

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. CAG of India visits Spain to foster bilateral relations with court of accounts (*aninews.in*) April 24, 2024

The Comptroller and Auditor General (CAG) of India, Girish Chandra Murmu, embarked on a visit to the office of the Court of Accounts (Tribunal de Cuentas) of Spain to strengthen bilateral cooperation, knowledge sharing, and capacity development between the two institutions.

The visit aimed to deepen discussions on the functioning of the respective Supreme Audit Institutions of both nations and explore avenues for collaboration.

During his visit, Murmu engaged in extensive deliberations with Enriqueta Chicano, President of the Court of Accounts, Spain.

Discussions revolved around the respective mandates, organizational structure, audit planning and execution methodologies, institutional independence, and recent initiatives undertaken by both institutions.

Chicano elaborated on the independence enjoyed by the Court of Accounts from the executive branch and highlighted recent initiatives in performance audit and the evaluation of public policies.

Murmu shed light on the recent emphasis placed on leveraging Information Technology, and capacity building in areas such as environmental audit and audit of the Blue Economy, among others.

Both heads expressed mutual interest in strengthening bilateral cooperation and outlined plans to formalize this commitment through the signing of a Memorandum of Understanding (MoU) in the near future.

In addition to meeting with Chicano, Murmu also met Pablo Arellano Pardo, the Comptroller General of the State Administration (IGAE), Spain.

The IGAE, serving as the internal supervisory agency of the state public sector, plays a key role in ensuring compliance with principles of legality, economy, efficiency, and effectiveness.

Acknowledging the commonality of mandates in the accounting function, both dignitaries appreciated how internal audit complements external audit, and aligns with the shared objective of promoting transparency and accountability in governance.

They deliberated on emerging challenges and opportunities stemming from digitization, the development of common accounting formats, and the imperative of fiscal responsibility and debt sustainability for both federal and provincial governments. <https://www.aninews.in/news/business/cag-of-india-visits-spain-to-foster-bilateral-relations-with-court-of-accounts20240424135703/>

2. CAG of India Visits Spain to Foster Bilateral Relations with Court of Accounts (*latestly.com*) Apr 24, 2024

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<https://www.latestly.com/agency-news/business-news-cag-of-india-visits-spain-to-foster-bilateral-relations-with-court-of-accounts-5916511.html>

3. Comptroller And Auditor General of India, Mr. Girish Chandra Murmu, Visits Court Of Accounts (Tribunal De Cuentas) Of Spain (*jaisalmernews.com*) April 24, 2024

The Comptroller and Auditor General of India, Mr. Girish Chandra Murmu, visited the Court of Accounts (Tribunal de Cuentas) of Spain, to bolster bilateral cooperation, knowledge sharing and capacity building between the two audit institutions. Discussions between Mr. Murmu and Ms. Enriqueta Chicano, President of the Court of Accounts, centered around audit methodologies, institutional independence, and recent initiatives undertaken by both institutions. Both parties also expressed mutual interest in formalizing their bilateral cooperation through the signing of a Memorandum of Understanding (MoU) in the near future. Mr. Murmu also met with Mr. Pablo Arellano Pardo, the Comptroller General of the State Administration (IGAE), Spain, to deliberate on common challenges and opportunities. <https://www.jaisalmernews.com/news/national/comptroller-and-auditor-general-of-india-mr-girish-chandra-murmu-visits-court-of-accounts-tribunal-de-cuentas-of-spain-234081/>

4. CAG of India visits Spain to foster bilateral relations with court of accounts (*lokmatimes.com*) April 24, 2024

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5. CAG of India visits Spain to foster bilateral relations with court of accounts (*dailyexcelsior.com*) April 24, 2024

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6. Indian authorities 'ignoring' renewable energy sources not requiring high voltage power lines (*counterview.net*) April 24, 2024

Recent media reports greatly appreciating a recent order of the Supreme Court bench on climate action in India should also be seen in the context of threats to the Great Indian Bustard. The judgement is being hailed as very important for the success of climate action in India. The associated observation by the honourable Court that climate crisis impacts citizens' right to life is being deemed as critical in the long-term welfare of our people.

It is being viewed as a landmark judgement, as it insists on the need to take action to avert the worst of the crisis within the legal framework. As has been commented upon, the important ruling has expanded the scope of fundamental rights to include “the right to be free from adverse effects of climate change.”

To quote from a report, “While the SC has to be lauded for recognising the right to be free from the effects of climate change, the real challenge is how such a right is to be enforced”.

The recent view of the Chief Justice of India that “the understanding of people's problems will make us better lawyers and judges, not just legal knowledge” is also being greatly admired at a time when the people of the country seem to have run out of various options to be heard by our authorities on multiple life threatening issues, such as imminent ecological disasters because of high impact projects, power transmission lines, conventional technology power plants -- coal, nuclear and dam based power plants -- even in ecologically sensitive areas, the continued diversion of forest lands to various kinds of projects, destruction of fresh water sources etc.

In this larger context, there is a need to assist the Court in deliberating on many associated issues and to pass the enabling orders. It will not be out of place here to state that the concerned authorities seem to have omitted to bring many other closely related issues to the knowledge of the Court.

As a summary of comments with regard to the protection of the great Indian bustard (GIB) and the lesser florican from the credible threats associated with high voltage power lines for solar power parks, it must be unambiguously stated that these high

voltage power lines are not essential to optimally harness the vast potential of solar power in the country; and that an imaginative application of distributed kinds of renewable energy resources, such as roof-top solar power systems, small size wind turbines and community based bio-energy systems, have the potential to satisfactorily meet most of the electricity needs of our people on a sustainable basis at the lowest overall cost to the country, without the need for so many additional power lines, and without harming any elements of our environment.

Here I elaborate briefly on some of the major concerns confronting our society in the fields of environment and ecology.

A. Other negatives associated with high voltage power lines

In addition to the extinction threats to the habitats of endangered species (such as the great Indian bustard and the lesser florican in Rajasthan and Gujarat), the high voltage lines associated with large size solar or wind power parks, such as the ones in Rajasthan and Gujarat (elsewhere too such as in Karnataka, Andhra Pradesh, Tamil Nadu, Maharashtra etc), are also the cause of many other negatives.

In this larger context of severe ecological concerns and vast level of societal level social and economic costs/ impacts, there is a critical and urgent need for diligently reviewing the real necessity for every additional power line proposal in the overall welfare context of the local communities, and to implement the most suitable option with extreme care towards the environment.

B. Are high voltage power lines essential/ inevitable to optimally harness solar and wind power potential?

The continued preference of our authorities to build such large size renewable energy parks (both solar and wind-powered ones as in Gujarat and Rajasthan) in different parts of the country has rendered the present scenario as one with the perceived need to have such high voltage lines to optimally harness renewable energy sources (REs), as part of India's international climate change commitments under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement.

But these authorities are conveniently ignoring the humongous potential of the distributed type of renewable energy sources, such as rooftop solar power systems, small/ medium sized wind turbines, community-based bio-energy units etc., which will not require any such high voltage (HV) power lines, and which are also associated with many societal levels benefits, such as vastly reduced energy losses, better voltage profile across the grid, people's active participation in the energy sector, much reduced financial burden on the government, huge scope for local employment creation, least impact on the environment etc.

The humongous potential of rooftop solar power systems in India can be exemplified by the recent decision of the Union government to encourage such systems over 1 crore households. Few news links, as below, can highlight the importance of rooftop solar power systems, which may not need any additional HV power lines.

The residential rooftop solar potential alone, which is estimated as 637 GW, is about twice the total power generating capacity in the country as at present. If the rooftop surface of all other kinds of buildings are also optimally harnessed, the total power generation potential can run to several thousand GWs, and can be equivalent to more than the total electricity needs of the entire country for several more decades.

C. High voltage power lines for other kinds of power sources also have multiple concerns

The conventional electricity sources such as coal based thermal, dam based hydro, and nuclear based power plants, because of their large capacities in a single location, need multiple high voltage power lines to transfer the generated power over long distances, and these power lines come with multiple ecological and societal level costs, which are unacceptably high in most cases.

The prime examples of such unacceptably high societal level costs are those lines which pass through the legally protected areas (PAs) such as Wildlife Sanctuaries, Tiger Reserves, and National Parks. It may not be an overstatement to say that it is a mockery of the Acts of our Parliament that thick, natural and very high value forest lands are routinely being diverted for power projects/ power lines even from legally protected areas (PAs), as against the Parliament's intention to protect these rich forest resources along with endangered wildlife species.

Thousands of sq km of such critically important forest lands are reported to have been diverted for power projects/ power lines during the last 25-30 years alone, despite the globally accepted importance of protecting them from a climate change perspective.

Adequate investments and honest efforts to focus on the distributed kinds of renewable energy sources such as rooftop solar power systems, small/ medium sized wind turbines, community-based bio-energy units etc., along with the deployment of micro/ mini/ smart grids at our community levels, along with suitably designed battery energy storage systems (BESS), protection and communication systems will be able to address most of the associated concerns our society is facing at present, while satisfactorily meeting most of the electricity needs of our people.

