NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG report highlights glaring issues with functioning of key scientific institutions *(downtoearth.org.in)* 21 Feb 2024

Institute for Plasma Research and Indian Institute of Chemical Technology pulled up

A Comptroller and Auditor General of India (CAG) report has pulled up key scientific institutions for lapses in functioning. The supreme audit institution of India highlighted that the Institute for Plasma Research (IPR) in Gujarat's Gandhinagar has not undergone any external or internal peer review in the last 15 years.

IPR is an autonomous research and development organisation primarily studying plasma physics and its applications. It is under the Department of Atomic Energy.

Autonomous organisations have to undergo an external or internal peer review every three or five years, depending on the General Financial Rules 2017 — a compilation of rules and orders of the Government of India dealing with matters involving public finances.

Such a review should be carried out by the administrative division concerned with the ministry or department.

The Institute, according to the report, had its last peer review in January 2007. In November 2022, IPR completed a peer review of two areas and assured the CAG that it would cover three more areas soon.

"Peer review, particularly for research organisations, is a very critical process in strengthening efficiency and benchmarking systems and process flow with the standards of peer scientific community," read the report.

CAG also highlighted delays by IPR in completing planned projects. Of the 13 planned projects audited, five were completed between 2017-18 to 2021-22. Eight projects were still ongoing as of March 2022, the report noted.

Even the five completed projects saw delays that ran up to months. For example, the project "Tokamak Research & Fundamental Plasma Studies" took 95 months to reach completion, against the planned timeline of 74 months.

"All five projects exceeded their planned completion period by 21 months to 54 months. Out of five, in two projects, the delay in completion was more than double the scheduled completion period," the report read.

Also highlighted are lapses in the transfer of technologies developed at the Institute to the industry. This is one of its mandates.

One of its divisions, Facilitation Centre for Industrial Plasma Technologies, is responsible for taking the development of plasma processing technologies from concept to commercialisation.

From 2005 to 2022, IPR transferred only 13 technologies and there was not much demand for other technologies from industries, barring plasma pyrolysis, which is a waste management technology for safe disposal of all kinds of organic waste streams.

Further, 16 technologies developed by IPR are yet to be transferred, even after one to eight years of development.

In its response to the CAG in September 2022, IPR said that technologies are commercialised effectively when the industry is provided with sufficient performance data of the technology and that the technology transfers being done by IPR are non-exclusive licences.

CAG commented that IPR could not provide sufficient performance data on the technology to the industry even after one to eight years of development.

Similarly, the report also found issues with how the Indian Institute of Chemical Technology (IICT), Hyderabad dealt with a project to develop a cost-effective, durable, and more efficient dye-sensitised solar cell (DSSC). DSSC provides a technically and economically credible alternative concept to present-day junction photovoltaic devices.

The Ministry of New and Renewable Energy (MNRE) sanctioned the project — a collaboration of seven Council of Scientific & Industrial Research labs with IICT acting as a nodal agency — in 2011. MNRE released Rs 6 crore as its first installment in April 2012 and the second installment of Rs 7 crore in August 2014. However, IICT was forced to pull the plug on the project in 2017.

CAG noted that IICT's non-adherence to the terms and conditions of the sanction order and deviation from the envisaged target led to the termination of the project after incurring an expenditure of Rs 13 crore. https://www.downtoearth.org.in/news/science-technology/cag-report-highlights-glaring-issues-with-functioning-of-key-scientific-institutions-94574

2. Elephant habitats: NGT disposes of plea seeking direction to CAG to file report within 6 months *(indialegallive.com)* February 20, 2024

The National Green Tribunal (NGT) dismissed a petition filed seeking direction to the Comptroller Audit General of India to file a report within 6 months on the amount of loss caused to elephant habitats and their pathways across the nation by an audit using satellite imaging and drones.

The application filed by one S. Muralidharan further seeks direction to the Union of India to recover and re-establish elephant habitats and migratory corridors for elephants to move around, as they did for 1000s of years, based on the audit report.

During the course of argument, Counsel for the applicant could not point out any material justifying such a relief as also the jurisdiction of the NGT in this regard.

On perusal of the petition, the Principal Bench of Justice Prakash Shrivastava, Justice Sudhir Agarwal and Dr. A. Senthil Vel found the applicant has pleaded about the basic nature and habits of the elephants and threat of their survival on account of human

elephant conflict. A plea has also been raised that on account of Government decision to reopen the brick kilns illegally, there is a spur in human and elephant deaths.

“Wildlife (Protection) Act, 1972 is not a Scheduled Enactment under the NGT Act, 2010. Applicant, present in person, has failed to point out any substantial issue relating to compliance of provisions of the Scheduled Enactments which confers jurisdiction upon the Tribunal under Section 14 and 15 of the NGT Act, 2010,” the NGT observed. https://www.indialegallive.com/constitutional-law-news/courts-news/elephant-habitats-ngt-disposes-petition-seeking6-months/

STATES NEWS ITEMS

3. नोएडा प्राधिकरण: सीएजी जांच में गड़बड़ी मिलने के तीन साल बाद भी कार्रवाई नहीं *(jantaserishta.com)* 20 Feb 2024

नोएडा प्राधिकरण के बीते एक साल के कामकाज की सीएजी जांच एक बार फिर शुरू हो गई, लेकिन पहले के सालों में हुए हजारों करोड़ के घोटाले में एक भी अफसर पर कार्रवाई नहीं हुई.

सीएजी की जांच में वर्ष 2004-05 से लेकर 2017-18 तक के दौरान 30 हजार करोड़ रुपये से अधिक के घोटाले का खुलास हुआ, पर कार्रवाई किसी पर नहीं हुई. उत्तरप्रदेश में भाजपा की सरकार आने के बाद सीएजी ने वर्ष 2017 में पहली बार प्राधिकरण में जांच के लिए कदम रखा. प्रदेश सरकार के निर्देश पर पहले चरण में वर्ष 2004-05 से लेकर वर्ष 2017-18 तक के कामकाज की जांच की गई. इसको परफार्मेंस ऑडिट का नाम दिया गया. इसमें प्राधिकरण की तरफ से तैयार किए आवंटन नियमों के अंतर्गत जांच की गई. इस दौरान 200 से अधिक आपत्तियां लगाते हुए करीब 400 पन्नों की रिपोर्ट तैयार की गई. सीएजी को 30 हजार करोड़ रुपये की गड़बड़ी मिली.

इसकी रिपोर्ट वर्ष 2021 अंत में विधानसभा में रखी गई. दावा किया गया कि जिम्मेदार अफसरों पर कार्रवाई की जाएगी. इसके बाद लोक लेखा समिति विभाग वार इन आपत्तियों को लेकर सुनवाई कर रही है, लेकिन तीन साल बाद हजारों करोड़ों रुपये की गड़बड़ी के मामले में किसी भी अफसर पर कार्रवाई नहीं हुई.

सीएजी की जांच दोबारा शुरू कर दी गई है, जबकि, इससे पहले हुई जांच में कोई कार्रवाई नहीं हुई. जांच का औचित्य तब तक पूरा नहीं होता, जब तक कि उसका कोई निष्कर्ष न निकले. जब तीन साल पहले जांच में खुलासा हो चुका है तो जिम्मेदार अफसरों पर कार्रवाई होनी चाहिए. -अभिषेक कुमार, अध्यक्ष, नेफोवा

बिल्डर और अफसरों की सांठगांठ का नतीजा है कि खरीदार आज भी अपना आशियाना पाने के लिए भटक रहे हैं. बिल्डरों को फायदा पहुंचाने वाले अफसरों पर जल्द कार्रवाई होनी चाहिए.-रवि, सेक्टर-76, आम्रपाली सिलिकॉन सिटी सोसाइटी

व्यावसायिक भूखंडों को संस्थागत श्रेणी में दिया

व्यावसायिक भूखंडों को संस्थागत श्रेणी में बेचने से 3031 करोड़ 87 लाख रुपये का नुकसान प्राधिकरण को हुआ. इससे प्राधिकरण के साथ-साथ निबंधन विभाग को भी 151 करोड़ 59 लाख रुपये का नुकसान पहुंचा. इसके अलावा 153 आईटी-आईटीएस भूखंड भी सस्ती दरों पर दिए गए. इससे 7

करोड़ 40 लाख रुपये का नुकसान हुआ. बिल्डरों ने बिना रॉयल्टी के 244 करोड़ की मिट्टी-रेत बेचने का खुलासा भी सीएजी जांच में हुआ. इसके अलावा भूलेख समेत अन्य विभाग के कामकाज पर आपत्तियां लगाई गई थीं. https://jantaserishta.com/local/uttar-pradesh/noida-authority-news-no-action-taken-even-after-three-years-of-irregularities-found-in-cag-investigation—3125483

4. CAG: निष्क्रिय सार्वजनिक उपक्रमों का परिसमापन करें *(jantaserishta.com)* 20 Feb 2024

तिरुवनंतपुरम: भारत के नियंत्रक एवं महालेखा परीक्षक (सीएजी) ने राज्य सरकार के अधीन निष्क्रिय सार्वजनिक क्षेत्र के उद्यमों को समाप्त करने का आह्वान किया है। यह सिफारिश हाल ही में विधानसभा में पेश की गई राज्य वित्त लेखा परीक्षा रिपोर्ट 2021-22 में की गई थी।

