NEWS ITEMS ON CAG/ AUDIT REPORTS

1. 92 protected monuments found missing, 74 have been traced: Government cites CAG report in Parliament *(telegraphindia.com)* DECEMBER 14, 2023

Multi-tasking staff has been posted for watch and ward at protected monuments and sites: Government

The performance audit report of the Comptroller and Auditor General of India in 2013 had stated that 92 protected monuments were found missing, but 74 of them have been traced, the Centre informed Parliament on Thursday.

Union Culture Minister G Kishan Reddy in a written response to a query in Rajya Sabha also said the Archaeological Survey of India has entered into a Memorandum of Understanding with Indian Institute of Technology-Delhi to undertake a "comprehensive examination" of various issues related to safety and security of protected monuments.

He was asked whether the "government is aware of the Standing Committee report that identified 92 Centrally Protected Monuments (CPMs) as 'missing' and the steps taken to locate and restore those missing monuments".

The ASI is tasked with protection of centrally protected monuments.

"The performance Audit Report of Comptroller and Auditor General of India (CAG) in 2013 had stated that 92 protected monuments were found missing," he said in his response.

"Vigorous efforts to locate/identify the reportedly untraceable monuments, based on old records, revenue maps and referring published reports, were carried out by Archaeological Survey of India. The exercise gave fruitful results and out of 92 monuments 74 monuments have been traced out," Reddy added.

Multi-tasking staff has been posted for watch and ward at protected monuments and sites. Further, at selected monuments private security personnel as well as CISF are provided and periodic inspection is also carried out, the minister said. https://www.telegraphindia.com/india/92-protected-monuments-found-missing-74-have-been-traced-government-cites-cag-report-in-parliament/cid/1986918

2. 92 protected monuments found missing, 74 have been traced: Govt cites CAG report *(moneycontrol.com)* DECEMBER 14, 2023

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STATES NEWS ITEMS

3. Defence Estate Directorate Raises Alarm on Illegal Sales of Properties on Defence Land in Pune and Khadki Cantonment Areas

(punekarnews.in) Dec 15, 2023

The Directorate of Defence Estates, Southern Command (SC), has taken a bold step by addressing a letter to the Inspector General of Registration (IGR), urging a halt to the registration of defence properties, particularly bungalows in Pune and Khadki Cantonment areas. The move comes in response to serious concerns regarding ongoing and past illegal sales, violating central government rules.

Defence Estate officials, led by Director Saurav Ray, have initiated this action. Notably, Ray was a key figure in exposing the infamous Adarsh scam, having himself faced challenges resisting the transfer of valuable defence land in Ahmednagar Cantt in 1997.

Pune Cantonment, home to approximately 300 bungalows, schools, and clubs such as Turf Club and New Poona Club, leased out by the Ministry of Defence (MoD), is at the center of attention. These leases typically extend for 30 years, with the possibility of extension up to 90 years, contingent on adherence to lease conditions.

The letter, dated December 6 and addressed to Hiralal Sonawane, IGR, Maharashtra, highlights the Directorate’s observation of unauthorized transfers and sales of bungalows and house properties on Defence Land. It emphasizes that such transactions cannot occur without the approval of the competent authority (Government of India). The letter urges IGR to instruct registrars and sub-registrars to refrain from registering any sale of lease and old grant properties on defence land within cantonment areas.

In addition to addressing the IGR, the Directorate instructs the Defence Estates Officer (DEO), Pune circle, and Pune Cantonment to communicate with registrars and subregistrars. A public notice is also recommended to sensitize the general public against engaging in unauthorized property sales within the cantonment area.

Cantonment experts reveal that leaseholders of old grant bungalows were originally prohibited from making additions, alterations, and conversions. However, these properties have undergone transformations into commercial establishments, hotels, shopping malls, and other revenue-generating enterprises. Many have changed hands and are now owned by influential political, corporate, and business personalities, not only in Pune but across the country.

The roots of these leases extend back to the British era, constituting 90% of the agreements. The leases, often acquired for nominal double-digit or a few hundred rupees, were initially granted to British Missionary organizations, Parsi businessmen, and private individuals associated with the Britishers.

The Controller General of Defence Accounts (CGDA) conducted a systems study in 2010, revealing a deep nexus between DGDE officials and encroachers, resulting in the systematic looting of government land. The Public Accounts Committee, Lok Sabha, in its report of Nov 4, 2013, highlighted illegalities, irregularities, and lacunae in the management of defence land. It emphasized the need to address unauthorized constructions and activities on Old Grant Bungalow Sites (OGBS) and raised concerns about apparent collusion between vested interests and authorities.

Cantonment activists assert that the resale value of old bungalows and the profit involved in their transactions create a nexus involving owners, builders, Cantt board members, officials, brokers, and Defence Estates department officials. They call for strong measures to reclaim these national assets for productive use by the armed forces and national development.

