NEWS ITEMS ON CAG/ AUDIT REPORTS

1. अधिक मुआवजा बांटने पर सीएजी की आपत्ति के बाद भी कार्रवाई नहीं *(samacharnama.com)* Nov 30, 2023

उत्तरप्रदेश: उच्चतम न्यायालय ने नोएडा प्राधिकरण की तरफ से मुआवजा बांटने में हुई गड़बड़ी पर अब तल्ख टिप्पणी की है. खास बात यह है कि सीएजी ने वर्ष 2021 में ही अधिक मुआवजा बांटने के गड़बड़झाले को पकड़ लिया था. सीएजी ने जांच में पाया कि तत्कालीन अधिकरियों ने गलत तरीके से 1450 करोड़ रुपये से अधिक का मुआवजा बांटकर प्राधिकरण को आर्थिक नुकसान पहुंचाया. वर्ष 2021 में यह रिपोर्ट शासन को भेजी गई और इसके बाद विधानसभा में भी रखी गई. इसके बावजूद करीब दो साल बाद भी प्राधिकरण के किसी भी अफसर पर कार्रवाई नहीं हुई.

वर्ष 2017 में हुए यूपी चुनाव प्रचार के दौरान गाजियाबाद में जनसभा करने आए प्रधानमंत्री नरेंद्र मोदी ने कहा था कि प्रदेश में सत्ता में आने पर नोएडा प्राधिकरण में हुए घोटालों की जांच सीएजी से कराई जाएगी. सत्ता में आते ही यूपी सरकार ने 11 जुलाई 2017 को नोएडा, ग्रेटर नोएडा और यमुना विकास प्राधिकरण और यूपी राज्य औद्योगिक विकास निगम कि वित्तीय जांच सीएजी से कराने का फैसला लिया. अक्तूबर 2017 से सीएजी ने जांच शुरू कर दी थी. इससे पहले तक प्राधिकरण के खातों की जांच लोकल फंड ऑडिट डिपार्टमेंट करता था. सीएजी ने खासतौर से वर्ष 2015 से 2017 तक नोएडा प्राधिकरण से जुड़े विभाग के कामकाज की जांच की. कुछ मामलों में जांच का दायरा वर्ष 1976 तक का शामिल किया गया. इसकी वजह यह है कि नोएडा प्राधिकरण का गठन 17 अप्रैल 1976 को हुआ था. ऐसे में सीएजी ने नोएडा के गांवों की जमीन अधिग्रहण व बांटे गए मुआवजा मामलों की भी जांच की. इस दौरान भूलेख से जुड़े काफी रिकार्ड को भूलेख विभाग के अधिकारी सीएजी को उपलब्ध नहीं करा पाए. प्राधिकरण ने जांच में पाया कि गलत तरीके से मुआवजा बांटने व देरी से मुआवजा देने पर प्राधिकरण को करीब 1450 करोड़ रुपये का नुकसान हुआ.

बिना मुकदमे वालों को भी 373 करोड़ बांटे
सीएजी ने अपनी रिपोर्ट में कहा कि नोएडा प्राधिकरण ने जिन मामलों में लोग न्यायालय भी नहीं गए उनको भी 373 करोड़ 85 लाख रुपए का भुगतान कर दिया. यह भुगतान भूमि अर्जन, पुनवार्सन और पुनर्व्यस्थापन में उचित प्रतिकर और पारदर्शिता अधिकार अधिनियम 2013 के खिलाफ जाकर किया. बिना मुकदमेबाजी के बोनस का भुगतान कर दिया गया.

520 करोड़ का नुकसान
सीएजनी ने रिपोर्ट में कहा कि नोएडा प्राधिकरण ने मुआवजा बांटते समय भी नियमों की जमकर अनेदखी की. नियमों के खिलाफ जाकर अतिरिक्त व तय समय पर मुआवजा नहीं बांटने से प्राधिकरण को 520 करोड़ 72 लाख रुपए का नुकसान हुआ. https://samacharnama.com/city/noida/no-action-even-after-cags-objection-to-higher-compensation/cid12848348.htm

2. Audit plays a crucial role in upholding democratic framework: Guv *(uniindia.com)* Nov 29, 2023

Kolkata: West Bengal Governor C V Ananda Bose on Wednesday waxed eloquent about the crucial role audit plays in upholding the democratic framework.

Addressing the concluding function of Audit Week 2023 to commemorate the occasion of 3rd Audit Diwas, Bose said audit should act as a guide for the executive functionaries to ensure that the functioning processes remain within the corridor of prescribed framework and such framework is not breached by the functionaries.

"Audit should keep meticulous watch over the propriety aspect, with due concern about efficiency/effectiveness in functioning, " he opined.

He was very emphatic about the fact that audit should have the competence to discern the truth from the maze of facts it comes across and provide its view in an unbiased manner. He appreciated the role the CAG has enacted by citing reporting of CAG on ‘2G scam’, ‘Coal block scam’.

Bose encouraged all to remain truthful towards their work and ensure fearless/unbiased reporting.

Satish Kumar Garg, Principal Accountant General (Audit-I), West Bengal, briefed the Governor that in the context of newer priorities of governance and changing dynamics of work culture and in terms of emerging financial accounting systems and new technologies, the CAG is constantly innovating through ‘introduction of innovative audit products for focused engagement such as Departmental Appreciation Notes, Management Letters and Study Reports’, ‘adoption of technology tools like Remote Sensing, Geographic Information System and Global Positioning System for audit planning, implementation and evidence gathering’ and ‘embracing emerging technological trends through implementing an integrated IT system called the OIOS system or (One IAAD One System) for audit process automation and knowledge management’.

Garg further briefed the Governor that in the international arena, over the years, the CAG of India has been a frontrunner in strengthening the global public accountability framework. Garg felt that on this special day all staff members of CAG should rededicate themselves to the service of the nation to ensure that public audits serve as dependable aid for good governance, inclusive growth and sustainable development for the benefit of citizens of this country. https://www.uniindia.com/audit-plays-a-crucial-role-in-upholding-democratic-framework-guv/business-economy/news/3096170.html

3. Health Department to roll out 262 new ambulances under ‘108 services’ today *(thehindu.com)* November 30, 2023

The Health and Family Welfare Department of the State will roll out 262 new ambulances with modern medical facilities under ‘108’ ambulance service under the ‘Arogya Kavacha’ scheme on Thursday. With this, the number of 108 ambulances under the scheme has increased to 715.

Speaking to reporters here on Wednesday, Minister for Health and Family Welfare Dinesh Gundu Rao said there have been many glaring deficiencies in the operation of ambulances in the State and a team of senior officials and a technical committee had been formed to study the functioning of ambulances in other States.

The team has visited Gujarat, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, and Punjab to study the services provided by ambulances and its impact on delivery of emergency services.

A report of the Comptroller and Auditor General of India (2020) too flagged many loopholes in the existing system of functioning of ambulances under the Arogya Kavacha scheme and said that absence of policy on positioning/location of ambulances under its '108' service under the scheme and stationing of ambulances within the hospital premises and not within the vicinity of black spots (accident areas) impacted the delivery of emergency medical service (EMS).

The government entered into a pact with GVK-EMRI Group to provide '108' ambulance service in the State.

Mr. Rao said the government has been providing all support to the GVK-EMRI Group but services have not been up to the mark. Based on the reports given by officials and the technical team, he said a new policy would be formulated and a decision would be taken on renewal or non-renewal of services of GVK-EMRI Group. The policy has not been renewed since 2008, he said.

He said 46 new dialysis centres have been established in taluks and these are single-use machines. Now, the total number of dialysis centres has increased to 219.

Under the Ayushman Bharat-Arogya Karnataka (ABAK) scheme, the Minister said medical rates of treatment for diseases in private hospitals would be increased after discussions with the Chief Minister. Currently, many private hospitals deny patients citing less medical charges fixed by the government. The government has been spending close to ₹1,250 crore for providing treatment to families belonging to the BPL category in private hospitals. Currently, 3,483 hospitals of both private and government have been empanelled under the scheme.

Dept. to seek police aid to crackdown on illegal abortions
Minister for Health and Family Welfare Dinesh Gundu Rao on Wednesday said the Health Department would work in coordination with the police to crackdown on illegal abortions in private hospitals/clinics in the State.

