



PART A: News pertaining to Planning Commission



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[Note : Now the Daily Digest is divided into two parts: Part A contains News pertaining to Planning Commission and Part B contains general News and Views]

1. Column: Fixing India's government

Nirvikar Singh

The Financial Express: 12.09.2014

In my last column, I suggested that no replacement for the Planning Commission (PC) is needed, and that its functions could be spread among other existing government institutions. What has transpired in the last few days illustrates the problems in India's governance structures, ones that a "think tank" will not fix. The main relevant event has been the firing of the head of the Independent Evaluation Office (IEO), which will likely now be wound up, after a short existence. Apparently, the Prime Minister's Office had been questioning the need for an IEO when an older Programme Evaluation Organisation (PEO) already existed under the PC. Meanwhile, and probably not coincidentally, a committee of government secretaries had recommended strengthening the PEO.

The ironies and absurdities of these developments are obvious. The PEO has been relatively ineffective, and the secretaries who want to strengthen it (and presumably scrap the IEO) may simply want to reassert bureaucratic control. The politicians in the ministries may also be happy to have one less body looking over their shoulders, as they shovel money to purposes and programmes that may or may not be the right ones, or well-designed, or well-implemented. One battle for accountability in government will have been lost.

In a column last year "Making government work", (FE, July 26, 2013, goo.gl/YcTmBU), I highlighted some relatively simple structural reforms for bureaucratic decision-making, as well as the importance of pushing untied funds down to the state and local level for spending that might be better subject to accountability through citizens in their role as voters. The demise of the PC still leaves the latter possibility as a strong hope. But killing the IEO leads me to reopen the question of whether a replacement for the PC is needed, and what it should look like. In my view, this discussion has lacked clarity and focus, even from those who have touted replacements.

Start with the value chain of government decision-making. First there is strategic envisioning and goal-setting. Then there is the detailed process of translating the vision and goals in feasible action plans with the right budgets. Third is implementation, and finally there is evaluation of the results of the spending and actions. This may sound like planning, but it is just as descriptive of processes of business strategy. In the Indian government, all four of these steps are currently weak. The possible new think tank, as described by several people, including the former head of the IEO, would tackle the first step, presumably giving the Prime Minister and Cabinet intellectual inputs for exercising authority, which the think tank itself would lack. Interestingly, India has been churning out National Policies on manufacturing, water, education, empowerment of women, urban street vendors, and anything else one can think of. Presumably a strategic think tank would envision issues at a higher level, in a more coordinated and integrated manner.

Setting aside the likelihood of creating a brand new body with the intellectual heft to make a valuable contribution, if one considers the second step, this is something that the line ministries

have to do, and the finance ministry has to monitor and coordinate. A think tank might provide starting points and priorities for choosing projects and programmes, formulating them and calculating their financial parameters and social returns, but the work has to be done in the ministries, perhaps with some outsourcing to experts outside government. The third step, implementation, also has to be done by the line ministries, but now they have to oversee efforts that may involve hundreds or thousands of people over whom they have little or no direct control. This is a problem which has nothing to do with whether or not there is a PC or a think tank, but recognising it is important for programme design.

The fourth step, monitoring and evaluation of outcomes, will presumably be done by a strengthened PEO, where one aspect of strengthening is to give the PEO sufficient independence or autonomy. The work of the PEO has to feed back into all the three prior phases of government decision-making, so that implementation and design are improved, and reality checks are provided for grand visions. Perhaps a think tank would also be able to consider the PEO's outputs in an integrated manner, so that, for example, sanitation, nutrition, health and education are understood as part of an interlocking system for development.

The point of this exercise in deconstruction is to make it clear that (1) a think tank would do only a part of what the PC did, (2) to be effective it would need other steps in the chain to be strengthened, and (3) even then it might run the risk of stretching beyond its capabilities. A final important point is that the possible role of a think tank would not look very much like China's National Development and Reform Commission (NDRC). Even a cursory review of the NDRC's goals and its practices suggests that the organisation's scope is far beyond what a new think tank might do. So in thinking about replacing the PC, China is not the place to look for institutional design.

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2. Modi's creative destruction at work

Pradeep S Mehta

Business Line: 12.09.2014



Out of the picture What will take its place? V SUDERSHAN

The Planning Commission will not respond to tinkering. It needs to be disbanded for its replacement to be effective

When Prime Minister Narendra Modi announced the scrapping of the Planning Commission and establishing a new think tank, many were astounded.

He was responding to calls by many that the plan body has outlived its utility in a market-driven **economy**, while it was relevant and useful in our early years.

However, he recognised the need for a central think tank which would work closely with the Union Government and our states in pushing the reform and development agenda.

Plainly, Modi is a political **entrepreneur** who has marketed himself brilliantly in the last general elections. He aspires to see India become a developed country and will not do it walking down a beaten path.

Avoiding the beaten path

One of the major institutional reforms that he has been advocating is close interaction with the different states; he has emphasised that it is the Prime Minister and the chief ministers who govern the country.

That marked quite a change from the earlier pattern. One major hurdle in moving ahead on this count was the Planning Commission; it adopted an imperious, top-down approach to all development schemes and financial allocations. This was abhorrent to the heads of state governments. The constant refrain was that the states were aware of their priorities and how to allocate resources. The whole scheme of the Plan body went against the spirit of federalism.

We do need an overhaul of our institutional framework which will allow new ideas and federalism to flower. Modi, the entrepreneur, is willing to explore and experiment, though that would need better and leaner ministries.

Let us examine his vision through the lens of economist and political scientist Joseph Schumpeter, who said long ago that ‘creative destruction’ is a process by which the old ways of doing things are endogenously destroyed and replaced by new ways.

Schumpeter coined the word ‘*Unternehmergeist*’, German for entrepreneur-spirit, and asserted that “... the doing of new things or the doing of things that are already being done in a new way” stemmed directly from the efforts of entrepreneurs.

A familiar idea

The creative destruction of institutions is not new even in India. For example, when reforms were launched in 1991, the Monopolies & Restrictive Trade Practices Act (MRTPA) was amended to get rid of the albatross of size of firms, merger regulation and so on, and create a level playing field by extending its jurisdiction to the public sector.

But that was not enough to enable our firms to be able to compete in a globalising and liberalising world, particularly when faced with competition from foreign firms manufacturing in India or exporting their goods to India.

In February, 1999 the then Finance Minister, Yashwant Sinha, following advocacy by CUTS announced the need to enact a new and modern competition law, which came into being in 2002. The same argument as in the case of the Planning Commission were raised — that the MRTPA could be modernised rather than a new law adopted.

But that would have been an impossible task. The MRTPA was drafted and adopted in 1969 on the basis of the prevailing trade and economic milieu, and growth was throttled by imposing limits on investment and production. If a firm was licensed to produce 10,000 widgets, it would be penalised for any excess production.

Big was considered bad, and profit was a dirty word. In the 1990s, it was not only because of our own reforms but the arrival of the WTO that the whole trade and economic scenario underwent a sea change. All these changes meant that we needed a new competition law. This necessarily implied that one had to start with a clean slate.

Rejecting the old

Just after the new Competition Act, 2002 came into force, though with a limited mandate due to a court restriction, the old MRTPA went into a demise mode.

Even the staff of the MRTP Commission were not taken into the new Competition Commission of India (CCI), except in a very few cases. Most pending cases at the MRTPC were transferred to the new CCI and its appellate tribunal.

A large number of countries have scrapped their old competition laws and adopted a totally modern and new competition law.

In the area of economic planning many countries have also revised their approach based on the new realities of a market economy. China is a notable example. It has shut down its plan body and a couple of other institutions and created the new National Development and Reforms Commission.