रिपोर्ट के अनुसार, 150 राज्य सार्वजनिक उपक्रमों में से केवल 131 सक्रिय हैं। सक्रिय इकाइयों में से 55 लाभ कमा रही थीं और 63 घाटे में चल रही थीं। 55 उद्यमों ने मिलकर 654.99 करोड़ रुपये का मुनाफा कमाया। बाकी उद्यमों का कुल घाटा 4,065.38 करोड़ रुपये था। चार इकाइयों ने शून्य लाभ या हानि अर्जित की और नौ ने खाते प्रस्तुत नहीं किए।

केरल मिनरल्स एंड मेटल्स लिमिटेड (KMML) 226.91 करोड़ रुपये के शुद्ध लाभ के साथ लाभदायक उद्यमों की सूची में शीर्ष पर है। केरल राज्य पेय पदार्थ निगम (बेवको) और केरल राज्य वित्तीय उद्यम क्रमशः 113.13 करोड़ रुपये और 77.62 करोड़ रुपये के शुद्ध लाभ के साथ दूसरे और तीसरे स्थान पर रहे।

55 इकाइयों द्वारा उत्पन्न कुल लाभ में केएमएमएल का योगदान 44.84% और बेवको का 22.36% था। केरल राज्य विद्युत बोर्ड, केरल राज्य सड़क परिवहन निगम और केरल राज्य नागरिक आपूर्ति निगम ऐसी इकाइयाँ थीं जिन्हें सबसे अधिक घाटा हुआ।

घाटे में चल रही पांच इकाइयों पर कैग के हालिया अध्ययन का हवाला देते हुए रिपोर्ट में कहा गया है कि पीएसयू के नुकसान का प्रमुख कारण अकुशल कार्यशील पूंजी प्रबंधन, अव्यवहार्य परियोजनाओं में निवेश, उत्पादन, संचालन और श्रम में अक्षमता और उपलब्ध क्षमता का कम उपयोग है। https://jantaserishta.com/local/kerala/cag-liquidate-defunct-psus-3125824

SELECTED NEWS ITEMS/ARTICLES FOR READING

5. Climate action: Our energy transition need not follow preset pathways *(livemint.com)* 21 Feb 2024

If developing nations are not careful in their climate policy choices, the economic development, energy security and fiscal costs of a rushed transition to renewable energy could prove detrimental to economic growth.

Abundant, reliable and cheap energy was the lifeblood that powered the Industrial Revolution and enabled the development of today’s rich nations. Most of us take it for granted, but in a world without plentiful energy, you wouldn’t be able to heat or cool your house, prepare your food, keep it fresh, get to work, use phones, computers or entertainment systems. Less obvious but even more importantly, most global systems meeting our basic needs would falter. Agriculture would falter because more than half

the world is fed by synthetic fertilizers made from gas; industry creates millions of tools and wonders that sustain life, from pharmaceuticals to plastics; and as infrastructure is built with steel and cement, the globally integrated transportation network is entirely dependent on asphalt, trucks and container ships.

This is why there is such a close connection between more energy and higher incomes. No nation has ever gotten rich without a constant and immense flow of energy. Not surprisingly, the rest of the world wants that too.

Humanity has transitioned from dirty and inefficient fuels like wood to still dirty but less inefficient coal, and onward to oil and gas. These transitions took half-a-century each and were mostly driven by the reality that new fuels were more efficient and cheaper than older alternatives. Now that the world faces the challenge of climate change, many are pushing for an ultra-rapid transition over just a few decades from fossil fuels to clean energy, which is mostly seen as renewables.

Rich countries are leading this charge, which is costly. After a century (bit.ly/4bK0sLR) of price declines in electricity and gas prices, rich countries are seeing their bills rise sharply, partly because of this forced green transition. The German boss of Siemens, one of the world’s biggest wind turbine makers, points out that “energy bills will have to keep rising to pay for the green transition." (bit.ly/48qpYmx) A recent Bloomberg article (bloom.bg/3T60wyq) noted, “Affordable power is a key precondition for industrial competitiveness, and even before the end of Russian gas supplies, Germany had some of the highest electricity costs in Europe. Failure to stabilize the situation could transform a trickle of manufacturers heading elsewhere into a stampede." The article goes on to cite the OECD that “no major industrialized economy has ever had the very basis of its competitiveness and resilience so systematically challenged by changing social, environmental and regulatory pressures." In surveys, energy security and costs are cited as the major reasons for German businesses to move abroad.

It is often claimed that the shift to renewables makes countries more energy secure, but most clean energy supply chains are dominated by China (tinyurl.com/y59rke62), leaving future green energy heavily dependent on one supplier. And prioritizing renewables will have real environmental impacts. Renewables take up much more land(tinyurl.com/2c6fc9x4), which could have been used for many other purposes, including for nature. India, in particular, has the lowest land mass given its population among members of the G20. In other words, it has the highest population density in the G20. Land is a very scarce resource in India and it has to be judiciously applied. The trade-offs have to be thought out.

Solar can need 300 times as much space as nuclear, and biomass more than 8,000 times. At the same time, wind turbine blades and solar panels have to be replaced every couple of decades, resulting in potentially enormous waste problems. Currently, recycling is difficult and costly, and if these costs were added to solar calculations, it could double its overall cost.

Despite spending a lot of money on the transition, most advanced economies are only barely shifting away from fossil fuels. OECD countries got 16% of their electricity from solar and wind sources in 2022, but still got the majority of their power from fossil fuels. Moreover, electricity is the easy part. If we look across all energy—the vast majority of which is not electricity—rich countries get just 10% from renewables, including bio-energy and hydropower. After continuously increasing its consumption for centuries, the rich world's consumption of fossil fuels has only decreased slightly in the 21st century and is today still greater than in the 1990s or any time earlier. Cutting dependence on fossil fuels is turning out to be incredibly hard for rich countries—on the current trend of a slight decline in fossil-fuel use, the rich world will only reach net zero carbon emissions 170 years from now; i.e. around the end of the next century.

If it's difficult for rich nations, the transition is even more challenging for emerging economies. The rich world has massive fossil fuel stocks that it can use for back-up while it transitions. Emerging economies have just started to build up energy to underpin growth. In less developed countries, solar and wind contribute just 9% to electricity with two-thirds coming from fossil fuels. For all energy, it is just 5.9% from renewables, with 85% of it from fossil fuels. As the rest of the world moves to lift populations out of poverty and achieve access to power and development, its fossil fuel consumption is not receding. It has actually doubled, now dwarfing the rich world's consumption.

Apart from space and waste issues, the main challenge preventing a swift transition is that—despite claims to the contrary—solar and wind power are only cheaper than fossil fuels when the sun shines and wind blows. Industrialization and development require power and energy 24/7. Even factoring in four hours of storage makes solar and wind go from the cheapest power available to much more expensive than gas and coal power. Moreover, to provide firmly reliable power, studies (tinyurl.com/mry5fnd4) show that a 100% solar and wind system would need thousands of hours of storage (tinyurl.com/2awmxvz6), which is impossibly expensive. Whatever technologies are available, they have not been tested on scale.

India has lots of sun and solar can play an important role powering air-conditioners in the middle of the day. But, paradoxically, building more and more solar farms simply means we need a big ramp-up (tinyurl.com/bdfzxn3n) of fossil fuels for when the sun sets. If India has to pay both for solar power and its back-up (either as coal-fired power that is only used occasionally, or more batteries), the costs increase significantly. More importantly, India taxes fossil fuels heavily and rightly so. But, the more India switches to renewable energy from fossil fuel consumption, tax revenues will fall, resulting in less resources available to fund the energy transition.We need to tackle climate change, but we must do so smartly. Currently, we're on a pathway that could be phenomenally costly compared to the benefits (tinyurl.com/3yenednx). The whole world needs greater long-term investment in renewable energy R&D to drive down costs and increase the reliability of fossil fuel alternatives. If developing nations are not careful in making pragmatic policy choices, the economic development, energy security and fiscal costs of a rushed transition to renewable energy could be significantly detrimental to economic growth and also socially destabilizing. https://www.livemint.com/opinion/online-views/climate-action-our-energy-transition-need-not-follow-preset-pathways-11708436657032.html

6. Give southern states their fair share of tax revenues *(newindianexpress.com)* 21 Feb 2024

This clearly portrays the disparity between the southern states and some of the northern states.

For quite some time now, leaders from the southern states, particularly Tamil Nadu, have accused the Centre of not being fair in the allocation of funds. The focal point of contention lies in changes in the tax devolution policies, particularly with the introduction of the Goods and Services Tax (GST) and the criterions adopted by the 15th Finance Commission. Before we delve into the distribution of taxes, it is important to understand how the policy decisions have negatively impacted southern states and destroyed their fiscal autonomy in the federal structure.

Before GST, states enjoyed autonomy in deciding value-added tax rates, allowing them to adjust taxation according to their fiscal needs. However, the introduction of GST made them rely on the Union government for the distribution of funds. When GST was introduced, the Centre had assured states of 14 percent increase in tax revenues and fair compensation for any losses during the transition. The GST Compensation Cess was imposed and the southern states are supposed to receive the highest compensation as they tend to contribute more to the divisible pool.