Mr. Rao said the Health Commissioner has been asked to seek reports from the District Health Officers of Mandya and Mysuru and take suitable action related to illegal abortions in both districts.

A few days ago, the Bengaluru police arrested a doctor and his lab technician who allegedly performed around 900 illegal abortions in the last three years. Chandan Ballal and lab technician Nisar allegedly charged around ₹30,000 for each abortion which they carried out at a hospital in Mysuru. They were taken into custody last week.

The Minister said awareness needs to be created on the punishment given for illegal abortions under the Preconception and Prenatal Diagnostic Techniques Act. https://www.thehindu.com/news/national/karnataka/health-department-to-roll-out-262-new-ambulances-under-108-services-today/article67587004.ece

SELECTED NEWS ITEMS/ARTICLES FOR READING

4. Free grains scheme to cost Rs 11.8 trillion in 5 years: Government *(financialexpress.com)* November 30, 2023

Running the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) or free ration scheme in the current form for the next five years would cost the exchequer Rs 11.8 trillion, the government said on Thursday. The statement followed Wednesday's Cabinet approval for extending the scheme for five years starting January 1, 2024.

Information and Broadcasting minister Anurag Thakur said there will be no shortage of funds to run the scheme. Neither would there be issues with procurement on account of extending the PMGKAY, the minister added.

An official told FE that the estimate of the cost of PMGKAY was made after taking into consideration a projected increase of 7%-8% in the minimum support price (MSP) of the relevant crops – rice and wheat and coarse grains– annually, and other costs such as transportation, storage and incidentals. The MSP increases and other expenses are expected to push up economic costs of handling rice and wheat by the Food Corporation of India (FCI), and a part of the cost is sought to be defrayed by the off-loading of grains in the open market.

Sources also said that the cost incurred under the scheme could also go up based on the new census. Currently 75% of the rural and 50% of the urban population are entitled to get food grains under National Food Security Act (NFSA) based on census, 2011. So far as the criteria for identifying the beneficiaries – 813 million at present– don't change, the number of people entitled to this succour could increase with population.

The UPA government brought the National Food Security Act in 2013, making highly subsidised supply of grains to target population as a legal right, so as to meet the nutritional requirements of people. The Act provided for revision of the subsidised "issue prices" of grains "in three years" from the commencement of the Act; it also stated that that the Centre would review the level of subsidy "from time to time." The plan was also to periodically review the beneficiary pool, but all this never occurred.

As a result, annual food subsidy (Rs 2.25-2.5 trillion at current prices) is now as high as 6% of the Central Budget.

The free ration scheme was to end in December 2023, but prime minister Narendra Modi earlier this month at an election rally in Chhattisgarh had stated that the scheme would run for another five years.

The additional budgetary cost of running the free ration scheme – rather than the NFSA in the previous form – for January-March quarter of the current fiscal could be around Rs 4,000 crore only. This is because under NFSA itself grain supplies used to be heavily subsidised.

For FY24, Rs 1.97 trillion has been budgeted under this expense. However, sources said that subsidy amount could decline a bit as FCI has sold more than 4 MT of wheat in the open market from its stocks, recovering a part of costs.

Since the last two fiscal years, MSPs of paddy and wheat witnessed an increase of 5-7% annually.

Since January this year, the Centre has been providing free food grains (5 kg per beneficiary) to states for the scheme, initially valid till December 31 this year.

In April 2020, the government had launched PMGKAY in midst of the first Covid-19 wave to provide additional 5 kg of free foodgrain to each beneficiary under the NFSA in addition to 5 kg of grain at a highly subsidised rate of Rs 3/kg and Rs 2/kg for rice and wheat, respectively.

The government has incurred an expenditure of over Rs 3.9 trillion under PMGKAY since its launch, with distribution of 111 MT of foodgrain so far. https://www.financialexpress.com/policy/economy-free-grains-scheme-to-cost-rs-11-8-trillion-in-5-years-government-3321084/

5. Bridging the development divide with Artificial Intelligence *(financialexpress.com)* November 29, 2023

Early this month, heads of countries, leading technologists, civil society leaders and researchers signed the Bletchley Declaration in the UK. They recognized the power of Artificial intelligence to transform and enhance human wellbeing, peace and prosperity. The declaration elaborates that AI should be designed, developed, deployed, and used, in a manner that is safe, in such a way as to be human-centric, trustworthy and responsible. It is a call to action, to cooperate on AI to promote inclusive economic growth, sustainable development and innovation, to protect human rights and fundamental freedoms, and to foster public trust and confidence in AI systems to fully realise their potential.

India’s war against poverty has leapfrogged in recent years on the backbone of technology. Our robust digital infrastructure helped to stem the economic downslide during the pandemic and continues to drive welfare programs. As a result, we have made remarkable strides in recent years toward eradicating poverty, significantly reducing both the number of people affected and the severity of their hardship. This success is largely due to improvements in the fundamentals of human development: education, health, and livelihoods. As a nation, we continue to invest in raising the baseline for human capital. For instance, the allocation for education in the Union Budget has reached an all-time high of 2.9% of GDP. Programs in health, rural development, women’s empowerment, and livelihood support have also seen consistent growth, resulting in a social infrastructure that includes 1.2 crore Self-Help Groups (SHGs), with 88 percent comprising all-women groups, thus spearheading the world’s largest microfinance project.

Despite this progress, the investment needed to eradicate poverty within our generation still falls short. Most developed countries allocate up to 6% of their GDP to education; India is barely at the halfway mark. Moreover, despite significant progress in establishing a three-tier healthcare system, access to quality healthcare, particularly in rural areas, is hindered by the scarcity of trained medical professionals. India requires a broad spectrum of professionals – paralegals, electricians, lab technicians, trainers, therapists, and many more to meet the needs of our burgeoning population with quality and availability that match global standards.

Historically, bridging the developmental divide was a matter of time—the time needed for capital formation and to develop human capital through generational shifts in education and skill levels. Today, however, technology, and AI in particular, offers unprecedented productivity gains that could reduce this waiting period from decades to mere years.

Consider the skilling sector in India. The World Economic Forum, in its 2018 study, ranked India 30th in the Global Manufacturing Index, highlighting the lack of human capital as a bottleneck in enhancing the capabilities of our young and fast-growing workforce. The quality of skilling programs has suffered due to a shortage of skilled trainers – a gap ripe for digital disruption enabled by technology. A single trainer, empowered by AI-based assessment and content delivery systems, can effectively educate a larger cohort without compromising on learning outcomes. Large Language Models like OpenAI are revolutionising chatbots, training content, language translation, and personalised micro-learning modules. With investments in foundational data infrastructure for Indic languages, we are on the verge of closing the human capital gap in skill development through technological advancements.

Meanwhile in the agricultural sector, information asymmetry remains a significant challenge for Indian farmers. While some benefit from internet access and real-time information, a vast majority of smallholders struggle with outdated cultivation techniques, weak market linkages, and limited access to solutions that could alleviate their labour, optimise input usage, or boost their yields and incomes. A 2018 review by the Indian Council for Research on International Economic Relations (ICRIER) detailed how agricultural research, education, and extension services are crucial to the growth of agricultural GDP. By equipping field agents with state-of-the-art advisory services powered by real-time data and AI, the efficacy of extension services can be dramatically scaled up. AI's potential to forecast weather, monitor crop health, prevent or detect pest attacks, minimise pesticide usage, and enhance soil health could revolutionise agriculture, making it more sustainable for the planet and profitable for farmers.

The world is bracing for large-scale displacement due to AI and robotics. Yet, these technologies also hold the key to addressing the critical shortage of human capital that perpetuates poverty among underprivileged populations. The emergence of digital public platforms and data exchanges allows AI innovators to apply their solutions for social good, tackling issues that perpetuate opportunity inequality. Governments are increasingly seeking to expedite the closing of the development divide, creating mechanisms for innovators to contribute to this agenda.

