

Indian Heritage And Culture**ASEAN India Film Festival****In News**

- ASEAN India Film Festival was held in New Delhi from 25th to 30th May, 2018.
- The Film Festival acts as a platform for people of the film industry of member countries to explore areas of cooperation in the domain of “cinema and cultural cooperation.

Key Highlights

- The Directorate of Film Festivals in collaboration with the Ministry of External Affairs (ASEAN Multilateral Division) had organized ASEAN India Film Festival in Delhi.
- The tagline of the Festival was ‘Friendship through Films’.
- This event helped in building bridges and bringing harmony amongst the ASEAN countries. It also provided a platform for more people-to-people contact between member countries especially youth.
- As a vehicle of Cultural Exchange, the Directorate of Film Festival aimed to provide access to new trends in filmmaking by providing the platform for an exchange of ideas, culture and experiences in the field of cinema.
- Around 32 films from 11 countries were screened during the Festival. Panel discussions on various aspect of cinema were also held.

Association of Southeast Asian Nations (ASEAN)

- It is a regional intergovernmental organization comprising ten Southeast Asian countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam) which promotes Pan-Asianism and intergovernmental cooperation and facilitates economic, political, security, military, educational and socio-cultural integration amongst its members and other Asian countries, and globally.
- Its principal aims include accelerating economic growth, social progress, and sociocultural evolution among its members, alongside the protection of regional stability and the provision of a mechanism for member countries to resolve differences peacefully.
- ASEAN is an official United Nations observer, as well as an active global partner. It also maintains a global network of alliances, and is involved in numerous international affairs.
- Communication by member states takes place in English.

Geography of World**Recent Thunderstorms in Northwest India**

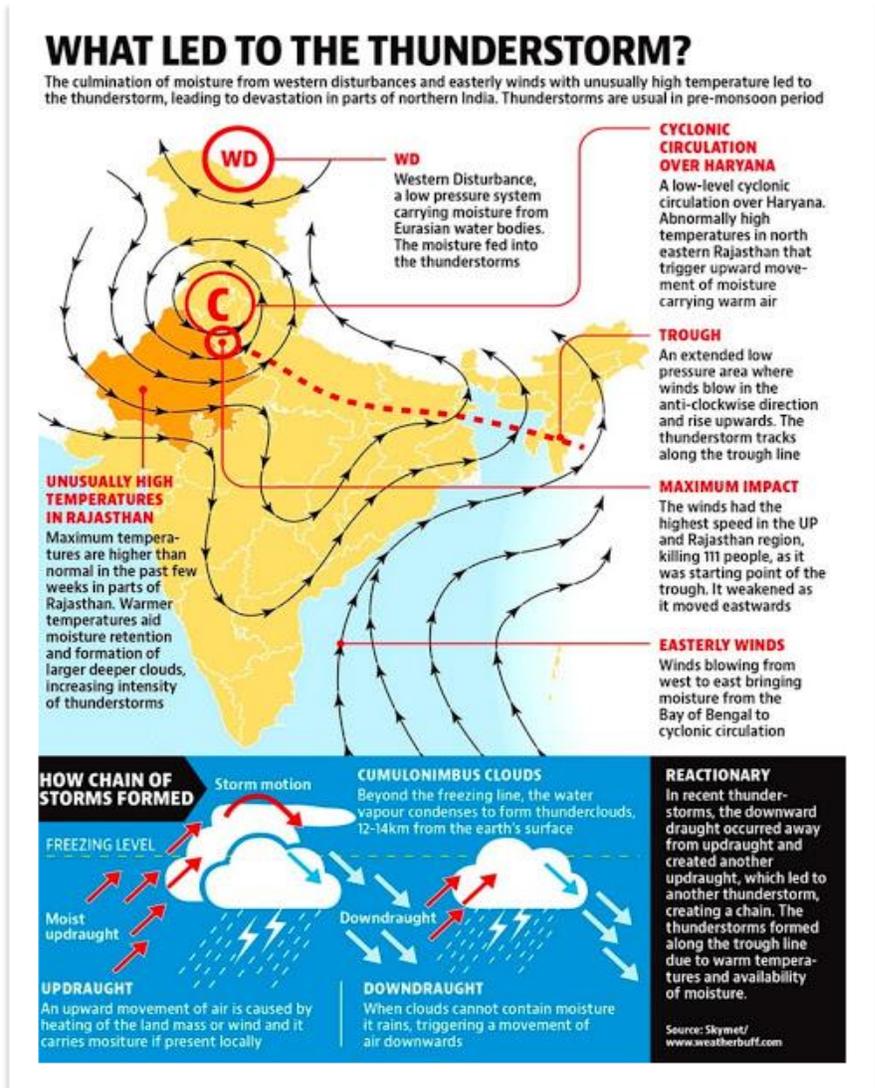
Syllabus: Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity etc.

In News

- The freakish thunderstorm activity that resulted in nearly 100 deaths in north and northwest India recently was caused by unusually high temperatures, availability of moisture, and an unstable atmosphere, which, in turn, led to the formation of a chain of thunderstorms
- Storms need three things: Moisture, warm temperatures, and an agitated atmosphere to push the warm moist air upwards. The unusually high temperatures in northwest India, especially Rajasthan,

and a cyclonic circulation over Haryana and adjoining areas meant that air close to the land surface was pushed upwards where it formed storm clouds.

- The moisture was provided by easterly winds blowing in from Bay of Bengal, especially in the eastern parts of UP and Bihar. Simultaneously, a western disturbance, a system of low pressure, brought moisture from Eurasian water bodies.
- In the absence of moisture, the strong upward movement of air would only carry dust and cause dust storms. However, the incursion of moisture because of the western disturbance brought thunderstorms even to areas which would normally only experience dust storms.
- Heating of the landmass causes an updraught or the movement of air upwards. If moisture is present, the updraught will carry the moisture upwards. When this air reaches the colder parts of the upper atmosphere, water vapour condenses to form dense deep clouds. When clouds cannot contain moisture, it rains, creating a downdraught, a movement of air downwards.



- The important feature of this storm was that the updraught and downdraught was happening in different places due to the wind shear. And the downward draught itself created another up draught that led to another thunderstorm — creating a chain of thunderstorms.
- The storms were being continuously formed along a trough line running from east to west, an extended low pressure area where winds blow in the anti clockwise direction and rise upwards. Higher surface temperatures mean warmer near surface air that allow greater retention of moisture and formation of deeper storm clouds capable of bringing more rain and generating stronger winds.
- All over India, temperatures are abnormally high, even if they are not the drivers, they will aggravate the situation by causing the atmosphere to become more unstable.
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IMD To Add 30 Doppler Radars In Country

Syllabus: Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity etc.

In News

- The India Meteorological Department (IMD) will add 30 Doppler radars in the next two-three years across the country, of which several will be in the northeast.
- **Doppler radars provide precise information about thunderstorms, dust storms, hailstorms, rainfall and wind patterns.** With a radius of 250km, they help in issuing nowcasts 2-3 hours prior to severe weather events.
- By the next year, Jammu and Kashmir will get four Doppler radars, Uttarakhand and Himachal Pradesh three each.
- The hilly states of Uttarakhand, Himachal Pradesh and Jammu and Kashmir witness erratic patterns like thunderstorms and heavy rains and snowfall, so do the north eastern states. In 2013, a cloud burst that led to flash floods killed hundreds in Uttarakhand.
- The first Doppler radar was installed in Chennai in 2002. Its need became more compelling after the 2005 Mumbai floods. There are currently 27 Doppler radars in the country.
- The radar at Jaipur was non-operational during a freak thunderstorm that killed over 120 people in Uttar Pradesh and Rajasthan between 2-3 May.

Western Ghats Forest Cover Vital for Tamil Nadu's South West Monsoon Rainfall

- Researchers have found one more reason why urgent steps have to be taken to stop deforestation in the Western Ghats. The dense vegetation in the Western Ghats determines the amount of rainfall that Tamil Nadu gets during the summer monsoon.
- A team led by Prof. Subimal Ghosh from the Department of Civil Engineering at the Indian Institute of Technology (IIT) Bombay has found that dense forests of the Western Ghats contribute as much as 40% of moisture to the southwest monsoon rainfall over Tamil Nadu during normal monsoon years. The average contribution is 25-30%. But during monsoon deficit years, the contribution increases to as high as 50%.
- The study found the forests of Western Ghats contribute as much as 3 mm per day of rainfall during August and September over a "majority of locations" in Tamil Nadu and 1 mm per day during June and July.
- To study the role of vegetation cover in the Western Ghats in supplying moisture to the southwest monsoon rainfall, the researchers used models to compare the contribution of Western Ghats with and without the forest cover.
- The researchers found a significant drop in rainfall in the range of 1-2.5 mm per day when the vegetation cover was removed from the Western Ghats. This translates to an average of 25% of the total monsoon rainfall over Tamil Nadu. But only small parts of Kerala get affected by deforestation in Western Ghats.
- The team selected three years (1993, 1999, and 2002) when Tamil Nadu experienced extreme deficit in summer monsoon rainfall. They found that deforestation over Western Ghats reduced rainfall over the State by 40-50% during all the three years.
- The Western Ghats acts as a capacitor. The forest land and vegetation gets recharged with water during the wet spell and during the break periods moisture is released and which contributes to rainfall to the State.

Constitution, Polity, And Governance

Karnataka Results: House Hung And Supreme Court Verdict

Syllabus: Functions & responsibilities of Union & State, Issues & challenges pertaining to federal relation.

In News

- BJP emerged as the single largest party in Karnataka and both the BJP and the Congress-JD(S) combine stake claim to form government. But Karnataka Governor invited BJP to form government and asks B S Yeddyurappa to take oath as chief minister.
- Against the decision of the governor Congress moved Supreme Court refused to stay oath-taking ceremony of Yeddyurappa but it ordered live telecast of floor test to ensure transparency.
- The Congress-JD (S) again moved to SC this time challenging the governor's decision to appoint BJP MLA K.G. Bopaihd as pro tem speaker to conduct the floor test. But SC dismissed the plea.
- But hours before the trust vote B S Yeddyurappa government resigned and Congress JDS combined formed the government.

Pro-tem Speaker's Appointment & Functions

- **Controversy over pro term speaker:** In the political drama in Karnataka witnessed twists and turns the ceremonial constitutional post of Pro-tem Speaker became a bone of contention with both sides fishing out precedents and court judgement.
- **Constitutional position:** Pro-tem Speaker's appointment, functions and powers are not clearly spelt out in the Constitution. Article 100 (1) of the Constitution says "... all questions at any sitting of either House or joint sitting of the Houses shall be determined by a majority of votes of the members present and voting other than the Speaker or person acting as Chairman or Speaker. The Chairman or Speaker or person acting as such shall not vote in the first instance but shall have and exercise a casting vote in the case of an equality of votes.
- **Status of pro term speaker:** Pro-tem speaker is a temporary speaker appointed for a limited time period to conduct the works in Lok Sabha or in state legislatures. When the Lok Sabha and Legislative Assemblies have been elected, but the vote for the speaker and deputy speaker has not taken place the pro-tem speaker is chosen for the conduct of the house.
- **Pro term speaker during vacancy:** If both speaker and the deputy speaker posts in the House lie vacant owing to death, resignation etc, then the tasks in the House are undertaken under the pro-tem speaker.
- **Duties of Pro term speaker:** A pro-tem speaker is chosen with the agreement of the members of the Lok Sabha and legislative assembly so that he can carry on the activities till the permanent speaker is not chosen. Usually the senior most member of the house is selected for the post. The main duty of the pro-tem speaker is to administer the oath of office to new members of the house. He also enables the House to elect the new Speaker. Once the new Speaker is elected the office of the pro tem speaker ceases to exist.

Constitutional Role



The main responsibility has been to swear-
In new members and then vacating chair for
elected Speaker



Over the years,
with tight elections
in states, pro-tem
Speakers have been con-
ducting floor tests



More recently, pro-
tem Speakers have
overseen floor tests
in Goa & Manipur (Mar 2017)
& Meghalaya (Mar 2018)

Sarkaria Commission Recommendation

The central government had set up the Justice R S Sarkaria Commission in June 1983 to examine the relationship and balance of power between state and central governments. The Commission, while

dealing with the role of Governors, suggested that in choosing a Chief Minister the Governor should be guided by the following principles:

- **The party having largest support:** The party or combination of parties that command the widest support in the Legislative Assembly should be called to form the government.
- **Governor task is not to try to form government:** The Governor's task is to see that a government is formed and not to try to form a government that will pursue policies that he approves.
- **Case where no party having majority:** If no party has a majority, the Governor has to invite: a) a pre-poll alliance, b) the largest single party that is able to gain majority support c) a post-election coalition that has the required members, d) a post-election coalition in which partners are willing to extend outside support.
- **Vote of confidence within 30 days on floor of house:** The Commission recommended that the Chief Minister must seek a vote of confidence in the Assembly within 30 days of taking over. It also said the Governor should not risk determining the issue of majority support outside the Assembly and that the prudent course would be to have the claims tested on the floor of the House.

Punchhi Commission Recommendation

A Commission headed by former Chief Justice of India M M Punchhi was set up in April 2007 to take a fresh look at the roles and responsibilities of governments at various levels and the relations between them. The Commission recommended that there should be clear guidelines for the appointment of Chief Ministers so that there was some sort of regulation on the discretionary power of the Governor. It said that a pre-poll alliance must be treated as one political party and laid down the order of precedence that the Governor must follow in case of a hung House:

- Group with the largest pre-poll alliance commanding the largest number
- Single largest party with support of others
- Post-electoral coalition with all parties joining the government
- Post-electoral alliance with some parties joining the government and the remaining including Independents supporting from outside.

Final Analysis

- SC has done well to circumscribe Karnataka Governor and reiterating the principles laid down in case of **S R Bommai v Union of India (1994)** where it held explicitly that in situations where there is a hung assembly, the final decision rests not with the various feuding parties but with the concerned legislature through a floor test.
- The SC should also develop its powers of suggestive jurisprudence to reinforce the Sarkaria and Puncchi commission reports. The Supreme Court's revival of democracy will for long be applauded and it must continue its quest to augment constitutional discipline, regardless of the political events.

Do We Need The Office Of Governor?

Syllabus: Structure, organization, and functioning of Executive and Ministries/Departments

In News

- Karnataka governor Vajubhai Vala who first invited the Bharatiya Janata Party (BJP) for forming the government. The decision was perhaps a legitimate exercise of his constitutional discretion However the invitation was extended at 9 p.m. and the swearing in fixed for 9.30 a.m. the next day ostensibly to ward off any judicial challenges and present a fait accompli.

- His decision to grant B.S. Yeddyurappa 15 days to prove his majority when the latter himself asked for only a week was troubling enough for the Supreme Court to intervene and order an immediate floor test.
- So was his appointment of BJP MLA K.G. Bopaiah as Pro Tem Speaker to conduct the floor test when the latter had been castigated by the Supreme Court in 2011 for partisan conduct.
- If we want to put an end to the continuous misuse of the Raj Bhavan for partisan political ends in a manner that threatens both federalism and democracy we have to rethink the role of the Governor in the constitutional scheme.

Arguments In Favour

- **Undermine federal structure of constitution:** The governor's office has been used most of the time arm-twist the state government and thereby undermining federal structure of the government.
- **Appointment on political grounds:** Governor's office is supposed to be apolitical office and only credible and qualified people should be assigned to it. But the governor selections have come to be made on grounds of political partisanship, favouritism, patronage and cronyism.
- **Against democracy:** Discretionary powers enjoyed by governor gave him ample power to act independently of elected state government. Many times these powers are misused like imposition of emergency under Article 356.
- **No security of tenure:** Governors are appointed without the security of tenure. This leads to situation when after election new government removes governors appointed by previous government before expiry of their term.
- **No method of impeachment:** Though governors can be removed easily by central government there is no way governors can be impeached by both parliament and state legislature. Thus making governor virtually immune.

Arguments Against Abolishment

- **Constitution assembly debate:** Constitution assembly has justified the office of governor on the ground that it will act as a tool to check subversive tendencies of the state such as secession etc.
- **Check on the state government:** The office of the governor play an important role in ensuring that the government of the state is carried as per the provisions of the constitution.
- **Link between center and state:** Position of governor is an important part of Indian federal structure. He acts as a link between center and state.
- **Important functions performed by him:** There are various important gubernatorial functions which strengthens federalism. He keeps a check on various laws being made by the state legislatures. His unique power to reserve the bills for assent by president is an example of constitutionalism.

THE SOURCE OF THE POWER

Article 167 of the Indian Constitution says

It shall be the duty of the chief minister of each state:

(a) to communicate to the governor all decisions of the council of ministers relating to the administration of the affairs of the state and proposals for legislation;

(b) to furnish such information relating to the administration of the affairs of the state and proposals for legislation as the governor may call for; and

(c) if the governor so requires, to submit for the consideration of the council of ministers any matter on which a decision has been taken by a minister but which has not been considered by the council

Recommendations of Sarkaria Commission

- **Term of office should be 5 years:** The Governors tenure of office of five years in a State should not be disturbed except very rarely and that too for some extremely compelling reason. It is very necessary to assure a measure of security of tenure to the Governor's office.

- **Qualification:** Governor should be an eminent person and not belong to the state where he is to be posted. And State chief minister should have a say in the appointment of governor.
- **Apolitical person:** Governor should be a detached figure without intense political links or should not have taken part in politics in recent past and he should not be a member of the ruling party.
- **Removal from the post:** Governor should be removed before his tenure only on the grounds as if aspersions are cast on his morality, dignity, constitutional propriety etc.

Way forward

- The government should convene an all-party meeting and consult other stakeholders such as jurists to review the role of the Governors, the powers exercised by him and the manner in which he should be appointed and removed.
- Moreover the recommendation of the committee such as Sarkaria commission, Venkatachaliah commission and Punchhi need to be implemented to make the office of governor independent.

Should We Do Away With The I&B Ministry

Syllabus: Structure, organization, and functioning of Executive and Ministries/Departments

In News

- In the wake of the brouhaha over the now-recalled guidelines against fake news, the threat of withdrawal of accreditation of journalists and the continuing saga of the government now wanting to regulate digital news and current affairs portals, an oft-quoted idea has resurfaced should the Ministry of Information and Broadcasting not be abolished?
- The I&B Ministry is an apex body of the government to formulate and administer the rules, regulations and laws relating to information, broadcasting policy, and administration as enshrined in the transaction of business rules.
- The founding fathers of the Indian republic as they set out to build a modern nation-state required a vehicle that could carry their conceptual and developmental ideas to large swathes of the Indian populace that was politically conscious even if educationally illiterate. Thus Ministry of I&B was created.

Arguments In Favour Of Abolishing The Ministry Of I&B

- **Media space need to be liberated:** The entire media space should be liberated from the tyranny of the government. They believe that everyone should be free to start any print, broadcast or digital media vehicle. If there are aberrations the set of reasonable restrictions enunciated in the proviso to Article 19(1)(a) of the Constitution and the laws made pursuant to it are more than enough to deal with any contingency.
- **Self regulated media us best guarantor of democratic rights:** Having an I&B ministry is a colonial construct that makes little sense in a modern democracy. A self-regulated free media is the best guarantor of democratic rights and freedoms.
- **Existing law are enough to regulate:** Today it is virtually impossible to control content on the internet. Creators of so-called hateful content could be operating from anywhere in the world beyond the government's jurisdiction. Whether it is mainstream or social media, self-regulation supplemented by long-existing legal recourse such as laws on defamation and hate speech are enough to establish red lines.
- **To overcome controversies:** The guidelines against fake news, the threat of withdrawal of accreditation of journalists, Prasar Bharti controversy suggest that the Ministry of I&B need to be abolished.

- **No advanced country has such ministry:** No advanced democracy be it in Western Europe or in North America has a Ministry called I&B. Those democracies instead have independent commissions. In the USA for example the Federal Communications Commission has been effective in regulating the functions of television companies for more than a half a century.

Arguments Against Abolishing The Ministry Of I&B

- **I&B ministry became more relevant after the proliferation of new forms of media:** There has been a tremendous growth in private media in all forms including television, FM radio, Web portals and print and social media. With such a proliferation of private players in the media the government through the I&B Ministry with its vast information and broadcasting infrastructure should ensure the optimal utilisation of this world and engagement with all the stakeholders.
- **Ensuring public order and security requires government body:** The challenges posed by social media to the government are huge and so are the opportunities. Public perception, public order and national security are closely interlinked. Therefore in situation such as communal riots government needs to control media to prevent disturbances from spreading.
- **For effectiveness in governance:** The government needs to shape public perceptions so that they reflect the reality and amplify the effectiveness of governance.
- **Many issues require the I&B ministry guidance:** At present there are many issues engaging the Ministry such as the outreach of AIR and Doordarshan; planning manpower; budgetary requirements; issues relating to the Cable TV Networks (Regulation) Amendment Bill of 2011; cross-media ownership/cross-media monopoly in various segments; the role of the Directorate of Advertising and Visual Publicity and its spread amongst small, medium, and regional language newspapers; ensuring that the Film and Television Institute of India in Pune becomes a centre of excellence in filming; expanding the FM radio network; the spread of community radio services; policy for introduction of mobile television; rationalization of spectrum requirements for various broadcasting services; conversion of the Indian Institute of Mass Communication into an international media university; coordination issues with cable and satellite channels; liaising with the Indian Broadcasting Foundation, the News Broadcasting Standards Authority and the Broadcasting Content Complaints Council to integrate issues in TV programming and time bands.
- **I&B Ministry has large talent:** There is a vast pool of talent in the Ministry to execute and effectively implement the objectives of the Ministry.
- **Evolving a media strategy:** In a country like India the media needs to be more responsible and self-regulated considering the sensitivities involved. The lessons learnt from 26/11, the interviews by various individuals in the aftermath of the hanging of Yakub Memon and other issues relating to portrayal of crime against women and children can not be silently ignored. Thus given the multitude of issues engaging the public's attention and to develop a holistic and integrated approach this is a great opportunity for the I&B Ministry to prepare, plan and evolve a media strategy, which can be skillfully, executed in a proactive manner through various media platforms.

Way Forward

- The solution lies in between in reforming different aspects of the Ministry thereby transforming it completely over a period of time. To achieve this some of the issues that require rigorous discussion include whether an autonomous and overarching media regulator, administering both techno-economic issues and content can take care of the myriad functions currently performed by the Ministry.
- Reform has to be incremental. Carve out pieces of the Ministry, reform and liberate them one by one. The film remit is a low-hanging fruit. The Cinematographic Act can easily be repealed and the Censor

Board abolished and replaced with a Programme and Advertising Code as it is for the television industry.

- Similarly, the private television industry and radio would need two sets of regulators a Broadcast Regulatory Authority of India to perform licensing and other techno-commercial functions but with very restricted penal powers and a self-regulatory framework embedded in statutory regulation to monitor content much like other professional bodies that have the powers of peer review.
- Similarly if the Prasar Bharati has to truly become a public broadcaster, it has to be liberated from the strings of the I&B Ministry. There can be no autonomy if its funding continues to be routed through the Ministry.

Supreme Court Send Back Name Of KM Joseph

Syllabus: Structure, Organisation, and Functioning of Judiciary and Related Issues

In News

- The Supreme Court Collegium agreed to reiterate justice K M Joseph's name for elevation to the top court. When the court sends back the recommendation it will be binding on the government.
- The law ministry had while clearing the elevation of justice Indu Malhotra held back Justice Joseph's name. An earlier Collegium recommendation made within days of a judgement by Justice Joseph quashing president's rule in Uttarakhand is also still pending with the government.
- The Collegium is also debating other names for elevation to the top court on the lines suggested by the government i.e. to give representation to unrepresented states such as Rajasthan, Uttarakhand, Andhra, Telangana and weaker sections.

MAGISTERIAL CONCERNS		
<p>WHAT ARTICLE 124(2) SAYS Every SC judge to be appointed by President after consulting judges of SC & HCs as the President deems necessary. In appointing a judge other than the chief justice, CJJ must always be consulted</p>		<p>reference, a 9-judge bench reaffirmed the 1993 judgment, enlarged SC panel from 2 judges to 4. This became the collegium system ▶ Collegium system drew charges of nepotism</p>
<p>ARTICLE 217 ▶ Every HC judge will be appointed by the President after consulting CJI, state's governor and for a judge other than the CJ, the state's CJ</p>		<p>▶ Executive had primacy and role of judiciary was advisory/consultative. During the Constituent Assembly debates, framers of the Constitution, several of them lawyers, emphasized the distinction between "consultation" & "concurrence". The requirement to consult the CJI in the appointment is a unique feature of the Constitution</p>
<p>▶ This system continued till 1981 where CJI initiated appointment of a judge, then considered by the President</p> <p>1982 SC reduced role of consultation with judiciary, giving executive a free hand in appointment of judges. A seven-judge bench held "consultation" did not mean</p>	<p>"concurrence" and the Constitution did not provide for the CJI's primacy</p> <p>1993 In Advocates-on-Record Association case, a 9-judge bench by majority of 7 ruled CJI would appoint judges. The primacy shifted. It amounted to rewriting the Constitution but didn't seem</p>	<p>a case of judicial take-over because of memories of efforts under Indira Gandhi to usher in a "committed" judiciary ▶ This judgment laid down process for CJI to recommend names with consultation of two senior-most SC judges</p> <p>1998 On presidential</p>
		<p>2002 Venkatchaliah Commission recommended a five-member NJAC to replace the collegium system</p> <p>Congress-led UPA initiated the present NJAC to replace the collegium system and it was enthusiastically taken up by the NDA after it came to power</p>

Government's Stand

- **Seniority criteria:** The government has stated in its letter that Justice Joseph was at serial number 42 on the All India High Court Judge's Seniority List but he was the senior most as the chief justice of a high court.
- **Non-representation to certain states:** The government also argued that certain high courts were currently not represented in the Supreme Court.
- **Over-representation to certain states:** The government has also argued that if Justice Joseph is elevated he would be the second judge from the parent Kerala High Court in the Supreme Court.

- **SC/ST presence:** The government argument is also that there is no representation from Scheduled Caste and Scheduled Tribe communities in the Supreme Court,

Final Analysis

- The government's move in a fraught context rife with crucial questions raises worries about the health of the institution of the judiciary and its independence from the executive.
- A conflict between the judiciary and the executive over particular appointments is not in the public interest. Besides allowing Justice Joseph's appointment to go through efforts must be made to finalize a revised memorandum of procedure for appointments so that the case of one judge does not turn into a flashpoint for a sustained conflict between the two branches.

Common Voter List

Syllabus: Elections and Representation of People's Act

In News

- The government is pushing for a common electoral roll for all elections right from panchayat level to Lok Sabha. Parliament House panel says Law ministry must amend laws to evolve a common roll.
- The preparation of electoral roll by ECI and state commissions involves some amount of duplication of efforts, as the voter is the same for election to different bodies.

Analysis

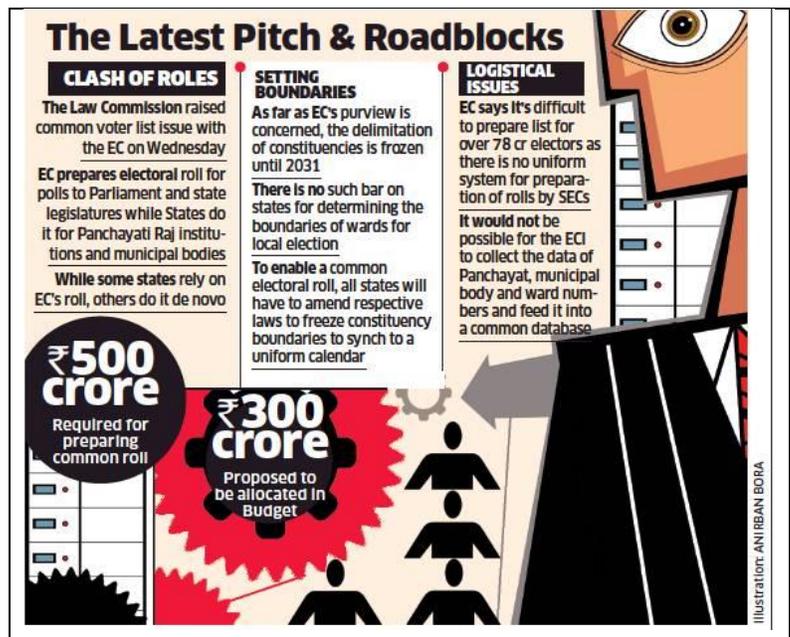
- **Benefits of common electoral rolls:**

It is understood that common electoral roll would save time, money and manpower of the nation besides removing inconsistencies between two sets of electoral roll and resultant confusion in the mind of the voter. It also limits the scope of electoral malpractices.

- **Simultaneous poll:** This fit in perfectly with the grand plan for simultaneous elections the government and its various arms are making a pitch for a common electoral roll for all elections right from panchayat level to Lok Sabha.

- **Technical roadblocks:** There are technical roadblocks to a common electoral roll. While EC conducts elections to Parliament and state legislatures and is responsible for all preparations for the same including for an electoral roll while states do the same for Panchayati Raj Institutions and municipal bodies and state election commission draw up the electoral rolls for the same. While some states do rely on EC's roll others do it de novo.

- **Question of delimitation:** The key issue is that as far as EC's purview is concerned the delimitation of constituencies is frozen until 2031. However there is no such bar on states as far as determining the boundaries of wards for local bodies election is concerned. Most states in fact frequently change size of these wards often based on political or social concerns. To enable a common electoral roll, all



states will have to amend respective laws to freeze constituency boundaries to synch to a uniform calendar.

- **Logistic issue:** There are also logistical issues which EC has flagged off that it would be difficult to conduct such a massive exercise for over 78 crore electors as there is no uniform system for preparation of rolls by state electoral commissions and it would not be possible for the ECI to collect the data of Panchayat, municipal body and ward numbers and feed it into a common database.
- **Fund requirement:** Over Rs 500 crore may be required for this project Rs 300 crore has been proposed to be allocated for the same.

The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Bill, 2018

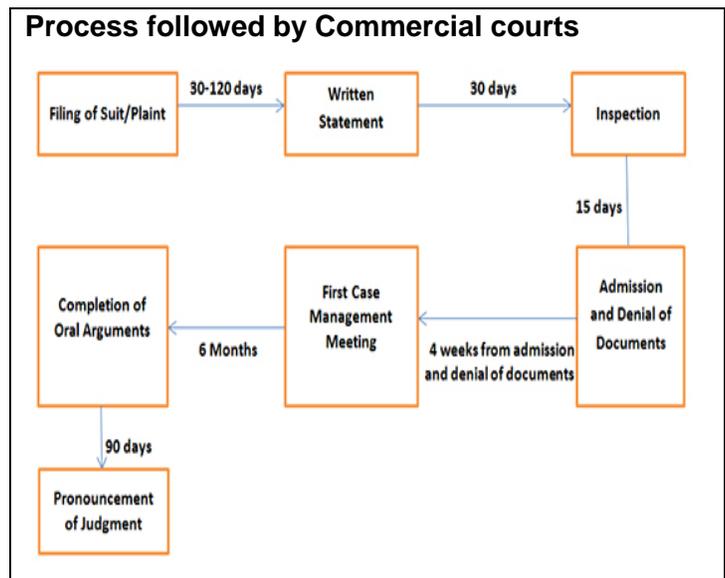
Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

- The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Bill of 2018 is pending in Parliament. The Bill intends to jump-start India as a sought-out business destination in the world.
- Its objective is also to set India at the top of the Ease of Doing Business index of the World Bank. It aims to create a conducive regulatory environment for investors to set up and operate businesses.

Provisions Of The Bill

- **Lowering of the specified value:** The Bill proposes to lower the specified value of a commercial dispute to Rs 3 lakh from the present 1 crore so that commercial disputes of a reasonable value can be decided by commercial courts. This would bring down the time taken (at present 1445 days) in resolving commercial disputes of less value and further improve India’s ranking in the index.
- **Commercial court at the district level:** The Bill provides for the establishment of commercial courts at the district judge level for the territories over which the respective High Courts have ordinary original civil jurisdiction as in Chennai, Delhi, Kolkata, Mumbai and Himachal Pradesh.



- **State government to specify pecuniary value for commercial dispute at district level:** The State governments in such territories may by notification specify such pecuniary value of commercial disputes to be adjudicated at the district level.
- **Commercial appellate tribunal:** In the jurisdiction of High Courts other than those exercising ordinary original jurisdiction, a forum of appeal in commercial disputes decided by commercial courts below the level of district judge is being provided in the form of Commercial Appellate Courts to be at the district judge level.

- **Pre institution mediation:** The introduction of the Pre-Institution Mediation (PIM) process in cases where no urgent or interim relief is contemplated would provide an opportunity to the parties to resolve commercial disputes outside the ambit of the courts through the authorities constituted under the Legal Services Authorities Act, 1987. The Bill proposes a new Section 21A, which enables the Centre to make rules and procedures for PIM.
- **Counterclaims not to be transferred:** Under the 2015 Act if a counterclaim was filed in a commercial dispute of at least one crore rupees in a civil court then the civil court could transfer the suit to a commercial court. The Ordinance removes this provision in relation to transfer of suits.

Final Analysis

With rapid economic development there has been a considerable increase in commercial activities and a consequent steep rise in the number of commercial disputes at the domestic and international levels. Moreover the increase in foreign direct investment and overseas commercial transactions has further contributed to a significant rise in commercial disputes. Thus the proposed bill will make India an important investment destination besides improving ease of doing business ranking.

Arbitration Council May Be Set Up Via Ordinance

Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

The government has decided to take the ordinance route to implement the proposed Indian Arbitration Council Act, 2017 to make India an international hub for arbitration.

Provisions of the Act

- **Indian arbitration council:** The proposed Act aims to establish a flagship institution namely Indian Arbitration Council to conduct international and domestic arbitration.
- **Headquarter of the council:** The council to be headquartered in New Delhi with branches in other places in the country and it will be declared as an institution of national importance.
- **Chairperson of Arbitration council:** A retired Supreme Court or High Court judge or an eminent person with special knowledge and experience in the conduct or administration of arbitration will chair the arbitration council. The person will be appointed by the central government in consultation with the Chief Justice of India.
- **Other members of Arbitration council:** Other members of the council will include two eminent persons having substantial knowledge and experience in institutional arbitration, both domestic and international, nominated by the central government in consultation with the chairperson.
- **Replace ICADR:** The council will take over the undertakings of International Centre for Alternative Dispute Resolution International Centre (ICADR). The international centre, which was set up in 1995 to promote alternative dispute resolution mechanism and providing facilities for the same has not been able to actively engage and embrace developments in the arbitration ecosystem.

The Indian Arbitration Council Act, 2017, aims at creating an independent & autonomous regime for arbitration

The Council will be headquartered in New Delhi with branches in other places in the country

END OF ROAD FOR ICADR

The International Centre for Alternative Dispute Resolution undertakings will be used to establish the Council

Govt says the Centre has not been able to actively engage and embrace changes in the arbitration ecosystem

It feels ICADR failed to create a reputation par excellence keeping pace with dynamic nature of arbitration for two decades

Analysis

The setting up of council is a step in right direction as dispute resolution has a huge impact on the economy and global perception on doing business in our country. Thus it has become necessary to inspire confidence and credibility among the litigants of commercial disputes.