A writ petition filed by the Common Cause NGO before the Supreme Court links the mismanagement of defence lands to irregularities, illegalities, and corruption. It points out that nearly 25% of all defence lands have not been 'mutated' or transferred to the Defence Estates Department, leading to encroachments and loss to the public exchequer.

Various audit reports by the CAG have specifically highlighted misuse, sale, and illegal appropriation of revenue received from defence land by Defence Estate officers in collusion with land sharks and private parties.

The historical context also reveals the involvement of former army commanders and Defence Estate officers in the Adarsh Scam, wherein a CBI investigation in 2012 implicated individuals for an out-of-court settlement favoring a private builder for Rs 46 crores. The central agency alleged undue favoritism in acquiring a property measuring 0.96 acres in defence land in Pune cantonment. The current measures by the Defence Estate Directorate aim to rectify such issues and safeguard national assets for the benefit of the armed forces and overall development. https://www.punekarnews.in/defence-estate-directorate-raises-alarm-on-illegal-sales-of-properties-on-defence-land-in-pune-and-khadki-cantonment-areas/

4. Chennai: Three agencies make a mess of one city *(timesofindia.indiatimes.com)* Dec 15, 2023

The Chennai Metropolitan Development Agency (CMDA) that draws 'master plans' for the city is the same agency that also permits conversion of waterbodies and farmlands for residential and commercial development under the guise of 'reclassification'.

While the Town and Country Planning Actallows modification of the master plan, the same can't be done for individual survey numbers.

There have been instances when CMDA has misinterpreted sub-section 4 of section 32 of Town and Country Planning Act and reclassified individual survey numbers. Result: Multi-storey buildings are standing deep inside waterbodies.

"CMDA should review the master plan and ensure proper utilization of residential areas that have already been declared. Only if it is fully developed, they should accept reclassification of other survey numbers within a given area to improve housing stock. Otherwise, reclassification in that area should be discouraged," said N V Rakhunath, retired chief planner, CMDA.

CMDA is guilty of another deceit as well: The entire 'reclassification' process is a sham. Once in a while, the reclassification notification is published in a few newspapers, but there are no details on how many people have objected to the proposal.

Experts also blame the CMDA for shrinking water bodies through Eri schemes that led to the 2015 floods. The 2017 CAG report on performance audit of flood management in Chennai and its suburbs said that the built-up area in CMA increased from 90.88sqkm in 1979 to 541.14sqkm in 2016, while for water bodies it came down from 100.98sqkm to 91.31sqkm.

The extent of green cover shrank from 548.53sqkm to 442.43sqkm. David Manohar , an Arappor Iyakkam activist, opposed reclassification of land use and said the practice would adversely impact waterbodies, more so if the reclassification process is not transparent.

"In November 2022, CMDA approved reclassication of six acres in Nandambakkam, a floodplain, as a residential and institutional zone. This despite the fact that the area was hard hit in 2015," he said. D S Sivasamy, retired additional director, municipal administration, said CMDA should first notify flood plains, wetlands, catchment, buffer zones in CMA in the third master plan. No development should be allowed in these areas. https://timesofindia.indiatimes.com/city/chennai/three-agencies-make-a-mess-of-one-city/articleshow/105986227.cms

5. BJD corporator alleges undue favour to agency *(newindianexpress.com)* Dec 15, 2023

CUTTACK: Allegations of irregularities in the conduct of Baliyatra continue to surface with the latest being levelled by BJD corporator Pradipta Khuntia who said a tender was awarded to a particular agency despite his objections.

Khuntia, the chairman of Cuttack Municipal Corporation's public works standing committee, said, "The agency which was awarded a tender of Rs 1.66 crore did not work as per standards during the last Baliyatra held in 2022. So, I objected and requested authorities concerned to not award the tender amounting to Rs 3.32 to the agency at the contract standing committee meeting, held this year."

The work executed by the agency was not inspected and supervised due to gross negligence of CMC resulting in massive irregularities and corruption, Khuntia alleged. Last year, the civic body authorities had assured to pay the bills to agencies which were awarded projects for the fair after an audit conducted by either by local fund audit or CAG. However, without conducting the audit, the civic body made payments to the agencies, he further alleged.

CMC mayor Subhas Singh, however, said not a single penny has been paid to any agency till now. Comparing the corporators who have brought irregularities and corruption allegations against CMC with 'Kala Pahada', he said the complaints lack documentary evidence.

"Such leaders should not have been born here. They are making statements like Kala Pahada," said Singh adding, that the civic body would stop payments to any agency which did not perform its task as per standards. https://www.newindianexpress.com/states/odisha/2023/dec/15/bjd-corporator-alleges-undue-favour-to-agency-2641762.html

SELECTED NEWS ITEMS/ARTICLES FOR READING

6. Defence ministry inks over Rs 5,300 crore deal with BEL *(zeebiz.com)* Dec 15, 2023

Defence ministry inks over Rs 5,300 crore deal with BELThe aim of the project is to build up ammunition stocks to minimise imports. (Image source | Pexels)

The defence ministry on Friday sealed an over Rs 5,300 crore deal with state-run Bharat Electronics Ltd (BEL) for procurement of electronic fuzes for the Indian Army for a period of 10 years.