D. Need to consider the other aspects of climate change

Whereas, the focus of the hon'ble court in the present case has been to protect the two endangered species from the credible threats of high voltage power lines in Rajasthan and Gujarat, I may please be permitted to submit that there is a fundamental problem in the repeated statements of the successive governments with regard to meeting the international obligations on Climate Change.

It is totally erroneous to perceive that the massive additions to solar power capacity alone, at any societal level costs, will satisfactorily address the threats associated by climate change. Even a large number of such initiatives to minimise the GHG emissions from the entire energy sector alone will not be adequate. Many complementary action plans, across various sectors of the entire global economy are urgently needed.

It is true that successive governments have been taking credit for launching many schemes to increase the total capacity of renewable energy sources, especially solar power. But at the same time, there has also been the scenario of irrationally encouraging the addition of massive amounts to the total generation capacity through conventional technology electricity sources such as coal power plants, dam based hydel power plants, and nuclear power plants.

It should be emphasised here that the dam based hydel power plants and nuclear power plants, in addition to coal power plants, also contribute massively to the global warming phenomenon in multiple ways; certainly, to the depletion of forest lands because of the need to have multiple high voltage power lines over long distances.

The consequence is not only that the total GHG emissions in the country is continuously increasing even beyond the conservative targets, but also are leading to the alarming levels of damage to our natural resources, such as destruction of our forest wealth, through establishment of coal mines, large reservoirs, high voltage power lines etc.

The large number of environmental, social and economic concerns to our people, both in the short-term and long-term, because of the conventional technology electricity sources can be appreciated as in a discussion paper attached with the title “An Integrated Power Policy”.

A modest level of understanding of the environment, ecology and the phenomenon of climate change can reveal to any rational thinker that the accelerated depletion of our natural resources (forests, fresh water bodies, fertile soils, mangroves etc.) along with the ever-increasing levels of fossil fuel consumption, is the root cause of the ongoing global climate emergency.

India urgently needs effective SC intervention to put in place national level perspective to address credible threats of climate change

In summary, it can be highlighted that the minimisation of the total demand for various kinds of materials and energy at the national and global level has become critical and urgent in order to minimise the impacts of climate emergency due to global warming on our people.

E. Critical need for the honourable court to effectively intervene in climate change initiatives

Civil society seems to have run out of various options to persuade the successive governments to undertake diligent studies on all the relevant issues, and to implement suitable action programs to mitigate and adapt to climate change. These efforts to appeal to the concerned authorities were in the areas of forest and wildlife conservation, due diligence and accountability in electricity sector planning, measures like efficiency improvement, demand side management and energy conservation, water management etc.

Specific representations detailing civil society concerns, along with credible recommendations, to the concerned authorities on electric power sector issues such as coal power plants, dam based hydro power plants, nuclear power plants, large size solar

power parks, transmission line planning, micro/mini/ smart grids, the application of economic decision-making tools such as costs and benefits analysis, and options analysis etc. have not elicited any response despite multiple efforts. In almost all such cases, even specific representations by civil society one or more projects have not been acknowledged. On the contrary, the BAU scenario of unsustainable exploitation of our natural resources is continuing, thereby leading to enormous concerns for our people.

Such efforts include multiple representations on specific and larger issues to: the Ministry of Power and Non-conventional Energy Sources, NITI Aayog, PMO (power and energy related issues, and suitable alternatives to the high impact conventional technology power sources and High Voltage power lines); Ministry of Environment, Forests, and Climate Change, PMO and NITI Aayog (forests, rivers, wildlife and climate change); Department of Atomic Energy, Atomic Energy Commission, PMO, NITI Aayog, and Comptroller & Auditor General of India (CAG) (risks, threats, and costs of nuclear power); Ministry of Coal (coal mining risks/ costs), and Ministry of Finance (Ecological costs, and high GDP growth rate consequences).

Since the legislatures and executives in the country are not being seen as showing the required level of due diligence on all the associated legislations/ implementation, the only alternative left for the people of the country to seek effective actions on various concerns at the societal level is the judiciary.

The future for our country can be seen as deeply worrisome from any perspective, if the highest Court of the country also deems it not important enough to deliberate on all such associated concerns of the civil society.

Such societal concerns with regard to the unsustainable and over-exploitation of our natural resources is even acknowledged by the draft National Resource Efficiency Policy (NREP), 2019 by the Ministry of Environment, Forest and Climate Change (MoEF&CC), which has said:

"In the endeavour for economic growth, natural resources have been largely indiscriminately exploited, adversely impacting the environment and biodiversity. Further, cross linkages between resource use, climate change, land degradation and biodiversity loss has been scientifically well established. Meeting the demand for products and services of a rising population with increased aspirations has led to mostly indiscriminate exploitation of natural resources and would further lead to increased pressure on resources resulting in environmental degradation, thereby raising sustainability concerns."

In this larger context of national welfare perspective, I think that our country is in urgent need of an effective intervention by the SC of India so as to put in place a suitable national level developmental perspective to address the credible threats associated with climate change, and also to implement a set of national level policies and practices, which will in the immediate term work towards minimising the total demand for all kinds of materials and various energy sources; and maintain those demands at the lowest possible levels.

F. An appeal to the honourable Court

The honourable court should to consider issuing the necessary directives to the concerned authorities to implement suitable policies/ practices so as to minimise the calamitous impacts on our people from the phenomenon of climate change by providing satisfactory clarifications to civil society on various concerns on all high cost/ impact projects. <https://www.counterview.net/2024/04/indian-authorities-ignoring-renewable.html>

7. कैग की आडिट रिपोर्ट ने जालंधर स्मार्ट सिटी में हुए भ्रष्टाचार का किया पर्दाफाश (punjab.punjabkesari.in) 24 Apr, 2024

जालंधर : प्रधानमंत्री नरेंद्र मोदी ने आज से करीब 10 साल पहले जब स्मार्ट सिटी मिशन लॉन्च किया था, तब जालंधर को भी स्मार्ट बनने जा रहे शहरों की सूची में शामिल किया गया था। तब शहर के लोगों को लगा था कि उन्हें ऐसी अत्याधुनिक सुविधाएं मिलेंगी कि शहर की नुहार ही बदल जाएगी परंतु प्रधानमंत्री का यह मिशन पंजाब आकर फेल साबित हुआ और जालंधर में तो स्मार्ट सिटी मिशन के नाम पर खूब भ्रष्टाचार हुआ जिसकी चर्चा आज तक सुनाई दे रही है।

स्मार्ट सिटी मिशन के तहत अब तक जालंधर में करीब 60 प्रोजेक्ट चलाए गए। इनमें से आधे प्रोजेक्ट पूरे हो चुके हैं, बाकी लटक रहे हैं परंतु शायद ही कोई प्रोजेक्ट ऐसा हो जिसमें गड़बड़ी सामने न आई हो। भ्रष्टाचार के आरोपों के चलते पंजाब सरकार ने जहां स्मार्ट सिटी के तमाम प्रोजेक्टों की विजिलेंस जांच के आदेश दे रखे हैं वहीं केंद्र सरकार ने भी स्मार्ट सिटी जालंधर में हुए भ्रष्टाचार की जांच का काम शुरू कर रखा है। केंद्र सरकार के तत्कालीन मंत्री हरदीप सिंह पुरी, साध्वी निरंजन ज्योति, अर्जुन मेघवाल और अनुराग ठाकुर ने भी जालंधर स्मार्ट सिटी में हुए भ्रष्टाचार की जांच संबंधी आश्वासन दे रखे हैं।

जालंधर स्मार्ट सिटी में भ्रष्टाचार का शोर मचने के चलते कुछ माह पहले केंद्र सरकार के संस्थान कैग (कंट्रोलर एंड ऑडिटर जनरल ऑफ़ इंडिया) की टीम ने जालंधर स्मार्ट सिटी के खातों का ऑडिट किया। यह ऑडिट 2015-16 से लेकर 2022-23 तक की समय अवधि का किया गया। कैग ने हाल ही में अपनी रिपोर्ट संबंधित अधिकारियों और जालंधर स्मार्ट सिटी को भेजी है, जिसमें जालंधर स्मार्ट सिटी में पिछले समय दौरान हुए घोटालों का पर्दाफाश किया गया है।

माना जा रहा है कि इस रिपोर्ट के आधार पर आने वाले समय में केंद्र सरकार और पंजाब सरकार की संबंधित जांच एजेंसियां कोई न कोई एक्शन अवश्य लेंगीं और जो भी अफसर इस भ्रष्टाचार या घोटाले में संलिप्त रहे हैं, उनसे पूछताछ की जाएगी। कैग की रिपोर्ट आने के बाद पंजाब की अफसरशाही में हड़कंप सा मच गया है क्योंकि जालंधर स्मार्ट सिटी से संबंधित रहे आई.ए.एस. या अन्य स्तर के अधिकारी न केवल इस समय महत्वपूर्ण पोस्टों पर तैनात हैं, वहीं कुछ अफसर रिटायर होकर भारी भरकम पेंशन तक ले रहे हैं।