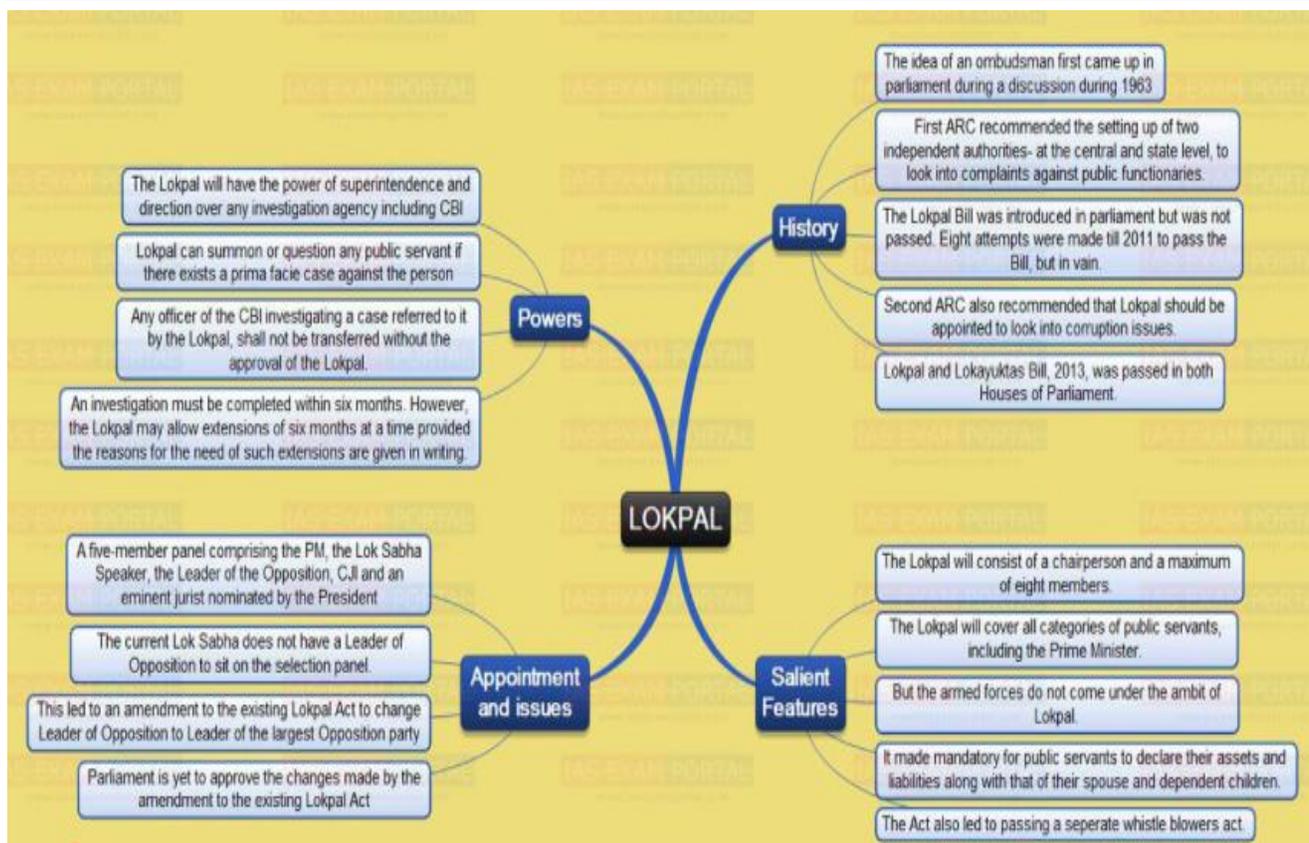
AG Rohatgi Named On Lokpal Selection Panel As Eminent Jurist

Syllabus: Constitutional/Statutory/Regulatory/Quasi-Judicial Bodies

In News

- **Appointment:** Former Attorney General Mukul Rohatgi has been appointed to the Lokpal Selection Committee as an eminent jurist.
- **Committee:** A committee comprising Prime Minister Narendra Modi, Lok Sabha Speaker Sumitra Mahajan and Supreme Court Chief Justice Dipak Misra selected Rohatgi. Congress leader in the Lok Sabha Mallikarjun Kharge did not attend the meeting as he was called not as a member of the selection panel but as a special invitee.
- **Search committee:** The selection panel will now constitute a seven-member Search Committee for preparing a list of persons to be considered for appointment as Chairman and members of Lokpal.

Anatomy of Lokpal



Government To Table DNA Profiling Bill

Syllabus: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

In News

- The government informed the Supreme Court that it will introduce a DNA profiling Bill in the Monsoon Session of the Parliament.
- Government was responding to a PIL filed by NGO Lok Niti Foundation in 2012 on the use of DNA profiling for identifying unclaimed bodies especially to match them with cold cases of missing persons.

- Moreover the recent outrage over the rape attacks has reinforced the belief that India needs a sex offender’s database or a DNA database of those accused and charged with rape. For this India has developed a draft Bill for such a DNA database and the Andhra Pradesh government even announced that it has signed up with a private agency for collecting DNA from all its citizens.
- Last year the Law Commission of India in its 271st report prepared the draft Bill named The DNA Based Technology (Use and Regulation) Bill, 2017 after examining various judicial pronouncements and constitutional provisions. The Commission initiated the exercise after the Department of Biotechnology forwarded its draft of The Use and Regulation of DNA based Technology in Civil and Criminal Proceedings, Identification of Missing Persons and Human Remains Bill, 2016.
- But based on experience in other countries building such a database is not easy and does not always offer justice and is an ethical landmine of sorts.

Law Commission On DNA Profiling Bill

- **Board and DNA labs:** The Bill provides for the setting up of a statutory DNA Profiling Board to spell out procedures and standards to establish DNA laboratories and grant of accreditation to these labs.
- **Function of board:** The Board has also been tasked with advising the Centre and the State governments on the operation of these labs and ethical/human rights issues relating to DNA testing in consonance with international standards. The Board should also have the responsibility to supervise, monitor, inspect and assess the laboratories.
- **National DNA database:** A national databank of DNA profiles is proposed to be set up, along with regional databanks in every state or one for two or more states as required. All regional DNA databanks will be mandated to share their information with the national databank.
- **Five sets of data-base:** The databanks will maintain five sets of databases i.e. for DNA samples picked up from crime scenes, for suspects or undertrials and for offenders, missing persons, and unidentified dead bodies.
- **Use of DNA profiling:** The Commission recorded that DNA profiling was indeed used for disaster victim identification, investigation of crimes, identification of missing persons and human remains and for medical research purposes.
- **Procedure for DNA profiling as per constitutional provisions:** The Commission said the procedure for DNA profiling, if given statutory recognition, should be done legitimately as per constitutional provisions.

EVIDENCE VS. RIGHT TO PRIVACY

Scientists vouch for DNA Bill, but privacy activists fear it will lead to gross violation of human rights

<p>1985: Indian courts accept DNA as evidence in criminal investigation</p> <p>2003: Work begins to draft Bill to regulate use of DNA samples in probes</p> <p>2005: Code of Criminal Procedure amended, includes use of DNA profiling</p>	<p>Government says Bill will be useful in</p> <ul style="list-style-type: none"> ➤ Crime scene investigation ➤ Maintaining database of convicts and 	<p>suspects</p> <ul style="list-style-type: none"> ➤ Verification of missing persons ➤ Investigation of unidentified bodies ➤ Research work
<p>Activists claim that the Bill could lead to</p> <ul style="list-style-type: none"> ➤ Racial and communal profiling ➤ Violation of privacy ➤ Longer trial period ➤ Errant testing and conviction 		

Concerns

- **Miscarriage of justice:** The cases such as planting of DNA in a crime scene, misinterpretation of tests and errors in analyses have all taken place in cases where DNA has been used to implicate a suspect resulting in the miscarriage of justice.
- **Ridiculous mistakes:** Besides everybody leaves traces of DNA in numerous places as cells are shed which may lead to ridiculous mistakes.

- **Privacy concerns:** Protecting innocent people's privacy and their civil liberties and rights are the main concerns. As in the aftermath of the Cambridge Analytica scandal people will have a better appreciation of how their DNA information could be misused just as their personal information and profiles are being misused by many data mining companies.
- **Possible misuse:** The information like ancestry or susceptibility to a disease or other genetic traits is liable to be misused.
- **No improvement in conviction rate:** It has also been argued that DNA tests have not led to an improvement in conviction rates in countries where it is already being followed.
- **Police harassment:** The police sometimes use DNA dragnets whereby all the people in a community are persuaded to give their saliva or blood in order to identify a possible suspect amongst them. These methods are simply an expansion of the 'stop and search' approach to target particular groups of people on the basis of race, ethnicity or class.

Way Forward

- The DNA profiling is a modern technology but considering the concerns raised it is absolutely essential that the people from whom DNA is taken give their informed consent and taking DNA surreptitiously should be prohibited.
- Moreover a court order should be required for obtaining DNA without informed consent and the DNA should only be compared with the crime scene DNA for the suspect.
- Further those who are cleared for a crime should not have their DNA information stored and DNA gathered from offenders should be destroyed after identification so that such information is not used for profiling in future.

Centre Moots Plan to Protect Witnesses

Syllabus: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

In News

The Centre has prepared a model scheme to protect witnesses of crimes. The plan involves providing government infrastructure at the district level to protect witnesses who face threats to their lives.

Proposal

- **District legal service authority:** According to the proposal a District Legal Service Authority (DLSA) will identify and assess serious cases and threats to vulnerable witnesses in their jurisdiction based on reports received from the police superintendent or commissioner.
- **Application by witness:** Alternatively a witness in need of protection may file an application to the police seeking a shield against lurking dangers and interim orders can be passed for immediate action.
- **Review application:** Eyewitnesses can file a review with the police or DLSA in case they are not satisfied with the security provided to them. The provision is to make it mandatory for the police to provide adequate protection to the threatened witness.
- **Classification of witness:** Witnesses will be classified into three categories. At the top of the chart would be witnesses whose lives and that of their families are at stake and their routine crippled for a

Assessing Cases & Threat Perception

According to the proposal, which states may modify suitably, a District Legal Service Authority will identify and assess serious cases and threats to vulnerable witnesses

The provision is to make it mandatory for the police to provide adequate protection to the threatened witness

Classification of Witnesses

Witnesses whose lives and that of their families are at stake and their routine crippled for a considerable time

Those who face threat only during trial

Those who are moderately threatened

considerable time. The second category would include those who face threat during trial. The third category would include those who are moderately threatened.

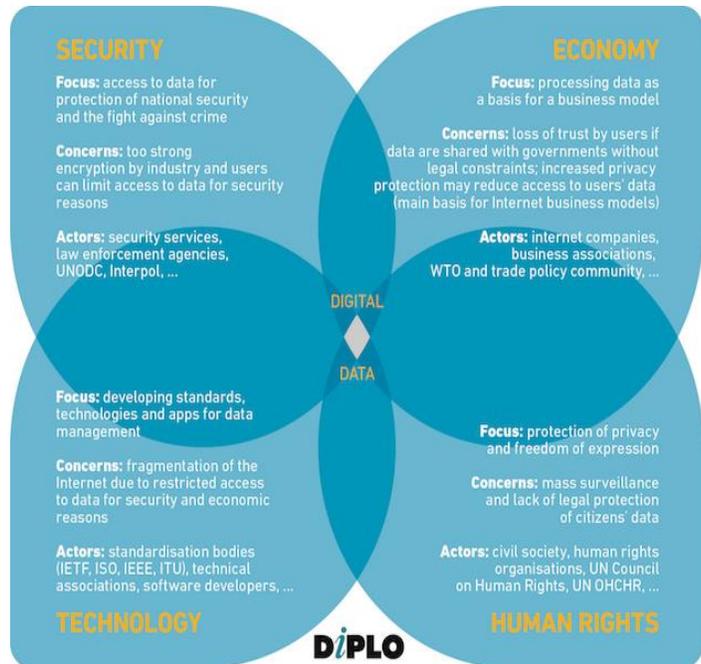
- **Witness protection fund:** The draft suggests states and union territories create a witness protection fund to meet the expenses incurred in securing witnesses. The scheme can also be utilized by those whose reputations are damaged too.

RBI Note On Data Localization

Syllabus: Important aspects of governance, transparency and accountability

In News

- Recently the RBI asked all payment companies operating in India to set up data storage facilities within the country in the next six months. However, the leading Indo-US business advocacy groups have raised concerns with authorities over the Reserve Bank of India’s directive asking payment companies to store data locally.
- The central bank in its notification also said while the payments ecosystem had grown in India it needed unfettered supervisory access to the transaction data to ensure better monitoring of the network.
- Post the recent Cambridge Analytica and Facebook data breach controversy, the Indian government is considering asking all global firm to ensure that data of Indians are stored locally.



Benefits Of Data Localization

- **Promote digital payment:** It will further help boost customer’s confidence in moving towards digital payments as they won’t have to worry about their personal data being compromised.
- **To ensure privacy and secure consumer data:** With digital payment services growing at a phenomenal pace in the country it is critical that players invest in data localization to ensure privacy and security of consumer data.
- **Avoid data pilferage:** With increasing adoption of digital payments and reliance on electronic banking ecosystem India must have a data localization mandate to avoid data pilferage.
- **Faster redressal:** Besides financial data stored in the country will give unfettered access to the regulators to audit data for faster redressal.

Concerns Raised

- **Affect on country’s global competitiveness:** Restricting data flowing across borders would risk a country’s global competitiveness and economic growth.
- **Impact India’s IT export:** The directive could hurt India’s software export market. There is also the risk of a backlash from India’s IT export markets, which could result in reciprocal changes that could undermine India as the preferred outsourcing destination.

- **Dampen innovation:** The industry also fears that the diktat would lead to disruption of well-established global networks as well as dampen new innovation in the sector.
- **Confusion over jurisdiction:** When data is processed and stored in multiple geographies there could be a lack of clarity as to which country's data laws will be applicable to it.
- **Timeline:** The stringent six months deadline has attracted the ire of several sections of the industry, which argued that it was too short a deadline to comply with.

Way Forward

The move is a step in the right direction and will ensure that data generated by Indians is controlled by Indian laws. But at the same time it must also be ensured that the strong privacy law is enacted to protect privacy of citizens.

EU New Data Norms

Syllabus: Important aspects of governance, transparency and accountability

In News

- Lawmakers in Brussels passed the new legislation in April 2016 and the full text of the regulation has been published online.
- The European Union General Data Protection Regulation (EU GDPR) the comprehensive single and unified privacy law enacted by the EU Commission came in to effect on May 25, 2018.
- The new rules come amid growing scrutiny about how major tech companies like Google and Facebook collect and use people's personal information.

EU GDPR

- **Gives citizen greater control over personal data:** EU General data protection regulation (EU GDPR) intends to give citizens of the EU greater control over their personal information. It restricts and reduces the automated processing of personal data without user consent even if it is publicly available data.
- **Citizen's request to delete data:** All EU citizens now have the right to see what information companies have about them and to have that information deleted.
- **Right to opt in or opt out:** It also bestows citizens with the right to opt-in and opt-out of any service he/she has subscribed to.
- **Intimation about data breach:** Companies must also tell all affected users about any data breach and tell the overseeing authority within 72 hours.
- **Constitution of supervisory authority:** Each EU member state must set up a supervisory authority and these authorities will work together across borders to ensure companies comply.
- **Strengthened regulation:** To ensure that the personal data of EU citizens is not abused, data can be transferred out of EU only under certain conditions. One is that the country meets the GDPR 'national adequacy' requirement by enacting a national privacy law equivalent to that of EU.
- **Penalty:** Depending on the nature, severity, & duration of data breach, companies in non-compliance of GDPR may face heavy fines amounting to as much as 4% of annual global revenue.

SECURING PVT INFO FROM TODAY	
<ul style="list-style-type: none"> > The GDPR, which comes into effect from May 25 in the EU, holds cos accountable for leakage of users' personal data > It aims to empower users to demand that cos have to come clean on personal data that they have or delete it > Local businesses could face huge penalties in Europe, ranging from 20m euros to 4% of global turnover, if global customer data 	 <p style="font-size: small;">Getty Images</p> <p>stored in India gets leaked</p> <ul style="list-style-type: none"> > Currently, cos with only a physical presence in the EU will be impacted. The EU is also exploring tie-ups with governments across the world

Positive Impact

- **Responsible use of data:** The regulations means that the business process should be run in a manner so that privately identifiable information or personal information is protected and should not be disclosed to any person who is not supposed to know.
- **Prevent unauthorized use of data:** It would herald a new era in consumer trust in the data used by global companies such as Facebook etc. and prevent unauthorized use of data such as by Cambridge Analytica.
- **Protection of individual rights:** GDPR also gives a sense of comfort to the data subjects and enforces clear purpose, transparency of data when any data controller or processor collects, processes, stores, disposes and archives their personal data.
- **Data protection jobs:** There is likely a spike in the number of job postings for data protection roles as companies looked to fortify their databases.

Implications Of The New Norms

- **Business implication due to regulatory mandate:** GDPR has serious business implications for many Indian companies dealing with clients in the European Union (EU) by bringing in complex regulatory mandates.
- **Impact on SMEs and startups:** Most of the large companies because of their scale have the flexibility by which they can comply with these norms. Whereas SMEs and startups are still struggling to comply as it kicks off.
- **Cost implications:** The costs involved in becoming GDPR compliant are quite significant which acts as drawback for cash starved startups. As bringing any kind of change in the core architecture is time consuming, labour intensive and costs a lot. A recent survey suggested that, on average, members of the Fortune 500 would need to spend \$16 million each on average to avoid falling foul of the new EU regulation
- **Impact of GDPR on developing countries:** Many developing countries export digitally delivered data processing and business services, which require international flows of data. These services, ranging from financial accounts and tax returns to health transcriptions and diagnostics, contributed to more than \$50 billion worth of developing country exports to the EU in 2015 of which one-fifth came from Africa. Strengthened regulation makes data transfers more difficult and so threatens some of these exports.
- **Difficulty in segregating data:** It is difficult for global companies to segregate data and systems in an integrated world.
- **Large bureaucratic apparatus:** Business houses may have to pass bureaucratic apparatus that may act as a data protection tax.
- **Lack of clarity:** There isn't absolute clarity on how provisions of the GDPR may be interpreted and these are likely to be contested in the courts.

Way forward

- The tension between international data flows and divergent national privacy standards has to be resolved through negotiation of trade rules and cooperation between regulators through harmonization and mutual recognition.
- India should also at the same time pass a new privacy law in consonance with the AP shah commission report and pick up best ideas and practices that promote user control over data, while at the same time overcoming the various issues in the implementation.

DigiGaon Programme: Government To Digitise 700 Villages By Year-End

Syllabus: Important aspects of governance, transparency and accountability (e-governance etc)

In News

- The Centre will digitize 700 villages in the country under its DigiGaon programme by the year-end, said Minister of Electronics and Information Technology Ravi Shankar Prasad while showcasing the sixth such model village where various services including those from the Central and state governments will be made available.
- In the initial phase villages Piyala and Dayalpur (Haryana), Chandankiyari East and Shivbabudih (Jharkhand) and Dhanauri Kalan and Sultanpur (Uttar Pradesh) have been chosen for the pilot project.

DigiGaon programme

- **Equipping of the villages:** Under the project first announced in the Union Budget 2017-18 the villages have been equipped with solar lighting facility in their community centre, LED assembly unit, sanitary napkin unit and Wi-Fi Choupal.
- **Regular service of CSC:** These villages also have the regular services offered by the common service centres (CSCs) such as banking, health, education, financial services, and a host of other services. CSCs are working in 1.83 lakh gram panchayats and it will reach 2.5 lakh gram panchayats by end of the year. These villagers don't have to go to a town to get services like banking or jeevan bema.
- **Digital literacy and entrepreneurship:** Through this project the Centre is not only providing electronic services but also digital literacy and entrepreneurship to the villagers by assisting them in getting involved with cottage industries such as manufacturing of candles, incense sticks etc.
- **Bharatnet project:** The BharatNet project, under which the government is planning to bring internet connectivity via optic fibre to all 2.5 lakh gram panchayats will serve as the backbone of the digital village initiative.

BharatNet has a New Target: Connect Every Village Home

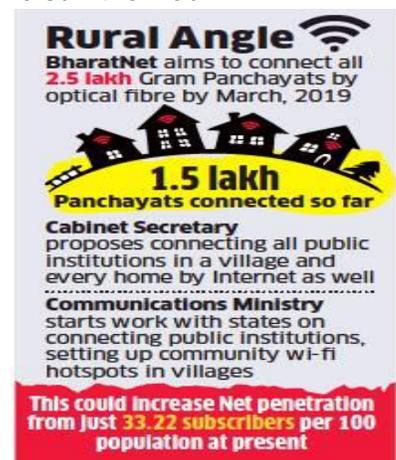
Syllabus: Important aspects of governance, transparency and accountability (e-governance etc)

In News

- The government may emulate the Saubhagya model of electricity distribution in rural areas to widen the scope of its national broadband project and help every village home surf the web.
- The thinking is that the government should not be satisfied with broadband just reaching a village like in case of power lines and electricity poles but also create enabling infrastructure to make it reach every household in a village.
- The move is seen deepening internet penetration in the country which, as of September 2017, stood at a dismal 33.22 subscribers per 100 persons.

Bharatnet Project

- **Objective:** India's broadband project BharatNet envisages delivering broadband connectivity to 250000 gram panchayats (village councils) and the Centre is now deliberating that the project



should not stop there but also provide internet connection to every village home.

- **Deadline:** The deadline for rollout of optical fibre under BharatNet is March 2019 but Centre hopes to achieve this by the end of the year. So far about 150000 gram panchayats have been linked.
- **PPP model to achieve further objectives:** Centre wants internet connectivity to reach public institutions in villages such as schools, post offices, police stations and medical institutions and even further and that enabling infrastructure should be created through the public private partnership (PPP) mode or other business models to ensure that Wi-Fi connectivity reaches every home in all villages.
- **Community WIFI:** The communications ministry is said to have started working with states to set up community Wi-Fi hotspots in villages and provide broadband connection to all key public institutions in these areas.
- **Overall progress:** The 42068 crore BharatNet project started in 2012 as National Optical Fibre Network (NoFN) project has logged slow progress. Its first phase of connecting 100000 gram panchayats was completed only last year. Work on the second phase is currently on.

Social Justice

Constitutional Protection May Be Extended To Denotified Nomadic And Semi-Nomadic Tribes

Syllabus: Mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections

In News

- In line with the recommendation of National Commission for Denotified Nomadic (DN) and Semi-Nomadic Tribes (SNT), the Union government is considering a move to grant Constitutional protection to Denotified Nomadic and Semi-Nomadic Tribes, thus creating a third category separate from Scheduled Castes and Scheduled Tribes.
- The National Commission for Denotified Nomadic and Semi-Nomadic Tribes was constituted under Bhiku Ramji Idate in January 2015 to identify these communities state-wise, assessing their development status, and recommending ways to uplift them.
- **Objective:** Separate categorisation would pave the way for bringing these communities under the cover of reservation in jobs and education and extend protection under Prevention of Atrocities Act.

Need For Constitutional Protection

- Legal protection and constitutional safeguards are necessary as the condition of DNT/ NT/ SNT communities is worse than that of Dalits and Adivasis in the country.
- Currently the denotified, nomadic and semi-nomadic tribes are spread across SCs, STs and OBCs.
- Besides, there are 94 DNT, 171 NT, and 2 SNT communities who are not included in any of the categories depriving them of constitutional protection given to other communities.
- They occupy the bottom-most rungs of the socio-educational ladder and thus unable to compete with other Dalits, tribals and backwards for jobs and education.
- The commission has observed that these communities are “poorest of the poor, most marginalised and most downtrodden communities” who are subject to “social stigma, atrocity and exclusion”.

Who Are Denotified Tribes/ Nomadic Tribes/ Semi-Nomadic Tribes

- These communities, also called as Vimuktajatis, are all those communities notified under the Criminal Tribes Acts enforced during British Rule.

- The entire communities were branded as criminals by birth under the colonial rule through enforcement of the Criminal Tribes Act, 1871.
- In 1952, the Act was repealed and the communities were de-notified.
- The Nomadic tribes are the ones who maintain constant geographical mobility, while semi-nomads are those who are on the move but return to a fixed habitation once a year mainly for occupational reasons.
- The post-independence and post-liberalisation policies have alienated these communities from their traditional occupations and habitations.

Major Recommendations Of Idate Commission

- Repeal of the Habitual Offenders Act: In order to destigmatise the denotified tribes, the panel has recommended that the Centre repeal the Habitual Offenders Act of 1952.
- Provision of PDS cards for them.
- Special housing schemes for the largely landless community: The Renke Commission report of July 2008 estimated that 89 % of DNT and 98 % of NT members are landless.
- Establishment of a separate academy to preserve their art and culture.
- Special education and health schemes.
- Establishment of dedicated cells for these communities within NHRC and NCW.
- A systematic caste-based census in respect of DNT/NT communities in the 2021 Census.
- The University Grants Commission and the Indian Council of Social Science Research provide more research fund for studying the issues concerning DNT/NT.
- Setting up of a Working Group in consultation with NITI Aayog to prepare a Vision 2030 framework for development of these communities as per the Sustainable Development Goals.
- Establishment of a Permanent DNT/ NT/ SNT Commission, reclassifying those that have been wrongly put in the SC, ST, OBC categories, and also including the 94 DNT, 171 NT, and 2 SNT communities that have not been included under any of the scheduled categories.

Senior Citizen Draft Bill: Stringent Penalties For Abandoning, Abusing Elderly Parents

Syllabus: Mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections

In News

The Ministry of Social Justice and Empowerment has drafted the Maintenance and Welfare of Parents and Senior Citizen Draft Bill, 2018, that will amend the 2007 version of the legislation to expand its scope and provide for more stringent penalties.

Highlights of The Bill

1. Scope and Penalties

- ✓ The bill seeks to enhance the jail term for those found abandoning or abusing their parents, 60 years or older, to six months from the existing three months.
- ✓ Further the Bill expands the definition of children, which currently refers to only biological children and grandchildren, to include daughter-in-law and son-in-law and also adopted/step-children.

2. Provisions Related To Maintenance And Abandonment By 'Children'

- ✓ The bill extends the definition of maintenance beyond provision of food, clothing, housing, health care to include "safety and security" of the parent.
- ✓ Currently the maintenance amount to be paid by the 'children' has a cap of Rs 10,000 per month. The Bill proposes to make this amount variable taking into account the standard of living of the senior citizen and the financial situation of both the 'children'.
- ✓ Senior citizens can approach a Maintenance Tribunal in case their children neglect or refuse to maintain them. The Tribunal can then order the children or, in case the person is childless, the relative to pay a monthly maintenance to the senior citizen.
- ✓ The Bill also introduces a punitive measure of up to one month imprisonment in case the monthly allowance remains unpaid.
- ✓ If parents transfer property to their children on the condition that they take care of them, and this clause is breached, the transfer of property will be deemed to be "made by fraud or coercion or under undue influence". The tribunal can order it to be transferred back to the parent.
- ✓ Further to protect the senior citizens from being conned into gifting their property, the government has introduced an amendment which bars a relative or a child from further selling the property of a parent without their consent.

3. Provisions Defining Obligation Of State

- ✓ Currently, various government and private schemes for insurance/health, housing and travel, have varied cut-off age for offering benefits meant for senior citizens. The Bill mandates the uniform age across schemes should be 60 years.
- ✓ The Bill requires the government to establish and run at least one Senior Citizen Care Home in every district in the country.
- ✓ The bill makes it mandatory for the government to set standards for senior citizens care centres and multi-service daycare centres.
- ✓ The government, through agencies like Quality Control of India, would also have star ratings for centres so that an elderly person knows the standard of care to expect from a centre.

Key Issues and Analysis

- It is unclear whether the creation of maintenance tribunals will ensure financial independence for senior citizens, or whether parents will likely take their children to court to obtain a maintenance allowance from them.
- The definition of senior citizen includes both Indian citizens aged over 60 years, and all parents irrespective of age. Also, the Bill does not address the needs of senior citizens who do not have children or property.
- Relatives are obliged to provide maintenance to childless senior citizens. The Bill defines "relative" as someone who is in possession of or would inherit a senior citizen's property. As wills are changeable, it is unclear how one would determine who would inherit the property after death.
- Only parents may appeal against the decision of the maintenance tribunal. Neither childless senior citizens nor children are permitted to appeal.

Cabinet Approves Doubling Of Investment Limit Under Pradhan Mantri Vaya Vandana Yojana

Syllabus: Mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections

In News

- The Union Cabinet has given its approval for extending the investment limit from Rs 7.5 lakhs to Rs 15 lakhs under the Pradhan Mantri Vaya Vandan Yojana.
- The Cabinet has also extended the time limits for subscription from 4th May 2018 to 31st March, 2020 under the Pradhan Mantri Vaya Vandan Yojana.
- The enhanced investment limit of Rs 15 lakh per senior citizen in the modified PMVVY will enable upto Rs.10000 Pension per month.
- As of March 2018, a total number of 2.23 lakh senior citizens are being benefited under PMVVY.

About Pradhan Mantri Vaya Vandana Yojana (PMVVY)

- PMVVY is a pension Scheme, offered by Life Insurance Corporation of India (LIC), exclusively for the senior citizens aged 60 years and above launched in May 2017.
- The pension scheme provides social security for the elderly persons aged 60 years and above against a future fall in their interest income due to uncertain market conditions.
- This scheme can be beneficial for the senior citizens who want a no risk investment and which is non-fluctuating as under this scheme, there will be an assured return of 8 % over a tenure of 10 years.
- It provides for pension options of monthly, quarterly, half-yearly and yearly frequency, resulting in return of around 8.3 per cent.
- The differential return, i.e. the difference between the return generated by LIC and the assured return of 8% per annum would be borne by Government of India as subsidy on an annual basis.
- Premature withdrawal from the scheme is possible in case the money is required for the treatment of terminal or critical illness of the person or spouse. In this case, 98 per cent of the amount invested will be refunded.
- In case of the death of the pensioner during the policy term of 10 years, the purchase price will be refunded to the beneficiary.
- On the maturity, the pensioner will get back the amount invested along with the final installment of the pension.
- One can also avail a loan of up to 75 % of the amount invested after three years.

Cabinet Approves Restructuring Of MsDP As PMJVK

Syllabus: Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

In News

The Cabinet Committee on Economic Affairs approved the proposal for renaming and restructuring of Multi-sectoral Development Programme (MsDP) as Pradhan Mantri Jan Vikas Karyakram (PMJVK).

About Multi-sectoral Development Programme

- It is a Core of the Core Schemes launched in the year 2008-09 in 90 identified Minority Concentration Districts (MCDs) to develop the assets for socio-economic and basic amenities. MsDP has been designed primarily to address the developmental gaps/deficits in identified backward minority concentration areas.
- Minority Concentration Districts were those with at least 25% minority population and below national average with respect to one or both of the backwardness parameters.

- The MCDs were identified on the basis of census 2001 data.
- The scheme was restructured in June 2013 for implementation during 12th Five Year Plan and the area of implementation was replaced by Minority Concentration Blocks (MCB), Minority Concentration Towns (MCT), and Clusters of Villages.
- MsDP is currently in operation in 27 States/UTs.
- The projects under the scheme include additional class rooms, laboratories, school buildings, hostels, toilets, buildings for Polytechnics, ITIs, Community Health Centres, Primary Health Centres / Sub-centres, Anganwadi Centres, Rural Housing etc.

MsDP Restructured as Pradhan Mantri Jan Vikas Karyakram

- Earlier only those Towns which were found backward in terms of both in Basic Amenities and Socio-economic parameters were taken up as MCTs. Now, the Towns which were found backward in either or both of the criteria have been taken up as MCT.
- Earlier only those Cluster of Villages which were having at-least 50% population of Minority Community were taken. Now the population criteria has been lowered to 25%.
- The area to be covered under PMJVK would be 57% more as compared to the existing MsDP.
 - The MsDP covered 196 district of country whereas PMJVK will cover 308 districts.
 - The PMJVK would now cover five more States/UTs namely Himachal Pradesh, Tamil Nadu, Nagaland, Goa and Pondicherry.
- 80% of the resources under the PMJVK would be earmarked for projects related to education, health and skill development.
- 33-40% of resources under the PMJVK would be specifically allocated for women centric projects.
- A provision to bring all implementing agencies under Public Finance Management System (PFMS) and its effective use ensured to monitor fund utilization has been made in PMJVK.

Cabinet Approves Accession To The Protocol Under WHO's FCTC

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

The Union Cabinet recently approved accession to the Protocol under World Health Organization (WHO) Framework Convention on Tobacco Control to eliminate illicit trade in tobacco products.

About WHO FCTC

- The FCTC, formed in 2005, is first international treaty to be agreed under WHO auspices and has successfully helped to co-ordinate & energize the global struggle against tobacco. Its sessions are held at every 2 years.
- The treaty provides for establishment of an international tracking system, passing of dissuasive law-enforcement measures and enhancing international cooperation to address the challenges posed by tobacco menace.
- The objective of FCTC is to provide a framework for supply and demand reduction measures for tobacco control at the national, regional and global levels.
- India is a party to WHO FCTC.

- One of the key tobacco supply reduction strategies contained in Article 15 of WHO FCTC envisages elimination of all forms of illicit trade including smuggling, illicit manufacturing and counterfeiting.
- Under Article 15 of the WHO FCTC, the protocol is applicable to both smoking and chewing or smokeless tobacco (SLT) forms.
- Under the protocol the parties are under the obligation to take supply chain control measures. Supply chain control measures under FCTC include:
 - Licensing of manufacture of tobacco products and machinery for manufacturing of tobacco products,
 - Due diligence to be kept by those engaged in production,
 - Tracking and tracing regime,
 - Record keeping,
 - Security
 - Manufacturing in free-trade zones
 - Duty free sales

Tobacco And India

Concerns

1. India is 2nd largest tobacco consumer globally. According to Global Adult Tobacco Survey, India has 12 crore tobacco users. According to National Family Health Survey (NFHS) – 3 (2005-06) – tobacco use is most prevalent among men, rural population, illiterates, poor and vulnerable sectors.
2. Tobacco inflicts high direct and indirect costs on the society due to the morbidity and mortality associated with the consumption of tobacco products.
3. 1/6th deaths of world happens in India due to tobacco led diseases. India has peculiar problems with both smokeless and smoking forms of tobacco which is major cause of all main Non-Communicable Disease (NCD's) – heart disease, strokes, diabetes, cancer and chronic lung disease. 90% of all lung cancer deaths in and 80% in women are caused by smoking. 40% TB burden in India is attributed to smoking.
4. Tobacco also leads to clearing of forest for cultivation, stripping fuel wood, forest resources for packaging thus damaging the environment. Tobacco also depletes soil nutrients at very rapid rate therefore cause environment hazard also.
5. Passive smoking or Second hand smoking (SHS): It kills 6, 00,000 people each year. SHS is 3-4 times more toxic per gram particulate matter than mainstream smoking. These SHS toxics remain even in windows, fans/fixtures, curtains, etc and recycle back to air causing air hazard and increases the risk of cardio vascular disease, lung cancer, asthma etc.

Government Initiatives

1. WHO FCTC, adopted by World Health Assembly in May 2003 and ratified by India in Feb' 2004, embraces scientific evidence-based approaches in reducing tobacco consumption. It sets out guideline for various national and international measures that would encourage smokers to quit. In India, since 1975, it is mandatory to display a statutory health warning on all packages and advertisement of cigarettes. And after a long battle, 85% pictorial warning on tobacco packets is done. India has jumped from 136th position to 3rd position on pictorial health warnings. The top 2 countries are Nepal and Vanuatu each with 90% health warnings.
2. Cigarettes and Other Tobacco Products Act, 2003 (COTPA)

- (a) Prohibition of smoking in public places
- (b) Prohibition of advertisements, direct and indirect sponsorship, & promotion of tobacco products.
- (c) Prohibition of sales to minor (Children below 18 years)
- (d) Regulation of health warning in tobacco product packs
- (e) Regulation and testing of nicotine content of tobacco products & declaring it on product package.

3. National Tobacco Control Programme:

- It was launched by Ministry of Health and Family Welfare (MHFW) in 11th Five Year Plan to facilitate implementation of Tobacco Control Laws.
- NTCP will establish tobacco product testing laboratories, provide baseline estimates of tobacco prevalence, and status of implementation of the tobacco control law.
- National tobacco Control Cell, set up by WHO in collaboration with MHFW, which has activities in different spheres of tobacco control and spreading awareness.