However, the GST compensation to states was stopped last year, though the GST compensation cess introduced for the purpose is still being collected by the Union government; meanwhile states including Tamil Nadu are facing annual losses exceeding Rs 20,000 crore.

To make the matter worse, the 15th Finance Commission exacerbated the divide by using the 2011 population census as the determinant for tax devolution. The shift from the previous commission's methodology, which included a blend of the 1971 and 2011 censuses, was intended to reward states for effective population control measures.

However, the reliance on the 2011 census has led to a scenario where states with larger populations, such as Uttar Pradesh, receive a substantially higher share, leaving the less populous southern states at a disadvantage. Uttar Pradesh received 18 percent of the devolved taxes, whereas Tamil Nadu got 4.2 percent, Karnataka 3.65 percent, Telangana 2.13 percent, Andhra Pradesh 4.11 percent, and Kerala got 1.96 percent.

Tamil Nadu sports minister Udhayanidhi Stalin, a vocal critic of this perceived disparity, questioned Finance Minister Nirmala Sitharaman on the issue and called for fairness for the southern states. In line with these concerns, I raised a question in parliament during the last session, seeking detailed data on GST, direct and indirect taxes paid by states to the Union government, as well as on the funds allocated to each state as part of central taxes over the last five years.

To my shock, the data provided by the Union finance ministry on February 6 as answer to my question No 362 revealed that while Tamil Nadu, Andhra Pradesh, Karnataka, Telangana and Kerala collectively contributed over Rs 22.26 lakh crore through GST and direct taxes (excluding GST) in the past five years, only Rs 6.42 lakh crore has been devolved. In stark contrast, Uttar Pradesh contributed only Rs 3.41 lakh crore during the same period and was allocated a whopping Rs 6.91 lakh crore.

I have asked whether the government has considered changing the allocation formula to address the concerns of disparity. No answer has been provided to the question, contrary to the Rajya Sabha rules stipulating that answers should be specific and complete.

Furthermore, when examining the proportion of central taxes and duties released to states, for every rupee paid in GST and direct tax, Tamil Nadu on average between 2018-19 and 2022-23 received only 26 paise, Karnataka 19 paise, Kerala 62 paise, Andhra Pradesh 50 paise, and Telangana 40 paise. In fact, Tamil Nadu's share has fallen from 27 paise to 24 paise betwee 2018-19 and 2022-23, Karnataka's from 22 paise to 12 paise, Telangana's from 60 paise to 31 paise, Kerala from 81 paise to 50 paise, and Andhra Pradesh from 56 paise to 49 paise.

In contrast, Uttar Pradesh received a considerable Rs 2.02 for every rupee paid to the Union government, Madhya Pradesh got Rs 1.70 and Rajasthan got Rs 1.14. This clearly portrays the disparity between the southern states and some of the northern states.

These south Indian states receive approximately 25 percent of the share of what they contribute, whereas states such as Uttar Pradesh are allotted more than 200 percent. I am not suggesting that a large portion of the share should not be given to Uttar Pradesh or other northern states. My only concern is why the southern states are being given a lower allocation—why the bias towards them?

Why are the southern states are being punished for implementing good policies including measures to control population growth? It is high time that the allocation formula was re-considered and the southern states given their fair shares, as demanded by the southern leaders. https://www.newindianexpress.com/opinions/2024/Feb/20/give-southern-states-their-fair-share-of-tax-revenues

7. The spirit of cooperative federalism *(financialexpress.com)*

February 21, 2024

Since 2014, the Centre has invested in infrastructure through its capex push. A key driver is the Special Assistance scheme, offering reform-linked loans to states

The paradigm shift in the government’s focus towards increasing allocation to capital expenditure has been the cornerstone of India’s economic strategy since 2014. The emphasis on capex reflects a long-term vision of directing investments into productive assets, creating basic infrastructure, addressing logistics bottlenecks, and enhancing regional connectivity. In addition to the multiplier effects that capex has on the economy, it also acts as a catalyst to crowd in private investment, leading to a significantly higher increase in investment in the economy, with benefits accruing over a few years. However, to achieve the maximum benefit from the capex spree of the government, it is important that the benefits move beyond just attracting private investments. Creating jobs, resulting in the irreversible economic empowerment of previously underserved regions and communities is crucial as trade and community ties improve. This is only possible when the capex spree is in sync with the states' expenditure, reflecting the true spirit of cooperative federalism.

To sustain the momentum of capital investments in the aftermath of the pandemic, the central government took a host of steps to bolster the hands of the states in enhancing their capital investments while maintaining fiscal prudence. But, amongst all initiatives, one of the most sought-after schemes for states was the Scheme for 'Special Assistance to States for Capital Expenditure', which came in October 2020. The 50-years interest-free loan proposed under the scheme had multiple parts, with a significant part of the allocation being awarded to states proportionate to their share of central taxes, per the award of the 15th Finance Commission, and other parts linked to either reforms or sector specific areas. This scheme not only helped the states to make significant capital investments into areas that had long-term structural benefits, but also gave them an opportunity to dovetail the state's capex priorities to the specific components of the scheme and avail benefits.

In 2020-21, the incentives under the scheme were linked to citizen-centric reforms in three out of four areas—implementation of the one-nation-one-ration card system; implementation of district level and licensing reforms for ease of doing business; reforms for strengthening local bodies; and power sector reforms. Subsequently, in 2021-22, the incentives under the scheme were linked to privatisation/disinvestments of the state public sector enterprises (SPSEs) and monetisation/recycling of assets. In 2022-23, the incentives under the scheme were linked to seven reform-centric areas—PM Gati Shakti-related expenditure; supplemental funding for priority segment of PMGSY, including states' share; incentive for digitisation, capital projects on optical fiber cable; urban reforms; disinvestment of SPSEs and asset monetisation; and scrapping of old vehicles. In 2023-24, incentives under the scheme were linked to reform-centric and sector-specific areas—scrapping old vehicles, urban planning reforms, financing reforms in urban local bodies to make them creditworthy for municipal bonds, housing for police personnel above or as part of police stations, unity malls, children and adolescent' library and digital infrastructure.

Over the years, the incentives under this scheme have categorically targeted the areas that needed significant focus from state governments but were neglected due to legacy issues. The focus of the centre was also to get significant support from the state and dovetail priority areas set by the Centre in the states' scheme of things.

Assam as a state is perhaps one of the very few states that has applied and got approval for proposals under all the seven parts of the scheme in the ongoing financial year. Till December 2023, the state government has received `4,530 crore of the sanctioned Rs 6,174 crore. The state has immensely benefitted from this scheme, which has helped increase its capex at an aggressive rate in the past few years. Assam has taken capex to a new historical level and is likely to cross the `20,000 crore figure in 2024-25, compared to Rs 16,000 crore in 2022-23. The state has successfully dovetailed all schemes and programs, including Special Assistance to States for Capital Investment to enhance its pace of capex in all segments, primarily connectivity, tourism, education, etc.

The benefits of the scheme go far beyond monetary support for the states. Through the scheme, the states have realised the multiplier effects that capex can bring to their economies. Moreover, for states like Assam, these schemes play an important role to further enhance infrastructural connectivity.

The active thrust towards capex by states also has resulted in an improved ratio of capex to revenue expenditure of the country, which now stands at 0.29% (for April-August 2023), a massive improvement from 0.13% in the corresponding period in 2019. States' capex was up more than 47% in the six months between April-September 2023 compared to April-September 2022. This scheme, which was initiated at the time of pandemic as crisis relief, has served many purposes since then. Most importantly, it is the scheme that has played a major role in improving the quality of public expenditure in states. https://www.financialexpress.com/opinion/the-spirit-of-cooperative-federalism/3400174/

8. India targets 70 GW energy storage by 2030, needs ₹14 lakh crore financing *(economictimes.indiatimes.com)* Feb 21, 2024

India is poised for a substantial increase in its energy storage capacity, necessitating around 12 GW in FY24, with expectations to rise to 70 GW by FY30, CareEdge Ratings reported.

This expansion aligns with the new renewable purchase obligation (RPO) and energy storage obligations (ESO) norms to support the country's renewable energy goals.

To meet the target of 425 GW installed Renewable Energy (RE) capacity, along with 19 GW in pumped storage projects (PSP) and 42 GW in battery-enabled storage solutions (BESS) by 2030, an estimated ₹14 lakh crore in incremental debt financing is required.

The analysis by CareEdge Ratings indicates that the levelized cost of storage from PSP is more competitive, priced at ₹4.81 per unit, in comparison to ₹11.64 per unit from BESS. For round-the-clock RE supply, the landed cost from PSP is approximately ₹4.74 per unit, versus ₹6.59 per unit from BESS.

"The government's policy measures including RPO & ESO targets, and the promotion of PSPs alongside introducing VGF for BESS, demonstrate a serious commitment to achieving 500 GW non-fossil fuel capacity by 2030 while ensuring grid stability," said Sabyasachi Majumdar, Senior Director at CareEdge Ratings.