एल.ई.डी स्ट्रीट लाइट प्रोजेक्ट में कई गड़बड़ियों का हुआ खुलासा

- दिल्ली की एच.पी.एल कंपनी को स्ट्रीट लाइटें लगाने हेतु 43.83 करोड़ का टेंडर अलाट किया गया परंतु उसे अफसरों ने मनमर्जी से बढ़ाकर 57.92 करोड़ तक पहुंचा दिया। यह राशि 25 प्रतिशत बढ़ोतरी से भी अधिक हो गई जिसकी किसी से अनुमति नहीं ली गई। काम खत्म होने के बाद कंपनी ने 5 साल तक ऑपरेशन एंड मेंटेनेंस करनी थी जिसकी एवज में उसे 13.14 करोड़ का भुगतान होना था। ऑडिट रिपोर्ट में कहा गया है कि कंपनी का काम अभी तक पूरा खत्म नहीं हुआ परंतु स्मार्ट सिटी द्वारा कंपनी को ऑपरेशन एंड मेंटेनेंस चार्ज अदा किए जा रहे हैं। फरवरी 2024 तक कंपनी को इस हेतु 2.56 करोड़ दिए गए हैं जो सरासर गड़बड़ी है।

- एल.ई.डी प्रोजेक्ट पर काम 31 मार्च 2022 को खत्म होना था परंतु काम अभी तक समाप्त नहीं हुआ। शर्त के मुताबिक कंपनी पर 7.5 प्रतिशत के हिसाब से 4 करोड़ 34 लाख की पैनल्टी लगनी थी जो स्मार्ट सिटी द्वारा नहीं लगाई गई।

- स्मार्ट सिटी कंपनी ने ठेकेदार कंपनी को 5.54 करोड़ रुपए की ज्यादा पेमेंट कर दी। ठेकेदार कंपनी ने 1.04 करोड़ रुपए की बैंक गारंटी भी देनी थी। ठेकेदार कंपनी को अतिरिक्त पेमेंट हो जाने संबंधी पता चलने पर भी कोई एक्शन नहीं लिया गया और ज्यादातर राशि ठेकेदार कंपनी ने अभी तक स्मार्ट सिटी को वापस नहीं दी है।

स्टार्म वाटर प्रोजेक्ट के ठेकेदार को पहुंचाया गया अनुचित लाभ

- 120 फीट रोड पर जिस कंपनी ने स्टार्म वाटर सीवर प्रोजेक्ट पर काम किया, टेंडर की शर्त के मुताबिक उस कंपनी के हर रनिंग बिल पर 5 प्रतिशत की कटौती की जानी थी परंतु स्मार्ट सिटी ने ऐसी कोई कटौती की ही नहीं और पूरे पूरे बिल ठेकेदार को दिए जाते रहे जिससे ठेकेदार को फायदा और स्मार्ट सिटी को वित्तीय नुकसान झेलना पड़ा।

- ठेकेदार कंपनी द्वारा स्मार्ट सिटी को दी गई बैंक गारंटी की अवधि अक्टूबर 2021 में खत्म हो गई परंतु उसके बाद भी स्मार्ट सिटी ने ठेकेदार को करोड़ों की पेमेंट की जो अनुचित था। बैंक गारंटी खत्म होने के बावजूद ठेकेदार को 5.71 करोड़ की पेमेंट कर दी गई।

- ठेकेदार कंपनी को बिना मांगे ही एक करोड़ रुपए की एडवांस पेमेंट 12 नवंबर 2021 को कर दी गई। इस एडवांस पेमेंट पर स्मार्ट सिटी ने कोई ब्याज नहीं लिया। इस कारण स्मार्ट सिटी को 69 हजार रुपए का नुकसान झेलना पड़ा।

- 2022 में प्रोजेक्ट खत्म होने के बावजूद आज तक उस प्रोजेक्ट को कंप्लीशन सर्टीफिकेट अलाट नहीं किया गया है।

अफसरों की भर्ती में जरा भी पारदर्शिता नहीं रखी

स्मार्ट सिटी जालंधर ने अढ़ाई अढ़ाई लाख रुपए प्रति माह के वेतन पर दो कंसल्टेंट (एक लीगल और एक अर्बन प्लानिंग कंसल्टेंट) नियुक्त किया परंतु इन नियुक्तियों के लिए आई बिड नियमों का पालन नहीं किया गया। नियमों के मुताबिक ऐसे कंसल्टेंट्स को 15 साल का अनुभव जरूरी था परंतु स्मार्ट सिटी ने इस शर्त को 10 वर्ष कर दिया। इस बाबत स्टेट लेवल कमेटी को भी सूचित नहीं किया गया।

- स्मार्ट सिटी कंपनी ने अढ़ाई लाख रुपए प्रति माह के वेतन पर जो लीगल एक्सपर्ट भर्ती किया, उसे जून 2023 से दिसंबर 2023 तक 17.50 लाख रुपए वेतन का भुगतान किया गया। उसका काम था कि बिड डॉक्यूमेंट इत्यादि को तैयार करना और उसे प्रीक्योर करना परंतु जिस अवधि का लीगल एक्सपर्ट को इतना भारी भुगतान किया गया, उस अवधि के दौरान स्मार्ट सिटी ने एक भी टेंडर को आमंत्रित ही नहीं किया इसलिए लीगल एक्सपर्ट को दी गई सैलरी बिल्कुल व्यर्थ गई। ऑडिट रिपोर्ट में स्मार्ट सिटी के स्टाफ की भर्ती पर भी कई सवाल उठाए गए हैं।

66 फीट रोड पर सड़क बनाने में हुई अनियमितता

- अर्बन एस्टेट फेज 2 से व्हाइट डायमंड रिसोर्ट तक 66 फीट रोड पर सड़क बनाने का काम 1.94 करोड़ रुपए में अलाट किया गया। स्मार्ट सिटी ने ठेकेदार के बिलों में से पांच प्रतिशत राशि काटनी थी परंतु ऐसा नहीं किया गया और ठेकेदार को अनुचित लाभ पहुंचाया गया जिससे स्मार्ट सिटी को वित्तीय नुकसान हुआ।

- स्मार्ट सिटी ने ठेकेदार को बैंक गारंटी रिन्यू करने बाबत भी नहीं कहा। सड़क निर्माण का काम पहले निगम ने करना था परंतु उसे स्मार्ट सिटी के खाते से करवा लिया गया जिस बाबत उचित अथॉरिटी से अनुमति तक नहीं ली गई। इस काम का भी कंप्लीशन सर्टीफिकेट जारी नहीं किया गया।

स्मार्ट रोड्स बनाने वाले ठेकेदार को भी पहुंचाया लाभ

- ऑडिट रिपोर्ट में 50.29 करोड़ रुपए की लागत वाले स्मार्ट रोड्स प्रोजेक्ट दौरान हुई वित्तीय गड़बड़ियों को दर्शाया गया है। 12 नवंबर 2021 को ठेकेदार को एक करोड़ रुपए की एडवांस पेमेंट कर दी गई परंतु ठेकेदार कंपनी से कोई ब्याज नहीं वसूला गया। इस प्रकार स्मार्ट सिटी को करीब 59 हजार रुपए का वित्तीय नुकसान झेलना पड़ा।

- इस ठेकेदार के रनिंग बिलों में से भी 5 प्रतिशत की कटौती स्मार्ट सिटी कंपनी द्वारा नहीं की गई। यह राशि 2 करोड़ रुपए बनती थी जिस कारण इस पर 38 लाख रुपए से ज्यादा के ब्याज का वित्तीय नुकसान स्मार्ट सिटी को झेलना पड़ा।

- बैंक गारंटी को रिन्यू करने के मामले में भी ठेकेदार कंपनी को अनुचित लाभ पहुंचाए गए।
<https://punjab.punjabkesari.in/punjab/news/cag-s-audit-report-exposed-corruption-in-jalandhar-smart-city-1971305>

SELECTED NEWS ITEMS/ARTICLES FOR READING

8. Centre Explores Options to Unlock Land Value for Funding India's Road Network Expansion (swarajyamag.com) Apr 23, 2024

The government is actively exploring policy mechanisms to harness the increase in land value resulting from road projects, aiming to bolster funding for infrastructure development.

The Ministry of Road Transport and Highways (MoRTH) is examining global best practices for innovative infrastructure financing methods. The decision on the chosen mechanism will be finalised after the new government assumes office.

"The strategy aligns with the ministry's long-term vision. We aim to capture and reinvest the rise in land value along our upcoming expressways to finance future infrastructure projects," a government official explained.

The proposed 'betterment' levy involves a one-time charge on property owners near expressways who benefit from government infrastructure development, with the fee varying based on proximity to the expressway, as per an Economic Times report.

Land value capture is a globally recognised tool for generating revenue for public services. Countries like Colombia and Brazil are experimenting with the betterment levy, while the US and Canada are implementing impact fees for certain projects.

Latin American countries are exploring additional development rights, and Japan and Germany are considering land pooling or readjustment.

Jagannarayan Padmanabhan, senior director and global head of consulting at CRISIL Market Intelligence and Analytics, emphasised that 'land value capture' is a proven method for capturing land value appreciation due to government spending on infrastructure.

"While feasible in India, challenges lie in demarcating zones as land value increases closer to the development area and decreases farther away, making uniform charges a challenge," Padmanabhan said.

The Centre aims to tap into the increased land value near highway projects, benefiting real estate developers, to bolster public infrastructure funding.