4. Recent Steps

- Tobacco surveillance has been included in the integrated disease surveillance programme (IDSP).
 - A National Tobacco Control Cell was set up by the WHO in collaboration with the Ministry of Health and Family Welfare.
 - Display of large pictorial health warning (PHWs) on Tobacco products package (80% of total area) to caution current and potential users about harmful effects of tobacco consumption has been made mandatory.
 - Tobacco taxes have been increased to reduce tobacco use.
 - Higher costs prevent initiation, increase the likelihood of cessation among current users and reduce the relapse-rate among former users alongside reducing the current consumption among continuing users.
5. WHO in collaboration with Ministry of Health and Family Welfare, Government of India set up 13 *Tobacco Cessation Centres (TCC)* in 2009 spread across India to help people quit tobacco. This number has now increased to 190. Now simple advice by health professional can produce quit rates of 5-10 % per year. Every patient who uses tobacco should be offered a brief intervention method of **5A's – Ask, Advise, Assess, Assist and Arrange**. Other methods can be group counseling, technology driven intervention, telephone and mobile based counseling etc.

Reasons For Ineffectiveness Of Such Steps In India

Despite many steps taken by the government to control tobacco consumption in India, Cigarette smokers in India increased from 25 million to 46.4 million over 14 years (1996 to 2010), and per capita annual consumption of cigarettes declined marginally, from 101 to 96 cigarettes over the same period. This can be attributed to following reasons:

1. Easy availability of tobacco products- Chewing tobacco, Gutka (a mixture of betel nuts and tobacco that comes in attractively colored sachets), Bidi, cigarette etc. are easily available in every neighborhood.
2. Illegal cigarettes (include smuggled foreign- and domestically-manufactured tax-evaded cigarettes) are available for as little as rupee one, a third of the price of the cheapest legal cigarette possible.

3. Complex tax structure - India levies excise duty on cigarettes per stick. A six-tier (seven-tier until 2014) tax structure defines taxes per 1,000 cigarettes, depending on the length of the stick and the presence or absence of a filter.
4. This provides manufacturer enough space to manipulate the length to cigarette to compensate the increase in tax rate. E.g. - India's leading cigarette company ITC Ltd shortened its discount Bristol-brand cigarettes by 5 mm.
5. Multiple slabs allow manufacturers to keep prices intact despite tax raises, which defeat the very purpose of hikes.
6. Also, Bidi (an alternate low cost substitute) is not taxed with the same rate as compared to cigarettes.

Conclusion

According to World Bank Report, tobacco industries estimate that 33 million people are engaged in tobacco farming of which 3.5 million are in India. It is estimated that bidi manufacturing provides employment to more than 4.4 million workers. Alternate cropping and livelihoods support need to be provided by Government to replace tobacco farming and employment in such industry.

Measures that proved to be very effective in developed world, like tax increase on all tobacco products, need to be enforced and tax so collected should be used to support health promotion and tobacco control programmes.

Healthcare Access and Quality Index

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- Healthcare Access and Quality (HAQ) index 2016 has been released.
- The index is created by the Global Burden of Disease study and published in the medical journal The Lancet. The index is based on 32 causes of death considered preventable with effective medical care.
- It assigns a 0-100 score to each of the 195 countries and territories assessed.

Key Highlights

- India has improved its ranking on a global healthcare access and quality (HAQ) index from 153 in 1990 to 145 in 2016 (with a score of 41.2 points), yet ranks lower than neighbouring Bangladesh and even sub-Saharan Sudan and Equatorial Guinea.
- This 16.5-point improvement in 26 years leaves India's score well below the global average of 54.4.
- Despite improvements in healthcare access and quality, India lags way behind its BRICS peers Brazil, Russia, China and South Africa on the HAQ index, but matches China in the disparity in healthcare access and quality between states.
- Within India, the best performers, Goa and Kerala, scored more than 60 points on the HAQ index in 2016, whereas the worst performers, Assam and Uttar Pradesh, scored below 40.
- In South Asia, Bangladesh made the most improvement, of 29 points, improving its ranking from 180 in 1990 to 132 in 2016. In contrast, the rankings of Afghanistan and Pakistan worsened from 187 to 191 and 145 to 154, respectively.

- India's rank is also worse than that of many poorer countries in Sub-Saharan Africa such as Sudan (136), Equatorial Guinea (129), Botswana (122) and Namibia (137). Even conflict-ridden Yemen (140) performs better than India.
- Generally, countries that spent more on health per capita and had better health systems scored higher on the HAQ index, the study found. This strengthens the case for India to increase its healthcare spending. India spends just 1.4 percent of gross domestic product (GDP) on health. *The World Health Organisation recommends that countries spend 4-5 percent of their GDP on health to achieve universal healthcare.*
- At the same time, the study noted, in case of low-to-middle-income countries, greater spending alone may not result in better access and quality. It is the presence of greater numbers of doctors, nurses and midwives per 1,000 population that leads to better performance on the HAQ index.

World Health Statistics 2018

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- The World Health Statistics series is WHO's annual snapshot of the state of the world's health. This 2018 edition contains the latest available data for 36 health-related Sustainable Development Goal (SDG) indicators.
- It also links to the three SDG-aligned strategic priorities of the WHO's 13th General Programme of Work: achieving universal health coverage, addressing health emergencies and promoting healthier populations.

Key Highlights

- India saw an estimated 211 cases of tuberculosis per 1,00,000 people in 2016, better than neighbouring Bangladesh and Myanmar which recorded 221 and 361 cases respectively in this category.
- India has pledged to eradicate tuberculosis by 2025, five years ahead of the global target set by WHO.
- According to the report, TB remains a high-burden disease and "progress in fighting it, although impressive, is still not fast enough to close persistent gaps".
- Globally, incidence of TB registered a 19 per cent decline over a 16-year period from 173 new and relapse cases per 1,00,000 population in the year 2000 to 140 per 1,00,000 population in 2016.
- **Maternal mortality ratio (MMR)** in India was 174 per 1,00,000 births in 2015. The Sustainable Development Goals for 2030 is to lower MMR for all countries to less than 70 per 1,00,000 births.
- As far as deaths due to air pollution was concerned, age-standardised mortality rate attributed to household and ambient air pollution (per 1,00,000 population) in 2016 was 184.3 per cent in India.
- According to report, per capita health expenditure in India was around USD 63 in 2015, way lower than China (USD 426), while in Pakistan it was \$38.

Health related SDG Indicators and Targets
<i>SDG3: Ensure healthy lives and promote well-being for all ages</i>
<ul style="list-style-type: none">• Target 3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100000 live births

- Target 3.2: By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1000 live births and under-5 mortality to at least as low as 25 per 1000 live births
- Target 3.3: By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
- Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- Target 3.5: Strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- Target 3.6: By 2020, halve the number of global deaths and injuries from road traffic accidents
- Target 3.7: By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
- Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
- Target 3.a: Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control (WHO FCTC) in all countries, as appropriate
- Target 3.b: Support the research and development of vaccines and medicines for the communicable and noncommunicable diseases that primarily affect developing countries, provide access to affordable medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all
- Target 3.c: Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least-developed countries and small-island developing States
- Target 3.d: Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks

Selected Health-Related Targets Outside SDG3

- Target 2.2: By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
- Target 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking – water for all
- Target 6.2: By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services

- Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
- Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- Target 16.1: Significantly reduce all forms of violence and related death rates everywhere
- Target 17.19: By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries

Refresher Courses For Higher Education Faculty Through SWAYAM

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- The Ministry of Human Resource Development and All India Council for Technical Education (AICTE), with the help of Microsoft, has launched a major and unique initiative of online professional development of 1.5 million higher education faculty using the MOOCs platform SWAYAM (Study Webs of Active–Learning for Young Aspiring Minds).
- SWAYAM is an online platform of the Ministry of HRD through which online programmes/courses are offered to students. It hosts more than 2000 courses and 80000 hours of learning: covering school, under-graduate, post-graduate, engineering, law and other professional courses. Now it has been extended to faculty of higher education institutions.
- Under the refresher course, all in-service teachers will have an enabling opportunity to keep abreast of the latest developments in their disciplines through the technology based online refresher course.
- This initiative is flexible and can be done at one's own pace and time.
- National Resource Centres, as envisaged under Ministry's Pandit Madan Mohan Malaviya National Mission on Teachers and Teaching, are tasked to prepare online training material.
- The training materials will be uploaded and made available through SWAYAM to all the teachers.

National Resource Centres

- A varied set of institutions such as, centres under the Ministry's Pandit Madan Mohan Malaviya National Mission on Teachers and Teaching (PMMMNMTT) located in Central Universities, IISc, IITs, IISERs, NITs, State Universities, IIITs, Open Universities have been notified as NRCs.
- These NRCs cover wide ranging disciplines of Social Sciences, Sciences, Engineering and Technology, Design & Manufacturing, Public Policy, Astronomy & Astrophysics, cutting edge areas of Nano-sciences, Internet of Things, etc.
- The centre will enable college and university teachers to access a detailed database of academic resources, including lists of books, top journals etc.

UGC (Online Courses) Regulations 2018: A Landmark Reform In Field Of Higher Education

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- In a landmark reform in the field of Higher Education, University Grants Commission has approved UGC (Online Courses) Regulations, 2018 which will allow Higher Educational Institutions to offer Certificate, Diploma and Degree Programmes in full-fledged online mode.
- This initiative is a big step towards attaining the target of Gross Enrollment Ratio in higher education of 30% by the year 2020.

Key Highlights

- The online courses can be offered in those disciplines which the institutions are already offering in regular mode (of classroom teaching) or in Open and Distance Learning mode.
- The online courses will be available for both Indian and foreign students.
- Online Programmes requiring Practical/ Laboratory Courses as a curricular requirement shall not be permitted.
- Institutions will be able to offer online degrees in all fields, except engineering, medicine, dental, pharmacy, nursing, architecture and physiotherapy.
- The Examinations shall be conducted in proctored mode.
- The online learning shall have minimum four quadrants: video lectures, e- content, self-assessment and discussion forum to clarify doubts.
- Only those institutions will be eligible that have been in existence for at least five years. Further they should be accredited by the National Assessment and Accreditation Council (NAAC) with a valid minimum score of 3.26 on a 4-point scale
- The eligible institutions should be in the top-100 in overall category in the National Institutional Ranking Framework (NIRF) for at least two years in the previous three years.
- However, NAAC and NIRF conditions shall not be applicable to existing government Open Universities till NAAC or similar accreditation system or NIRF are made available.
- These regulations will be made applicable from the academic session 2018-19.

Samagra Siksha Scheme For Holistic Development Of School Education

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

In News

- The Ministry of Human Resource Development launched 'Samagra Shiksha' - an integrated Scheme for school education extending support to States from pre-school to senior secondary levels.
- The main outcomes of the Scheme are envisaged as Universal Access, Equity and Quality, promoting Vocationalisation of Education, and strengthening of Teacher Education Institutions (TEIs).

Key Highlights

- The integrated scheme envisages a holistic approach to education looking at school as a continuum from pre-school, primary, upper primary, secondary and senior secondary levels.
- It subsumes the three Schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Teacher Education (TE).
- The main emphasis is on improving quality of school education by focusing on the two T's - Teacher and Technology; and ensuring equity and inclusion at all levels of school education (Inclusion of senior secondary levels and pre-school levels for the first time).

VAJIRAM & RAVI

- Funding pattern of the scheme is 60:40. 60% will be funded by the Centre while the states will put in the remaining 40%.
- Bridging Social and Gender Gaps in School Education; Enhanced Commitment to 'Beti Bachao Beti Padhao'- Kasturba Gandhi Balika Vidyalaya (KGBV) to be expanded from Class 6-8 to Class 6-12.
- Enhanced use of digital technology in education through smart classrooms, digital boards and DTK channels.
- About one million schools will get library grant of Rs. 5,000 to Rs. 20,000 to strengthen the libraries.
- Promoting vocationalization of education; Emphasis on 'Kaushal Vikas' in schools.
- Support States in implementation of Right of Children to Free and Compulsory Education (RTE) Act, 2009; and
- Support 'Khelo India' - Every school will get sports equipment under the Samagra Shiksha, at the cost of Rs. 5000 for Primary, Rs. 10,000 for Upper Primary & up to Rs. 25,000 for SSC & HSC schools.
- The Scheme will support 'Operation Digital Board' in all secondary schools over a period of 5 years, so as to enhance the use of digital technology through smart classrooms, digital boards and DTH channels.
- Strengthening and up-gradation of State Councils for Educational Research and Training (SCERTs)/State Institutes of Education and District Institutes for Education and Training (DIET) as nodal agencies for teacher training.

Impact

- The Scheme gives flexibility to the States and UTs to plan and prioritize their interventions within the scheme.
- It will help improve the transition rates across the various levels of school education and aid in promoting universal access to children to complete school education.
- It would lead to an optimal utilization of budgetary allocations and effective use of human resources and institutional structures created for the erstwhile Schemes.

Criticism

- Merging the Sarva Shiksha Abhiyan with the others may lead to elementary education being neglected.
- The scheme makes Block Resource Centres and Cluster Resource Centres the nodal agency to provide academic guidance to both secondary and senior-secondary schools in their jurisdiction. These **centres already lack in capacity** and it is doubtful if they will be able to cope up.
- The draft **does not have a provision for filling vacant teaching posts or training untrained teachers**, who numbered 15 lakh according to 2017 NSSO data.
- The scheme has earmarked funds – Rs 10 lakhs to Rs 20 lakhs per district, for the assessment of learning outcomes. While the new scheme puts an emphasis on testing, it **sets no targets** for schools or for learning.

71st round NSSO

While universal enrolment has been achieved at the elementary level (class I-VIII), the enrolment consistently falls with successive levels of education.

The dropout rate peaks at the secondary level (class IX-X) at 17%, as compared to 4% in elementary school (class I-VIII) and 2% in upper secondary school (class XI-XII)

The lowest transition rate is at the secondary level (from class X to class XI) at 69%. Transition rates indicate whether they are able to advance to higher classes. A transition rate below 100% indicates that the students are held back or have dropped out of school.

International Relations

State Visit of Prime Minister of India to Nepal

Syllabus: India and its neighbourhood- relations.

In News

- Prime Minister of India paid a State visit to Nepal from 11-12 May 2018.
- This was the third visit of Prime Minister Shri Narendra Modi to Nepal and the first high-level visit from India since the formation of the new Government in Nepal.

Key Highlights

- Both leaders agreed that effective implementation of the bilateral initiatives in agriculture, railway linkages and inland waterways development, as agreed upon by the two sides during the visit of Prime Minister Oli to India (in April 2018), would have transformational impact in these areas.
- The two Prime Ministers reiterated their resolve to work together to take bilateral relations to newer heights by strengthening ongoing cooperation in diverse spheres as well as expanding partnership for socio-economic development on the basis of the principles of equality, mutual trust, respect and mutual benefit.
- The two Prime Ministers emphasized the need for regular convening of bilateral mechanisms, including Nepal-India Joint Commission at Foreign/External Affairs Ministers level, to review the overall state of bilateral relations, and for the expeditious implementation of the economic and development cooperation projects.
- Expressing concern over Nepal's growing trade deficit with India, Prime Minister Oli stated that measures to address this deficit need to be taken.
- In this context, the two Prime Ministers welcomed the outcome of recently held Inter-Governmental Committee meeting on Trade, Transit and Cooperation to control unauthorized trade to jointly initiate a comprehensive review of the bilateral Treaty of Trade, and to consider amendments to the Treaty of Transit and related Agreements with a view to further facilitating Nepal's access to the Indian market, enhancing overall bilateral trade, and facilitating Nepal's transit trade.
- Both leaders agreed to take further steps to enhance the economic and physical connectivity by air, land, and water.
- Recognizing the vibrant people to people contacts and friendly bilateral ties, the two Prime Ministers directed the respective officials to expand cooperation in civil aviation sector, including early technical discussion on additional air entry routes to Nepal by respective technical teams.
- The two Prime Ministers jointly laid the foundation stone of 900 MW Arun-III hydro-electric project in Nepal.
- With a view to further strengthening the close religious and cultural ties between two countries and peoples, the two Prime Ministers launched Nepal-India Ramayana Circuit connecting Janakpur, the birthplace of Sita, with Ayodhya and other sites associated with the epic Ramayana. In Janakpur, the two Prime Ministers flagged off the inaugural direct bus service between Janakpur & Ayodhya.

Challenges In The Relationship Between These Two Countries

- After the adoption of Nepal's Constitution in 2015, Madhesi groups living in the Terai region mobilised against what they said was a Constitution which was discriminatory to them and they instituted blockades on key roads connecting India.
- The Nepali elites, however, blamed New Delhi for the blockade which denied medicines, construction material and fuel to help Nepal's recovery from the devastation of the earthquakes. This was seen as an interference in the internal affairs of Nepal by India.
- 1950 Treaty of Peace and Friendship Treaty has been the bed rock of bilateral relation between two countries. Nepal views this treaty as unfair and wants to revise the treaty. However, without substantial negotiations at the government level, progress on revising the treaty is highly unlikely.
- Border disputes between two countries are another contentious issue that occasionally creates friction in bilateral relations. To enhance people-to-people relations, Nepal and India must resolve contentious issues relating to the border, including two major areas of dispute at Susta & Kalpani.
- Aside from the disputes in Susta and Kalapani, there is a need for construction, restoration, and repair of boundary pillars, and the clearance of no man's land on both sides.
- Besides the technical aspects, the disputes at Susta and Kalapani must be resolved through dialogue by the political leadership. However, the leaders of both sides seem unwilling to take up this contentious issue.
- The need of co-operation in the hydroelectric sector between Nepal and India has been emphasized by various stakeholders for the last almost five decades. However, there is very little progress to show on ground so far. There is a perception in certain quarters that Nepal was not given due share in the three major water deals between Nepal and India, namely the *Kosi Agreement, the Gandak Treaty and the Mahakali Treaty*.
- Another point of friction relates to India demonetization. This badly affected Nepali nationals residing in Nepal as well as in India because the demonetized notes were legal tender in Nepal. Nepali leaders and officials time and again requested that the Indian government make arrangements for the exchange of those notes held by Nepali nationals.
- Also, Nepal has started to play the China card. This is resulting into mutual suspicion and distrust between these two countries. The bilateral relationships reached its lowest ebb when the Nepalese media and ruling party leaders accused India of trying to overthrow the Oli government in May 2016.

Pakistan Bars U.S. Diplomat From Leaving The Country

Syllabus: India and its neighbourhood- relations.

In News

- Pakistan has prevented a US diplomat involved in a fatal road accident in Islamabad to leave the country.
- This step could further strain the bilateral ties between the two countries.

Analysis

- Pakistan is a crucial link to supplying American troops fighting the Taliban in neighboring Afghanistan. But Washington has long believed it actually shelters the Taliban's leaders, and President Donald Trump has cut off military aid in an effort to pressure Pakistan.

- The latest blow to relations came when Pakistani authorities banned a U.S. military attache from leaving as planned.
- Separately, Pakistan's foreign ministry said it would apply travel restrictions to all U.S. diplomatic staff similar to those applied by Washington. The new U.S. rules require diplomats to obtain permission to travel more than 40 kilometers (25 miles) from their stations.

Background

- U.S. Diplomat had jumped a traffic signal in Islamabad and hit a motorbike carrying two men. One of them was killed.
- His father had approached the Islamabad High Court to stop the diplomat from leaving the country.
- Later Islamabad court had ruled that the diplomatic immunity may not apply in this incident.

More Administrative Authority for POK

Syllabus: India and its neighbourhood- relations.

In News

- Pakistan's top civil and military leaders have decided to give greater administrative and financial authority to Pakistan-Occupied Kashmir (POK) and Gilgit-Baltistan.
- These are the regions through which the controversial \$50 billion China-Pakistan Economic Corridor passes.

Key Highlights

- This decision was taken during a meeting of the National Security Committee (NSC) chaired by Prime Minister Shahid Khaqan Abbasi.
- The details of administrative and financial reform have not been shared so far.
- There was also consensus over retention of the PoK and Gilgit-Baltistan Councils as advisory bodies; and the grant of a five-year tax holiday to Gilgit-Baltistan so as to create adequate incentives for the development of the region and bring it at par with the other areas of Pakistan.
- Gilgit-Baltistan is treated as a separate geographical entity by Pakistan. Balochistan, Khyber-Pakhtunkhwa, Punjab and Sindh are four provinces of Pakistan.
- India has termed as entirely unacceptable any possible attempt by Pakistan to declare the Gilgit-Baltistan region, bordering the disputed Pakistan-occupied Kashmir, as the fifth province. India has protested to China over the CPEC, which goes through Gilgit-Baltistan region.

GILGIT-BALTISTAN:

- Geographically, Gilgit-Baltistan is situated in the trans-Himalayan region on the northwestern corner of the Kashmir Valley, a part of which has been illegally occupied by Pakistan since it invaded the region after the partition of India.
- Gilgit-Baltistan is a legal and constitutional part of Jammu and Kashmir, illegally occupied by Pakistan since 1947.
- After gaining control of the region, Pakistan renamed Gilgit Wazarat and Gilgit Agency as The Northern Areas of Pakistan. It is directly administered by the federal government of Pakistan.
- Gilgit-Baltistan has been treated as a separate geographical entity by successive Pakistani governments. Gilgit-Baltistan does not find any mention in Pakistan's Constitution.

- Pakistan has already gifted a portion (about 5,000-8,000 sq km) of Gilgit-Baltistan to China in 1963, a year after the Indo-China war.

Kishanganga Hydropower Project in Kashmir

Syllabus: India and its neighbourhood- relations.

In News

- Prime Minister Shri Narendra Modi inaugurated Kishanganga Hydroelectric Project (KHEP) and laid the Foundation Stone of the Pakal Dul Power Project in Jammu & Kashmir.
- Pakal Dul, with 1000 MW capacity, will be the largest Hydro Power Project in Jammu & Kashmir on completion. It is also the first storage Project in Jammu & Kashmir.

Key Highlights

- Pakal Dul hydroelectric power project is proposed on Marusadar River, a tributary of Chenab River, in Jammu and Kashmir. It will provide 12% free power to the state besides generating direct/indirect opportunities of employments.
- 330 megawatt (MW) Kishanganga Project in Bandipora district will provide 13% free power to the state including 1% for local area development fund amounting to around Rs133 crore per year.
- The delayed Kishanganga project involved the diversion of the Kishanganga river, into an underground powerhouse near Bandipur and the discharge of the water into the Wular lake. Also, a 37 metre high concrete dam was constructed in Gurez valley of Bandipora.

Significance

- KHEP has been a bone of contention between India and Pakistan since its announcement more than a decade ago — it was stalled once by an international court of arbitration, and ran into a shelling scare in 2016. Pakistan continues to object to it.
- Just after the inauguration of project, Pakistan had announced that it will raise its concern with World Bank.
- Pakistan has time and again said that the project is a violation of the 1960 Indus Waters Treaty between the two countries.
- This is not the first time that Pakistan has knocked on the doors of the World Bank. It had done so in 2016 and asked the organisation to appoint an arbitration court into the make and design of the Kishanganga dam and also look into another project on the Chenab.
- The talks between the two countries, via the World Bank, have still seen no fruitful result, except the fact that India went ahead with KHEP, thus asserting its rights over the waters as well as, in ways more than one, the Indus Waters Treaty.
- While Pakistan continues to object the project till date, it has inaugurated the first unit of the Neelum-Jhelum Hydroelectric Project (NJHEP) on the same river in Pakistan-Occupied Kashmir.
- The dam will divert the Jhelum water to an underground power house. More than it being a power house and a way of transferring water from the Gurez Valley to Kashmir, the dam on Kishanganga, known as Neelum in Pakistan, is a mark of strategic significance and a show of strength.
- Pakistan had also raised the issue at International Court of Arbitration. In 2013, however, in a massive victory for India, the court allowed it to go ahead with the construction of the project on Kishanganga, with a caveat that it would have to release 9 cubic metres of water across the border, but Pakistan continues to protest it.

- This project also assumes significance in the backdrop of China developing the China-Pakistan Economic Corridor (CPEC), part of its showpiece “One Belt One Road” (OBOR) initiative.
- Besides being a showpiece feat of engineering in the Himalayan heights, and a successful “inter-basin” transfer of water from the Gurez Valley to the Kashmir Valley, KHEP is an assertion by India over the territory of J&K and over its resources.

About Indus Water Treaty

- The water-distribution treaty between India and Pakistan signed in on September 19, 1960, gave Pakistan the exclusive right to use waters from the Indus and its westward flowing tributaries, the Jhelum and the Chenab. However, Jammu & Kashmir was allowed to use some water from these rivers for hydropower generation, domestic use and agriculture.
- The IWT gave India the control over three eastern rivers— the Beas, the Ravi and the Sutlej. Since Pakistan's rivers flow through India first, the treaty allowed India to use them for irrigation, transport and power generation.
- New Delhi is under obligation to let the waters of the western rivers flow, except for certain consumptive use, with Pakistan getting 80% of the entire water of the six-river Indus system. The Indus Waters Treaty (IWT) reserved for India just remaining 19.48% of the total waters.
- India can construct storage facilities on western rivers of up to 3.6 million acre feet, which it has not done so far. India is also allowed agriculture use of 7 lakh acres above the irrigated cropped area as on April 1, 1960. It allowed India to use them for irrigation, transport and power generation, while laying down precise do's and don'ts for India on building projects along the way.
- It laid down regulations for Indian building projects along the way. Pakistan feared that, since the sources of rivers of the Indus basin are in India, it could lead to droughts and famines in its country, especially in times of war.
- The treaty also brought into existence ‘Permanent Indus Commission’ for resolving any future disputes relating to the treaty. Both, India and Pakistan have a Commissioner appointed to this Commission.

Bangladesh’s Graduation From the List of Least Developed Countries

Syllabus: India and its neighbourhood- relations.

In News

- The United Nations has declared recently that Bangladesh is eligible to graduate out of Least Developed Countries (LDC).
- It now joins India and Pakistan as a lower-middle income economy.

Key Highlights

- Economically, Bangladesh reached the World Bank’s benchmark of a lower middle-income country status in 2015, having previously been hampered from doing so by its low per capita income.
- It has now fulfilled all three criteria – gross national income per capita, human assets index and economic vulnerability index – for graduation from the LDC group.
- Propelled by better health and education, lower vulnerability and an economic boom, Bangladesh is the largest least developed country (LDC) in terms of population and economic size to leave the LDC category.

- Since 1996, the per capita gross national income in Bangladesh has outstripped the LDC average and has recently risen above the threshold used by the CDP. The economy has developed largely through textile and garment exports. Remittances, natural gas, shipbuilding and seafood, as well as information communications and pharmaceuticals are all emerging sources of foreign exchange and economic growth.
- Increases across the five components of the human assets index – infant mortality, maternal mortality, undernourishment, adult schooling and adult literacy – meant that Bangladesh exceeded the threshold on this index for the first time in 2016.
- The economic vulnerability index has consistently decreased since 2003, the first year it fell below the CDP's official threshold, partly due to greater export stability and diversification.

Key Facts:

- Every three years, the Committee for Development Policy (CDP), which comprises 24 independent development experts from around the world, review the list of LDCs, based on a rigorous methodology using a wide range of sustainable development indicators.
- The CDP measures the LDC category on the basis of per capita income, a human assets index and an economic vulnerability index.
- A country must exceed thresholds on two of the three criteria at two consecutive triennial reviews to be considered for graduation. Up to now, no country has managed to meet all three criteria.

Analysis

- Bangladesh's economic success draws attention to two important factors. The first of these is the fact that it was able to consistently raise per capita income at a time when much of the rest of the world was struggling to handle the adverse effects of a global economic slowdown.
- The second lesson from Bangladesh's economic success is the beginning of an economic alignment within South Asia. If Bangladesh maintains its current rates of growth in its GDP and population, it should be able to catch up with Pakistan, both in economic size and per capita income in the near future.
- While still much smaller than India in economic size, the maintenance of a high GDP growth and a stable population rate can also enable Bangladesh to steadily reduce its gap from India's per capita income over the medium term.
- These prospects point to a major economic realignment within South Asia, with Bangladesh gaining higher economic weightage within the region.
- This graduation will present significant opportunities for Bangladesh. A developing Bangladesh status will attract the confidence of investors and creditors, potentially drawing more investment into the country. The enhanced status will also allow Bangladesh greater access to multilateral as well as public and private funds and credits with more favourable terms.
- The LDC graduation may also help Bangladesh negotiate for and engage in free trade agreements, regional trade agreements or preferential trade agreements with the major trading partners, which are expected to boost trade and exports.

Associated Challenges

- The biggest challenge is the phasing out of the special and differential treatment that Bangladesh receives as an LDC. This will entail the loss of preferential market access under the LDC-specific schemes affecting its export competitiveness, industrial production and jobs.

- Due to its elevated economic status, Bangladesh would see a shift from The International Development Association-type of concessional foreign aid to the International Bank for Reconstruction and Development-type of non-concessional finance with a higher interest rate and stringent conditions. Accessing alternative types of concessional finance would become increasingly difficult for Bangladesh.
- The graduation would also cause an erosion of facilities and relaxations in relation to intellectual property rights as well as other obligations in trade matters under the World Trade Organization.

Visit of External Affairs Minister to Myanmar

Syllabus: India and its neighbourhood- relations.

In News

- The External Affairs Minister of India, Smt. Sushma Swaraj, visited Myanmar on 10-11 May 2018.
- During the bilateral meetings, boundary and border related issues, peace & security matters, developments in the Rakhine State, including return of displaced persons, India's development assistance to Myanmar, ongoing projects, and other issues of mutual interest were discussed.
- Seven Agreements/MOUs were signed during the visit. These included: (i) Agreement on Land Border Crossing, (ii) MoU on Restoration and Preservation of Earthquake Damaged Pagodas in Bagan, (iii) MoU on assistance to the Joint Ceasefire Monitoring Committee, (iv) MoU on Training of Myanmar Foreign Service Officers, (v) MoU on Setting up Industrial Training Centre (ITC) at Monywa, (vi) MoU on ITC at Thaton and (vii) Exchange of Letters on extending a maintenance contract for ITC Myingyan.
- The Agreement on Land Border Crossing is a landmark in bilateral relations between the two countries as it will enable people from both countries to cross the land border with passport and visa, including for accessing health and education services, pilgrimage and tourism.
- The MoU on restoration of pagodas at Bagan underlines the enduring cultural and historical links between the two countries.
- The other MoUs on technical assistance and capacity building reflect India's continuing support to Myanmar in accordance with this country's own development plans and priorities.

USA Withdraws from the Iran Nuclear Deal

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- US President Donald Trump has announced that the United States will withdraw from the Iran nuclear deal.
- He went on to note that the US will be 'reinstating nuclear sanctions against the Iranian regime. These sanctions, which were waived as part of the Joint Comprehensive Plan of Action (JCPOA) in return for significant Iranian commitments on its nuclear programme, were imposed by successive administrations as part of a 'dual-track' policy of 'applying pressure in pursuit of a constructive engagement and a negotiated solution'.

Key Highlights

- The USA highlighted three issues as the reasons for its withdrawal. These are:

- That the deal only limited Iran's nuclear activities for a fixed period - The deal is not entirely permanent; the restrictions on Iran's nuclear program start to relax about 10 years after the deal was signed (though the agreement not to build a nuclear weapon is permanent).
- It failed to stop the development of ballistic missiles by Iran;
- The deal had handed Iran a US\$100bn (S\$134.3 billion) windfall that it used "as a slush fund for weapons, terror, and oppression" across the Middle East.
- The US Treasury said economic sanctions would not be reimposed on Iran immediately, but would be subject to 90-day and 180-day wind-down periods.
- Sanctions would be reimposed on the industries mentioned in the 2015 deal, including Iran's oil sector, aircraft exports, precious metals trade, and Iranian government attempts to buy US dollar banknotes.
- The current administration viewed this deal as somewhere between appeasement and détente, which is exact opposite to the approach followed by Trump administration in North Korea. In North Korea, the USA is following maximum pressure approach until observable steps toward denuclearization is seen.

Joint Comprehensive Plan of Action (JCPOA)

- The deal was agreed between Iran and the five permanent members of the UN Security Council - the US, UK, France, China and Russia - plus Germany.
- The basic gist of the deal was that the sanctions would be lifted in exchange for Iran agreeing to several serious restrictions on its nuclear development. Among the most important, the deal called for:
 - Reducing Iran's stockpile of enriched uranium by 97 percent, and banning them from possessing any uranium potent enough that it could be used to fuel a bomb
 - Capping its number of nuclear centrifuges, devices used to enrich uranium, at roughly 5,000 — and only permitting it to use old, outdated, and slow centrifuges
 - Stopping Iran from operating its Arak facility used to make plutonium that could fuel a bomb
 - Permitting wide-ranging and intrusive IAEA inspections designed to verify that Iran isn't cheating on any portion of the deal
- These provisions, taken together, make it functionally impossible for Iran to acquire a nuclear weapon so long as they are in place. And the IAEA has repeatedly confirmed that Iran is complying with all of its obligations under the deal.

Analysis

- The decision was met with regret and dismay across the world. France, Germany and the UK have said they "regret" the American decision. EU has announced that it was "determined to preserve" the deal. Although Israel and Saudi Arabia have supported the supported this move.
- Iranian President Hassan Rouhani reiterated that Tehran would remain committed to its 2015 nuclear deal if its interests can be protected.
- Two more signatories of the JCPOA, Russia and China, have indicated they will honour the deal despite the US pull-out.
- At a time when leaders all over the world are rooting for diplomacy with North Korea to succeed, walking away from the JCPOA risks losing a deal with the North Koreans.

- American withdrawal does not mean the deal is immediately dead. Technically, the nuclear deal is an agreement between Iran and the P5+1 (the US, Britain, France, Russia, China, and Germany) — which means the US leaving the agreement doesn't end it. If the rest of the P5+1 keep their sanctions off, Iran may decide to continue to adhere to the deal's restrictions even after the US pullout.

Implications for India

- The impact of America's decision to withdraw from the nuclear deal for India's oil imports and business interests remains both imminent and unclear. Uncertainty however, stems from the question of what the other JCPOA signatories decide to do next.
- In many ways, this hinges on whether or not the European leaders have the political will and means to uphold the accord. This is also of particular importance to India for it has been paying its oil dues to Iran in euros and uses European banking channels.
- If the European leaders decide to follow and give in to the US' directive to comply with their regime of sanctions, this will have ramifications for maritime trade with Iran. Ship insurance was a critical hurdle when sanctions were previously imposed on Iran. It will significantly impact the state-run Shipping Corporation of India, the largest tanker owner in India, which relied on European insurers.
- With India having committed US\$500 million (S\$671.4 million) to Iran's Chabahar port project as well as stating that it would fund the US\$1.6 billion (S\$2.15 billion) rail link between Chabahar and Zahedan, stretching to Iran's north-western border, India has major strategic investments at stake.
- Aimed at enhancing regional connectivity through a trilateral transit arrangement with Afghanistan, Iran is also crucial to India's involvement in the International North-South Transit Corridor which links West Asia to Central Asia and on to Europe.
- Aside from already having investments, India cannot afford to withdraw from its commitments and risk becoming sidelined in favour of other regional players.
- Furthermore, were the nuclear deal to completely collapse, the sanctions would be American-led and not the result of a unanimous UNSC resolution, as was the case before. This would mean a greater moral dilemma for India which would have to decide whether or not to comply with an American/Western-led initiative.

US Tightens Visa Rules To Curb Overstay By Students

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The Trump administration has issued a draft policy that tightens the rules relating to calculation of visa overstay by foreign students.
- This policy memorandum was issued by the United States Citizenship and Immigration Services (USCIS).
- With Chinese and Indian students being the largest group of foreign students in the US, it is bound to affect them.

Key Highlights

- The policy – which is currently open for public comments - is scheduled to come into effect from August 9.
- Under the proposed policy, unlawful presence days (stay beyond a student's visa tenure) will be computed from the day the student fails to maintain 'immigration status'.