He emphasized the need for significant technological advancements and financing stimulus to enhance the viability of BESS against PSP's inherent challenges such as location dependence and high gestation periods. https://energy.economictimes.indiatimes.com/news/renewable/india-targets-70-gw-energy-storage-by-2030-needs-14-lakh-crore-financing/107866761

9. India set for strong growth in FY25 amid global headwinds: Finance ministry *(livemint.com)* 20 Feb 2024

NEW DELHI: India’s economy is performing well, with risks evenly balanced, to achieve 7% growth in FY25, but geopolitical tensions and geo-economic fragmentation pose risks to the country’s growth, the finance ministry said in its latest monthly economic review.

In its economic review for January, the ministry said risks to global trade, including a spike in commodity prices due to the Houthi militant group’s attacks on important trade routes in the Red Sea region, have resulted in supply chain disruptions.

Also, persistent underlying inflation in developed countries could extend tight monetary conditions, the ministry said in the review, released on Tuesday.

During the Reserve Bank of India’s latest bi-monthly monetary policy committee meeting, the regulator projected a real GDP growth of 7% for FY25, up from its previous forecast of 6.6%, while maintaining its benchmark lending rate at 6.5% for the sixth consecutive time.

RBI’s growth projections for FY25 include a growth rate of 7.2% in Q1, 6.8% in Q2, 7% in Q3, and 6.9% in Q4.

“Prospects of healthy rabi (winter crop) harvesting, sustained manufacturing profitability and underlying service resilience are expected to support economic activity in FY25," the ministry said.

“On the demand side, household consumption is expected to improve, while prospects for capital formation are bright owing to an upturn in the private capex cycle, improved business sentiments, healthy balance sheets of banks and corporates, and the government’s continued thrust on capital expenditure," it added.

India remains the fastest-growing major global economy, ahead of the US, China and other major advanced nations.

Advanced economies, hurt by persistent inflation, have kept their repo rates high—affecting Indian exports. A higher repo rate, which is the interest rate at which the central bank lends money to banks, makes debt and debt-servicing more expensive, thus slowing economic activity.

Conflicts in Ukraine and West Asia have further threatened to push up commodity oil prices, leading to greater inflationary pressures globally.

In India, though, policy measures by the government and the transmission of monetary policy tightening have helped rein in inflation, the finance ministry states in its January economic review.

“With the stable downward movement in core inflation and moderation in food prices, the outlook for a reasonably low headline inflation rate is good," it said. “It is expected that food inflation will moderate further in the upcoming months."

Retail inflation fell to 5.1% in January from 5.7% in December aided by a slower rise in food prices. It still remains above the central bank's target of 4%, but has stayed within its tolerance range of 2-6% for a fifth consecutive month.

Overall, food inflation fell to 8.3% in January from 9.53% in December.

The finance ministry expects the average crude oil price for the Indian basket for FY24 (up to 12 February 2024) at $82.2/bbl, lower than the average of $93.2/bbl in FY23.

"Lower input prices and overall inflation can influence output growth positively, which in turn can further improve the prospects for exports," the ministry said.

"Given persisting uncertainties for global output and trade growth, finding ways to enhance the competitiveness and attractiveness of India's exports is both urgent and important," it added. https://www.livemint.com/economy/india-set-for-strong-growth-in-fy25-amid-global-headwinds-finance-ministry-11708442899283.html

10. RBI paper "rejects" IMF view that India's public debt may exceed *(financialexpress.com)* February 21, 2024

Amid the International Monetary Fund's warning that India's general government debt could exceed 100% of Gross Domestic Product (GDP) in the medium-term, a Reserve Bank of India paper said the ratio could fall to 73.4% by 2030-31. The debt reduction would be supported by the spending on social and physical infrastructure, climate mitigation, digitalisation and skilling of the labour force, the authors of the paper, led by deputy governor Michael Debabrata Patra argued.

"… we reject the IMF's contention that if historical shocks materialise, India's general government debt would exceed 100% of GDP in the medium-term and hence further fiscal tightening is needed," the authors wrote in the article, the views in which are not attributable to the RBI.

Recently, the IMF forecast that India's general government debt could overshooting 100% of the GDP under a worst-case scenario by FY28.

India's general government debt, which comprises the debts of the Centre and states, had soared to 88% in FY21, the highest in at least four decades, as government expenditure rose during the Covid-19 pandemic, amid a revenue slump. It has moderated since to around 81% in FY23 with the Centre and states resorting to fiscal consolidation with a thrust on capex.

"Our simulations reveal that ..with recalibration of government expenditure, the general government debt-GDP ratio is projected to decline to 73.4% by 2030-31, around 5 percentage points lower than the IMF's projected trajectory of 78.2%," the RBI paper noted. In the pre-pandemic FY20, India's general government debt was 75.2% of GDP.

This was noteworthy as the debt-GDP ratio is projected to rise from 112.1% in 2023 to 116.3% in 2028 for advanced economies and from 68.3% to 78.1% for emerging and middle-income countries.

Recognising that some parts of capital expenditure are not strongly growth-inducing while some parts of revenue expenditure can actually result in physical and human capital formation, the authors redefined capital expenditure to exclude defence and included social and economic expenditure covering allocations towards health, education, skilling, digitalisation and climate risk mitigation. "We call this developmental expenditure (DE), which is budgeted at Rs 13.9 trillion (4.2% of GDP) in 2024-25 as against the provision of Rs 11.1 trillion (3.4% of GDP) for the traditionally defined capex," they said.

The interim budget for 2024-25 has placed the revised estimate of the gross fiscal deficit (GFD) for 2023-24 at 5.8% of GDP, lower than the budget estimate (BE) of 5.9%. Reiterating its commitment to attain a GFD of 4.5% by 2025-26, a GFD of 5.1% has been budgeted in 2024-25 – a consolidation of 71 basis points over 2023-24 (RE). The budget also sustains the impetus provided to capital expenditure in the post-pandemic period, increasing its share to 3.4% of GDP in 2024-25. The improvement in the quality of expenditure is reflected in the decline in the share of the revenue deficit to 38.8% and an increase in the share of capital outlay to 55.7% of the GFD. https://www.financialexpress.com/business/banking-finance-rbi-paper-rejects-imf-view-that-indias-public-debt-may-exceed-100-3400209/

11. Electoral Bonds: Much Remains To Be Done The system needs true reforms *(thecitizen.in)* 21 Feb 2024

The recent Supreme Court (SC) verdict on the electoral bond scheme, declaring it and the amendments to various related Acts as unconstitutional, has been generally welcomed by the people. For now, a huge blot has been removed from our electoral laws. Much, however, remains to be done to bring about true reforms of the system.

The Bill was passed in the guise of a Money Bill, clearly to bypass the Rajya Sabha where the ruling party was not in the majority. Many amendments were made to other related laws like the Income Tax Act, etc., to ensure that besides the government (the party in power) no one else, and certainly not the voters, should know the identity of the donors, especially the large corporate donors and the amounts they donated to various political parties.

The arrogance of the government was apparent from its appalling argument made before the SC that the citizens of this country had no business knowing the source of funds, running into thousands of crores of rupees, received by political parties whom they vote to rule the country.

Another stated reason for this denial of the right to information to the citizens was to protect the identity of the big donors for fear of 'reprisal' or 'victimisation' in future. At the same time, the State argued that introducing the bond system would make the system transparent and curb the use of black money in elections.

This was a unique claim, that by denying information to the voters about the money trail, that is by promoting opacity, transparency of donations made and curbing of the use of black money could be ensured.

This transparency was only to the extent that the donations were to be paid through the banking channel. Beyond that, it was a total blackout of information all the way. It would be impossible to get even the hint of any return favour to the benefactors and the ruling party would be as clean as the Gangajal drawn at its source. The legal brain that worked out this stratagem deserves the highest appreciation.

It is heartening to note that the Supreme Court was not amused by such bizarre arguments and, while tearing through them and declaring the scheme unconstitutional, it also restored the citizens' right to information about the source of electoral funding of political parties. Analysing the details of the scheme, the SC rightly held that given the opacity of the procedure, the probability of some quid pro quo could not be ruled out.

The BJP is no doubt upset that its ingenious scheme of receiving seemingly unlimited amounts for its election expenses from its formidable allies in the corporate world without being bothered about revealing the details has been foiled by the top court's judgement. However, it is putting up a brave face and emphasising the independence of the Indian judiciary to draw some mileage even out of the setback by accusing the opposition of being selective in its praise of the SC.

The attitude of the electronic media towards this judgement, one of the most important ones in recent times, is worthy of note. It could not, of course, completely suppress it, but did not dwell much on it either. Even when it gave the news some coverage, it seemed that the television channels were oath-bound to keep amplifying the ruling party's cry of "policy misunderstood".

At another level, seemingly sponsored articles appeared in the English, Hindi and regional print media harping on the very same arguments that have been discussed and shredded into pieces in the SC judgement. The contributors, some of them office-bearers of the ruling party, are at pains to explain that the pious objective of the scheme was to cleanse the electoral system of the muck of black money, but that it has been misunderstood by everyone, including the Constitution Bench.

From a widely published news report ascribed to the State Bank of India, which has been directed by the SC to convey within three weeks all relevant information related to the Bonds issued since 2019 to the election Commission, it appears that the information may not be available in the public domain so soon.