India needs over Rs 20 lakh crore by 2030 to upgrade its road infrastructure. Alongside land value capture, asset monetisation can help reduce reliance on budgetary support, which is estimated at Rs 278,000 crore for FY25.

The government has approved 27 Greenfield expressway projects totalling 10,000 km at a cost of Rs 4.5 lakh crore, expected to be completed by 2030.

Currently, the ministry, through the National Highways Authority of India, is exploring asset monetisation avenues like toll-operate-transfer and infrastructure investment trust modes to raise funds for these projects. <https://swarajyamag.com/infrastructure/centre-explores-options-to-unlock-land-value-for-funding-indias-road-network-expansion>

9. 12 years after Supreme Court's 2G verdict, Centre seeks reversal of key process (*indiatoday.in*) UPDATED: Apr 23, 2024

The Centre has sought modification of the Supreme Court's 2012 verdict so that assignment of spectrum can be done through administrative process.

The Centre has moved the Supreme Court seeking modification of its 2012 verdict in the 2G spectrum case which laid down the condition that the government had to adopt the auction route for allocating spectrum resources.

In its 2012 verdict, the Supreme Court had cancelled 2G spectrum licences given to various companies by the UPA government and stated, "While transferring or alienating the natural resources, the State is duty bound to adopt the method of auction by giving wide publicity so that all eligible persons can participate in the process."

The Centre sought modification of the verdict so that the assignment of spectrum through an administrative process may be undertaken if it is in pursuit of "governmental functions, or public interest... or auction may not be preferred due to technical or economic reasons".

The 2G spectrum scam involved politicians and government officials in India illegally undercharging mobile telephony companies for frequency allocation licenses, which they would then use to create 2G subscriptions for cell phones. In 2008, 122 new second-generation (2G) Unified Access Service (UAS) licences were given to telecom companies at a price arrived at in 2001 and on a first-come-first-serve basis.

Kapil Sibal, the then Minister of Communications and Information Technology in the Manmohan Singh government, claimed in 2011, that "zero loss" was caused by distributing 2G licences on first-come-first-served basis.

The 122 licences were subsequently quashed by the Supreme Court in 2012.

The 2G spectrum scam had rocked the UPA II government and political analysts consider it to be among the chief factors that led to the downfall of Manmohan Singh government in the 2014 Lok Sabha polls. <https://www.indiatoday.in/law/story/centre-modification-supreme-court-2012-2g-case-order-mandating-auction-for-spectrum-sale-2530680-2024-04-23>

10. Rural Jobs Programme Remains Underfunded Despite High Demand (*indiaspend.com*) 24 April 2024

Since 2019, the budget allocation for the Mahatma Gandhi Rural Employment Guarantee Scheme that has 129 million active workers has been consistently lower than or at most same as the previous year's revised estimates

Bengaluru: The Covid-19 pandemic has had the most impact on jobs and livelihoods in the last five years. Mahatma Gandhi Rural Employment Guarantee Scheme (MGNREGS), the rural jobs programme which guarantees 100 days of work per household, had become a lifeline for millions of rural workers. A majority of the participants in MGNREGS's demand-driven work are women. As millions of workers returned to the safety of their homes following the lockdown, the number of people demanding work under MGNREGS swelled to a record 133 million in 2020-21.

While economic growth has stabilised since the peak of the pandemic, India's employment is largely dominated by poor-quality employment in the informal sector and informal employment, said India Employment Report 2024 by the Institute for Human Development and International Labour Organization. During the past decade, there was only a small increase in the real wages of casual workers and a decline in the real earnings of regular salaried workers and self-employed persons, the report found. The Economic Survey of India 2022-23 has said that "growth in real rural wages has been negative due to elevated inflation".

The Bharatiya Janata Party's manifesto for the 2024 general election does not mention MGNREGS or a specific national minimum wage, but it promises to ensure a review of National Floor Wages from time to time. Meanwhile, the Indian National Congress manifesto stated that the wage under MGNREGS would be increased to 400 per day.

As India elects its 18th Lok Sabha in a seven-phase election lasting more than 40 days, one of the top concerns among voters is unemployment and the availability of jobs. According to the 2024 Lokniti-CSDS pre-poll survey, unemployment was the biggest concern (27%) followed by price rise (23%). More than three in five people felt that getting jobs had become more difficult than it was five years ago. Rural wages have declined, household demand for rural jobs remains higher than five years ago, and the funds allocated remain inadequate to support timely wages, clear arrears, and pay delay compensations, said experts.

'Puzzling', 'perplexing' reduction in funds

Demand for work under the rural jobs programme--variously referred to as MGNREGA (the 'A' standing for the Act passed to codify the programme), MNREGA and NREGA-

-has fallen compared to the peak of Covid-19, to 93 million people in 2023. But it was 15% more than the average demand between 2014-15 and 2018-19.

Since 2019, the household demand for work has been higher each year compared to any of the years between 2014-15 and 2018-19. The peak Covid-19 years of 2020 and 2021 are exceptional where 83 million households demanded work, on average, compared to 52 million households, on average, demanding work between 2014-15 and 2018.

Despite the high demand, between 2019-20 and 2023-24, the budget allocations each year have been consistently lower than the previous year's revised estimates. In 2022-23 and 2023-24, the allocated budget was one-fourth and one-third, respectively, of the previous year's revised estimate. The only time exception in the Narendra Modi government's second term was in the interim budget for 2024-25, where the allocation is the same as last year's revised estimate.

The 2023-24 budget allocation was less than even the previous year's budget for the first time in eight years, IndiaSpend reported in February 2023.

In 2015, Prime Minister Narendra Modi had called MGNREGS a living monument to the opposition's failures. A September 2022 research analysis by Swati Narayan indicated that "successive NDA [National Democratic Alliance] governments at the centre and the states have undermined the employment provision of this demand-based legal entitlement". It suggested that there was an "urgent need for the Indian government's minimalist allocation to be increased to revive this employment guarantee".

The drop in allocation over the years has concerned parliamentary committees as well.

The 2023-24 Lok Sabha Standing Committee report on Rural Employment through Mahatma Gandhi National Rural Employment Guarantee Act, presented in February 2024, said that the reduction in budgetary allocation in 2023-24 was "puzzling and needs to be looked into".

The committee noted that the pruning of funds at budget estimate stage has a "cascading effect on various important aspects such as timely release of wages, release of material share etc. which have a telling impact on the progress of the scheme".

This was not the first time the committee was puzzled with the lowering of allocation. Two years earlier, the committee released a report critically evaluating the rural jobs programme which said that it was "quite perplexing as to the rationale behind keeping the BE [budget estimate] for 2021-22 at Rs 73,000 crore while in the previous financial year, the expenditure was to the tune of Rs 111,170.86 crore."

The Ministry of Rural Development's (MoRD) reply in an August 2022 action-taken report on the issue said that MGNREGS is a demand-driven wage employment programme and the funds release to states "is a continuous process and Central Government is committed in making funds available keeping in view the demand for work on the ground". In the following budget, allocations were 33% below the 2022 revised estimate.

When IndiaSpend asked about the reduction, in February 2023, the MoRD said that the upward revisions each year show that “the actual releases to the states have been much higher than that provided for at the BE level”.

In a 2023-24 pre-budget analysis, Peoples' Action for Employment Guarantee (PAEG), a MGNREGS research and advocacy group, had said that Rs 2.72 lakh crore was needed to guarantee 100 days of work per household. In 2023-24, each household was provided 52 days of work on average, which was as much as in 2020-21.

“MGNREGA is caught today in a deadly pincer,” economist Jean Drèze told IndiaSpend in a February 2023 interview. “On one side, the budget has been drastically cut, not only vis-à-vis last year's revised estimates but also vis-à-vis budget estimates in any of the last five years.”

IndiaSpend has written to the secretary of the rural development ministry for comments on underallocation of funds, arrears to states, and issues of delay compensation, and the government’s response to the standing committee’s recommendations. We will update this story when we receive a response.

Low wages and large arrears

The highest MGNREGS daily wage rate notified for 2024-25 was Rs 374 in Haryana and three panchayats in Sikkim, which was Rs 1 lower than national minimum wage recommended in 2019 by the Anoop Satpathy committee to review and recommend methodology for fixation of national minimum wage.

In 2024, on average, notified MGNREGS wages increased 7% nationally since the previous year, our analysis of wage data shows. According to MGNREGS 2023-24 data, average wages that were paid out in 13 states (excluding West Bengal due to stalling funds) were less than the wage rate notified for that year. Further, they were less even than the average wages for farm work in 19 states the previous year, our analysis showed.

Two years earlier, in February 2022, the standing committee report recommended that the government address wage disparity and devise a “mechanism for notifying a unified wage rate across the entire country”.

If MGNREGA is implemented properly it will reduce poverty, increase the floor wage and improve incomes, said Anuradha Talwar, trade unionist with Paschim Banga Khet Majoor Samity, and added that MGNREGS wages should be Rs 800 taking into account inflation and other factors. “We face criticism on allocations and affordability if we demand that the wages are to be Rs 800,” said Talwar. “It may be unrealistic in terms of the present budget, but it is only such a large significant step that will transform the poverty situation.”

The 2024 standing committee report said that considering agricultural workers and other labourers were getting more wages, MGNREGS may attract more workers if remuneration was better. It asked the rural development department to take a “considered view on the pertinent issue of suitable increase in the wage rates” and increase them at the earliest.

