और निदेशक ममता शर्मा रतन शर्मा की नेशनल माइनिंग कंपनी लिमिटेड में भी निदेशक हैं.

कोयला मंत्रालय के मानक निविदा दस्तावेज के खंड 4.1.4 में स्पष्ट रूप से कहा गया है कि किसी कोयला खदान की नीलामी में बोली लगाने वाला केवल एक ही बोली लगा सकता है. "यदि किसी बोलीदाता का सहयोगी भी उक्त कोयला खदान के लिए बोली लगाता है, तो दोनों के प्रस्तावों को अस्वीकार कर दिया जाएगा."

इस बारे में बात करने के लिए न्यूज़लॉन्ड्री ने कोयला मंत्रालय से संपर्क किया.

कम से कम दो अधिकारियों ने कहा कि वे मीडिया से बात करने के लिए अधिकृत नहीं हैं और इसलिए आधिकारिक रूप से इस मामले पर कोई बात नहीं कर सकते.

एक अधिकारी ने कहा कि डिफॉल्टर होने के बावजूद प्लेटिनम एलॉयज को 2023 की नीलामी में शामिल करना टेंडर नियमों का उल्लंघन नहीं है. दूसरे ने कहा कि कोयला मंत्रालय ने बोली लगाने से पहले कंपनियों के निदेशकों की जांच की थी, लेकिन प्लेटिनम एलॉयज और कोल पुल्लु के बीच उन्हें कोई संबंध नहीं मिला.

सीएजी द्वारा बताई गई 'विसंगतियां'

इस संबंध में दूसरी अनियमितताओं में शामिल हैं रतन शर्मा. वह अरुणाचल प्रदेश के मुख्यमंत्री पेमा खांडू के पुराने परिचित हैं. दोनों पहले सेलातावांग होटल प्राइवेट लिमिटेड के निदेशक थे, यह कंपनी 2009 में बंद हो चुकी है. 2022 में फिर शुरू होने से पहले, नामचिक-नामफुक कोयला खदान से अंतिम निष्कर्षण 2007 और 2012 के बीच हुआ था. यह खदान तब सरकारी कंपनी अरुणाचल प्रदेश मिनरल ट्रेडिंग एंड डेवलपमेंट कॉर्पोरेशन को आवंटित की गई थी.

एपीएमटीडीसीएल ने 2007 से 2012 तक, पांच साल के लिए नामचिक-नामफुक खदान से कोयला निकासी और बिक्री का ठेका नेशनल माइनिंग कंपनी प्राइवेट लिमिटेड को दिया था. नेशनल माइनिंग, 2002 में शुरू की गई थी और यह शिलांग में पंजीकृत है, हालांकि कंपनी के दस्तावेजों में एक पता गुवाहाटी का भी है. जैसा कि पहले बताया गया था, रतन शर्मा के पास इसके 43.5 प्रतिशत शेयर हैं.

इन पांच वर्षों के दौरान, नेशनल माइनिंग के माध्यम से एपीएमटीडीसीएल ने 2012 तक खदान से 10 लाख मीट्रिक टन से अधिक कोयला निकाला. 2012 में संदेह जताया गया कि इलाके में "विद्रोही" कोयला खनन कर रहे हैं, जिसके बाद इस खदान का संचालन निलंबित कर दिया गया था.

2012 में भारत के नियंत्रक और महालेखा परीक्षक ने एक ऑडिट रिपोर्ट दायर की जिसमें 1993 से लेकर कोयला ब्लॉकों के आवंटन में "गंभीर विसंगतियों" को उजागर किया गया. रिपोर्ट में अनुमान लगाया गया कि बोली लगाने में प्रतिस्पर्धा की कमी के कारण निजी कोयला ब्लॉक आवंटियों को 1.83 लाख करोड़ रुपये का वित्तीय लाभ हुआ.

इसलिए, 2014 में सुप्रीम कोर्ट ने 1993 से 2011 तक किए गए 204 कोयला ब्लॉक आवंटनों को "अवैध" और "मनमाने ढंग से किया गया" घोषित किया. इसमें नामचिक-नामफुक खदान भी शामिल थी.

सीएजी की रिपोर्ट के आधार पर सुप्रीम कोर्ट ने आवंटियों पर 299 रुपये प्रति मीट्रिक टन कोयले का जुर्माना लगाया. नामचिक-नामफुक के मूल आवंटी के रूप में एपीएमटीडीसीएल पर 32 करोड़ रुपये का जुर्माना लगाया गया.

बाद में इस राशि का भुगतान सरकारी खजाने से किया गया, जब पेमा खांडू की सरकार ने 2019-20 के बजट में नामचिक-नामफुक कोयला क्षेत्र को "पुनर्जीवित" करने के लिए एपीएमटीडीसीएल को 32 करोड़ रुपये का ब्याज-मुक्त ऋण देने की घोषणा की. बाद में, सरकारी खजाने से राशि का भुगतान करके नेशनल माइनिंग को लाभ पहुंचाने के लिए अरुणाचल सरकार के खिलाफ एफआईआर दर्ज की गई थी.

यह प्राथमिकी वकील काकू पोटोम की शिकायत के आधार पर दर्ज की गई. इसमें कहा गया कि नेशनल माइनिंग और एपीएमटीडीसीएल के बीच समझौते के अनुच्छेद 13, और एनएमसीएल को दिए गए वर्क ऑर्डर के अनुसार, कर, जुर्माने और अतिरिक्त शुल्क आदि जैसे सभी तरह के भुगतान करने का उत्तरदायित्व ठेकेदार, या एनएमसीएल पर था.