As Narendra Modi said from the ramparts of Red Fort on Independence Day, one has to construct a new building as one cannot repair or remodel the old building, i.e. the Planning Commission. Ideas have also been invited from people at large to suggest a new name and what they think the new think tank should be doing. Let us get on with this creative destruction process.

नेहरू मॉडल का अंत

नरेंद्र मोदी सरकार के सौ दिन पूरे होने पर समूचे देश में टीम मोदी के प्रदर्शन और कामकाज को लेकर बहस छिड़ी हुई है। राजनीति और शासन में सौ दिन कोई बहुत अधिक मायने नहीं रखते। हालांकि सिनेजगत में इसका बहुत अधिक महत्व होता है, विशेषकर दक्षिण भारत में जहां पुराने दिनों में एनटीआर, एमजीआर और राजकुमार की फिल्मों के लिए सौ दिन खास महत्व रखते थे। इनकी फिल्में तभी हिट मानी जाती थीं जब सिनेमाहाल में यह सौ दिन पूरे कर लेती थीं। हालांकि कुछ अलग वजहों से अब यह प्रवृत्ति राजनीति में भी आ गई है और सौ दिन पूरे होने पर मीडिया और जनता ने तमाम सरकारों के कामकाज का आकलन किया है। यह अलग बात है कि यह सरकारें 5 वर्ष के लिए चुनी जाती हैं, जो दिनों की दृष्टि 1825 होते हैं। अब यह एक प्रचलन बन गया है कि सरकारें प्रथम 100 दिन को महत्वपूर्ण मानते हुए अपनी उपलब्धियों को गिनाती हैं। तमाम मीडिया संगठन नई सरकार के प्रति लोगों के मूड अथवा रुख को समझने के लिए ओपीनियन पोल कराते हैं।

हमें यह अवश्य स्वीकार करना होगा कि मोदी ने दिल्ली को सोते हुए से जगाने का काम किया है और सरकार में हर किसी को नया सोचने और कुछ अलग करने के लिए प्रेरित किया है। इस अवधि में उन्होंने तमाम नए बदलाव किए हैं जिससे पता चलता है कि वह शासन के परंपरागत नजरिये अथवा तौर तरीकों के बजाय चीजों को बिल्कुल अलग तरह से देख रहे हैं। इसके मद्देनजर हम कुछ व्यापक निष्कर्ष निकाल सकते हैं। पहली बात यही कि प्रधानमंत्री नरेंद्र मोदी ने सरकार संचालन के तौर तरीकों अथवा ढंग के कारण अपने समर्थकों और आलोचकों, दोनों को चकित किया है। उनके आलोचक भ्रमित हैं, क्योंकि उन्होंने कांग्रेस के नेतृत्व वाली संग्राम सरकार के सभी कामों को सिर से नकारने के नजरिये का पूर्ण अनुसरण नहीं किया। इसका मतलब यही है शासन के स्थिर और जवाबदेह नजरिये को

अपनाया जाएगा, लेकिन बावजूद इसके तमाम बदलाव देखे जा सकते हैं और यह बदलाव तौर तरीकों और वास्तविकता दोनों रूप में हैं। सबसे महत्वपूर्ण बदलाव शासन के असंगत अथवा अप्रासंगिक हो चुके नेहरूवादी दृष्टिकोण को अलविदा कहने के साथ-साथ राष्ट्रीय सुरक्षा तथा विदेश नीति में परिवर्तन को लेकर है। आजादी के बाद किसी भी अन्य प्रधानमंत्री ने इस तरह के प्रश्न नहीं उठाए अथवा आधुनिक भारत के लोगों की उम्मीदों और उनकी जरूरतों के अनुकूल किसी नए मॉडल का प्रस्ताव नहीं दिया। सरकार की अकुशलता का पर्याय बनने के कारण और स्पष्टता के अभाव के चलते मोदी ने नेहरू मॉडल को टुकराते हुए इसके सबसे बड़े प्रतीक योजना आयोग को खत्म करने की घोषणा की और इसके स्थान पर एक ऐसी संस्था को लाने अथवा गठित करने की बात कही जो आज भारत को वैश्विक अर्थव्यवस्था में नई ऊंचाई देने की दिशा में सोच-विचार कर सके और योजनाओं को मूर्त रूप दे सके।

योजना आयोग मौजूदा स्वरूप में सफेद हाथी बन चुका था, जिस पर प्रतिवर्ष 500 करोड़ रुपये से अधिक खर्च हो रहा था, लेकिन परिणाम के तौर पर इसका योगदान बहुत थोड़ा था। यह संस्थान थके हुए और सेवानिवृत्त नौकरशाहों को खपाने की जगह बन गया था और यह केवल राजनीतिक सत्ता प्रतिष्ठान के लिए काम करता था। यह उन नौकरशाहों को

बेहतर घर, सुविधाएं और उच्च वेतन प्रदान करता था जो अपने सेवाकाल में नेहरू-गांधी परिवार का ख्याल रखते थे। इस प्रकार योजना आयोग इस परिवार के राजनीतिक उद्देश्यों को पूरा करने का काम करता था, लेकिन भारत के लिए इसका योगदान बहुत कम था। केवल मोदी जैसा एक मजबूत नेता ही ऐसी संस्था को बंद करने का निर्णय ले सकता था। पहले सौ दिनों में दूसरा महत्वपूर्ण बदलाव बिना किसी पूर्व तैयारी के सहज रूप में प्रधानमंत्री का जनता से सीधे संवाद स्थापित करना है। यहां तक कि स्वाधीनता दिवस के दिन भी उन्होंने ऐसा करते हुए अलिखित भाषण दिया।

वह देश के पहले प्रधानमंत्री हैं जो विदेशी दौरो पर भी अलिखित भाषण पढ़ते हैं। नेपाली संसद और भूटान में भी उन्होंने ऐसे ही धाराप्रवाह भाषण दिए तथा हाल ही में जापान की यात्रा के दौरान भी उन्होंने ऐसा ही किया, जहां उनका जोरदार स्वागत किया गया। एक नया बदलाव यह भी है कि अब जनता को लग रहा है कि सरकार काम कर रही है और नीतिगत पंगुता का युग बीत चुका है। बुनियादी ढांचे के साथ ही ऊर्जा और सड़क क्षेत्र के विकास पर विशेष जोर दिया जा रहा है। केंद्र सरकार ने तमाम कदम उठाए हैं जिनके प्रभाव प्रथम सौ दिनों में ही दिखने लगे हैं। इनमें जन-धन योजना भी एक है, जिसके तहत प्रत्येक गरीब परिवार को खाता खुलवाने पर एक लाख रुपये की बीमा सुरक्षा का प्रावधान है।

सामाजिक क्षेत्र में यह एक बड़ी पहल है और इसकी अत्यधिक लोकप्रियता के चलते अब तक तकरीबन 2 करोड़ खाते खुल चुके हैं। इसके अतिरिक्त स्वच्छ ग्राम योजना और देश के प्रत्येक स्कूल में शौचालय निर्माण का काम महत्वपूर्ण है। इसके लिए प्रधानमंत्री ने एक वर्ष का समय निर्धारित किया है। इससे बालिकाओं को स्कूल छोड़ने के लिए विवश नहीं होना पड़ेगा। इसी तरह मोदी ने 100 स्मार्ट सिटी की योजना बनाई है और हालिया जापान दौरे में भी इसे लेकर वहां के लोगों का उन पर ध्यान आकर्षित हुआ। इसके साथ ही क्योटो की तर्ज पर वाराणसी के विकास के समझौते पर हस्ताक्षर किए गए। इनका सकारात्मक असर हुआ और अप्रैल-जून तिमाही में जीडीपी विकास दर 5.7 प्रतिशत रही तथा चालू खाते के घाटे में उल्लेखनीय गिरावट आई है।