Chakradhar Buddha, senior researcher, LibTech India, said although Rs 400 (promised by the Congress) is less as wage rate, it can be provided. “The wages alone come to Rs 1.25 lakh crore, and then there is administrative and material expenditure and arrears,” he said. “Total allocation for the programme must increase significantly.”

In addition to low wages, by the end of March 2024, states had a negative balance of Rs 22,563 crore (\$2.7 billion), an amount that was more than a quarter of the 2024-25 MGNREGS budget, including pending liabilities for wages, material and administrative expenses to the tune of Rs 20,232 crore. Of this, 93% was for material and 3.5% for wages. On average, 17% of the budget is spent to clear pending liabilities, an analysis of MGNREGS finances over nine years by PAEG shows.

While it is accurate to say that a significant portion of the dues for 2023-24 are related solely to material payments, “history has shown that a substantial portion of the dues could also be attributed solely to wages”, said Chakradhar. This inconsistency in dues allocation has been a recurring issue with NREGA where sometimes the majority consists of wage dues, while other times it is material dues, he said.

The 2024 standing committee report noted that there are delays in material payment and the rural development department was trying to devise systems to remove or minimise delays. The Committee recommended that the department “spruce up their financial mechanisms” so that beneficiaries and MGNREGS works do not suffer.

Wage payments routinely delayed, but compensation paid has reduced

If the workers are not paid their wages within 15 days, the beneficiary is entitled to delay payment at the rate of 0.05% of unpaid wages per day of delay beyond the 16th day of closure of muster roll.

In a decade since 2014-15, the approved amount for delay compensation has never been paid fully. In 2014-15, 93% of the approved amount was paid, the most in the last decade. Further, 82% of the approved compensations were paid in 2021-22, the highest in the Modi government’s second term. In the following two years, only 64% and 25% of the approved amounts were paid.

In its May 2018 judgement, the Supreme Court directed the Union government through the MoRD, in consultation with the states and UTs, to “prepare an urgent time bound mandatory program to make the payment of wages and compensation to the workers”.

Recent technological interventions like the National Mobile Monitoring System (NMMS) app that the Union government made mandatory from January 1, 2023 were creating issues on ground for workers in registering their attendance, which earlier used to be done physically. This was adding to delays, IndiaSpend reported in May 2023.

While the delay compensation may not serve as a significant incentive for workers due to its low amount, it still holds substantial value as a right, said Chakradhar. “The delay in wage payments continues to be the most significant issue in MNREGA, and ensuring prompt and just payment of delay compensation is crucial to establish the rights of the workers and also preventing further discouragement among workers from participating in the programme,” he said

No MGNREGS funds for two years in West Bengal

In addition to technological interventions, in West Bengal, works have stalled because of a deadlock between the state and Union governments for two years now.

Since March 2022, MGNREGS funds have been stopped after the Union government invoked Section 27 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 for “non-compliance of directives of [the] Central Government”, according to a December 2023 Parliament response. It said that despite several communications to West Bengal, the rural development ministry “did not find any noticeable improvement against different indicators of implementation of the scheme”.

In 2020-21, the year which recorded most work following Covid-19 lockdown, West Bengal reported 13 million people demanding work, one-tenth of total demand in India. In 2023-24, since the stalling of funds, 11,817 people demanded work.

The continuing denial of the right to work by the Union government is occurring at a time when the country is going through a “depressing scenario of unemployment, stagnation of wages in real terms, poor working conditions for millions of workers, and extreme inadequacy of job opportunities, especially among the youth and women”, said a February 2024 press statement by NREGA Sangharsh Morcha.

Talwar, who works in West Bengal with MGNREGS workers, said that the stoppage of funds was creating distress, was unfair on workers particularly because many women supplement their income through MGNREGS works, and affects the federal system. “... Section 27, which has been used to stop funds, centralises power. This is taxpayers’ money,” she said. “It has been two years and it is unfair on workers and the federal system. The state government has agreed to pay, but it could impact state finances.”

Until December 2023, the Union government owed more than Rs 5,500 crore in dues to the state government. In February 2024, Chief Minister Mamta Banerjee is reported to have said that the state would clear payment of 2.1 million workers. In its 2024 election manifesto, the All India Trinamool Congress announced that all job card holders would receive 100 days of work and a minimum wage of Rs 400.

The programme is still a lifeline like it was during Covid-19, said Talwar. “Covid and stalling of MGNREGA funds in West Bengal has made it clear to me that MNREGA is vital,” she said. “Despite wage delays, low wage rates, almost no delay compensation, people still want MGNREGA work because their situation is so desperate.” <https://www.indiaspend.com/cover-story/election2024-rural-jobs-programme-remains-underfunded-despite-high-demand-905310>

11. Towards a less poor and more equal country (*thehindu.com*) April 24, 2024

The twin objectives of high economic growth and reduction of inequality can only be achieved with improvements in human development and poverty reduction

In March, World Inequality Lab, a global research centre focused on inequality and public policies, published a working paper titled, ‘Income and Wealth Inequality in

India, 1922-2023: The Rise of the Billionaire Raj'. The authors — Nitin Kumar Bharti, Lucas Chancel, Thomas Piketty, and Anmol Somanchi — combined data from national income accounts, wealth aggregates, tax tabulations, rich lists, and surveys on income, consumption, and wealth to present their results.

Income and wealth inequality

First, let's look at income inequality. By 2022-23, the report states, 22.6% of India's national income went to just the top 1% in the country, the highest in the last 100 years. And just the top 0.1% of the population earned nearly 10% of the national income in India. The share of the top 1% in the national income is among the highest in the world.

Top 1% Indians' share in national income is higher now than under British-rule: Data

In terms of wealth inequality, the share of the top 1% in wealth was 40.1% in 2022-23, the highest level since 1961. The share of wealth among the top 10% increased from 45% in 1961 to 65% in 2022-23. Conversely, the share of the bottom 50% and middle 40% in wealth declined. In short, the rich got richer and the poor got poorer in wealth. "About 10,000 individuals out of 92 million Indian adults own an average of ₹22.6 billion in wealth, 16,763 times the average Indian," the report states.

India's wealth inequality is not as extreme as Brazil and South Africa where the top 10% hold 85.6% and 79.7% of the national wealth, respectively. However, its wealth concentration increased threefold between 1961 and 2023. Additionally, as India's income inequality is among the highest in the world, even higher than South Africa, Brazil and the U.S., it will only add to the wealth inequality.

Growth mania can be injurious to society

The report says between 2014-15 and 2022-23 "the rise of top-end inequality has been particularly pronounced in terms of wealth concentration". It states that "the 'Billionaire Raj' headed by India's modern bourgeoisie is now more unequal than the British Raj headed by the colonialist forces." Inequality undermines both growth and reduction of poverty.

Between 1960 and 1980, inequality was dropping. The pattern of growth and its objectives ensured that outcome. However, inequality began increasing with the beginnings of liberalisation in the 1980s, and faster after the 1991 economic reforms in India.

Analysing the rising gap in incomes

The dynamics of income and wealth inequality are interwoven with the dynamics of economic growth and human development. India's average income adjusted for inflation and purchasing power differentials were on a par with China and Vietnam until 1975. In the next quarter century, incomes in China and Vietnam increased by 35-50% compared to incomes in India. Post-2000, China's income started to grow at an astonishing rate and became 2.5 times India's income. However, growth in China has been broad-based compared to growth in India. In 2022, the share of the top 1% in income in India was nearly 50% higher than that of China. The Chinese economy has been maintaining a higher growth rate over the years with a moderate growth in

economic inequality while India's growth has been moderate coupled with extreme growth in economic inequality. That is why India is a "poor and very unequal country".

Here, we would like to emphasise that the twin objectives of high economic growth and reduction of inequality can only be achieved with improvements in human development and poverty reduction. This is what China and Vietnam achieved. Additionally, improvements in human development should precede economic growth if economic growth is to be sustained in the long run. At the national level, the States that sustained high growth over three decades (over 7% GSDP per year) were relatively advanced in human development. These include Kerala, Tamil Nadu, Andhra Pradesh, and Karnataka in the south; Maharashtra and Gujarat in the west; and Punjab and Delhi in the north. States that are relatively backward in the Human Development Index ranking include Jharkhand, Chhattisgarh, Bihar, Madhya Pradesh, Odisha, Uttar Pradesh, and Rajasthan. These States were only able to register a growth rate of less than 5% per annum post-liberalisation.

Human development

The Human Development Report (HDR) 2023-2024 ranked India 134 out of 193 countries. India is now the fifth largest economy but it still ranks lower than Sri Lanka, Bhutan, and Bangladesh in human development. Its economic growth has not translated into growth in human development.

Inequality, unemployment, inflation in India are at all time high, says Parakala Prabhakar

The poor should not have to wait for the benefits of economic growth to trickle down; human development should be given priority in promoting inclusive growth. In the absence of improvement in human development, enhancement of capability and functioning, and poverty reduction, the growth process cannot be inclusive and will only add to inequality. Economic growth therefore does not need to be at a higher pedestal in terms of policy objectives.

