

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG announces setting up of Supreme Audit Institution iCAL in Rajkot (*thehindu.com*) March 02, 2024

The CAG said local governments often interacted with multiple stakeholders, and addressing their various challenges required expertise, rigorous methodologies, and effective communication.

The Comptroller and Auditor General of India (CAG), Girish Chandra Murmu, on Friday announced the setting up of the Supreme Audit Institution India's International Centre for Audit of Local Governance (iCAL) in Rajkot, Gujarat.

At the conclusion of the three-day international conference on 'Strengthening of Grass Roots Democracy and Accountability', Mr. Murmu said local governments played a pivotal role in shaping the lives of citizens. Effective accounting platforms and audit mechanisms were crucial for ensuring that public resources are utilised efficiently and for the benefit of the community.

"Auditing local governments pose several challenges. The complex nature and diverse operations undertaken by local governments, budgetary constraints, limited trained manpower, compromised data accessibility and integrity, inadequate internal controls, and compliance with regulatory requirements including financial reporting, all heighten the risk of fraud, waste, and mismanagement in local government entities," he said.

The CAG said local governments often interacted with multiple stakeholders, such as government entities, non-profit organisations, private contractors, leading to complexities in auditing inter-entity transactions and relationships. Addressing these challenges required a combination of specialised expertise, rigorous audit methodologies, and effective communication between auditors and local government officials.

"To effectively navigate the complexities of auditing local governments, we need to build capacity of our auditors as well as the local government employees to enhance their understanding of financial management practices and internal controls. Besides, open communication channels with local government officials can facilitate the audit process, improve data accessibility, and foster cooperation in addressing audit findings. It is to this end, that we have set up iCAL," he added. <https://www.thehindu.com/news/national/cag-announces-setting-up-of-supreme-audit-institution-ical-in-rajkot/article67904890.ece>

2. Auditors should engage with stakeholders to gather inputs, address concerns: CAG GC Murmu (*aninews.in*) March 1, 2024

Comptroller and Auditor General of India (CAG) Girish Chandra Murmu emphasised the need to prioritise audit procedures based on identified risks, focusing on areas with the highest potential for fraud, mismanagement, or regulatory non-compliance while speaking at a three-day international conference on "Strengthening of Grassroots Democracy" in Delhi.

Girish Chandra Murmu said that for this, we must use technology, leveraging digital tools and platforms to streamline data collection, analysis, and reporting processes, making audits more efficient and effective.

Technology can also aid in real-time information sharing, enabling auditors to respond promptly to emerging issues and challenges. Together, we need to advocate transparency and accountability in local government operations, encouraging the adoption of best practices in financial reporting and governance, he added.

CAG further said, we need to go "Glocal"--thinking and acting with both global and local perspectives simultaneously, emphasising the interconnectedness of local communities and global systems in today's increasingly globalised world.

In the context of auditing local bodies, "glocal" principles emphasise the need to integrate global standards and best practices with the unique characteristics and requirements of local governments.

Auditors need to consider factors such as the size, complexity, and resources of the local government entity when applying auditing standards.

Audit should be familiar with the political, social, and economic context in which the local governments operate to tailor audit procedures and recommendations accordingly. Stakeholder involvement ensures audit findings are relevant, credible, and actionable.

There must be institutionalised collaboration among SAIs and with international audit organizations to share best practices, exchange knowledge and experiences of glocal auditors, said Murmu further.

By creating a platform for collaboration, we learn from each other's successes and challenges, fostering a global community dedicated to improving local government audit practices. This conference is a step in that direction, and we intend making it an annual event".

He further stated that, to effectively navigate the complexities of auditing local governments, we need to build capacity of our auditors as well as the local government employees to enhance their understanding of financial management practices and internal controls. Besides, open communication channels with local government officials can facilitate the audit process, improve data accessibility, and foster cooperation in addressing audit findings. It is to this end that we have set up SAI India's International Centre for Audit of Local Governance at Rajkot.

The participating SAIs shared insightful country reports, which brought out significant issues and challenges pertaining to the local government accountability frameworks. The issues encountered by the SAIs while auditing these complex frameworks were unique as well as universal in nature.

The discussions highlighted strengthening of controls and procedures, implementation of adequate control over assets, adherence to pertinent rules and regulations and the provision of high-quality, timely reports to enhance performance and drive improvement.

The conference brought out the need for vigorous capacity building to strengthen audit operations and maintaining a close relationship with entities with the aim to assist them better. There was also emphasis on improving the internal control mechanisms and administrative-legal acts.

Largely, the need for adopting a holistic approach which takes into factor various facets of local governance institutions, viz Planning, Budgeting, Financial Reporting, IT Infrastructure development, was stressed upon.

The conference highlighted collaborative efforts to enhance transparency, accountability, and good governance at the grassroots level. The insights gained and connections formed are expected to drive positive changes in local governance worldwide. <https://www.aninews.in/news/national/general-news/auditors-should-engage-with-stakeholders-to-gather-inputs-address-concerns-cag-gc-murmu20240301194603/>

3. Auditors should engage with stakeholders to gather input, says CAG Murmu (*business-standard.com*) Mar 01 2024

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CAG of India Girish Chandra Murmu on Friday said auditors should engage with stakeholders to gather input, address concerns, and promote transparency and accountability.

Addressing the three-day International Conference on Strengthening of Grassroots Democracy, he also emphasised on the need to prioritise audit procedures based on identified risks, focusing on areas with the highest potential for fraud, mismanagement, or regulatory non-compliance.

"Together we need to advocate transparency and accountability in local government operations, encouraging the adoption of best practices in financial reporting and governance," Comptroller and Auditor General of India (CAG) said on the concluding day of the conference.

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The participating Supreme Audit Institution (SAIs) shared insightful country reports that brought out significant issues and challenges pertaining to the local government accountability frameworks, the CAG said in a release.

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The three-day conference was attended by SAIs of 10 countries -- Georgia, Malaysia, Maldives, Malta, Morocco, Nepal, Oman, Poland, South Africa, and Uganda. India is the host country. https://www.business-standard.com/india-news/auditors-should-engage-with-stakeholders-to-gather-input-says-cag-murmu-124030100890_1.html

4. Auditors should engage with stakeholders to gather inputs, address concerns: CAG GC Murmu (*latestly.com*) March 1, 2024

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STATES NEWS ITEMS

6. CAG report reveals fiscal irregularities (*ifp.co.in*) UPDATED 3 MAR 2024

Under the general sector, the CAG report pointed out that the Education Engineering Wing of Education (S) Department had not deposited VAT amounting to Rs 2.34 crore to the Government Account.

In a comprehensive audit report released by the Comptroller and Auditor General (CAG) of India for the year ending March 31, 2022, a slew of fiscal irregularities

spanning various sectors in Manipur has been unearthed, shedding light on alleged mismanagement and inefficiencies.

Under the general sector, the report pointed out that the Education Engineering Wing of Education (S) Department had not deposited VAT amounting to Rs 2.34 crore to the Government Account.

It stated, the Manipur Tribal Development Corporation which is under TA & Hills Department had not deposited Sales tax of Rs 17.42 crore and GST amount of Rs 1.04 crore into the Government Account.

Moreover, it had not deposited Labour Cess amounting to Rs 3.81 crore into the account of Manipur Building and Other Construction Workers' Welfare Board.

In the social sector, the Social Welfare department had blocked funds amounting to Rs. 8.08 crore meant for construction of Anganwadi Centre Buildings for three to four years.

Under the economic sector, the report highlighted the delays in processing of application forms of beneficiaries of PM-KISAN Yojana of the Agriculture Department by two to 16 months.