- Immigration status is not maintained from the day students stop pursuing their course of study, engage in unauthorised activity or complete their programme and authorised grace period.
- For example, students on an F-1 visa are given a grace period of 60 days post completion of their study to change their status (say to a work visa) or to leave the US.
- Under current guidelines, the number of days of unlawful presence is calculated only from the day authorities discover the violation or an immigration judge passes an order, such as for deportation. Hence, the proposed change will result in more days being counted as unlawful presence.
- Based on the number of unlawful days, a student can be barred from entering or staying in the US or obtaining permanent residency. An overstay of more than a year could result in a permanent ban.

The H-1B Visa:

What is a H1-B visa?

- The H1-B visa is a non-immigrant visa given by the United States to employ skilled workers from other countries for various specialised fields of occupation for a certain period of time.
- Basically, it is an employment-based and non-immigrant visa category for temporary workers.
- The H-1B visa program was launched in 1990, when President George H.W. Bush signed the "Immigration Act of 1990."
- It is intended to help American firms deal with labor shortages in rapidly growing fields that demand specialized skills, such as research, engineering and computer programming.
- Each application or "petition" is submitted by a sponsoring company that foots the bill on behalf of a candidate it seeks to employ.
- The program has an annual cap of 65,000, and an additional 20,000 visas are granted to employees with master's degrees from American universities. If the number of applications exceeds the cap, the government conducts a "lottery" to decide who gets to stay.
- There are provisions in place to make sure employers are paying their workers the prevailing wage and not replacing American workers. However, a giant loophole makes companies paying \$60,000 and above per employee – or hiring employees with master's degrees – exempt from this rule.
- The caveat is greatly relevant since more than half the approved petitions in 2014 had master's degrees or higher making it perfectly legal for them to be paid less than an American worker they were replacing.

What was the H-1B visa row all about?

- Ever since Trump assumed office as President, he has been talking about cracking down on the H1B visa programme in order to "protect American jobs".
- The USCIS, a component of the Department of Homeland Security, announced tighter restrictions for third-party consulting firms, which are some of the visa program's biggest users.
- Earlier, President Trump signed an executive order calling for strict enforcement of all laws governing entry into the US for the sake of employment.
- The order also asked the Departments of Labor, Justice, Homeland Security and State to recommend changes to the H-1B temporary worker visa program and protect the interests of American workers by making sure only the highest-paid and most-skilled applicants receive visas.

- In 2017, a Bill backing key changes in the H1-B visa programme that allows skilled workers from other countries to fill jobs in the U.S. has been reintroduced in Congress by two lawmakers.

Scrapping of H1-B Visa Programme: not a solution

- According to the Bureau of Labor Statistics, employment in the computer and information technology field is projected to grow 12% from 2014 to 2024, faster than the average for all occupations. This growth will be adequately supported by the presence of temporary workers.
- Researchers have found that temporary workers on these visas actually end up creating more jobs for American-born workers.
- It is also worth noting what Indian IT firms operating here bring. Indian tech companies in the U.S. paid \$22 billion in taxes from 2011 to 2015, according to a report by India's software and services trade association Nasscom.
- Indian temporary workers on the H-1B and L1 visas alone contribute \$3 billion in social security funds annually, even though many do not stay long enough to benefit from it.
- Aside from being the only way for firms to attract the best talent in the world, the H-1B visa is also treated as a pathway to citizenship for qualified employees who contribute to the American workforce in a positive way.

Malaysian General Election 2018

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- The 14th Malaysian general election was held in May 2018 to elect members of the Parliament of Malaysia.
- Long-ruling *Barisan Nasional (BN) coalition* helmed by Prime Minister Najib Razak was defeated in the election by the *Pakatan Harapan bloc* led by former Prime Minister Mahathir Mohamad.

Key Highlights

- The Pakatan Harapan bloc won a simple majority in parliament as it emerged victorious in 122 out of 222 seats, enough to form the next government.
- Mahathir Mohamad has been sworn in as Malaysia's seventh prime minister. Mahathir takes the mantle of power once again 37 years after he was sworn in as the country's fourth prime minister in July 1981. He held that position until October 2003, when he handed over to Abdullah Badawi.
- The BN and its major party, the United Malays National Organisation (UMNO), have dominated Malaysian politics since the country won independence from Britain in 1957. Mr Mahathir, who was once an integral part of BN and a mentor to Mr Najib, abandoned the coalition in 2016.

About The Election

- The Constitution of Malaysia requires a general election to be held in the fifth calendar year unless it is dissolved earlier.
- The elections are held at all 222 seats in the Dewan Rakyat (Parliament of Malaysia) and 505 seats in 12 out of 13 state legislative assemblies.
- Members are elected from single-member constituencies that each elects one representative to the Dewan Rakyat using the first-past-the-post voting system.

- Under the country's constitution, the king is obliged to appoint a member of parliament whom he believes has the majority support from other lawmakers as prime minister.
- Malaysia practices a unique form of monarchy, where nine hereditary Malay sultans take turns to be the country's king for a term of five years.
- Malaysia does not practice compulsory voting and automatic voter registration. The voting age is above 21 although the age of majority in the country is 18.

1MDB Scandal

- 1Malaysia Development Berhad, set up by Mr Najib in 2009, was meant to turn Kuala Lumpur into a financial hub and boost the economy through strategic investments.
- It was set up to invest oil royalties from the Malaysian state of Terengganu into development projects in the Southeast Asian nation. Najib headed the fund's advisory board.
- In early 2015, 1MDB was found to have accumulated \$11.6 billion in debt. The fund nearly defaulted on a loan payment, and its huge debt raised fears a possible bailout could leave the government bankrupt.
- Najib said that 1MDB's assets are worth more than its debts and that it needed more time to become financially stable.
- A private audit has cleared 1MDB, but later a parliamentary inquiry found massive unexplained payments in 1MDB and called for a police investigation of the fund's former head. The finding, which was based partly on the auditor-general's report, warned that the government could face losses of around \$4.9 billion if 1MDB fails to pay its debts.

Visit of Minister of Foreign Affairs of Serbia to India

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- H.E. Mr. Ivica Dacic, First Deputy Prime Minister & Minister of Foreign Affairs of the Republic of Serbia was on an official visit to India from 1-4 May 2018.
- The visit took place as a part of regular high level exchanges between the two countries, following the visit of the Serbian Prime Minister to India in January 2017.

**Key Highlights**

- During the visit, Minister Ivica Dacic met EAM Sushma Swaraj in New Delhi and the two Ministers discussed a range of bilateral, regional and global issues of common interest.
- They took stock of progress made in bilateral cooperation in key areas, particularly trade & investment, agriculture & food processing, science & technology, information technology, defence, health & pharmaceuticals, culture and tourism.
- An Agreement on cooperation in the field of culture, sports, youth and mass media was signed by the two Ministers.

India-Serbia Relations

- India-Serbia relations are warm and friendly drawing their strength from the shared values of Non-Alignment as the pillar of the Foreign Policy nourished by the personal friendship of Nehru.
- Despite the disintegration of former Yugoslavia, India and Serbia have continued with the tradition of supporting each other on issues of core interest.
- Government of India has in recent years consistently supported Serbia against Unilateral Declaration of Independence by Kosovo, an autonomous province of Serbia and currently under the interim administration of UN.

Economic Relations

- India-Serbia Joint Economic Committee (JEC) held its second meeting through video conferencing in October 2014.
- Recent bilateral trade between both the nations has high unrealized potential which can provide larger economic opportunities to the countries.
- An Indian real estate company Embassy Group from Bangalore has developed an IT Park in the town of Indjija near Belgrade. The IT Park has the potential to become an IT hub in Serbia and the region.
- The Serbian company "Agropanonka MTZ Finke" in collaboration with Mahindra & Mahindra opened an assembly line for Mahindra tractors in Novi Sad.
- Indian companies Amalgamations Limited (TAFE Tractors), Ranbaxy, Himalaya Herbals and Panacea Biotech have local representatives in Serbia.
- Serbia has abolished visas for Indian nationals visiting Serbia since September 2017. These initiatives are expected to boost tourism between the two countries and facilitate greater people-to-people contact.

Cultural Relations

- Serbia is a culturally vibrant country and Serbians value people to people contacts.
- Cultural Mission has taken several initiatives for harnessing energies of local India-centric organisations to take cultural diplomacy to the next level.
- Yoga, Ayurveda and Homeopathy are recognized in Serbian law. Yoga is popular with all streams.
- Birth anniversary of Mahatma Gandhi and International Day of Non-violence is regularly commemorated at the Gandhi Street in Belgrade.
- There is close collaboration in the field of cinema and films. The first ever Indo-Serbian film picturised in the co-production was 'Dev Bhoomi' (Land of the God) which based on the theme of girl child education in the backdrop of Uttarakhand.

Visit of Prime Minister to Russia

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Prime Minister Shri Narendra Modi visited Russia on 21 May 2018 for an informal Summit with President Putin in the city of Sochi.

- This informal Summit was in keeping with the tradition of regular consultations between India and Russia at the highest levels.

Key Highlights

- During the visit, leaders of both the countries held their first informal Summit in the city of Sochi in the Russian Federation.
- Informal summits have no agenda. The two leaders discussed regional and global issues at a strategic level including, US withdrawal from Iran nuclear deal; Afghanistan; terrorism; West Asia; Korea; INSTC; China in Indo-Pacific; SCO and BRICS summits; defence cooperation; and trade.
- The two leaders agreed that the **Special and Privileged Strategic Partnership** between India and Russia is an important factor for global peace and stability.
- Both leaders agreed to institute a Strategic Economic Dialogue between NITI Aayog of India and the Ministry of Economic Development of the Russian Federation, to identify greater synergy in trade and investment.
- Besides expressing their concern over terrorism and radicalization, and their determination to combat terrorism the two leaders held detailed exchange of views on the national development plans and priorities.
- They decided to intensify consultation and coordination with each other, including on the Indo-Pacific Region. They also agreed to continue working together through multilateral organisations such as the United Nations, SCO, BRICS and G-20.

Significance Of This Visit

- The visit of Indian PM to Sochi was in the backdrop of three developments: First, US officials reminded India that major purchases from Russia would attract sanctions under Countering America's Adversaries through Sanction Act (CAATSA) signed into law by President Donald Trump.
- Second, Trump pulled back from launching a trade war with China by agreeing to put proposed tariffs on Chinese imports "on hold".
- Third, Trump is all set to re-impose pre-2015 sanctions on Iran albeit dissent from European nations has delayed imposition.
- The CAATSA has the potential to affect the Indo-Russian military ties as India is a major importer of Russian arms and defence technologies.
- The US-China trade war would affect both countries, with the fallout on the global economy. Imposition of pre-2015 sanctions on Iran would affect India's Chabahar port development project.
- Russia's tilt to Pakistan and support to Taliban have been worrying issues in India. Also, Russia's defence cooperation agreement with Pakistan and closeness to China drove Russian foreign minister call upon India to join the CPEC.
- Russia also signed the joint declaration of the six-nation conference in December 2017 in Islamabad, asking for resolution of Kashmir issue under the UNSC resolution; which may be viewed acquiescing to Pakistani efforts for internationalising the Kashmir issue.
- The emerging global challenges including the widening drift between US-Russia, UK-Russia coupled with the situation in West Asia-Afghanistan, and the China-Pakistan nexus that required invigorating the India-Russian relationship – that was what the Sochi summit was all about.

About CAATSA

- Enacted on August 2, 2017, it aims to counter the aggression by Iran, Russia and North Korea through punitive measures.
- Some provisions of the Act primarily deals with sanctions on Russian interests such as its oil and gas industry, defence and security sector, and financial institutions, in the backdrop of its military intervention in Ukraine and its alleged meddling in the 2016 US Presidential elections.
- The Act empowers the US President to impose at least five of the 12 listed sanctions on persons engaged in a “significant transaction” with Russian defence and intelligence sectors.
- Two of the most stringent of these sanctions are the export licence restriction by which the US President is authorised to suspend export licences related to munitions, dual-use and nuclear related items; and the ban on American investment in equity/debt of the sanctioned person.
- Some other sanctions include restriction on US Export Import Bank assistance; prohibition on loans from international financial institutions; exclusion from participation in US government procurement; and visa restrictions on corporate officers of the sanctioned entities.

Visit of Prime Minister of Netherlands to India

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Prime Minister of the Netherlands Mr. Mark Rutte paid an Official Visit to India on 24-25 May 2018.
- The two Leaders held wide ranging and constructive discussions on a wide variety of regional and international issues while underlining the growing convergence between the two countries.

Key Highlights

- The Leaders welcomed the opening of a new Dutch Consulate General in Bengaluru.
- The two Leaders called for expansion of ongoing collaboration in the fields of agriculture and food processing, water, technology, smart city development, cyber space, health care, clean energy and finance. For this, India and the Netherlands announced a wide range of MoUs/Agreements and Initiatives across different sectors as discussed below:

G2G

- The Netherlands signed the Framework Agreement of the International Solar Alliance (ISA) and became the 64th signatory member country.
- The Government of the Netherlands has signed a MoU with the Government of Haryana, India, to support the state with the diversification of the agricultural sector, with a focus on horticultural crops.
- India welcomed the Netherlands as the Partner Country for the Tech-Summit in 2019.

Knowledge Institutions

- The Clingendael Institute, the independent think tank and diplomatic academy of the Netherlands and the Foreign Institute Service of India under the Ministry of External Affairs agreed on collaboration for diplomatic training.
- A formal announcement was made that the Science and Engineering Research Board and Maastricht University, Erasmus University Rotterdam, University of Groningen, Technical University of Delft and the VU University Amsterdam, will intensify collaborations between the Netherlands and India in education.

Water

MoUs were signed

- to strengthen their collaboration on a variety of water management and ports & waterways related projects, and to make dredgers in India
- to establish the Sanitation Impact Bond. The Bond will help make additional funds available for further scaling of the program to address the sanitation challenge.

Agri-food and Horticulture

- A new initiative called 'Ricebooster' was launched to develop superior high quality hybrid rice for the Indian and South Asian market.
- Many Letter of Intents and contracts were signed to improve research in legume crops, to add value and bring innovation in seed research and food processing.
- To improve the average yield and quality of milk produced by smallholder farmers and increase their income level, a tripartite MoU was signed.
- To establish a "fair factory" for the production of Plant Based Protein products for local market and export to the Middle East, a tripartite MoU was signed.
- Commitments were shown to execute the "Adaptive Irrigation Model for Small Farmers" project in India which will help dry land farmers save their crops from dry spells.

Hi-tech/IT

- India's first cyber security cluster is collaborating with Europe's biggest security delta, with the Program of Cooperation under the MoU that was signed between The Hague Security Delta and Hyderabad Security Cluster.

Smart Cities

- Both the countries have signed multiple MoUs to strengthen their collaboration projects related to Smart Cities in India.
- A letter of intent was signed between the World Bank and the Dutch Institute for Future of Living on smart cities collaboration. The collaboration includes innovative financing and dissemination of vision and roadmaps along with action plans and resources solution as well as lessons learned.

Business

- Many MoUs were signed to enable market entry of Indian companies into the European/Dutch market, as well as facilitate market entry by EU companies into India.
- A confirmation letter for starting up a EU headquarter office in Rotterdam was signed between Netherlands Foreign Investment Agency (NFIA) and Cogoport (an Indian Freight handling company). The objective of this understanding is to boost trade flows between India and Europe through ports at Rotterdam and Schiphol, positioning the Netherlands as India's gateway to Europe.

Sustainability

- A license agreement was signed between the Netherlands-based Nettenergy (that specializes in installations that produce renewable energy and materials on the basis of plant biomass) and Shrike Energy (bio-diesel manufacturers in India), to introduce an innovative Dutch technology to the Indian market to improve the utilization of its biomass in the areas of green electricity, bio-chemicals and bio-fuels.

India – Netherlands: Ongoing Cooperation in Different Fields (Brief Summary)

S&T and Health Cooperation

- This was the 10th anniversary of the Indo-Dutch collaboration in Science, Technology and Innovation (STI).
- Bilateral research cooperation between India's Department of Science and Technology, Department of Bio-technology and Ministry of Electronics and Information Technology with the Netherlands Organization for Scientific Research (NWO) and the Netherlands Enterprise Agency (RVO)
- Selection of Krishna District in the state of Andhra Pradesh for the implementation of a Pilot Project using the 'One Health' approach under the Indo-Dutch collaboration on AMR.

Cooperation in Fields of Water, Agriculture and Urban Development

- Indo-Dutch water cooperation
- The respective institutions of the two countries have joined hands in several projects including a waste2wealth approach to solid waste and waste water in the Hindon Basin
- MoU in the field of water management signed in June 2017 with focus on the Clean Ganga campaign.
- First Indo-Dutch Centre of Excellence (CoE) in Vegetables in Baramati, Maharashtra
- Finalization of a concrete joint action plan under the MoU on Technical Cooperation in the Field of Spatial Planning, Water Management and Mobility Management with focus on smart city development.
- MoU was signed between the State of Maharashtra and the City of Amsterdam in the area of sustainable urban development, including waste2energy.

Security Cooperation

- Plan to enhance the scope of the ongoing bilateral dialogues on security issues and to hold the next round of counter terrorism dialogue in The Hague in the second-half of 2018.
- Deepening of cooperation on cyber-security through the signing of a MoU
- Plan to hold the bilateral cyber dialogue in 2018
- Government of Karnataka has launched a Centre of Excellence, in which The Hague Security Delta will be an international partner.

Economy, Trade & Investment, and Connectivity

- Intensive Indo-Dutch collaborations under Government of India's flagship initiatives such as Make in India and StartUp India.
- Launch of the StartUpLink initiative by Invest India and the Netherlands Embassy in Delhi. The initiative seeks to provide startups easy access to mentorship, partners, tools, services and key information for success in India and the Netherlands.
- With growing India-EU trade, there is significant role that Netherlands can play as India's 'Gateway to Europe'. India is the 5th largest source of FDI into the Netherlands and the Netherlands is the 4th largest source of FDI for India.

People-to-People Exchanges, Culture, Education and Training

- The Netherlands hosts the second largest Indian Diaspora in Europe
- Number of Indian students and professionals in the Netherlands are growing
- MoU between the Foreign Service Institutes of the two countries is in force. The MoU provides for exchange of information of structure and content of training programmes for diplomats;

identification of experts in mutually decided areas; and promote contacts and exchange of diplomats, faculty members and experts.

Visit of Vice President to Guatemala, Panama and Peru

Syllabus: Effect of policies and politics of developed and developing countries on India's interests

In News

- Vice President of India, H.E. Mr. M. Venkaiah Naidu visited Guatemala, Panama and Peru in Latin America from 6-11 May 2018.
- India attaches importance to its relations with the Latin American countries. Vice President's visit to the region takes place in that context.
- Over the last few years, India's relations with the region, both in terms of political engagement, as well as trade and commercial engagement, has intensified significantly, beginning with the landmark visit of Prime Minister of India to Brazil in July 2014, his meetings with South American leaders there, followed by his visit to Mexico in 2016. These meetings at the highest level have been sustained through frequent interactions.
- Trade and investment are one of the main drivers of our relationship. Bilateral trade with the region has grown steadily. There is potential for further increase.

Guatemala

- The Vice President of India paid an official visit to the Republic of Guatemala from 6th to 8th May 2018. This was the first ever visit of an Indian Vice President to the Republic of Guatemala.
- The Diplomatic Relations between Guatemala and India were established on 16th May 1972.
- During the Official Visit, the Memorandum of Understanding between the Ministry of Foreign Affairs of Guatemala, and the Ministry of External Affairs of India through their respective Foreign Service Institutes for strengthening diplomatic cooperation through education was signed.
- Further, Letter of Intent was decided to handed over to Guatemalan authority on organizing a special course for Guatemalan English Teachers in India under ITEC programme.
- The Vice President of India expressed his country's readiness to assist Guatemala under South-South Cooperation and to share experience in areas of interest to Guatemala.
- In this regard, the two sides agreed to implement proposals on solar energy technologies in Guatemala. These promote women empowerment through their training in use of renewable energy and hence promote use of clean energy.
- Additionally, the Vice President of India reaffirmed India's interest in strengthening interaction with regional integration bodies like SICA and CELAC in which Guatemala is a member.

Panama

- Vice President visited Panama from 8-10 May 2018, in the second leg of his tour of Latin America.
- In an unprecedented gesture, the visit was upgraded and the President of the Republic of Panama H.E. Mr. Mr. Juan Carlos Varela Rodrigues led the talks.
- The two leaders expressed satisfaction with the status of the bilateral relations, marked by a spirit of solidarity, cooperation and mutual respect.
- The two sides expressed satisfaction that the current level of bilateral trade, to the tune of US\$ 424 million, is steadily expanding.

- In keeping with India's commitment to contribute tangibly to Panama's economic development, India announced two Credit Lines of assistance for setting up a Centre for Biodiversity and Drug Discovery [valued at US\$ 10 million] and another for setting up a Centre for Innovation & Technology [valued at US\$ 15 million].
- Vice President Venkaiah Naidu thanked the Government of Panama for the recent measures taken towards facilitating issue of visas to Indian businessmen and other visitors wishing to visit Panama.
- An MoU for Exemption of Visa for Diplomatic, Official and Consular Passport Holders was signed.
- A Work Plan for implementing the existing MoU between the Ministry of Agriculture of India and the Ministry of Agriculture Development of Panama for Cooperation in the Field of Agricultural Research and Education was also signed.
- Panama welcomed India's proposal for setting up a Telemetry, Tracking and Tele Command (TTC) Earth station in Panama for supporting operations of geostationary communication and meteorological satellites of the Indian Space & Research Organization (ISRO).
- Both sides agreed to expedite ongoing discussions for finalization of MoUs for strengthening cooperation in the fields of Exchange of Tax Information, Economic Cooperation, Maritime Cooperation, Air Services, Traditional Medicines, Culture, and Space.
- From the Panamanian side the President of Panama pointed out that in their new foreign policy which is called the Falcon Policy, they have in fact identified India as an important partner with which they would like to do business.

Falcon policy was articulated during the visit of President of Panama to Dubai where he saw firsthand the contribution that Indian diaspora of two million has made to the development of Dubai and that had really impressed the President of Panama and he definitely once again reiterated an interest in inviting the participation of the Indian professionals in further growth and development of Panama.

Significance of Panama for India

- Panama is extremely strategically located as a hub that connects North America to South America. It connects Atlantic Ocean to the Pacific Ocean thanks of course to the Panama Canal.
- It is a major hub for shipping, for logistics, for banking and for financing sector. So economically and strategically a very important country.
- It is also hub in terms of its membership connecting the Caribbean, Central, South American region, members of CICA, CELAC, Caricom etc. So it makes it a very important country for India as well.
- Indian work force had come all the way from India to participate in both the construction of railways in Panama as well as in the construction of the Panama Canal. So our relationship goes back 100 years plus.

Republic of Peru

- The Vice President of India paid an official visit to the Republic of Peru from 10th to 12th May 2018.
- Both sides took note of expanding relations between two countries, and expressed a strong desire to deepen & diversify the multifaceted ties, and to elevate the bilateral relationship to a higher level.
- Both sides welcomed the results of the first Joint Commission Meeting held in June, 2017 between India and Peru.
- India became Peru's seventh largest trading partner.

- An agreement was signed between the Ministry of New and Renewable Energy of the Republic of India and the Ministry of Energy and Mining of the Republic of Peru on Cooperation in New and Renewable Energy.
- The two sides expressed their satisfaction that the India-Peru Centre for Excellence in Information Technology (IPCEIT) has performed as per the expectations. The Peruvian side welcomed the Indian proposal to send an expert team to discuss the Peruvian request for an extension of the activities of the IPCEIT.
- The Peruvian side reiterated its support for India's candidature for permanent membership in a reformed and expanded United Nations Security Council.
- The celebrations commemorating the 55th Anniversary of Establishment of Diplomatic Relations were held during the visit at the Centro Cultural Inca Garcilaso in Lima.

Pacific Islands Forum given UN Observer Status

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- The Pacific Islands Forum has been granted approval to establish a Permanent Observer Office at the United Nations Office at Geneva (UNOG).
- Mere Falemaka, the Permanent Representative in the Permanent Delegation of the Pacific Islands Forum (PIF) to the World Trade Organisation (WTO) has been appointed as Observer to the UNOG in Geneva.
- Permanent Observer status would entrench the presence of the Blue Pacific region in, and strengthen its links to the United Nations organisations, including its specialised agencies, programmes, fund initiatives and joint programmes.
- The accreditation to the UNOG strengthens the Pacific's regional representation in Geneva and provides a foundation for partnership and collaboration between the Pacific Islands Forum Secretariat and the trade-related international agencies based there.

What is a Permanent Observer

- Non-Member States of the United Nations, which are members of one or more specialized agencies, can apply for the status of Permanent Observer.
- The status of a Permanent Observer is based purely on practice, and there are no provisions for it in the United Nations Charter.
- The practice dates from 1946, when the Secretary-General accepted the designation of the Swiss Government as a Permanent Observer to the United Nations.
- Observers were subsequently put forward by certain States that later became United Nations Members, including Austria, Finland, Italy, and Japan. Switzerland became a UN Member on 10 September 2002.
- Permanent Observers have free access to most meetings and relevant documentation.
- The United Nations General Assembly may grant non-member states, international organizations and other entities Permanent Observer Status.
- The UN Charter and the General Assembly Rules of Procedure have no provisions related to granting permanent observer status.

About Pacific Islands Forum (PIF)

- The Pacific Islands Forum is the region's premier political and economic policy organisation.
- Founded in 1971, it comprises 18 members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
- The Forum's Pacific Vision is for a region of peace, harmony, security, social inclusion and prosperity, so that all Pacific people can lead free, healthy, and productive lives.
- The work of the Forum is guided by the *Framework for Pacific Regionalism*, which was endorsed by Forum Leaders in July 2014. It sets out the strategic vision, values, objectives and approaches to achieve deeper regionalism in the Pacific.

OIC Countries to Enter Russian Market

Syllabus: Bilateral, regional and global groupings and agreements.

In News

Russia is ready to support Organization of Islamic Cooperation countries (OIC) in their effort to enter the Russian market.

Key Highlights

- Russia's trade turnover with OIC countries stands at about \$75 billion, with exports accounting for about \$58 billion. Imports from OIC countries total about \$17 billion. Turkey, Kazakhstan and Egypt are Russia's main trade partners.
- Russia and OIC are trying to create a condition to facilitate the entry of OIC countries in Russian market.
- The Russian export-support system consists of Vnesheconombank, the Russian Export Center, the Russian Export-Import Bank and the Russian Agency for Export Credit and Investment Insurance (EXIAR). Therefore it enables the OIC countries to support Russian exports elsewhere and to support OIC investors in Russia.

About OIC:

- The Organisation of Islamic Cooperation (OIC) is the second largest inter-governmental organization after the United Nations with a membership of 57 states spread over four continents.
- The Organization is the collective voice of the Muslim world. It endeavors to safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.
- The Organization was established upon a decision of the historical summit which took place in Rabat, Kingdom of Morocco on 25 September 1969 following the criminal arson of Al-Aqsa Mosque in occupied Jerusalem.
- The OIC has permanent delegations to the United Nations and the European Union.

Negotiators Fail to Reach NAFTA Deal

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Senior American, Canadian and Mexican officials had ended a week of talks without a deal to modernize NAFTA. However, they agreed to resume negotiations soon.
- The failure to secure a quick deal underscores uncertainty over the North American Free Trade Agreement.

Key Highlights

- The officials were involved in the talks to update the 1994 trade pact. There were major differences among the members on the modalities.
- One of the main sticking points is the fact that Mexico has not agreed to a U.S. proposal to boost North American content for autos made in the NAFTA region.
- However, several other major issues are still unresolved, including U.S. demands for a sunset clause that would allow NAFTA to expire if it is not renegotiated every five years, and elimination of settlement panels for trade disputes.
- U.S. President Donald Trump has called NAFTA a “disaster” and blames it for the loss of U.S. manufacturing jobs to lower-cost Mexico. He has repeatedly threatened to withdraw from the 1994 trade pact if it is not reworked to his liking.

About NAFTA

- The North American Free Trade Agreement is a treaty between Canada, Mexico and the United States to eliminate most tariffs on trade between these countries. It came into effect on January 1, 1994.
- NAFTA is termed as the world’s largest free trade agreement. The gross domestic product of its three members is more than \$20 trillion.
- NAFTA is the first time two developed nations signed a trade agreement with an emerging market country.
- NAFTA’s purpose is to encourage economic activity between North America’s three major economic powers.
- In January 2017, President Donald Trump signed an executive order to renegotiate NAFTA. He wants Mexico to cut its value-added tax and end the maquiladora program. Trump prefers bilateral trade agreements to multilateral ones.

Columbia Joins NATO as a Global Partner

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Columbia is about to become the first Latin American nation to join NATO as its newest member.
- This happened one year after reaching partnership deal through a peace agreement with Columbia.

Key Highlights

- The announcement came after Organization for Economic Cooperation and Development (OECD) approved Colombia as a new member.
- As a global partner it will not necessarily have to take part in active military actions of NATO. However, it will be fully accredited to 29-nation military alliance. It will cooperate on global security areas like cyber and maritime security, terrorism and links to organized crime.

- Colombia joined the ranks of Afghanistan, Australia, Iraq, Japan, the Republic of Korea, Mongolia, New Zealand and Pakistan.
- However, Venezuela has rejected the announcement by Colombia's President. It views this foreign military alliance with nuclear capacity as a serious threat for peace and regional stability.

About NATO

- The North Atlantic Treaty Organization is an intergovernmental military alliance between 29 North American and European countries based on the North Atlantic Treaty that was signed on 4 April 1949.
- It is headquartered in Brussels, Belgium, while headquarters of its Allied Command Operations is near Mons, Belgium.
- NATO's purpose is to guarantee the freedom and security of its members through political and military means.
- NATO was founded during the Cold War and was primarily a means for Western nations – led by the United States – to suppress the Soviet Bloc militarily and economically.
- It continues to play a major role in modern conflicts, and has engaged in major military interventions in sovereign countries, most recently the removal and murder of Libyan leader Muammar Gaddafi in 2011.

Pakistan Hosted Its First SCO Anti-Terrorism Meeting

Syllabus: Bilateral, regional and global groupings and agreements.

In News

- Pakistan has hosted a three-day Shanghai Cooperation Organisation-Regional Anti-Terrorist Structure (SCO-RATS) meeting in Islamabad.
- This was the first-ever SCO meeting that was held in Pakistan since it became a permanent member of the organisation along with India in June 2017.

Key Highlights

- Legal experts from the eight member states, including India, China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan and Pakistan, as well as representatives of the SCO and RATS Executive Committee participated in the meeting.
- Issues such as terrorist threats facing the region and ways and means to enhance counter-terrorism cooperation between SCO member states were discussed.

About SCO

- The Shanghai Cooperation Organisation is a permanent intergovernmental international organisation which was founded on June 15, 2001 in Shanghai, China.
- Its main goals include strengthening mutual trust and neighbourliness among the member states; promoting effective cooperation in politics, trade, economy, research, technology and culture, as well as in education, energy, transport, tourism, environmental protection; making joint efforts to maintain and ensure peace, security and stability in the region; and moving towards the establishment of a democratic, fair and rational new international political and economic order.

About Regional Anti-Terror Structure

- In order to provide the legal support for its counterterrorist activities and to implement the Shanghai Convention, the SCO established the Regional Anti-Terrorist Structure(RATS) in 2002.
- The Executive Committee of the RATS is the permanent body of the SCO based in Tashkent.
- The Head of RATS is elected to a three-year term.
- SCO countries has established the practice of conducting joint anti-terrorist exercises. Regular participation in the meetings of Regional Anti-Terrorist Structure (RATS) and joint military exercises provides the new level of intelligence sharing and it also enhance counter-terrorism strategies to fight terror.

United Nations Peacekeeping Course for African Partners

Syllabus: Important International institutions, agencies and fora- their structure, mandate.

In News

- The third edition of the United Nations Peacekeeping Course for African Partners (UNPCAP) was inaugurated in New Delhi.
- The aim of this course is to build and enhance the capacity of the African Troop Contributing Countries to the UN.

Key Highlights

- The course is conducted by the Centre for United Nations Peacekeeping in India (CUNPK) in partnership with the US.
- The training incorporates topics on operational and logistical matters, humanitarian issues, thematic topics and table top exercises, and mission briefs, and would be conducted by a rich pool of seasoned instructors from India, the US as well as the alumni instructors from Africa who have attended the previous edition of this course.
- The first and second editions of the course were held in New Delhi in 2016 and 2017.
- The course revolves around the concept of training the trainers. It is one of the many steps that India has initiated towards active contribution to peace support activities.

Centre For United Nations Peacekeeping (CUNPK)

- Peacekeeping operations are special operations requiring a doctrine and special techniques from a synthesis of research and experience. To fulfill this need, the Centre for United Nations Peacekeeping (CUNPK), has been set up in New Delhi, drawing on India's vast experience in the field of UN Peacekeeping.
- The Centre conducts International Training Capsules for Military Contingent Officers, Military Observers, and Staff and Logistics Officers.
- The Centre regularly organizes Seminars, Joint Working Groups and Command Post Exercises at the National and International level.
- CUNPK is also a repository of information on India's involvement in UN Peacekeeping and is continuing to build and update its research on peacekeeping related issues.
- Since October 2005, CUNPK has taken the responsibility for the Secretariat of the International Association of Peacekeeping Training Centres (IAPTC).

Inter-country Child Abduction

Syllabus: Bilateral, regional, and global groupings and agreements.

In News

- A committee set up by the Centre to prepare a report on the issue of inter-country parental child abduction has questioned one of the basic principles of the Hague Convention.
- It argued that the return of the child to his or her habitual residence may not necessarily be in the best interest of the child.
- The Committee has submitted its report to the Women and Child Development Ministry.

Background

- In 2016, the government had decided not to be a signatory to the treaty on the ground that it can be detrimental to the interest of the women fleeing an abusive marriage. However, U.S. is pressurizing India to accede to the Hague Convention on the Civil Aspects of International Child Abduction.
- The convention seeks to protect children wrongfully removed by one of the parents from the custody of the other parent.
- At the heart of this convention is the criterion of “habitual residence” of the child, which is used to determine whether the child was wrongfully removed by a parent as well as to seek the return of the child.
- Last year, a Committee headed by Justice Rajesh Bindal was created to look into the legal issues related to inter country removal & retention of children.

Key Highlight

- The report highlighted that the concept of habitual residence is not synchronous with the best interest of the child as returning a child to the place of habitual residence may result in sending the child to an inharmonious set-up as well as overlook the fact that a mother is the primary caregiver of the child.
- The report also emphasised the importance of the “Indian family system” in ensuring the best interest of the child, seemingly to question the logic behind returning the child to a place of habitual residence outside India.
- It has recommended that the Government may establish an ‘Inter Country Parental Child Removal Disputes Resolution Authority’.
- The authority has been envisaged to provide a one window solution in cases of inter country removal and retention of Children.
- It further recommended that the Authority may be chaired by a retired High Court Judge, with Members from Legal and Social sector background along with representatives from key Ministries.
- The report has stated that the Authority may examine the inter country cases of removal and retention of children vis-a-vis the cultural context, merit of the case, and the best interest of the Child.
- Along with its recommendation, the Committee has also submitted a draft legislation to the Government.
- The Committee was also requested to study the draft of the International Child Abduction bill, prepared by the Law Commission.