An electronic fuze is an integral component of medium to heavy calibre artillery guns which provide sustained artillery firepower for military operations.

The ministry said the fuzes are being procured for usage in artillery guns which are capable of lethal engagements in various kinds of terrain including high-altitude areas along the northern borders.

It said the aim of the project is to build up ammunition stocks to minimise imports.

"The Ministry of Defence on December 15 signed a landmark contract with Bharat Electronics Ltd, Pune for procurement of electronic fuzes for the Indian Army for a period of 10 years, at a total cost of Rs 5,336.25 crore," it said.

"As part of the 'Aatmanirbhar Bharat' vision, this contract has been signed for ammunition procurement under 'manufacture of ammunition for Indian Army by Indian industry', a government initiative for long term requirement of 10 years," the ministry said in a statement.

It said the aim of the project is to achieve self-sufficiency in ammunition manufacturing, obtain critical technologies, and secure stock affected by supply chain disruption.

The electronic fuzes will be manufactured by the BEL at its Pune and upcoming Nagpur Plant. https://www.zeebiz.com/companies/news-defence-ministry-inks-over-rs-5300-crore-deal-with-bel-268941

7. **Can govt support growth further?** *(thehindubusinessline.com)* 14 Dec 2023

Gross tax-to-GDP ratio of the Central Government increased to 11.5 per cent of GDP, marking its second-highest level in the past half a century. The only time when it was higher was in FY08, at 12 per cent of GDP. States also experienced tax buoyancy. India's total taxes (Centre + States) stood at its new high of 18 per cent of GDP in FY23, marginally better than 17.9 per cent in FY22 and 17.6 per cent in FY08.

An obvious implication of that is more government spending. Right? Highly unlikely, for three reasons.

First, the Union Government has targeted to reduce its fiscal deficit from a reported 6.4 per cent of GDP to around 4.5 per cent by FY26. It is very likely that the pre-Covid deficit level of 3.5 per cent of GDP will not be reached before the end of this decade. Assuming States' fiscal deficit at 2.5 per cent of GDP (same as in the pre-Covid period) by FY30, the aggregate fiscal deficit is assumed at 6 per cent of GDP by the end of this decade. Keeping these fiscal deficit assumptions sacrosanct, we can find the maximum possible growth in fiscal spending during the remainder of this decade, using different assumptions for nominal GDP growth and tax buoyancy.

Average growth
During the pre-pandemic period, the average nominal GDP growth was 11 per cent with tax buoyancy of about 1.1x. The average fiscal spending growth during that period was 12.5 per cent, incorporating the off-budget spending (largely food subsidies). Assuming similar nominal GDP growth and tax buoyancy during the next many years, the maximum possible average fiscal spending growth could be 10.1 per cent, much lower than the average growth in the pre-pandemic period (Exhibit 1).

However, with a more realistic nominal GDP growth of 10 per cent per annum and tax buoyancy of 1.3x, the maximum average growth in fiscal spending could be 10.5 per

cent during the remainder of this decade, lower than 12.5 per cent average growth in the pre-Covid level. Any further increases in fiscal spending will require higher than targeted fiscal deficit, higher tax buoyancy, higher GDP growth and/or high inflation.

Second, a lot of discussion is happening around the quality of government spending. The Union Government's capital spending has increased 2.5 times in the past three years and budgeted at ₹10 trillion in FY24. It is, thus, budgeted at 3.3 per cent of GDP in FY24, double of just 1.7 per cent of GDP in FY20 before the pandemic. This appears exceptional. Unfortunately, this on-budget increase has only compensated for a decline in investment spending of CPSEs (central public sector enterprises) which has declined to just 1.3 per cent of GDP in FY23RE and budgeted at 1.1 per cent of GDP in FY24, from 2.3 per cent of GDP before the pandemic. Adding net investments by States (and thus, excluding loans by the Centre to States from its total capex), combined investments of the public sector fell to 6 per cent of GDP in FY22 and further to an eight-year low of 5.7 per cent of GDP in FY23RE, from about 6.3 per cent of GDP in the pre-pandemic period (Exhibit 2). We can at best hope for public investment to recover to pre-pandemic levels, no more.

Trend may not continue

Third, there is a very high likelihood that while the Union Government has increased its investment spending rapidly over the past few years, this trend may not continue for long. There are only three ways in which the capex can increase: higher tax buoyancy, substitution from revenue spending, and/or higher borrowings.

As mentioned earlier, even with higher tax buoyancy, the average growth in fiscal spending over the next few years will be lower than the pre-Covid levels, if the fiscal deficit targets are to be met. Thus, so far, the government has been able to increase total spending, and thus, capital spending, only because of its ability to run a higher fiscal deficit. If consolidation happens, then the recent improvements in tax performance will have to be entirely deployed for that purpose.