The timing is ideal for innovators and forward-thinking policymakers to collaborate. Through the utilization of technology-driven solutions to tackle development challenges, we can chart a course for India to achieve a poverty-free centenary as a fully developed and inclusive nation. This endeavour will embody the spirit of the Bletchley

Declaration, setting a notable example for global development. https://www.financialexpress.com/policy/economy-bridging-the-development-divide-with-artificial-intelligence-3321115/

6. Silkyara learnings *(thehindubusinessline.com)* November 29, 2023

The right lessons need to be learnt from the Silkyara-Barkot tunnel mishap

The nation heaved a sigh of relief on Tuesday night when 41 rescued workers emerged safely from the Silkyara-Barkot tunnel in Uttarkhand, after being trapped for 17 days. It was a harrowing time not just for these workers and their families, but also for the crew of rescue workers, engineers, officials and the political leadership involved in the rescue process.

Finally, the humble rat-hole mining technique, which as the term suggests entails rodent-like digging with the use of simple tools (a hazardous method used to mine coal, now banned), managed to cut through the obstinate lumps of iron in the debris and carve out a passage for the exit of the workers. The drilling machines couldn't break past tangled metal that had fallen into the tunnel along with soft debris, about 270 m away from the Silkyara side. The rescue brings to the fore India's skills in pulling off nail-biting rescue operations, involving accidents or natural calamities where people end up being stranded for days. The collective rescue effort — involving a range of Central ministries (besides the PMO) from Road Transport and Highways to the Railways, the Armed Forces, para military forces, State governments and district officials, disaster management experts at the Centre and States, health personnel and ordinary people — was commendable as an exercise in coordinated decision-making and execution.

These are not qualities associated with a government set-up. However, the bane of this country is that it acts after a catastrophe, instead of having preventive systems in place. Accidents arising out of negligence occur from time to time because due process is not observed in execution of a project. The latter, in turn, persists because mishaps are not investigated thoroughly, with the culpable being brought to book and processes accordingly reviewed. It is to be hoped that an inquiry into the Silkyara-Barakot tunnel collapse uncovers all aspects. A judicial probe might help to establish accountability. Going by the accounts of some geologists and engineers, there have been lapses in the execution of the 4.5 km long tunnel project. Reports of the work of excavation and lining from the Silkyara side having been sub-contracted need to be probed.

The absence of an escape route appears to be a violation of norms. It seems that during excavation the required tunnel profile was not maintained. This necessitated reprofiling, which may have been done without regard for the rock type in the accident zone. There are concerns over whether this tunnel, which will connect the Gangotri and Yamunotri valleys as part of the Char Dham project once it is complete, will be safe for all vehicles — given the fragile geology of the Himalayas. The Char Dham project must be environmentally reviewed to minimise damage arising from landslides, floods and earthquakes. But first, lapses in tunnel execution, as indeed in the EPC contract, must be dug out, as it were. https://www.thehindubusinessline.com/opinion/editorial/silkyara-learnings/article67585888.ece

7. India’s Economic Growth is riding on Speculative Bubbles *(frontline.thehindu.com)* Nov 30, 2023

In the hype and celebration surrounding India’s GDP growth, many have argued that two important features of those growth numbers tend to be ignored. The first is that recent annual growth figures are high because they reflect a recovery from a sharp collapse of GDP during the COVID downturn. Relative to pre-COVID levels, the rise in GDP post-COVID is by no means impressive. The second is that the new GDP series with 2011-12 as base—the construction of which involved questionable choices of new data sources and changes in methodology—has tweaked the numbers to ramp up both the level and the rate of growth of the estimated figure. India’s relatively high growth post-COVID may partly be a statistical mirage.

But these critical, statistical reflections on recent Indian growth trends do not account for all the “dynamism” that the GDP growth figures since the mid-2000s point to. The more substantive criticism is that much of that growth has ridden on speculative bubbles created by the excess liquidity spawned by financial liberalisation, especially external financial liberalisation. The intensification of that liberalising trend coincided with long-term changes in monetary policy in the advanced capitalist nations, especially the US, with the completion of a shift from relying on fiscal stimuli to spur growth to a reliance on monetary policy instruments and cheap money as a fuel for growth. Monetary easing, or the expansion of money supply and “liquidity”, was used to trigger the credit boom on which economic growth rode. And a policy relying on “quantitative easing” and near-zero interest rates was adopted in response to the Great Recession that the 2008 financial crisis set off. The results of these policies were sharp increases in the volume of yield-hungry, internationally mobile financial capital seeking new avenues for investment.

India was one of the many countries chosen as a target for that investment, resulting in persistent and volatile inflows of such capital. Despite fluctuations, involving the periodic retreat of investors, cumulative net inflows were positive and rising, leading to the huge accumulation of legacy foreign finance in India’s debt and equity markets. Between January 2004 and September 2023, for example, the cumulative net inflow of foreign portfolio investment into India amounted to $262 billion.

A corollary of that accumulation was a substantial increase in liquidity, or near cash, in the system. Mediated by banks, especially those in the public sector controlled by the state, that hoard of money provided the basis for a credit boom that set off investment and consumption spending, the demand effects of which provided the basis for growth.

Recipe for fragility

There can be little doubt that this type of growth is a recipe for fragility. It is fragile because as the credit that underpins that growth increases, so does the probability of default rise, especially if the system is subject to any shock that affects the capacity of debtors to service and repay that debt. A recent acknowledgement of that came from the Reserve Bank of India. In mid-November, the RBI announced an increase of 25 percentage points in the “risk weights”, or measures of risk, that banks must use when valuing their exposure to unsecured retail loans, credit card receivables, and lending to non-banking financial companies (NBFCs). A higher risk weight would mean that banks would have to set aside larger amounts in high-cost, uncommitted, and liquid assets that can be used to meet potential losses if such loans turn bad. The need to call for larger loss-absorbing buffers does suggest that the central bank wants to rein in retail lending by banks since it senses that the risks associated with such lending are rising. But this could aggravate the problem. Higher risk weighting would push banks to raise interest rates on loans to consumers and NBFCs at a time when base interest rates have been on the rise. That could increase the probability of default.

The central bank's decision is prompted by the fact that in recent times retail lending, or unsecured lending to individuals either directly or through NBFCs, has risen faster than overall commercial bank credit. If we restrict ourselves to just public sector banks, between March 2014 and March 2023, the share of personal loans in total credit outstanding rose from 14.3 per cent to 28.3, while that of lending to "finance" rose from 8.6 to 14.1 per cent. With interest rates having risen in recent times, the probability of default on these loans has risen, pushing the central bank to moderate that increase. If this, and any further action of the central bank, slows down the rapid growth of retail lending, investments in housing and spending on items varying from automobiles and consumer durables to discretionary spending on services of various kinds would fall. That would adversely affect GDP growth.

This is not the first time that India's policymakers have been faced with this predicament. As has been widely noted, the sharp rise in the non-performing assets (NPAs) on the books of banks in the period after 2014 was on account of the spike in bank lending in the years after 2004, when liquidity in the Indian banking system registered significant increases. In those years, while lending to the retail sector did rise, the striking shift was in bank lending to the infrastructural sector (power, telecommunications, civil aviation, roads, and so on).

The share of infrastructural lending in total lending to industry rose from just 7.3 per cent in 2000 to 35.3 per cent by 2016. Much of that lending went sour, resulting in a sharp rise in NPAs after the RBI issued stricter guidelines for recognition of the quality of assets on the books of banks. A substantial share of those loans had to be written off, leading to losses and the erosion of the capital of banks, which had to be neutralised with recapitalisation measures. That had slowed the pace of bank lending, leading to a loss of growth momentum well before the COVID-19 pandemic struck.

Having burnt their fingers in infrastructure lending, banks shifted focus to lending to the retail sector, on the grounds that default rates there were much lower. But that assessment now seems in question, raising once again the question of the fragility of whatever growth is under way.

Highlights

Recent high GDP growth figures in India are partly attributed to a recovery from the sharp GDP collapse during the COVID downturn, and the new GDP series with 2011-12 as a base may have inflated the numbers. Growth in India since the mid-2000s has been fuelled by speculative bubbles created by excess liquidity from financial liberalisation, leading to volatile inflows of foreign capital. Growth driven by credit expansion is considered fragile, as it increases the probability of default. The Reserve Bank of India's recent decision to increase risk weights on certain types of loans reflects concerns about rising default risks.