पहली बार ऐसा हुआ है जब प्रधानमंत्री ने अपने मंत्रियों के लिए लक्ष्य निर्धारित किए हैं। नेताओं के मंत्री बनने के बाद ऐसा कभी नहीं होता था। प्रधानमंत्री ने दंडात्मक प्रावधान करते हुए परिणाम पर ध्यान दिया है। उनसे लोगों को एक बड़ी उम्मीद है कि वह सरकारी कामकाज को कुशल बनाएंगे तथा भ्रष्टाचार को दूर करेंगे। उनका यह बयान काफी प्रसिद्ध है कि न खाऊंगा और न खाने दूंगा। इसके अलावा उन्होंने खुद स्वीकार किया है कि वह एक कठोर टॉस्क मास्टर हैं। वह सभी से अपेक्षा करते हैं कि 9 बजे सुबह से ही ऑफिसों में काम शुरू हो जाए और जब तक काम खत्म न हो घर न जाएं। मंत्री और विभिन्न विभागों के सचिव भी रात के 9 बजे तक काम कर रहे हैं। प्रधानमंत्री कार्यालय ने सभी मंत्रालयों से उपलब्धि का ब्योरा देने को कहा है। मंत्रियों पर काम का दबाव साफ नजर आ रहा है। यही कारण है कि एक केंद्रीय मंत्री को यह कहते सुना गया कि नया मोदी मंत्र है न सोऊंगा और न सोने दूंगा। यदि ऐसा है तो कुछ भी गलत नहीं है, क्योंकि अच्छे दिन आने वाले हैं।

(लेखक वरिष्ठ स्तंभकार हैं)

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बदलाव की बानगी

♦ एक नया बदलाव यह भी है कि अब देश की आम जनता को लग रहा है कि सरकार काम कर रही है और नीतिगत पंगुता का दौर बीत चुका है

4. India needs a master plan

VN Saroja

Business Line: 12.09.2014



Where nothing seems to change India's farming woes have eluded solutions .



The platform for ideation is irrelevant; what we need is consensus and a clear focus on key long-term goals

Even the largest and most successful private organisations in the world bring in consultants, occasionally or regularly, to get an outsider's view on the functioning of the company. Very often, insiders of the company are disappointed and will say, the consultant sat with us, took our ideas, presented them and got paid a bomb for doing so.

But that is the **job** of the consultant. Take ideas from within and outside the organisation, vet them and present the best of them. What they bring to the table is their hopefully unbiased assessment of what needs to be done, what it will take to do it, and what it will cost and how it should be done.

The Planning Commission, on similar lines, brought together experts who assessed the status of various sectors, put forth the priorities in their **opinion** and the expected outcomes based on certain budgets.

An additional role it has includes negotiations with States on the devolution of funds from the Centre to the states for these identified prioritised projects. And therein lay the difference between a consultant and the Commission.

Each year, as the negotiations took place, there were complaints of bias, numbers were bandied on the progress or lack thereof, the amount of previous allocation used, and so on.

These led to allegations of political support or vendetta based on which side of the fence you were on. For several years now, there have been reports on plans to move this role of the Planning Commission out and make it simpler and provide flexibility to states on the use of funds.

Marking a change

So as we move the pieces here and there and try to devise a new way of doing things, the basics will always be the same — we need ideas on how to grow, make citizens **healthy** and prosperous, how to split the **money** we have to ensure as equally as possible.

Whether this body or another does it is of little importance. Getting to the goals we set out to reach is important. I don't think India has had a paucity of ideas over the years.

We have had larger problems in implementation. I believe that emanates more from lack of participation from the Central and State ministries that have to do the implementation. It may also have to do with lack of accountability and transparency in implementation.

Planning and consensus

A quick look at the government websites of most of the developed countries will throw up department plans for the next few years. That is something we lack in India.

The secretary of a ministry as the head of the ministry should be releasing his/her plans for the country after due discussions with counterparts in the states and release a milestone-based plan that all of us can monitor.

The ministries can also highlight some pilot projects that are innovative and require civil society's support. Instead of an unending education cess that taxpayers dole out, we could actually allow taxpayers to choose to fund some of these pilot projects through a special cess from a shortlist of pilots.

The other thing India sorely lacks is unanimity among political parties on key issues. They should sit together and build a master plan that's valid for the next 50 years; this would include foreign policy, agricultural policy and industrial policy.

Take for example agricultural policy. We need to define how far we would like to be self-sufficient for each category of crops. We need to define the inflection points at which we will revisit a policy. We need to take a long-term call on farmer incomes, consumer prices and inflation.

We need to be able to build and share a long-term plan for changes in acreage led by industrialisation, new varieties that will compensate for lower availability of arable land, set long-term target prices, export **markets** to target, and so on.

We should be able to identify extraordinary profits by any part of the value chain and discuss it transparently since these profits tend to come from exploiting either the producer or the consumer. We need to have a policy on investments in farms and the how to channelise them. We need a policy on water use and hence how we will wean farmers from choosing water guzzlers in inappropriate locations.

Political nuancing

It is true that differences in political orientation could lead to nuanced positions on issues. But there are matters that need to be handled by the nation collectively with a long-term perspective, since we already know that short-term measures and ad hoc knee-jerk measures have not helped us so far.

The factors that led to us to become import-dependent in edible oils two decades ago are repeating themselves today in pulses and we seem to have learnt no lessons at all; we continue to struggle with both.

We could have taken a positive view if Indian farmers were to make more money by replacing oil seeds or pulses with something else. But the farmers don't seem to be happy, the private markets are not responsive and the need for government intervention in the form of procurement, setting MSPs, opening and closing imports and exports, and so on is not decreasing.

I hope we can, as a country, come together and tackle these issues as soon as possible. Experimenting with ideation platforms is the least of the problems we face today.

5.Catalyse, don't control

The Financial Express: 12.09.2014

1 Ads by Google



It need not be — must not be a large bunch of experts in the **domains** in which the country needs to improve.

Written by [Arun Maira](#) | Posted: September 12, 2014 12:10 am | Updated: September 12, 2014 1:04 am

The future of **India's** 64-year-old Planning Commission is a hot topic. The prime minister has declared it dead. He says the country needs another institution, with new capabilities and a new orientation, to set the country in a new direction. What should the shape of this institution be? Its name? He has invited suggestions from the people of India.

A small group within the last Planning Commission (which demitted office in June 2014) had looked around the world for insights that India could apply to a new institution, to processes that other countries are using and have used to accelerate the growth of industry, jobs and infrastructure.

These countries range from Japan in the 1960s and '70s to Korea in the '80s and China in the '90s and early 2000s. They also include the US today, especially the state of California, an

entrepreneurial state that is the antithesis of the Soviet Union, from which India adopted the architecture of its central planning systems. Californians have felt an urgent need to improve public infrastructure, such as **education**, urban and **transport** infrastructure and the management of water resources. A bipartisan “Think Long Commission” examined the planning practices of other countries, including China, to devise a structure to guide the development of California.



[More From Arun Maira](#)

- [Planning a new commission](#)
- [The institutional way](#)
- [The art of getting things done](#)

The new institution replacing the Planning Commission cannot carry on trying to coordinate the states and industry with a control mindset and with the (diminishing) authority to allocate **money** as its source of power. It must play a catalytic role instead. It must learn to deploy processes that spur a system of independent actors — states, private enterprises, civil society — to take a course that will benefit the nation.