सीएजी ने 2017 में एक रिपोर्ट में नामचिक-नामफुक में कोयले के मूल्य निर्धारण से संबंधित एक और विसंगति को उजागर किया।

नेशनल माइनिंग को केवल एपीएमटीडीसीएल द्वारा निर्धारित मूल्य पर कोयला बेचने और निकालने की अनुमति दी गई थी। एपीएमटीडीसीएल को यह कीमत कोल इंडिया लिमिटेड द्वारा अधिसूचित बिक्री मूल्य के आधार पर तय करनी थी।

लेकिन सीएजी ने कहा कि नेशनल माइनिंग, कोल इंडिया लिमिटेड द्वारा अधिसूचित संशोधित दरों से "बहुत कम दर पर" कोयला बेच रही थी, क्योंकि एपीएमटीडीसीएल समय पर संशोधित दरों को लागू नहीं कर रही थी।

उदाहरण के लिए, कोल इंडिया ने 2012 में 1 जनवरी से कोयले के बिक्री मूल्य को संशोधित किया। यह संशोधित मूल्य एपीएमटीडीसीएल ने 11 जनवरी, 2013 से लागू किया। 11 महीने की इस देरी से सरकारी खजाने को 1 जनवरी से 19 मई, 2012 के बीच, 1,55,677 मीट्रिक टन कोयले की बिक्री में 31 करोड़ रुपए का नुकसान हुआ।

नेशनल माइनिंग ने संशोधित मूल्यों को अधिसूचित करने में देरी के लिए एपीएमटीडीसीएल को दोषी ठहराया, और इसलिए 31.57 करोड़ रुपए की राशि का भुगतान करने से इनकार कर दिया। इसके बजाय, यह 4 अप्रैल से 19 मई, 2012 तक 54,640 मीट्रिक टन कोयले की बिक्री के लिए केवल 11.69 करोड़ रुपए देने पर सहमत हुई। पांच सदस्यीय समिति ने इस मुद्दे की जांच की और नेशनल माइनिंग के पक्ष में फैसला सुनाया, और सुझाव दिया कि शेष 19.88 करोड़ रुपयों को छोड़ दिया जाए।
<https://hindi.newslaundry.com/2023/03/21/northeast-india-largest-coal-mine-went-to-coal-pulz-company-that-violated-bidding-rules-in-coal-auction>

4. Congress Asks Questions on CAG Findings of Favours that Allegedly Benefited Adani (moneylife.in) 21 March 2023

In the 33rd instalment of questions under the series, 'Hum Adani ke Hai Kaun' (HAHK), the Congress party has asked three questions to prime minister (PM) Narendra Modi related to the findings of the comptroller and auditor general of India (CAG) on the different activities of Adani and his related companies.

Here are the three questions...

(1) A 9 July 2018 report by the comptroller and auditor general (CAG) of India found that the Adani Group had been the major beneficiary of flawed coal import tenders issued by the Tamil Nadu Electricity Generation and Distribution

Corporation (TANGEDCO) between July 2012 and February 2016. Examining five of those tenders, the CAG found that TANGEDCO unnecessarily restricted competition to only four bidders by closing the sale of tender documents much earlier than required and using an artificially high minimum turnover requirement for bidders. It also adopted a tainted pricing methodology that led it to pay higher prices than other power utilities and to overpay for lower-quality coal than had been contracted. The CAG stated that the Singapore-based Adani Global and two other firms won 96% of the total import value of Rs8,884.44 crore in the tenders covered by its audit. The Chennai-based NGO Arappor Iyakkam estimates that Adani won 49% of the orders totalling 11.9 million MT and made excess profits of \$363 million (Rs3,000 crore). Your personal influence over the then AIADMK-run state government is no secret. Did you play any role in helping your cronies make yet another illicit gain, this time at the expense of Tamil Nadu taxpayers?

(2) Mundra has 14 thermal power plants with a capacity of 8,620 megawatts (MW), including nine Adani Power plants that generate 4,620 MW. A CAG report tabled in the Gujarat Vidhan Sabha on 22 September 2022 found that the state government had turned a blind eye to environmental violations by the Adani Group. Adani Power had illegally dumped 15.42 lakh tonnes of toxic fly ash in low-lying areas between 2014-15 and 2018-19 without the approval of Gujarat Pollution Control Board (GPCB). It had wrongly reported the recycling of this toxic byproduct even though it had no online monitoring system to ensure it, as required by the union Ministry of Power. The CAG reported that “GPCB did not take any action against APL for dumping the fly ash as in the low-lying areas without its approval and for incorrect reporting of 100% utilisation of fly ash.” What is the source of the Adani Group’s impunity that prevented the Ministry of Power and the GPCB from taking action against such blatant violations? Is your concern for your favourite group’s profits so much greater than for the Gujarati villagers and fishermen whose health and livelihoods have been damaged by rampant fly-ash pollution?

(3) Adani Power has been defaulting on its power supply obligations to Haryana since December 2020 (as we pointed out in the 4 March 2023 HAHK). It now transpires that not only is Haryana not receiving the electricity it is due from Adani Power in Mundra, but electricity from Haryana has been illegally diverted to Mundra for onward supply to consumers in Gujarat. The All India Power Engineers’ Federation has shown that 1,790.25 million units of electricity power flowed in the reverse direction on the Mundra-Mohindergarh high-voltage direct current line between April and December 2022. This occurred at a time when Haryana was facing frequent power cuts, but the powers-that-be seem to have felt

that it was more important to appease Gujarat voters in the run-up to the December 2022 state election. Is it true that Haryana paid for the electricity supplied to Gujarat? Are you pressuring the Central Electricity Regulatory Commission (CERC) to ignore violations of longstanding power-purchase agreements by your cronies? Why is the CERC overlooking the blatant violation of Section 26 of the Electricity Act that prohibits the National Load Despatch Centre from trading in electricity? <https://www.moneylife.in/article/congress-asks-questions-on-cag-findings-of-favours-that-allegedly-benefited-adani/70203.html>

STATES NEWS ITEMS

5. 30 Mizoram depts leave over Rs 2,000 crore unspent, but given additional Rs 950 crore: Data (timesofindia.indiatimes.com) March 21, 2023

At least 30 out of 46 state government departments left huge amount of funds unspent, which were allocated to them in the budget during 2021-22 financial year, according to data presented in the latest appropriation accounts recently tabled in the state assembly.

The departments were allocated a huge amount of money under supplementary demands during the same fiscal despite the fact that they did not spend the amount allocated in the budget estimate. These 30 departments ended up not spending almost a third of the money allocated to them through the entire year, data showed.

This unspent amount comes to almost Rs 2,673.86 crore, raising a question why they were allocated a total of almost Rs 950 crore as supplementary funds in the first place when they had almost four times that amount lying around unutilised. The fact about 30 departments not spending their budgetary allocations was pointed out in the Appropriation Accounts 2021-22 tabled in the Assembly on February 16 this year.