Excess liquidity

There is, however, one difference between the earlier credit-driven infrastructural investment-led boom and the more recent retail-credit-driven expansion. The former was substantially driven by the state, while the latter seems to reflect the exercise of choice by banks from the limited options available. The state could drive the infrastructural investment-led boom largely because the banking system in India was predominantly in the public sector. Public ownership does not necessarily hold back banks from lending in areas where liquidity and maturity mismatches imply high risk and probabilities of default. If the state as owner is so inclined, it can push public banks down that road. And some private banks may just follow the public sector.

A combination of factors seemed to have encouraged the state in the years of "excess liquidity" to opt for that direction in banking policy. First, the sheer opportunity that excess liquidity that the large inflows of foreign capital created required banks to substantially expand lending. The ratio of the outstanding non-food credit of scheduled commercial banks to GDP rose from 26 per cent in 2004 to 52 per cent in 2019, before the stimulus lending provided during the COVID pandemic. The second was the "fiscal crisis", which resulted from a long-term unwillingness to adequately tax either the wealth or the incomes of the superrich and from the self-imposed limits on deficit-financed spending, which meant that the state could not invest adequately in infrastructure. So private investors had to be permitted and persuaded to do so. Given the reticence of private players to risk much of their own capital, banks had to be persuaded to provide a large share of the needed capital.

The signal to public banks that they needed to lend to infrastructure (and possibly that they would be insured against risk with an implicit sovereign guarantee) made a difference. The share of infrastructure in lending to industry rose from 7 per cent in 2000 to 36 per cent in 2020. A wide range of sectors and players benefited, but many—such as Lanco Infratech, Kingfisher, Jet Airways, Anil Dhirubhai Ambani Group, and a host of telecom players—could not survive. While it could be argued that mismanagement and malfeasance played a role in the failure, it is not true that the absence of such traits explains the success of groups such as Reliance Industries and Adani. The more successful groups clearly benefited from supportive policies that helped ease the road to profitability.

Moreover, in their case, the ample supply of cheap liquidity and benign regulatory neglect worked to their advantage. Speculation in equity markets financed with credit delivered huge increases in the share prices of many companies, allowing them to accumulate investible reserves through sale of shares at a premium and to pledge shares with inflated values to borrow large sums from banks. That helped finance rapid expansion in areas that required large commitments of capital. Relying solely on own capital to finance rapid growth in multiple infrastructural sectors was neither attractive nor rational. Bank finance that could be restructured in case of financial difficulties helped. State policies also helped render those investments profitable, despite the burden and cost of debt.

In addition, there are suggestions that the Securities and Exchange Board of India (SEBI) tweaked rules and ignored pointers to help entities like Adani Group to access capital from related enterprises abroad for stock transactions that helped inflate share values, violating in the process norms with regard to shareholding structure. Adani Group has, however, dismissed such claims made by diverse sources such as Hindenburg Research and the Organized Crime and Corruption Reporting Project as being false and motivated.

These allegations, howsoever true or false, point to a change in the relationship between state and capital in India. In the immediate post-Independence years, the Indian state made an effort to distance itself from, regulate, and even discipline big business. But the failure to implement measures put in place for the purpose meant that concentration remained high and even increased.

The share of the top 10, 20, and even 100 business groups remained high and even increased, as official committees chaired by Das Gupta (1964) and Subimal Dutt (1969) found. There were also periodic revelations of scams involving collusion of government officials and business groups. But there was no evidence of concerted efforts to promote some or a few business groups as policy.

Neoliberalism’s new turn

Even in the 1980s and after, when state regulation lost its legitimacy, corruption revelations increased, and new business houses such as the Ambani group were alleged to be influencing government policy to help expansion, the promotion of selected business groups was not seen as a conscious policy pursued for either economic or political ends. It was under the United Progressive Alliance (UPA) government, especially its second tenure from 2009 to 2014, that neoliberalism increasingly took the form of promoting sections of big business, even if it involved skewing wealth and income distribution in their favour.

A benevolent wealth, income, and corporate tax regime together with self-imposed fiscal conservatism weakened the ability of the state to deliver growth and adequate welfare. The state restricted itself to minimal welfare schemes and looked to the private sector to drive growth with state support. But even then, many moves of the government, especially under UPA II, were seen as reflecting the pursuit of neoliberal policies, with attendant corruption, rather than the conscious fashioning of a nexus between state and private capital.

Unlike that, under the subsequent two terms of the National Democratic Alliance, there is much evidence of a close nexus between the state and select business houses being exploited for mutual political and economic benefit. That nexus has, it appears, hugely increased wealth and income inequality. That, too, takes the shine off the moderate growth the Indian economy has recorded in recent times. https://frontline.thehindu.com/economy/capitalism-in-crisis-india-economic-growth-riding-on-speculative-bubbles/article67569197.ece

8. What COP28 must achieve: Bold and ambitious action in a fractured world *(downtoearth.org.in)* 29 November 2023

This year a prominent oil and gas producer country is hosting the world’s biggest annual climate conference at a time when the world is expected to cross 2 degrees Celsius of warming despite climate pledges. The irony is not lost on anyone, with metaphors comparing it to a tobacco company proselytising about the health damages caused by smoking.

Yet the prominence of the United Arab Emirates that enabled its appointment as the Presidency of COP28 is more of a mirror to the world than one might like to admit. Renewables and electric vehicles have made remarkable progress — the Intergovernmental Panel on Climate Change (IPCC) estimated that on a unit costs basis, solar energy has dropped 85 per cent, wind by 55 per cent and lithium-ion batteries by 85 per cent. The International Energy Agency (IEA) has projected a peak in fossil fuel demand this decade.

So, with the UAE's involvement in climate summits, what we may be witnessing is an industry that is desperate to maintain its relevance in a decarbonising world. This may explain why the OPEC has a COP Pavilion for the first time — they want to show that they are part of the solution. This fits with the current COP28 Presidency's vision of being the most "inclusive" COP ever — even oil and gas companies are brought to the table, egregious as that may sound.

However, the fossil fuel era is not over. Around 55 per cent of the global primary energy consumption came from oil and gas in 2022, and 27 per cent from coal. Renewables provided only 28 per cent of electricity.

While coal production is projected to be on a declining path after 2030, oil and gas production would continue to grow beyond 2050. According to the UNEP's Production Gap report, the difference in production levels from what would be consistent with a 1.5°C scenario is projected to be 84 million barrels per day for oil and about 3.8 trillion cubic metres per year for gas in 2050.

For now, fossil capital still rules. So rather than pretend that they don't exist, we could treat COP28 as an opportunity to scrutinise the wealthy polluters and their plans up close and ask questions. Why are you still expanding oil and gas production during a climate crisis, when you possess the means to switch to a zero-carbon energy system? Have you fully implemented the methane abatement strategies that the IEA has stated to be the lowest hanging fruit? Have you seen success with the carbon capture technology that is supposed to be the mythical silver bullet? How much climate finance have you provided to help the formerly colonised, still developing world ascend on a low carbon growth path?

One way of framing how COP summits structure discussions is along the two prongs of climate ambition and means of implementation. On the former, rather than knock the large sections of the poor world still trying to build vital infrastructure and gain 24x7 electricity access, we find it more useful to spotlight the aforementioned wealthy polluters.

The United States, ever the climate villain, rolled up to COP27 with a shiny new climate bill. Since then, it has also grown to become the world's largest liquefied natural gas exporter, averaging exports of 11.6 billion cubic feet per day in the first half of 2023. Natural gas, with even a 0.2 per cent leak rate is as polluting as coal since it mostly comprises methane.

Australia, with the world's second highest per capita agricultural emissions, doesn't mandatorily report emissions from its industrialised agriculture sector.

The UK is further offshore oil drilling in the North Sea, with UK regulators giving a go-ahead to a major oil drilling project in the Rosebank Fields off the Coast of Shetland Islands, UK's northernmost territory. The government plans to grant hundreds of oil and gas licenses.

Some have suggested that China's coal demand will soon peak, but China is still consuming more than half of the world's coal annually.

On means of implementation, it is useful to spotlight finance, or the lack thereof. The Just Energy Transition Partnerships deals announced with much fanfare haven't worked, with recipient countries like South Africa and Indonesia deeply unhappy with the quality and terms of finance that the G7 countries are offering. The $100 billion has not been delivered till 2021; it may be met in 2022 but we haven't seen the data to corroborate that claim. The US Treasury Secretary Janet Yellen said that her country can "certainly afford to support Israel's military needs and also support Ukraine's Struggle" but that doesn't seem to be the case for climate finance.