A systematic analysis of what India needs today and international best practices suggests that four functions must be the core of the new institution to catalyse development and growth.

One, scenario planning must supplement, perhaps even substitute, five-year resource allocation plans. Scenario planning, based on disciplines of systems thinking, enables all forces, including non-quantifiable social and political forces, to be included in an analysis of the economy. Scenarios are dynamic in the guidance they provide. They are not predictive of precise outcomes but explain the actions stakeholders should take to produce the outcomes they desire.

Two, platforms must be created to connect stakeholders so that they can learn from and coordinate with each other. For example, the states must meet each other in well-designed and well-conducted meetings, in which the Centre plays the role of active facilitator rather than issuer of money and instructions. Similarly, platforms must be created for inter-city learning and for the exchange of ideas between states and regions on how industrial relations can be improved, thereby *continued*

6. Building Smart Cities in India

By Anjali Jaiswal,

Epoch Times: 12.09.2014

In his Independence Day speech from Old Delhi's famed Red Fort, Prime Minister Narendra Modi announced plans to replace India's 64-year-old Planning Commission with a new central government think-tank led by mix of experts. The new eight-member institute would focus on creative thinking, broader development and take several critical functions previously performed by the Planning Commission. One such function that will carry through to the new institute is central government leadership in convening state and central government leaders and experts on advancing clean energy development – including key objectives to increase energy access and energy security through a robust energy efficient buildings market.

To advance energy efficiency in buildings earlier this year, the central government convened a high-level roundtable held by the Planning Commission, Ministry of Power, Bureau of Energy Efficiency and key state leaders as well as international experts from China and the United States. The discussion highlighted progress in Andhra Pradesh and Telangana on the codified statewide Energy Conservation Building Code (ECBC).

As Andhra Pradesh and Telanagana move forward with statewide code implementation and as the contours of the new central government think tank is formed, India Climate Dialogue Magazine covered by Sapna Gopal "For Smart Cities, Need Energy Makeover" in its latest issue. The full article is re-posted below.

For Smart Cities, Need Energy Makeover

An increase in the demand for energy has driven policymakers to stress on the Energy Conservation Building Code for commercial buildings in India. The importance of this is going to go up as the government rolls out its plan for smart cities. What does this mean for the construction industry?

India's demand for energy is soaring and is likely to double between 2014 and 2027. To manage this demand, urgent measures to heighten the energy efficiency of buildings are needed, especially with the new government's plan to build smart cities across the country.

With this in mind, the Planning Commission had organised a meet in New Delhi with the Ministry of Power and its Bureau of Energy Efficiency. Entitled "State Leadership in Building Efficient Cities in India", the meet highlighted the primary role that state initiatives and mandates must play to meet energy demand in the coming decades.

B.K. Chaturvedi, then Member (Energy) of the Planning Commission, said, "Buildings are an important component of energy efficiency development in India. As the implementation of building energy efficiency policies happens at the state level, state governments play a critical role

to motivate the market's investment in energy efficiency through incentives, mandates, and strong building codes.”

David Goldstein, director of energy programme at the Natural Resources Defence Council (NRDC), said, “States play a critical role to motivate the market's investment in energy efficiency through incentives, mandates and strong state building codes that enable stakeholders to capitalise on the available energy and cost savings. Energy efficiency cuts energy costs, reduces harmful air and climate pollution, and gives real estate developers a competitive advantage. By boosting efficiency in the state's new real estate development, we can lay a foundation for greener cities across India.”

NRDC and the Administrative Staff College of India (ASCI) released a report presenting solutions and incentives to overcome the most common barriers to energy efficiency. The issue brief, *Greener Construction Saves Money: Incentives for Energy Efficient Buildings across India*, offers tools to motivate building developers to reap the savings of energy efficiency and mitigate the rising demand for energy. According to the report, the opportunity to cut energy demand domestically while developers and tenants of green buildings save money makes energy efficient construction a clear win for the country, especially in light of the energy security risk posed by the projected quadrupling of energy imports by 2027.

With Indian real estate development rapidly expanding, the report states that India could save enough electricity to power 358 million homes annually by 2030 if states adopt building codes and incentives for developers aimed at boosting energy efficiency in new construction and major retrofits.

The NRDC and ASCI analysis reinforces the Planning Commission's recent India Energy Security Scenarios 2047. The NRDC-ASCI report shows that if states across India adopted stronger building efficiency codes and developers participated in strong programmes for rating commercial buildings, an estimated 3,453 terawatt hours of electricity could be saved by 2030. This is equivalent to powering 358 million Indian homes annually between 2014 and 2030 based on current annual consumption levels for electrified homes.

The report analyses tools and incentives to accelerate implementation of energy efficiency measures and move the developer market toward achieving greater energy savings — a necessary next step for Indian states to sustainably support their cities' projected growth trajectory over the coming decades. Developers often cite common barriers to energy efficient construction, such as high upfront costs, split incentives between developers and tenants and a lack of information about efficiency's benefits.

“Indian states have an incredible opportunity to construct more efficient buildings today,” believes Anjali Jaiswal, NRDC senior attorney and director of the group's India Initiative. “By dramatically reducing energy demand through building codes and increased participation in ratings programmes, cities can avoid costly retrofits down the road and lock in energy savings now for decades to come. Incorporating effective compliance mechanisms is key to ensuring codes are successfully establishing at least the minimum efficiency of buildings.”

Industry experts are of the opinion that creative incentives for energy efficiency investments in new construction — such as property tax rebates, the creation of special economic zones, increased floor space index and expedited permit processes — can help reduce some of the biggest barriers to widespread adoption of energy efficiency.

For instance, many states in India have limits on the floor space index (FSI), a measure of the built-up floor area of a building relative to the size of the plot it is built on. To incentivise developers to build green, a portion of this extra FSI may be given to developers of efficient buildings for no cost, increasing the value of their properties.

Energy Service Companies (ESCO) — entities that may pay for energy efficiency investments upfront and recover the costs through surcharges on future energy savings — also offer a compelling model to potentially support the financing and scaling of efficiency upgrades.

ECBC to the aid

The Bureau of Energy Efficiency developed the Energy Conservation Building Code (ECBC) in 2007 to establish minimum energy efficiency requirements for the design and construction of new commercial buildings and for major retrofits. ECBC has been developed as a voluntary code for all new commercial buildings with a connected load of 100 KW and above. While the voluntary introduction was in May 2007, it is likely to be made mandatory for capacity building and implementation experience.

According to Bandana Jha, a research scholar at IIT Delhi and a GRIHA consultant who specialises in energy efficiency, the move for an ECBC is a good one. “Mooted in 2007, with the aid of Bureau of Energy Efficiency and supported by the Ministry of Environment, Forests and Climate Change, it stated that any building, with a square feet area of 20,000 feet, had to adhere to the code.” While she says it is a very good step, she also feels that only making it mandatory for buildings that are going to come up is not going to help matters.

Srinivas Chary Vedala, Dean of Research and Management Studies and Director – Urban Governance, Infrastructure, Environment and Energy at Hyderabad-based ASCI says that ECBC is a regulatory instrument aimed at improving energy efficiency of commercial buildings. “These buildings account for a major share in the overall energy usage in a city and need immediate attention. The systematic implementation of ECBC can significantly bring down power consumption and enhances energy security of urban areas.”

On the need for urgent measures, Vedala explains, “It is recognising the fact that there is a sense of urgency to push this agenda in the context of the urban sector. Since we are just urbanising, it means densification, vertical structures, concretisation and higher levels of expectation. Given this scenario, the sense of urgency which India is now recognising through the ECBC is very important.”