Stating that records of the beneficiaries were not properly maintained in the selected districts, it said irregular financial benefits of Rs 65.49 crore was given to 1,91,244 ineligible beneficiaries as they were enrolled by fraudulent use of User IDs of government employees of SNO/ fraudulently created Government User IDs, without required documents and some were Income Tax payees.

“There was a well-planned fraudulent modus operandi adopted to register beneficiaries unauthorisedly in order to take benefits of this government scheme by using fraudulent User Ids,” it mentioned.

Financial benefits of Rs 27.30 crore were made in seven instalments to 46,023 beneficiaries whose details did not match with bank accounts details and payments were also made to more than one family member and to families with no land holdings, it added.

In the Trade, Commerce and Industries Department, the report stated that there were non-completion of cold chain facilities for more than seven years rendered expenditure of Rs 1.20 crore idle.

Due to delay in release of payment to the contractor, the PWD incurred an avoidable expenditure of Rs 6.95 crore as Financing Charges, it said.

Undue benefit of Rs 2.28 crore was given to contractors due to adoption of higher rate of scaffolding items in construction of six overhead tanks in the PHED, it said. Moreover, avoidable expenditure of Rs 74.06 lakh was incurred by Water Supply Maintenance Division-II of PHED on removal of sliding earth, it mentioned.
<https://www.ifp.co.in/manipur/cag-report-reveals-fiscal-irregularities>

7. Rs 27.38 crore released to SoO cadres against guidelines (*ifp.co.in*) UPDATED 3 MAR 2024

As per the report, a total of Rs 27.38 crore was released to the accounts of cadres under Suspension of Operation (SoO) without linking of unique biometric identification numbers.

The report of the Comptroller and Auditor General of India for the year ending March 31, 2022, found release of money to accounts of SoO cadres against the guidelines of Security Related Expenditure.

As per the report, a total of Rs 27.38 crore was released to the accounts of cadres under Suspension of Operation (SoO) without linking of unique biometric identification numbers, which is against the guidelines of Security Related Expenditure.

For this matter, the report recommended linking unique biometric identity numbers of the SoO cadres for making payment for better transparency. It also recommended to fix responsibility on the concerned person for making payment to the SoO cadres without linking of unique biometric identity numbers.

The report of the Comptroller and Auditor General of India for the year ending March 31, 2022, was laid before the Manipur Legislative Assembly on February 29, 2024 and was made available to the media houses on Saturday.

The report also found no strategic plan for the functioning of the Modernisation of Police Force (MPF) scheme during 2016-17 to 2020-21 in the Manipur Home department.

As per the report, no strategic plan was prepared by the state government during 2016-17 to 2020-21 under MPF scheme due to which many important activities relating to modernisation have either been delayed considerably or not implemented.

Annual Action Plans of 2016-17 to 2020-21 were submitted to the Ministry of Home Affairs (MHA) with a delay of approximately one to over two months which subsequently delayed its approval, release of funds and implementation of the modernisation activities programmes, it said.

Highlighting the lack of prioritisation and no monitoring of the implementation of the scheme of MPF, it said despite availability of funds under the scheme, there was tardy implementation and funds remained unspent every year (2016-22). As on 31 March 2022, Rs 41.09 crore remained unspent.

It also pointed out that there were huge shortages of modern arms such as Carbine Amogh, Ghatak Rifle, Glock Pistol as well as shortages of ammunition.

Keeper of Technical Equipment (KOTE) where weapons and ammunition are kept were in dilapidated condition without adequate fire fighting equipment and proper boundary wall, it said adding, "The department failed to utilise the available funds to purchase modern weapons."

It stated that there are an excess number of Light Motor Vehicles and Motorcycles in some SP offices while there were shortages in most of the police stations and in some SP offices.

Also there was less number of heavy and medium vehicles in all Armed Police units, it said adding the department further failed to utilise the available funds to purchase vehicles.

The report also highlighted the serious shortages of equipment and manpower faced by the State Forensic Science Laboratory.

Shortages of much needed manpower across different cadres had not been addressed, it said, adding that the department also failed to utilise the allocated fund by Centre to strengthen Manipur Forensic Science Laboratory with modern equipment.

In all these regards, it recommended the state government to prioritise the requirements of the police force under MPF and strictly monitor the progress of implementation of MPF and utilisation of funds thereof as per priorities.

It also recommended addressing the shortage of weapons and ammunition on priority basis as it could limit operational efficiency of the police force, the shortages of vehicles to improve mobility of the police force and the shortage of technical manpower in the forensic science laboratories.

Crime and Criminal Tracking Network Systems (CCTNS) was not fully functional in the State even after 12 years from the date of implementation of the Scheme, it said, recommending complete networking in all police stations and to appoint System Integrator under CCTNS. <https://www.ifp.co.in/manipur/rs-2738-crore-released-to-soo-cadres-against-guidelines>

8. Misappropriation of Rehabilitation Funds by Kuki-Zo Insurgents in Manipur: CAG Report Reveals (*bnnbreaking.com*) 03 Mar 2024

Recent allegations about the misuse of funds intended for Kuki-Zo insurgents in Manipur have prompted government action and raised questions about the rehabilitation process's effectiveness.

Allegations have recently emerged about the misappropriation of funds intended for the rehabilitation of Kuki-Zo insurgent group members in Manipur, sparking controversy and prompting government action. These funds, part of a rehabilitation effort following a ceasefire agreement signed in 2008, were reportedly diverted by insurgent leaders, raising significant concerns about the transparency and effectiveness of the rehabilitation process.

Irregularities in Stipend Disbursement

According to a Comptroller and Auditor General (CAG) report, between April 1, 2018, and March 31, 2021, payments totaling Rs 27.38 crore were made to insurgents without adhering to mandatory Aadhaar biometric identification. This lapse in protocol has led

to questions regarding the actual beneficiaries of these funds and the potential misuse of taxpayer money. The failure to link biometric details was justified by authorities on the grounds that insurgents did not provide the necessary information, a claim that the CAG found unacceptable.

Government and Insurgent Responses

In response to these allegations and the ongoing ethnic violence in the region, the Manipur government has taken steps to address the situation, including passing a resolution urging the Centre to terminate the Suspension of Operations (SoO) agreement with 25 Kuki-Zo insurgent groups. The SoO agreement, while aimed at peace and rehabilitation, has come under scrutiny due to allegations of involvement in violent activities by the insurgent groups. Furthermore, discussions by the joint monitoring group (JMG) to resolve the issue of linking biometric details have not yielded the desired results.

Implications for Peace and Rehabilitation Efforts

The ongoing situation in Manipur highlights the challenges faced in the rehabilitation of insurgent groups and the importance of accountability in the disbursement of funds. The withdrawal of the SoO agreement with specific groups and the continued violence between Kuki-Zo tribes and Meiteis underscore the complexity of achieving lasting peace in the region. The allegations against insurgent groups and the failure to ensure transparency in the rehabilitation process have the potential to undermine trust in government efforts and jeopardize the prospects for peace.

The recent developments in Manipur serve as a reminder of the delicate balance between rehabilitation and accountability in the process of resolving insurgencies. As the government seeks to address these issues, the focus remains on finding sustainable solutions to the conflict and ensuring that rehabilitation efforts genuinely benefit those they are intended to help. <https://bnnbreaking.com/politics/misappropriation-of-rehabilitation-funds-by-kuki-zo-insurgents-in-manipur-cag-report-reveals>

9. Manipur Ceasefire-Linked Insurgent Leaders Allegedly Diverted Stipend For Cadres Rehabilitation: Sources (*ndtv.com*)

March 04, 2024

Imphal/Guwahati: The leaders of Kuki-Zo insurgent groups in Manipur have been allegedly misappropriating funds meant for rehabilitation of their members after signing a controversial tripartite ceasefire agreement with the Centre and the state government, people with direct knowledge of the matter told NDTV.