As per the HDR 2023-2024, India's score comes down by 31.1% if we account for economic inequality. The extent of economic inequality is such that it cannot be overcome by the Pradhan Mantri Garib Kalyan Anna Yojana, which provides a few kilogrammes of free foodgrains to about 81.35 crore beneficiaries. Sops without jobs cannot be the basis for sustained and inclusive growth. As the paper says, "It is unclear how long such inequality levels can sustain without major social and political upheaval". <https://www.thehindu.com/opinion/op-ed/towards-a-less-poor-and-more-equal-country/article68098252.ece>

12. RBI sees India's GDP growth trend surging past 7 per cent (telanganatoday.com) 23 April 2024

"The conditions are shaping up for an extension of a trend upshift in India's real GDP growth, backed by strong investment demand and upbeat business and consumer sentiments," the report states.

India's GDP growth trend is on the cusp of an upshift, with early signs of it rising above 7 per cent recorded during the 2020s before Covid-19 struck, according to the RBI's monthly bulletin for April released on Tuesday.

"The conditions are shaping up for an extension of a trend upshift in India's real GDP growth, backed by strong investment demand and upbeat business and consumer sentiments," the report states.

It also points out that the global growth momentum has been sustained in the first quarter of 2024 and the outlook for global trade is turning positive.

Treasury yields and mortgage rates are ticking up in major economies on expectations of interest rate cuts. The positive outlook on global trade is expected to boost Indian exports and spur growth.

India's recent growth performance has surprised many, triggering a flurry of upgrades.

For instance, the International Monetary Fund (IMF) has cumulatively revised its forecast for 2023 upwards by 80 basis points between April 2023 and January 2024, the RBI bulletin points out. In the latest update, it expects India to contribute 16 per cent of global growth, the second largest share in the world in terms of market exchange rates by which metric, India is the fifth largest economy in the world and positioned to overtake Germany and Japan within the ensuing decade.

The RBI bulletin also states that the country's CPI inflation has gravitated to 4.9 per cent in March after averaging 5.1 per cent in the preceding two months.

However, it cautions that in the near term, extreme weather events may pose a risk to inflation, along with prolonged geopolitical tensions that could keep crude oil prices volatile. <https://telanganatoday.com/rbi-sees-indias-gdp-growth-trend-surg-ing-past-7-per-cent>

13. SIPRI Report: What's Behind the Surge in Arms Spending? (*bharatshakti.in*) April 24, 2024

India, in 2023, earned the 4th position globally, the list being led by the US, with China and Russia being next in order

The single most significant factor for arms sales to have increased in 2023 is the Ukraine War. It's also the factor that continues to drive arms sales in 2024. Beyond Ukraine, it's the lack of stability in West Asia and the growing intent of the governments of mostly oil-rich states to enhance their military capabilities that drive the global expenditure on arms and weapons to continue to rise steadily. The SIPRI Report on expenditure for arms globally also reflects a ninth consecutive year of the graph of spending on defence surging up, with a 6.8% increase in 2023. In comparative terms, 2023 is also the steepest year-on-year rise since 2009.

The Indian story is also an interesting study. India, in 2023, earned the 4th position globally, the list being led by the US, with China and Russia being next in order. Saudi Arabia follows India, a fact that not only reinforces the deduction that the nation is

trying to go beyond the US umbrella and be an equal partner of the latter, but also signifies a significant shift in global power dynamics. In GDP terms, Saudi Arabia is also a big spender at 7.1 per cent. Amongst the top five spenders, India, at 2.4 %, ranks 4th, while Russia, at 5.9%, leads by quite a margin. The steepest allocation in GDP terms is Ukraine, with the military consuming 37% of its GDP.

China: The Biggest Military Spender

Of more interest is the Chinese expenditure. Data about China has always been difficult to access and assess due to a lack of transparency. The SIPRI report states that the Chinese budget for its forces in 2023 was US\$ 296, less than a third of the US budget. An American senator revealed in September 2023 that the US government estimates that the Chinese budget is actually at about US\$ 700 bn. According to the SIPRI report, this year's budget is a 6% rise over the previous year. The Indian defence budget for 2023 has been reflected as US\$ 83.6 in the report, which is less than a third of the Chinese budget.

China is the biggest military spender in the Asian continent. However, the growth rate of Chinese military expenditure has experienced a downward trend in the past decade. This is not solely due to strategic decisions but also a result of complex economic factors. China has mostly limited its annual defence spending increase to single-digit terms in the decade 2014 to 2023 as compared to double digits earlier. The Chinese economy's slow growth, unproductive funding of the Belt and Road projects that have either suffered a time lag or turned unprofitable, inability of countries hosting BRI projects to repay their loans, the housing bubble at home, have, put-together, led to a slowdown and affected Chinese defence spending. As a percentage of GDP, the Chinese defence budget since 2010 has been in the region of 1.6 0 to 1.73%, highlighting the intricate relationship between economic stability and military expenditure.

However, Xi Jinping's ambitions require heavy expenditure on military modernisation. If the Chinese want to wrest Taiwan, get deeper west in Ladakh, and continue with the idea of Arunachal Pradesh in India being theirs, the pace of military prowess growth is a mandatory prerogative. In addition, they want to rule the South China Sea and settle territorial disputes with most of the countries of the region by force. A US\$296 bn budget may be inadequate for so many of Xi's desired end states.

The Chinese are also already the biggest Navy, are in the process of adding aircraft carriers and submarines, and claim to have stealth fighters, too. They are also increasing their holdings of nuclear weapons, testing long-range ballistic missiles, and developing air-launched aircraft carrier killer ballistic missiles. They also want to be the bigger power in space and have progressed substantially with AI. Such ambitious projects need sustained funding. Under the circumstances, it's difficult to go by the Chinese Communist Party's figures of US\$ 296 as the Defence expenditure for 2023.

Russia and Ukraine War

The SIPRI report about Russia and Ukraine is entirely on the expected lines. Russia ranks as the third largest spender with a budget of US\$ 109 bn. Ukraine has jumped up a couple of notches compared to 2022 to be placed 8th with an estimated spend of US\$

64.8. As a share of GDP, the Ukrainians ride amongst the top few, with 37% spent on defence. The Russian expenditure was 5.9% of its GDP. The Ukrainian increase is 11 % higher than its 2022 figures, while the Russians have spent 1.2 % more.

Russia has maintained the pace of its defence expenditures, and its economy is doing better than expected despite the sanctions. Russian military spending in 2023 was 57% higher than in 2014 when it annexed Crimea.

Indian Scenario

The Indian defence expenditure of US\$ 83.6 bn is 4.2% higher than last year. The increase is primarily due to expenses on personnel and pensionary commitments that have become a bane for Indian forces. The government has attempted to grapple with the situation by implementing a new entry scheme for recruits, akin to a tour of duty approach. The scheme allows retention of only 25% of the recruits beyond four years of service. With these new rules in vogue, pensionary expenditure would be reduced. However, the same may not hold for operational capabilities.

The Indian forces are also pursuing atmanirbharta (self-sufficiency) in a big way. Its large defence budget will consolidate the domestic defence industry ecosystem. In the interim, the budget's sheer volume allows the Indian government to negotiate contracts with foreign partners more equitably while insisting on technology transfers and domestic production in India, wherever viable.

If India is to pursue self-sufficiency, the American experiment is worth studying. According to the SIPRI report, the biggest increase in spending in one particular category in the US defence expenditures of 2023 was in 'research, development, test, and evaluation'. The Indian government has to fund defence research more liberally and ensure the funds are utilised efficiently.

The SIPRI report is an interesting commentary on the state of forces in various countries. With Gaza also very much in flames and the possibility of a regional flare-up in West Asia, the arms industry will continue to display better balance sheets. With the mass use of cheap systems like drones becoming more and more common, it will be necessary for the industry to come up with cheaper systems to fight the adversary and reduce the cost of war. The expenditure on ammunition will also remain high as long as the Ukraine front and Gaza remain active. Nations will have to bank on building surge capacities in the manufacturing of ammunition to meet contingencies. <https://bharatshakti.in/sipri-report-whats-behind-the-surge-in-arms-spending/>

14. India's space ambitions: Market forces are with us (*livemint.com*) 23 Apr 2024

Policy emphasis, coupled with enhanced geopolitical influence, could bolster our space economy after the opening up of this sector placed it on an upward trajectory.

The Indian startup ecosystem within the space sector stands out as a remarkable success story, where technology innovators harness their expertise to craft solutions aimed at not only fostering self-sufficiency, but also positioning India as a global front-runner. From ambitious ventures to celestial bodies like the Moon and Mars, and even to an

observation post for the Sun, India's space endeavours have renewed enthusiasm among aspiring spacefarers. With notable achievements like the Chandrayaan-3 mission, India has consolidated its status as a major space explorer.

India, now recognized globally as an economic powerhouse, is poised to reap substantial rewards from the space technology industry. With the sector's value projected to exceed \$360 billion by 2025, its scope has expanded far beyond space exploration, encompassing satellite communication, earth observation and an array of innovative applications. India currently commands just about 2% (\$7 billion) of this lucrative market. <https://www.livemint.com/opinion/online-views/indias-space-ambitions-market-forces-are-with-us-11713864143707.html>

15. Election Freebies: The good, the bad and the ugly *(newindianexpress.com) 23 April 2024*

All parties are promising handouts in the name of guarantees. The freebies can be sorted between those desperately needed and those not desirable for the country

The summer is a fiery one, in more ways than one. An election is on in India. The first phase of polling is done. Claims and counter-claims as to who is winning are on. Television news is having a heyday, polarised between the two formations of the NDA on one side and the INDIA coalition on the other.