Meanwhile, attention is diverted to fraudulent voluntary carbon markets to provide much needed climate funding. And G7 countries have been stalling talks on increasing the capital base of MDBs, which could boost their financing capacity in line with their newly added mandate of addressing climate change.

Various other global trends have shaped the climate discourse this year. The trend of protectionism in the name of climate action continued with the EU's controversial Carbon Border Adjustment Mechanism entered into application in its transitional phase, with the first reporting period for importers ending 31 January 2024.

The IPCC Synthesis Report was published in early 2023 reinforcing that current climate targets put us on a dangerous path of nearly 3 degrees warming by the end of the century.

Multiple summits discussed the global debt crisis and the need for reforming multilateral development banks.

Enthusiasm for the voluntary carbon market plodded on in a laboured fashion after a slew of fraud allegations, such as the expose on Verra's forestry credits and CSE's investigation on India's offset market – talks are now trying to focus on the elusive notion of high integrity markets with high quality credits.

There's a lot going on, good and bad. On the one hand, the world is responding to the urgency for decarbonization with a mix of global and domestic signals. On the other hand, it seems that the needle has shifted negligibly, and incumbent fossil technologies and wealthy polluter elites will never allow the equitable climate transformation we need.

It is within this paradox, that we descend on Dubai to keep fighting the fight, confronting polluters, asking the tough questions and envisioning a future that benefits both climate and people. Because the urgency is as high as ever. “COP28 in Dubai, comes at a time when the world is reeling from the pain of extreme weather events; and the need for urgent action is an imperative,” said Sunita Narain, CSE’s director-general. India experienced an extreme weather event on 86 per cent of the days for the first half of 2023.

“The Global Stocktake (GST), which will be at the centre of COP28, is an opportunity to address the need for equity so that we can build a future pathway that is bold and ambitious. We need leadership in our fractured world that can set aside differences to combat this existential crisis that confront humanity.”

So, what does COP28 have in store?

GST is at the center of negotiations this year, being the largest-ever assessment on global climate commitments. Although there is no formal agreement on how GST will influence future climate ambition, the final output will have both a backward-looking assessment and forward-looking elements.

We expect the cover decision to call out countries, particularly the developed polluters, on their lack of ambition compared to historical emissions debt.

At the same time, the GST must lay out a roadmap for stronger implementation of climate targets for 2030 and beyond. Strong language on fossil fuel phaseout in the GST can influence greater focus on the issue in other negotiations.

There must also be clarity on how the GST will continue to reflect in ongoing processes such as the Global Goal on Adaptation and the New Collective Quantified Goal on climate finance.

Mitigation

On mitigation, the goal to triple global renewable energy capacity is being endorsed by many countries and must be agreed upon at COP28.

However, it must be noted that for the clean energy transition to be equitable, the primary onus is on the developing world to make the transition, and targets such as tripling renewable power should be more ambitious for the rich countries. And it will require addressing regional imbalances, redirecting financial flows to underserved regions, and incentivising renewable adoption in developing nations.

Moreover, phasing up renewable energy without phasing out fossil fuels is not likely to make the requisite dent in global emissions.

Finance must be key in mitigation discussions to avoid the deadlock of the Bonn climate conference of June 2023 — the demand of the LMDC bloc on more financial support ambition to enable mitigation ambition must be heard in good faith.

Adaptation

The 2023 Adaptation Gap Report by the United Nations Environment Programme found that adaptation finance needs have not been met and the globally acknowledged goal to double adaptation finance is no longer enough. Not only does this mean that finance flows have been slow, but it also shows the adaptation needs of developing countries are outpacing their capacities each year to respond.

The goal to double adaptation finance will most likely be accepted as an outcome in the GST, however this target must be increased to meet the growing needs of the Global South. Negotiations on the Global Goal on Adaptation are still facing disparities on what elements the GGA can be assessed on and whether it must incorporate finance.

Like other aspects of climate action, finance is a requirement for developing countries to not only build adaptive solutions but also formulate National Adaptation Plans. We expect the GGA to be developed with the inputs from the GST, and with the principle of CBDR-RC at its core.

Loss and damage

The Loss and Damage Fund (LDF) negotiations have so far ended in a compromise, with developed and developing countries agreeing to have the World Bank host the Fund as an intermediate host for four years. If the current draft is accepted at COP28, the World Bank will be subjected to evaluation by an independent committee at the end of its tenure.

Developing countries have, however, put forward some conditions such as a clear exit strategy from the World Bank. We expect the conditions to be met or an independent secretariat to be created for the Fund.

Additionally, COP28 should see the LDF being funded with the substantial grant-based pledges coming from developed countries. And eligibility to receive funds from the LDF should be extended to all developing countries.

Climate finance

Discussions on the New Collective Quantified Goal on climate finance must progress towards determining an ambitious quantum for the new goal, guided by the escalating needs of developing countries. The focus must be on non-debt creating finance, and clear targets must be identified for private and public contributions. Developed countries have been attempting to shift responsibility to the private sector, MDBs, carbon markets and Article 2.1c to avoid committing more money from public budgets.

Some Parties have proposed that Article 2.1c should be a separate agenda item at COP28. If discussions take place, an interpretation of the article that is accepted by all Parties must be agreed upon, and concerns of developing countries regarding green conditionalities that 2.1c may bring about, must be heard.

Article 6

Key details are still being worked out in the Article 6 rulebook. In the absence of operational guidance in some areas, countries and organisations have liberally interpreted Article 6-based markets, leading to deals that lack transparency and risk repeating past mistakes.

It is, however, also important to prioritise quality over haste in discussions to avoid compromising the integrity of the market.

Additionally, as frauds are increasingly uncovered in the voluntary carbon markets, the need and hope are for them to be discussed at COP, with similar rules as those in Article 6 being applicable to them.

We also need to bear in mind that Article 6 has provisions for cooperation beyond markets. There is a need to put more minds into operationalising this part of the statute as much as the markets.

Methane

While the Global Methane Pledge announced in 2021 has seen 149 country signatories and may have precipitated a host of methane reduction plans, our analysis found that countries' domestic policies to reduce methane lack depth, specificity and reporting rigour.

Methane reduction plans of the top oil and gas companies in terms of production focus mainly on Scope 1 and 2 emissions, when Scope 3 emissions comprise 80 per cent of their emissions. And they have methane intensity targets which could lead to an absolute rise in methane emissions when production is expanded.

Methane is expected to be in focus with the US and China announcing a Methane Summit to be hosted at COP28.

The UAE COP Presidency has proposed a fund to support methane mitigation in the oil and gas sector, while the US initiated the Methane Finance Sprint in April 2023, aiming to raise at least $200 million in new public and philanthropic donor support for developing countries to tackle methane emissions.

These are welcome measures but must identify clear targets, sectors and participating entities to make a real impact. https://www.downtoearth.org.in/news/climate-change/what-cop28-must-achieve-bold-and-ambitious-action-in-a-fractured-world-93053

9. Destruction and Dreams of Development *(financialexpress.com)*

November 29, 2023

It wasn't supposed to be like this. A new era of de-escalation, calm, and normalization in the world after the harrowing effects of the pandemic, that's how the narrative went. It was expected to be a world with lower tensions in conflict-wracked regions, giving local governments and civil society actors much-needed space to tackle current and looming challenges—most crucially the threat from global warming and the imperative of the green energy transition.

With major ongoing wars threatening to spread further, the issue of climate change is likely to be pushed behind. The impact of these is also spreading to economic, social and other environmental effects, the core goals of sustainable development.

The past three years have found the world bouncing from crisis to crisis, caught in an increasingly challenging socio-economic environment. While some of these were unavoidable, others have been a result of our wrong choice of action or failure to act in the manner it required.

The summer of 2023, was the world's hottest season ever recorded. Such drastic changes in the climate caused wildfires, floods, rising heat, and storms affecting lives around the globe, among which, the world's poorest have suffered the most. Thus, further impacting the goal of climate action and life on Earth. Pandemic shutdowns revealed the fault lines in social protection and service delivery across all countries, deepening existing divides and thrusting the vulnerable even further behind. Livelihoods were overturned and well-being was compromised, reversing one of the SDGs – ending poverty. While there has been some recovery, it has been fragile and uneven. And the cascading cost-of-living crisis driven by subsequent conflict and geopolitical divides has widened the fissures. Thus, damaging the goal of economic growth and sustainability.