If rising revenues offer little cheer, how much room is there for growth focused expenditure switching? Although the share of capital spending is budgeted to increase to 22.2 per cent of total spending of the Central Government in FY24 from 13.5 per cent in the pre-Covid period (and 17.4 per cent in FY23P), the share of investments (excluding loans and advances) is estimated to have increased modestly to 15.4 per cent in FY23 of total spending on a combined general government basis, from 14 per cent in the pre-Covid years. It means that the share of States in combined capex has declined from around 60 per cent in the pre-Covid years to less than 50 per cent in FY23.

Discretionary spending

Further, we classify Central Government spending into mandatory (including salary and wages, interest payments and pensions [SIP]), semi-mandatory (defence and grants to States/UTs) and discretionary spending (including all other expenditure). The share of mandatory spending has fallen to 35-40 per cent of total spending in the post-Covid period, while the share of discretionary spending has risen to 40-42 per cent. Investment spending, which is included in the latter, is budgeted to make up for about 55 per cent of total discretionary spending of the Union government in FY24, compared to 45 per cent in the pre-Covid years. Discretionary spending is maxed out and any shocks or revenue reversals will put downward pressure on Government discretionary, especially

investment spending, if the fiscal deficit targets are to be met. Similarly, if the Government chooses to announce new spending to entice voters before elections, it is highly likely that discretionary spending, including investments, will take a bigger hit.

Overall, the Government has limited ability to support economic growth. Yet again it has to be recognised that only the private sector can do the necessary heavy lifting sustainably, else India's growth story will stick at or below 6 per cent for the foreseeable future. https://www.thehindubusinessline.com/opinion/can-govt-support-growth-further/article67639045.ece

8. Regulating AI *(financialexpress.com)* December 15, 2023

A nuanced approach must for using AI for technological advancement while keeping its harmful effects in check.

Globally, governments are grappling with finding the right regulatory framework to govern artificial intelligence (AI). The concern is genuine, as AI does have several positive as well as negative impacts. Deepfakes, cyber security, data thefts, etc, are the negatives; as Prime Minister Narendra Modi pointed out at the recently held Global Partnership on Artificial Intelligence (GPAI), global security will face a big threat if AI-laced weapons were to reach terrorist organisations. At the same time, the positives are many, including harnessing the technology for education, healthcare, agriculture, etc. India has rightly acknowledged that while each country needs to do its own bit, AI regulation will also need a global consensus as the technology is not restricted by geographical boundaries. For instance, deepfakes have emerged as a big threat in India recently and need to be tackled on an urgent basis, and the government is working towards bringing certain measures to check them.

The recent regulations brought about by the European Union (EU) is also being seen as a template by a section of advocacy groups on how to go about regulating AI. The EU has, for instance, put clear guardrails on the adoption of AI by law enforcement agencies. It has put restrictions on facial recognition technology, and on using AI to manipulate human behaviour. Further, governments can use real-time biometric surveillance in public areas only where there are serious threats involved. These sound good, but may not be an ideal template to follow for countries such as India.

Reason: facial recognition technology is used by the State across the world, and not by private enterprises. And States use it for security purposes. A blanket ban can jeopardise national security and a case-by-case examination vests the determining power in the hands of the government. The same applies in the case of real-time biometric surveillance. The case of the government acting as an arbiter comes out very clearly in the case of India where government agencies have been exempted from a lot of provisions of the Digital Personal Data Protection Law on grounds of national security.

So, rather than taking the extreme EU regulations as an ideal template, or even those of the US which are more in the form of guidelines, the better approach for India would be to identify dangers and see whether they can be tackled under existing laws. Most of the dangers AI poses, like deepfakes, can be tackled through existing laws like CrPC, IT Act, and DPDP Act. Some fine-tuning of the existing laws will certainly help.

For instance, currently intermediaries are supposed to remove harmful or unlawful content within 36 hours of being flagged. Perhaps this needs to be brought down to a couple of hours, as enough damage would have been done in 36 hours.

Certain Indian examples about handling such issues act as a perfect case study. A few years back, the government was concerned with the spread of rumours through WhatsApp. This was handled by engaging with the platform which brought about the forward label exclusively for India. This minimised the danger. The government may further increase the due diligence which social media platforms need to do with regard to checking the harmful AI-generated content in lieu of legal protection under the safe harbour clause. Such a nuanced approach will help in achieving the objective of using AI for technological advancement while keeping in check its harmful effects. https://www.financialexpress.com/opinion/regulating-ai/3339122/

9. COP28 Floundered on Fossil Fuels, Coal and Finance *(thewire.in)* 15 Dec 2023

India must insist that the fossil fuel phase-out must be differentiated depending on national circumstances and on a time scale, and technology transfer, co-development and access form the core of the energy transition.

Aside from stark geopolitical tensions which have become characteristic of international summits lately, this year's global climate conference COP28 witnessed sharper differences between the 'Like Minded Developing Countries' of the Global South and the developed countries of the Global North. After the final day (December 12) of the two-week COP28 climate summit in Dubai saw a stalemate over the draft agreement, representatives continued negotiations to finally arrive at what is clearly now a compromised consensus, with terms like 'unambitious,' 'incremental,' 'menu' and of 'half measures' being used to describe the final agreement.