If the report is correct then the SBI may seek clarification from the SC on the legality of divulging certain information about the purchasers of the bonds, as making such information public could violate banking laws under which the bank is obligated to maintain the confidentiality of certain details of its clients.

The attitude of the political parties other than the BJP and its NDA partners in this whole issue tells us something about the honesty and integrity of our political parties.

There is a loud chorus now from these Opposition parties in praise of the judgement and denouncing the BJP. However, all of them, with just one exception, merrily accepted without a murmur, anonymous donations through the same electoral bonds which they are now denouncing.

One will not be too wrong to say that but for the scheme being struck down by the Supreme Court, would have happily continued to reap the benefit of anonymous contributions to their election fund.

It does not augur well for the Indian democracy that only one political party, the CPI-M, out of so many, actually put the money where its mouth was. To its credit, it not only refused to accept such faceless contributions to its election kitty but also approached the SC challenging the scheme's constitutional validity.

All stakeholders should know that the public is watching them and if they are indeed for a truly transparent and clean electoral system, they must do some soul-searching about their stand on this vital issue that directly impacts the state of Indian democracy.
https://www.thecitizen.in/opinion/electoral-bonds-much-remains-to-be-done-1003211?infinitescroll=1

12. Empowering the grassroots: The evolution of Panchayati Raj in India *(timesofindia.indiatimes.com)* February 20, 2024

In the tapestry of India's administrative history, the thread of Panchayati Raj weaves a narrative of resilience, transformation, and grassroots empowerment. From ancient roots to constitutional recognition, the journey reflects a collective endeavor for decentralized governance, where financial transparency and sustainability are the threads that bind policymakers, administrators, and local communities in their quest for inclusive development.

* Since ancient times, the concept of village self-governance, embodied by Panchayats, has been integral to India's administrative fabric. However, this system faced challenges and underwent transformations over centuries. From its decline during colonial rule to its revival post-independence, the journey of Panchayati Raj in India reflects a struggle for decentralization and grassroots empowerment.

* Since ancient times, Indian villages have served as fundamental administrative units, as evidenced by mentions of Panchayats in ancient texts like Manusmriti, Arthashastra, and Mahabharata.

* Panchayati Raj, an ancient form of village self-governance in India, underwent transformations from its roots in Vedic times to its decline under British colonial rule.

* Early British attempts at establishing local self-governments, like the Bengal Chowkidar Act of 1870 and a resolution in 1882, didn't lead to significant progress until post-independence.

* Gandhi's advocacy for Gram Swaraj during the independence movement reignited interest in decentralized governance, leading to constitutional recognition and empowerment of Gram Panchayats.

* The 73rd Constitutional Amendment in 1992 established a three-tier Panchayati Raj system, acknowledging the pivotal role of PRIs in rural development.

* PRIs serve as intermediaries between the government and rural communities, facilitating local participation and driving sustainable development initiatives.

* Challenges faced by PRIs include resource constraints, capacity building needs, and ensuring financial transparency and accountability.

* Cross-country experiences highlight diverse models of fiscal decentralization, with India facing challenges in revenue generation and heavy reliance on central transfers for PRIs.

* Initiatives like making audited accounts and budgets publicly accessible, implementing e-governance platforms like eGramSwaraj, and mandating Gram Panchayat Development Plans aim to enhance transparency, participation, and accountability in local governance.

* With 68.8% of India's population residing in rural areas, Panchayats play a crucial role in implementing development policies, bridging the gap between the masses and higher levels of government, and contributing to achieving Sustainable Development Goals. However, the effectiveness of Panchayats depends on factors such as resource availability, capacity building, political support, and community engagement.

The evolution of Panchayati Raj saw significant milestones, including the recommendations of various committees like the Balwant Rai Mehta Committee and the subsequent constitutional amendment in 1992. The 73rd Amendment institutionalized a three-tier Panchayati Raj system, comprising Gram Panchayats, Panchayat Samitis, and Zila Parishads, with elected representatives at each level. This constitutional recognition marked a pivotal moment in India's decentralization journey.

With nearly 69% of India's population residing in rural areas, Panchayati Raj Institutions (PRIs) play a crucial role in translating developmental policies into action at the grassroots level. They serve as intermediaries between the government and rural communities, fostering local participation and driving sustainable development initiatives. Moreover, PRIs are expected to contribute significantly to achieving the Sustainable Development Goals (SDGs) and addressing climate change-induced risks in rural areas.

However, the effectiveness of PRIs hinges upon various factors, including adequate resources, capacity building, political support, and community engagement. Financial transparency and accountability are paramount for assessing the performance and impact of PRIs. Despite efforts to enhance transparency through digital initiatives like eGramSwaraj and online audit platforms, challenges remain, particularly regarding data availability and standardization across states and districts.

The cross-country experience in local government finances reveals diverse models of decentralization, with varying degrees of revenue autonomy and functional responsibilities across countries. While some nations exhibit a high degree of fiscal decentralization, others struggle with limited revenue sources and heavy reliance on central transfers.

In India, PRIs face similar challenges in revenue generation, primarily relying on fiscal transfers from state governments. Successive Central Finance Commissions have recommended increasing grants to PRIs, aiming to strengthen their financial autonomy. However, enhancing revenue generation from internal sources remains a challenge due to factors like a limited tax base and administrative constraints.

Efforts to promote transparency and e-governance in PRIs, including the digitization of financial records and online audit mechanisms, are steps in the right direction. However, sustained efforts are needed to ensure the effective implementation of these initiatives and address existing data gaps in local government finances.

In conclusion, Panchayati Raj Institutions in India have come a long way since ancient times, evolving into vital units of local governance. The journey of decentralization and empowerment continues, driven by constitutional provisions, policy interventions, and digital initiatives. As PRIs strive to fulfill their mandate of grassroots development, ensuring financial sustainability and transparency remains a collective endeavor for policymakers, administrators, and local communities alike. https://timesofindia.indiatimes.com/blogs/blackslate-corner/empowering-the-grassroots-the-evolution-of-panchayati-raj-in-india/

13. Having panchayats as self-governing institutions *(thehindu.com)*

February 21, 2024

There is a need to educate elected representatives and the public on the significance and the need for panchayats to be able to survive on its own resources

Three decades have passed since the 73rd and 74th Constitutional Amendments Acts came into effect, which envisaged that local bodies in India would function as institutions of local self government. As a follow up, the Ministry of Panchayati Raj was constituted in 2004 to strengthen rural local governments.

When it comes to analysing the status of devolution, it is evident that some States have forged ahead while many lag behind. The commitment of State governments towards decentralisation has been vital in making panchayati raj institutions an effective local governance mechanism at the grass-roots level.

The constitutional amendment has set forth specific details on fiscal devolution which includes the generation of own revenues. Emanating from the Central Act, various States Panchayati Raj Acts have made provisions for taxation and collection. Based on the provisions of these Acts, panchayats have made efforts to generate their own resources to the maximum extent. Participatory planning and budgeting were the end result of such interventions by the Ministry.

That “Panchayats earn only 1% of the revenue through taxes”, with the rest being raised as grants from the State and Centre was highlighted in a ‘Datapoint’ (Opinion page, The Hindu, February 5, 2024). It specifically points out that 80% of the revenue is from the Centre and 15 % from the States. This is an eye-opener for the proponents of decentralisation as the net result is that the revenue raised by panchayats is meagre even after 30 years of devolution initiatives.

Avenues for own source of revenue

The report of the expert committee constituted by the Ministry of Panchayati Raj on own source of revenue (OSR) of rural local bodies elaborates on the details of State Acts that have incorporated tax and non-tax revenue that can be collected and utilised by panchayats. Property tax, cess on land revenue, surcharge on additional stamp duty, tolls, tax on profession, advertisement, user charges for water and sanitation and lighting are the major OSRs where panchayats can earn maximum income. Panchayats are expected to establish a conducive environment for taxation by implementing appropriate financial regulations. This includes making decisions regarding the tax and non-tax bases, determining their rates, establishing provisions for periodic revisions, defining exemption areas, and enacting effective tax management and enforcement laws for collection

The huge potential for non-tax revenue includes fees, rent, and income from investment sales and hires charges and receipts. There are also innovative projects that can generate OSR. This covers income from rural business hubs, innovative commercial ventures, renewable energy projects, carbon credits. Corporate Social Responsibility (CSR) funds and donations.

The role of gram sabhas

Gram sabhas have a significant role in fostering self-sufficiency and sustainable development at the grass-roots level by leveraging local resources for revenue generation. They can be engaged in planning, decision-making, and implementation of revenue-generating initiatives that range from agriculture and tourism to small-scale industries. They have the authority to impose taxes, fees, and levies, directing the funds towards local development projects, public services, and social welfare programmes. Through transparent financial management and inclusive participation, gram sabhas ensure accountability and foster community trust, ultimately empowering villages to become economically independent and resilient. Thus, gram sabhas need to promote entrepreneurship, and foster partnerships with external stakeholders to enhance the effectiveness of revenue generation efforts

In several States, gram panchayats lack the authority to collect taxes, while in numerous others, intermediate and district panchayats are not delegated the responsibility of tax collection. When gram panchayats collect 89% of own taxes, the intermediate panchayats collect 7% and the district panchayats a nominal amount of 5%. There is a need to demarcate OSR for the entire three-tier panchayats to ensure equitable sharing.

