1. FATF and Pakistan

Why now?

Following the Pahalgam terror attack, which led to the deaths of 26 people last month, India announced multiple measures in response to Pakistan's role. As part of the strategy to curb financial flows that aid terror activities, it is planning to bring back Pakistan into the 'grey list' of the Financial Action Task Force (FATF).

What is the FATF?

The FATF is commonly referred to as the world's "terrorism financing watchdog", which means it is the author and custodian of an international regime that works to ensure that the flows of money in the global financial system are not misused to fund terrorist activities.

It maintains a "grey list" of countries that it watches closely, including the ones who have failed to prevent international money laundering and terrorist financing. Currently, it includes Nepal, Lebanon, South Africa, Syria and Vietnam, among others.

Past Grey Listing of Pakistan

In June 2018, when it was first grey-listed, Pakistan made an international commitment at the highest political level that it would "work with the FATF to strengthen its AML/CFT regime, and to address deficiencies in its counter-terrorist financing-related actions". "AML/CFT" is FATF jargon for "Anti-Money Laundering/Combating the Financing of Terrorism".

On October 21, 2022, the FATF announced that "Pakistan has strengthened the effectiveness of its AML/CFT regime and addressed technical deficiencies to meet the commitments of its action plans regarding strategic deficiencies that the FATF identified in June 2018 and June 2021". It then came off the list.

Enter and exit the FATF Grey list

FATF conducts periodic assessments. To initiate a nomination process demanding a 'grey list' status for Pakistan, India would require the support of other FATF member countries at the upcoming periodic assessment. India is also considering raising objections against Pakistan at the upcoming meeting of the board of the International Monetary Fund (IMF) in May.
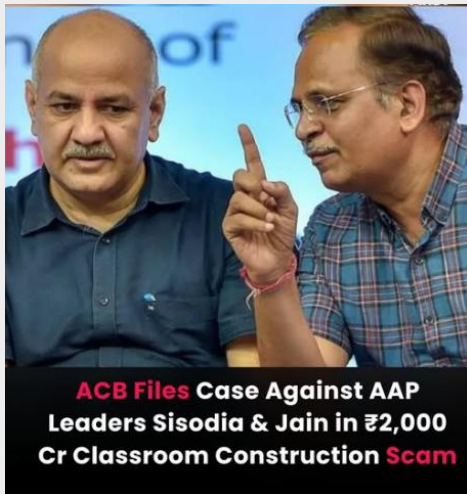
Relevance: GS Prelims & Mains Paper II; International Organisations
Source: Indian Express

2. What is the Rs 2,000 cr 'classroom scam' in which top AAP leaders have been booked?

Why Now?

Former Deputy Chief Minister Manish Sisodia and former Public Works Department Minister Satyendar Jain have been booked by the Anti-Corruption Branch of the Delhi government in connection with a Rs 2,000 crore "classroom scam".

The scam
Between 2015 and 2019, the Delhi government, under the Aam Aadmi Party (AAP), undertook a large-scale infrastructure project to improve school facilities.

Among other things, this included the construction of 12,748 classrooms across various schools. The PWD was assigned the task of executing the work. However, multiple complaints filed by political leaders, including members of the BJP, claimed the project was riddled with corruption, resulting in a loss of nearly Rs 2,000 crore to the public exchequer.

A total of 12,748 semi-permanent structures were supposed to be built at a cost of Rs 1,200 per sqft. But during construction, the cost shot up to around Rs 2,292 per sqft.

Key allegations
It was alleged that the semi-permanent structures — which have a lifespan of less than 30 years — were constructed at a cost equivalent to RCC (reinforced cement concrete) structures, which last 75 years. This contradicts the stated objective of cost-saving and sustainability.

The core allegation is that the cost per classroom was fraudulently inflated during the construction process. As per the complaints and verification, the construction cost per room came out to approximately Rs 24.86 lakh, exponentially higher than the roughly Rs 5 lakh it takes for similar constructions in Delhi.