The draft presented by COP28 President, UAE's Sultan al-Jaber proposed eight options that countries could use to cut emissions, including: "reducing both consumption and production of fossil fuels, in a just, orderly and equitable manner so as to achieve net zero by, before, or around 2050", falling short of referring to a "phase out" of fossil fuels. It included tripling renewable energy capacity by 2030, "rapidly phasing down unabated coal" and scaling up technologies including those to capture CO2 emissions to keep them from the atmosphere. The US, UK and EU led more than a hundred countries to oppose the draft agreement which mentions the need to reduce emissions but did not outrightly state that fossil fuels should be phased out. Representatives for smaller Island Nations called it a "death sentence".

The final deal now calls for "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner … so as to achieve net zero by 2050 in keeping with the science," dropping the term "phasing away" and including "fossil fuel." The agreement further calls for phasing out inefficient fossil fuel subsidies and for "accelerating phase down" of coal usage.

While developing nations along with major oil producers are opposed to any demand for phasing out fossil fuels, the point that India had been making throughout the discussions is that the focus needs to move away from coal because the science very

clearly states that it is a carbon emission problem and all the fossil fuels need to be targeted. Although the discussions failed to feature accountability for historic polluters, in his speech Prime Minister Narendra Modi “rebuked” large emitters like the US for releasing the most climate-warming emissions since the Industrial Revolution at COP28, “Over the past century, a small section of humanity has indiscriminately exploited nature. However, entire humanity is paying the price for this, especially people living in the Global South.”

The exclusive focus on ‘rapidly phasing down coal’ drew exception from India, and it was joined by China in abstaining from signing the Global Renewables and Energy Efficiency Pledge aimed at tripling installed renewable energy capacity by 2030. Despite finding mention at the G20 declaration in September, India’s decision to not sign the COP28 global pledge was likely related to the framing of the text specifically around the severe stance on phasing out coal. India has been at the forefront of phasing in renewables, and upholds that tripling of renewable energy and doubling of energy efficiency must not be covered with the phasing out of coal. As part of its nationally determined contributions (NDCs), it has already committed to installing 500 GW of electricity from non-fossil fuel sources by 2030. Between 2017-23, India added 100 GW of installed electric capacity, of which 80% was from renewable sources.

But coal’s days are not over in India. Despite setting out some of the most aggressive renewable energy targets in the world, coal remains at the heart of India’s urban industrial development projects, and a major source of jobs. It is important for the Global North to appreciate what transition from coal means for poor countries like India. Just consider the coal supply chains, taking India as a typical country of the global South. From the pitheads, coal is brought by trucks to a nearby cold depot from where it is transported again by trucks to the nearest railway station. Truck driving is the profession of choice for many poor migrants from rural areas and there are some two million registered on Indian roads. By a conservative estimate, at least a quarter of this carries coal. Each truck has a driver and two helpers who have families, which means that 1.5 million are reliant on just coal trucking.

Supply chain disruptions due to developments in Ukraine have slowed down the momentum in transitioning to renewable energy options, everywhere. Upgrades for electricity storage require large tracts of land and transmission systems are built for coal and fossil fuels, which means they will need significant technology advancement for renewables. Nuclear and hydropower are considered essential to energy transitions, but globally there is some disagreement over whether large dams are within the purview of renewable energy sources.

Commitments made around climate finance at COP28 remain weak, and although a $700 million loss and damage fund has been approved, it falls way below the estimated $400 billion needed to effectively begin addressing climate change. Technology transfers have been spoken of at COP28; but how much of this will actually transpire remains to be seen. The developed world retains its significant representation in deciding where funds go. Without financial backing, developing nations cannot think of ambitious action on mitigations. Sustainable finance instruments and technology transfer remain critical to building expensive projects that can effectively address climate change. The nature of finance flows needs to be demystified.

India must insist that the fossil fuel phase-out must be differentiated depending on national circumstances and on a time scale, and technology transfer, co-development and access form the core of the energy transition. The COP28 Dubai agreement may have created optics of convergence between the developed and developing countries, but there will be massive dissonance over how differentiated responsibility will be worked out in determining the absolute reduction of emissions over the next decade and more. https://thewire.in/environment/cop28-floundered-fossil-fuels-coal-finance

10. COP28 and its implications for India *(livemint.com)* 14 Dec 2023

While the climate conference may have fallen short of expectations on some counts, India made its presence felt and managed to strike the right balance

The UN climate conference held in Dubai this year chalked up key resolutions on fossil fuels, methane emissions, funds to fight global warming, capitalisation of the loss and damage fund, and an agreement on a framework for the global goal on adaptation.

The COP28 conference, however, remained an underachiever, unable to measure up to expectations, particularly in galvanising more ambitious climate action in the immediate term.