Stating that it is a very sensitive subject, he says, “The minute we say conserve energy, people will start questioning, what’s in it for me? Of course one can argue that one will save energy and money, but then they would argue that they may need upfront high capital investment. While the initial

investment is coming from a builder, the benefit will be going to you and me, to the consumer, the one who occupies the building. There is no incentive for the builder to really put upfront costs, unless and until he presents it as a differentiator or a niche product.”

Old versus the new

Meanwhile, whether issues of the old buildings need to be addressed or the new ones are to be tackled first, is a debate that continues to rage. In the recent past, there have been some notable instances such as the Express Towers and the Godrej Bhavan in Mumbai, which were renovated as green, energy efficient buildings.

Jha is of the firm opinion that we need to ensure energy efficiency in existing buildings if we want to achieve efficiency in the full sense. “One of the main things that need to be done is to tackle existing commercial buildings, which means reduce the energy input to a certain extent, as per the Indian Green Building Council (IGBC) benchmark or the GRIHA benchmark. This will surely help in achieving energy efficiency. Presently, there are huge commercial buildings such as malls, which are energy guzzlers. Therefore, the need of the hour is to have mandatory norms, use energy efficient fixtures, reduce their energy benchmarks, reduce the EPI to the global benchmark. Also, they should depend on renewable energy so that a considerable amount of energy is saved.”

She adds that 40 to 50% energy can be saved this way.

However, Vedala feels that the focus should be on the new buildings. “Let’s start with that and then tackle the retrofit or the older buildings. The number of buildings which will come up in the next 20 years is going to be more than the ones which were built in the last 150 years.”

“For Smart Cities, Need Energy Makeover” originally appeared in the August 2014 edition of India Climate Dialogue and is reprinted with permission here.

This article was republished and shared by Anjali Jaiswal, a contributing blogger for switchboard.nrdc.org. For the original article and more information, please click [HERE](#)

Government retraces route, to grant roads under EPC, not BOT

Timsy Jaipuria
New Delhi, Sept 11

THE government has decided to switch to the conventional engineering, procurement and construction (EPC) model to award contracts in the case of eight projects totalling ₹4,000 crore, which were earlier to be constructed under the build, operate and transfer route. The projects are a mix between ones that did not elicit any bids from private parties as their cost was too high and thus seen as unviable and a few that were terminated by the government due to lack of interest shown by the developers concerned.

Though the National Highways Authority of India (NHAI) has officially adopted the stance of late that more projects would be awarded through the EPC mode largely due to investor apathy, these eight projects would be the first where the mode would be switched after the Cabinet recently allowed the road ministry to change the mode without its approval. NHAI just needs the approval of a committee under the Cabinet secretary.

Under an EPC contract, the government funds the construction and the road developer only has to develop the project in a stipulated period of time. In the BOT mode, the developer invests in the project and recoups it either through tolling rights or annuity. The EPC mode takes three to four months for

Build/operate

Project	Length*	Reason for change of mode
Telebani-Sambalpur	75	Project unviable on BOT basis
Hospet-Bellary-Karnataka/AP Border	95	Project terminated
Hubli-Hospet	143	No bidders expressed interest
Vijayawada-Machilipatnam	64	Project terminated
Dhamtari-Jagdalpur	215	Project unviable on BOT basis
Bilaspur-Urdawal	180	Project unviable on BOT basis
Patiala-Bathinda	128	Project terminated
Allahabad-MP/UP Border	41	Project unviable on BOT basis

Source: Ministry of road transport & highways * (in km)

a project to be awarded, while BOT contracts take 18-20 months, which NHAI thinks is another major advantage.

Projects of 3,055 km were awarded through the EPC mode in 2005-06 but it rapidly lost its sheen. The following year, only 345 km were awarded, slipping to 89 km a year later, around when BOT projects were on the ascendant, peaking at 6,491 km in 2011-12. Not even a single EPC project was awarded in the sector between 2008-09 and 2011-12.

However, in recent times EPC has once again made a comeback because of lukewarm response shown by private developers. For instance, this fiscal so far NHAI has awarded seven projects of 798 km, all under the EPC con-

tract. In the last two years, of the 13 projects for 1,115 km for which bids were invited, a larger share of 841 km was awarded under the EPC route.

Additionally, 11 proposals are currently being evaluated by the inter-ministerial public-private partnership (PPP) appraisal panel involving construction of 1,098 km of highways, of which 1,010 km will be awarded under the EPC mode.

Feedback Infra chairman Vinayak Chatterjee said that the lack of investor interest in PPP projects due to financial reasons and projects not making commercial sense to the developers are major reasons why the government is shifting back to the EPC mode.

PART B

NEWS AND VIEWS

Friday, 12th September 2014

Polity

: Centre takes charge of relief ops in J&K

Economy

: Late rain revival helps narrow deficit, Concerns remain

Planning

: Govt seeks smart views on plan

Editorial

: Banking on growth

Communication, IT & Information Division
Phone # 2525

Centre takes charge of relief ops in J&K

TIMES NEWS NETWORK

New Delhi: With Omar Abdullah's administration conspicuous by its absence in rescue and relief operations in Jammu and Kashmir, the Centre has virtually taken charge in the state and is rallying resources to fill the gap.

Union home secretary Anil Goswami dashed off to Srinagar on Thursday following a meeting called by PM Narendra Modi in Delhi where he said the Centre should provide "full support" to the state government and put in "massive efforts" through deputation of senior home ministry officials to coordinate relief and rescue.

Goswami, who hails from the state, has roped in an entourage of officers, with some connection to J&K, from various central agencies. While MP-cadre NIA officer Sajid Shapoo, a Kashmiri, is accompanying him, another

Jammu ignored, protest residents

Protests have broken out in Jammu as residents allege that relief and rescue efforts have been focused on the Valley and Srinagar though they have suffered far higher casualties. Families of victims and students' groups held protests in Udhampur while some activists blocked the arterial Dhar Road. **P 12**

former NIA officer, Mukesh Singh, has been picked as he belongs to the J&K cadre. CRPF DG Dilip Trivedi is also accompanying him.

Chairing an emergency meet on Wednesday, Modi had emphasized that immediate attention be given to providing basic necessities like food and water to those affected by the calamity.

► Continued on P 14

Centre rushes water, milk & chlorine to J&K

► Continued from P 1

Goswami is expected to coordinate and guide efforts for rescue and relief measures for lakhs of people who are still stranded in flood-affected areas in the Valley, a home ministry official said. Goswami's departure comes after PM Modi asked central agencies to ramp up rescue and relief operations at an emergency meeting on Wednesday.

Even though armed forces and NDRF had rescued over 1.1 lakh people by Thursday, there are still over 5 lakh stranded in Srinagar. Following the PM's push, the Centre has stepped up efforts by dispatching drinking water, skimmed milk and ready-to-

Late rain revival helps narrow deficit, concerns remain

SANJEEB MUKHERJEE
New Delhi, 11 September

Towards the end of the four-month southwest monsoon, rains have seen a revival, narrowing the cumulative national deficit to 11 per cent of the long-period average (the past 50-year average), as of Thursday.

The revival, however, isn't enough to offset the rainfall deficiency in 31 per cent of the country. The deficiency primarily resulted from poor showers during the first 45 days of the monsoon. The deficit, 15 per cent on September 3, fell to 14 per cent on September 4 and 12 per cent on September 6. Since then, it has stood at about 11 per cent.