Reports from the Chief Technical Examiner (CTE) of the Central Vigilance Commission (CVC) revealed serious violations of government financial rules, CPWD manuals, and tendering processes. These include awarding contracts to firms allegedly associated with the ruling party without proper bidding, escalating project costs by 17% to 90% without inviting fresh tenders, engaging private consultants without following due procedure and duplication of work, execution of work without demand from schools, and mismanagement of timelines and funds.

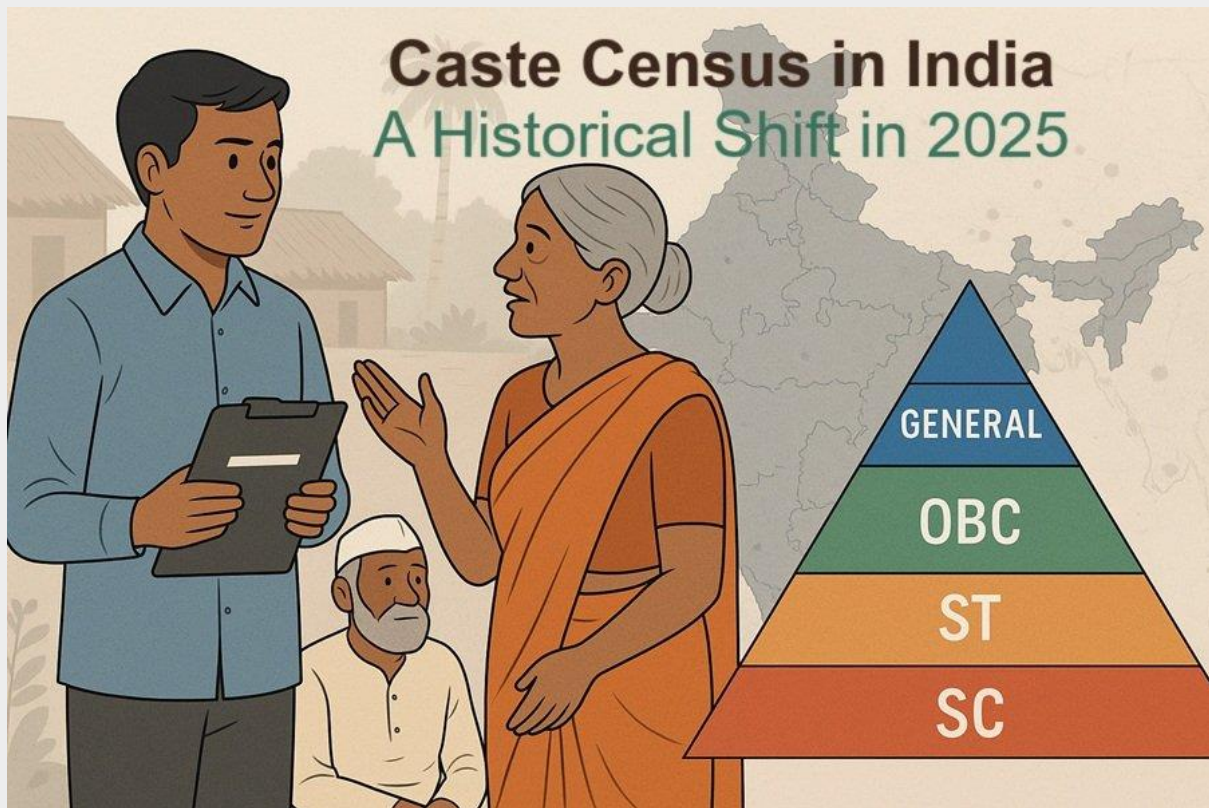Relevance: GS Prelims & Mains Paper II; Governance
Source: The Hindu

3. Caste Census: Legal basis, preparation timeline, and challenges ahead

India Caste Enumeration
The next decennial Census of India is set to break new ground by including a detailed enumeration of caste—something that hasn't been attempted since the British-era census of 1931. With the Centre indicating its willingness to capture OBC data, this marks a significant policy shift with far-reaching social and political implications.