For India, though, the outcome was better. The country was able to strike the right balance in helping secure a deal that meets its developmental requirements while aligning with the larger global goals on climate.

Mint explains the implications of COP28's outcome for India and the world.

What's the buzz on fossil fuels about?
History was made in Dubai when 196 countries agreed to transition away from fossil fuels in an orderly and equitable manner to achieve net zero emissions by 2050. Some experts, however, say the deal doesn't do enough on several fronts—climate targets, funding, phasing out fossil fuels, and holding historical polluters accountable.

Some nations were disappointed that the term 'fossil fuel phase-out' had not been used. Even if it had been, the outcome would have been similar in the absence of a timeline. Production and consumption of fossil fuels are unlikely to be curbed significantly in the near-term, but it is an important, rather unavoidable, measure in the 2050 timeframe.

Coal, a fossil fuel already singled out for a phase-down in the 2021 Glasgow conference, received a separate mention. But India, among some other countries, resisted a move to stipulate that no new coal-fired power plants could be opened without an in-built carbon capture and storage facility.

The final outcome, while not specifying how the phase-down would be measured or from what baseline, addressed India's concerns by tweaking the Glasgow text on coal and not making the provision on cut in methane emissions binding.

What were India's reservations on methane emissions?

Methane is the most widespread greenhouse gas apart from carbon dioxide, accounting for nearly 25% of all emissions and about 80 times more potent than CO2 in causing global warming.

However, several countries, including India, are opposed to any mandate to cut methane emissions, primarily because one of the major sources is agriculture and livestock. Cutting methane emissions could require tweaking agricultural patterns, which could be extremely sensitive in a country like India, where agriculture accounts for 18% of the economy.

The final agreement of the conference does not mention any targets for methane emission cuts by 2030, although about 100 countries had committed, at COP26 in Glasgow, to cut their methane emissions by 30% by the end of this decade. https://www.livemint.com/science/mint-explainer-cop28-and-its-implications-for-india-11702552666814.html

11. AI, machine learning to lead the way to achieve Net Zero: Experts *(indianexpress.com)* Updated: Dec 15, 2023

A two-day conference on Decoding Decarbonisation that concluded Thursday deliberated, among others, the use of Artificial Intelligence and Machine Learning (AI/ML) in the built environment.

At the event, Rupesh Umtol, co-founder and Director, Electro-Mech Consultants showcased a digital twin model creation concept called Btrlyf — a culmination of AI/ML that analyses older buildings with respect to energy efficiency.

According to him, retro-fitting, energy sourcing & efficiency, and occupier engagement are transforming existing buildings to net zero with varying levels of effectiveness. Through the software, a model that has a multiphysics dynamic simulation is made which is then integrated with weather data. After calibrating the data to find energy efficiency of the buildings and suggesting ways to improve it, which are unique to each building, the simulations were performed.

"The newer buildings are definitely designed by keeping net zero and energy efficiency in mind but more than 80 per cent (of the old buildings) are not designed or operated well. Now, for the existing buildings, there is a target that by 2050, all buildings need to be net zero for across their lifecycle," said Umtol. "Each building is different and each of them uses energy differently due to their complex structures," he added.

Umtol told The Indian Express that the startup was established in 2017 along with his Singaporean co-founder and technology partners who helped them with the analysis of the data. "Now, Indian cities are also getting mapped. It's just a part of the city, not the entire city. It will take some time. But in other global cities in Europe and Australia, it is already done," he said.

Fundamentally, buildings remain the same and if they can get how much land and other basic details and the weather data, they could predict the energy usage of the given building with machine learning and simulation of the building through 3D medium through carefully calibrated systems, Umtol said. "We didn't complicate the system by

asking for too many inputs. We just need a few things and you have your report in half an hour," said Umtol, stressing the fact that manual surveys take around months to get finished while they could do it to near perfect accuracy if the data sets are accurate, eliminating the barriers to data access and duplication of efforts for everyone.

Dr Nidhi Arora, Director & co-founder of AI at Advic Tech, emphasised that AI could lead the world towards decarbonisation. She highlighted four fundamental problems — energy wastage, uncomfortable indoor environment, poor air quality and high maintenance cost — caused by the heating, ventilation, and air-conditioning (HVAC) system's malfunctioning.

To address these problems, she suggested the use of AI that could help bring down costs and make the process smoother, draw insights and overall be efficient. The event was organised by Indian Society of Heating, Refrigerating and Air Conditioning Engineers (ISHRAE). https://indianexpress.com/article/cities/ahmedabad/ai-machine-learning-to-lead-the-way-to-achieve-net-zero-experts-9068876/

12. Accelerating renewables – Revisit rules, reengage states *(economictimes.indiatimes.com)* Updated: Dec 15, 2023

COP28 just got over. The first global assessment of the Paris Agreement was part of the agenda. India is well on its way to achieve the NDC commitment of 50 per cent non-fossil fuel capacity by 2030.