Of the 30 laggard departments, at least three - the irrigation & water resources (I&WR), rural development, and labour, employment, skill development & entrepreneurship departments - ended up spending less than two-thirds of the budgetary allocations. The I&WR was the worst, spending only Rs 20.58 crore (35%) of the Rs 58.47 crore allocated to it by the state budget. Yet, it had received more than Rs 4 crore in supplementary funds mid-year.

The Comptroller and Auditor General of India said the state "prepared a budget which it did not have the ability to implement and/or its departments had not done the groundwork to be able to utilise the allocated funds within the envisaged timeframe".

Meanwhile, two departments overshot their budgetary allocations three or more times. The fisheries department spent 216.6% of the amount allocated to it, the sports and youth services department spent a whopping 503.4% of its budget allocations. <https://timesofindia.indiatimes.com/city/guwahati/30-mizoram-depts-leave-over-rs-2000-crore-unspent-but-given-additional-rs-950-crore-data/articleshow/98897308.cms>

6. Photos of ‘road project’ on Hosakerehalli Lake: BBMP claims restoration work is on; clearance not obtained, says KTCDA official ([indianexpress.com](https://www.indianexpress.com)) March 21, 2023

In response to viral pictures on social media which appear to suggest that a road project has been taken up by the Bruhat Bengaluru Mahanagara Palike (BBMP) on Hosakerehalli lake in Rajarajeshwari Nagar, the civic body clarified to [indianexpress.com](https://www.indianexpress.com) that the effort was part of a road restoration project.

The BBMP has laid a 25-foot-wide mud road on the lake claiming that it will be used to move vehicles to desilt the water body. A senior official from the BBMP (lakes division) said, “The mound of mud that is seen inside the lake premises is built so that vehicles can move inside. These vehicles will be used to desilt the lake. Once the silt is removed, the temporary mound of mud will be removed from the premises. I clarify that there is no road construction taking place on the lake.”

However, officials from the Karnataka Tank Conservation Development Authority (KTCDA) confirmed that the BBMP has not obtained clearance to carry out restoration works. The Detailed Project Report (DPR) for the development work of any lake or tank needs to be cleared by the KTCDA. “The BBMP has not taken our clearance. Our technical team will inspect the work being undertaken at the lake,” a KTCDA official said.

Last year, the BBMP forest cell took strong objection to the illegal felling of 10 trees on the banks of Hosakerehalli Lake. Officials from the forest cell said its permission was not sought before the trees were chopped.

Spread across 59.36 acres, Hosakerehalli lake receives untreated sewage from a stormwater drain (SWD) and sees continuous dumping of garbage and construction debris. Out of the total extent of the lake, seven acres have been encroached.

The Comptroller and Auditor General (CAG) of India, in its report released in September 2021, stated, “In Vrishabhavathi valley, the drain passing along the border of Hosakerehalli lake was remodelled and diverted to flow through the lake thereby reducing the area of the lake.”

The forest department was the custodian of the lake till 2010. The Karnataka government handed over the custody of the lake to BBMP and in 2011 the lake was transferred to the Bangalore Development Authority (BDA). In 2019, the lake was again handed over to the BBMP. <https://indianexpress.com/article/cities/bangalore/road-project-hosakerehalli-lake-bbmp-restoration-work-ktcda-official-8510785/>

7. Winged messengers of Odisha police keep glorious past alive: Carrier pigeon service not redundant till now (timesofindia.indiatimes.com) Mar 21, 2023

BHUBANESWAR: The first Prime Minister, late Jawaharlal Nehru, was in Odisha’s Sambalpur district on April 13, 1948, about eight months after India achieved Independence.

Nehru, who was scheduled to address a public meeting in Cuttack the same day, wanted to send an urgent message to the police in Cuttack, which was about 265 km from Sambalpur.

Nehru seemed unconvinced when the cops at Sambalpur showed him the messenger, which would carry his message to Cuttack. That was a pigeon.

Sharp at 6am, the pigeon started its journey by carrying Nehru’s message — ‘the arrangements for the public meeting should not be such to separate the speaker too much from the audience’ — from Sambalpur and reached the destination at Cuttack at 11.20am. When Nehru reached Cuttack later in the afternoon, he had no words to express his astonishment and happiness when he saw his original message along with the same pigeon there.

Much water has since flown under the bridge.

High-speed internet coupled with instant messaging services ushered in a revolution in the country's communication system.

This, however, has not made the carrier pigeon service redundant in Odisha till now. The Odisha police headquarters in Cuttack and the police training college at Angul still have pigeon lofts with 105 and 44 Belgian Homer pigeons.

The carrier pigeon service was introduced in Odisha in 1946, when World War II had just ended.

Though the pigeon messenger service was discontinued in Odisha on March 31, 2008, trained homing pigeons are still being nurtured for ceremonial and symbolic purposes in Odisha, perhaps the only place in India.

As an experiment, the pigeon messenger service was first introduced by Odisha police in Naxal-affected Koraput district.

Gradually it was expanded to 38 locations, having more than 1500 trained pigeons in districts, sub-divisions, circles and some police stations.

A total of 19 pigeon lofts were then functional in different districts. At least one inspector, three sub-inspectors, one assistant sub-inspector and 35 constables were assigned to look after the pigeons.

Despite the advent of modern communication devices in the 1990s, the state government continued the pigeon messenger service before officially discontinuing it in March 2008.

But, the government decided to retain only two of the 19 pigeon lofts (one each at Cuttack and Angul) to keep the glorious heritage alive.

“We can proudly say that the Odisha police pigeon service is one of India's best kept secrets. We have around 150-odd trained carrier pigeons in Cuttack and Angul. The pigeons are now used and demonstrated in Republic Day, Independence Day parades, other national as well as state level functions for ceremonial purposes in Bhubaneswar and Cuttack. They carry the message of peace, love and freedom,” said Arun Ray, the special director general (communications) of Odisha police.

According to Odisha police sources, the comptroller and auditor general of India (CAG) had some years ago raised objections on the expenditure towards the maintenance of pigeon messenger service, whose requirements are no longer felt in the modern days.

However, chief minister Naveen Patnaik was not in favour of shutting down the pigeon messenger service.

"Our CM wants to keep afloat the past glory and heritage. Even though the pigeon messenger service is not in use these days, the chief minister ordered to preserve the heritage," another senior police officer said.