The insurgents who have signed this agreement in 2008 get a stipend of ₹ 6,000 every month to help in their rehabilitation.

Starting April 1, 2018, these were to be disbursed after linking the Aadhaar biometric details of the insurgents, according to the Comptroller and Auditor General's (CAG) guidelines for reimbursement of security-related expenses.

AMOUNT PAID TO SoO AGREEMENT INSURGENTS

PAYMENT PERIOD	NO. OF INSURGENTS	DURATION (MONTHS)	RATE	AMOUNT	PAYMENT DATE
Oct 2017 to March 2018	1,122	6	₹3,000	₹6.05 crore	April 22, 2019
April 2018 to Sept 2018	1,122	6	₹6,000		
Oct 2017 to March 2018	1,059	6	₹3,000	₹5.71 crore	April 22, 2019
April 2018 to Sept 2018	1,059	6	₹6,000		
Oct 2018 to Sept 2019	2,167	12	₹6,000	₹15.60 crore	July 21, 2020
TOTAL				₹27.37 crore	

Source: Department Records

NDTV

Now, a report by the CAG which was presented to the Manipur assembly on Friday flagged payments made to the insurgents between April 1, 2018 and March 31, 2021 without taking their biometric details in the form of Aadhaar.

"The payments were made to the representatives of the cadres by cheque. There was no record for unique biometric identification number linking of the cadres. Thus, payment of ₹ 27.38 crore to the cadres was irregular payment in terms of the guidelines," the CAG report presented in the state assembly said.

The CAG report termed as "not acceptable" the reply by the authorities who handle the payments that the insurgents have not given their biometric details. "The reply is not acceptable as linking of unique biometric identification number for surrendered militants is mandatory with effect from April 1, 2018 as per SRE (security-related expenses) guidelines," the CAG report said.

A joint monitoring group (JMG) responsible for reviewing the ceasefire agreement in its meeting on December 30, 2016 did discuss the necessity of linking the unique biometric identification numbers of the insurgents with their bank accounts, but the insurgents did not give the details, according to the reply by the authorities to the CAG.

The Manipur government, too, has been seeking to end the Suspension of Operations (SoO) agreement with some 25 Kuki-Zo insurgent groups in the ethnic violence-hit state. The state assembly on Thursday unanimously passed a resolution asking the Centre to scrap the SoO agreement over allegations that the insurgents have been participating in the violence.

Broadly, the SoO agreement says the insurgents are to stay at designated camps and their weapons kept in locked storage, to be monitored regularly. A joint monitoring group (JMG) reviews the SoO agreement every year and decides whether to end or renew it. The deadline for this year's review was February 29.

Why No Direct Transfers To Bank Accounts

Following the submission of the CAG report in the state assembly, people familiar with the matter told NDTV it has been understood from several meetings of the JMG that many of the insurgents under the SoO agreement do not have bank accounts, which are needed to send the funds directly, similar to the highly successful direct-benefit transfer (DBT) system.

This explanation for not following a direct transfer system, however, is "unconvincing" as opening bank accounts for the unbanked public is easy these days, and there is even a central scheme for it, three sources in the state government said, requesting anonymity.

"Each of the 25-odd Kuki-Zo insurgent groups has their own leader, apart from the leaders of the two umbrella groups that represent them and that have actually signed the SoO agreement. These leaders need to be in control of the cadre to ensure they follow the ground rules of the agreement," one of the sources said.

"If the stipend goes to the bank accounts of the insurgent cadre directly, then the role of their leaders may diminish as they will no longer be dependent on the few leaders to distribute the stipend," the source said. "And how can we possibly know how exactly the leaders distribute the stipend? The insurgent leaders who control the stipend disbursement can control the cadre."

The SoO agreement that was signed over 15 years ago - with the aim of bringing peace in Manipur, and finding a political settlement to the demands of the Kuki-Zo armed groups - has come under intense scrutiny after ethnic violence between the hill-majority Kuki-Zo tribes and the valley-majority Meiteis began in May 2023.

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Kuki-Zo civil society groups such as the Indigenous Tribal Leaders Forum (ITLF) and the Committee on Tribal Unity (CoTU), and their 10 MLAs have joined the call for a separate administration carved out of Manipur, a demand also made by the insurgent groups that have signed the SoO agreement. This single demand has brought the insurgent groups, the 10 Kuki-Zo MLAs, and the civil society groups on the same page.

The Manipur government in March 2023 announced it had withdrawn from the SoO agreement with the Kuki National Army (KNA), and the Zomi Revolutionary Army (ZRA). However, only the JMG can decide on such matters, which indicates the state government's move was only a request to the JMG, sources told NDTV on February 24.

The over two dozen Kuki-Zo insurgent groups come under two umbrella groups - the Kuki National Organisation (KNO), and the United People's Front (UPF). These two representing the others have signed the SoO agreement.

The ethnic violence in Manipur over disagreements on land, resources, political representation, and affirmative action policies has dragged on for 10 months now. While the Kuki-Zo tribes accuse the Meiteis of razing their vacant buildings and occupying them in and around Imphal valley, the Meiteis have pointed at entire localities of their community flattened and erased in the hill district Churachandpur.

Allegations Against Meitei Insurgents Who Signed Peace Deal

Members of Manipur's oldest valley-based armed group UNLF, which signed a tripartite peace agreement with the centre and the state government in November 2023 - the first Meitei insurgent group to do so - are allegedly engaged in violent activities against both the security forces and the public, news agency PTI reported on February 18.

The recent sightings of insurgents of the Kh Pambai faction of the United National Liberation Front (UNLF) in Manipur's Moirangpurel, Tumukhong, and Itham have raised concerns, with reports indicating they were carrying out reconnaissance to set up camps in these areas, PTI reported.

The gates of houses of Kuki-Zo tribes in parts of Imphal valley including the Games Village in the Langol foothills have the acronym 'UNLF' written on them, sources who have been to the area said, requesting anonymity.

Both sides accuse each other of atrocities. The Kuki-Zo tribes say their "village defence volunteers" have been repelling attacks by armed groups from the valley, especially the Arambai Tenggol which the Manipur Police have also flagged as a huge problem, who come to the hills across the "sensitive zone" with obvious intentions.

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Both the Arambai Tenggol and the Kuki-Zo armed groups who are openly fighting near the foothills call themselves "village defence volunteers", a definition of the belligerents in Manipur that has become the most controversial since nothing stops these "volunteers" from killing people under the insurance provided by "in self-defence".

A similarity between the "village defence volunteers" of both sides is that they appear to be well-armed and well-equipped with modern battle gear. The security forces have frequently recovered Russian-origin AK and US-origin M series assault rifles, and gun models commonly used by both the junta's army and pro-democracy insurgents in neighbouring Myanmar.

Over 180 have died in the violence, and thousands have been internally displaced. <https://www.ndtv.com/india-news/manipur-soo-agreement-linked-insurgent-leaders-allegedly-diverted-stipend-for-cadres-rehabilitation-says-sources-5169177>

10. Only Rs. 1.10 Lakh Crores Tax Revenue Collected In 10 Months Against Target Of Rs. 1.52 Lakh Crores In Telangana
(*indtoday.com*) Mar 3, 2024

Hyderabad: There are no signs of meeting the state's revenue target through taxes in the current year (2023-24). The previous government estimated in the budget that a total income of Rs. 1,52,499.49 crores would be generated under this head this year. But it is clear in the latest report of the comptroller and Auditor General (CAG) that only Rs. 1,10,442.27 crores (72.42 per cent) was collected in the last 10 months from April to January/ 80/72 percent of the target was returned for the same period last year. If the Income of more than Rs. 42 thousand crores is received in the remaining two months of this financial year, the target of budget estimate will be fulfilled. But if we look at the last 10 months, the tax revenue in the state is on an average of Rs. 11 thousand crores per month.