Issue Of International Parental Child Abduction

- In recent years, the issue of international parental child abduction has assumed relevance in India, which has fast been emerging as a major hub, not only for emigration out of the country but also for immigration to it.
- A large number of Indians live and work abroad. In addition to this, large numbers of foreign nationals have been arriving to work and live in India, and a number of Indian nationals who had previously settled abroad are also returning to resume their residence in India.
- The problem arises when one spouse decides to return to India with their child without permission of other parent. In such cases, it is seen that the welfare of the child suffers as he is often forcibly uprooted from his habitual residence and made to take up residence in new and often alien country.
- The international community acted to solve such crisis by enacting **The Hague Convention on The Civil Aspects of International Child Abduction**. India is not a signatory to the Hague Convention. A country has to have a domestic law in place before it can become a signatory.
- The Law Commission in its **218th report** recommended that India should frame a domestic law and sign the Hague Convention.
- Verdict of the Supreme Court in **Surya Vadanam v. State of Tamil Nadu (2015)** laid down principles to be followed by courts and tried to evolve a consistent approach in multi-jurisdictional child custody disputes. However, in absence of legal codes no uniform policy has been followed by courts. In such cases ultimate sufferer is the child.

Some Facts about Hague Convention:

The objects of convention are-

- To secure the prompt return of children wrongfully removed to or retained in any Contracting State; and
- To ensure that rights of custody and of access under the law of one Contracting State are effectively respected in other Contracting State.

Hague convention applies to cases in which –

- The Child must be under 16 years of age;
- The child must have been habitually resident in a convention country immediately before any breach of custody or access rights

Economic Growth and Development

Highest Ever GST Collections In April

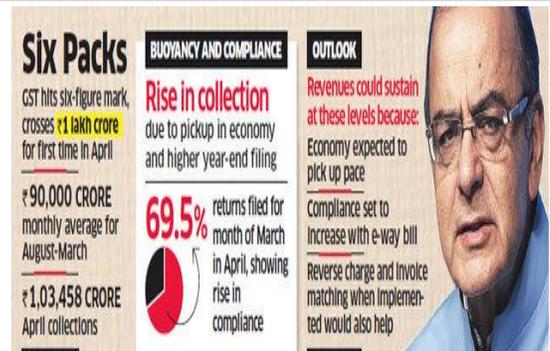
Syllabus: Indian Economy and Issues related to mobilization of resources

In News

- India's monthly goods and services tax (GST) collections crossed Rs 1 lakh crore for the first time in April indicating that the indirect tax regime was stabilizing and that economic revival was picking up pace.
- Gross GST revenue in April stood at Rs 1.03 lakh crore against a monthly average of Rs 90000 crore in the July-March period.

The Reason Behind Improved Collection

- **Improved economic activity:** GST collections exceeding Rs 1 lakh crore is a confirmation of increased economic activity as brought out by various reports. The economy is widely forecast to grow around 7.4% in the current fiscal up from 6.6% in FY18.
- **Roll out of E-Way bill:** The phased rollout of e-way bills, which facilitate GST on goods being transported across states and within them from April 1 has helped in curbing tax evasion.
- **Arrears of previous months:** There is also a note of caution on the numbers as some of the improved collection could also be attributed to arrears from previous months.



Way Forward

- Simplification of the returns must be expedited to improve compliance. Moreover the other measures such as matching tax credits claimed by businesses for inputs from suppliers must be implemented to further improve collection.
- While these should boost GST revenues in the new financial year nothing will beat fiscal stress better than a sustained revival in consumption and investment demand. Policymakers need to ensure that the uptick in car sales and demand for steel and cement is catalyzed further.
- Further the government must vigorously pursue multiple audit trails created by GST. It will help enhance the potential tax base that can be tapped into both in indirect and direct taxes.
- Widening the tax base also calls for bringing a large chunk of the economy under GST. Thus there is a need to include power sector, petroleum, real estate and alcohol within the purview of GST. Thus the GST Council should swiftly bring these sectors under the new tax system. Revenues will surge automatically.

GST Returns Filing to Get Simpler, GSTN to be Made a Government Company

Syllabus: Indian Economy and Issues related to mobilization of resources

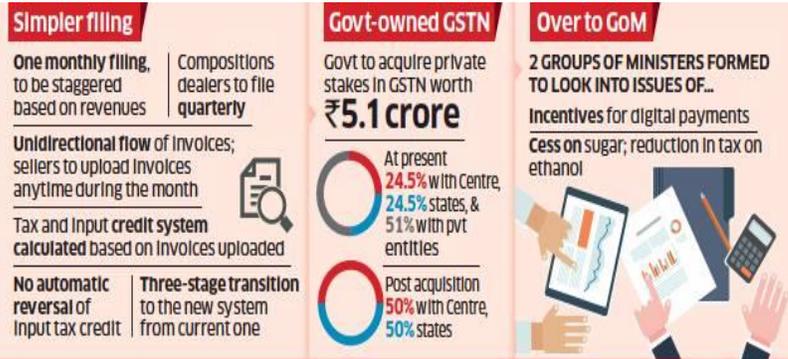
In News

The Goods and Services Tax Council approved a new comprehensive return-generation system and full government ownership of GST Network (GSTN) the IT backbone for GST, while referring a proposal to

impose a cess on sugar and an incentive scheme for digital transactions to two separate groups of ministers (GoMs) for further deliberations.

Other Details

- **IT system:** The system will allow taxpayers to just upload invoice wise details of sales while the system will generate the returns. The IT system will also calculate the tax liability and input tax credit (ITC) availability on behalf of the assessee and provide for a semi-automatic reversal of credits.



- **Lag period of 1 year for full implementation:** Despite the council's nod the new returns system can be implemented fully only after a year. For the next six months taxpayers will continue to file summary return GSTR-3B and GSTR-1 (outward supply details). After that the new system will be put in place but assesseees will be allowed to claim provisional input tax credit for a period six months, which means a taxpayer can seek the credit even when the seller doesn't upload the supporting invoices. In the next phase the system will not allow provisional credit claim as ITC would be available only on the basis of invoices uploaded by the sellers.
- **Ownership of GSTN:** The council also approved a proposal for the Centre and states to jointly (and equally) acquire the entire 51% of equity held by the non-governmental institutions in GSTN amounting to Rs 5.1 crore. Currently the Centre and states jointly own 49% in GSTN (24.5% each), while the rest is held by five other entities, including LIC Housing Finance, HDFC Bank and ICICI Bank. The state governments have GSTN stakes on a pro rata basis depending on their GST revenue profile. However, to ensure that GSTN continues to be nimble-footed like a private company, the council allowed it to continue with the existing staff at existing terms and conditions for a period of up to five years. The GSTN board will also retain the flexibility of hiring people through contract on the terms and conditions similar to those used by GSTN till now while hiring regular employees.
- **Concession for digital transaction:** The proposal in its current form will provide concession of 2% (1% each from central GST and state GST) on the GST rate where the rate is more than 3% on business-to-consumers supplies if the payment is made through cheque or other digital mode. However the concession would have a ceiling of Rs 100 per transaction.
- **Sugar cess:** The council constituted a second GoM on the issue of imposition of cess on sugar to help mills clear cane dues owed to farmers. The proposal was to create a fund from the cess proceeds to finance the gap between the cane price mills can pay to farmers in accordance with a revenue-sharing formula recommended by the Rangarajan committee and the benchmark rate i.e. fair and remunerative price (FRP) fixed by the central government.

Implications

- **Effect on functional efficiency:** and Converting GSTN into a 100% government company is welcome. But it should not affect its functional efficiency and ability to take quick and proactive decisions to address the tax payer's concerns.
- **Revenue augmentation should not be through sugar cess:** The decision of sugar cess will be ideal if it is not introduced given it was abolished when GST came in and GST was expected to

subsume all such levies. If there is need for revenue augmentation, it can be done by increasing the GST rate rather than distorting the overall structure.

- **Other benefits:** The staggered introduction of the new returns would enable businesses to prepare for the same and make changes to their systems. Moreover the businesses are relieved that they would no longer be penalized for their vendor's omissions. Simplicity of the new returns would be key to its successful adoption by businesses as past experience with complicated forms and processes indicates that complexity reduces compliance."

Final Analysis

- The GST Council has done well to clear a simple filing system for businesses to claim input tax credit. Phasing in filing a single monthly return for all taxpayers except composition dealers and dealers filing nil returns, who would file a quarterly return makes eminent sense.
- A simplified, non-obtrusive and administratively efficient system of matching returns and invoices will make compliance easy. The resulting audit trails of value addition across the income and production chain will curb evasion and shore up collections.
- But the decision to make the GSTN a 100% government-owned firm instead of the present structure with 51% private ownership explains neither how this will address data security concerns nor the impact on the Network's functional efficiency, which was the original stated intent for giving private players an upper hand in operations.

Tata Group Firm Acquires Bhushan Steel: Historic Breakthrough In Bad Loan Resolution

Syllabus: Indian Economy and Issues related to mobilization of resources

In News

- Tata Steel has formally taken control of Bhushan Steel, settling about Rs 35200 crore or nearly two thirds of loans the bankrupt steelmaker owed to lenders and appointing 3 nominees on its board.
- As per the deal, Bamnipal Steel a wholly owned subsidiary of Tata Steel will get a 72.65% stake in Bhushan Steel, while lenders will own 12.27% in it & balance will be held by existing shareholders.
- Bhushan Steel is the first to emerge successful from insolvency and bankruptcy process among the initial dozen big defaulters that the central bank referred for resolution under a law enacted for quick recovery and settlement of stressed assets. Banks, which though have taken a more than 37% haircut on their outstanding loans of Rs 56079 crore to Bhushan Steel can now classify the assets as standard reducing their bad loan burden.
- They are likely to reverse the provisions they had made against the account significantly boosting their first quarter results. SBI had the highest exposure of Rs 12872 crore to Bhushan Steel followed by Punjab National Bank at Rs 4904 crore and ICICI Bank at Rs 2449 crore.

Positive Impact

- **Resolve bad loans:** This is a step towards resolving the bad bank loans moreover the NPA resolution process is being done through a fair and transparent IBC.
- **Affordable credit availability:** Banks will now be in a position to offer more and affordable credit to major sectors of the economy especially the MSMEs. This will boost employment and the economy.
- **Free the resources for wealth creation:** The speedy resolution would free valuable assets to be used for wealth creation.

- **Reduce the burden on taxpayers:** The Finance Ministry now expects banks to recover more than Rs 1 lakh crore from the resolution of the other cases referred by the RBI to the NCLT. If the banks do indeed recover funds of this scale it would considerably reduce the burden on taxpayers who would otherwise have to foot the bill for any recapitalization of banks.
- **Behavioral change among promoters:** There are also clear signs of behavioral change among promoters and company managements after the law kicked in. With the tightening of rules by the regulator and with banks having to set aside more funds to cover losses, corporates and promoters are scrambling to ensure payments.

Challenges Ahead

- **IBC still a work in progress:** The resolution of one high profile case however should not deflect attention from the many challenges still plaguing the bankruptcy resolution process. The IBC as the government itself has admitted remains a work in progress. This is a welcome piece of legislation to the extent that it subsumes a plethora of laws that confused creditors instead it now offers a more streamlined way to deal with troubled assets.



- **Issue of eligibility criteria:** Issues such as the proposed eligibility criteria for bidders have left it bogged down and suppressed its capacity to help out creditors efficiently.
- **Issue of timeline:** Also the strict time limit for the resolution process as mandated by the IBC is an area that has drawn much attention and it merits further review in order to balance the twin objectives of speedy resolution and maximizing recovery for the lenders.
- **Fear of investigating agencies:** Recent experience shows that bankers who agree to forego a part of their dues or settle for a haircut continue to have reason to fear action by investigating agencies, the presence of an oversight committee etc.
- **Good borrower migrating to other form of borrowing:** The balance has tilted towards the lenders for now but promoters are increasingly working to lower their debt to banks i.e. by raising money from the corporate bond market or through overseas borrowings. But as policymakers welcome this shift away from banks they will have to reckon with the challenge of good borrowers migrating to that market or to other forms of borrowing.
- **Other issues:** Many of the glitches are not because of the law but because of the capacity constraints in developing quality resolution professionals, adding more benches and in driving institutional change and the behaviour of lenders.

Way Forward

It is pertinent to implement the recommendations of the Insolvency Law Committee, which among other things has vouched for relaxed bidder eligibility criteria. Moreover going forward amendments to the bankruptcy code should primarily be driven by the goal of maximizing the sale price of stressed assets. This requires a robust market for stressed assets that is free from all kinds of entry barriers.

Cabinet Okays Ordinance to Amend IBC

Indian Economy and Issues related to mobilization of resources

In News

- The Union Cabinet approved additional changes to Insolvency and Bankruptcy Code through an ordinance easing rules to enable promoters of micro, small and medium enterprises to bid for their companies and giving homebuyers a stronger say in the resolution plan for developers.

- The Insolvency and Bankruptcy Code Amendment (Ordinance) 2018 seeks to streamline bidding eligibility provisions to remove grey areas a step that's expected to reduce disputes.
- The present amendment is based on recommendations of a 14 member government appointed committee that had suggested a slew of measures including addressing woes of home buyers and making recoveries easier for lenders.

Provisions Of Ordinance

- **Homebuyer get status as financial creditor:** IBC proposes to classify home buyers as financial creditors at par with lenders to help them quickly get refunds from defaulting companies. Thus homebuyers will get representation on the committee of creditors and the advance given by them to the builder will be considered credit.
- **Threshold limit:** The ordinance is likely to lower the voting threshold for approval of resolution plans to a 66% majority from 75% earlier. Withdrawal of an insolvency application will be allowed if 90% of the creditors agree.
- **MSME promoters can bid for companies under resolution:** The first ordinance had introduced Section 29A in the IBC which barred many people and entities from bidding for companies undergoing resolution. It included promoters with recognized non-performing assets against their names. Under the proposed change promoters and managers or guarantors to creditors of MSMEs undergoing resolution would be able to bid for their companies except in the case of proven wilful default.
- **Changes in Section 29A:** The new ordinance makes Section 29A more stringent in some cases. It is expected to bar people who enter into backdoor arrangements with corporate debtors formally or informally, directly or indirectly, from bidding for insolvent companies by bringing them within the scope of the definition of connected people.
- **Definition of related individuals:** The definition of related individuals, which has so far not been covered in the code, is likely to be added as part of the amendments.
- **One year timeline for obtaining necessary clearances:** In order to facilitate successful implementation of the resolution plan by the successful bidder it has been proposed to allow one year time to obtain necessary statutory clearances from central, state and other authorities or such time as specified in the relevant law, whichever is later.

Code Reboot	
<p>1) Home buyers to be treated as financial creditors <i>What it means:</i> Help buyers get home or refund</p>	<p>2) Special dispensation for MSMEs <i>What it means:</i> Promoters eligible to bid; will spur resolution of cos</p>
<p>3) Changes in voting structure, lower threshold for resolution approval <i>What it means:</i> Promote resolution over liquidation</p>	<p>4) Streamlining of eligibility provisions <i>What it means:</i> Will provide clarity on eligibility, reduce dispute</p>

Benefits

- **Homebuyer to get timely delivery:** The bringing homebuyers on par with financial creditors will ensure they get their homes or dues when a developer becomes insolvent.
- **Credit will become more secure:** Moreover it would not just provide relief to homebuyers but also make the financial sector stronger. Banks lend to real estate developers directly. In addition they lend to real estate companies indirectly routed through homebuyers to borrow from the banks. Credit granted through both the routes would become more secure when homebuyers get the status of financial creditors.
- **Bring IBC in consonance with RERA:** The Insolvency and Bankruptcy Law Committee noted that the extant code deprives home buyers of three rights: to initiate the insolvency process, to be on the committee of creditors and the guarantee of receiving at least the liquidation value under the

resolution plan. Granting these statutory rights also brings the code in sync with the Real Estate (Regulation and Development) Act that has created rights in favour of homebuyers.

- **Lower Voting Threshold will promote resolution instead of liquidation:** The lower threshold is to encourage a resolution plan instead of liquidation. A higher limit would allow a few creditors to reject a plan and push the insolvent entity into winding up.
- **Faster resolution of MSME cases:** The allowing promoter of MSMEs to bid is a positive step as there was very little outside interest in MSMEs. This measure would ensure faster resolution of MSME cases.
- **Widening of the pool of bidders will maximize the value of resolution asset:** Widening the pool of bidders will help achieve the public policy goal to maximize the value of the resolution asset.

Hybrid Instruments On Cards to Boost Startups

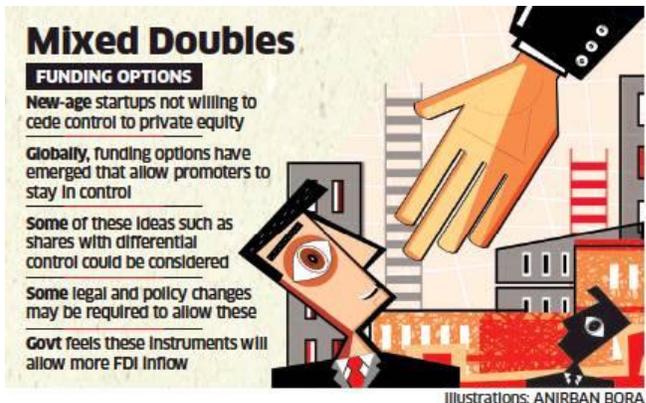
Syllabus: Indian Economy and Issues related to mobilization of resources

In News

- India will soon unveil a wide array of hybrid instruments on the lines of those available in developed markets that will allow promoters to retain control of an entity even with a minority stake a move that will make fundraising easier particularly for startups.
- Hybrid instruments have the characteristics of debt and equity and come with differential voting rights. In a number of IT companies overseas promoters hold less than 15% equity but exercise full control.
- The current policy allows Indian-owned and Indian-controlled companies (with less than 50% foreign holding) to invest in any activity without being subjected to FDI policy conditions. The window is not available if economic interest to foreign investors goes beyond 49%.

Purpose Of The Said Instrument

- **Source of funding:** Globally such funding options have caught on with private equity and venture capital funds a key source of funding for startups.
- **Raising capital without losing control:** The idea is to give companies particularly startups the option to raise funds without the fear of losing control.
- **International best practice:** The US has different classes of shares with differential control. China has a variable interest instrument that allows foreign investors to have only an economic interest in companies in restricted sectors. For example- Facebook stays under Mark Zuckerberg's control by virtue of shares with differential voting rights.



Final Analysis

- Indian startup founders should have the capacity to tap global pools of capital without surrendering their functional autonomy to those who control those pools of capital. Thus shares with differential voting rights are the way out.
- Experts also agree with the need for such instruments but say changes will be required in various laws and regulations such as in exchange control regulations, FDI policy and the Companies Act.

World Economic Situation And Prospects (WESP) Report

Syllabus: Indian Economy and Issues Related To Growth

In News

- *World Economic Situation and Prospects as of mid-2018* report has been released.
- The report is a joint product of the United Nations Department of Economic and Social Affairs (UN/DESA), the United Nations Conference on Trade and Development (UNCTAD) and the five United Nations regional commissions (Economic Commission for Africa (ECA), Economic Commission for Europe (ECE), Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP) and Economic and Social Commission for Western Asia (ESCWA)).

Key Highlights

- According to report, **India's economy** is projected to grow 7.6 per cent in fiscal year 2018-19 (7.5% for 2017-18), remaining the fastest growing economy in the world.
- It said that robust private consumption and benefits from past reforms help the country's GDP gain momentum but sustained recovery in private investment remains a crucial challenge.
- Regarding World Economy, the report said that it is expected to expand by 3.2 per cent in both 2018 and 2019.
- It further said that the recent improvement reflects a further uptick in the growth outlook for developed economies in 2018, on the strength of accelerating wage growth, broadly favourable investment conditions, and the short-term impact of a fiscal stimulus package in the United States.
- Higher levels of energy and metal prices are also supporting a gradual recovery in many commodity-exporting countries. However, the improvement in economic growth has been accompanied by an increase in downside risks, including a rise in the probability of trade conflicts between major economies; increased uncertainty regarding the pace of monetary policy adjustment in developed economies; high and increasing levels of debt; and greater geopolitical tensions.
- Regarding South Asia, the report highlighted that GDP growth in region is expected to strengthen to 6.6% in 2018 and 6.8% in 2019, following an expansion of 6% in 2017. It remains favourable, amid robust domestic demand, strong infrastructure investment and moderately accommodative monetary policies. Moreover, regional inflation is anticipated to remain stable.
- In China, growth is expected to remain solid, supported by robust consumer spending and supportive fiscal policies. Amid ongoing structural reforms, growth in the Chinese economy is projected to gradually moderate from 6.9 per cent in 2017 to 6.5 per cent in 2018 and 6.3 per cent in 2019.
- The report also notes the trade tensions that have been building among many of the world's largest economies. Major trade agreements such as NAFTA have undergone prolonged renegotiation, and a range of tariff and trade barriers have been put forward by major economies.
- It further highlighted that in addition to these measures taken outside the auspices of the World Trade Organisation, a rising number of disputes have been raised within the WTO in recent months, including cases involving Australia, Canada, China, India, Pakistan, South Korea, Russia, Ukraine, the UAE, the US and Vietnam.

Draft National Policy On Domestic Workers Mooted

Syllabus: Indian Economy and Issues Related To Employment

In News

- As step towards formalization of domestic workers, Ministry of Labour and Employment has formulated a draft National Policy on Domestic Workers.
- The United Nation, led by ILO, launched joint advocacy on the theme of Rights for Domestic Workers in 2014.
- The theme stimulated public debate on the rights and equality issues of domestic workers including safety, working conditions, wages, social protection, employer's expectations and employer-employee relationships.

Need For A National Policy On Domestic Workers

- While several legislations such as the Unorganized Social Security Act 2008, Sexual Harassment against Women at Work Place (Prevention, Prohibition and Redressal) Act 2013, and Minimum Wages Schedules notified in various states refer to domestic workers, there remains an absence of comprehensive, uniformly applicable, national legislation that guarantees fair terms of employment and decent working conditions. Implementation of labour laws such as minimum wages and regularized work hours also remain a challenge.
- Tasks performed by domestic workers are not recognized as 'work' and there exists no legal framework where domestic workers can fit in or their rights can be recognized. Unlike other forms of labour market activity, domestic work takes place in an unconventional place of work, i.e. the household. Gaining public acceptance of a household as a place of work is a challenge.
- Majority of domestic workers in India are illiterate as well as low-skilled leading to an environment of exploitation and oppression. Physical and sexual abuse against domestic workers, discrimination on grounds of religion, caste and ethnicity are the issues that are commonly reported.
- Further while India is a signatory to the International Labour Organisation's Convention on Domestic Workers, it has not ratified it yet.
- Therefore, regulating domestic work through a comprehensive national policy is a way to address abuses against domestic workers.

Draft National Policy On Domestic Workers

1. Setting Up Of Boards At State Level

- In accordance with the draft policy, states would set up boards for registration of workers in order to bring them into the fold of social protection. Further, boards are also envisaged at district and resident welfare association level for regulation of domestic workers.
- The board would be set up comprising all stake holders, including officials, domestic workers and employers.
- The wages of the domestic help would be fixed under definite slabs and would be paid by the board.
- The model of disbursing wages is being worked out on the lines of the Mahtadi board in Maharashtra to ensure fair payment to workers.

2. Protection Under Social Security Net

- A model contract for employment with well-defined periods of work and rest.
- Notify minimum wages and work timings.
- The new policy envisages affixing a minimum salary of Rs 9,000 per month, compulsory paid leave of 15 days per year, and maternity leave benefits to full-time domestic employees.
- Right to pursue education.
- Mandatory contribution from the employer towards the provident fund.

- Medical insurance
- Protection from abuse, harassment, violence, trafficking and bonded labour.
- Right to enhance their professional skills
- Inclusion of Domestic Workers in the existing labour laws

3. Right To Form Their Own Associations, Trade Unions

4. Establishment of a Mechanism For Regulation Of Recruitment And Placement Agencies

Criticism

- With 90 per cent of domestic workers being migrants, it is an inter-state issue requiring a Central legislation with centrally-set norms to regulate domestic workers.
- With no mandate for the constitution of a central board, the policy does not address the inter-state disparity.
- Policy framework lacks accountability of the state as it keeps the domestic workers away from the protection of the law. A policy framework does not put any obligations or duties on employers or recruitment and placement agencies.
- While it is important that policy has protection against trafficking, it might impede the right to mobility of domestic workers.
- The implementation of the policy's recommendations will be left to the individual states.

Conclusion

While a national policy is a step in the right direction, a law enacted would be an answer towards a rights-based approach by moving from a law and order paradigm to a rights-obligation model.

India Is Revamping Its Minimum Wage Laws For The First Time In 60 Years

Syllabus: Indian Economy and Issues Related To Employment

In News

- In a move that will benefit the unskilled workers across the country, the Union government is set to introduce a policy draft of the Wage Code Bill 2017 in the upcoming monsoon session of the Parliament.
- The bill largely aims to set a minimum wage for different geographical regions in India.
- It ensures that a state government will not be allowed to set a minimum wage below the central government's benchmark for that industry.

Background

- Currently, there are around 40 state and central laws regulating different aspects of labour, such as resolution of industrial disputes, working conditions in factories, and wage and bonus payments. This affects easier compliance due to overlapping provisions of different laws.
- Further over 90% of the workers in the unorganised sector do not have a written contract, which hampers the enforcement of various labour laws.
- A large proportion of the unorganised sector, which comprises of 92% of the total workforce in the country, is currently not covered by the Minimum Wages Act, 1948.

- In order to increase flexibility in employment, the labour ministry is in the process of condensing 44 labour laws into four codes for every sector, namely, wages, industrial relations, social security and safety, health and working conditions.
- The codification of labour laws will remove the multiplicity of definitions and authorities, leading to ease of compliance without compromising wage security and social security to workers.
- The first step in the overhaul is the introduction of the Code of Wages Bill.

Provisions of Code of Wages Bill

- The bill will subsume laws governing minimum wage and remuneration, viz, the 1936 Payment of Wages Act, the 1949 Minimum Wages Act, the 1965 Payment of Bonus Act, and the 1976 Equal Remuneration Act.
- This will reduce overlap making it easier for businesses to comply with the norms.
- The bill proposes a concept of statutory National Minimum Wage for different geographical areas. It will ensure that no State fixes the minimum wage below the benchmark decided by the Centre for that particular area. This takes into account the widely disparate costs of living in different states and the nature of work in different industries.
- While currently Minimum Wages Act of 1948 applies only to “scheduled companies” with more than a 1000 employees and workers whose pay is below Rs 18,000, the new law would apply to all workers irrespective of their pay across India in different sectors.
- The new bill also proposes the payment of wages to beneficiaries through electronic means, for the purpose of monitoring.
- The bill also allows the central government to set a minimum overtime wage as twice the normal minimum wage.
- It also provides for an appellate authority between the claim authority and the judicial forum which will lead to speedy, cheaper and efficient redressal of grievances and settlement of claims.
- The minimum wage levels will be assessed & revised every 5 years by central and state govts.

Criticism of Code of Wages Bill

- Currently, the Equal Remuneration Act, 1976 prohibits employers from discriminating in wage payments as well as recruitment of workers on the basis of gender. It is said that the Code does not explicitly prohibit gender discrimination at the stage of recruitment.
- The small businesses might slow down on hiring on account of higher wage bills.
- A hike in minimum wages could compel companies to hire employees on a temporary basis. Therefore, the workers stand to lose job security.
- The burden of higher labour costs would be offloaded to customers.
- Trade Unions have argued that the new rules would endanger the rights of the workers and weaken the unions.

Way Forward

- The government needs to supplement the minimum wage code with policies that enable the formalisation of the economy and make hiring-and-firing easier.
- Further the government should expedite the process of codification of industrial relations, social security and safety, health and working conditions in order for the Code of Wages to work in accordance with the intended benefit.

Government to Push for Labour Bills

Syllabus: Indian Economy and Issues Related To Employment

In News

- The labour ministry has been asked to speed up the passage of worker friendly legislation and put on hold or slow down any laws that could be perceived to be against the interests of the country's 500 million strong labour force.
- Reforms that could be fast tracked include labour codes on wages, universal social security and those on occupational safety, health and working conditions at commercial establishments.
- However work on the controversial code on industrial relations parts of which make it easier to fire workers and was drafted in 2015 is unlikely to move forward despite the original bill having being toned down to reassure workers.

Details Regarding Labour Legislation

- **Wages bill:** The wages bill seeks to empower the Centre to set a minimum wage across sectors that states will have to abide by. It also aims to streamline the definition of wages by amalgamating four related statutes i.e. the Minimum Wages Act, 1948; the Payment of Wages Act, 1936; the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.
- **Code on social security:** As part of the code on social security the government has proposed a comprehensive system to provide retirement, health, old age, disability, unemployment and maternity benefits to the country's 500 million workers, including farm labour.
- **Code on occupational safety, health and working condition:** The draft code on occupational safety, health and working conditions (OSH) proposes to make the workplace free from hazards that can cause injury or disease and ensure dignity and wellbeing at the workplace. The code also makes it mandatory for establishments having at least 10 employees to give each one an appointment letter.
- **Labour code on industrial relations:** The Labour Code on Industrial Relations Bill was to allow factories with up to 300 employees to retrench workers and shut down without seeking government permission up from 100 workers now. The other was a proposal to ensure that trade union office bearers in a unit had to be employed there.

Pay Day
Government tries to push labour-friendly laws ahead of elections

ON THE AGENDA
Codes on safety, social security and minimum wages
Code on wages will ensure mandatory minimum wages to all
Social security code to give medical, maternity, disability benefits and pension to all
Code on occupational safety to ensure all get to work in safe environment

BENEFICIARIES
500 M WORKERS IN THE COUNTRY
Organised, unorganised and farm workers – all to benefit
Domestic helps will benefit from these legislations
Codes will ensure greater ease of doing business

Final Analysis

- Labour must be aligned with the dynamics of growth in a globalized economy. Indeed it should protect workers but should also give more flexibility to employers to adjust to market needs.
- The long dither over reforming industrial relations must end. Companies need more leeway than what they have at present to hire and dispense with labour. The laws for flexible hiring and retrenchment should factor in a mandatory social security net.
- The larger point is for workers to adjust to the industrial structure and practices to match the dynamics of growth. Aligning their interests with those of the company should be the goal.

The Issue Over Job Growth As Shown By EPFO Data

Syllabus: Indian Economy and Issues Related To Employment

In News

The government has recently claimed that seven million new jobs have been created in the formal sector. Their claim is based on the increase in registration under the Employees Provident Fund (EPFO), National Pension Scheme and Employees State Insurance Corporation. In these the payroll data concludes that over 3 million jobs were created between September-February (2017-18).

Question Raised Over The Employment Data

- **Slow economic growth:** Seven million new jobs on a base of about 50 million in the formal sector would represent a growth of 14 per cent. But experts says that this is unlikely when the economy's growth rate plummeted after demonetisation and implementation of GST.
- **Increase due to the change of the requirement for the registration:** Earlier only the employers who had more than 20 employees on their rolls were required to register under the EPFO. In 2016 this was changed to employers employing more than 10 employees. Since in India most firms employ less than 20 employees the numbers of those eligible for enrolment would have shot up. So this is just a definitional shift from informal to formal employment and does not represent an increase in total employment.
- **Increase due to the incentive offered by the government:** The other factor that has been encouraging enrolment in the EPFO is the concessions offered like contribution of 8.33 per cent of Employee Provident Fund (EPF) for new employees by the Government for three years and contribution of 12 per cent of EPF for new employees for three years by the Government in sectors employing large number of people like textile, leather and footwear. Other concessions include additional deduction to the employers of 30 per cent of the wages paid for new employees under the Income Tax Act. Thus it will be highly profitable to the firms to employ new employees and register them under EPFO.
- **Multiple EPFO accounts:** The other issue is in the EPFO data i.e. it was the employer's responsibility to register the worker. But sometime the old account is not merged with new one when the employee changes the employment. Thus leading to one employee having multiple EPFO account.
- **Increase due to the GST:** The Goods and services tax (GST) may have also triggered companies to register and added to the EPFO enrollment numbers, which is not equivalent to creating a new job.
- **Replacement of older employee by newer employee:** Since the concessions are for new employees it is also possible that the older employees are being replaced by newer ones and being enrolled. And if the older employees remain on the EPF rolls then the number would just increase without new employment.

About EPFO

- The Employees' Provident Fund Organisation (EPFO) is an Organization tasked to assist the Central Board of Trustees, a statutory body formed by the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and is under the administrative control of the Ministry of labour.
- EPFO assists the Central Board in administering a compulsory contributory Provident Fund Scheme, a Pension Scheme and an Insurance Scheme for the workforce engaged in the organized sector in India.
- The total assets under management are more than Rs 8.5 lakh crore as of 18 March 2016.

Conclusion

Thus, there is a need to overcome the existing lacuna in data collection for the employment. Moreover the regular data should be collected by following International best practices to make informed policy decisions.

Rupee Rout

In News

- The Indian currency sunk to a closing low of 68.07 against the U.S. dollar i.e. its lowest level in 16 months. The rupee already one of the worst performing Asian currencies has now weakened 6.2% in 2018.
- Despite a depreciating currency India's merchandise exports are stumbling instead of gaining from the opportunity. In April 2018 it clocked a sharp decline in exports from employment-intensive sectors such as readymade garments and gems and jewellery. The trade deficit has consequently widened to \$13.7 billion in April, compared to \$13.25 billion in the same month in 2017.

Reason Behind Rupee Depreciation

- **Rise in crude oil prices:** The rise in crude oil prices through this year amidst rising geopolitical tensions in West Asia and dwindling global supply have obviously hurt the rupee and the trade balance.
- **High CAD:** India runs a persistent Current Account Deficit (CAD). That is the country's dollar outflows towards import of goods and services usually exceed its dollar earnings from exports. The wider this gap between the greenbacks flowing in and those flowing out the more is the scramble for dollars in India leading to a weaker rupee.
- **Tightening of USA monetary policy:** Oil prices apart the tightening of USA monetary policy has almost always spelled trouble for emerging market economies hooked to Western capital inflows. FPIs will prefer to invest in their home country as the arbitrage gain while investing in India and emerging markets will decline. A weakening rupee will also lower returns, which will in turn impact future inflows.

Impact Of Fall Of Rupee

- **Impact importers:** Importers will be hit as the cost of getting goods or equipment into India will increase. When the rupee weakens importers especially oil companies and other import-intensive companies have to shell out more rupees to buy an equivalent amount of dollars.
- **Impact on oil sector:** For the oil sector it is a double whammy as the rise in crude prices and the decline in rupee value add to retail fuel prices. Margins of oil companies will come under pressure.
- **Impact on exporters:** Exporters especially software exporters stand to benefit as they get more rupees while converting dollar export earnings into Indian currency. This is expected to boost exports, which have been showing single-digit growth.
- **Increase inflationary pressure:** Crude prices are expected to rise further this year and imports are expected to grow by at least 14%. Also the rise in import costs as a result of a weak rupee can boost inflationary pressures.

Key drivers of exchange rates

Most fundamental indicators are in the safe zone, but liquidity is a problem

	Unit	2012-13	2017-18
Current Account Deficit	\$ billion	87.8	49*
CAD to GDP	%	4.8	2*
Monthly imports	\$ billion	41	39
Monthly exports	\$ billion	25	25
Global Crude oil prices -Average	\$/barrel	92	54
Inflation rate CPI	% yoy	8.4	4.6
RBI's Forex Assets (Year end)	\$ billion	270	396
Import cover	times	6.5	10
FDI Equity flows	\$ billion	22	48*
FPI Equity flows	\$ billion	25.8	3.9
FPI Debt flows	\$ billion	5.2	18.4
Total FPI Flows	\$ billion	31	22.3



Foreign flows over the years*

\$ Billion	FDI Flows	FPI Flows
FY08	25	20
FY09	31	-15
FY10	26	29
FY11	21	29
FY12	35	17
FY13	22	28
FY14	24	5
FY15	31	41
FY16	40	-4
FY17	43	8
FY18**	36	20

* Full year numbers estimated based on first nine months
 ** Nine months
 # FDI flows include only equity flows. FPI flows are net of sales
 Source: DIPP

- **Impact on overseas traveller and students:** A weak rupee is making overseas travel costlier this holiday season a traveller will have to shell out more rupees to buy dollars. Students studying abroad too will see their costs rise.
- **Increase in remittances:** These are good times for those who receive remittances from abroad. According to the World Bank the Indian diaspora remitted about \$69 billion in 2017. The value of these remittances in bank accounts in India rises as the rupee depreciates against the dollar.