Gopal Chandra Nanda, who served as Odisha DGP during 2007-08, recollected his early service days in 1976-77 when pigeons were in use in the absence of wireless and VHF gadgets.

"We were using pigeons to send messages during elections and natural calamities. The employment of pigeons in military operation was intended to supplement the normal method of communications like wireless, telegraph, telephone and despatch riders, especially in a state of emergency when all other methods fail or are inadequate," retired DGP Nanda said.

Odisha police said the carrier pigeons attracted a great deal of attention during the international postal exhibition in New Delhi in 1954 where a successful demonstration of the ability of the birds was shown.

The pigeons also exhibited their prowess in 1982 when Odisha was adversely affected by flash floods.

"Roads and bridges were washed away. All road communications to remote areas were cut off. During this critical juncture, our carrier pigeon service played a vital role in carrying official messages. Former president R Venkataraman, who was in Cuttack on December 10, 1989, was amused to see the ability of the carrier pigeons and appreciated the trainers," an officer, who currently looks after the pigeon service said

The pigeons are normally trained by experienced members of the Odisha police when the birds are of 4 to 6 weeks-old and are capable of flying.

Each bird is given a short distance flight in every direction for a radius of 5 to 8 km from the pigeon loft.

This would give them a clear idea of the route and surrounding.

After the initial training, the birds are given route training over all important routes.

After a few days of the training, the distance is increased in phases by regular repetitions.

After the route training is completed, the birds are given boomerang training.

They are practiced to go to one place, take food there and return to the loft to take water.

The baby birds, capable of flying, are kept inside the crates.

They see the surroundings and get accustomed to the environment for about an hour.

The pigeons are given rich a diet and tonics.

“We feed all birds wheat, Bengal gram, peas, green gram, millet and maize twice daily (morning and evening). The quantity of food grains for each bird should be 60 grams (30 grams each in morning and evening). They drink water mixed with potassium permanganate,” a trainer said.

While a pigeon’s lifespan is about 15 to 20 years, a trained bird can render active service for 7 to 12 years.

They are sprucer and more streamlined in appearance with bright gleaming eyes, maintaining an average speed of 70 to 80 kmph depending on weather condition and can fly 400/500 km at a stretch.

“Our duty starts around 6 am daily. We count each pigeon and check their health conditions inside the pigeon loft. Before bringing them out of the loft for regular training and exercises, we check the campus to prevent the presence of dogs, cats and other stray animals,” said Sanjay Kumar Mahali, a police sub-inspector of the pigeon messenger service in Cuttack.

Mahali denied any pigeon ever went missing or lost its route during training periods.

“We have trained the pigeons in such a way that they would never lose the routes. They will leave the loft in group and return in the same manner. They will never eat nor drink outside. Whenever we take them for demonstration to ceremonial events on Independence Day or Republic Day parades to Bhubaneswar, we start their route identification training at least a month in advance,” Mahali said.

This January 26, at least 25 trained pigeons were freed at the parade venue on Mahatma Gandhi Marg in Bhubaneswar.

The birds took 29 minutes to reach the loft at Cuttack, covering a distance of around 30 km. <https://timesofindia.indiatimes.com/city/bhubaneswar/winged-messengers-of-odisha-police-keep-glorious-past-alive-carrier-pigeon-service-not-redundant-till-now/articleshow/98863264.cms>

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Central PSUs racked up losses of more than Rs 1.5 lakh crore in last five years (moneycontrol.com) March 21, 2023

India's Central Public Sector Enterprises (CPSEs) racked up losses totalling more than Rs 1.5 lakh crore in the last five years, according to data from the Ministry of Finance.

As per information provided by Minister of State for Finance Bhagwat Karad on March 21 in response to a question in the Rajya Sabha, there were 248 CPSEs in operation at the end of 2021-22. As many as 72 were loss-making in 2017-18, Karad told the Parliament. This number eased slightly to 69 in 2018-19, before shooting up to 84 in 2019-20.

Since then, the number of loss-making CPSEs has reduced: first to 76 in 2020-21 and then to 59 in 2021-22.

In terms of the total losses made by these companies, last year saw a substantial reduction to Rs 14,586 crore, down from losses of Rs 44,239 crore in 2019-20.

Cumulatively, the five-year period stretching from 2017-18 to 2021-22 saw CPSEs in the red by as much as Rs 1.54 lakh crore, the data showed.

"Enterprise-specific measures for their turnaround are taken by the respective Boards and administrative Ministries/Departments having jurisdiction over the CPSEs concerned," Karad told the Upper House of Parliament on March 21.

"These, inter alia, include business restructuring, formation of joint ventures, modernisation, and improved marketing strategies etc. The government has also notified the New Public Sector Enterprise ('PSE') Policy in February 2021 as per which CPSEs have been classified in

Strategic and Non Strategic sectors based on certain criteria. The CPSEs are, therefore, to be dealt with according to the provisions of the New PSE Policy only," he added.

As per the new PSE policy announced in 2021, CPSEs will maintain a minimal presence in four strategic sectors—atomic energy, space, and defence; transport and telecommunications; power, petroleum, coal, and other minerals; and banking insurance and financial services. In other sectors, CPSEs will be privatised, merged, or considered for closure.

<https://www.moneycontrol.com/news/business/central-psus-racked-up-losses-of-more-than-rs-1-5-lakh-crore-in-last-five-years-10285961.html>

9. Government to spend ₹4.5 lakh crore more on infrastructure projects (economictimes.indiatimes.com) March 22, 2023

The government is expected to spend ₹4.46 lakh crore more on infrastructure projects than the original estimates, a report released by the infrastructure and project monitoring division of the Ministry of Statistics and Programme Implementation (MoSPI) on Tuesday said.

The original cost of 1,423 projects being monitored by the ministry was estimated at ₹ 20.38 lakh crore, but anticipated cost has risen to ₹24.85 lakh crore, the report said.

Until February, the government had already incurred ₹13.63 lakh crore on these projects, which is more than half of the anticipated cost. The ministry monitors projects with a value of ₹150 crore and more.

While 823 projects were delayed with respect to original schedule, the report highlighted that 46 projects were completed in February and 12 new projects were added.

An ET analysis shows that project additions have slowed compared to the previous year. The government has added 22.7% fewer projects between April-January this fiscal, compared to the same period in FY22.

The government has added 199 projects in the current fiscal (till January) with an original cost of ₹1.68 lakh crore.

