

Speaking Note for REMIT Project Advisory Committee Meeting (Monday, January 6, 2025)

1. Introduction

CUTS International has been a vital partner to the Government of Rajasthan in advancing trade and investment initiatives, particularly through its impactful contributions to the *Rising Rajasthan Global Investment Summit 2024*. By leveraging its expertise and global networks, CUTS has added to the Government's efforts to significantly enhance Rajasthan's visibility and credibility as a preferred investment destination.

2. All this work was done under the MOU to facilitate trade and investment from abroad signed in May, 2023. However, the MOU was to work on a pro bono basis while the Government would help us to raise money from businesses, multilateral banks and donor agencies. However, due to the unscheduled plan of the Rising Rajasthan summit, attention was devoted entirely to the Summit.

3. Since, we are well connected internationally and with diplomatic missions in Delhi, we were roped in to provide support to recruit countries as partners or participants in the Summit. Now that the Summit is over and the government is committed to convert the promised MOUs into actual projects, their reliance on CUTS capabilities will continue. However, this would mean clear funding to run our operations. Alas, the continued delay in the release of committed funds risks undermining the momentum and goodwill built through these efforts. CUTS remains steadfast in its commitment to promoting sustainable trade, investment, and employment growth in the State, while stressing for more structured collaboration to ensure long-term success.

4. Key Contributions by CUTS International

4.1. Demonstrating Commitment Through Pro Bono Work

Operating in good faith and without direct financial compensation, CUTS provided critical advisory services and operational support over a period of more than six months. These contributions underscore CUTS' dedication to fostering Rajasthan's development and jobs agenda, while highlighting the importance of timely government support to sustain such initiatives.

4.2. Facilitating Strategic Global Partnerships

CUTS played a key role in forging critical alliances with countries such as Brazil, Oman, Saudi Arabia, Spain, and Switzerland, strengthening Rajasthan's international trade and investment linkages. Additionally, its outreach to Australia, Germany, Indonesia, Italy, the Netherlands, and the UAE expanded the summit's

global reach, ensuring diverse participation and bolstering Rajasthan's profile on the international stage.

4.3. Organising High-Impact Country Sessions during the Summit

CUTS curated and facilitated sessions focused on specific countries, such as the United States and Germany, creating tailored platforms for dialogue between investors and policymakers. These sessions not only highlighted Rajasthan's investment opportunities but also resulted in actionable partnerships that align with the state's economic priorities.

5. Constructive Feedback and Areas of Concern

5.1. **Delays in Funding:** CUTS International has diligently fulfilled its advisory role, providing expertise and delivering impactful outcomes, for activities outside the scope of the MOU. However, the delay in releasing the promised funds by the government is a cause for concern. Such delays not only undermine the value of advisory contributions but also risk setting a precedent that could discourage future collaborations with advisory organizations and international investors, potentially hampering Rajasthan's long-term investment goals.

5.2. **Execution Challenges:** Persistent issues such as bureaucratic delays, challenges in achieving financial closures, and infrastructure bottlenecks continue to impede the effective implementation of investment initiatives. These structural inefficiencies must be addressed to ensure that Rajasthan's ambitious investment strategies translate into actionable and impactful outcomes.

5.3. **Accountability in Monitoring Mechanisms:** The introduction of the Three-Tier Review Mechanism is a commendable step towards ensuring oversight of investment initiatives. However, its success depends on the establishment of clear accountability frameworks, enhanced transparency, and adherence to strict timelines. Without these, the mechanism risks becoming a procedural formality rather than a driver of meaningful progress.

5.4. **Change in MOU:** The current MOU is between Rajasthan Export Promotion Council and CUTS International. It has been discussed and agreed that the same will be amended and the MOU will be assigned to RIICO Ltd from REPC. While the Chairman, RIICO serves as a Member on the Project Advisory Committee, it is proposed to coopt the Managing Director as a Member for better coordination.

6. Way Forward: Few Suggestions and Recommendations

6.1. Policy Advocacy and Research

Rajasthan's investment potential can be significantly enhanced by adopting a targeted business and market orientation strategy. This involves aligning trade and investment policies with international trade and tax frameworks and sustainability standards, ensuring compliance and competitiveness in global markets.

Conduct a comprehensive evaluation of past MoUs through a framework that analyses both successes and non successes. This will help refine policy decisions and ensure that future agreements yield the desired economic and social benefits.

6.2. Capacity Building

Focused training programmes for Industries and RIICO officials and local entrepreneurs are essential. These programmes should aim to enhance their understanding of investor engagement strategies, international trade practices, and regulatory frameworks, thereby improving their ability to facilitate seamless investment processes.

6.3. Strengthening MSMEs

Support for MSMEs must go beyond policy rhetoric. Practical measures, such as facilitating access to low-interest loans and addressing key cost drivers (e.g., power, raw materials), can improve their competitiveness and enable them to play a more significant role in Rajasthan's industrial ecosystem.

6.4. Regulatory Reforms

Implement a *Regulatory Guillotine Framework* to systematically reduce bureaucratic inefficiencies and simplify processes. Streamlined regulations will create a more conducive environment for both domestic and foreign investors. Following that to establish a Regulatory Impact Assessment to review all regulations to ensure that only the sensible ones stay while the redundant ones are scrapped and/or amended.

6.5. Monitoring and Evaluation

Establish a robust system of regular reviews of investment proposals at multiple levels and across sectors to monitor progress and identify bottlenecks. A data-driven approach to monitoring will ensure timely interventions and maximise the impact of ongoing projects.

6.6. Enhanced Stakeholder Engagement

Continued engagement with global investors, policymakers, and entrepreneurs is critical to maintain the momentum generated during the Rising Rajasthan Global Investment Summit. Platforms for sustained dialogue and collaboration must be institutionalised.

Leverage the commitments made by the diaspora at the Pravasi Rajasthani Conclave by ensuring consistent follow-ups and providing targeted support to convert these into actionable investments.

Establish an effective Grievance Redressal System to efficiently dispose off investor complaints. This should include an Ombudsman, a well recognised individual, who would be able to resolve grievances speedily.

By adopting these strategies, Rajasthan can position itself as a leading investment destination, leveraging both its domestic strengths and global partnerships for sustained economic growth and employment generation.

6.7 Intelligence Gathering

CUTS will continue to garner intelligence from the whole country as where and how investments are moving and their relationship with Rajasthan and advise the government appropriately. This will include intelligence on how other state are handling such investments and what are their strategies including incentives.

Second aspect of intelligence will involve issues relating to foreign countries which have an impact on India including Rajasthan and advise the government accordingly.

6.8 Whole of society approach

To follow up on the outcomes and make them happen, there has to be a Whole of Society Approach which means that all stakeholders must be taken into the conversations around investment and trade decisions. This has to be preceded by a Whole of Government Approach where every agency of the government at the state and local levels are able to work for the goal by ensuring working on the same page.

6.9 Absorption

To ensure that investments proposed are absorbed and implemented at the ground level a Task Force under the leadership of the Chief Secretary should be established and duly empowered.

As time evolves, this menu will be evolve suitably.

In conclusion, CUTS International stands as a steadfast partner in Rajasthan's journey toward becoming a hub for global trade and investment. Our commitment to supporting the state's economic and employment growth is unwavering, as demonstrated by our strategic contributions and collaborative efforts. However, for this partnership to realise its full potential, it is imperative for the government to ensure timely support, including the release of committed funds, and establish clear mechanisms for accountability. By addressing these challenges collectively, we can build a robust investment ecosystem that not only attracts global capital but also drives sustainable trade practices and creates meaningful employment opportunities for the people of Rajasthan.