There are several factors behind the general aversion towards generating own income. With the increase in the allocation of Central Finance Commission (CFC) grants, panchayats are evincing less interest in the collection of OSR. The allocation for rural local bodies from the 10th and 11th CFC was ₹4,380 crore and ₹8,000 crore, respectively. But in the 14th and 15th CFCs there was a huge increase by way of allocating ₹2,00,202 and ₹2,80,733 crore, respectively. The tax collected in 2018-19 was ₹3,12,075 lakh which diminished in 2021-2022 to ₹2,71,386 lakh. The non-tax collected for the same period was ₹2,33,863 lakh and ₹2,09,864 lakh. At one time, panchayats were in competition to raise OSR for their commitment to fulfil basic needs. This has now given place to dependency on grants allocated through central and State finance commissions. Some States have the policy of incentivisation by providing matching grants but which were sparingly implemented. Panchayats also have no need of penalising defaulters as they believe that OSR has not been regarded as an income that is linked with panchayat finance.

Overcoming the dependency syndrome
Despite every enabling factor to raise revenue, panchayats confront several impediments in resource mobilisation: the ‘freebie culture’ rampant in society is the cause for the antipathy in paying taxes. Elected representatives feel that imposing taxes would alter their popularity adversely. Here, the answer is clear. There is a need to educate elected representatives and the public on the significance of raising revenue to develop panchayats as self-governing institutions. Ultimately, the dependency syndrome for grants has to be minimised and in due course, panchayats will be able to survive on their own resources. Panchayats can only achieve such a state of affairs when there are dedicated efforts in all tiers of governance, which includes even the State and central level. https://www.thehindu.com/opinion/op-ed/having-panchayats-as-self-governing-institutions/article67868142.ece

14. Centre has no details of panel report on deemed forests: RTI *(hindustantimes.com)* 21 Feb 2024

The Union environment ministry does not have details of the state expert committee reports which identified so-called deemed forests in every state following Supreme Court’s 1996 order in TN Godavarman Vs Union of India matter, according to information received under a right to information or RTI application.

The Supreme Court, in that December 12, 1996 order directed that each state government constitute an expert committee within a month to identify areas which are “forests” as per the dictionary meaning, irrespective of whether they are so notified, recognised or classified under any law, and irrespective of their ownership.

Retired IFS officer, former principal chief conservator of forests (PCCF) Kerala, Prakriti Srivastava in January this year sought the names of all states that have submitted state expert committees as directed by SC in 1996; and copies of all state expert committee reports prepared as per direction of SC. In response to the query, the environment ministry, on January 25 said: “The requisite information is not available in the Forest Conservation division of the Ministry. Accordingly, a copy of the application is hereby transferred under section 6 (3) of the RTI Act of 2005 to the PIO, O/o PCCF all states/UTs to furnish information directly to the applicant, as available with them.”

Srivastava filed another RTI query on January 20 which sought the latest updated GIS maps for all states and UTs containing the district wise details of the location and boundary of each plot of land that may be defined as forest for the purpose of forest conservation act 1980; whether a GIS based decision support database was created as directed by the SC, and if so, a link to that; and all geo-referenced district forest maps with details of areas identified as forests in compliance with the 1996 order. However, the weblink did not provide geo-referenced maps of these forests according to Srivastava.

To this, the ministry, in a response dated February 1 stated that it “in collaboration with the Forest Survey of India has prepared a GIS based decision support system wherein forest layers among other layers such as hydrological layers; wildlife corridors; landscape integrity etc have been embedded. The database is available in the public domain and can be accessed at https://parivesh.nic.in/kya/#/. Further as per requisite information in State/UTs specific, therefore as regards to the revenue forest areas or other forest like areas, not covered within recorded forest areas of the FSI may be obtained from state government/UTs."

Interestingly, in the report of the Joint Parliamentary Committee on the Forest Conservation Amendment bill 2023 submitted in Lok Sabha in July last year, the ministry stated that "deemed forests as identified by expert committees of the states, have been taken on record and hence the provision of the Act will be applicable in such lands also..." This gave the impression to several environmental groups that the data was already available with the union environment ministry. The FC Amendment Act or the Van (Sanrakshan Evam Samvardhan) Adhiniyam 2023 was passed last July. One of the most contentious provisions of the Act is that it removes the protection that unrecorded deemed forests thus far enjoyed under the 1996 judgement.

A batch of petitions were filed by a group of retired IFS officers and former bureaucrats against several contentious provisions of the amended Act.

The SC on Monday issued an interim order that has effectively suspended what experts and activists said were dilution of environmental protections for forests in a law enacted by the government last year. The court ordered that states and Union territories need to go by the dictionary definition of the word forest to determine whether any work can be approved on any land, asked the Union government to seek details about what lands have been identified as forests in the lexical sense (in keeping with a 1996 ruling), and that no zoos or safaris can be set up in such areas unless the court's approval has been secured.

"All states and UTs must comply with the directions by forwarding the reports of the expert committees by March 31, 2024. These records shall be maintained by the MoEFF and shall be duly digitised and made available on the official website by April 15, 2024," the bench said.

It further stated that the expert committees which are constituted as per rule 16 of the 2023 FC Rules shall duly include data of the 1996 SEC reports by the previous expert committees formed as per the Godavarman judgment. The court added that the expert committees formed as per the 2023 rules will be at liberty to expand the ambit of forest lands which are worthy of protection.

"This is an amazing order because SC has said that all state expert committee reports on forests identifying all categories of forests including unclassed forests as per the Godavarman judgement are to be compiled by the MoEFCC within two weeks and georeferenced also as per the 2011 Lafarge order in the 202/ 96 Godavarman case. These geo-referenced maps of all forests have to be put in the public domain by 15th April 2024. When I sought these reports under RTI, I was told that the information is not available with the Ministry. This is shocking when the Ministry has stated before the Joint Parliamentary Committee that the SEC reports have been taken on record and the amended Act will be applicable to the land also. It is really horrifying that the Ministry has made such false assurances which have resulted in changing the conservation regime of the country through the amended Act without even examining the State Expert Committee reports! Considering the few poor quality SEC reports that have been seen by us, it is to be seen what the next steps of the Ministry will be in pursuance to the SC order of today," Prakriti Srivastava, retired IFS officer said on Monday following SC's interim order.

The ministry did not respond to HT's queries on the court's Monday order.

"The governance of forests in India needs to rely on both cooperative federalism and decentralisation as essential pillars to address questions of definitions, ownership and decision making. Forests are in the concurrent list of the Constitution and therefore making both central and state governments responsible for its conservation and use. Drawing upon this distribution of powers, the committees set up to identify deemed forests fulfil the mandate of a central law, we interpreted by the courts and designed to regulate diversion of land for non forest use by state governments. Therefore, the responsibility of maintaining data related to what lands are deemed to be forests for the applicability if the Forest Conservation Act was and continues to be one of both the centre and the state," said Kanchi Kohli, independent legal and policy research. https://www.hindustantimes.com/india-news/centre-has-no-details-of-panel-report-on-deemed-forests-rti-101708456003179.html

15. Months after Uttarakhand tunnel collapse, panel flags shortcomings in planning *(hindustantimes.com)* Feb 20, 2024

A panel constituted to probe Uttarakhand's Silkyara tunnel collapse in November has flagged shortcomings in the planning for the project, saying its design report lacked detailed geotechnical and geophysical investigations. It has called for a detailed safety audit of the tunnel while underlining safety should never be compromised to meet the completion targets.

"Prioritizing safety measures is paramount in tunnel construction projects," the panel said in its 70-page report, a copy of which HT has seen.

Forty-one workers were trapped for 17 days in desperate conditions after a part of the 4.5km-long tunnel collapsed in November. They were pulled from behind a 60m thick wall of debris under the tunnel following a process of manual drilling with the help of the primitive rat-hole mining method. The Uttarakhand government earlier constituted the Shantanu Sarkar-led six-member expert committee to probe the collapse.

Sarkar, the director of Uttarakhand Landslide Mitigation and Management Centre, said they found gaps in the tunnel project. "There was no escape route and an alarm system in case of tragedy. Even monitoring was not proper."

National Highways Infrastructure Development Corporation (NHIDCL), the tunnel's executing agency, rejected the report. "We do not agree with the findings. We will not take into cognisance," said NHIDCL director Anshu Manish Khalkho.

He added they will rely on the report of the Union road transport and highways ministry. "It has submitted a preliminary report...It is not right to say anything for now."

NHIDCL project manager Deepak Patil referred to the measures before restarting the excavation and said they sent engineers and experts inside the tunnel through the pipes laid for the rescue of the workers to analyse the situation. "...like how much water is accumulated, electricity, machines stationed in the tunnel, oxygen level at different spots, poisonous gases, and structural stability. We took all measures during the inspection with masks on and oxygen."

He said the experts found everything stable. "We will also send high-quality cameras to record the visuals of the situation inside. We will take all steps first to secure the area and then carry new pumps and operators for dewatering. We are expecting to complete the safety measures in a week or so to start the dewatering process. Once it is completed, we will treat the cavities and the excavation work will be initiated."

The Sarkar-led panel report said the number of bore-holes during the Design Project Report stage appear insufficient. "Conducting more exploratory bore-holes and geophysical investigations can identify critical geological features and minimize risks during construction."