Of 823 delayed projects, nearly 60% were delayed for over two years. The average time of delay was 38.63 months. Even though the number of delayed projects has risen drastically compared to last year - when 657 of 1,565 projects were delayed - the average time overrun has declined.

In February 2022, average time overrun of delayed projects was 42.6 months.

<https://economictimes.indiatimes.com/news/economy/infrastructure/government-to-spend-4-5-lakh-crore-more-on-infrastructure-projects/articleshow/98880260.cms?from=mdr>

10. Indian Army's capital budget should be increased: Parliament panel
([business-standard.com](https://www.business-standard.com)) March 22, 2023

The capital budget of the Indian Army should be increased to facilitate enhancing its deterrent capacity to ward off challenges from the two "hostile" neighbours, a parliamentary panel has said in an apparent reference to Pakistan and China.

The committee appreciated the efforts made by the Defence Ministry towards the indigenisation of military platforms and hoped that the country would see "100 per cent contract value" going to Indian vendors in the years ahead.

Referring to the challenges before the Army, the parliamentary standing committee cited proxy wars, in an apparent reference to Pakistan-backed cross-border terrorism in Jammu and Kashmir.

The committee was of the view that funds slated for modernisation of the armed forces should always be incremental.

"The committee also desired that there should be a separate allocation for committed liabilities and new schemes, under the modernisation/capital budget," it said.

The report of the panel was tabled in the Lok Sabha on Tuesday.

"Our expenditure should be in proportion to the increase in defence spending of our neighbours. Therefore, the committee recommended that the capital budget of the Army should be increased to have a deterrent capacity to ward off at least two hostile neighbours," it said, in an indirect reference to Pakistan and China.

The committee noted that the capital outlay for the Navy for 2023-24 was projected at Rs 52,804.75 crore.

"Against this projection, the committee found that this year's allocation is pragmatic and supportive for the Navy as the ministry actually allocated the same amount as projected, although, this projection is Rs 14,818.21 crore less than the projection it made in the year 2022-23," it said.

"This also indicates that the requirements of the Navy for the new scheme have decreased, and gone down which may affect its modernisation drive. The committee recommended to be apprised of the reasons for the lower projection in comparison to last year," the panel said.

The committee recommended that from next year onwards a separate statement of the net budget be provided after taking into account the inflation, noting that it is a recurring and unavoidable phenomenon in all aspects of economic theory which applies to the Navy also. https://www.business-standard.com/article/economy-policy/indian-army-s-capital-budget-should-be-increased-parliament-panel-123032200134_1.html

11. Parliamentary Panel Says Procurement of Fighter Jets Should Not Be Delayed (thewire.in) March 22, 2023

The Parliamentary Standing Committee on Defence has said that the Union government should not delay the procurement of additional fighter jets.

It noted that the Navy's request to manufacture a third aircraft carrier have been brought up several times.

"In no uncertain words, (we) recommend that Ministry of Defence may take a final decision, chalk out a trajectory and start the planning process for the third aircraft carrier which would eventually enhance India's maritime capabilities," the parliamentary panel said in its report on March 21.

The Tribune reported that two aircraft carriers are consistently required for meeting threat perceptions and for preparedness and striking capabilities during war. A third carrier is needed as carriers have long maintenance schedules.

However, The Wire had in December 2020 reported that the possibility of materialising the purchase of a third carrier appears nebulous due to financial and operational reasons.

The committee also said it found “considerable delay” in the supply of 40 LCA Tejas jets from Hindustan Aeronautics Limited, the newspaper reported.

“The government should consider buying state-of-the-art fifth generation fighter aircraft over the counter without losing time to keep the force in a comfortable position,” the committee said.

Previously, the panel had expressed concern over the delay in creation of the LCA Tejas jets, which it believed was one of the main causes of the Air Force’s depleting fighter jet strength.

According to the Indian Express, it had said, citing representatives of the Air Force, that “the total technical life of most of the existing squadron is expiring and consequently the squadron strength is progressively depleting.”

The current strength of around 30 squadrons, as per the committee, will deplete further as older fighter jets are phased out.
<https://thewire.in/government/parliamentary-panel-fighter-jets-iaf-navy>

12. Nano urea could save Rs 25,000 cr in Fertilisers subsidy annually: House panel (financialexpress.com) March 22, 2023

A parliamentary panel on Tuesday said that precise application of nano-urea at critical crop growth stages can replace 25 – 50% of usage of conventional application of soil nutrient thus resulting in savings on fertiliser subsidy.

“With the use of nano urea, the exchequer can save \$3 billion equivalent to around Rs 25,000 crore in subsidy bill per year considering subsidy of approximately Rs 20,000 per metric tonne of urea,” the panel on ‘nano-fertiliser for sustainable crop production and maintaining soil health’ has said in a report.

Expressing concern about continuous increase in the import of urea over the years which rose from 5.48 million tonne (MT) in 2016-17 to 9.8 MT in 2020-21, the panel has stated that subsidy burden on account of urea import constitutes 26 % of the overall urea subsidy paid in a year by the government.

The commercial production of nano urea commenced on August 1, 2021 by India Farmers Fertiliser Cooperative (IFFCO) and Rashtriya Chemicals and Fertilizers (RCF). Soil nutrient in liquid form provides nitrogen to plants as an alternative to conventional urea. A 500 ml bottle of nano urea is equivalent to a 45 kg bag of conventional urea.

The government is aiming to increase the current annual production capacity of nano urea from the 50 million bottle (550 ml each) to 440 million bottles by 2025 thus would stop import of soil nutrient variety.

Out of total annual demand of 35 MT of urea, close to 29 MT is domestically produced and rest is imported.

Recently, the agriculture ministry gave the nod for introduction of nano-diammonium phosphate (nano-DAP) from next kharif season. More than half of the country's DAP requirements are imported.

The parliamentary panel report stated that as per interim report of the International Rice Research Institute, if India's 50% of rice cultivation area is brought under nano-urea, it would lead to reduction in greenhouse gas emission by 4.6 million tonne.

“Even if 20-30% of the urea that is going waste can be replaced and utilised, then the issue of greenhouse gas emission can be appropriately addressed,” the panel said.

The farmers pay a fixed price Rs 242 per bag (45 kg) of urea against the cost of production of around `2,650 per bag. The balance is provided by the government as a subsidy to manufacturing units.