The socio-eco growth has further been undermined due to the significant displacement of people. The plight of forced displacement has reached staggering proportions, with over 114 million individuals now uprooted from their homes, a concerning revelation from the United Nations. This distressing figure marks a significant rise of 1.6 million since the close of 2022. The surge in displacement during the first half of 2023 is primarily driven by conflicts in regions including Ukraine, Sudan, Myanmar, and the Democratic Republic of Congo. A prolonged humanitarian crisis in Afghanistan and a combination of drought, floods and insecurity in Somalia, UNHCR said.

With ongoing wars around the world, the achievement of Sustainable Development Goals could go further out of reach. For example, now, in the wake of the incursion into Israel by Hamas and the reprisal by Israeli military forces on Gaza, the Middle East climate agenda is likely to be pushed behind along with several other key goals.

The first concern is the economic impact of the conflict. While the overall effect of the Gaza conflict on the global economy is currently minimal, a prolongation and geographic expansion of the war is likely to darken the picture considerably, according to the IMF, affecting both oil prices and growth. That may negatively influence richer countries' ability and willingness to help poorer less-endowed climate-ravaged countries, including those in the Middle East. It could also bolster the "go-slow" voices on the transition away from hydrocarbon production. The second area concerns the war's impact on multilateral climate cooperation between Israel and the Arab world. All these could have drastic consequences, oil prices could surge, and disagreements between nations could worsen. These wars could complicate already fragile global diplomacy ahead of the crucial climate talks of 2023 between UN members.

According to the report, the impacts of the climate crisis, the war in Ukraine, a weak global economy, and the lingering effects of the COVID-19 pandemic have revealed weaknesses and hindered progress towards the Goals. The report further warns that while lack of progress is universal, it is the world's poorest and most vulnerable who are experiencing the worst effects of these unprecedented global challenges. It also points out areas that need urgent action to rescue the SDGs and deliver meaningful progress for people and the planet by 2030.

In conclusion, we can achieve these goals and have a better tomorrow. By making the transformative changes enshrined in the 2030 Agenda of the UN, we can weather the global shocks, build resilience, and emerge stronger. The 2023 Global Sustainable Development Report highlights the significant contribution of science, and evidence-based actions, to counter uncertainty and address global challenges – the eradication of poverty, ending hunger, tackling climate change, reversing biodiversity loss and reducing inequality, among others. https://www.financialexpress.com/policy/economy-destruction-and-dreams-of-development-3320872/

10. Towards an inclusive global tax regime *(thehindubusinessline.com)* November 29, 2023

On November 22, the UN General Assembly voted overwhelmingly to develop a global tax framework, despite last-minute attempts to derail the plan from wealthy countries represented under the Organization of Economic Cooperation and Development (OECD). The resolution paved the way forward for negotiations of a harmonised, inclusive and transparent global tax regime.

Global taxation policy and regime has so far been dominated by the rich and imperial powers represented under the OECD. India joined its counterparts from the developing countries on the proposal of the African Union, which is termed as the testament of collective resolve of developing countries of a fair, resilient and sustainable global economy. In this context, it is important to understand the challenges arising out of the existing global tax regime dominated for decades by the OECD, challenges therein and expectations from this UN resolution.

A paradigm shift
The resolution marks an evolutionary but watershed moment, transferring rulemaking authority from the OECD to the UN. OECD countries often favour their own tax regimes over UN mandates, driven by factors such as national sovereignty, prioritising control over globally standardised approaches.

Rich nations assert their capitalist economic model as a governance exemplar, arguing that their unique economic structures may not align with a universal tax framework. 'Tax haven' countries resist UN mandates, fearing a loss of competitiveness in attracting businesses and foreign investment. Historical attempts at global tax rules and regime within the UN framework have been hindered by wealthy nations and former imperial powers.

It is pertinent to note that the OECD's 2021 reform proposal, targeting a standardised 15 per cent taxation, faced obstacles from private sector lobbying, corporate tax havens and even select OECD members. Despite over 130 countries signing, hurdles persist in representing the interests of lower-income nations. The UN tax convention could shift global rule-making from the OECD to the UN, breaking former colonial powers' grip for legitimate, transparent and inclusive rule-setting. Momentum for a UN tax convention, seeking a more inclusive international tax architecture, has been steadily growing, as is vindicated by this UN resolution.

Resistance to a standardised global tax regime is recurring, as some OECD countries are wary of relinquishing their authority. With their wealth, these nations express practical concerns in implementing a standardised tax regime. Historical agreements within the OECD framework, coupled with political considerations, make it unpopular to resist the UN-mandated global tax regime. These countries believes that there is a perceived threat to the efficiency and effectiveness of their existing tax systems.

MNC edge

Multinational corporations (MNCs), predominantly from developed nations, strategically enhance profits through practices such as transfer pricing and base erosion and profit shifting (BEPS). By situating their business operations in low or zero-tax jurisdictions, MNCs optimise potential taxation gains. Consequently, developed nations, represented by the OECD, resist aligning tax policies with host countries to counteract these practices.

These major companies, wielding significant economic power, adeptly evade taxes in developing countries using tactics like transfer pricing manipulation, profit shifting to low-tax jurisdictions, creating intricate corporate structures, exploiting tax incentives and loopholes, leveraging offshore tax havens, and engaging in treaty shopping, among others. They may also manipulate intangible assets, strategically shift debt, employ thin capitalisation tactics, establish shell company networks, conduct cross-border financial transactions, and exploit weak law enforcement and oversight in developing countries.

As a result, developing nations globally face widespread tax abuse from MNCs and wealthy individuals, leading to an estimated annual loss of $483 billion in tax revenue, according to the Tax Justice Network. Simultaneously, rising global inflation and extreme inequality exacerbate the strain on government budgets.

Similarly, past probes by the International Consortium of Investigative Journalists (ICIJ), such as the Paradise Papers and Lux Leaks, exposed extensive corporate tax avoidance by major global firms. The Paradise Papers revealed tax strategies of over 100 companies.

A shadowy path forward

The UN resolution proposes creating an ad-hoc committee accessible to all UN member-states. This committee, limited to 20 members selected for gender and regional balance, must establish guidelines for a "United Nations Framework Convention on International Tax Cooperation" by August 2024. The resolution underscores the committee's responsibility to address the needs of all countries, especially developing ones.

It advocates for a comprehensive strategy, intertwining economic, social and environmental policies, with a focus on combating illicit financial flows. The commencement of tax convention negotiations depends on the guideline agreement, potentially taking a year. Rich nations are likely to resist during these prolonged negotiations. Representatives from developing nations must stress broader socio-economic impacts, pointing out the effects of international tax evasions on poverty, human development, migration, conflicts, and the sustainable growth of developing countries. Achieving a swift, transparent, and effective global agreement on international taxation poses a challenging and uncertain path forward.

India supports the UN-led global tax regime, emphasising inclusivity and urgency. India's stance is significant, geo-strategically and geo-economically, recognising the shortcomings of the current OECD-centric approach. It advocates for a framework considering the needs and capacities of all countries, especially developing ones. India underscores cooperation and swift action to combat international tax dodging, mitigating financial losses faced by all nations amid the growing operations of MNCs in developing countries in both international trade and investments. https://www.thehindubusinessline.com/opinion/towards-an-inclusive-global-tax-regime/article67588025.ece

11. Defence Ministry approves purchase of 97 Tejas aircraft and 156 Prachanda helicopters: Sources *(moneycontrol.com)* 30 Nov 2023

The Defence Acquisions Council (DAC) approved the purchase of 97 Tejas Aircraft and 156 Prachanda Helicopters for a mega Rs 1.40 lakh crore deal, sources told CNBC Awaaz on November 30.

Hindustan Aeronautics Limited (HAL) is the domestic supplier of Tejas and Prachanda aircraft.

Sources also added that the ministry has approved Rs 1.40 lakh crore deal for the same, which includes 1 aircraft carrier.

Meanwhile, shares of HAL and Cochin Shipyard were trading 3.68 percent higher at Rs 2,430 apiece and 2.71 percent higher at Rs 1,195.65 apiece on BSE, respectively during late trading hours.