The panel called for prioritising comprehensive site studies for future projects to minimise unforeseen geological surprises. "This includes assessing rock formations, seismic activity, and potential risks to ensure that tunnels are designed to withstand the geological challenges of the region."

Exploratory bore-holes are essential precursors to tunnel construction. They offer insights into the geological and hydrological conditions of the subsurface to determine the feasibility of tunnel construction.

The report highlighted a critical gap—a lack of real-time instrumental monitoring for deformation and stress measurements. "Manual monitoring, conducted periodically, may not provide timely insights into evolving situations. Shifting towards real-time monitoring can offer proactive responses to dynamic conditions within the tunnel," the report said. It added the tunnel lacked an evacuation plan in the event of a tragedy.

"Implementing an evacuation plan, such as installing concrete hume pipes, is essential to facilitate quick evacuation in the event of a collapse tragedy. Incorporating an alarm system for evacuation is essential to ensure the safety of works....," it said.

The report suggested formulation of project-specific Standard Operating Procedures and proper training for workers. It said a technical advisory committee comprising experts should be constituted and visit the tunnel at regular intervals. The report said detailed and scenario-specific emergency plans should be tailored for tunnel collapses.

It recommended an interdepartmental coordination committee at the national, state, and district levels for regular monitoring of such projects in the fragile Himalayas.

The panel asked design engineers to conduct regular inspections to identify deviations and implement corrective measures to deal with geological surprises. It said a system should be established for monitoring the structural health of tunnels post-construction. Regular inspections, maintenance, and timely repairs can prevent minor issues from escalating into significant structural problems, the report said.

The report called adherence to construction standards and the use of high-quality materials imperative. It said robust quality control measures during the construction phase can significantly reduce the risk of structural failures. “Adhering to the prescribed rate of tunnel excavation is vital to maintaining stability and preventing unforeseen ground deformations,” the report said.

The report said tunnels must be designed keeping seismic considerations of the Himalayan region in mind. “The proposed recommendations aim to address the gaps identified in the Silkyara tunnel project, enhance safety measures, and inform future tunnel constructions in challenging geological conditions,” the report said.

HT in November reported how a geological report submitted before the commencement of the tunnel project warned of weak rocks and adequate support structure needed to prop them up.

The report said the major rocks in the area were weak sedimentary such as slate and siltstone and the formation of wedges in the crown and side wall cannot be ruled out. “This has to be taken care of during construction planning,” the geological report said. https://www.hindustantimes.com/india-news/months-after-uttarakhand-tunnel-collapse-panel-flags-shortcomings-in-planning-101708424967605.html

16. “Don’t equate MSP with government procurement” *(newindianexpress.com)* 21 Feb 2024

Kavitha Kuruganti, a farmers’ rights activist and an expert of the agrarian economy, shares several relatively low-cost ways to implement price guarantees for Indian farmers and ensure a life of dignity and fulfillment for our food producers

As the country approaches yet another general election, the atmosphere in the nation’s capital is again heating up, but not because of the usual politics. This time, it’s because thousands of farmers are back to collect on the promise made by the Government of India more than two years ago.

Their primary demand is the establishment of legally-mandated minimum prices for all agricultural produce in India – also known as ‘legal MSP’ or ‘legal minimum support price’.

However, this demand has met with stiff resistance from both the government and industry.

Some of the objections are leveled on practical grounds – such as the paucity of funds and warehouses. For others, this is an ideological and moral question: How can the government guarantee minimum prices only for one category of producers (farmers), while everyone else, such as artisans and industry, are forced to depend on the vagaries of supply and demand for their remuneration and rewards.

To address some of these questions, The New Indian Express caught up with Kavitha Kuruganti, a social activist known for her work related to sustainable farm livelihoods and farmers' rights.

Kuruganti has over 30 years of experience working in the development sector and is the founder convenor of Alliance for Sustainable & Holistic Agriculture (ASHA), a pan-Indian alliance of more than 400 organisations that have come together to secure India's 'Food, Farmers & Freedom'. She has also been an advisor on many government committees and panels.

Q- The primary objection raised by critics – whether from the government side, academia or industry – is one of paucity of funds. In fact, government sources are pointing to an incremental liability of Rs 10 lakh crore to meet the universal MSP that the farmers are demanding. How do you address such concerns, particularly with regard to the funds required?

A - Many of these concerns stem from improper understanding. In fact, they have not even attempted to understand what exactly have been the demands from the farmers' side. In fact, many critics are interpreting the demands in their own way, with the result that they are equating the deficiencies in the current procurement regime with the kind of universal MSP regime that farmers' movements are talking about.

First, the universal MSP scheme doesn't mean the government has to buy everything that all farmers in India produce. What the farmers are looking for is a legal entitlement for a remunerative price that is fixed which gives them a decent margin over and above the cost of production. If the cost of production is 100 rupees, they are saying give me at least 50% above that, and guarantee that as the price in a statutory framework.

There are numerous ways by which the Government can deliver the entitlement to all farmers. We are not saying that it is the responsibility of the government to purchase everything that is being produced by every farmer.

One of the measures (and not the only one) is to ensure that across India, make sure that no purchase happens below MSP in any regulated market. Anyone who wants to buy - let them buy at or above MSP.

Incidentally, state-level traders' associations, of the ones who operate in APMCs, are telling me that they don't have a problem with an MSP being the floor price for various commodities all across India. Traders are saying "if it's the legally enforced floor price, I will only add my margin and move it forward in the supply chain".

What they are worried about is one state having MSP as a legal right and another state not having MSP as a legal right, because, then, all the produce will come into the state with the MSP and will create a burden on the traders of that state. But if it's a national level measure, traders are saying they don't mind.

Q - But if the government does impose such a minimum price, and there are no buyers at that price, won't the government have to buy it instead?
https://www.newindianexpress.com/nation/2024/Feb/21/kavitha-kuruganti-dont-equate-msp-with-government-procurement

A - Not really. The government can choose to deploy a multiple set of measures for different commodities, depending on what suits a particular commodity and a particular region the best.

In some cases, you may want to procure the produce physically, for instance, for distributing through public food schemes. We are procuring wheat and paddy today for this. We can add oilseeds and pulses. To ensure nutrition security, the government can expand the food security scheme [by offering] one kilogram of pulses per month or one liter of oil per month.

Or you may want to achieve import substitution, such as to reduce the import of oil seeds and pulses.

Q - Can you explain how this can be achieved in practical terms, for example, when there's too much production and the market cannot absorb the output?

Besides direct procurement, there are multiple policy tools by which this can be achieved.

One - market invention schemes. Here, the government does not procure because it wants to consume what it has procured. It is stepping into the market only to prop up prices whenever they are crashing…whenever prices crash below MSP, the government can choose to open a procurement center to keep procuring for a few days until the local traders are also forced to offer a better price to the farmers. That procurement can actually generate revenue back for the government, because the government can sell the produce, including in global markets.

The second tool, especially for perishables, is a price deficiency payment. Under this mode, the deficiency between the MSP that is guaranteed and what the farmers get, is made good by the government. This is not farmer by farmer, but like in crop insurance schemes, with an area kept as a unit for administering this tool. Here, the government does not procure anything.

Another scheme could be a modified version of the current warehouse receipts scheme. Under the current scheme, farmers are encouraged to retain their produce and not bring it all to the market when there is oversupply, usually during harvest season when most of the produce is coming into the market. The current scheme is aimed at improving the retention capacity of the farmers by making available to them warehouses where they can store, and against the value of the produce stored, banks extend a certain proportion of [the value of the stored produce] as a loan. However, this does not really guarantee an MSP to farmers.

On the other hand, a modified scheme can build in elements of daily market price intelligence for farmers who store their produce, with a right of forfeiture of the produce if prices do not increase to MSP or above within 3 months. In such a case, the government has to pay the entire value of the produce at MSP to the farmer, and dispose of the produce itself. In this modified version, the interest subvention cost of the loan given by the bank is to be borne by the government.

In addition to all this, there is also a fourth option, involving farmer producer organizations. These are enterprises formed by farmers themselves. The idea is to interface with the market in a collective manner, rather than as individual farmers trying to deal with powerful players in the market (a weak entity vs strong entity kind of an interface). The government can make FPOs into special vehicle mechanisms wherein those FPOs which are paying their members MSP can be provided with special incentives once they show proof that they have paid MSPs to their members.

Q - Why can’t these very same FPOs interface with large corporate buyers? This will ensure that the farmer is protected from exploitation by the corporate buyers, and at the same time, the government is not directly involved in procurement either.

A - This could work, provided that the government creates an ecosystem that empowers the FPO, and not one where the FPO becomes a mere supplier to big players, and the absorber of their transaction costs. Unfortunately, big companies are eyeing FPOs as the entities that can do all the hard, challenging and difficult work of aggregating from many many marginal producers.

Yes, an FPO can be empowered to interface better with the markets than individual, marginal farmers. But even there, we need an overall ecosystem that allows an FPO to actually work in the market space with equal footing – with the kind of tax holidays, financing scheme, and a variety of incentives that are given to big entities.