The India Meteorological Department (IMD) said in 17 regions of the country, the deficit was more than the national average.

The worst-hit regions are Uttar Pradesh, Haryana, Punjab, Telangana and Maharashtra's Marathwada region. In Punjab, the cumulative rainfall deficiency, as of Thursday, stood at 48 per cent; it

was about 60 per cent 10 days earlier. During the same period, rainfall deficiency in Haryana fell from 60 per cent to 54 per cent. In Uttar Pradesh, Telangana and Marathwada, too, the deficiency narrowed. Rains in the week to Wednesday were 64 per cent above average, the highest this monsoon, IMD said on Thursday.

The late monsoon showers have revived interest in sowing kharif crops. As of September 5, the area under kharif crops was just three per cent less than in the year-ago period. Compared to the corresponding period last year, the fall in the area under coarse cereals, pulses and oilseeds was the highest.

Experts remain divided over the impact of the late resurgence of the monsoon on the kharif crop. "I don't think the loss to agriculture can be fully compensated by the late resurgence. In many pockets, 30-40 per cent of the area is still unsown. Therefore, to expect the monsoon showers will wipe off all woes is wrong," said Mahesh Palawat, chief meteorologist of Skymet Weather Services, a private weather forecasting agency.

RAIN VIEW

PROMINENT REGIONS WITH MONSOON SHORTFALL (TILL SEP 11)

Area	Deficiency
Bihar	-20
East UP	-43
West UP	-54
Uttarakhand	-24
Haryana, Chandigarh and Delhi	-54
Punjab	-48
Himachal Pradesh	-33
East Madhya Pradesh	-24
Marathwada	-35
Coastal Andhra Pradesh	-24
Telangana	-32
Overall	-11

Source: India Meteorological Department

Ministries can now clear projects up to ₹1,000 crore

BS REPORTERS
New Delhi, 11 September

The government last month authorised ministries and departments to clear investment proposals up to ₹1,000 crore, instead of seeking approval of the Cabinet Committee on Economic Affairs. The earlier limit was ₹300 crore.

The move came after road transport and highways minister Nitin Gadkari pushed for it. "This will avoid many layers of approval and work can be awarded in a fast-track manner," an official said.

Rajiv Kumar, a senior fellow with the Centre for Policy Research, said the move was long overdue. "This will reduce paperwork and logjams over clearing of projects," he said.

However, he wondered how many projects up to ₹1,000 crore are there with the government or public sector units.

Ashjit Banerjee, director-general of the Confederation of Indian Industry said this would help in clearing of projects.

Govt seeks smart views on plan

ARCHANA JYOTI ■ NEW DELHI

The private sector will play a major role be it in the financing or infrastructural development of Prime Minister Narendra Modi's pet project of '100 smart cities' entailing an initial investment of ₹35,000 crore annually, as per the concept note of the Urban Development Ministry on Smart Cities Scheme.

A LARGE PART OF THE FINANCING FOR SMART CITIES WILL HAVE TO COME FROM THE PRIVATE SECTOR AND PUBLIC PRIVATE PARTNERSHIP WITH THE STATES, AND CENTRE ONLY SUPPLEMENTING THAT EFFORT BY WAY OF VIABILITY GAP SUPPORT

The note which has been posted on the website of the

CONCEPT NOTE



- One satellite city of each of the cities with a population of 4 million people or more (9 cities)
- All the cities in the population range of 1 - 4 million people (44 cities)
- All State/UT Capitals, even if they have a population of less than one million (17 cities)
- Cities of tourist and religious importance (10 cities)
- Cities in the 0.5 to 1.0-million population range (20 cities)
- In Delhi, DDA will develop a new smart city.
- Some Hill and Coastal cities will also be included.

Ministry for comments has also proposed a host of taxes like a surcharge on sales transaction and property or fuel tax,

with the Government too chipping in with funds to provide uninterrupted supply of power and water and better delivery of public services to citizens in these cities.

The draft that contains broad contours of smart cities, criteria for selection, financing and capacity building needs among others, says, "A large part of the financing for smart cities will have to come from the private sector and Public Private Partnership (PPP) with the States/cities and Central Government only supplementing that effort by way of Viability Gap Support (VGF)."

The Ministry will seek the States' suggestions on the smart cities project in a meeting on Friday.

The Ministry has broadly proposed including cities with a population of one million to four million for which total estimate of investment requirements is estimated to be seven lakh crores over 20 years. Other criteria for selection would include cities with an approved

Master Plan, or those willing to offer a minimum 5,000 acres of land that can be used for economic and housing needs.

This translates into an annual requirement of ₹35,000 crores to be majorly brought in through the private and public private participation (PPP) mode, says the draft note.

Learning from the mistakes in JNNURM which has failed to deliver, the Government has decided for proper planning and adopt a holistic approach with focussing on capacity building and facilitating bodies at the State and urban local bodies' level. "Fragmented approach will not work as has been the experience in JNNURM. Proper planning and a holistic approach will be necessary," it says.

The Government proposes to review policies related to investment by the private sector to ensure that a higher level of investment is assured while the concept note focuses on law to be made liberal for acquiring land for public purposes.

RBI not keen on raising inter-bank ATM usage fee

NUPUR ANAND

Mumbai, 11 September

The Reserve Bank of India (RBI) is reportedly not keen on accepting banks' demand to increase the interchange fee, the amount one bank charges another if its consumer uses the ATM of the non-home bank.

"There is already a cap on ATM transactions. If we increase the fee further and based on it the banks also make changes on the amount they want to be passed on to the customer, it can hurt the customer further. As a result, the regulator is not very comfortable in revising the rates currently," said a banker.

Currently, the fee is ₹15 per financial transaction. This has been recommended to be revised to ₹16.50, plus service tax (12 per cent), taking the amount to ₹18.48. This is a fee the customer's bank pays to the one that maintains the ATM. The first three transactions at other ATMs are free and after this, the bank can choose to pass on the cost to the consumer. But by RBI order, banks cannot charge consumers more than ₹20.

Last month, RBI had permitted banks to charge customers for using home-bank ATMs for more than five trans-



HOLD ON... NOT NOW

- **INTERCHANGE FEE:** The amount a bank charges the other bank, if the latter's consumer/customer uses the ATM of the former, a non-home bank
- **₹15:** The fee per transaction banks are charged by another bank for use of the latter's ATM facilities by the former's customers
- **₹16.50:** The recommended revised interchange fee
- It is learnt RBI is not comfortable in revising the Interchange fee soon
- The demand for a increase in interchange fee begun after banks came under pressure to beef up security at ATMs, after the brutal attack on a woman in a Bangalore ATM last year

actions a month. Till now, banks were only allowed to charge customers if they transacted in non-home bank ATMs

more than five times in a month. That cap has also been reduced to three in the six big cities of Mumbai, Delhi,

Chennai, Kolkata, Bangalore and Hyderabad.

Bankers said public sector lenders have been working to keep the interchange fee low; private sector banks had been lobbying for an increase. This is because state-run banks are generally the issuer ones (which issue the card) and the private banks in most cases are the acquirer bank (the non-home bank ATM the consumer uses).

Another person familiar with the development said public sector lenders especially feel more changes should not be made in terms of fee revision. "If more banks decide to pass on the increased cost to consumers, it might lead to more branch visits, something we fear might also happen after the changes made in the number of free transactions. This, in turn, will increase the costs to banks," said another banker.

The demand for a rise in interchange fee started after banks came under pressure to strengthen security at ATMs after the attack on a woman in a Bangalore one last year. Lenders complain the increased security will translate into increased cost and to stay profitable, the interchange fee should be increased.