Looking at this calculation, there are indications that the income will decrease more than expected. CAG reports are released monthly on the income and expenditure of the state. These are the highlights of the latest report on the revenue collected by the state government from April 2023 to January 2024, loans collected and expenditure incurred so far.

The budget estimates that the total revenue for the current year will be more than Rs. 2.59 lakh crore, this includes Rs. 38,234.94 crores collected as debts.

In the first 10 months, total debt and income totalled Rs. 1.77 lakh crore

The government has taken Rs. 40,852 crore by the end of January for the target of collecting Rs. 38,234.94 crore as debt this year. another Rs. 2 thousand crores were taken in February. Arrangements have been made to take another Rs. 2 thousand crore this month.

In the first 10 months, the government has paid Rs. 19,102.82 crores as interest on previous loans. This year the burden has increased by more than Rs. 2 thousand crore compared to Rs. 17,055 crores paid during the same period last year. The burden of employee salaries has also increased by Rs. 3 thousand crores to Rs. 32,650 crores compared to last. Rs. 14,012 crores were spent on pensions and Rs, 7,620 crores were spent on welfare schemes.

In the first 10 months Rs. 1,72 lakh crore has been spent towards the target of spending Rs. 2.49 lakh crores this year.

If the budget estimates that the fiscal deficit of the state could be Rs. 56,062 crore this year, it has been recorded at Rs. 40,852 crore at the end of 10 months.

With regard to Central aid, it has been estimated in the budget that Rs. 41,259 crores can come in the form of grants from the center in the income of the state. But at the end of 10 months only 14.17 percent i.e. Rs. 5,944.63 crores has been received. 19.21 per cent of the estimate was recorded for the same period last year under this head. Sources in the authorities said that due to the lack of grants from the Centre, the

government has to take heavy loans to overcome the fiscal deficit.
<https://indtoday.com/only-rs-1-10-lakh-crores-tax-revenue-collected-in-10-months-against-target-of-rs-1-52-lakh-crores-in-telangana/>

11. Does the annual Comptroller Auditor General of India reports have any impact on governance and accountability in Nagaland? Give reasons (*morungexpress.com*) 2 March 2024

Yes, the annual Comptroller and Auditor General (CAG) reports can have a significant impact on governance and accountability in Nagaland, as in other states of India. Here are some reasons why:

Examination of Government Finances: The CAG examines the state government's finances, including revenue, expenditure, and use of public funds. This scrutiny helps identify financial irregularities, inefficiencies, and instances of mismanagement, promoting fiscal discipline and transparency in governance.

Performance Audit: The CAG conducts performance audits to assess whether government programs and schemes are being implemented effectively and achieving their objectives. The findings of these audits can highlight areas of improvement and lead to better policy formulation and implementation.

Accountability: The CAG reports are tabled in the state legislature, where they are discussed and debated by legislators. This process enhances governmental accountability, as it allows elected representatives to question the executive on its actions and decisions.

Recommendations for Improvement: The CAG reports often contain recommendations for improving governance and financial management. These recommendations, if implemented, can help address systemic weaknesses and improve the overall functioning of the government.

Public Awareness: The CAG reports are usually made public, either through the legislature or by other means. This helps raise public awareness about governance issues and can lead to increased public pressure for reforms and improved governance practices. Overall, the CAG reports play a crucial role in promoting good governance, transparency, and accountability in Nagaland and other states of India..

No:

- No, most Nagas have lost trust in the system and dismiss anything that would actually help them to create accountability.
- I think many Nagas will not even know what the CAG report is.
- No, The CAG report has no relevance and significance to governance and accountability because no one gives a damn. We live in a kushi kushi world.
- The CAG report is an important piece of document that has been verified and scrutinized by the Department. But, even though it provides information that can impact

governance and accountability, the user of the CAG report must know how to use it well to exposure any discrepancies. This is not done in Nagaland because people only read the headlines. There are no serious analyst and the political parties do not invest in people who will study the reports to exposure the failings of the government.

- The government is involved in all corruptions
- The technology of insurgency is a shield against CAG report.
- CAG reporting impact? There will be visible impact only if & when the culprits for malpractice/mismanagement is caught and penalized under relevant law. The central govt. need to fully empower the concerned institutions to take necessary action, as per CAG report on irregularities.

Others:

- Many people do not have access to the CAG report and so its impact is minimal. Newspapers can find better ways of bringing out the CAG report for public to be better educated on its findings <https://morungexpress.com/does-the-annual-comptroller-auditor-general-of-india-reports-have-any-impact-on-governance-and-accountability-in-nagaland-give-reasons>

12. CAG रिपोर्ट: सरकार द्वारा पूरी CAG रिपोर्ट विधानसभा में पेश नहीं करने के कई तर्क (jantaserishta.com) 2 March 2024

अहमदाबाद: विधानसभा में बजट सत्र के आखिरी दिन सरकार ने सीएजी की पूरी रिपोर्ट रखने की बजाय सीएजी के वित्तीय खातों की ऑडिट रिपोर्ट पेश की. सीएजी के वित्तीय खातों की ऑडिट रिपोर्ट के निष्कर्षों के मुताबिक सरकारी कर्ज और अन्य देनदारियों का आंकड़ा बढ़कर 4,12,378.26 लाख करोड़ हो गया है. सरकार पर 3,25,273 करोड़ का कर्ज है. केंद्र सरकार से गुजरात को मिले कर्ज और अग्रिम का आंकड़ा 35,458 करोड़ है. अन्य देनदारियों की राशि 51647 करोड़ है। एक राजनीतिक विश्लेषक ने कहा है कि चूंकि लोकसभा चुनाव नजदीक हैं, इसलिए सरकार कोई जोखिम नहीं लेना चाहती। क्योंकि पहले भी CAG रिपोर्ट के बाद सरकार के कामकाज पर कई सवाल उठ चुके हैं. अतीत में ऐसे कई मामले सामने आए हैं जब विपक्ष ने सीएजी रिपोर्ट के आधार पर सरकार पर भ्रष्टाचार के गंभीर आरोप लगाए। इसलिए विशेषज्ञ संभावना जता रहे हैं कि सरकार अगले सत्र में सीएजी की पूरी रिपोर्ट सदन में रखेगी. लोकसभा चुनाव के कारण CAG रिपोर्ट में देरी कर रही सरकार - मनीष दोशी

वहीं विपक्षी कांग्रेस ने भी सरकार पर कैग रिपोर्ट विधानसभा में पेश नहीं करने को लेकर गंभीर आरोप लगाए हैं. गुजरात प्रदेश कांग्रेस के मीडिया संयोजक और मुख्य प्रवक्ता डॉ. मनीष दोशी ने कहा कि सरकार भ्रष्टाचार छिपाने के लिए कैग रिपोर्ट को अंतिम दिन विधानसभा सदन में रख रही है. लेकिन इस बार सरकार ने आखिरी दिन भी पूरी CAG रिपोर्ट पेश नहीं की है. CAG की रिपोर्ट सरकार के भ्रष्टाचार की पोल खोलती है. विपक्ष का आरोप है कि सरकार लोकसभा चुनाव का सामना करने के कारण सीएजी रिपोर्ट जारी करने में देरी कर रही है। राजनीतिक विश्लेषक और अर्थशास्त्री हेमन्त शाह