The development comes amid crucial meeting scheduled to be held by Defence Minister Rajnath Singh. This project, estimated to cost around Rs 55,000 crore, aims to supplement the existing fleet of 83 Tejas jets.

The new carrier, which can hold at least 28 fighter jets and helicopters and displaces 45,000 tons of water — a measure of size for ships, will be flying the French Rafale jets, Bloomberg had reported earlier citing sources. India's first homemade carrier, INS Vikrant, joined the fleet last year and was built by Cochin Shipyard Ltd. The country also has a Russia-made aircraft carrier.

The report also mentioned that India plans to have 160 warships by 2030 and 175 by 2035 at an estimated cost of Rs 2 lakh crore. More than 60 vessels of the Indian Navy are currently at various stages of construction, it added. The country is carrying out more warship patrols than ever before amid growing concerns over China's rising naval prowess.

India has also upgraded the runway facilities at the Andaman and Nicobar Islands allowing the aircrafts to land at night. That's a bid to keep a tighter watch over the narrow water straits of Malacca, Sunda and Lombok in the southern Indian Ocean. The island chain is used by India and its partners for maritime surveillance. https://www.moneycontrol.com/news/india/defence-ministry-approves-purchase-of-97-tejas-aircraft-and-156-prachanda-helicopters-sources-11833571.html

12. Relieving triumph *(millenniumpost.in)* November 29, 2023

In the heart of the Himalayas, where the air is thin and the mountains tower with both beauty and danger, a tale of resilience and unity unfolded as 41 migrant workers were rescued from the debris of a collapsed tunnel in Uttarkashi. The 17-day-long rescue operation, involving hundreds of government personnel and additional private-sector rescue teams, can only be described as a spectacle of human determination and cooperation. The success of the rescue mission not only marked the end of a harrowing ordeal for the trapped individuals but also highlighted the unwavering commitment of those involved in the operation. From the police department to health services, from the Indo Tibetan Border Police to the National Disaster Response Force, and many more – the combined efforts showcased a massive operation that went beyond professional duty. The patience and perseverance exhibited by the trapped workers were equally commendable, standing as a testament to the human spirit in the face of adversity. The Indian Prime Minister, acknowledging the collective spirit, rightly praised everyone associated with the rescue operation. In a statement, he emphasised the families' patience and courage, acknowledging their crucial role during these challenging times. Such recognition not only honours the individuals directly involved but also serves as a powerful reminder of the human cost and sacrifice behind every successful rescue mission. The numbers behind the operation are outright staggering – 652 government personnel, including representatives from various departments such as police, health, disaster response forces, and more. When factoring in voluntary and private-sector contributions, the total number of people involved likely exceeds 1,000. Even officials from the highest offices, including the Prime Minister's Office, participated, underscoring the seriousness with which the matter was approached. While celebrating this triumph, we must recognise that the job is far from over for the state and central governments. The immediate challenge lies in ensuring that the rescued individuals do not suffer from long-term trauma, both mentally and physically. Medical experts are already noting concerns about post-traumatic stress disorder (PTSD) in addition to exhaustion, dehydration, nutritional deficiencies, and potential infections. Vigilant medical observation and support are imperative in the days ahead. However, beyond the immediate aftermath, a more profound question arises concerning the safety and viability of the government's flagship Char Dham project, under which the collapsed tunnel was being constructed. Experts raise concerns about exacerbating fragile conditions in the upper Himalayas, where towns are built atop landslide debris. The delicate balance between development and ecological preservation demands a thorough scientific assessment to navigate the complexities and pitfalls. Another pressing concern brought to the forefront by this incident is the overall living and working conditions of migrant workers across the country. Often operating on the fringes of society, these individuals face numerous adversities, largely hidden from the public eye. In the present case, the 41 rescued workers hailed from eight states, emphasising the widespread nature of this issue. It is crucial to establish equitable living and working standards for this self-made community, emphasising their safety and well-being. The migrant workers' safety, not just in Uttarkashi but across India, should be a priority. This incident also serves as a stark reminder to reevaluate the ongoing debate between ecology and development. It is time to reconsider the current trajectory where developmental concerns often overshadow ecological considerations. A harmonious balance is essential for sustainable progress, ensuring that development serves as a force for good without compromising the delicate ecosystems that define the nation's diverse landscapes. To sum up, the Uttarkashi tunnel rescue stands not just as a successful mission but as a reflection of the collective strength, resilience, and unity that defines us as a society. As we applaud the efforts of the government personnel and private-sector individuals involved, let us also use this moment to introspect and chart a course toward a future where development and ecological concerns coexist for the well-being of both our people and our planet. https://www.millenniumpost.in/editorial/relieving-triumph-542296

13. Infrastructure creation – needs and concerns *(timesofindia.indiatimes.com)* November 29, 2023

As a developing economy approaching the status of being in the Top 3 – 5 economies in Global Size, India needs to think about it's approach to Infrastructure creation. This thinking is very much required because while the total GDP numbers may look sizeable – on a per capita GDP basis our rank is quite low. We need to improve on this and the improvement is not possible without HUGE Infrastructure Creation and Investments funding this required Creation.

The term Infrastructure creation includes – roads / highways / bridges / railway tracks & stations / airports, new cities, dams, ports, power / oil & gas / water utilities structures and distribution, hospitals, educational institutions, transport facilities within an urban centre and urban / rural centre to other national geography areas.

As citizens we are caught up into a constant Review and Questioning of Infrastructure Costs with the belief that all Infrastructure creation carries the baggage of inflated costs, corruption in projects procurement and pricing, underhand dealings and political payoffs. All the above may be partially or fully true.

Initially infrastructure creation was always a Government or Government Authority responsibility in India. Over the last 3-4 decades this field has seen private players move into Infrastructure creation space. As the Role of Private sector players has expanded – the complaints of authorities playing partial, political connections and inflated pricing have increased.

As a Nation our biggest challenge is Delay in completion of Infrastructure works. Delay compounds Costs (due to time wastage and under utilization of Machinery and Manpower along with additional interest cost on Debt taken). When Costs become Fixed but Output speed gets restricted the per unit costs of output becomes higher. When this carries on for an extended period of time the dead weight of costs on the projects becomes very significant. There can be any amount of intellectual argument for eligibility or ineligibility of Costs for consideration of reimbursement, but the point of additional Costs and delay in receiving the Benefits flowing from completion of the Project cannot be denied. The delay in receiving Benefits of projects completion is India's biggest problem on Infrastructure spendings.

In India, we need to understand the importance of timely Infrastructure projects completion. Delays are counter productive. Once a project is commenced, it cannot be on a slow track. From acceptance of delays in Infrastructure works, we must move to a situation of On-time completion to before-time completion. This will add tremendous financial strength to the Indian economy. Let the enquiry about corruption charges go on in parallel, if required. Don't slow the work down.

There are two types of Infrastructure Costs and Benefits cycles. They are:

Virtuous cycle.
The vicious cycle is when infrastructure creation follows pent up demand for Infrastructure. It is often seen in such cycles that what is created is inadequate for the need and often the period of time taken to complete the Infrastructure project has generated additional demand which remains un-satisfied and un-met. This also relates to Infrastructure creation being largely localized to some specific areas or urban centres – which act as a magnet for people in non-urban areas to move to in search of employment and better quality life. The result is slums for housing, crowded transport facilities and public health goes down because of poor health and sanitation facilities.

The virtuous cycle starts when urban infrastructure facilities are created like the cities of Navi Mumbai, Gurugram, Noida etc – taking pressure away from existing urban centres and new smaller urban centres get created. As these urban centres develop – they bring transportation facilities, schools / colleges, hospitals, commercial offices, restaurants and retail outlets. Initially the demand is muted but in a decade or two these become self sustaining and powerful drivers of economic growth as their connectivity with the rest of the country improves through highways, railway lines and stations, air connections and airports.

Of course, over a period of time these cities will also reach saturation point. One needs to keep building newer urban centres so that benefits of urbanization are dissipated to a wider geographical area in coverage. Virtuous cycle generates demand, vicious cycle struggles to fulfil existing demand and often plays the Role of suppressing demand.

Studies have shown that a multiplier of more than 1 operates on the link between Infrastructure spending and employment generation. If India has to get it's per capita GDP up (meaning higher income level for all it's people), then the investment in all forms of Infrastructure has to exponentially increase and we MUST learn to complete projects on time.