Because of higher global prices caused by the Ukraine war, the fertilisers subsidy in 2022-23 has surged to a record `2.53 trillion.

While suggesting that nano fertilisers should be manufactured by both public and private sector companies, the parliamentary committee urged the government to to

bring production of nano fertilizers under the production linked incentive scheme in order to give a boost to the fertilizer industry with a view to increasing the production of nano fertilisers.

The panel also recommended that department of fertilisers to play a proactive role to establish long term agreements for import of fertilizers' raw materials and set-up joint venture plants in countries rich in fertilizers' raw materials with buy back arrangements thereby assuring access to acquisition of the fertilizers' raw materials abroad, in coordination with the ministry of external affairs, ministry of finance and other concerned departments and agencies.

<https://www.financialexpress.com/economy/nano-urea-could-save-rs-25000-cr-in-fertilisers-subsidy-annually-nbsphouse-panel/3018109/>

13. Why India needs a 'Mission Adaptation' in its climate change strategy ([indianexpress.com](https://www.indianexpress.com)) March 20, 2023

India's Budget for 2023-24 was released by our finance minister on February 1. One aspect that deserves more discussion is the budget's allocation towards climate action. Climate change mitigation has received a clear mention — especially with the focus on green growth initiatives targeted at reducing the carbon intensity of the economy such as green mobility, energy efficiency and the green hydrogen mission announcement. But climate change adaptation has been addressed only indirectly. Certain budgetary allocations towards nature-based solutions such as the mangrove plantation initiative and the community-based wetland conservation scheme promise to have potentially positive impacts in mitigating climate change and climate adaptation. The initiative to make India a global hub for millets is also likely to help reap adaptation benefits. Millets are more climate resilient and require less water compared to rice and wheat.

However, as has been pointed out by experts, crucial concerns like accounting for climate change-induced risks — Joshimath being the most recent example — do not find explicit mention in the budget. Measures towards enhancing the resilience of communities and habitations to climate change's impact — crucial given India's high vulnerability to climate change — do not find an explicit mention either. This is concerning given the increasing frequency at which climate-related stress is occurring and is expected to occur. The public sector must begin viewing resilience building as a strategic priority, and actively address this matter with this lens.

Adaptation has traditionally received far less attention than mitigation in the global climate discourse. Consequently, funding for adaptation has been far less. In India,

for example, as per one estimate by the Climate Policy Initiative, the ratio of funding for climate adaptation to mitigation stands at 1:10; Rs 35,000 crore and Rs 2,69,000 crore (2020). Thus, even as mitigation itself remains underfunded with only 25 per cent of the requirement met (estimated as Rs 11,00,000 crore per annum), the gap for adaptation stands much higher, at only 7.9 per cent of the needed funds — estimated to be Rs 4,40,000 crore per annum.

An important reason for this is that adaptation solutions often do not give an immediately palpable return on investment (ROI). Because of this, mainstream, interest-seeking capital flowing into adaptation is scant. Adapting to climate change often requires highly local and nature-based solutions, and thus cannot ensure a classically-measured ROI. This is unlike technology-based mitigation interventions, such as green energy or electric vehicles.

Given the uncertainties, complexities and risks, climate adaptation has largely remained a publicly-funded endeavour in India. Indeed, nearly 100 per cent of the funding for adaptation in India comes from public sources. Further, international funding has also remained scarce due to this skewed discourse on climate change. Perhaps this is also because mitigation has more directly ascertainable global consequences than adaptation, which is seen as more local in scope. On the other hand, the domestic philanthropic funding landscape has been seeing more donors funding adaptation than mitigation, and the overall quantum of funding towards climate-adjacent sectors, such as water and livelihoods has also been increasing. This is due to a recent increase in the adoption of an intersectional lens to funding, which breaks the development vs climate dichotomy towards embracing a more holistic lens — understanding the interlinkages between non-climate and climate funding, and seeking to maximise joint positives.

Given all these factors, the public sector will remain a crucial contributor to funding for climate adaptation. Ultimately, climate adaptation must come to be seen as a strategic investment by the public sector, which it must make in order to climate-proof lives, livelihoods, the environment and the economy. Climate shocks are anticipated to get more frequent and severe, and in the absence of resilience-building for communities and habitations, the impact could be devastating. People all across the country are already coping with the impact of climate change. If there can be a strategic, proactive approach to building adaptive capacity, it could prevent undue distress, and help India achieve its development needs despite the challenges of a climate-changed world.

Given this strategic imperative, the government should adopt “Mission Adaptation” to create a supportive ecosystem for all entities, including the private sector, non-profits and civil society, to come together and work towards developing and scaling up locally-sound adaptation solutions. In her book *Mission Economy*, Mariana Mazzucato describes how the state can help in bridging complex challenges faced by society today. In Mazzucato’s words, such “mission thinking” needs to use “the idea of public purpose to guide policy and business activity”, and in order to do this successfully, governments need to “invest in their internal capabilities – building the competence and confidence to think boldly, partner with business and civil society, catalyse new forms of collaboration across sectors, and deploy instruments that reward actors willing to engage with the difficulties”.

As Ludwig Wittgenstein said: “The limits of my language are the limits of my world”. To paraphrase, we don’t process what we see, but we see what we can process. Our language to understand and monitor adaptation needs to evolve. To make “Mission Adaptation” a reality, the government must work towards developing a more systemic understanding of resilience, its adjacencies with other goals, and suitable methods to measure these, as well as support efforts aimed at building such an understanding across the ecosystem. This would likely benefit all actors trying to enhance climate adaptation across contexts. <https://indianexpress.com/article/opinion/columns/why-india-needs-mission-adaptation-climate-change-strategy-8508540/>

14. Need to accelerate efforts to adapt reality of rapidly changing climate (devdiscourse.com) March 21, 2023

Minister of Forestry, Fisheries and the Environment, Barbara Creecy, has emphasised the importance of accelerating efforts to adapt to the reality of a rapidly changing climate, and to close the existing adaptation gap in this decade.

This as a recently released report on climate change shows that more than a century of burning fossil fuels and unsustainable energy and land use worldwide, particularly in developed countries, has led to global warming of 1.1°C since the start of the industrial revolution.

This has resulted in more frequent and more intense extreme weather events, with devastating impacts on people and nature in every region of the world.