संविधान के प्रावधानों का उल्लंघन: राजनीतिक विश्लेषक और अर्थशास्त्री हेमंत शाह प्रसिद्ध राजनीतिक विश्लेषक और अर्थशास्त्री हेमंत शाह ने कहा कि भारत के संविधान में प्रावधान है कि राज्यपाल को यह देखना चाहिए कि सीएजी रिपोर्ट विधानसभा में पेश की जाए। गुजरात विधानसभा में अब तक CAG की अलग-अलग रिपोर्ट पेश की जा चुकी हैं। हालांकि, नरेंद्र मोदी के मुख्यमंत्री बनने के बाद विधानसभा सत्र के आखिरी दिन सीएजी रिपोर्ट विधानसभा में पेश करने की परंपरा शुरू हो गई है। चूंकि कैंग रिपोर्ट आखिरी दिन विधानसभा में पेश की गयी है, इसलिए इस पर बहस की गुंजाइश नहीं है। सरकार पारदर्शी नहीं होना चाहती। लोग नहीं चाहते कि उन्हें सरकार के प्रशासन के बारे में सही जानकारी दी जाये। इस बार विधानसभा में CAG की पूरी रिपोर्ट पेश नहीं की गई। उन्होंने कहा कि यह संविधान के प्रावधानों का उल्लंघन है।

<https://jantaserishta.com/local/gujarat/cag-report-many-arguments-for-the-government-not-presenting-the-complete-cag-report-in-the-assembly-3143135>

SELECTED NEWS ITEMS/ARTICLES FOR READING

13. Where clean air funds allotted to states went: Drains, fountains, roads (*indianexpress.com*) Updated: March 4, 2024

So far, Uttar Pradesh, Bihar, Rajasthan, Haryana, Madhya Pradesh, Jharkhand, Gujarat, Maharashtra, Punjab, Meghalaya and Delhi have submitted their reports to the green tribunal.

A football ground; fountains; roads; underground drains. These are among the items listed by states when questioned by the National Green Tribunal (NGT) about how they utilised funds meant for tackling air pollution.

These funds were allocated under the National Clean Air Programme (NCAP) and the 15th Finance Commission (FC) between the financial years (FY) 2019-20 and 2023-2024.

According to an Environment Ministry submission in the NGT last month, 19 cities flagged by the tribunal for their deteriorating air quality received Rs 1,644.40 crore in this period. But records show that a number of states underutilised the funds and some of them spent a notable chunk on projects whose connection to air pollution may not seem readily apparent — a point brought up by the tribunal itself.

The NGT, in November 2023, had flagged the deteriorating air quality of 53 towns and cities, including the 19 mentioned above. It told the respective states to take “remedial measures” and submit details of how they utilised the funds they received under the NCAP and 15th FC.

A month later, the tribunal noted that the states which had filed the reports until then had not fully utilised the funds and that “only few states have used it for setting up AQI monitoring stations”. It said: “In some states, we have found that the funds have been utilised under the heads which may not have direct connection with improving air quality. In fact, funds are required to be utilised as per the approved action plan....”

Where clean air funds allotted to states went: Drains, fountains, roads

So far, Uttar Pradesh, Bihar, Rajasthan, Haryana, Madhya Pradesh, Jharkhand, Gujarat, Maharashtra, Punjab, Meghalaya and Delhi have submitted their reports to the green tribunal.

Here is an overview of how the funds were utilised in various cities:

Jharkhand's report on activities in Dhanbad, submitted last month, included the construction of four playgrounds (allotment of Rs 9.37 crore, Rs 5.1 crore spent so far) including a football ground. It also included the purchase of a "desludging machine" for Rs 3.03 crore. The largest chunk of expenditure, Rs 17.27 crore, was for "end-to-end pavement", followed by Rs 9.12 crore for bituminous roads and Rs 7.37 crore to set up 10 air quality monitoring systems.

The Bihar government, too, submitted its report on Patna to the NGT last month. It said funds from the 15th FC (₹184.58 crore spent) were used for activities including "construction of roads and underground drain work", "desilting of drains", renovation of old parks, procurement of CNG buses, purchase of water sprinklers and sweeping machines, and establishment of an electric crematorium. Of NCAP funds, Rs 9.68 crore was spent on activities including the establishment of a vermicompost unit, awareness through radio jingles and "development of parks".

Delhi is in the process of spending its NCAP funds on 14 mechanical road sweepers, 28 anti-smog guns, two pothole repair machines, "creation of green buffers along traffic corridors", "end-to-end paving", and construction and demolition waste management.

Faridabad's funds have been spent on end-to-end paving of roads, "regular collection, segregation and scientific disposal of waste", water-sprinkling machines and urban greening with vertical gardens. Of the ₹19.28 crore received in 2023-24, the biggest share, ₹8.4 crore, went towards paving and black-topping roads.

In Bhopal, funds have been used for road-sweeping machines, CNG vehicles for waste collection, "construction of 110 water fountains for controlling road dust", a plant to dispose of dead animals, an "ultramodern garbage transfer station" and paving of roads. Of the Rs 36 crore approved for 2023-24 under the 15th FC, the largest allocation of Rs 20 crore is for collection, segregation and disposal of waste.

In Punjab, funds for Ludhiana were spent on road-sweeping machines, anti-smog guns, new roads and widening of roads. Here, roads received the largest chunk (Rs 46.20 crore) out of the 15th FC funds of ₹67.71 crore spent till January this year. In Amritsar, too, the largest share of the 15th Finance Commission funds (Rs 21.93 crore out of a total expenditure of Rs 63.87 crore) went towards paving roads.

Maharashtra spent Rs 5.85 crore of NCAP funds on tree plantation, "beautification of open space", public awareness and "work on an internal road" in Navi Mumbai. It has utilised 28 per cent of the Rs 58.75 crore 15th FC funds for the city on electric buses, dust suppression vehicles with sprayers and one PNG furnace.

Rajasthan, meanwhile, told the NGT last month that it utilised NCAP funds to set up six air quality monitoring stations in Jaipur, Jodhpur and Kota, and two mobile monitoring stations.

NCAP was launched in January 2019 with an initial target of reducing PM10 and PM2.5 levels by 20 to 30 per cent by 2024 compared to 2017 levels. Later, the target was revised to reducing particulate matter by 40 per cent or achieving national ambient air quality standards by 2025-26.

A total of 131 cities receive funds under NCAP or grants sanctioned by the 15th FC for air quality improvement. Of these, 42 are “million-plus cities” that receive 15th FC grants for “augmenting infrastructure and other essential measures at city level to improve air quality”.

The funding is performance-based and meant for activities included in action plans prepared for the cities.

An NCAP strategy document prepared by the Environment Ministry in 2019 recommends a number of actions to mitigate air pollution — plantation, mechanical sweepers, water sprinkling along roads, greening, landscaping and wall-to-wall paving of roads, phasing out older coal-based power plants, introducing fountains at major traffic intersections where feasible, ensuring power supply to eliminate use of diesel generators, enforcement of pollution norms in industries, measures connected to electric vehicles, and measures for dealing with waste including construction and demolition waste. It also includes extending source apportionment studies to all cities, augmenting the air quality monitoring network, and air quality forecasting systems.

Operational guidelines issued by the Department of Expenditure on the implementation of the air quality component of the 15th FC say that the city’s performance will be assessed on strengthening pollution monitoring mechanisms, source-wise cause analysis for air pollution, progress on action plans and quantification of air quality improvement. Environment Ministry guidelines on NCAP funds also mention the same four parameters and recommend sector-wise activities like promoting use of cleaner fuels, augmenting public transport, and dust and waste management.

In its most recent order, on February 19, the NGT that the states’ reports indicate that action plans are implemented without studying pollution sources and told them to disclose these. It said the Environment Ministry “needs to ensure that assets created by expending such amounts are properly utilised”.