The gloves are off. No subterfuge anymore. The masks are off as well. You watch the channel you belong to. Or must I say the political formation you support? What is said on television news is believed by the believer (who already believes) to be gospel truth. Just as there are two coalitions at loggerheads with one another in this election, there are two formations of media channels, newspapers, digital news offerings, influencers, comedians, film stars, cricketers, WhatsApp groups, and even people at cocktail parties. All divided.

While many media outfits have already pronounced the winner, the truth however remains that all this is maya created by each of the contending formations. Each saying the win is theirs. Everything is but an assumption. The truth for 102 constituencies is already locked in EVMs kept safely away from the hustle and bustle of the election. The balance 441 are waiting to be filled with the uncommon mandate of the common man. The mandate of the electorate will be known on June 4, 2024, when counting begins and concludes. Till then, the truth is that no one knows who will form the new government in New Delhi ahead. An election is not done till the counting is done. From all my pre-election travel in India, this election is surely not a boring one. It is an exciting one instead. It's not done. Not yet.

In the run-up to this election, every party has put forth an election manifesto. A statement of intent, and a statement packed with promises. A manifesto in many ways is a promissory note, if not a promissory document. Every party has done its bit. While many pack their manifesto with "intent", "promise" and "guarantee", it is important to appreciate the trend across all parties that seem to polarise their manifesto to the extreme end of these three, hinging on the "guarantee". While intent is a statement of direction, a promise is that much more specific and rigid (hinged on a give and take policy), and the guarantee is a freebie for sure.

The manifesto market has therefore gone through a redux. Every party has decided to go the freebie way. It is a freebie packaged to look that much more dignified with the outer-garment word, 'guarantee'.

I have just finished reading and analysing the manifesto document of six political parties that are in the fray for general elections 2024. I must say that I am convinced that the freebie is all around in plenty. But then, there are many kinds of freebies. For the sake of this column, I have put them into four buckets. The first freebie I see is the need-based freebie. And then there is the want-based, the desire-based and the aspiration-based.

The moment I use the word freebie, does it mean that all freebies are bad? Are all guarantees bad? Not really. In my segmentation of guarantees, there is the good, the bad and the ugly. And maybe a few "very ugly", even. Let me explain.

The good guarantee is the need-based freebie. India is a land of the poor (even though we seldom acknowledge it in the midst of all the personal prosperity we experience and what we see in popular media) and the impoverished. Let's remember, despite the best efforts of the government over the last 15 years, we still have as many as 3.44 crore people who live in extreme poverty. To these, food and education are items deprived. The good guarantee and the good freebie is therefore one that promises food every day and education for the children of these deprived classes, to aim for betterment. This is what I would call the "need-based freebie". Free "dal, cheeni (sugar), chaawal (rice) and atta (flour)" to the deprived, all fall in this category.

The bad guarantee, then, is the one that caters to the greed of those who live above the poverty line in India. When I have everything that sustains my daily life, I still want more. I look forward to election time and look forward to the new mixer-grinder to replace my old one, the LCD television set to upgrade from the old one, and items of this type. I call this the "want-based freebie". People have wants. They always will. Let them cater to their wants based on hard work. Why offer a freebie to this category of people at all? This surely is the bad freebie. The bad guarantee. The key point: the intent behind this guarantee is questionable.

The ugly guarantee is one that promises a dole of sorts. Many of these are 'desire-based freebies'. A dole for the unemployed for instance. Why must this even be attempted? A dole offered to the hale and hearty young folk of India typically kills the animal spirit of working for a living. An ugly freebie is easy to spot in a manifesto. You just need to look. And protest. A desire-based freebie is best discouraged, if not denied altogether.

My final categorisation of the apogee-freebie is the "aspiration-based freebie". What is this now? All of us have aspirations. This aspiration is for ourselves, our families, our communities, our state and indeed our country and the planet at large. This I do believe is the most benign of all freebies to offer. If your party manifesto offers an agenda for clean air, clean water and clean everything (corruption included), it sure is a benign one. This is a super-good freebie. A manifesto that aspires to create a pollution-free tomorrow is a good one to back. Does a manifesto offer you a game plan to progress on all counts social, economic, political and religious for the common benefit of all? This is a good plan.

The net of it, after having immersed hours into reading the political party manifesto of every colour, I do believe we must offer the guarantee and freebie in India. The good ones to offer are the need-based freebies and the aspiration-based freebies. Let's avoid and shun the want-based and desire-based avatars of the guarantees altogether.

A point to make as an end point. The freebie is in the election manifesto as a promise, and the freebie is on the ground as well as an inducement to vote. We need to be watchful.

May I then urge each one of us to look deeper and wider into the political party manifesto and decide for yourself which is the good freebie, which the bad and which the ugly? <https://www.newindianexpress.com/opinions/2024/Apr/22/election-freebies-the-good-the-bad-and-the-ugly>

16. How state-level school boards can promote educational equity (*livemint.com*) Bibek Debroy, Sanjay Kumar & Aditya Sinha | 23 Apr 2024

State-level curriculums should align with the National Curriculum Framework while incorporating state-specific elements, ensuring that all students receive a robust educational foundation that can satisfy national standards and suit local contexts.

Mission drift, a phenomenon wherein an organization starts focusing on activities that do not align with its foundational mission, has severe consequences for organizations. In his book *Good to Great*, Jim Collins highlights how companies can falter by straying from their core values and missions, a concept linked to Aristotle's idea of "telos," or an entity's ultimate purpose. Aristotle believed that losing sight of this purpose leads to dysfunction and unrealized potential, mirroring the effects of mission drift seen in modern organizations.

This issue is notably problematic within public sector institutions such as state-level school boards in India. Established initially to set educational standards, develop curricula and oversee school administration, these boards have increasingly focused on conducting examinations. Such a narrow focus can overshadow broader educational goals like encouraging critical thinking, creativity and holistic development, relegating the original mission of enhancing the educational experience to a secondary role. <https://www.livemint.com/opinion/online-views/how-state-level-school-boards-can-promote-educational-equity-11713864293707.html>

17. Our planet's sustainability at stake (*tribuneindia.com*) April 24, 2024

Existential problem caused by climate change can't be solved by the paradigm of capitalist economics

In its recent verdict in the case of the Great Indian Bustard, the Supreme Court has recognised the fundamental right of humans to be free from the adverse impact of climate change. The ruling has dismayed policymakers and builders of renewable energy infrastructure. They say the judges are setting aside the advice of scientific experts and delaying the construction of infrastructure for reversing climate change. The court admits that climate change has brought jurisprudence into uncharted

territory. Solutions cannot be found with the same way of thinking that has caused the problem. The existential problem caused by climate change cannot be understood and solved by the prevalent paradigms of capitalist economics and unsystemic science.

Citizens with diverse needs must listen to each other to come to a consensus about the type of society they want to create for themselves.

In capitalist economies, natural capital is the property of its owner. Kings and landlords owned the land, water and forests, and all the fish and animals within their private estates. They also owned the produce of all humans who lived and worked on their land as their serfs or slaves. Owners who stayed on their land and interacted with the people on it could see their forests and watch their crops grow, and their workers sweat, and sense how the system worked. Absentee landlords did not care. They wanted their profits regardless of the damage to their land by droughts and floods, besides the sufferings of their workers.

The development of commodity markets, in which animals, farm produce, timber and minerals could be bought and sold with money and prices determined by traders, converted natural capital into financial capital. Financial markets created a new class of capitalists, even further removed from reality than absentee landlords, who gauge the condition of the world from charts of how prices move in commodity exchanges and stock markets. When labour went off the land into factories, workers were paid for the time they spent in factories and what they produced during that time. Their skills and labour became commodities purchasable for a price by owners of enterprises.

Property rights are an ancient principle of economics and jurisprudence. Human rights were recognised much later with political movements, often violent, to abolish slavery, and to pay fair wages and provide safe working conditions for workers. Gig work is the 21st-century way to convert labour into a commodity again: workers on demand, payment only for the work done, and no social security — good for business owners, but bad for the people.

Garrett Hardin's theory of the 'Tragedy of the Commons' underlies the ideology of privatisation. The theory is that property which belongs to everybody is cared for by nobody. Therefore, the commons must be parcelled out to private owners to manage their own pieces efficiently, motivated by a drive to make more profit for themselves. Damage to the global environment, which belongs to everybody, has become a global-scale tragedy of the commons. It cannot be solved by further privatisation of property. A new theory of governance is required to obtain the 'Promise of the Global Commons'.

Francis Bacon boasted at the birth of the European Enlightenment in the 17th century that science would give humans the power to control unruly nature. Scientific discoveries in physics, chemistry and biology have produced powerful tools for exploiting the earth to improve humanity's material wellbeing, and technologically advanced nations are envied for the material wellbeing of their citizens. Overexploitation has harmed the health of the earth. Thus, with technological hubris, humans have destroyed the sustainability of the planet and harmony among people.