Expert panel likely to recommend raising minimum age for smoking to 25

Report on amendments to Tobacco
Regulation Act by early next week

EXPRESS NEWS SERVICE
NEW DELHI, SEPTEMBER 11

AN EXPERT committee set up by the Health Ministry for recommending amendments to the Tobacco Regulation Act is likely to recommend that the minimum age for smoking be increased to 25 years from the current 18 years.

The committee is also in favour of raising fines for tobacco related offences, including smoking in public, but has decided that the increase should be at a reasonable level. However, the final report on amendments to the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act (COTPA), 2003, is yet to be prepared. Former Delhi health secretary Ramesh Chandra, who heads the committee, said the report will be ready early next week.

"We are in favour of raising the minimum age for smoking to 25 years. We also want fines for tobacco-related offences to be raised

and among the suggestions that we have received is one that says that the fine for smoking in public should be Rs 20,000. We have not taken a call on what that amount should be but we understand that proposing an amount that is not practical will only cause the government to reject that recommendation. We do not want that. We also want the sale of loose cigarettes to be stopped and the size of the pictorial warning to be raised," said one of the members of the committee.

Members explained that the inputs of the committee are more of a technical nature, delineating international best practices and the health effects of tobacco. "The final shape of the report is being decided in consultation with the ministry representative," explained a member. Among the other offences for which the committee wants fines to be raised are for sale of tobacco products to underage people, advertisements at the point of sale and repeat offenders especially when they are traders or companies violating COTPA regulations.

Government retraces route, to grant roads under EPC, not BOT

Timsy Jaipuria
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Switching lanes

Project	Length*	Reason for change of mode
Telebani-Sambalpur	75	Project unviable on BOT basis
Hospet-Bellary-Karnataka/AP Border	95	Project terminated
Hubli-Hospet	143	No bidders expressed interest
Vijayawada-Machilipatnam	64	Project terminated
Dhamtari-Jagdalpur	215	Project unviable on BOT basis
Bilaspur-Urdawal	180	Project unviable on BOT basis
Patiala-Bathinda	128	Project terminated
Allahabad-MP/UP Border	41	Project unviable on BOT basis

Source: Ministry of road transport & highways * (in km)



a project to be awarded, while BOT contracts take 18-20 months, which NHAI thinks is another major advantage.

Projects of 3,055 km were awarded through the EPC mode in 2005-06 but it rapidly lost its sheen. The following year, only 345 km were awarded, slipping to 89 km a year later, around when BOT projects were on the ascendant, peaking at 6,491 km in 2011-12. Not even a single EPC project was awarded in the sector between 2008-09 and 2011-12.

However, in recent times EPC has once again made a comeback because of lukewarm response shown by private developers. For instance, this fiscal so far NHAI has awarded seven projects of 798 km, all under the EPC con-

tract. In the last two years, of the 13 projects for 1,115 km for which bids were invited, a larger share of 841 km was awarded under the EPC route.

Additionally, 11 proposals are currently being evaluated by the inter-ministerial public-private partnership (PPP) appraisal panel involving construction of 1,098 km of highways, of which 1,010 km will be awarded under the EPC mode.

Feedback Infra chairman Vinayak Chatterjee said that the lack of investor interest in PPP projects due to financial reasons and projects not making commercial sense to the developers are major reasons why the government is shifting back to the EPC mode.

PM Modi Sends Uttarakhand IAS to Track Missing

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New Delhi: A "missing persons" information system is being put in place for J&K, where thousands have gone missing in the worst flooding the region has seen in decades.

An IAS officer who helped set up such a database during the Uttarakhand floods was sent to Srinagar on Wednesday to operationalize the system, the Prime Minister's Office said in a note to the home ministry after Prime Minister Narendra Modi's high-level meeting on Wednesday.

"An information system in respect of missing persons is being started on the lines of the Uttarakhand disaster in 2013 and Uttarakhand IAS officer Ajay Kumar Pradyot, along with a team of the National Informatics Centre (NIC), has been dispatched to J&K to make the system operational,"

Indian Army has deployed 329 columns (around 20,000 troops) and 61,597 people have been evacuated by them

While Indian authorities have rescued about a lakh since the Jhelum swelled about a week ago due to excessive rain, thousands are still unaccounted for. Officials put the number of dead on the Indian side of Kashmir at 163. It is feared that the death toll could go up sharply when the final count is made after flood waters recede.

Two teams from the National Institute of Mental Health and Neuro Sciences in Bangalore are being sent to the valley for counseling survivors.

The Jhelum flows from India into Pakistan, where reports say over half a million people have been affected.

According to people close to the development, the PMO was impressed with the work done by Pradyot in setting up a "Missing Cell" in Uttarakhand during the 2013 disaster. The cell involved creation of a database of missing persons through a helpline phone

The Man and His Mission

PMO sends Uttarakhand IAS officer Ajay Kumar Pradyot to set up missing cell in J&K



A team of the National Informatics Centre (NIC) accompanying Pradyot

The IAS helped set up such a database during the Uttarakhand floods in 2013

It is feared the death toll could go up sharply from the current toll of 163 when count is made after flood waters recede

The cell will create a database of missing persons through a helpline phone number, e-mail, social networking websites like Twitter and FB and police FIRs



The information cell being set up will be a single-window system to know who are missing and if they have been rescued.

HOME MINISTRY

number, e-mail, social networking websites like Twitter and Facebook and police FIRs.

"The biggest problem in J&K right now is that people are getting no information on the whereabouts of their loved ones," a home ministry official said. "The information cell being set up will be a single-window system to know who are missing and if they have been rescued."

Discussions on new education policy to start in Jan

Schemes for girl child, N-E students, differently-abled

OUR BUREAU

New Delhi, September 11

Union Human Resource Development Minister Smriti Irani on Thursday said that deliberations for a new education policy will start in January 2015.

For this, 10 areas have been selected and research groups are being set up to identify the needs of the country regarding research and technology requirements, she said addressing media persons here.

These groups are expected to share their first report by March 2015.

Expressing concern over the quality of learning outcomes, Secretary, Department of School Education and Literacy, R Bhattacharya, said, "In the first 100 days of this Government, priority has been on addressing the deficit in learning outcomes in terms of time and subjects. For the upper primary level, Rashtriya Aavishkar Abhiyan will be rolled out in a few months. This would focus on maths and science at both school and higher education level."

It has also been decided that States would conduct third party



Smriti Irani, Minister for Human Resource Development, with Rajarshi Bhattacharya, Secretary, Department of School Education Literacy, addressing a press conference in New Delhi on Thursday. KAMAL NARANG

100-day report card

- 19 new Institutions in 100 days— five IITs, six IIMs, four Central varsities, one IISER (AP), one NIT (AP), one IIIT (AP), one Tribal varsity in Telangana
- Padhe Bharat Badhe Bharat launched as sub component of Sarva Shiksha Abhiyan
- Swachh Vidyalaya campaign to ensure the provision of a functional toilet in every school before August 15, 2015
- National E-library operational in academic year 2015

For Girls

- Beti Bachao Beti Padhao launched
- Scholarships to 4,000 girls under PRAGATI

For North-East

- Ishan Uday would grant 10,000 scholarships to students for undergraduate studies.
- Ishan Vikas would facilitate visits/internships of students with IITs, NITs, IISERs.

For differently abled

- AICTE to award 1,000 scholarships each year to pursue technical education

assessment for schools every year. A framework for school assessment and evaluation is being developed and is expected to be rolled out by 2015, Bhattacharya added.