Way Forward

- The currency's fall and rise can be both negative and positive depending on the macroeconomic situation, inflows, crude prices, strength against other currencies, real effective exchange value etc. A strong rupee can hurt exports but a weak rupee can push up the import bill.
- A hike in the RBI's benchmark interest rates could stem the capital exodus but with core inflation picking up and the government keen on a rate cut as a growth catalyst the RBI has an unenviable dilemma on its hands. Policymakers blessed with relatively benign external economic conditions after the taper tantrum of 2013 will have to find means to spur exports i.e. whether by facilitating swifter GST refunds or taking on tariff and non-tariff barriers from the developed world. Efforts to diversify India's energy basket also need greater stress.

FDI Confidence Index 2018

Syllabus: Effects of liberalization on economy

In News

- Foreign Direct Investment (FDI) Confidence Index 2018 has been released by global consultancy firm A T Kearney.
- The index is an annual survey which tracks the impact of likely political, economic and regulatory changes on the FDI preferences of chief executive officers and chief financial officers. It was created in 1998.
- The Index is calculated as a weighted average of the number of low, medium and high responses to questions on the possibility of making a direct investment in a market over the next three years.
- India's ranking fell three places to 11th spot in the index. Last year, India was ranked eighth. Its position was pushed out of the top 10 for the first time since 2015.

Key Highlights

- Top 10 Countries in the Index - United States (1st), Canada (2nd), Germany (3rd), United Kingdom (4th), China (5th), Japan (6th), France (7th), Australia (8th), Switzerland (9th) and Italy (10th).
- China falls three spots to 5th place this year, the lowest ranking of the country in the history of the Index. Switzerland and Italy entered the top 10 for the first time in more than a decade, pushing out India and Singapore to 11th and 12th spots, respectively.
- Asia Pacific region - Investors preference for the region seems to have declined slightly as only seven Asian countries appearing on 2018 Index.
- Also, this year marks an all-time low for the share of emerging markets on the Index. Just four emerging markets appear among the top 25 countries for FDI intentions -China, India, Mexico, and Brazil. This suggests that confidence in investing in specific emerging markets has declined.

India Specific Observation

- The report said one factor for the fall could be the coming elections in India, as investors are likely to be monitoring political risks. It also said that some policies – such as implementation of nationwide Goods and Services Tax (GST) and 2016-demonetization initiative, might have deterred investors, at least in the short term.
- India has retained its position as the second highest ranked emerging market on the Index. This is due to the sheer size of Indian market.
- A variety of recent reforms, which includes the abolition of the Foreign Investment Promotion Board (FIPB) in 2017 and liberalisation of FDI thresholds for the retail, have made the country more business friendly, such as, aviation and biomedical industries.
- The report highlighted that investors based in the Americas and in the industry sector rank India the highest in terms of intention to invest there. This confidence could be a result of the government’s ‘Make in India’ initiative, which aims to boost investment in India’s manufacturing sector, as well as its pursuit of closer ties with the US.

Walmart To Buy Control Of Flipkart

Syllabus: Changes in industrial policy & their effects on industrial growth.

In News

- US based retail giant Walmart said it will invest \$16 billion to acquire a 77 per cent stake in Indian e-commerce major Flipkart a deal that is the biggest M&A (merger and acquisition) in India so far higher than the \$12.9 billion acquisition of Essar Oil by a consortium led by Russia’s Rosneft in 2016.
- Walmart’s investment, which primarily comprises purchase of Flipkart stock from existing shareholders that include Japan’s Softbank Group, online marketplace eBay, South African technology firm Naspers and Flipkart co-founder Sachin Bansal will include \$2 billion of new equity funding.
- India’s e-commerce market is projected to grow four times faster than total retail over the next five years. While the consolidated retail segment is seen growing only 9% between 2017-18 and 2022-23 the e-commerce segment is expected to grow by around 36%.

It's a deal
U.S. retail behemoth Walmart broke into India's rapidly growing e-commerce market with its biggest acquisition yet for a controlling stake in the online retailer Flipkart. Details of the deal:
Walmart CEO Doug McMillon and Flipkart Co-Founder Binny Bansal in Bengaluru on Wednesday. • PTI

Investment: The \$16 billion investment includes \$2 billion of new equity funding, which will help Flipkart 'achieve its growth potential'

Stake: Walmart's stake is about 77%. Rest will be held by existing shareholders, including Binny Bansal, Tencent Holdings Ltd, Tiger Global Management LLC, and Microsoft Corp.

Key figures of Flipkart
\$7.5 billion Total dollar value of orders processed by Flipkart's marketplace in FY2018
54 million Customers who transacted at least once in the last 12 months
261 million Number of units sold in the last fiscal

Gross merchandise value of Indian e-commerce market
 Year: 2017: \$33 bn
 Year: 2027*: \$200 bn

* Projected | Source: Morgan Stanley, Economic Survey

Implications Of The Deal

- **Leverage Flipkart position:** The deal marks the entry of Walmart into the Indian consumer retail business and gives it the ability to leverage Flipkart’s customer insight into the Indian market and its strength areas such as the fashion apparel segment and smartphones.

- **Growth of competition:** Flipkart that is pitted in a neck-and-neck battle for market leadership against Amazon would be able to cash in on Walmart's omni-channel retail expertise, grocery and general merchandise supply-chain knowledge and financial strength.
- **Largest FDI:** The deal is very positive for both e-commerce and the retail sector in general. The sector will now be known as the custodian of the largest FDI deal in India overtaking the \$12.9 billion Rosneft acquisition of Essar Oil.

Opposition To The Deal

- **Disadvantage to the retail players:** The retail players have opposed the deal, as it will create uneven level playing field to the disadvantages of retail traders. Moreover retail player claims that it is an attempt by Walmart to control and dominate India's retail trade through e-commerce, which was only a bridge to reach out to the offline retail market.
- **Violation of FDI guidelines:** Some expert have opposed the deal on ground that E-commerce companies have not been adhering to FDI guidelines by directly or indirectly participating in under pricing and discounting.
- **Predatory pricing and deep discount:** It has also been claimed that in the absence of any e-commerce policy predatory pricing and steep discounting by e-commerce firms with deep pockets could edge out smaller rivals.

Final Analysis

- The big battle for Indians e-tail space for now will play out between two of America's biggest companies. It is important to assess if and how the U.S. firm will integrate Indian suppliers into its international operations. Most importantly it is time to nuance the debates that have dominated India's retail FDI policy big versus small, local versus foreign to create a truly level playing field where all can compete without artificial safeguards that can be overcome via such deals.
- Moreover the Indian retail market is big enough to accommodate players across multiple formats from small mom-and-pop stores to organised supermarket chains and online marketplaces. The interests of Indian consumers as well as producers be it farmers, fishermen or artisans are best served when there is competition in the market for supply and demand of goods and services. The government should ensure fair competition.

Holding Cos For CPSEs May Be Set Up To Boost Corporate Governance

Syllabus: Changes in industrial policy & their effects on industrial growth.

In News

- The government is looking to set up holding companies in sectors such as railways, steel, power, petroleum and fertilizers in a bid to improve corporate governance at central public-sector enterprises (CPSEs).
- The holding companies will manage the entities at arm's length from the government.
- Already an exercise is on to merge similar CPSEs, which will lead to economies of scale and also access to cheaper international funding.

Benefits

- **Insulation from interference:** The measure will help create a level of separation between government and the company insulating it from interference.

- **Corporate governance:** Such model will be a step towards enforcement of the corporate governance norms in the public sector companies.
- **Other benefits:** It will also give CPSE the capacity to bear higher risks, avail economies of scale, take higher investment decisions and create more value for the stakeholders.
- **Best practices:** The similar structures are in place in countries such as France, Norway, Singapore and Malaysia.

GAIL's Unbundling Plan

Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

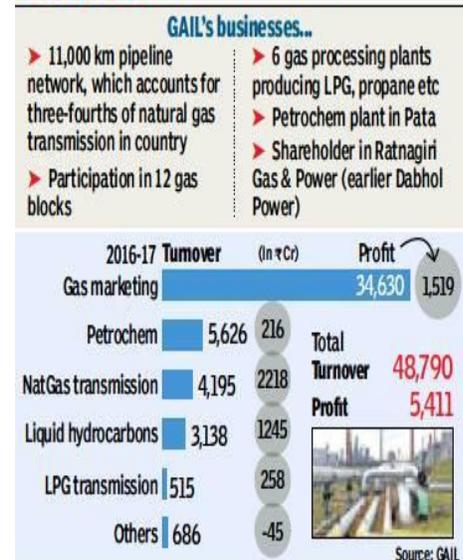
In News

- The government is considering unbundling the GAIL's (Maharatna company) marketing and transport businesses.
- The sector regulator Petroleum and Natural Gas Regulatory Board (PNGRB) has been asked to resolve the apparent conflict of interest arising out of the fact that GAIL (India) Limited is both a transporter and marketer of natural gas.

Purpose/Benefits

- **Preventing abuse of monopoly and ensuring fair competition:** The move is aimed at preventing purported abuse of GAIL's monopoly position and is meant to ensure an even and fair playing field for several other companies involved in natural gas business.
- **Avoiding conflict of interest:** GAIL is both a transporter and marketer of natural gas thus there is a need for separate entities to avoid conflicts of interest as the gas market in India is poised for explosive growth.
- **Progressive decision:** GAIL already maintains separate accounts for its pipeline and marketing businesses thus the decision of unbundling is the natural cause of action.
- **Boost up investment and competition:** It will also boost the investments and shore up competition in pricing and supply.
- **Increase the use of natural gas in India's energy mix:** Natural gas is the cleanest and most efficient fossil fuel but it accounts for a lowly 6% in our commercial energy mix and the target is to increase the usage to 15% by 2030. The way forward is to step up investment in gas pipelines and attendant infrastructure for pumping and storage for which the investment requirement is put at \$20 billion. Besides, we need multiple gas marketers to competitively seek custom and match demand with supply. Hence the urgent need to split GAIL into separate entities.

DECODING OPERATIONS



Way Forward

- The decision is the step in right direction besides this we need a gas trading hubs for better price discovery in the domestic market and also have futures and options in gas.
- And we also need to shelve the administered gas-pricing regime that is linked to the going rates in distant mature markets that do not reflect scarcity value here at home and opt for truer market determined prices instead so as to boost supply.

- Further we need sound regulatory oversight of the gas market for investor comfort.

Enhanced Recovery: Oil Companies To Be Offered Sops

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- With a view to ramp up production from ageing hydrocarbon fields in the country the ministry of petroleum and natural gas has drafted a Cabinet note for outlining financial incentives and eligibility criteria for contractors opting for enhanced recovery (ER) methods.
- Enhanced recovery denotes techniques used to boost production of existing oil and gas fields. These techniques are crucial for India given its falling production and increased dependence on hydrocarbon imports.
- As per Directorate General of Hydrocarbon (DGH) estimates though there will be a loss of \$3.6 million per annum to Centre due to reduction in share from profit petroleum or revenue-sharing it stands to gain around \$387 million and the states around \$212 million per year even if recovery rate of remaining in-place volume goes up 5% in case of oil and 3% in case of gas. Thus the government expects the overall net impact of the programme to be financially positive.
- The initiative will boost investments and attract frontier technologies to maximize India's hydrocarbon recovery. Vedanta Cairn has been using polymer enhanced oil recovery methods in its Barmer (Rajasthan) fields.

Sops for Recovery

Incentives in DGH's draft policy:

Operators to get **weighted deduction of up to 150%**

To get **50% cess waiver** on crude output for 10 years

GAS PRODUCERS Sops equal to **10%** of wellhead price on output

OFFSHORE FIELDS

Waiver of applicable royalty

ONSHORE FIELDS

Discount in share of profit or revenue share



Proposed Incentives

- **Oil fields which are included:** The draft proposes to include all oil fields offered across regimes i.e. nomination era, pre-New Exploration Licensing Policy (Pre-NELP), NELP, Discovered Small Field Policy and Hydrocarbon Exploration Licensing Policy in the programme.
- **Contractor covered:** Contractors going for improved recovery (IR) and unconventional hydrocarbon production methods apart from ER, will be covered.
- **Improved recovery fields:** Fields opting for IR methods however will be eligible on crossing increase in production above 60% for oil and 80% for gas. Current recovery is referred to the ratio of cumulative production from a field at the end of the year against its total in place reserve.
- **Waiver of royalty:** A 10 years waiver from the oil cess/royalty on gas and cut in revenue-share/profit petroleum obligations (linked to enhanced production) are among the incentives being planned.
- **Waiver for gas fields:** For gas fields a waiver of 75% of applicable royalty has been proposed though it will be capped at \$0.4 MMBTU for offshore fields and \$0.3 MMBTU for onshore ones. However in case of onshore fields contractors will have to continue payment to the state government and deduct the same from the share of the Centre.
- **ER committee:** An ER committee with officials from the petroleum ministry, DGH and external experts will be constituted who will review and approve proposals made by contractors.

Price Freeze: On High Fuel Prices

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The price of oil has been shooting up for weeks now, with Brent crude oil futures hitting their highest level in more than three years at more than \$75. But for two weeks now, the state owned oil companies have kept petrol and diesel prices unchanged.
- Since April 24 the oil companies have abandoned the daily price revision. This is a glaring freeze given that since the Centre introduced the dynamic pricing mechanism in June last year allowing oil marketing companies (OMCs) to revise fuel prices daily

The Reason

- **Political reason:** The retail price of petrol is a hot political subject and successive governments at the Centre are routinely held responsible for it. It is therefore speculated that the OMCs are under pressure from the government to withhold upward revisions in the days before Karnataka goes to the polls.
- **Taxes and levies:** Reducing taxes and levies straightaway to bring down retail prices is a sore temptation. As the retail taxes and cess form a very significant part of budgetary resources and a sudden drop in these imposts would widen the fiscal deficit, raise central borrowings and step up inflation.
- **USA withdrawal from Iran deal:** With US President Donald Trump deciding to pull out of the Iran nuclear deal oil is set for another round of higher prices.

Final Analysis

- The way forward is for the Centre to continue with the current regime in which oil-marketing companies calibrate prices on a daily basis. In tandem the government should open up the retail market providing open access to transport and storage infrastructure so that competition would take the flab out of the retail business.
- The government should opt to ease the burden of fuel taxes. The best way to do this might be to bring domestic fuels under the purview of the goods and services tax. For now there is enough room to bring down prices by reducing excise duties on oil.

Moderating Retail Fuel Prices

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

WHAT

- Global crude oil price has surged to nearly \$78 per barrel
- This is the highest price since Nov 2014, the first year of the Modi govt
- Oil futures in China, the biggest buyer of Iranian crude, rose 4.5%

WHY

- US President Donald Trump is determined to impose sanctions on Iran
- Iran produces 4% of the world's oil
- The latest surge comes on top of production cuts by oil cartel Opec
- Opec's hands were strengthened as top producer Russia is also supporting the cartel

WHAT NEXT

- International analysts are already talking of oil's return to \$90-\$100
- Geo-political situation in the Middle East can be as volatile as the oil the region pumps
- There is scant hope of EU rejecting the sanctions as it is not likely to abandon the US for Iran

WHAT CAN MAKE PRICES FALL?

- US shale oil production is getting very profitable. This can significantly raise supply
- US oil output has risen 26% in the past year to 10.7 million barrels per day
- Oil output in USA is just a little lower than top producer Russia's 11 million bpd
- Opec members are very prone to cheating on their quota and over-produce

WHAT CAN THE GOVT DO?

- It can let market forces operate, which will discourage consumption and keep fiscal situation intact
- It can reduce taxes. Last time oil was at this level, in Nov 2014, petrol was ₹10 cheaper than now.
- Government may raise subsidies and ask ONGC to sell oil at a discount to state refiners
- Any move to subsidise transport fuels would be unfair to private retailers Reliance, Essar Oil and Shell

OIL'S HIGH STAKES IN INDIA

Crude oil imports in 2017-18	\$80 billion
Oil PSU Capex 2016-17	₹106,133 crore
Contribution to Central revenue	₹334,534 crore
Percent of Central revenue receipt	24%
Contribution to states revenue	₹189,770 crore
Percent of state revenue	8%

In News

- The Brent crude has crossed \$60 a barrel, while breaching the \$70 level towards end-March and going beyond \$80 on a few occasions this month. Suddenly, the country's external vulnerabilities are getting exposed. The CAD, which plunged from \$88.16 billion in 2012-13 to \$15.30 billion in 2016-17, is likely to have trebled to \$45-50 billion during the fiscal just ended and projected to hit \$75 billion in 2018-19.
- But of equal concern is the pressure now on the Modi government to reduce excise duties on petrol and diesel. The increase in duties had resulted in a huge spike in the Centre's excise collections from petroleum products — from Rs 88,600 crore to Rs 2,79,005 crore between 2013-14 and 2016-17. Any reduction now will be at the expense of the fiscal situation. And even assuming excise duties are slashed by a rupee or two now there is no guarantee that global prices will not surge further.
- Equally ill-advised would be any move to restrain public sector oil marketing companies (OMC) from hiking prices or asking the state-owned crude producer ONGC to supply to domestic refiners at \$70 a barrel or below.
- The government is still deliberating options to bring down soaring retail oil prices, which have been raised daily for over ten days now following non-revision over weeks in the run-up to elections in Karnataka against the backdrop of hardening crude prices and a weaker rupee.

Suggestion For Moderating Fuel Prices

- **Rationalization of levies:** The way ahead is to rationalize central and state levies on oil products before dumping the burden on oil companies.
- **Converting state levies to fixed rate rather than ad valorem:** The central excise duty and cess on petrol and diesel are levied at fixed specific rates as so many rupees per kilolitre to better manage volatility in global oil prices. However retail taxes on automotive fuels levied by state governments are at ad valorem rates as a percentage of price. This serves to amplify the retail price increase when crude prices rise. It would be sensible to convert the state-level levies on petro-fuels also to fixed specific rates.
- **Bringing fuel under GST:** Further taxes on petrol and diesel need to be modernised and automotive fuels brought under the goods and services tax regime. Instead of tax on tax and cascading rates across the production value chain of the main oil products provision for tax set-offs at each stage will lighten the impact of higher fuel prices on the cost of logistics and energy. Thus GST may not stop prices from moving up, but will at least ensure no cascading of taxes.
- **Reforming retail oil market:** The government should throw open the market to independent fuel retailers (IFR). In India the OMCs also operate refineries. An Indian Oil Corporation, therefore, has an interest to source petrol or diesel only from its own refinery in Panipat or Paradip. IFRs, on the other hand will buy or import from wherever it is the cheapest. This is what true deregulation is as opposed to mere cost-plus daily price revisions as is the case now.

First Crude Oil Cargo from Abu Dhabi for India's Strategic Crude Oil Reserve

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The historic first cargo of crude oil from the Abu Dhabi National Oil Company (ADNOC), destined for the Indian Strategic Petroleum Reserves Ltd (ISPRL) has been loaded and is en-route to India.

VAJIRAM & RAVI

- The cargo is the first under an agreement between ADNOC and ISPRL, an Indian government-owned company mandated to store crude oil for strategic needs, to locate 5.86 million barrels of ADNOC crude oil at the Karnataka facility in the Indian city of Mangalore.
- The implementation of the strategic reserve agreement follows ADNOC's announcement, in February 2018, that an Indian consortium of three companies, comprising ONGC Videsh, Indian Oil Company and Bharat Petro Resources Ltd., had been awarded a 10 percent interest in Abu Dhabi's new offshore Lower Zakum concession.

Significance

- This comes in the backdrop of a spike in oil prices with President Donald Trump pulling US out of a 2015 historic accord with energy rich Iran that was inked to curb the Islamic Republic's nuclear programme in return for ending sanctions.
- Also, there has been a rally in international crude oil prices due to a combination of factors such as Opec and Russia cutting supplies, falling production in Venezuela and geopolitical tensions.
- The strategic reserve will provide a boost to India's energy security and help India deal with supply side disruptions.
- In addition to helping to ensure energy security, the oil storage facilities enable ADNOC to efficiently and competitively meet market demand across Asia.
- The strategic reserve project represents an important new energy partnership with India that leverages the UAE and ADNOC's expertise and oil resources. With this partnership, new market opportunities will open up for ADNOC.

Indian Strategic Petroleum Reserve

- The Indian Strategic Petroleum Reserve (ISPR) is an emergency fuel store of total 5 MMT (million metric tons) of strategic crude oil enough to provide 10 days of consumption.
- The reserves are maintained by the Indian Strategic Petroleum Reserves Limited.
- India's strategic crude oil storages are located at Vizag (1.33 million tonnes), Mangalore (1.5 million tonnes) and Padur (2.5 million tonnes).
- In the 2017-18 budget, it was announced that two more such caverns will be set up Chandikhole in Jajpur district of Odisha and Bikaner in Rajasthan as part of the second phase.
- The construction of the Strategic Crude Oil Storage facilities is being managed by Indian Strategic Petroleum Reserves Limited (ISPRL), a Special Purpose Vehicle, which is a wholly owned subsidiary of Oil Industry Development Board (OIDB) under the Ministry of Petroleum & Natural Gas.

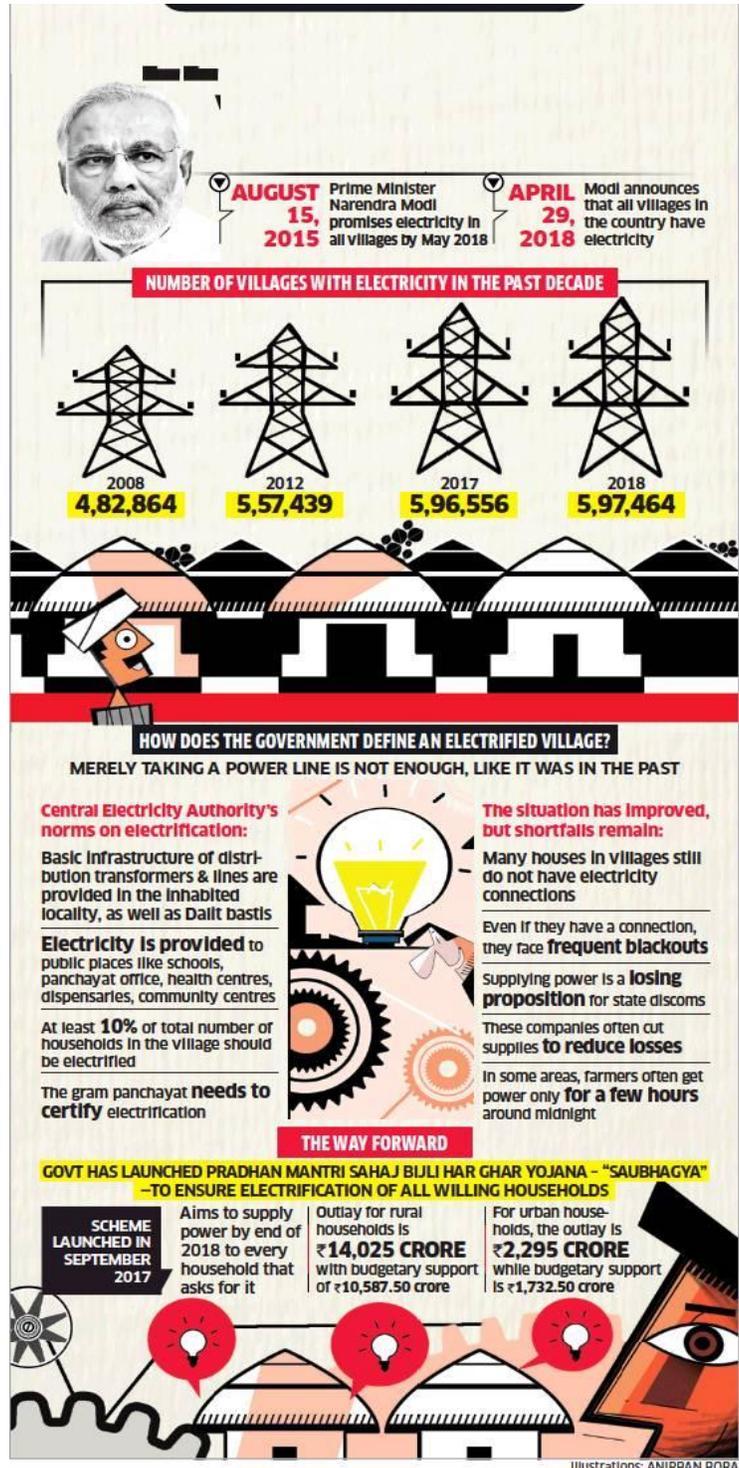
All Indian Villages Now Have Access To Power Supply

In News

- Manipur's Leisang village became the last non-electrified inhabited village to join India's mainline supply network an important milestone in the country's journey towards universal electricity access. This means that all 597464 inhabited villages in the country now have access to power.
- The last inhabited village to be powered through the off-grid system i.e. isolated supply networks mostly with solar power plants was Pakol also in Manipur.
- While basic infrastructure such as distribution transformer and lines need to be set up in inhabited localities including Dalit hamlets a village is considered electrified if 10 per cent of its households and public places such as schools, panchayat office and health centre have access to electricity.
- The seeds of 100 per cent village electrification were sowed with the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJUY). One of the key objectives of the DDUGJUY was to achieve 100 per cent village electrification. It also envisaged separating feeders, strengthening distribution network, metering at all levels and setting up micro grid and off-grid distribution networks.

Challenges

- **Electrification of household:** Village electrification and household electrification are different things. After electrifying all villages the real challenge now is to feed power to each household villages a task being undertaken through the Saubhagya scheme.
- **Wide variation across the states:** Data on the official website for the scheme showed that in 2017 of the 18 crore rural households around 82 per cent or 14.8 crore were electrified. But there was wide variation across states with those such as Tamil Nadu and Andhra Pradesh showing 100 per cent coverage, while only 55 per cent of the households in Uttar Pradesh and 48 per cent in Jharkhand were electrified.



- **Issue over quality of supply:** While electricity has reached villages the quality of supply remains an issue because loss making state distribution companies often cut supplies to reduce losses. This understates actual demand for power.
- **Poor transmission infrastructure:** In addition to the shortfall in supply many towns and villages face power cuts due to poor transmission infrastructure and problems with transformers. Moreover the issue of theft, damage and lack of technical capacity also poses serious hurdles.
- **Issue of affordability:** A study had found that among the 50 per cent of households without an electricity connection a whopping two thirds had not taken an electricity connection despite having the electricity grid in the vicinity. These households have cited the main reasons as affordability of the connection charges and monthly charges and unreliable supply.

Way Forward

- Rural electrification in India has been a long effort achieving rapid growth from the Third Plan to the Twelfth Plan but getting affordable power to every household needs sustained policy support. The next step should be to focus on providing connection to all households and ensuring adequate power supply to these homes.
- The answer may also lie in a hybrid solution that ensures continued scaling up of both grid connected and standalone solar systems in appropriate areas augmenting conventional sources of electricity with a clear emphasis on rooftop solutions for cities.

The State Of Energy Poverty: On The Goal Of 100% Electrification

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- There is now 100% village electrification in India an important milestone in the country's development trajectory. At the time of Independence, while the major global economies were completing electrification.
- But at the same time question arises that whether these developments mark an end to India's energy poverty.

Challenges In 100% Electrification

- **Electrification at the household level:** India continues to harbour energy poverty; 31 million rural households and about five million urban households are still to be connected to the grid the highest in any single country.
- **Quantity and quality of supply:** At the same time a significant portion of connected rural households is yet to get adequate quantity and quality of supply.
- **Regional imbalance in access to electricity:** The regional imbalances in electricity access have persisted. Seven States (Uttar Pradesh, Bihar, Odisha, Jharkhand, Assam, Rajasthan and Madhya Pradesh) account for 90% of un-electrified households.
- **Indebted distribution companies:** The Electricity distribution companies (discoms) in these seven States are already highly indebted accounting for 42% of accumulated debts of all discoms as on March 2016.
- **Challenges in distribution:** The other major challenge is from distribution network capacity. Electrification in India has followed an approach of expansion often driven by political considerations without much emphasis on capacity augmentation and making the grid future ready. As a result the

distribution infrastructure is overburdened as the demand has grown causing a high level of technical losses and frequent breakdowns.

- **Funding constraints:** The available funding support has been short of the growing requirement. Moreover many States have failed to utilize the limited funding. Current allocations under the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) to augment rural and urban distribution networks are only a fraction of the requirement. Moreover, disbursement of these grants has been much slower reflecting sluggish implementation.

Conclusion

100% electrification will depend on the ability of the Centre and States to generate required capital investments, timely upgradation in transmission and distribution networks and covering the costs of servicing less remunerative loads.

Phase I of Dedicated Rail Freight Corridors Near Completion

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

- The first phase of the 81000 crore dedicated rail freight corridors project is likely to be completed in November 2018. The 3300 km long corridors being constructed to connect the mainland with the ports on the western and the eastern coasts of the country are scheduled to be fully completed by 2020.
- Currently the Delhi-Mumbai rail route is highly congested at present because of the high volume of container traffic, which slows up the passenger trains. While the Delhi-Kolkata rail route on the other hand passes through the coal belt of Jharkhand, which has a high density of coal carrying trains.

Other Details Regarding Dedicated Freight Corridor

- **Freight corridor:** The 1500 km western freight corridor runs from Dadri near Delhi to Jawahar Lal Nehru Port Trust in Mumbai and the 1800-km eastern corridor is from Ludhiana in Punjab to Dankuni in West Bengal.
- **Funding:** The construction of the western corridor is being fully funded by the Japanese International Cooperation Agency, which has provided around Rs 33000 crore as soft loan. The eastern corridor is being partially funded by the World Bank.
- **The reason for delay:** The targeted completion of the project, for which work started in 2010, was 2016-17, but it got delayed because of land acquisition hurdles, environment clearances and the slow pace of Indian Railways and the freight corridor corporation.
- **Reduce the travel time:** Once thrown open the western and the eastern corridors will reduce travel time between Delhi and Mumbai and Delhi and Howrah the two most congested rail routes in the country for both passengers and goods.
- **Freight carrying capacity and cost:** Once operational the corridors will increase the national transporter's freight carrying capacity to around 2300 million tonnes up from 1200 million tonnes at present and help reduce cost of freight transportation.



DoT Releases Draft National Telecom Policy

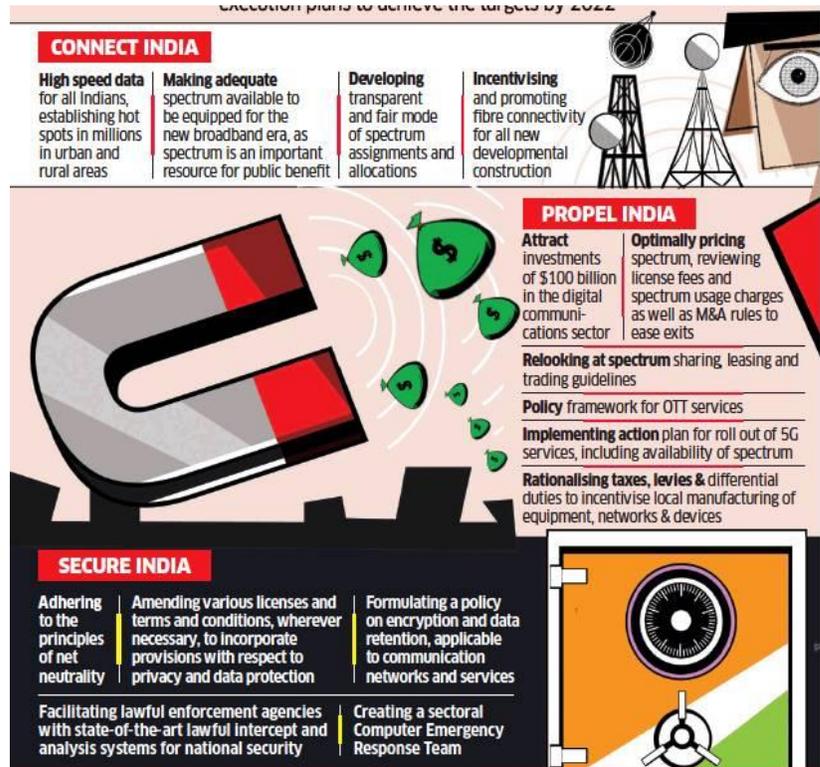
Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

In News

The government has released the draft of New telecom policy: National Digital Communications Policy 2018 with an aim to provide access of broadband with 50 megabit per second to every citizen, attract USD 100 billion investment in the sector and create 40 lakh jobs by 2022.

Provisions Of Draft National Telecom Policy

- National broadband mission:** The draft talks of establishing a ‘National Broadband Mission – Rashtriya Broadband Abhiyan’ to secure universal broadband access for implementation of broadband initiatives, to be funded through USOF and Public Private Partnerships BharatNet for providing 1Gbps to Gram Panchayats upgradeable to 10 Gbps, GramNet for connecting all key rural development institutions with 10Mbps upgradeable to 100 Mbps, NagarNet for establishing one-million public Wi-Fi Hotspots in urban areas, JanWiFi for establishing two-million Wi-Fi Hotspots in rural areas and implementing a ‘Fibre First Initiative’ to take fibre to the home, to enterprises and to key development institutions in tier I, II and III towns and to rural clusters.
- Goal of attracting investment:** To propel development of India with use of next generation technology through investment the policy proposes goal to attract investments of USD 100 billion in the Digital Communications Sector by 2022.
- Rationalize taxes and levies:** The draft policy proposed to rationalize taxes and levies on digital communications equipment, infrastructure and services.
- Regulatory framework:** The policy recognizes the importance of continued improvement in the regulatory framework for attracting investments and ensuring fair competition, to serve the needs of Indian citizens. To serve this objective the policy further aims to pursue regulatory reforms to ensure that the regulatory structures and processes remain relevant, transparent, accountable and forward-looking. Additionally the policy aims to remove regulatory barriers and reduce the regulatory burden that hampers investments, innovation and consumer interest.
- Spectrum:** One of the key strategies in the draft talks of recognizing spectrum as a key natural resource for public benefit to achieve India’s socio-economic goals, optimize availability and utilization by making adequate spectrum available to be equipped for the new broadband era.



- **Satellite communication:** The Policy also speaks about strengthening Satellite Communication Technologies in India and said there would be review of the regulatory regime for satellite communication technologies including revising licensing and regulatory conditions that limit the use of satellite communications, such as speed barriers, band allocation and government would develop an ecosystem for satellite communications in India.
- **Data protection regime:** The draft policy also stresses on the need for a comprehensive data protection regime for digital communications to safeguard privacy, autonomy and choice for individuals. It lists ensuring “net neutrality principles are upheld” as a key objective.
- **Quality of service:** On ensuring quality of services it talks about establishing effective institutional mechanisms to protect consumers’ interests including a Telecom Ombudsman and a centralized web based complaint redressal system.
- **Addressing the debt ridden telecom sector:** The draft also proposes to address woes of debt ridden telecom sector by reviewing licence fees, spectrum usage charges, universal service obligation fund levy all of which add to cost of telecom services under the new policy for enhancing ease of doing business in the sector.
- **Incentivizing renewable energy:** Lastly the Policy talks of incentivizing the use of renewable energy technologies in the communications sector including utilization of small cell fuel batteries, lithium-ion batteries or other similar technologies; promoting research and development of green telecom through active participation of stakeholders across government, industry and academia and rationalizing of taxes and levies on the manufacture, production and import of such equipment for digital communication technologies.
- **Other objectives:** The draft Policy also aims to accomplish some of the strategic objectives by 2022 including -- Provisioning of Broadband for all, creating four million additional jobs in the digital communications sector, enhancing the contribution of the digital communications sector to eight per cent of India’s GDP from around six per cent in 2017, enhancing India’s contribution to global value chains and ensuring digital sovereignty.