The Minister said events like cyclone Freddy, which recently killed hundreds of people in Malawi, Mozambique, South Africa, and Zimbabwe, are a reminder that despite some progress being made in reducing climate risks, developed nations remain ill-prepared for the existential threat posed by climate change.

The Intergovernmental Panel on Climate Change (IPCC) Summary for Policy Makers and a longer synthesis report of the Sixth Assessment Cycle was released on Monday, 20 March.

It brings together the work of leading global scientists over the past six years.

The IPCC found that with every increment of warming, the risks, impacts and related losses and damages escalate. When these risks combine with other adverse events, such as pollution and loss of biological diversity, they cascade across sectors and regions and become increasingly difficult to manage.

“Nothing less than an emergency response will suffice. However, as pointed out by this IPCC report, the options open to us to adapt are becoming more constrained and less effective with every increment of warming.

“The IPCC indicates that climate resilient development will become progressively more challenging, particularly beyond 1.5°C.

“Without urgent, effective, and equitable action to reduce emissions and adapt, climate change increasingly threatens ecosystems, biodiversity, and the livelihoods and wellbeing of current and future generations.

“This tells us that both accelerated adaptation efforts and deep, rapid and sustained greenhouse gas emissions reductions in all sectors are required this decade. Unless the international community acts with urgency to reduce emissions, we will not succeed in keeping warming to under 1.5°C, and greater impacts and loss and damage will follow,” the Department of Forestry, Fisheries and the Environment said.

According to scientists, global emissions should already be decreasing and be cut by almost half by 2030.

Ultimately, the only way to stabilise warming is to reach net zero CO₂ emissions. To limit warming to 1.5°C would require net zero CO₂ in the early 2050s, followed by net negative CO₂ emissions in the decades thereafter.

“South Africa through its Nationally Determined Contribution and the Just Transition Framework is committed to doing its fair share to contribute to limiting global warming to 1.5°C and reaching net zero CO₂ emissions by 2050,” the Minister said.

Through the Just Energy Transition Investment Plan, South Africa has identified measures in the electricity, transport, and hydrogen sectors and value chains to contribute to decarbonisation of the economy.

The plan will require over R1.5 trillion to be fully implemented.

Funding

South Africa has challenged its partners and multilateral development banks to increase finance for climate investments. This is important to achieve global climate goals.

“The IPCC indicates that these finance gaps and opportunities are greatest in developing economies. A rapid scaling up of finance flows from global capital markets, and supporting public funding from developed economies for enhanced mitigation and accelerated adaptation, can act as a catalyst for accelerating the global shift to sustainable development.

“More importantly, the IPCC indicates that grant-based public financing is crucial to accelerate adaptation activity, which is severely underfunded. The greatest gains in wellbeing can be achieved by prioritising finance to reduce climate risk for the most vulnerable regions (especially in Sub-Saharan Africa), and for the most vulnerable, low-income, and marginalised communities, including people living in informal settlements,” the department said.

Mitigation faces a different challenge, which includes leveraging private finance through public financing by reducing some of the risks inherent in upscaling mitigation, especially in newer sectors, and in developing regions, including those facing debt and public financing macroeconomic constraints.

Creedy paid tribute to the South African team that played a crucial role in this sixth assessment cycle, from authors to reviewers and the team guiding the report through its final approval process.

She thanked Professor Debra Roberts, who is the South African candidate for the chairpersonship of the IPCC during its seventh assessment cycle.

“Under Prof Roberts’ leadership as the current co-chair of Working Group II of the IPCC, we had more African authors contributing to the IPCC than in any other assessment cycle to date,” Creedy said.
<https://www.devdiscourse.com/article/science-environment/2389215-nasa-seeks-ideas-to-address-challenges-lunar-dust-presents-during-spacecraft-landing>

15. Bankable move. Lessons from global banking crisis
(thehindubusinessline.com) March 21, 2023

Silergate Bank, Silicon Valley Bank, Signature Bank and Credit Suisse are names that have caught the headlines in the last few weeks. While Credit Suisse is a well-known name in India, the other three are not too familiar as they operate mainly in the US. Yet, the way in which these stories unfolded sequentially is unsettling.

The question raised is how secure is the banking system? Post Lehman, the Bank for International Settlements (BIS) strengthened capital norms, with Basel III laying down the guidelines. Yet, this has not prevented a crisis from erupting. This raises the question: Is this the end of the meltdown or are there other banks in line which are waiting to explode? This is notwithstanding the fact that the factors driving these banks to a crisis state are different.

These stories are probably not directly related to banks in India. Silergate is a bank which was involved with crypto trading which is now no longer a favoured activity. In fact, the concept of crypto will fade in the next few years as it has been realised that the model is not sustainable.

SVB collapsed not because of an asset quality issue but on account of a rather unique model that focused on start-ups. Deposits came mainly from start-ups, and while there was some lending again to start-ups, the bank invested most of its funds in government paper (our own payments bank model, where funds are invested in G-Secs and T-bills). Signature Bank was into start-ups and crypto, which naturally caused panic. A rescue in the form of New York Community Bancorp buying it is on the cards.

Last, Credit Suisse, a Swiss bank, had its challenges in terms of its lending portfolio which had caused some controversy last year. But the losses incurred due to its varied business activity which spanned wealth and investment banking besides commercial banking now has a bailout by the Swiss National Bank and a takeover by UBS. These episodes, some of which are related to one another, will

go down in history as the next financial crisis coming as it is post-Covid, during the Ukraine war and recession in the West.

The difference from the Lehman crisis is that all the regulators have stepped in immediately, which makes a difference. The RBI too has given assurance that the Indian banking system is strong. In Europe, central banks are evaluating the spillover effects of the Credit Suisse debacle to ensure that similar strains are not in evidence in their systems. So what are the lessons or implications for us in India?

The first lesson is that the SVB story shows that while the focus is often on the asset portfolio, the liabilities structure is equally important. There are prudential guidelines on exposure levels when it comes to lending, to ensure that there is no concentration of risk. But the idea that there is risk carried when there is concentration on the deposits side is quite novel.

Having start-ups as major sources of deposits engendered the crisis as a sudden withdrawal created panic. Banks in India need to look at their deposits to ensure that such a structure has not developed. This would hold more for smaller banks which could see such concentration.