Clean water is a need so fundamental that in countries that are truly ‘developed’ you can drink the water that comes out of the taps in your home. What has gone wrong with Indian policy-making that we have not yet succeeded in giving our citizens this basic facility? <https://indianexpress.com/article/india/where-clean-air-funds-allotted-to-states-went-drains-fountains-roads-9194129/>

14. India's extreme poverty under 3%, shows data (*moneycontrol.com*) MARCH 02, 2024

According to data showed by World Poverty Clock, around 3.4 crore people are living in extreme poverty. The number was 4 crore in 2023 and 4.6 crore in the year before

Extreme poverty has been nearly eliminated from India, with less than 3 percent of the population now living below the extreme poverty line of \$1.9 (PPP) a day, according to the World Poverty Clock.

Around 3.4 crore people are living in extreme poverty, less than 3 percent of the population. The number was 4 crore in 2023 and 4.6 crore in the previous year, according to the World Poverty Clock. Purchasing power parity (PPP) terms is a metric which allows global comparisons of economic data.

The World Poverty Clock provides a real-time platform to monitor poverty reduction across countries. It monitors progress against Ending Extreme Poverty, which is the UN's first Sustainable Development Goal (SDG), its website says.

Ninety-four percent of the people living in extreme poverty are in rural areas, and the remaining 6 percent in urban areas.

The latest Consumer Expenditure Survey also said India's poverty levels dropped sharply in 2022-23, with urban poverty at 4.6 percent and rural at 7.2 percent. The data also shows real per capita consumption growth of 2.9 percent per annum since 2011-12. Rural growth at 3.1 percent, significantly higher than urban growth of 2.6 percent.

Reduction in spending on food items as a percentage of total monthly per capita consumption expenditure in both rural and urban areas was the highlight of the survey.

State Bank of India's group chief economic advisor Soumya Kanti Ghosh said on February 27, "It is possible that these numbers could undergo minor revisions once the 2021 population (census) is completed and new rural-urban population share is published. We believe urban poverty could decline even further. At an aggregate level, we believe poverty rates in India could now be in the range of 4.5-5 percent."

A report by global think-tank Brookings said high growth and a large decline in inequality have combined to eliminate poverty in India for the \$1.9 poverty line.

The Headcount Poverty Ratio (HCR) declined from 12.2 percent in 2011-12 to 2 percent in 2022-23, dropping 0.93 percentage points (ppt) a year.

The higher consumption growth in rural areas is based on strong policy thrusts of a wide variety of publicly funded programs. These include a national mission for the construction of toilets, access to electricity, modern cooking fuel, and more, it said. <https://www.moneycontrol.com/news/business/economy/indias-extreme-poverty-under-3-shows-data-12387901.html>

15. Ahead of Lok Sabha Polls, FCI to Spend Rs 15 Crore to Buy Foodgrain Bags with Modi's Photo: Report (*thewire.in*) March 2, 2024

The regional offices of the Food Corporation of India (FCI) have finalised tenders in Rajasthan, Sikkim, Mizoram, Tripura, and Meghalaya for procuring “woven laminated bags with an indicative logo of PM Modi” to distribute food grains.

Ahead of the 2024 Lok Sabha polls, in order to conspicuously brand foodgrain bags given under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) with Prime Minister Narendra Modi's logo, the Union government is spending Rs 15 crore in five states, The Hindu reported.

According to the RTI replies received by activist Ajay Bose, the regional offices of the Food Corporation of India (FCI) have finalised tenders in Rajasthan, Sikkim, Mizoram, Tripura, and Meghalaya for procuring "woven laminated bags with an indicative logo of PM Modi" to distribute food grains.

Moreover, the RTI reply stated that "for West Bengal region, selection of company for production of bags is under process," as per the report.

While the Rajasthan FCI office is spending Rs 13.29 crore for 1.07 crore synthetic bags, for Tripura, Rs 85.51 lakh is being spent on 5.98 lakh Modi-branded bags. The Meghalaya regional office is spending a total amount of Rs 52.75 lakh for 4.22 lakh bags and for Mizoram, Rs 25 lakh is being spent for procuring 1.75-lakh such bags, as per the RTI replies.

In Sikkim, the process is pending as bags are still being produced while a private company has been selected for the supply. The FCI is looking to procure 98,000 bags at Rs 14.65 apiece, totalling Rs 14.35 lakh in this eastern state, The Hindu added, as per the replies.

The per piece procurement cost of the bags with Modi's logo is slightly different in each state. While each bag in Sikkim is being bought by the FCI at a cost of Rs 14.65, in Mizoram and Tripura it is at Rs 14.30 apiece, Rs 12.5 per per bag in Meghalaya and Rs 12.375 per bag in Rajasthan.

As per an earlier report published in The Hindu, the FCI had directed all of its 26 regional offices to float tenders for procuring woven laminated bags with Modi's logo for distribution of food grains under the PMGKAY scheme.

"During the free grain distribution under PMGKAY that started in 2020 when the pandemic began, unbranded 50 kg jute sacks were used to disburse grain. The branding of bags with faces of political figures has begun in 2024, ahead of the election," an official in the Ministry of Consumer Affairs, Food and Public Distribution told The Hindu. <https://thewire.in/politics/ahead-of-lok-sabha-polls-fci-to-spend-rs-15-crore-to-buy-foodgrain-bags-with-modis-photo-report>

16. Corp to buy 3rd Ro-Ro vessel for 18 crore despite losses (*timesofindia.indiatimes.com*) March 3, 2024

Kochi: The Corporation is set to procure a third Ro-Ro vessel at an estimated cost of around Rs 18 crore, which is more than five times the amount spent on similar vessels six years ago. The corporation is making such substantial investments despite facing financial challenges and incurring significant losses on maintenance and drydocking of the existing vessels.

In 2018, the corporation procured two Ro-Ro vessels from Cochin Shipyard Limited (CSL) at a cost of Rs 3.5 crore each for the Fort Kochi-Vypeen sector.

“It was during 2016-17 that the corporation acquired two Ro-Ro vessels from the CSL at a cost of Rs 7 crore. The vessels started their operations in 2018. Now, the corporation is procuring a third vessel for Rs 18 crore which includes taxes. The corporation is purchasing the third vessel using the funds from Cochin Smart Mission Limited (CSML),” said councillor Henry Austin, adding that the authorities haven’t given any explanation for the significant cost escalation.

“There isn't any government order to entrust CSL with the manufacturing of the vessel. Had the authorities floated a global tender, more firms would have taken part in it and the cost could have been reduced significantly,” Austin said.

Austin also raised concerns about CSL's vessel design lacking approval from the registrar of shipping.

Originally, the plan was to operate the RoRo vessels through a special purpose vehicle (SPV) in 2018, but this responsibility was temporarily given to Kerala Shipping and Inland Navigation Corporation (KSINC) due to delays in establishing an SPV.

Despite operating the vessels for the corporation, KSINC has not provided any earnings from the Ro-Ro operation for the past six years.

“The corporation has been spending substantial sums annually on maintenance and dry-docking. So, the Ro-Ro vessels, which could have generated good profits if operated properly, have become a huge liability for the corporation,” said opposition leader Antony Kureethra.

“Despite our requests to the corporation, it has not divulged the details regarding revenue and expenditure. There is something fishy in the operations of the vessels. At the same time, the corporation authorities have failed to float an SPV even after six years,” Kureethra said.

Mayor M Anilkumar said that the decision to entrust the manufacturing of a third vessel with the CSL was taken at the director board meeting of Cochin Smart Mission Limited which was chaired by the state chief secretary.