Modern science has broken the complexity of systems into small components. Separate sciences are advanced by experts who know more and more about less and less. They

are like the blind men around the proverbial elephant. None sees the whole reality. Modern medicine has developed marvellous drugs and surgeries to repair various organs of the body. The side effects of the treatment of a diseased organ make the patients' condition worse by harming other organs. Better health requires more generalists who understand the person's body and mind.

Economics broke away from other social sciences in the last century, with all going into their specialised silos. Economics focused on the productivity of natural and human resources to increase the GDP. Economists know how to increase the material size of an economy, but not how to improve equity in the economy and sustainability of natural resources, along with growth.

Economists, like other scientists, look for causal relationships among various forces within a system, presuming all are unidirectional. The modern scientific approach cannot understand forces that mutually arise and have circular relationships of cause and effect with each other. Economists who advocate for higher GDP first to grow more resources to improve the HDI (human development index) and later for environmental sustainability fail to see that human development and sustainable natural resources are prerequisites for economic growth and will always be its foundations.

Humans are part of nature's complex system, along with the soil, water systems and diverse species of plants, animals and insects. The wellbeing of all must be protected for sustainable development. Conservationists who focus on only one part of the system and advocate for more trees, or for the protection of one species like the tiger, are not taking a systemic view of the whole system. And those who want poor people to be cleared out of the commons to protect forests and tigers fail to see that humans are also an integral part of the system. Such scientific solutions for sustainability can be inhumane.

Complex systems can be understood only by listening to multiple points of view. The rule of law and speedy justice make countries attractive for financial investors and citizens. However, investors and citizens have different needs, and therefore different interpretations of law. Good governance and justice for all require those who govern to continuously listen to the people. Courts and experts within their narrow specialisations cannot create a consensus among citizens. Citizens with diverse needs must listen to each other to come to a consensus about the type of society they want to create for themselves. <https://www.tribuneindia.com/news/comment/our-planets-sustainability-at-stake-613860>

18. No more 'neutral' (*millenniumpost.in*) 23 Apr 2024

Owing to the impact of erratic weather on food prices, climate change can potentially impact inflation, posing risks to economic stability and poverty alleviation efforts globally

Shaktikanta Das, Governor of the Reserve Bank of India (RBI), in his statement on the Monetary Policy Committee report released on April 5, said: "Two years ago, around this time, when CPI [consumer price index] inflation had peaked at 7.8 per cent in April 2022, the elephant in the room was inflation. The elephant has now gone out for a walk and appears to be returning to the forest. We would like the elephant to return to the forest and remain there on a durable basis. In other words, it is essential, in the best

interest of the economy, that CPI inflation continues to moderate and aligns to the target on a durable basis. Till this is achieved, our task remains unfinished.”

In its latest report, RBI says that despite all parameters showing positive trends on inflation trajectory, food price uncertainties (read high food prices) are causing high overall inflation. And the erratic weather is the reason why food supply is being disrupted, adding to the high price rise. “Frequent and overlapping adverse climate shocks pose key upside risks to the outlook on international and domestic food prices,” Das said, adding that increasingly central banks across the world are factoring climate into monetary policies. The metaphorical “elephant”, thus, is not just inflation but also climate change. It is well accepted that weather is a key determinant in the food production cycle. But the RBI Governor’s statement is a convincing pointer to the centrality of erratic climate in the contemporary economy. To regulate inflation—the “task”, like he has mentioned—there must be certainty of food production (as per expected quantity) to meet the demand. But the climate change-induced erratic weather shocks are having wide impacts on countries.

“The after-effects of climate change might weaken the transmission of monetary policy actions to financing conditions faced by households and firms,” warns the RBI’s Monetary Policy Report 2024. An agricultural household losing income due to erratic weather events will be spending less as well. If the shock is regular, the overall income will also decline proportionately, pushing the household into poverty. This, in turn, will precipitate poverty among those who depend on agriculture and other related vocations that interact with climatic situations more directly. This is true not just for an agricultural household but also for countries that are predominantly agrarian.

The World Bank’s recent report, “The Great Reversal: Prospects, Risks, and Policies in International Development Association Countries”, estimates that 75 countries—poor and least developed countries, mostly “eligible for grants and zero to low-interest loans from the World Bank’s International Development Association (IDA)—lose, on average, 1.3 per cent of their GDP annually due to natural disasters. And the losses are increasing while the number of extreme weather events has doubled in the last decade. More than one-fifth of the population in these countries was living in extreme poverty in 2023, which is over 800 per cent of the average in the rest of the world. These countries had 651 million food-insecure populations in 2023, which is nearly double of the figure for 2019. While the report attributes many other factors to the static development in the IDA countries, climate change-related losses and challenges have been identified as add-ons to this dire situation. This is because most of their economy is agrarian, and, thus, highly vulnerable to climatic shocks. What these assessments bring out is widely expected. But climate change entering the realm of formal economic policy-making, that too of central banks’, is an acceptance of the crisis as well as a warning of how it could disrupt the global economy. <https://www.millenniumpost.in/opinion/no-more-neutral-561192>

19. ‘K’taka & Guj lead clean energy transition race’ (*millenniumpost.in*) 23 Apr 2024

Karnataka and Gujarat continue to lead the race to clean energy transition, but states like Jharkhand, Bihar, West Bengal and Uttar Pradesh need to step up efforts, according to a new report released on Tuesday.

The joint report by research organisation, Institute for Energy Economics and Financial Analysis (IEEFA), and clean energy think tank Ember evaluates the clean electricity transition preparedness at the sub-national level.

The report's authors said Karnataka and Gujarat continue their strong performance across dimensions, effectively integrating renewable energy sources into their power sectors, making strong strides in decarbonisation.

But states like Jharkhand, Bihar, West Bengal and Uttar Pradesh need to improve. While these states are in the early stages of their transition, they now need to focus on increasing renewable energy deployment, enhancing short term market participation and strengthening their distribution companies.

The report launch coincides with a spell of intense heat wave sweeping parts of India, leading to the Ministry of Power preparing for a projected peak power demand of 260 gigawatts. Harsh summers also offer the chance to utilise more clean energy like solar power. Although, this requires preparedness of states to transition to clean sources of electricity.

“Cyclical weather conditions coupled with faster economic activity is pushing India's peak electricity demand higher every year. While the central government is taking steps to integrate more renewable energy into the grid, states, too, need to be prepared to do so. Gauging sub-national progress now requires constant monitoring of several parameters at the state level. A purely national overview can often overshadow subtle intricacies at the state level, which may stymie the country's electricity transition,” the report's contributing author, Vibhuti Garg, Director, South Asia, IEEFA, said.

While the national-level progress towards electricity transition is progressing well, it is far more uneven at the state level.

“Some states have developed progressive steps, such as boosting decentralised renewable energy deployment, promoting solar pumps for agricultural needs, and enhancing storage solutions to ensure more renewable energy in their electricity systems. But, the transition to clean electricity is still in its infancy in many states.

“These states should look to accelerate efforts to access benefits of a transition to clean electricity and to ensure they are not left too far behind the better-performing states,” the report's contributing author, Aditya Lolla, Asia Programme Director, Ember, said.

One of the striking findings from the analysis for the 2024 report is that several states are exhibiting preparedness to embrace electricity transition. They perform well in the “Readiness and Performance of the Power Ecosystem” and “Market Enablers” dimensions but need to improve in the “Decarbonisation” dimension.

“Delhi's power system is well-prepared for decarbonisation, while Odisha has robust market enablers to support decarbonisation in the power sector. However, their actual decarbonisation progress so far does not match their strengths in these aspects, highlighting the importance of performing well in both dimensions to effectively achieve decarbonisation goals,” co-author Neshwin Rodrigues, Electricity Policy Analyst, Ember, said.

The report also notes that state-level decarbonisation can be further accelerated by strengthening the power ecosystem and having right enablers. Some states that are decarbonising well also lack the right market enablers, others struggle with the readiness of their power ecosystems.

Kerala, Haryana, Andhra Pradesh, Punjab and Maharashtra all exhibited considerable progress in certain aspects but also lower performance in other aspects. For example, Kerala and Punjab need to improve when it comes to market enablers for decarbonisation, while Andhra Pradesh and Maharashtra need to focus on the readiness of their power ecosystems, according to co-author Tanya Rana, Energy Analyst, IEEFA.

“Despite achieving relative success in decarbonising the sector thus far, states must address deficiencies in readiness and market enablers to sustain their momentum,” says Saloni Sachdeva Michael, Energy Specialist, India Clean Energy Transition, IEEFA.

The report recognises the considerable efforts that states are making towards transitioning to clean electricity and recommends some key steps to accelerate the pace of transition. “We recommend the strengthening of state-level regulatory ecosystems. This not only ensures compliance but also promotes growth, data tracking and monitoring, and a conducive environment for business,” Michael said.

“India has formulated many central and state-level policy schemes to reinforce its goal of energy independence by supporting various reforms and regulatory interventions across the value chain. However, actual implementation has not been adequate and transparent,” she added. <https://www.millenniumpost.in/business/ktaka-guj-lead-clean-energy-transition-race-561220>