But it also raises several legal, procedural, and logistical questions: What legal provisions govern the inclusion of caste in the Census? Which list of OBCs will be used? How much preparation is needed before enumeration can begin? And what challenges—both during the data collection and after the publication of results—could lie ahead?

Legal requirements for caste enumeration
To include caste enumeration in the next Census, the government does not need to amend the Census Act. The Registrar General and Census Commissioner (RG&CC) is already empowered under existing law to design the census proforma — the standardised forms used during the house listing and population enumeration phases to collect information from households and individuals, respectively.

While finalising the questions for the second phase (population enumeration), the RG&CC can simply add a question that goes beyond the existing categories of General, Scheduled Castes (SC), and Scheduled Tribes (ST) to ask whether a person belongs to the Other Backward Classes (OBC), and if so, which specific class within that category. This addition would have to be included in the final proforma, which is notified through a formal gazette notification.

Which list will be used for OBC enumeration?
The most crucial question the government must now address — and one that will ultimately be a political call, much like the decision to enumerate caste itself — is which list to use while enumerating OBCs.

In the last Census, for SCs and STs, the proforma relied on the official lists notified under the Constitution (Scheduled Castes) Order, 1950, and the Constitution (Scheduled Tribes) Order,

1950. These lists — currently comprising 1,170 castes under SC and 890 communities under ST — are periodically updated through amendments passed by Parliament.

However, for OBCs, there is no single, consolidated list. A central list maintained by the National Commission for Backward Classes (NCBC) is used for reservations in central government jobs and educational institutions. Separately, each state maintains its own OBC list, which often differs from the central list — and in many cases, includes many more communities.

The key decision now before the government is whether to rely solely on the central list, which currently includes 2,650 communities, or to merge it with the various state lists, thereby significantly expanding the scope of enumeration. Either way, the choice is likely to be politically sensitive.

Preparation timeline
So, how much time will the RG&CC's office need to prepare for the enumeration, given the addition of caste data?

The process is expected to mirror the preparation undertaken ahead of the 2020 Census, which was suspended due to the Covid-19 pandemic. Taken together, and by conservative estimates, the government will need at least six months of preparation before it can begin enumeration. The first step is for the Central government to issue a notification in the Official Gazette declaring its intent to conduct a Census. This must then be followed by similar notifications from all state governments — a process that could take up to two months. Once these are in place, the proforma for the house listing and population enumeration phases will have to be formally notified.

The original 2021 Census was set to be the first to use digital enumeration, with enumerators collecting data via an electronic form rather than pen and paper. With the inclusion of caste data, the software will now need to be updated to include a new field for OBCs, along with a drop-down menu of sub-categories.

Enumerators will also need to be retrained, especially since many of those identified for the postponed 2020 exercise may have moved on or retired. Training alone typically takes up to two months. In addition, the RG&CC's office will need to conduct a pilot exercise — like the one conducted prior to 2020 — to ensure there are no glitches in the updated software.

Challenges ahead
The challenges now facing the government are both political and procedural.

On the ground, enumerators may face difficulties with new technology, but these can be addressed through proper training and rigorous piloting. However, a far bigger concern is the environment in which this Census will be conducted.

What we often overlook is that this Census is happening in an era of rampant misinformation, which can spread within minutes—especially through platforms like WhatsApp. There's little an enumerator can do in the face of a viral message falsely claiming they are fraudsters

collecting personal data. This could seriously undermine the enumeration process. The only way to counter it is through robust public outreach and awareness campaigns.

On the political front, the first decision is which list to use for OBC enumeration. But the far more consequential challenge will emerge after the data is published. Until now, reservation policies have relied on projections and estimates from the last caste census in 1931. The upcoming Census will offer the first accurate estimate of India's caste composition in nearly a century. This data is expected to prompt demands for recalibrating reservation quotas in proportion to the actual OBC population—and could even fuel calls to lift the 51% cap on total reservations, set by the Supreme Court.

Relevance: GS Prelims & Mains Paper II; Governance
Source: Indian Express