All projects are 2 faced coins – Costs and Benefits. You optimize both by completion of projects on time in a Virtuous Cycle period and not wait for the cycle to turn and become a Vicious cycle. Less than a decade of time separates one from the other. https://timesofindia.indiatimes.com/blogs/spreading-light/infrastructure-creation-needs-and-concerns/

14. Banks that funded coal plants need an escape plan *(thehindu.com)* 30 Nov 2023

The Data Point published on Wednesday showed how India is progressing — albeit slowly — towards cleaner energy sources to generate power. While clean energy in the electricity mix has increased to about 23%, over 55% of India's current energy needs are still being met by coal. The acceleration of this transition towards greener energy is essential to keep the global temperature increase below 1.5°C.

Nonetheless, with the tightening of climate policies, a large portion of assets reliant on coal may diminish in value, leading to 'stranded' assets. Stranded assets are investments that face the risk of losing value and turning into liabilities. This risk arises due to unforeseen shifts in market conditions, changes in regulations, alterations in consumer preferences, and technological advancements. This situation could impact banks and financial institutions that have both direct and indirect ties to the fossil fuel sector. While climate emergency does take priority, a plan to save the banks — which are exposed to the sector — should also be formulated to reduce impact, a paper published as part of the Reserve Bank of India's November 2023 bulletin argues.

In India, particularly, where the average age of coal plants is only 13 years, the financial risk associated with decommissioning these plants is considerably greater than it is in many other countries, the paper argues. More importantly, public sector banks and nonbanking financial institutions (NBFC) carry most of the risk. Also, among NBFCs, the Power Finance Corporation and Rural Electrification Corporation, which operate under the Ministry of Power, bear 90% of the loan burden. Only 4% of the financing for coalfired thermal power plants in India came from

private banks The chart illustrates the distribution of loans totaling ₹7.12 lakh crore, which were provided to 140 thermal power plants, until December 2022.

While loans were given liberally to coal plants before, that is no longer the case now. Financiers have been increasingly reluctant to fund coal power projects, says the RBI study. In 2021, no new coal power projects were financed, except for the 1.32 GW Buxar thermal power plant in Bihar which received loans from banks such as the State Bank of India and Canara Bank. Banks are moving away from financing coal plants and increasingly funding companies which work in the area of renewable energy.

Over the past five years, while funding for new coal power projects has declined, there has been a steady rise in financing new power projects that rely on renewable energy sources

That is why renewables have shown considerable rise in India's generation capacity even while coal continues to dominate the energy mix. In 202223, renewables constituted 41% of the total capacity, an increase from 32% in 201112. Starting from 2017, the yearly increase in renewable energy capacity has surpassed that of coal power

So, while newer loans and capacity additions are decreasing in coal and increasing in renewables, it is the already existing burden that has to be taken care of. A 2019 research by The International Institute for Sustainable Development showed significant impacts on Chhattisgarh, Odisha, and Jharkhand due to their large shares of stressed assets (58%, 55%, and 27% of their State coal power capacities, respectively), as shown in This heightens the risk of these assets becoming stranded, indicating a considerable susceptibility to financial losses from asset devaluation as the country moves towards sustainable practices, the study argues. https://www.pressreader.com/india/the-hindu-tiruchirapalli-9WWf/20231130/281775633916819

15. **Shifting gears on green mobility** *(financialexpress.com)* November 29, 2023

In the tech sphere, a ubiquitous development in the past decade has been the emergence of a system of systems. Succinctly put, it is an ecosystem wherein multiple independent—yet interrelated or interdependent—components are patched to create a high-performing unified whole. Despite India's push towards green mobility being whole-hearted, it has remained chiefly experimental as the efforts have yet to be concerted. The dire need is a system of systems.

Per the World Air Quality Report, India is home to 17 of the world's 25 most polluted cities, and vehicle air pollution contributes 40% to PM 2.5 emissions in cities such as Delhi and Pune. With a burgeoning population and the resulting demand for vehicles, the emergency may soon become a disaster if not tamed immediately. However, India's commitment towards green mobility has been steadfast in spirit, conforming to its position as the ambassador of tackling climate change. However, given the country's size and PIN address for 18% of the world population, the task is of a Himalayan proportion.

There is no dearth of policies. From the Jawaharlal Nehru National Urban Renewal Mission, the National Urban Transport Policy (launched in 2006 and revised in 2014) to implementing the Green Urban Mobility Initiative in 2017, the heart has been at the right place. The intermediate period also witnessed the creation and activation of the Atal Mission for Rejuvenation and Urban Transformation, Smart Cities Mission, National Transit Oriented Development policy, National Electric Mobility Mission Plan, and Sustainable Urban Transport Project among many others. In August 2023, the government approved the `57,613-crore PM e-Bus Sewa Scheme, wherein 10,000 electric buses will be deployed in 100 cities under public-private-partnership mode to redefine urban mobility.

To promote the use of alternative fuel vehicles and electric vehicles to achieve zero or low carbon emissions, the government established the National Mission on Transformative Mobility and Battery Storage and approved the National Programme on Advanced Chemistry Cell Battery Storage under the PLI Scheme. In addition, two phases of the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme, or FAME, have been operationalised.

In addition to the Central efforts, governments of Delhi, Karnataka, Maharashtra, Uttar Pradesh, Andhra Pradesh, Kerala, Telangana, Tamil Nadu, Bihar, and Uttarakhand, among others, have come out with policies focusing on manufacturing and deployment of EVs and charging infrastructure in their respective states. One also must remember the ever-increasing network of metro rail networks across cities.

In the Auto Expo in January 2023, a common thread apparent across the pavilions was sustainability. Of the 14 unveilings on day 2 of the mega event, 11 were by pure EV players such as Sun Mobility, Omega Seiki Mobility, Godavari Electric Motors, Binelli-Keeway, and Ultra Violet. Notably, these are smaller players in the automobile universe. The giants such as Tata Motors unveiled 14 new products powered by natural gas, battery electric, fuel-agnostic, hydrogen cell electric and hydrogen cell ICE. With its Drive Ahead vision, the UK-born MG India showcased 14 production-ready green vehicles.

Essar's Green Mobility initiative deserves special mention. Through its subsidiaries, Blue Energy Motors, GreenLine Mobility Solutions Ltd, and Ultra Gas & Energy Ltd, Essar spearheads a movement towards cleaner, more eco-friendly road transportation solutions in India. Blue Energy Motors is India's first LNG liquefied natural gas (LNG) heavy-duty truck manufacturer. GreenLine Mobility Solutions is India's first and only company operating a fleet of LNG-powered long-haul heavy-duty trucks, with plans to deploy 10,000 LNG and electric heavy-duty trucks in the next three years. Ultra Gas & Energy is building a pan India network of 200+ green fuel hubs across the golden quadrilateral, north-south highway, and east-west highway for LNG and other clean fuels to heavy automotives.

Sectors such as cement, steel and FMCG are adopting green mobility in a big way to achieve their net zero goals. The pace of adoption is sure to gain further traction in the days ahead, making it a win-win for all stakeholders.

In the recent men's cricket World Cup 2023, South Africa, in its face-off against Sri Lanka, shattered records by scoring the highest-ever total of 428 runs in the tournament. The highlight of the innings was three centuries scored by three batsmen. In response, Sri Lanka fell short by 102 runs despite spirited cameos by two batsmen. The point to be driven home is that India's tryst with green mobility has been piecemeal, or cameos, whereas the game's longer format needs multiple herculean efforts to achieve the desired outcome.

The lacuna needs a definite purpose and plan to bring about a fundamental change in the green mobility space. Despite a common goal, the policies have been operating in silos and have been bereft of intra-agency coordination, resulting in a waste of resources and delays in realising the desired results.

The need of the hour is an overarching framework that would stitch together the existing propositions and make them act as a meteoric force. The government should consider a nodal agency to make these policies talk to each other. The cue can be taken from the current dispensation's brainchild, the ministry of cooperation, which is responsible for providing a separate administrative, legal and policy framework to strengthen the cooperative movement in the country. The idea should be to create synergy: interactions and cooperations to make a whole more significant than the sum of the parts. https://www.financialexpress.com/opinion/shifting-gears-on-green-mobility/3320128/