However, meeting the ambitious internal target of 500 GW from nonfossil fuel generation appears challenging. This partly explains India's reluctance to sign the COP28 Global Renewables and Energy Efficiency Pledge, aiming to triple the renewable energy capacity by 2030.

With renewable capacity at 180 GW, tripling will be consistent with the 500 GW target. This target, adopted in 2019, meant accelerating renewable capacity addition to 30-35 GW annually. Despite central government's proactive support, actual addition has ranged between 12- 15 GW annually. Achieving 500 GW by 2030 will require 45-50 GW annual addition in the remaining period.

To this effect, bidding 50 GW annually, as proposed by the central government earlier this year will help. However, the bidding will not suffice because of several binding constraints at the state level. There is an implicit acknowledgement of this reality in the renewed push to expand coal fired capacity in the next few years by 30 GW. This is 60 per cent higher than the initial plan of 50 GW in the same period.

Nonetheless, the central government remains steadfast on achieving the renewables target and recently notified new rules (can be considered Renewable Purchase Obligation or RPOs, though there is no title as such). The rules mandate share of consumption from different types of non-fossil sources (renewable energy) for designated consumers, including electricity distribution companies.

The positive intent to accelerate renewable capacity is to be appreciated. However, the legal, economic, and administrative framework supporting implementation of the rules appear incomplete and inconsistent.

The notification, issued under Section 14 of the amended Energy Conservation Act (ECA), 2022, appears to be at odds with the section 86 of the Electricity Act (EA), 2003. The latter details functions of the state regulators and includes RPO as one of them. The rules can thus be challenged by states, particularly since the EA amendment is under consideration by the Parliamentary Committee. Adopting the ECA route appears to be a hasty approach that may undermine the core of the EA i.e., consolidation of laws relating to electricity to promote investments and efficiency. As is well known, the ECA was legislated to mandate and promote energy efficiency, primarily on the customer side of the meter.

RPOs, preferred in many countries, have been less successful in India. The notification implicitly assumes that a central notification on RPOs will succeed in accelerating renewable capacity addition. We believe that a deeper analysis to understand the barriers is called for. These challenges range from financial viability concerns of Discoms, land acquisition, and other supply side constraints such as transmission bottlenecks.

Accumulated financial losses are a key concern as they increased from about Rs 2.2 trillion to over Rs 5.5 trillion, over the last ten years, driven by rapidly increasing power procurement cost. The average cost of power procurement of distribution companies increased from Rs 4.15 in FY17 to Rs 5.75 per unit by FY22, an increase of 6.7% per annum. Consumer price inflation during the same period averaged 4.7%, implying that generation cost increased 1.5 times faster. This obviously impacts customers' willingness to pay and regulators' ability to approve, given a politicised setting.

Another economic consideration is the stated intent of developing a carbon market. Earlier in the year, the central government announced the framework for establishing a carbon market. A well-functioning market is considered a better approach since it allows various options to compete in a transparent and fair manner. On the other hand, the proposed rules prescribe technology wise procurement targets. It is likely to be a rigid and hence costlier approach, relative to a competitive market.

CERC had previously launched a scheme for trading of certificates (RECs). It met with limited success because multiple options including regulated tariffs, captive plants etc. were also available as alternatives. Learning from the experience, it may be desirable to select the preferred policy option i.e., regulation versus market and focus institutional effort to its success.

The new rules will stretch the limited institutional capacity and potentially create conflicts. Bureau of Energy Efficiency, mandated to enforce compliance is unlikely to have the institutional capacity, as it has traditionally focused on energy efficiency. Further, the rules treat shortfall in achieving the targets as non-compliance and call for a penalty. Since section 142 of the EA delegates power to penalize to the regulators, it will likely create institutional rift over the jurisdiction and confusion for stakeholders. To further complicate the matter, section 27 of the ECA requires state regulators to adjudicate on penalties.

Alignment of objectives and institutional framework is key to achieving successful policy outcomes. The proposed rules are unlikely to succeed as the legal, economic, and administrative aspects are not well aligned.

It is advisable to undertake a deeper state wise analysis of the barriers to accelerating renewables as an input to formulating new policies and rules. While some barriers are known and understood, state level variations and peculiarities need to be understood and acknowledged. A more granular analysis will enable a constructive engagement with states. Given that electricity is a concurrent subject, accelerating deployment of renewables will require the central government to adopt a more nuanced and collaborative approach. The mantra of co-operative federalism needs to be rediscovered and revived. https://energy.economictimes.indiatimes.com/news/renewable/opinion-accelerating-renewables-revisit-rules-reengage-states/106008967

13. BMC's Rs 450cr credit notes under lens as no GST paid *(timesofindia.indiatimes.com)* Updated: Dec 15, 2023

MUMBAI: The BMC's controversial credit note policy, where payments to builders were made through credit notes worth Rs 450 crore for construction of 35,000 projectaffected persons' (PAP) tenements, is under the scanner for non-payment of GST.

Central GST sources said the BMC issued credit notes to builders. The builders sold these to others, including prominent city developers, who used them to settle their civic dues.