Second, the travails of having a large investment portfolio is another message from this episode. Holding on to US treasuries appeared to be a safe bet. But with interest rates going up, the revaluation of the portfolio and booking of losses can be significant. Clearly, banks must review their risk management and treasury practices keeping in mind this development.

Third, it has always been argued that banks need to ensure that they specialise in commercial banking and lodge other activities in subsidiaries with their independent capital structures. The problem with Credit Suisse is that losses made on investment banking and the withdrawal of funds in the wealth management business led to a threat on the commercial banking balance sheet, which was steady when viewed independently.

In India, this weakness was recognised earlier itself and hence all other activities like investment banking, merchant banking, insurance, mutual funds, etc., are operated through other arms. This ensures that there are strong risk walls across different businesses.

Crypto has anyway not been recognised in India, which keeps it insulated from the impact of the failure of the other two banks. In fact, post these incidents, there is a

strong case for banks across the world to ensure they keep business away from crypto-related activity as the downside from a collapse is substantial.

No direct impact

While prima facie it appears that the Indian banking system is not going to be directly impacted by these episodes, there is a need for introspection. Individually, banks would need to go back to their balance sheets and evaluate the concentration levels in deposits and loans. The treasury departments need to work with the risk team to ensure that the investment portfolio is handled prudently. Further, the vulnerabilities of companies with respect to their debt service coverage ratios need to be evaluated on a continuous basis to gauge the risk carried on their portfolios.

There is also a case for the RBI to review the limit on deposits insurance, which is presently ₹5 lakh; this could be raised to ₹10 lakh. Maybe one can consider categorising banks into those more vulnerable, where the insurance level is increased. Banks incidentally have to pay the insurance premium to Deposit Insurance and Credit Guarantee Corporation.

At the global level, there may soon be discussion on whether there is need to create special buffers for such contingencies — Basel IV, probably? This can lead to higher capital requirements for banks. Also, there would be a need for more stress tests covering both market and credit risk as part of the learning.
<https://www.thehindubusinessline.com/opinion/lessons-from-global-banking-crisis/article66646875.ece>

16. One-fourth of central smart city funds remain unspent (tribuneindia.com) March 21, 2023

Almost one-fourth of the Central funds released so far for developing Ludhiana as a smart city were lying unspent, the Centre has confirmed.

Will ensure early execution

We will ensure early execution of the SCM to develop Ludhiana, Amritsar and Jalandhar as smart cities. With the Centre and state government committed to give matching grants, projects will be completed on a priority basis to provide world-class facilities to residents.-Rs Sanjeev Arora, RS MP

STATUS OF CENTRAL FUNDS

Smart City	Released	Utilised	Unspent
Ludhiana	₹392	₹296.5	₹95.5
Amritsar	₹351	₹288.13	₹62.87
Jalandhar	₹294	₹196	₹98
Total	₹1,03	₹780.63	₹256.37

(SOURCE: UNION GOVERNMENT, AMOUNT IN CRORES TILL MARCH 20)

Of the three smart cities under development in the state, Ludhiana has got the maximum central funds of Rs 392 crore, with an equal share from the state government since its selection among 100 cities under the Smart City Mission in 2015, the Union Ministry of Housing and Urban Affairs (HUA) has revealed.

This information was furnished by Union Minister of State for HUA, Kaushal Kishore, in reply to a question by Rajya Sabha MP from Ludhiana Sanjeev Arora.

Arora had asked about details of the unspent balance of smart city funds from the Central Government in Punjab and the time by which this balance amount will be disbursed.

In response, the Minister of State for HUA submitted in Parliament on Monday that a total of Rs 1,037 crore had been released by the Union Government under the Smart City Mission (SCM) for development of Ludhiana, Amritsar and Jalandhar as smart cities. Of these, Ludhiana had got the maximum of Rs 392 crore, Amritsar Rs 351 crore and Jalandhar Rs 294 crore.

He further disclosed that the Central funds utilised by the smart cities so far included Rs 296.5 crore by Ludhiana, Rs 288.13 crore by Amritsar and Rs 196 crore by Jalandhar. In this way, a sum of Rs 95.5 crore, which accounted for 24.36 per cent of the total Central funds released so far had remained unspent in Ludhiana, Rs 62.87 crore, which was 17.91 per cent, had not been spent in Amritsar, and Rs 98 crore, which accounted for 33.33 per cent of the total Central grant, had remained unused in Jalandhar.

The unspent amount in all three smart cities in making in Punjab was Rs 256.37 crore, which was 24.72 per cent of the total Rs 1,037 crore central grant released so far, while a sum of Rs 780.63 crore was utilised under the SCM in Punjab till date.

“The funds under the SCM are, inter alia, released based on the matching share released by the state government/urban local body, satisfactory physical and financial progress, and reasonable utilisation of the central and state funds released to the respective smart city,” the Union MoS added.

Ludhiana was among 100 cities in the country and three in the state, which was selected under the SCM to be developed as a smart city in the first round of the selection by the Union Ministry of Urban Development (MoUD) in 2015.

The industrial and business hub of the North is fast moving towards becoming a smart city as envisaged under the SCM of the Centre.

As many as 43 projects worth Rs 146.88 crore had already been completed while 27 more projects costing Rs 783.12 crore had been put under execution and were at present under various stages of progress.

Of the 27 under execution projects, the work on 19 projects worth Rs 582.9 crore had already been awarded and was under progress while other eight projects worth Rs 136.93 crore had been tendered out. Besides, the detailed project report was under preparation and approval was sought for another project, which will cost Rs 63.29 crore.

With this, a total of 70 projects worth Rs 930 crore were undertaken by the LSCL to develop Ludhiana as a smart city.

The progress of all the undergoing projects was being regularly monitored to ensure their completion as per specifications within the prescribed time frame. “Besides making the projects complete on time, our main emphasis remains on ensuring quality control as well,” Municipal Corporation (MC) Commissioner Shena Aggarwal, who is also the Chief Executive Officer (CEO) of Ludhiana Smart City Limited (LSCL), said, adding that all efforts were put in place and all stops had been pulled to further improve Ludhiana’s ranking on the national front by escalating the progress of ongoing projects and ensuring their early completion. <https://www.tribuneindia.com/news/ludhiana/one-fourth-of-central-smart-city-funds-remain-unspent-490296>