If you can ensure that they can stand up on their own feet by providing a whole lot of things – managerial skills, institutional capacity building etc – FPOs can be a solution. But FPOs cannot be seen as – to use an un-feminist word – handmaidens of big corporations.

Q - How do you address concerns stemming from an ideological perspective? For example, many ask – if industries don’t get minimum price guarantees for their products, if artisans don’t get minimum price guarantees for what produce, why should farmers get it? Why not let the market decide the prices?

A - The answer to this question is that farming is the riskiest enterprise that there is. Climate change makes it worse. Show me another enterprise, whether of an Adani or an Ambani, which is riskier than the farming that a marginal holder in India practices.

Secondly, we are not asking the government to completely shield the farmers from the market. We are not saying markets don’t exist or markets can’t exist. We are saying markets exist, and in the schema of the MSP as a legal guarantee, the government being a market player procuring things is as valid as the government being one who will allow other players to interface [fairly] and always stand on the side of the farmer when there is a deficiency, when there is a need for a forfeiture right, when there is a need for interest subvention, when there is a need for extra incentives.

How can I, or anyone out there, say there is no role for markets. It is markets which will determine prices, and the government that will guarantee remunerative prices for farmers.

Q - There are also concerns that guaranteeing minimum prices for agricultural commodities will lead to run-away inflation, affecting the consumers of this country…

A - This whole business about what will happen to consumers is a completely bogus argument. We have ways of protecting consumers in this country, and the largest number of consumers are actually farmers. The consumers in this country are not distinctly different from producers. The largest number of consumers who are benefiting from government food schemes are also farmers. The largest number of the hungry and the malnourished in this country, are indeed those involved in the food production processes.

If you don't put purchasing power in the hands of the farmers, how are they likely to give fair wages to agricultural workers and how are they likely to feed themselves?

Q - What about the question of funding? Some government estimates suggest a universal MSP scheme will cost the government Rs 10 lakh crore, more than four times what it current spends on purchasing food grains under MSP.

A - This is also wrong. According to our calculations, the government can achieve a lot of things by spending as little as Rs 1 lakh crore. Today, if they have the political will to give MSP as a legal guarantee, they have a 100 ways to come up with 1 lakh crores.

For example, in the last elections, they tried to bribe voters to vote for the BJP by fitting in the PM Kisan scheme. They retro-fitted it. They announced it in the budget [in February], but they gave it from the December quarter itself in the hope of getting farmers' votes. And that was a sudden [expense of] Rs 75,000 crores. No Narendra Modi, no Nirmala Sitharaman asked where will this money come from. They conjured up Rs 75,000 crore just like that.

Similarly, we all know about the Rs 12 lakh crore write-off of bank NPAs. We also know how other sectors are supported repeatedly whereas there are no financial concepts of Limited Liability or Bankruptcy applied to a farmer's enterprise.

Q - If the government can indeed ensure basic income security to farmers and prevent lakhs of farmer suicides with Rs 1-2 lakh crore rupees, what is the cause for all this conflict?

Whatever they are saying about [farmers being] Khalistanis and all that, the fact is that the farmers have waited for close to three years for this government to make good its promises made in November and December 2021. We have a written letter of assurance from the Government of India that year. Today, the farmers are more than justified in coming back into Delhi and reminding the government about its broken promises.

The reason for the conflict is not a lack of resources or methods. It is just an obdurate, mulish and anti-farmer attitude that the government of India is adopting. This is actually a classic situation where the Modi government does not want to give in to what the farmers are asking because the Modi government's pride and ego is getting hurt. https://www.newindianexpress.com/nation/2024/Feb/21/kavitha-kuruganti-dont-equate-msp-with-government-procurement

17. MSP is the minimum support farmers need to stay in business

(indianexpress.com) February 21, 2024

Giving it legal backing will benefit all stakeholders — not just farmers, but government and consumers too

In the last two years, nothing concrete was done by the central government on the agreement it had reached with agitating farmers' unions, who had protested near the national capital. The government should have had the wisdom to act and take a decision on a legal guarantee for Minimum Support Price (MSP) and other demands with alacrity, lest they become the basis for a renewed agitation. This lack of action is the reason and justification for farmer unions launching the current agitation. The purpose is to press the government to fulfil its promises. This time too, the debate is around the feasibility of their primary demand — the legal guarantee for MSP.

Let's frame what the demand actually is. It has two parts. First, MSP should be based on the comprehensive cost of production (C2), as determined by the Commission for Agricultural Costs and Prices (CACP), plus 50 per cent, as recommended by the Swaminathan Commission. This was also promised by the BJP and articulated several times by Prime Minister Narendra Modi. The second part of the demand is that the 23 crops for which MSP is thus announced should be legally purchased at or above the MSP price by anyone who "willingly enters" the market.

The total value of the output of the 23 crops at MSP prices for the year 2023-24 is about Rs 15 lakh crore. But all of the produce is not marketed or sold. The farmers retain a big part of their produce for their consumption, animal feed and seeds. A portion is also exchanged/bartered within the village and some is used to pay for labour in kind. A part of the crop is also eaten by rodents or perishes during harvesting, transportation and storage. These heads account for about one-third of the 23 MSP crops — produce worth Rs 5 lakh crore. So, only about Rs 10 lakh crore worth of the MSP crops actually goes to the markets.

Government purchase, including sugarcane purchase at government-prescribed prices, is at about Rs 4-5 lakh crore. Only Rs 5-6 lakh crore worth of MSP crops is bought by the private sector. If we take the long-term aggregate for all 23 MSP crops, what is paid by the private sector is on average 25 per cent below the MSP value. If there was legal status for MSP, then the private sector would have paid a maximum of Rs 1.5 lakh crore more to the farmers for the same quantities in 2023-24. So, even if the whole of this bill is picked up by the government, it won't be more than Rs 1.5 lakh crore annually — not the exorbitant figures being quoted by the so-called economists. We should remember that the reduction of corporate tax rates in 2019 alone led to the foregoing of about Rs 1.5 lakh crore annually by the central government, a figure that keeps rising every year.

If this money flows to the farmers, they will spend it and thus create more demand in the market. Due to the multiplier effect, this will lead to an increase in employment, investment and eventually government taxes. All 23 crops being legally sold at MSP will also lead to crop diversification, which is the focus of the recent offer from the government. Since there would be no incentive to grow only those crops where MSP is now available — mostly paddy, wheat and sugarcane — it will lead to various economic and ecological benefits. Legal MSP would be a great instrument to control the production quantities of various crops to match demand.

The country would also become self-sufficient in edible oils and pulses if we ensure remunerative MSP for these crops. If the government and private prices for the crops are the same, farmers won't seek out the government to purchase their crops. So, the

Centre will not be financially burdened by having to purchase more quantities than it requires. This will lead to a reduction in government purchase, storage and redistribution costs for these crops. That is a huge financial saving. It will help lower the fiscal deficit and improve government finances. Hence, a legal guarantee for MSP is a win-win for all stakeholders.

Some economists argue that if the MSP is legally enforced, the private sector won't purchase the crops and all the produce will have to be bought by the government.

Farmers are seeking an enforcement of the price only for those entities that "willingly enter" the market. In the case of sugarcane, for example, the price is prescribed by the government but that hasn't meant that private mills have stopped purchasing sugarcane. Have industries closed due to the Minimum Wages Act? Is nobody purchasing petrol and diesel because the government is charging exorbitant taxes?

By definition, MSP is a minimum price that the farmer must get to remain in business. Without such a price, farmers will become bankrupt and leave farming, which will have serious consequences for our food security, adversely affecting consumers. Legal MSP is a viable proposal and the rights of our farmers can't be denied any longer. https://indianexpress.com/article/opinion/columns/minimum-support-price-msp-crops-cost-of-production-9171935/

18. State of Gujarat education: 341 govt schools operating from 1 room, House told *(newindianexpress.com)* 21 Feb 2024

AHMEDABAD: The Gujarat government on Tuesday said in the Assembly that as of December 31, 2023, there were 341 government primary schools in the state that operate from a single room. That's even though the state government announced a provision of Rs 43,651 crore for the education department in 2023-24.

The government response came to a question in the Assembly from Congress MLA from Patan Kirit Patel. He asked the state Education Minister as to how many government primary schools in Gujarat have only one classroom.

The government said the poor state of the schools was owing to the fact the number of children and teachers was low, besides some rooms were abandoned due to dilapidation. The government also said that enough land was not available with these schools for expansion. The government also acknowledged that not enough teachers were recruited to fill vacancies.

In response to another query posed by the Congress MLA on Tuesday, the government said as of December 31, 2023, there are 439 vacant posts in Gujarat Education Service class-1 and 1,020 vacancies in class-II.

State Congress spokesperson Hiren Banker slammed the government, saying the numbers indicated that the government preferred privatizing education to benefit businessmen. "On the one hand, the government claims there are no teachers, so they must teach in a single room. On the other, the vacancies approved by the government are not filled.

“As per records, more than 19,000 vacancies of teachers are vacant in Gujarat,” said the Congress leader.

On February 12, the state government informed the House that 1,606 of the state’s 32,000 government primary schools operated with only one teacher for all students of Classes 1 to 8. https://www.newindianexpress.com/nation/2024/Feb/21/state-of-gujarat-education-341-govt-schools-operating-from-1-room-house-told