Officials said they learnt that no GST was paid on these transactions. "They were commercial transactions involving negotiable instruments (credit note), which attract GST of up to 18%. They are being investigated," said a GST source.

A BMC officer said he wasn't aware of the GST issue, and that the onus of making such payments was on the builders. "There was some departmental issue, after which it was decided that the finance department will issue the credit note in digital form. The PAP scheme is good for the city, where we are constructing houses to settle people close to their areas, which help us clear the hurdles created by their structures for infrastructure projects."

Unwilling to break its fixed deposits to pay for the PAP projects, the BMC had introduced the credit note policy during the pandemic. It asked developers to purchase land, build houses and hand them over to it. In lieu of the payments, the BMC issued credit notes to the developers along with the transfer of development rights. The developers could sell these credit notes to other builders to recover their expenses for a profit. The credit notes could be used only to settle the BMC's tax and FSI premium payments. But, no construction was initiated after the credit notes were issued.

The policy was controversial from the get-go.An internal BMC note shows that the chief accountant (finance) had said that credit notes be printed in Government of India Press to avoid legal issues. The BMC, while rejecting the CA's objection, said, "The condition of printing the credit notes from Indian Security Press, Government of India, was neither included in the basic e-tender nor included during the scrutiny by CA

(finance) at the time of obtaining approval of the improvement committee/corporation." Later, the BMC decided to digitise the credit notes.

There was a legal hurdle, too, as there was no provision for such a policy in Maharashtra Regional and Town Planning Act. But, the state urban development department allowed it, citing MMRDA's precedent to settle PAP. https://timesofindia.indiatimes.com/city/mumbai/bmcs-controversial-credit-note-policy-under-gst-scanner/articleshow/106005892.cms

14. Budgetary provisions: UP depts have barely used 50% of funds

(hindustantimes.com) Dec 14, 2023

The govt was able to spend ₹4,915.27 crore of medical education dept against the provision of ₹11,141.24 cr while the backward class welfare dept spent ₹762.35 cr against the provision of ₹1,566.82 cr

LUCKNOW Uttar Pradesh government's major departments have spent only about 50% of the budgetary allocations for various development projects in 2023-2024 (till mid-December). As the sanctions for the supplementary budget are being released now, the government is left with a large chunk of funds for projects ahead of the 2024 Lok Sabha elections.

Besides an annual budget of ₹6.90 lakh crore approved for 2023-2024, the state government got a supplementary budget of ₹28,760.67 crore passed in the state legislature, taking the size of UP's total budget to ₹7.19 lakh crore.

"Various departments have spent 50% of the funds and efforts will be made to expedite the expenditure in coming months," said minister for finance Suresh Khanna, without divulging further details of the funds spent by departments.

Besides allocations of ₹1.87 lakh crore for the capital expenditure in the annual budget, the state government earmarked ₹9,714 crore for capital expenditure in the supplementary budget. It made new demands of ₹7421.21 crore, about one fourth of the total size of the supplementary budget.

A scrutiny of the state government's spendings (as given on the Koshvani UP website) indicates that major departments have not been able to spend a large chunk of funds. Many of them have spent less than 50% of the funds, as per the data of expenditure up to November 30.

Data indicates that the state energy department spent only ₹34,365.31 crore against the budgetary provision of ₹62,196.18 crore. The agriculture department was able to spend ₹3,148.61 crore against the provision of ₹7,943.15 crore. The state rural development department spent ₹15,002.35 crore against a budget of ₹31,359.72 crore.

The state government was able to spend ₹4,915.27 crore of medical education department against the budgetary provision of ₹11,141.24 crore. The backward class welfare department spent ₹762.35 crore against the budget provision of ₹1,566.82 crore while the social welfare department (including SC welfare) spent ₹3,595.45 crore against a provision of ₹12,555.35 crore.

The state government had incurred 51% of the targeted capital expenditure against the required 45% to get the remaining amount of interest-free loan for capital expenditure for a period of 50 years from the Centre under the latter's special assistance scheme for states.

The UP government had set a target of capital expenditure of ₹83,144 crore in 2023-2024. It was expected to spend 45% (₹37,415 crore) of the capital expenditure targets by September 30, 2023, and was able to spend 51% of the amount.

"The state government is trying its best to give a big push to developmental activities…and in this effort public expenditure plays a crucial role. A perusal of relevant figures reveals that till December, about 50% of the budgeted expenditure has been incurred. However, a wide variation is seen among different departments in this context. Spending in civil aviation has been 61% (evident from faster development of airports including the one in Ayodhya), transport 52%, energy 52%, industry about 40%, roads & bridges only 25% and 36%," said Professor Yashvir Tyagi, former head of economics department, Lucknow University.

"It is a trend that the expenditure picks up in the last quarter of the financial year. Though challenging, it may be expected that the government will be able to meet is annual targets of expenditure," he added. https://www.hindustantimes.com/cities/lucknow-news/budgetary-provisions-up-depts-have-barely-used-50-of-funds-101702570763216.html