Final Analysis

- The draft policy is aspirational and progressive but should have included a broad framework on how the government plans to achieve the objectives.
- Restoring the financial health of the telecom sector will be crucial for attracting investments of \$100 billion as envisaged in the new National Telecom policy draft.
- Moreover much of what has been articulated in the policy depends on the robust nature and quality of the networks.

Foreign Investors Cold To Permanent Residency Status Scheme

Syllabus: Investment models.

In News

- Two years after launch by the Union government, the Permanent Residency Status (PRS) scheme providing a host of facilities for foreigners who invest at least Rs 10 crore under the Foreign Direct Investment (FDI) route is yet to find a single applicant.

- Most European Union countries, USA, Canada and others offer permanent residency to foreign investors. The USA offers the EB-5 visa programme where foreigners could apply for permanent residency if they created employment opportunities for 10 people with a minimum investment of Rs 6.5 crore.

About The Permanent Residency Status Scheme

- **Eligibility for the scheme:** The Union Cabinet had cleared the PRS in 2016 to boost its Make in India policy. The scheme is open for foreign investors who invest a minimum of Rs 10 crore within 18 months or Rs 25 crore in 36 months.
- **Other conditions:** The foreign investment should result in generating employment to at least 20 resident Indians in every financial year. PRS will be granted for a period of 10 years and can be renewed for another 10 years.
- **Benefits under the scheme:** The eligible person will be provided multiple entries and there will be no requirement of registration with the Foreigners Regional Registration Office (FRRO). Moreover the PRS cardholders are also eligible to buy residential property in India.
- **Ineligible country:** Except Pakistani citizens or third-country nationals of Pakistani origin the scheme is open for citizens of every country.

What is PRS scheme

A look at the Permanent Residency Status scheme

- The scheme promises facilities for foreigners who invest at least ₹10 crore under the FDI route
- Cleared by the Union Cabinet in 2016 to boost "Make in India"
- Open to foreign investors who pump in a minimum of ₹10 crore within 18 months or ₹25 crore in 36 months, since the date of inception, 2016
- The FDI should result in generating employment to at least 20 Indians in every financial year



- PRS card holders are also eligible to buy residential property in India.
- PRS will be granted for a period of 10 years with multiple entry and can be renewed for another 10 years

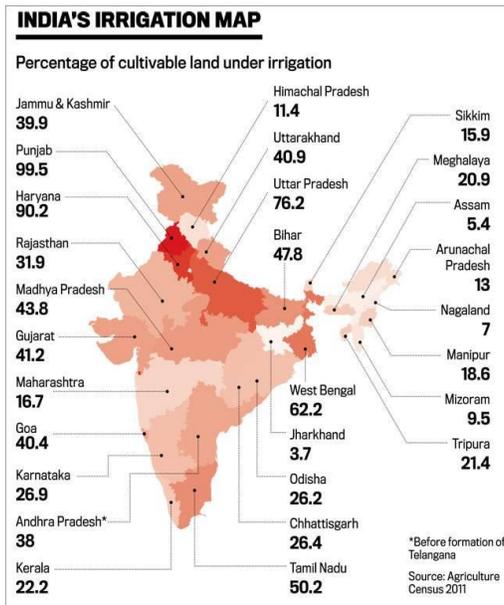
Agriculture

Irrigation Water May Be Charged

Syllabus: Different types of irrigation and irrigation systems

In News

- The water farmers use for irrigation may not be free any more and they may soon be asked to pay a reasonable price even if that increases the cost of production as the larger goal is equitable use and conservation of this natural resource.
- The chairman of the committee on doubling farmer's income **Ashok Dalwai** in its report on 'Input Management for Resource Use Efficiency & Total Factor Productivity' has suggested that water is often misused because it is free and available in abundance. So irrigation water should be supplied by installing meter and charged at a reasonable rate to economies its use.
- A committee under **A Vaidyanathan** set up by the erstwhile Planning Commission on 'Pricing of Irrigation Water' had recommended volumetric assessment at the level of individual farmers would be both expensive and impracticable. However it is feasible at reasonable cost to monitor volumes delivered at the distributary outlets at different points of time. Therefore the proposed rationalization of water pricing will have to be accomplished in a phased manner.



Other Suggestion Of Ashok Dalwai Committee

- **DBT for water:** Dalwai committee suggested that states can provide subsidy through direct benefit transfer (DBT) or may charge after a farmer exceeds his quota for water. This will discipline water use while helping farmers with water rate concession.
- **Separation of power feeder:** Separation of power feeders for domestic consumption and agricultural use and its timely but controlled supply for irrigation could help regulate groundwater use. Moreover Dalwai committee is also of the opinion that village communities should be entrusted with the responsibility to collect electricity charges for groundwater irrigation.
- **Bridging the gap between irrigation potential created and utilized:** The Dalwai Committee has also suggested that there is an urgent need to bridge the existing gap between irrigation potential created and irrigation potential utilized.
- **Efficiency in management of irrigation systems:** It also stressed on the efficiency in management of irrigation systems to reduce water leakage and waste due to poor maintenance of distribution systems.
- **Constitution of user association:** It has recommended constitution of users associations for effective water management.
- **Irrigation in rain fed areas:** For rain fed areas the panel has recommended that water conservation in association with soil conservation practices should become the core of development package. The limited water available in harvesting structures such as ponds and tanks can be most effectively used for protective irrigation during critical period through drip and sprinkler systems.

Benefits

- **Prevent misuse of water:** The reasonable pricing of water will prevent its misuse as water is often misused because it is free and available in abundance.
- **Conservation of natural resources:** It will help in achieving the larger goal of equitable use and conservation of this natural resource.
- **Availability of water for the farmers at the tail end of command area:** It will resolve the current problem that the farmers at the tail end of a command area always complain of not receiving water because those before them draw huge quantity into their field.
- **Resolve water conflicts:** The suggestion if implemented will resolve the various water conflicts among the states, as it will ensure reasonable use of available resources.
- **International best practice:** The farmers in most of the developed countries are required to pay reasonable price for the irrigation water.

Negatives

- **Add to the cost of production:** It will not add up to the cost of production when the government has been talking about lowering it and doubling the farmer's income.
- **Expansive and impracticable:** Volumetric assessment at the level of individual farmers would be both expensive and impracticable. The proposed rationalization of water pricing will have to be accomplished in a phased manner.
- **Question over availability of water:** Some experts have also questioned that the most urgent issue faced by the farmers currently is non-availability of water thus it need to be resolved in priority manner rather than focusing on pricing of water.

Final Analysis

The suggestion of the committee is a step in the right direction it will not only promote the culture of reasonable use of water among the farmers but at the same time ensure conservation of resources, proper availability of water. But at the same time these suggestion should be implemented in consultation with the states and other stakeholders.

Fasal Bima Yojana is Failing

Syllabus: Agriculture

In News

- Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched in April 2016. It fixed low premium for farmers i.e. 1.5% for rabi crops, 2% for kharif crops and 5% for horticulture and other commercial crops and enhanced the sum insured to cover basically the cost of cultivation.
- The PMFBY involves farmers, banks, state and central government, insurance companies and re-insurers. The most important role is played by the state government which finalizes the insurance company for every cluster through open tenders, pays half of premium subsidy, conducts crop cutting experiments and submits data of crop yield to the concerned insurance company.
- It targeted bringing 100 million hectares (50% of gross cropped area or GCA) under PMFBY by 2018-19. One had hoped that this new PMFBY will do the assessment of damages and settlement of claims expeditiously in the event of any natural calamity and farmers will get enhanced compensation well in time. But over the period of time many lacunas have been witnessed.

Lacunas in PMFBY

- **Unlikely to achieve target of GCA:** There is a little hope that PMFBY will achieve its target of 50% of GCA by 2018-19. Except a few states India's current insurance cover is about 30% of GCA. As against this China insures about 70% of its GCA and the US extends insurance cover to about 90% of GCA.
- **No timely selection of Insurance companies:** In order to get reasonable rates of premium timely finalization of bids to discover premium is critical. This should be done ideally well before the first forecast of monsoon by IMD so that there is no adverse selection. However the experience of the first two years shows that most states do not finalize the selection of insurance company in time thus in a year of poor forecast of monsoon the companies will quote very high premium.
- **Data on Kharif crop not up to date:** The Centre launched an insurance portal in kharif 2017 and the banks were directed to enter complete information of farmers onto the portal. However due to teething problems even data of kharif 2017 is not up to date. As a result one does not know for sure whether area under the scheme has increased or fallen in 2017-18.
- **No timely payment of claims:** With just around 45% of the claims made by farmers over the last three crop seasons paid by the insurance companies under the PMFBY just 5% of the claims made for crop losses in it have been paid. The reason for very low payout of claims is that few state govts are paying their share of the premiums on time and till they do the central government doesn't pay its share either. And till they get the premium insurance companies simply sit on the claims.
- **General red tapism:** The norm that prevails in most states is that of red tape manifested in delays in finalizing tenders, in payment of premium subsidy and in conducting crop-cutting experiment (CCE). All these delays finally end up making farmers suffer for months without getting any compensation whatsoever.

Way Forward

- The answer lies in strengthening the PMFBY at least on three fronts: (1) induct a team of 10-15 insurance experts at the Centre to continuously track, evaluate its progress, negotiate lower premium rates with re-insurers and also guide states in efficiently implementing the scheme (2) ensure states and centre give premium subsidy in time and tenders are finalized for 3 years to get lower premium rates (3) bring in heavy usage of technology like satellites, LEOs (Low Earth Orbits), drones and smart phones for faster and more accurate assessment of losses.
- Moreover the centre and states have to relook their entire spending on agriculture and allocate money to the place where it is best used. Similarly the government needs to relook cropping incentives. If Maharashtra is going to be growing very water intensive sugarcane when it has both a water shortage as well as poor levels of irrigation surely insurance premiums are going to be high and crop failures more common. Indeed with the wrong crops being grown in so many states this is a big factor in insurance premiums being high.



India to Counter U.S. Complaint On Farm Subsidies In WTO

Syllabus: Issues related to direct and indirect farm subsidies

In News

- The United States (US) submitted a document in the World Trading Organization (WTO) questioning the compatibility of India's agricultural subsidies with the relevant provisions of the Agreement on Agriculture (AoA).
- The US submission says that while India claims its AMS for rice was 5.45% in 2013-14 the actual number was 76.9%. The corresponding figures for wheat are 3.53% and 65.3%. The USA contention is that the MSP of these two crops are well above the limits set by the AoA. According to the USA calculations the value of India's MPS for rice is more than Rs 1.7 lakh crore, which would be 76.9% of the total value of production.
- Although the WTO abhors the use of subsidies it allows this instrument of trade policy to be used for agriculture. The subsidies regime included in the AoA has three forms of subsidies ranging from those that were considered non-distorting or minimally distorting (the Green Box and Blue Box subsidies)

to those that seriously distorted markets (the Amber Box subsidies). The only thing that differentiates the subsidies is that, while there is no limit on the spending on the former set of subsidies spending on the latter form of subsidies has to be limited to 10% of the value of agricultural production for the developing countries, and 5% for the developed countries.

- This is the most serious challenge to India’s subsidies regime coming after the AoA provisions related public stockholding (PSH) for food security purposes almost derailed the implementation of the National Food Security Act.

USA Contention

- **Market price support above limit of the value of production:** The main contention of the US is that market price support that India provides to rice was consistently above 70% of the value of agricultural production since 2010-11 and above 60% for wheat during the same period. These levels of subsidies claims the US were way above the 10% limit imposed on India by the AoA.
- **Under reporting of market support:** The USA has also alleged that India has substantially under-reported its market price support (MPS) for wheat and rice.
- **India only report national MSP not support provided by individual states:** One of the issues raised by the U.S. is that India’s notification only reflect the national minimum support prices and do not include all state bonuses or other incentives that further increase the MSP provided to farmers.

ESTIMATED TOTAL SUBSIDY SUPPORT TO AGRICULTURE (₹ crore)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Total agriculture subsidy	1,71,020	1,86,575	2,22,702	2,39,551	2,60,128
Gross agricultural output	10,79,365	13,06,942	14,65,753	16,43,145	17,20,373
Current subsidy as % of gross agricultural output	15.80%	14.30%	15.20%	14.60%	15.10%
Discount factor*	7.9%	8.1%	8.1%	8.1%	8.2%
Agri output at 1987 price using discount factor	1,48,533	1,63,084	1,71,482	1,72,737	1,80,517
WTO mandated subsidy**	14,853	16,308	17,148	17,274	18,052
India thus needs to cut subsidy in % from current level as per WTO 1986 base	91.4%	91.4%	92.4%	92.9%	93.2%

Source: SBI Research, Planning Commission, CMIE; *Average rate of inflation using GDP deflator from 1986-87, the WTO reference year; **10% of Agri Output at 1987 price using discount factor

Loopholes In USA Contention

- **Both developed and developing countries provides subsidies:** An important facet of the subsidies regime of the AoA was that developing countries were relying more on the so-called distorting forms of subsidies, while the US and the EU used more of the non-distorting categories of subsidies. The USA farm subsidy bill was to the tune of \$140 billion in 2014.
- **AoA was crafted by developed countries to serve their interest:** The AoA was crafted primarily by the USA and the members of the European Union (EU) to serve their interests, while developing countries like India were reduced to mere bystanders.
- **AoA provides no means to assess the impact of subsidies on market:** Significantly the AoA provides no means to assess the impacts of these forms of subsidies on the market.
- **Illogical price reference year:** In the negotiations leading to the adoption of the AoA international prices of each individual commodity during 1986-88 were agreed to as the fixed external reference price (ERP). Thus, the market price support has to be the difference between the current MSP and the international prices of 1986-88. India’s MSP for common varieties of rice, which was \$112 per tonne had increased to \$334 per tonne in 2014-15 all this while, the external reference price remained static at \$263 per tonne. Comparing India’s current MSP with the ERP that is three-decades old is simply illogical. Therefore India and other developing countries have consistently argued that either the base period for determining the ERP must be brought up to a more recent set of years or the ERP must be inflation adjusted.

- **Subsidies are provided to small and marginal farmers rather than rich farmers as in USA:** The USA is targeting subsidies that India gives to an overwhelmingly large share of small and marginal farmers. India's subsidies therefore protect the livelihoods of small farmers, which should in fact be allowed to increase if agriculture faces a crisis akin to what it is facing now.
- **India only buys 25-30% crops at MSP:** India's MSP is theoretically a price at which every farmer can sell to the government the US assumes India's price support extends to 100% of the crop. India however buys only 25-30% of the crop so logically the price support should only apply to that amount. The fact that wheat/rice prices in India are way below MSP in most parts of the country is testimony to the view that MSP is not an effective price support to 100% of the crop.
- **The use of rupee instead of dollar in calculation:** The US has calculated India's market price support in Indian Rupees, whereas India has been reporting the same in USD. Consequently India's figures are much smaller because of the consistent depreciation of the Indian Rupee. The US insists that the market price support must be reported in the domestic currency, which is an erroneous reading of the AoA provisions.
- **Subsidy number is provided for the country as a whole:** The other misrepresentation in the US document is that it provides subsidies data for several Indian states. There is no such requirement in the AoA subsidy numbers are presented for the country as a whole.
- **Spending limit is all form of subsidy not individual crop:** A misrepresentation is also that the India has breached the 10% limit for individual crops the correct interpretation is that the spending limit is on all forms of subsidies taken together including subsidies on fertilizers and power amongst others.

Conclusion

Now that India has got Aadhar based cash transfers it too can follow EU/US and stop its MSP while ensuring the farmer gets the same amount of subsidies. Indeed there are attendant benefits to doing this since higher MSPs mean Punjab and Haryana grow too much wheat and rice and that hurts their soil and lowers the water table.

Technology

New Sheep Insemination Technique

Syllabus: Science and Technology- developments and their applications and effects in everyday life

In News

Scientists at the Central Sheep and Wool Research Institute (CSWRI), Avikanagar, have come up with a new laparoscope-assisted insemination technique for sheep.

Why It Is Important

- The new technique has resolved the difficulties involved in freezing of semen and inability to transit the tortuous reproductive tract of the ruminant mammals kept as livestock. The success with frozen semen in the sheep was earlier very low because of its poor freezability.
- The new technique would help achieve up to 60% survival in the birth of lambs and would have an immense potential for rapid multiplication of elite germplasm
- As many as 40 females can be inseminated from a single ejaculate using the technique
- The new technique's invention would be of great help in the breed improvement programmes

Germplasm

- Germplasm is living genetic resources such as seeds or tissues that are maintained for the purpose of animal and plant breeding, preservation, and other research uses

- These resources may take the form of seed collections stored in seed banks, trees growing in nurseries, animal breeding lines maintained in animal breeding programs or gene banks, etc.
- Germplasm collections can range from collections of wild species to elite, domesticated breeding lines that have undergone extensive human selection
- Germplasm collection is important for the maintenance of biological diversity and food security

ISRO Making Green Propellant

Syllabus: Science and Technology- developments and their applications and effects in everyday life

In News

- Scientists at the Indian Space Research Organisation (ISRO) has reported progress in the development of an environment-friendly propellant to power satellites and spacecraft. The effort is to replace the conventional hydrazine rocket fuel, a highly toxic and carcinogenic chemical, with a greener propellant for future missions.
- Due to its high performance characteristics, hydrazine has dominated the space industry as the choice of propellant for over six decades, despite its environment and health hazards and the challenges faced in its manufacturing, storage, ground handling and transportation.
- The LPSC (Liquid Propulsion Systems Centre) team **formulated the HAN (Hydroxylammonium nitrate or hydroxylamine nitrate)-based monopropellant** and carried out a variety of tests to investigate its characteristics, like thermal and catalytic decomposition and compatibility with different materials. A monopropellant is a chemical propulsion fuel which does not require a separate oxidizer. It is used extensively in satellite thrusters for orbital correction & orientation control.
- HAN-based monopropellant formulation consists of HAN, ammonium nitrate, methanol and water. The methanol was added to reduce combustion instability and HAN was used for its capacity to control burn rate and lower freezing point of propellant.
- If successful, the HAN based propellant will allow for safe storage and operation with no self-sustaining combustion characteristics. Also, it has the potential to increase density and effective specific impulse by more than 10% compared to a monopropellant based on hydrazine.

A greener alternative
Is hydrazine, the much-used monopropellant, on its way out?

Hydrazine has one of the highest specific impulses (kilograms of thrust obtained by the consumption of one kilogram of propellant in one second). Thus, despite its hazardous nature, it is preferred as a propellant

Drawbacks of hydrazine:

- Highly corrosive
- Carcinogenic and toxic
- Storage, handling issues

Replacing Hydrazine:

- ISRO is working on a hydroxylammonium nitrate-based monopropellant (HAN) to replace hydrazine

Low toxicity: HAN is less toxic than hydrazine

Performance: HAN has a density of 1.4 to 1.5 g/cm³, much higher than 1.0 g/cm³ of hydrazine propellants

Safety: HAN is known to not be combustible, thus is a safer alternative

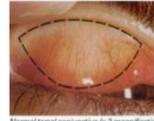
Nepal: First Country In South-East Asia Validated For Eliminating Trachoma

Syllabus: Science and Technology- developments and their applications and effects in everyday life

In News

- The World Health Organization (WHO) has validated Nepal for having eliminated trachoma as a public health problem – a milestone, as the country becomes the first in WHO's South-East Asia Region to defeat the world's leading infectious cause of blindness.

- The eye disease was second leading cause of preventable blindness in Nepal in 1980s. Its prevalence in Nepal has fallen by 40% following implementation of sustained control activities including national trachoma programme, which provided incentives to local communities and districts to build and maintain latrines, measures that were crucial to improve sanitation and reduce disease-carrying flies.
- **Trachoma:** It is an eye disease caused by infection with bacterium *Chlamydia trachomatis*. Infection is particularly common in young children. It causes inflamed granulation on inner surface of eye lids. It spreads through contact with infective eye or nose discharges. Ocular or nasal discharge can be transmitted directly from person to person or be mediated by flies which have been in contact with eyes and noses of infected people. Trachoma transmission is associated with poor sanitation and hygiene, which increase availability of eye discharges and encourage breeding of flies. It can be treated with antibiotics in case of children. Older people infected with it require eyelid surgery to cure it.



Trachoma Stages

Normal Conjunctiva
(as described earlier)



Trachomatous inflammation follicular (TF): the presence of **five or more follicles** (round swellings that are paler than the surrounding conjunctiva) in the **upper tarsal conjunctiva**.



Trachomatous inflammation intense (TI): Obvious inflammatory **thickening** of the tarsal conjunctiva that obscures more than half of the normal **deep tarsal vessels**.

Scientists Create The First 3D-Printed Human Corneas

Syllabus: Science and Technology- developments and their applications and effects in everyday life

In News

- In a first, scientists have created 3D printed human corneas that could solve the shortage of available eye donors and help millions of blind people gain sight again. As the outermost layer of the human eye, the cornea has an important role in focusing vision.
- There is a significant shortage of corneas available to transplant, with 10 million people worldwide requiring surgery to prevent corneal blindness as a result of diseases such as trachoma, an infectious eye disorder. In addition, almost 5 million people suffer total blindness due to corneal scarring caused by burns, lacerations, abrasion or disease.
- The proof-of-concept research, published in the journal *Experimental Eye Research*, shows how stem cells from a healthy donor cornea were mixed together with alginate and collagen to create a solution that could be printed, a 'bio-ink'.
- Using a simple low-cost 3D bio-printer, the bio-ink was successfully extruded in concentric circles to form the shape of a human cornea. It took less than 10 minutes to print. The stem cells were then shown to grow.

InSight: Mission To Study Deep Interior Of Mars

Syllabus: Awareness in the fields of IT, Space etc

In News

- NASA has launched its first-ever mission to study the deep interior of Mars. Named as **InSight (Interior Exploration using Seismic Investigations, Geodesy and Heat Transport)**,
- It will be launched from Space Launch Complex-3 at Vandenberg Air Force Base in California aboard United Launch Alliance (ULA) Atlas V rocket.

- The rocket will also launch two **mini-spacecraft called Mars Cube One (MarCO)** which is NASA's technology experiment. InSight is not a rover, like Curiosity or Opportunity, but a stationary lander.

InSight Mission

- InSight is a NASA Discovery Program mission that will place a single geophysical lander on Mars to study its deep interior. But InSight is more than a Mars mission - it is a terrestrial planet explorer that will address one of the most fundamental issues of planetary and solar system science - understanding the processes that shaped the rocky planets of the inner solar system (including Earth) more than four billion years ago.
- By using sophisticated geophysical instruments, InSight will delve deep beneath the surface of Mars, detecting the fingerprints of the processes of terrestrial planet formation, as well as measuring the planet's "vital signs": Its "pulse" (seismology), "temperature" (heat flow probe), and "reflexes" (precision tracking).

Insight Mission Overview
\$828.8 million so far

Mars

Insight Lander

Mission:
To use a lander to study the interior of Mars.

Run by:
NASA

Objectives:

- Discover the size, composition and nature of the core
- Determine the structure of the mantle
- Determine the thickness of the crust
- Measure the temperature of the core
- Determine the power, location and the frequency of seismic activity on Mars
- Figure out how often meteorites impact the planet

Scientific instruments:

- Seismometer, or SEIS
measures seismic activity
- Heat Probe, or HP3
Measures the temperature of the core
- Radio Science Instrument, or RISE
Measures the wobble of the north pole

Special Notes:
Also launching on the same rocket is the Mars Cube One, or MarCO experiment. This mission will test CubeSat Technology in deep space. Their purpose is for communications and navigation for future Mars missions but they may help with Insights communication.

Mission Timeline:

May 5th 2018 - Launch

Cruise time - 6 months

Approach - 60 days

Entry, descent, and landing

Surface Ops begin
Mission duration
728 Earth days

MarCO (Mini-spacecraft Called Mars Cube One (MarCO))

MarCO consists of two briefcase-sized CubeSats that will fly on their own path to Mars behind InSight. It will be first test of CubeSat technology in deep space or at another planet. They are designed to test new communications and navigation capabilities for future missions and may aid InSight communications but is independent of InSight mission. If successful, MarCOs will offer new kind of communication capability to deep space missions to earth.

China Launches Relay Satellite To Explore Mysterious Dark Side Of Moon

Syllabus: Awareness in the fields of IT, Space, Computers etc

In News

- China has successfully launched a relay satellite to enable a rover to communicate with Earth from the Moon's mysterious far side, as part of its ambitious goal of being the first country to send such a probe.

- Named **Queqiao (Magpie Bridge)**, the 400-kg satellite has a designed life of three years. It was carried by a Long March-4C rocket that blasted off from southwest China's Xichang Satellite Launch Center.
- **The launch is a key step for China to realize its goal of being the first country to send a probe to soft-land on and rove the far side of the Moon.**
- Queqiao is expected to enter a halo orbit around the second Lagrangian (L2) point of the Earth-Moon system, about 4, 55, 000 km from Earth. **It will be the world's first communication satellite operating in that orbit.**
- The satellite carries several antennas. One, shaped like an umbrella with a diameter of five meter, is the largest communication antenna ever used in deep space exploration.
- Queqiao satellite will serve as communications relay for future Chang'e-4 rover that will explore in South Pole-Aitken Basin in moon's far side.

Chang'e Program

- Chinese Lunar Exploration Program (CLEP) also known as Chang'e program after Chinese moon goddess. Chang'e is ongoing series of robotic Moon missions **by**-conceived by China National Space Administration (CNSA).
- The program incorporates lunar orbiters, Landers, rovers and sample return spacecraft, launched using Long March rockets. Under it, Chang'e 1 and Chang'e 2 probes already have reached lunar orbit in 2007 and 2010, respectively. The Chang'e 3 mission is in process to put lander and rover on moons near side. China is also planning to launch Chang'e 5 T1, a mission to send sample- return capsule around moon and back to Earth to demonstrate technology needed to survive fiery atmospheric entry.

What Is Nipah Virus

Syllabus: Awareness in the fields of IT, Space, Computers, robotics, nano-technology etc

In News

- Nipah virus is an emerging infectious disease that broke out in Malaysia and Singapore in 1998 and 1999. It first appeared in domestic pigs and has been found among several species of domestic animals including dogs, cats, goats, horses and sheep.
- The infection is also known to affect human beings. The organism which causes Nipah Virus encephalitis is an RNA or Ribonucleic acid virus of the family Paramyxoviridae, genus Henipavirus, and is closely related to Hendra virus.
- **Nipah virus infection gets its name from the village in Malaysia where the person from whom the virus was first isolated succumbed to the disease.** The virus has been listed in the World Organization for Animal Health (OIE) Terrestrial Animal Health Code and must be reported to the OIE (OIE Terrestrial Animal Health Code).

How Does Nipah Spread Or Get Transmitted

- **The disease spreads through fruit bats or 'flying foxes,'** of the genus Pteropus, who are natural reservoir hosts of the Nipah and Hendra viruses. The virus is present in bat urine and potentially, bat faeces, saliva, and birthing fluids. Presumably, the first incidence of Nipah virus infection occurred when pigs in Malaysian farms came in contact with the bats that had lost their habitats due to deforestation. Furthermore, transmission between farms may be due to fomites – or carrying the virus on clothing, equipment, boots, and vehicles.

- Nipah Virus, which is a zoonotic disease, was known to affect humans in Malaysia and Singapore after coming in direct contact with the excretions or secretions of infected pigs. Reports from outbreaks in Bangladesh suggest transmission from bats in the process of drinking raw palm sap contaminated with bat excrement or climbing trees coated in the same.

Japanese Encephalitis (JE)

Syllabus: Awareness in the fields of IT, Space, Computers, robotics, nano-technology etc

In News

- Japanese encephalitis (JE) virus is the leading cause of vaccine-preventable encephalitis in Asia and the western Pacific. For most travellers to Asia, the risk for JE is very low but varies based on destination, duration of travel, season, and activities.
- JE virus is maintained in a cycle involving mosquitoes and vertebrate hosts, mainly pigs and wading birds. Humans can be infected when bitten by an infected mosquito. Most human infections are asymptomatic or result in only mild symptoms. However, a small percentage of infected persons develop inflammation of the brain (encephalitis), with symptoms including sudden onset of headache, high fever, disorientation, coma, tremors and convulsions.
- About 1 in 4 cases are fatal. There is no specific treatment for JE. Patient management focuses on supportive care and management of complications. Steps to prevent JE include using personal protective measures to prevent mosquito bites and vaccination.

GRACE-FO Satellites

Syllabus: Awareness in the fields of IT, Space, Computers, robotics, nano-technology etc

In News

- SpaceX has successfully launched twin NASA satellites GRACE-FO (Follow-On) that will track Earth's water Cycle i.e. water movement and ice melt. It was launched onboard of SpaceX's preflown Falcon 9 Rocket from Vandenberg Air Force Base in California, US.
- **GRACE-FO (Gravity Recovery and Climate Experiment Follow-On)** is joint project between National Aeronautics and Space Administration (NASA) and German Research Center for Geosciences (GFZ). It is follow on mission to original GRACE mission, which had mapped Earth's water and ice by measuring changes in Earth's gravity field from 2002 to 2017.
- GRACE-FO will pick up where GRACE left off to continue study of rising sea levels, melting of glaciers and polar ice caps and other changes in distribution of water on Earth. The two GRACE-FO satellites will orbit together at 490km altitude near-polar orbit, circling Earth every 90 minutes
- To measure Earth's gravity, two satellites will orbit around Earth together, with one trailing behind other at distance of 220km. The instruments on board of these satellites are so sensitive that they can detect changes with precision of about 1 micrometer (i.e. about one-tenth of a human hair over long distance).
- These satellites have payload called Laser Ranging Interferometer. It can precisely measure gravity field changes due to change in separation distance between two satellites, revealing information about what kinds of features they are flying over. Earth is not perfect sphere) different features, like mountains and oceans, across its surface, so gravitational pull exerted on these satellites is not consistent. When gravity field changes, separation between two satellites changes slightly

Brahmos Supersonic Cruise Missile

Syllabus: Indigenization of technology and developing new technology.

In News

- The BrahMos supersonic cruise missile with an extended life of 15 years was for the first time successfully test fired from the Integrated Test Range in Balasore in Odisha.
- The test was conducted as a part of life extension programme who aim is to increase the life of missile from 10 years to 15 years. The test firing of BrahMos supersonic cruise missile was conducted from a static inclined launcher. This ensured longevity and efficacy of the missile system.

- **BrahMos has become the first Indian missile whose life has been extended from 10 to 15 years.**

Technical Specifications	
Maximum range	400+ km
Velocity	Mach 2.8
Weight	2.5 tonnes
Warhead mass	200-300 kg
Altitude	<ul style="list-style-type: none"> ■ Cruise: 15 km ■ Terminal: 10-15 metre

Special Features	
■ Universal for multiple platforms	
■ "Fire and Forget" principle of operation	
■ High supersonic speed all through the flight	
■ Long flight range with varieties of flight trajectories	
■ Low radar signature	
■ Shorter flight times leading to lower target dispersion and quicker engagement	
■ Pin point accuracy with high lethal power aided by large kinetic energy on impact	

Compared to existing state-of-the-art subsonic cruise missiles, BrahMos has

- 3 times more velocity
- 2.5 to 3 times more flight range
- 3 to 4 times more seeker range
- 9 times more kinetic energy



- The missile had also reached the maximum speed of 3 Mach, i.e. three times faster than the speed of sound. India could improve on the range of the missile system up to 400 km only after technical restrictions on India were lifted, once India became a member of the Missile Technology Control Regime (MTCR), last year. Its range was initially capped at 290 km as per obligations of MTCR.

BrahMos Missile

- BrahMos is supersonic cruise missile developed by joint-venture between Russia's Mashinostroyeniya and India's Defence Research and Development Organization. It has been named after two rivers Brahmaputra and Moskva (river in western Russia).
- It is two-stage missile, the first one being solid and the second one ramjet liquid propellant. It is self-propelled guided missile that sustains flight through aerodynamic lift. It operates on 'fire and forget principal'. It is capable of being launched from land, sea, sub-sea and air against sea and air against sea and land targets.
- It is claimed that missile has strike accuracy rate of 99.99% and it follows a variety of trajectories like high, high-low, low, surface-skim etc. It is capable of carrying warhead of 300 kilogram (both conventional as well as nuclear) and has top supersonic speed of Mach 2.8 to 3 (roughly three times speed of sound). It is hailed as world's fastest anti-ship cruise missile in operation.
- It has been already inducted in Indian Army and Navy. The air-launched version of missile was test-fired in November, 2017 for first time from modified Su-30MKI aircraft, making it world's fastest supersonic cruise missile to be fired from a combat jet against a target.

Environment and Biodiversity

Third Mission Innovation Ministerial (MI-3)**In News**

- Two high-level energy ministerial meetings, the *Ninth Clean Energy Ministerial (CEM9)* and the *Third Mission Innovation Ministerial (MI-3)*, was co-hosted by Denmark, Sweden, Finland, Norway, the European Commission and the Nordic Council of Ministers in the cities of Copenhagen and Malmö (Sweden) respectively.
- The Clean Energy Ministerial (CEM) and the Mission Innovation Ministerial (MI) are parallel collaborations led by the energy ministers of the G20 and Nordic countries.
- The **Clean Energy Ministerial** brings together 24 countries and the EU.
- It focuses on the promotion of policies and programmes that advance clean energy technologies, share lessons learned and best practices and encourage the transition to a global clean energy economy.
- **Mission Innovation** is a global initiative, with 22 participating countries in addition to the European Commission (on behalf of the EU), focused on accelerating clean energy innovation and boosting public research and development spending in the field of clean energy.

Key Highlights

- India is a founding member of Mission Innovation and part of the Steering Committee besides co-lead of innovation challenges on smart grids, off grids and sustainable bio-fuels.
- Union Minister for Science & Technology, Earth Sciences, Environment, Forests and Climate Change Dr. Harsh Vardhan led an Indian delegation for participation in the Mission Innovation Ministerial.
- A declaration on the role of innovation to develop sustainable battery value chains was endorsed, and Ministers and CEOs agreed to work on sharing the performance of building's data to reduce the enormous amount of energy lost by poorly performing heating and cooling systems.
- In addition, it was decided that the national governments will test new public-private innovation mechanisms. For example, India launched an **international incubator for clean energy innovators** to test technologies in local markets, and Sweden announced a competition open to all MI members to promote disruptive innovations through public-private procurement partnerships.
- A **new Hydrogen Innovation Challenge** was announced to accelerate the development of technologies needed for a global hydrogen market.
- The meeting showcased over fifty cutting-edge breakthroughs emerging from MI members investments ranging from blockchain technologies to the world's first commercial passenger electric boat.
- Additionally, MI launched the **Champions program**, which will recognize exceptional researchers and innovators who are developing novel ways of making energy cleaner, cheaper, and more reliable by using it more efficiently.
- Austria has joined the MI platform as 24th member during this meeting.

Algae Bloom Leading To Fish Deaths Off Mumbai

- Mumbai fishermen face the threat of a dip in the catch owing to a spreading algae bloom brought on by global warming, according to a research by an Indo-US team of scientists.
- According to the study, the unchecked **bloom of Noctiluca algae in northern Arabian Sea** voraciously eat diatoms, one of the most important planktonic organisms at the base of the fish-food chain, and excretes large amounts of ammonia resulting in massive fish mortalities.