New database

RP Sisodia, Joint Secretary, Higher Education, said, "A database of scientists and scholars from India and abroad is also being created to facilitate their interaction with students and faculty, which should start from academic year 2015." Under a new

scheme, Unnat Bharat Abhiyan, which would be coordinated by IIT Delhi, reputed institutes will work to evolve technologies for rural development.

Also, to promote vocational education, colleges have been given the power to grant certificate/diploma under the community college scheme implemented by UGC, Sisodia added. UGC has also accorded sanction to 102 community colleges and 127 B. Voc degree programmes entailing financial outlay of ₹329 crore.

Pak envoy echoes Swaraj, says time for 'new beginning' in ties

PRESS TRUST OF INDIA

New Delhi, 11 September

Pakistan today said it "could not agree more" with External Affairs Minister Sushma Swaraj's "no full stop" in diplomacy remark and noted that the time has come for making a "new beginning" in bilateral ties.

"I cannot agree more (with Swaraj) because in diplomacy, you need to keep the doors ajar," Pakistan High Commissioner to India, Mr Abdul Basit, told reporters here.

Stating that India is a "very important neighbour" for Pakistan, Mr Basit said, "Unfortunately, we have a chequered history of our relations with India; but the time has come that we walk past the narratives of the past and make a new beginning."

Inaugurating a lifestyle exhibition, 'Aalishan Pakistan', jointly organised by FICCI and Trade Development Authority of Pakistan



(TDAP) at Pragati Maidan here, Mr Basit said he often tells his Indian friends that when "our two countries come together, sky is the limit."

"We can benefit from each other and if we were to establish a relationship that is based on mutual respect and mutual benefits, there is no way we cannot really perform miracles," he said. Swaraj recently indicated that there may be a window for resumption of talks with Pakistan when she said that "there is no full stop in diplomacy, it's always commas and semi-colons. And, after all this, people always move forward. There are no full stops in diplomatic journeys". Meanwhile, talking about the Kashmir floods,

which he described as a "terrible disaster", Basit said authorities on both sides were working to overcome the challenge.

"I think our two leaders (Pakistan and Indian PMs) have exchanged letters and let's hope that authorities on both sides are working to overcome the challenge," Mr Basit said.

Meanwhile, Home Minister Rajnath Singh indicated today that the stalled talks between India and Pakistan can be resumed if the neighbouring country "responds properly."

"If Pakistan responds properly, talks can be held," he told reporters here when asked whether there is any possibility of resuming the stalled dialogue between New Delhi and Islamabad. Singh, however, but did not elaborate. The Home Minister is here as part of his two-day tour to some of the border posts to assess the situation along the international border with Pakistan.

Make 'Swacch Bharat' a mass movement, PM tells officials

STATESMAN NEWS SERVICE

New Delhi, 11 September

The Prime Minister, Mr Narendra Modi, today called for a paradigm shift in India's perception towards cleanliness and said world-class levels of hygiene are required in India's top 50 tourist destinations.

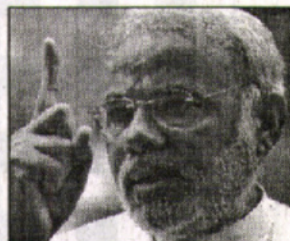
The Prime Minister, who headed a high-level meeting on Mission Swacch Bharat, told his officials to make Swacch Bharat a mass movement and linked it to economic activity. The pursuit of cleanliness can be an economic activity, contributing to GDP growth, reduction in health-care costs, and a source of

'If the people of India clean their homes in due course around Diwali every year, why can this attitude not be extended to overall cleanliness and Swacch Bharat'

employment, Mr Modi said.

Mission Swacch Bharat will be launched on Gandhi Jayanti, 2 October to create a Clean India of Gandhiji's dreams by the Mahatma's 150th birth anniversary in 2019.

Mr Modi said all government departments would actively participate in this mission. Government offices up to Panchayat level would be



involved in a cleanliness drive that would be conducted from 25 September to Diwali. "If the people of India clean their homes in due course around Diwali every year, why can this attitude not be extended to overall cleanliness and Swacch Bharat", the Prime Minister asked, calling for a change in governance attitude towards hygiene and sanitation.

■ 'Demand for anti-dumping duty on panels needless, will escalate costs'

Goyal: Govt working on tax sops for renewable energy

ENS ECONOMIC BUREAU
NEW DELHI, SEPTEMBER 11

UNION minister for power and coal Piyush Goyal on Thursday said the government is working on a policy for the renewable energy sector to attract investments worth \$100 billion within the next five years.

The power ministry is working on ways to provide tax breaks and cheaper loans in the impending policy to motivate prospective investors, Goyal said while delivering the keynote address at the Economist India Summit.

Describing the demand for an anti-dumping duty on solar panels as needless, Goyal said that it would kill the solar mission as it would have led to escalation in tariff from the solar plants. He said domestic so-



Union Coal and Power Minister Piyush Goyal delivering the keynote address at the Economist India Summit in New Delhi on Thursday.

lar panel manufacturers have suo motu withdrawn their plea for such a duty.

With Coal India's trade unions deciding to oppose the move to sell 10 per cent government stake in the company,

Goyal said the Union cabinet's decision to do so "was not a half measure and the government has no desire to fully divest its assets in the company".

However, the unions on Thursday re-affirmed their

decision on resorting to a 'work-to-rule' for three days beginning September 18.

Goyal said his ministry has proposed to organise a conference of his counterparts from the South Asian association for regional cooperation (Saarc) nations. "On the lines of Prime Minister Narendra Modi reaching out to India's neighbours during his swearing-in, we look at relationship with an open mind based on the strength of India's security interests and better economic relations," he said.

Highlighting the cordial relations with the states in sorting out issues impeding generation and transmission of electricity, Goyal reasoned that during his recent interactions with the governments of 19 states, he found that cutting across party lines they extended full cooperation.

Banking on growth

Valuations have run ahead of earnings growth

Bank stocks have run up sharply over the past six months with investors betting that more lending opportunities will present themselves now that the economy appears to be bottoming out. The Bank Nifty has gained a stunning 35% in the last six months, putting in the shade even the spectacular surge in the Sensex of 24%. Much of the movement in the Bank Nifty was, of course, driven by State Bank of India which has a large weightage in the gauge and which surged 55% during that period. To be sure, large banks are typically a proxy for the economy and no fund managers would want to be short of such stocks, especially at a time when there is a turnaround in the offing.

However, it could be a long while before the profits justify the already stretched valuations, not merely because the loan offtake is poor but also because banks will need to price loans competitively to entice borrowers. Interest rates for quality borrowers are already trending lower despite which demand remains anaemic, especially from the corporate sector. At ICICI Bank, for instance corporate credit grew by just 8% yoy in the quarter, with the management saying it could be several quarters before there was any meaningful demand for project finance. That would well turn out to be right given sanctions for loans in FY14 dropped a fairly sharp 32% to approximately ₹1.3 lakh crore, over the previous year. Indeed, disbursements by the banking sector this year are likely to be more than sluggish and some of that is already playing out; in the fortnight to August 8, the growth in non-food credit slipped to a four-year low of 11.9% yoy and further to 11% yoy in the following fortnight. That there are few takers for project finance is not surprising given capacity utilisation remains at 75% levels, implying there is room to step up production without additional investments. Moreover, companies will wait for the government to ease rules and regulations, making the climate more friendly, and also for money to become cheaper. In the meanwhile, capital-expenditure related loans could see a very small increase this year; a report by Kotak Institutional Equities notes, as of now, banks have visibility of barely a 2% growth in such credit this year. Indeed, the slowing inflows of deposits—in the region of 13-14%—might turn out to be a blessing in disguise.