“The corporation is planning to sign a tripartite agreement with CSML and CSL as the vessel is being purchased for the civic body,” he said.

Anilkumar also said that the civic body has asked the CSL to cut down the cost. “We will also take steps to float an SPV for operating the Ro-Ros,” he added. Though TOI tried to get a response from the CSL authorities, they haven't responded so far. <https://timesofindia.indiatimes.com/city/kochi/corp-to-buy-3rd-ro-ro-vessel-for-18-crore-despite-losses/articleshow/108174343.cms>

17. **Misplaced priorities or wrong priorities** (*financialexpress.com*)

March 3, 2024

Clean water is a need so fundamental that in countries that are truly ‘developed’ you can drink the water that comes out of the taps in your home.

It was from a two-paragraph story, on an obscure inside page of a newspaper last week, that I learned that only forty-six out of four hundred and eighty-five Indian cities supply citizens with clean drinking water. This is an official figure from a government report. It drew my attention because I am always puzzled about why it is things like the denial of clean water to our citizens that do not become the biggest issues at election time. Why do we in the mighty Indian media think these issues are so inconsequential that we bury this kind of story on inside pages? Why does political wrangling and seat-sharing seem so much more important that they make endless dreary headlines?

Clean water is a need so fundamental that in countries that are truly ‘developed’ you can drink the water that comes out of the taps in your home. What has gone wrong with Indian policy-making that we have not yet succeeded in giving our citizens this basic facility? It is not just our poorest citizens who are deprived of clean water. We all are. Those who can afford the filters needed to clean the filthy water that municipalities supply, get them. But for rural Indians and those who live in urban slums, this is a luxury they cannot afford. The result is that more than 5,000 children die in India every day from diarrhea caused by dirty water. Why is this not the biggest issue in the coming general election?

By coincidence, it was just after reading that story about how few Indians have access to clean water that I happened to catch a clip of the Prime Minister campaigning in West Bengal. He was greeted by shrill cries of “Modi, Modi, Modi” that went on for so long, he had to stop his speech and smile in gratitude. He said that he must have done many good deeds in past lives to get so much love from the people and that he would not betray their love. He would return it by ‘guaranteeing’ that India would become a developed country someday soon. In fairness to Modi, he has tried harder than any of the Prime Ministers who came before him to make these supposedly small issues into big ones.

It is because he drew attention to the horrors of open defecation that the Swachh Bharat campaign began and because of it that rural sanitation improved hugely. But he then moved onto new promises and selling new dreams and forgot that our rivers, lakes and other waterways, continue to remain dangerously polluted by raw sewage and poisonous industrial waste.

Having just spent a week driving around Sri Lanka, I can report that between Colombo and Anuradhapura, and between there and Kandy, I came across no visible garbage except in one hill town. For the rest, I was amazed by the spotless villages, small towns and bazaars I drove through. And I marveled at how pristine the lakes were and how wonderfully clean the temples were. Sri Lanka is much, much poorer than India. If they can achieve ‘swachhata’, why can we in

India not?

Other questions came to mind on my travels. Of these, literacy was the most troubling. If Sri Lanka, despite decades of war and political turmoil, can achieve a literacy rate of 92%, why does India lag shamefully at 72%? Reliable NGO surveys report that even this statistic is more mythical than true. When they conduct their own studies, they find that Indian children leave school without ever learning basic mathematics and reading. Our real problem is not unemployment, but unemployability. But again, these are things that our political leaders prefer not to talk about. Their own children never go to government schools. And the children of high officials go only to the best private schools so that they can get admission to the finest American universities.

Last week came the happy news that the economy has grown at 8.4% in the last quarter. Modi has 'guaranteed' that when he wins a third term, he will ensure that the Indian economy races ahead even faster. And it is true that in a time when the world is in the grip of wars in Europe and the Middle East, it is remarkable that the Indian economy has been insulated from these uncertainties. What worries me when I see the images from Gaza is that the thousands of displaced people living without clean water and basic hygiene are not much worse off than millions of Indians.

Something has gone very wrong with our priorities. Not so much in the past ten years but in past decades. In the past ten years, the reality is that there has been improvement in the choice of our priorities. Modi may not have achieved the standards of sanitation and clean water that he set before us, but he has tried. We must hope that if he wins a third term he will try harder still and not distract from these priorities by reverting to what has memorably been described as the 'opium of the masses'.

What point is there in building grand new highways and airports, and aiming to land four Indians on the Moon, if we cannot provide our citizens with their most basic needs? As for us in the media, we should be ashamed for always putting political slugfests above more important things. <https://www.financialexpress.com/opinion/fifth-column-by-tavleen-singh-misplaced-priorities-or-wrong-priorities/3411670/>

18. If regulated, lottery sector can boost govt revenues: Report (*thestatesman.com*) March 1, 2024

The boost to revenues from lotteries, in turn, can fund multiple government welfare schemes, according to the report

The lottery sector, if properly regulated, will not only provide player protection but could also augment government revenues through profits and taxes by approximately USD 11 billion, according to a report published recently.

The report further said that the boost to revenues, in turn, would fund multiple government welfare schemes.

Lotteries (paper and online) are legal in only ten states in India; this has resulted in a proliferation of offshore entities offering illegal gambling opportunities, resulting in a massive loss of revenue for the government and exposing players to fraud, according to Pahle India Foundation, India's premier policy research institute founded and headed by Dr Rajiv Kumar, former Vice Chairman of NITI Aayog.

The inefficacy in banning the lotteries in the wake of rampant digitalisation – with cheap internet and huge smartphone penetration across the country – has forced the sector to operate from underground leaving participants with no legal recourse which undermines player protection.

India has a potential annual lottery market size of USD 33 billion (with minors prohibited) if the lottery is legal albeit robustly regulated across the country. For example, the entire budgetary allocation for MGNREGA was USD 7.2 billion and that for the National Health Mission USD 4.5 billion in 2023-24 – both schemes could be nearly fully funded by lottery revenues.

Legislation for the sector is 25 years old and leaves a lot to be desired when compared to global best practices promoting player protection, responsible gaming, and transparency. Banning lotteries will essentially result in the industry going underground, endangering player safety, exposing participants to fraud and malpractice, and loss of revenue for the government, it said.

The report stated that if people are still playing despite the ban, which seems to be the case in India, it is critical for governments to consider effective regulation to protect consumer interests.

“Regulation offers an opportunity to implement the best practices from responsible gaming frameworks and player protection mechanisms across the world to ensure people can, if they so wish, participate in lotteries in a safe environment while returning significant revenue to the state,” said the study.

Apart from its immense revenue potential, the lottery industry will generate employment opportunities for both skilled and unskilled workers.

The role of licensed private players in government lotteries is restricted mainly to selling and marketing of government lotteries. The report suggested that the current lottery regulations should include specific provisions promoting player protection and responsible gaming.

Regulations pertaining to gambling, including restrictions on FDI and certain IT rules, prevented the modernisation of lotteries and introduction of robust payer protection mechanisms, as well as aided inefficiency, the report said.

It suggested that digital public infrastructure (DPI), such as unique digital ID (Aadhaar) and UPI (Unified payments Interface), can be leveraged to digitise the lottery in India with specific KYC requirements.

The report stressed the point that providing safer, properly regulated gambling options will help check illegal offshore entities offering online games and may go a long way in preventing the haemorrhaging of government revenues. <https://www.thestatesman.com/india/if-regulated-lottery-sector-can-boost-govt-revenues-report-1503274816.html>

19. Old-age pension funds diverted in TN districts, authorities initiate probe (*newindianexpress.com*) 04 Mar 2024

CHENNAI: The Commissionerate of Social Security Schemes has unearthed a major scam in which several lakhs of rupees, meant for distribution to beneficiaries of the Old Age Pension (OAP) scheme, have been redirected to other bank accounts in Pudukkottai and a few other districts.

The scam came to light after officials from the commissionerate conducted an inquiry in Pudukkottai last month following an alert from the backend team of the digital surveillance system. The system was set up a few years ago to monitor the distribution of pensions and track the beneficiaries' bank accounts. Notably, similar irregularities were flagged in other districts too, but the volume was relatively low in comparison, sources said.

The inquiry revealed that OAP to the tune of Rs 27 lakh intended for over 70 beneficiaries in Pudukkottai had been deposited for over a year in the bank account belonging to a temporary staff member at the office of the Special Tahsildar (social security schemes).

In order to prevent such scams, the department of special initiatives, which implements the Kalaigiar Magalir Urimai Thogai, and the commissionerate of social security schemes, have introduced surveillance methods.

'Funds were routed to individual's account'

Sources said bank accounts marked for OAP will cease to accept credits upon the demise of recipient. "The government's master database is updated based on birth and death certificates, voter lists and other records that are linked with Aadhaar. Banks will also suspend the accounts of deceased beneficiaries," an official said. In Pudukkottai district, funds allocated for OAP were returned for over 70 beneficiaries who are either deceased or have not withdrawn from the account in some time.

"Instead of these funds being remitted to the state's account, they were transferred to an individual's account. This mismatch of returned funds has been flagged by the system," an official said.

Since August 2022, district has seen two Special Tahsildars; their involvement in the incident is yet to be ascertained. "As the Special Tahsildar is responsible for the distribution of OAP, the concerned officials have been instructed to provide an explanation. Efforts are underway to recover funds," an official added.

While the digital surveillance of social security pension distribution was initiated a few years ago with the support of Tamil Nadu e-Governance Agency, its effectiveness has been limited.

Efforts to strengthen the system have intensified following the launch of the Magalir Urimai Thogai scheme on August 15, 2023. Currently, 1.16 crore woman family heads receive a monthly financial aid of Rs 1,000 for which the state has allocated Rs 1,160 crore each month.

Similarly, 31.12 lakh beneficiaries receive a monthly OAP of Rs 1,200 under various categories. A senior official said, “The funds designated for beneficiaries’ accounts will be monitored by the system. Any deviations from the process will be identified through a robust surveillance system.” <https://www.newindianexpress.com/states/tamil-nadu/2024/Mar/04/old-age-pension-funds-diverted-in-tn-districts-authorities-initiate-probe>

20. The whats, whys and hows of India's first city water management competition (*hindustantimes.com*) Mar 02, 2024

How the Union government’s fostering of competition among states and UTs through awards can go a long way in improving water management in India’s urban areas

Given how efficient water management is critical to over-populated, overheated, water-stressed urban areas, the Union government has initiated an ‘award and certification system’ to promote competition among states and cities to ensure water sources are well cared for, and citizens get access to clean drinking water.

This competition is on the lines of the National Democratic Alliance government’s popular Swachh Survekshan (cleanliness survey), which ranks municipal bodies across India on waste management abilities and actions. The results of the ‘Peyjal Survekshan’ (PJS) by the Union ministry of housing and urban affairs (MoHUA), which also conducts the annual Swachh Survekshan, will be announced in March, with President Droupadi Murmu conferring 18 of the top accolades to winning states and cities. All 485 cities where the flagship Atal Mission for Rejuvenation and Urban Transformation (AMRUT) mission is underway have been considered.

Launched by Prime Minister Narendra Modi in June 2015 as an extension or a replacement of the UPA government’s Jawaharlal Nehru National Urban Renewal Mission, Amrut focuses on water supply, stormwater drainage and sewage infrastructure, besides also looking at sustainable mobility and increasing recreational and green areas within cities. Since October 2021, the second phase of the Mission, or Amrut 2.0, has been focusing on universal water supply coverage in all statutory towns and 100% sewage treatment in 485 AMRUT cities.

What was judged?

Cities, states and union territories have been judged based on access, coverage, quality at water treatment plants and households, sustainability measures, the health of water bodies, availability of supervisory control and data acquisition (SCADA), flow meters and reuse of treated used water. Cities will be graded on a star rating scale, ranging from five to zero stars on these aspects.

In the upcoming first edition, 129 awards will be announced in different categories. Among the significant accolades, cities will be given gold, silver, and bronze awards across three population categories— one million, one to four million, and more than four million people. For this, water quality, access and source sustainability were considered, with 40% weightage on the first two parameters and 20% on the third.

Another marquee award — the Amrut 2.0 rotating trophy of the year — will be given to a state for the most efficient implementation of the Amrut 2.0 scheme. Other than these, there will be award categories like best water body, reuse champion, water quality, and city with best treatment and reuse practices. Two awards will be given for sustainable measures taken by cities.

How were cities and states judged?

The Peyjal Survekshan awards are based on field surveys, citizen feedback, and independent water quality tests at the National Accreditation Board for Testing and Calibration Laboratories accredited labs.

MoHUA secretary Manoj Joshi said that in only 46 cities were all the tested water samples found to be potable. He added that 54 cities have been identified as saturated cities, with 95% or more coverage of households with piped water connections. A total of eight water bodies have been identified as healthy.

Feedback from 5,21,000 citizens was considered for the survey. Other than this, surveyors visited 830 water treatment plants, 1,044 sewage treatment plants, and 140 water bodies and collected 24,000 samples, including from household taps. More than 2,000 flow meter readings were studied to identify leakages. There were also efforts to assess the quality of water and water source conservation efforts.

Why were they judged?

A 2020 report by the World Wide Fund for Nature (WWF) has projected that 30 Indian cities will face a ‘grave water risk’ by 2050 due to overcrowding in cities.

Multiple Indicator Survey (NSS round 78) in 2020-21 said 61.4% of urban households had piped drinking water supply. Most cities across India get water supply on an average for 6–8 hours, and women and children in urban slums walk for about 44 minutes on average to collect water, according to a 2020 study by researchers at the Madras School of Economics.

How will the Peyjal Survekshan Awards help?

Ministry officials said that these awards and certifications will trigger better decision-making by municipal bodies, which will, in turn, enhance service delivery and foster citizen engagement, water conservation and confidence of citizens.

Experts agreed. Calling it a welcome initiative to celebrate the efforts towards improved water management across cities in the country, Sahana Goswami, senior program manager at WRI India, said it will encourage peer learning and healthy competition.

“The findings about potable water are alarming statistics, indicating where urgent action is needed. The exercise needs to expand beyond the current 485 AMRUT cities to all urban regions in the country and assess measures to ensure the long-term sustainability of water supply sources at risk from increasing demand and climate variability and uncertainty,” she said.

Similarly, Narasimha Reddy Donthi, a water policy expert, said the awards can potentially encourage positive change in increasing citizen’s access to clean drinking water. He, however, cautioned: “We have seen some awards given for Swachh Bharat

initiatives based on voting through an app. States get invested in getting votes and, unfortunately, not on real changes.” Donthi said that, instead, the focus should be on investing in changes and policies to increase access to water, conservation, and reuse, and not on individual champions.

Increasing engagement beyond surveys

In addition to these awards, MoHUA will launch the Amrut Mitra scheme, where women’s self-help groups (SHGs) will implement AMRUT 2.0 projects. These workers will be trained and engaged in billing, collection, leak detection, plumbing works, water quality sampling, and infrastructure maintenance to address gender inequality in the male-dominated sector. A total of 1,500 works have already been awarded to these SHGs. <https://www.hindustantimes.com/india-news/urban-agenda-the-whats-whys-and-hows-of-indias-first-city-water-management-competition-101709385438965.html>