- Noctiluca algae are often reported to bloom in patches. These striking green blooms appear to glow at night, earning them the nickname 'sea sparkle'.
- The bloom of Noctiluca was previously assumed to be linked with low oxygen and coastal pollution. However, the research found Noctiluca thriving due to global warming. As part of the study for 'Development of predictive capabilities for marine fisheries and harmful algal blooms in Indian seas', the scientists used a research vessel, Sagar Sampada, to set up buoys off the coast of Mumbai, Kochi, Gujarat and Mangaluru to study the sea atmosphere and algal blooms.
- Global warming is leading to stratification of oceanic water, which in turn is slowing the upward movement of sea nutrients like silicate from the ocean bottom. Diatoms, microorganisms that grow in surface of sea, need both sunlight and silicate to build their glass skeletons. They will fail to thrive when silicate becomes less available. And decline of diatoms lead to the death of commercially and ecologically important fish species.
- Remarkably, the waters in the study area were observed to have sufficient oxygen clearly opposing any linkage between low oxygen and Noctiluca growth.
- To further analyse fish mortality, INCOIS is now setting up a MOSAIC (Marine Observation System Along Indian Coast) network of automated moored buoys to monitor and now-cast the water quality of the Indian coastal waters.

14 Indian Cities In WHO's 20 Most Polluted

- Delhi and Varanasi are among the 14 Indian cities that figured in a list of 20 most polluted cities in the world in terms of PM2.5 levels in 2016, data released by the WHO.
- Other Indian cities that registered very high levels of PM2.5 pollutants were Kanpur, Faridabad, Gaya, Patna, Agra, Muzaffarpur, Srinagar, Gurgaon, Jaipur, Patiala and Jodhpur followed by Ali Subah Al-Salem in Kuwait and a few cities in China and Mongolia. In terms of PM10 levels, 13 cities in India figured among the 20 most-polluted cities of the world in 2016.

Key Highlights

- The World Health Organisation has called upon member-countries in its Southeast Asia Region to aggressively address the double burden of household and ambient (outdoor) air pollution, saying the region, which comprises India, accounts for 34 per cent or 2.4 million of the seven million premature deaths caused by household and ambient air pollution together globally every year.
- Of the 3.8 million deaths caused by household air pollution globally, the region accounts for 1.5 million or 40 per cent deaths and of the 4.2 million global deaths due to ambient air pollution, 1.3 million or 30 per cent are reported from the region, it said. The *PM2.5 includes pollutants like sulfate, nitrate and black carbon, which pose the greatest risk to human health.*
- WHO's global urban air pollution database measured the levels of fine particulate matter (PM10 and PM2.5) from more than 4,300 cities in 108 countries, according to which ambient air pollution alone caused some 4.2 million deaths in 2016, while household air pollution from cooking with polluting fuels and technologies caused an estimated 3.8 million deaths in the same period.
- According to the report, more than 90 per cent of air pollution-related deaths occur in low- and middle-income countries (including India), mainly in Asia and Africa, followed by low- and middle-income countries of the Eastern Mediterranean region, Europe and the Americas. "Around 3 billion people — more than 40 per cent of the world's population — still do not have access to clean cooking fuels and technologies in their homes, the main source of household air pollution.
- It said the WHO recognises air pollution is a critical risk factor for noncommunicable diseases (NCDs), causing an estimated 24 per cent of all adult deaths from heart disease, 25 per cent from stroke, 43 per cent from chronic obstructive pulmonary disease and 29 per cent from lung cancer.

- Air pollution needs to be brought under control with urgent and effective action. Non-communicable diseases are the leading cause of deaths globally and in the region, and air pollution contributes significantly to NCDs such as cardiovascular disease, respiratory disease and lung cancer. Cleaning up the air we breathe will help prevent NCDs, particularly among women and vulnerable groups such as children, those already ill and the elderly.
- Air pollution threatens us all, but the poorest and most marginalised people bear the brunt of the burden. It is unacceptable that over 3 billion people — most of them women and children — are still breathing deadly smoke every day from using polluting stoves and fuels in their homes.
- Major sources of air pollution from particulate matter include inefficient use of energy by households, industry, agriculture and transport sectors, and coal-fired power plants. In some regions, sand and desert dust, waste burning and deforestation are additional sources of air pollution. Air pollution does not recognise borders. Improving air quality demands sustained and coordinated government action at all levels.

First Organised Census To Estimate Indus Dolphin

- Looking towards the conservation of Indus Dolphins -- one of the world's rarest mammals - - Punjab government along with WWF-India are conducting a first organised census.
- Found only in India and Pakistan, the Indus Dolphins are confined to only 185 km stretch between Talwara and Harike Barrage in India's Beas river in Punjab.
- The most flourishing population of the Indus dolphin, *platanista gangetica minor*, is found across Pakistan where their numbers are estimated around 1,800 over a stretch of 1,500 km of the Indus river.
- In India, a tiny population survives in this small stretch of Beas River. Experts say they were also found in Sutlej decades back, however, river pollution is believed to be a major cause of their extinction from the habitat.
- Dolphins are a key indicator of a river health if a river is healthy the dolphins will be there.
- According to the International Union for Conservation of Nature (IUCN), construction of critical barrage is associated with the large-scale decline in the area of occupancy, "which have not ceased".
- IUCN suspects the population size of the Indus river dolphins has reduced by more than 50 per cent since 1944.
- A blind species that communicates through echo like a Bat does, Indus dolphins are one of the seven freshwater dolphins found across the world.

There are seven species of cetaceans:

1. Also known as the pink river dolphin or **Boto**, the **Amazon river dolphin** can only live in freshwater. It is found throughout much of the Amazon and Orinoco River Basins in Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, and Venezuela.
2. The **Tucuxi** lives in both salt- and freshwater and is found on the east coast of Central and South America. A riverine sub-species, *S. f. fluviatilis*, is found in the Amazon River and its main tributaries in northern Brazil, Peru, Colombia, and Ecuador, as well as in the lower Orinoco River in Venezuela.
3. The **Yangtze river dolphin**, or **Baiji**, was declared "functionally extinct" in 2006 after scientists failed to locate any remaining animals.
4. The Endangered **Ganges river dolphin**, or **Susu**, can only live in freshwater and is essentially blind. It once ranged throughout the Ganges-Brahmaputra- Meghna and Karnaphuli-Sangu river systems of Nepal, India, and Bangladesh, from the Himalayan foothills to the Bay of Bengal.
5. Closely related to the Ganges river dolphin, the Endangered **Indus river dolphin**, or Bhulan, is found in Pakistan's Indus River.

6. The **Irrawaddy dolphin** lives in both salt- and freshwater, and is found in a few locations in South and Southeast Asia.
7. The **finless porpoise** is the only porpoise species that can live in freshwater. It is found in coastal waters Southeast and East Asia, with a sub-species, *N. p. asiaeorientalis*, found in the Yangtze River and its adjacent lake system.

First Record Of Invasive Aphid In Kashmir Valley

- It is bad news for Kashmir Valley which is known as the fruit bowl of India. The brown peach aphid – an insect that attacks temperate fruit trees – has been recorded here for the first time.
- Aphids feed on the saps of plants, attacking plant tissues that transport food to all different plant parts. The brown peach aphid *Pterochloroides persicae* is a notorious pest of peach and almond trees in the Mediterranean regions. In India, the aphid was recorded for the first time in the 1970s from Himachal Pradesh and Punjab.
- The tiny (nearly 3 mm long) aphids thrived best during the months of April, May, September and October. Though they were most 'prolific' between 20 and 22 degrees Celsius, the brown-and-white patched insects were active in temperatures as low as 3 degrees C. Peach trees were the preferred plants.
- Nymphs (baby aphids that hatch out of eggs) attain sexual maturity in a month and begin to produce more aphids. A single growing season in a year supported as many as six to eight such generations of aphids.
- However, there is some good news too. Several combinations and concentrations of natural chemicals including neem plant extracts and lavender oil can help control aphid numbers. The scientists also note that while the blood-red ant extracted honey dew from the aphid for food, wasps and several other parasites also preyed on the aphids
- If the infestation is not controlled, the invasive aphid can spread fast. It could definitely affect the economy of the Kashmir Valley.

Wild Life Network Of South Asian Countries To Get More Teeth

- The fourth meeting of South Asia Wildlife Enforcement Network (SAWEN), an inter-governmental wildlife law enforcement agency was held at Kolkata from May8-10, 2018.
- It was first meeting of SAWEN to be held in India since its inception in 2011.
- Underlining the fact that wildlife crime is one the major conservation challenges for the world, the meet tabled six proposals, including tracking of wildlife smuggling route, review of existing laws and a structure for the organisation.
- Members of all participant countries — India, Bangladesh, Bhutan, Nepal, Sri Lanka and Afghanistan —except Pakistan participated in the meeting.
- The most smuggled wildlife items in the region are leopard skin and bones, pangolin scales, rhino horns and endangered birds.
- India is a source country for smuggling of species of both plants and animals. Most of these wildlife products are smuggled to South East Asia and China and the route goes through the country along with neighbouring countries.

South Asia Wildlife Enforcement Network (SAWEN)

- SAWEN is regional inter-governmental wildlife law enforcement support body of South Asian Countries. It was launched in January 2011 in Bhutan. In 2016, the Union Cabinet of India gave its nod to adopt the statute of SAWEN.

- Its secretariat is in Kathmandu, Nepal. Its regional network comprises of eight South Asia countries: Afghanistan, Pakistan, India, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives
- SAWEN aims at working collectively as a strong regional inter-governmental body to combat wildlife crime by attaining common mutual goals and approaches for combatting illegal trade in the region. It also seeks to control transboundary wildlife crime through communication, coordination, collaboration, capacity building and cooperation in the region.

New Device To Detect And Remove Arsenic In Water

- ADO Additives and the Indian Institute of Science Education and Research (IISER), Kolkata, have devised a solution to detect the level of arsenic in water and also to remove it.
- The ADO Muktaadhara — ‘Arsenic Sensor and Removal Media’ — promises to provide an effective sensing of the level of arsenic in water in a ‘simple and cost-effective manner’.
- The device is designed to change its colour as soon as it comes in contact with arsenic contaminated water.
- According to the World Health Organisation, the permissible limit for the consumption of maximum contamination level of arsenic in drinking water is 10 ppb.
- The National Institute of Hydrology at Roorkee in Uttarakhand, in its report published under the title, 'Groundwater Arsenic Contamination in India: Vulnerability and Scope for Remedy' states, "Arsenic contamination in groundwater in the Ganga- Brahmaputra fluvial plains in India and Padma-Meghna fluvial plains in Bangladesh and its consequences to human health have been reported as one of the world's biggest natural groundwater calamities for mankind.
- In India, seven states, namely- West Bengal, Jharkhand, Bihar, Uttar Pradesh in the flood-plain of the Ganga River; Assam and Manipur in the flood-plain of the Brahmaputra and Imphal rivers, and Rajnandgaon village in Chhattisgarh state have so far been reported to be affected by Arsenic contamination in groundwater above the permissible limit of 10 µg/L.
- **West Bengal has the highest number of arsenic-affected people in the country.** Concerns have been rising of diseases due to exposure to high concentration of arsenic in groundwater even at deep levels.
- The methodology currently available for testing the level of arsenic in water is tedious, expensive and difficult to be conducted at home.
- The arsenic sensor will be priced at ₹250 for 50 paper strips. The testing kits currently available in the market are priced at ₹6,000-8,000. The cartridge will be priced at ₹500 apiece

BRICS Ministerial on Environment Includes Green Good Deeds in its Official Agenda

- Green Good Deeds, the societal movement launched by the Union Minister for Environment, Forest & Climate Change, Dr Harsh Vardhan, to protect environment and promote good living in the country, has found acceptance by the global community.
- The recently held BRICS Ministerial on Environment at Durban, has agreed to include “Green Good Deeds” in its official agenda in the next Ministerial in Brazil and another meeting in Russia.
- The Ministry of Environment, Forest & Climate Change had drawn up a list of over 500 Green Good Deeds and asked people to alter their behaviour to Green Good Behaviour to fulfil their Green Social Responsibility.

- These small, positive actions, to be performed by individuals or organisations to strengthen the cause of environmental protection have been put up on a mobile App named “Dr Harsh Vardhan”.

Asita - Yamuna River Front Development (RFD) Project

- Yamuna RFD project aims to restore, revive and rejuvenate the river’s floodplains and make them accessible to the people of Delhi. River Front “walks”, a major component of the project, will enable people to develop a relationship with river Yamuna.
- A special focus of the project is on reviving the river’s bio-diversity in the National Capital.
- The project is given the name “Asita” which is another name of river Yamuna.
- The project envisages creating a green buffer area approx. 300mts wide along the river edge with species of riverine ecology. Besides, a wide belt of 150mts along the peripheral roads will be developed as greenways for public amenities that will include a continuous trail of pathways and cycle tracks.
- To revive the ecosystem of the floodplains, wetlands will be created to store the flood waters and also to improve the groundwater recharge which will eventually result in flourishing of biodiversity in the floodplains.
- An environmentally conscious approach for integration of the river into the urban fabric of the city has been adopted. A people-friendly bio-diversity zone will be created for people to interact freely with the river’s eco-system.

World Bee Day

Context

- The United Nations General Assembly adopted by consensus a resolution declaring 20 May as World Bee Day.
- Every year on this day, the attention of the global public will be drawn to the importance of preserving bees and other pollinators. People will be reminded of the importance of bees for the entire humanity and invited to take concrete action to preserve and protect them.
- The objective of the initiative is to contribute significantly to international cooperation in tackling global challenges in terms of global food security, eradication of hunger and malnutrition and preserving the environment from further losses in biodiversity and degradation of ecosystem services. The initiative also aims to support global efforts towards Sustainable Development Goals.

The Value of Bees

- “To bee or not to bee” captures the importance of bees as pollinators for biodiversity and food security; it also underlines the growing recognition of urgency required to address challenges brought about by the decline in world bee population.
- These challenges affect the whole world, albeit with different level of intensity; they include: provision of sustainable and sufficient food production, adaptation to climate change, diminishing natural resources such as arable land and water supply, major price volatility of agricultural raw materials etc.
- As climate change gains its place at the top of the agenda of world politics, its numerous and interdependent effects attract various degree of interest and global action. The role of bees and other

natural pollinators is sometimes omitted from the discussions on climate change and on sustainable development goals.

- Bees and other pollinators sustain one third of all food produced globally. The Food and Agriculture Organization of United Nations (FAO) estimates that 71% of all crop species grown for human consumption depend on pollinators.
- Beyond the importance of pollination for the livelihood and income of farmers worldwide as well as for the food security, bees are of great importance for maintaining the ecological balance and ensuring the conservation of biodiversity in nature. At the same time, bees are important bio indicator of the state of the environment.
- In the last 50 years, bees have become increasingly endangered, particularly in the areas with intense agriculture. Shrinking habitat along with negative effects of expanding monoculture areas as well as modified and intensified grassland cultivation technology have led to decline in development of bee colonies. The situation is made worse by new bee diseases and pests, whose impacts are aggravated by deteriorating resistance of bee colonies and impacts of globalisation that allows for the transfer of pests over long distances.
- The Republic of Slovenia, on the initiative of the Slovenian Beekeepers' Association, hence proposed to the United Nations (UN) to declare **May 20** a World Bee Day.
- Slovenia, a country rich in natural resources, takes pride in its above-average biodiversity. More than 35% of total Slovenian territory is included in the Natura 2000 network of special protection areas.
- Slovenia is known as a country using a "unique beekeeping method" characterized by wide varieties of honey, most of it produced by indigenous Slovenian species Carniolan Bee
- May is a month when the development of bees in the Northern hemisphere is in full swing. The bee colonies swarm, engaging in their natural way of reproduction. This coincides with the peak in terms of need for pollination of many plants. In the Southern hemisphere, May is the time of autumn, when bee products are harvested and the days of honey begin.
- In Slovenia, May 20th is known as the birthday of Anton Janša (1734-1773), the pioneer of modern beekeeping. Janša was the first teacher of modern beekeeping in the world, he was appointed by the Habsburg Empress Maria Theresa at the first beekeeping school in Vienna.

Do You Know?

- Bees pollinate over 170,000 plant species.
- Without bees, fruits and vegetables would be much less abundant and there would be no lovely colours of flowers in the meadows.
- With 30,000 to 60,000 bees, a bee colony can be compared to a small city in terms of its population.
- The queen bee is the only member of the bee family that lays eggs, producing up to 2,000 eggs in a day.
- Honey bees' wings strike 11,400 times per minute, thus making their distinctive buzz.
- The Carniolan honey bee, *Apis mellifera carnica*, is a bee subspecies native to Slovenia and the second most numerous subspecies in the world.
- For a kilogram of honey, a bee must visit four million flowers and fly four times the distance around the world.

International Biodiversity Day 2018: 22 May

- Every year May 22 is observed as The International Day for Biological Diversity (IDB) to increase awareness on various biodiversity issues such as habitat destruction, marine pollution and climate change.
- It was first observed in 1993 by the Second Committee of the UN General Assembly.
- In 2000, May 22 was chosen as the The International Day for Biological Diversity to commemorate the Adoption of the Agreed Text of the Convention on Biological Diversity.
- The theme for 2018 is “**Celebrating 25 Years of Action for Biodiversity.**”
- Biodiversity is the variety of all life forms on earth – the different plants, animals and micro-organisms and the ecosystems of which they are a part.
- **UN SDG # 15:** Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Biodiversity Facts & Figures

- Insects and other pollen-carriers are estimated to be worth more than US\$200 billion per year to the global food economy
- Of the 8,300 animal breeds known, 8% are extinct and 22% are at risk of extinction.
- Of the over 80,000 tree species, less than 1% have been studied for potential use.
- Three-quarters of the top-ranking global prescription drugs contain components derived from plant extracts.
- Fish provide 20% of animal protein to about 3 billion people. Only ten species provide about 30% of marine capture fisheries and ten species provide about 50% of aquaculture production.
- The five major threats to biodiversity include: invasive alien species, climate change, nutrient loading and pollution, habitat change, and overexploitation.
- Micro-organisms and invertebrates are key to ecosystem services, but their contributions are still poorly known and rarely acknowledged
- Many scientists are referring to the current era as the **Holocene Extinction, or the 6th Extinction.**

About CBD

- At the 1992 Earth Summit in Rio de Janeiro, world leaders agreed on a comprehensive strategy for “sustainable development” — meeting our needs while ensuring that we leave a healthy and viable world for future generations. One of the key agreements adopted at Rio was the Convention on Biological Diversity.
- The Convention on Biological Diversity is the international legal instrument for “the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources” that has been ratified by 196 nations.

‘Clean Air India’ Initiative Launched

- Prime Minister of Netherlands Mark Rutte, who was in India on a two-day visit, launched the ‘Clean Air India Initiative’ in New Delhi.
- The campaign aims to curb air pollution in Indian cities by promoting partnerships between Indian start-ups and Dutch companies and build a network of entrepreneurs working on business solutions for cleaner air.

About Clean Air India Initiative

- The Clean Air India Initiative is a collaborative project between Get In The Ring, a platform for start-ups, the government of the Netherlands, Start-up India, and INDUS Forum, an online matchmaking platform of Indian and Dutch businesses.
- The campaign aims to curb air pollution in Indian cities by promoting partnerships between Indian start-ups and Dutch companies and build a network of entrepreneurs working on business solutions for cleaner air.

Biodiversity Award For Arunachal Reserve

- A community reserve in Arunachal Pradesh has been awarded the India Biodiversity Award for its effort to conserve the critically endangered bird - **Bugun liocichla**.
- Singchung Bugun Village Community Reserve Management Committee (SBVCR) of Arunachal Pradesh was awarded the India Biodiversity Award, 2018, on the occasion of the International Day for Biological Diversity, at Professor Jayashankar Telangana State Agricultural University in Hyderabad.
- India Biodiversity award is conferred annually by the National Biodiversity Authority.
- Bugun Liocichla (*Liocichla bugunorum*) was discovered in 2006 in West Kameng district of Arunachal Pradesh. The bird has been named in honour of the efforts of the Bugun community of Singchung village in West Kameng district in conserving the wildlife and forest of the area.
- The known population of this species is between 14 and 20 individual birds and occupies an extremely small (3 to 4 square kilometre) area in the temperate forest around 2,200m which is entirely within the traditional lands of Singchung village. The International Union for the Conservation of Nature has classified this species as **critically endangered**.
- The Singchung Bugun village community reserve was formally created on February 6 last year following intensive conservation efforts by the Arunachal forest department. The SBVCR, 17 square kilometre in size, is the core area of a larger conservation area on traditional Bugun lands.
- The community reserve, considered a biodiversity hotspot, is adjacent to the to the Eaglesnest Wildlife Sanctuary (EWS).
- The SBVCR not only works towards protecting the environment but also provides jobs to the local youth, by employing them as drivers, wildlife guides, cooks and field experts in their eco-tourism initiative. Every household in the village has one member working in these services

Gaj Yatra' Honours Meghalaya's Elephant Corridor Effort

- In 2014, villagers in Meghalaya's Garo Hills set aside a part of their community-owned land to create village reserve forests, giving right of passage to elephants.
- In acknowledgement of that gesture, the Ministry of Environment, Forest and Climate Change and the Wildlife Trust of India (WTI) rolled out the 'Gaj Yatra' from Tura, the principal town of Garo Hills.
- People's initiative: 'Gaj Yatra', a "journey celebrating India's national heritage animal", aims at securing 100 elephant corridors across India.
- Four of these are in Meghalaya, including the Siju-Rewak corridor that some 1,000 elephants use to travel between the Balpakram and Nokrek National Parks in the State. The campaign has aptly been

launched in the Garo Hills, where the people have created community forests for human-elephant harmony and conservation of animals such as hoolock gibbon.

- The event involves taking an elephant mascot across districts frequented by jumbo herds for generating awareness among the people. The role of Nokma Tribals, traditional custodians of the land, in supporting the move towards co-existence between man and animal is helping conservationists for the success of the initiative.

NGT Issues Notices On Place Involving Road Through Corbett

A plea seeking a stay on the construction of a link road linking Kotdwar to Ramnagar through the Corbett Tiger Reserve has led the National Green Tribunal to seek responses from the Uttarakhand government and the Centre.

About Corbett National Park

- Corbett National Park is situated in the foothills of the Sub- Himalayan belt in Nainital districts of Uttarakhand state in India. Established in the year 1936 as Hailey National Park, Corbett has the glory of being India's oldest and most prestigious National Park. It is also being honored as the place where Project Tiger was first launched in 1973.
- This unique tiger territory is best known as the father who gave birth of the Project Tiger in India to protect the most endangered species and the Royal of India called Tigers. Corbett National Park.
- It covers an area of 521 sq. km and together with the neighboring Sonanadi Wildlife Sanctuary and Reserve Forest areas forms the Corbett Tiger Reserve. Corbett is one of the richest bird regions of the Country and has been declared as an 'Important Bird Area' (IBA) by Birdlife International.

Disaster Management

Workshop On Disaster Risk Reduction Database

- The National Disaster Management Authority (NDMA) conducted a two-day National Workshop on Data Requirements for Disaster Risk Reduction Database. The workshop was held in collaboration with United Nations International Children's Emergency Fund (UNICEF), United Nations Development Programme (UNDP) and United Nations International Strategy for Disaster Reduction (UNISDR).
- India often refers to global databases and snapshots of disaster events for reporting disaster losses. However, these databases work under various limitations and are not able to produce accurate analyses. In this background, it is important to create a uniform and credible national-level disaster database. Locally obtained and validated data will aid scientific analyses and suitable policy interventions to reduce disaster risks.
- The workshop aims to develop consensus on disasters, thresholds and develop standardised templates for data collection, updation and validation to ensure accuracy and quality.
- This database is crucial for assessing and tracking our risks and progress towards resilience without which India will not be able to meet its developmental goals. It will also be a step forwards towards implementing the Prime Minister's 10-point agenda to address disaster risks, outlined during the Asian Ministerial Conference on DRR (AMCDRR) in November, 2016.
- India is one of the most disaster-prone countries in the world. These disasters result in loss of lives and livelihoods, besides causing significant damage to infrastructure and disruption of critical services. These socioeconomic losses undo years of growth and development, especially affecting the most vulnerable and marginalised populations.

About UNICEF

- The United Nations Children's Emergency Fund is a United Nations (UN) program that provides humanitarian and developmental assistance to children and mothers in developing countries.
- It is headquartered in New York and is a member of the United Nations Development Group. It was created by the United Nations General Assembly in December 1946, to provide emergency food and healthcare to children in countries that had been devastated by World War II.

Security**Army Finalises Ammunition Project****In News**

- The Army has finalised a mega ₹15,000-crore project under which a range of ammunition for its critical weapons and tanks will be produced indigenously.
- The aim is to overcome long delays in imports and address the problem of a dwindling stockpile.

Key Highlights

- 11 private firms would be involved in the ambitious project, the implementation of which is being monitored by the top brass of the Army and the Defence Ministry.
- The project has set a specific target for the next 10 years in terms of the volume of ammunition to be produced. Initially, ammunition for a range of rockets, air defence system, artillery guns, infantry combat vehicles, grenade launchers and various other field weapons would be produced under strict timelines.
- The production targets would be revised based on the result of the first phase of the implementation of the programme.

Significance of this step

- The initiative is seen as the first serious attempt by the government to address the issue of fast dwindling stockpile of key ammunition.
- The immediate aim of the project is to create an inventory for all major weapons to enable the forces to fight a 30-day war while the long-term objective is to cut dependence on imports.
- Long delays in negotiations and subsequent procedural hurdles in the import of ammunition had adversely impacted the country's defence preparedness. Hence, indigenisation programme is a good step in this regard.
- This indigenization of ammunition production over a 10-year time-frame will gradually reduce our heavy import dependence.
- It will also help in developing capability in the private sector companies, which can set up joint ventures with foreign manufacturers, to bridge the gaps in the production capacity of the 41 factories of the Ordnance Factory Board.

Background

- After the terror attack at Uri in September 2016 it was found that the 13-lakh strong Army simply did not have certain categories of ammunition to undertake a full-blown war with intense fighting for 10 days.
- Similar was the case with the IAF and Navy. The conventional norm is that the force should have adequate the war wastage reserves (WWR) to last 40 days of intense fighting.

- According to a report, army was grappling with an alarming mix of 8% (state-of-the-art), 24% (current) and 68% (vintage) weaponry in its arsenal while engaged in daily cross-border firing duels with Pakistan as well as heightened tensions with China since the Doklam stand-off last year.
- Even a CAG report tabled in Parliament in 2017, had held the Army's stocks of 121 (80%) of the 152 types of ammunition were below the authorization level required for 40 days of "intensive fighting" as per WWR norms.
- After this, the government had empowered the army to directly procure ammunition and spares for 10 types of weapon systems.

National Security Clearance

In News

- The Home Ministry has given security clearance to more than 5,000 investment proposals, including Foreign Direct Investment, in the last four years.
- The ministry has expedited the security clearance procedure after completely revamping the entire process and relaxing various norms.

Background

- Based on the inputs received from the agencies, MHA takes decision to grant or deny security clearance with reference to core national security i.e. unity, integrity and sovereignty of the country.
- There were several projects which were stuck for lack of approval by Intelligence Bureau (IB) or other agencies including the State police. Hence, in order to speed up the process, government had formulated a new policy in 2015.
- The time taken for security clearance for a project was eight-nine months on an average. This has been brought down to 40 days since 2017.

National Security Clearance Policy

- The national security clearance policy was drawn up by the ministry to fast-track the security clearance process and complete it within 4-6 weeks upon receiving the application as part of Government's ease-of-doing-business mantra under the Make In India initiative.
- The objective of the national security clearance is to evaluate potential threats, visible or embedded, in proposals received by the home ministry and to provide a national risk assessment.
- As per the policy, the promoters, owners and directors of the company are mandated to give self declarations regarding any criminal history on their part, which reduced the period required to give security clearance from 2-3 months earlier to to just 4-6 weeks now.
- Security inputs from the Intelligence Bureau, the CBI, the Enforcement Directorate and other agencies are sought only in cases of serious crimes and not in case of minor offences.
- A total of 14-15 parameters have been set out in eight to nine sensitive areas like telecom, ports, civil aviation, uplinking/downlinking of TV channels or FM stations.
- It has also spelt out locations where foreign investment is not welcome such as those close to border and vital installations.
- Strict scrutiny is also proposed to check if the promoters or directors of the company come from China and Pakistan or they are originally from these two countries.

India, Sri Lanka Agree on Information Exchange for Drug Control

In News

- India and Sri Lanka has agreed on cooperation on exchange of information and other aspects to tackle smuggling of drugs in both countries.
- This decision was taken at the third bilateral meeting between delegations from India's Narcotics Control Bureau (NCB) and Sri Lanka's Police Narcotics Bureau (PNB) on narcotics, drugs and psychotropic substances and related matters.

Key Highlights

- The narcotics bureaus of both countries has recognised the challenging drug situation in their regions and identified useful areas for future cooperation, including in the field of information exchange, control delivery operations, and training.
- Both delegations also held detailed discussions on the latest trends in narcotics smuggling in the India-Sri lankan region, intelligence, and assistance in tracing those involved in drug smuggling in both countries.

About Narcotics Control Bureau (NCB)

- The Narcotics Control Bureau (NCB) is the nodal drug law enforcement and intelligence agency of India responsible for fighting drug trafficking and the abuse of illegal substances.
- It was created in 1986 to enable the full implementation of The Narcotic Drugs and Psychotropic Substances Act, 1985 and fight its violation through the Prevention of Illicit Trafficking in Narcotic Drugs and Psychotropic Substances Act, 1988.

Issue of Drug Abuse In India

- India is caught in the vicious circle of drug abuse, and the numbers of drug addicts are increasing day by day.
- According to a UN report, One million heroin addicts are registered in India, and unofficially there are as many as five million.
- In India persons addicted to opiates are shifting their drug of choice from opium to heroin. The intravenous injections of analgesics like dextropropoxphene etc. are also reported from many states, as it is easily available at 1/10th the cost of heroin. The codeine-based cough syrups continue to be diverted from the domestic market for abuse.

Reasons For Widespread Drug Abuse In India

- **To escape from hard realities of life** - The disintegration of the old joint family system, absence of parental love and care in modern families where both parents are working, decline of old religious and moral values etc lead to a rise in the number of drug addicts who take drugs to escape hard realities of life.
- **Loosening of the traditional methods of social control** - The processes of industrialization, urbanization and migration have led to loosening of the traditional methods of social control rendering an individual vulnerable to the stresses and strains of modern life.
- **Cultural acceptance in some part of the country**- In states like Punjab, Haryana or North eastern States like Manipur use of opium has been widely accepted. Not only that in many states of India, Bhang(Hemp) is distributed during some festivals like Holi, Janmashtami, Shivratri, and consuming bhang at such occasions is common.

- **Peers pressure** – Many youths start using drug under the pressure from their friends, seniors at educational institutions, or by members of their informal groupings.
- **Easy Availability** - India is poorly situated in the sense that on its west is the 'Golden Crescent' and on east is the 'Golden Triangle'. The usage of drugs in India is increasing, particularly in the border areas due to their porous nature.
- **Economic prosperity** – The agricultural reforms and other industrial activity has led to increase in income in regions like Punjab, Haryana, Maharashtra etc. Increase in disposable money and easy availability of drugs has led to increase in its use.

Provisions To Fight With Drug Menace

- The National Policy on Narcotic Drugs and Psychotropic Substances is based on the Directive Principles, contained in Article 47 of the Indian Constitution, which direct the State to endeavour to bring about prohibition of the consumption, except for medicinal purposes, of intoxicating drugs injurious to health.
- India is a signatory to the single Convention on Narcotic Drugs 1961, as amended by the 1972 Protocol, the Conventions on Psychotropic Substances, 1971 and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988.
- The broad legislative policy is contained in the three Central Acts, viz. Drugs and Cosmetics Act, 1940, The Narcotic Drugs and Psychotropic Substances Act, 1985, and The Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988.
- The responsibility of drug abuse control, which is a central function, is carried out through a number of Ministries, Departments and Organisations. These include the Ministry of Finance, Department of Revenue which has the nodal co-ordination role as administrator of the Narcotic Drugs and Psychotropic Substances Act, 1985 and the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988.

Vijay Prahar

- Indian Army has conducted a month long exercise known as Vijay Prahar. It was held in Suratgarh, Rajasthan. It was conducted by South Western Command of Indian Army.
- The exercise has been set on situation based on a swift offensive action. The aim of the exercise was to fine-tune jointmanship with the Indian Air Force.
- Some of the areas emphasized were real-time information, intelligence, surveillance and reconnaissance capabilities, deployment and using satellite-based surveillance capabilities, drones, electronic warfare capabilities, radars with an aim to have a transparent battlefield.
- It also focused fighting capabilities through armed helicopters and fighting and operate in nuclear environment.

About South Western Command

- The South Western Command of the Indian Army was established on 15 April 2005 and became fully operational on 15 August 2005. It is headquartered at Jaipur, Rajasthan.
- Christened as the Sapta Shakti - it is eternally resolved to conform to its motto - Forever Victorious.
- In addition to its primary role of operational preparedness, the command has contributed immensely to environmental protection, national integration, welfare of veterans, women and disabled soldiers,

Mukhyamantri Jal Swablamban Abhiyan (MJSA), besides providing assistance to the civil administration

DAC Approves Measures to Simplify Defence Procurement Procedure

In News

- The Defence Acquisition Council (DAC), chaired by Raksha Mantri Smt Nirmala Sitharaman has approved various measures to simplify the defence procurement procedure.
- This is in continuation of government's efforts to streamline defence procurement procedures and to reduce timelines so as to ensure timely delivery of equipment to the Armed Forces.

Key Highlights

- These measures will be incorporated in the DPP-16 (the manual governing the defence procurement procedure).
- The significant changes inter-alia include devolution of powers within the Ministry of Defence and the Service Headquarters, concurrent running of the acquisition process instead of sequential stage clearance, deletion of repetitive processes, aligning of various documents with revised financial guidelines, amongst others.
- These measures will go a long way in obviating undue procedural delays and will hasten activities besides shrinking procurement timelines.

India's Defence Acquisition Framework

- India's current acquisition framework consists, broadly, of a two-tiered structure, comprising the Defence Acquisition Council (DAC) and its subordinate bodies -- the Defence Procurement Board, the Defence Research and Development Board and the Defence Production Board.
- This structure was created in 2001 in pursuance of the recommendations of the Group of Ministers (GoM), which was set up to review the "national security system in its entirety".
- The acquisition procedures, which are captured in a document known as Defence Procurement Procedures (DPP).

Problems with Defence Acquisition Framework

- India's defence acquisition has not progressed as desired. Among the failures of India's defence acquisition framework has been its inability to ensure time-bound procurement thus forfeiting available budgetary resources, as well as vulnerability to import-centric pressures, corruption and controversies.
- In its 2007 audit report, the Comptroller and Auditor General of India (CAG) had noted that the basic problem of India's defence acquisition framework was its dispersed centres of responsibility and lack of professionalism in acquisition.
- There are too many independent actors responsible for various acquisition functions that include drafting of technical features, issuance of tender document, undertaking of trials and evaluation, providing quality assurance and making payment to vendors.
- These actors are neither trained for their assigned roles nor are they given adequate time to build institutional capacity.
- Another major problem of India's defence acquisition framework has been its lip service to indigenisation/self-reliance, which is now being manifested in the current government's Make in India initiative.

- Although the DPPs of recent years have tried to buttress the self-reliance efforts through a host of measures, the acquisition system still harbours its step-motherly attitude towards indigenous industry, particularly private sector companies.
- The apathy towards domestic industry has been institutionalised by keeping the acquisition and production functions under two distinct power centres in the MoD.
- Though a mere brick wall separates the offices of the DG (Acq.) and Secretary (Defence Production) – the latter is responsible for indigenous arms production by both state and private entities – their meeting grounds remain far apart.
- Since the basic objectives of these two high offices are not necessarily driven by indigenous-centric procurement, the focus on indigenisation has become subservient to acquisition.
- It is primarily because of the inherent conflict of interests between these two high offices that domestic industry has not received the necessary attention it deserves, and India continues to figure among the top arms importers in the world.

Way Forward

- India can learn a lot from France's success in devising a sound domestic-industry-driven procurement system.
- It should focus to integrate the procurement and acquisition functions under one administrative head.
- Create a dedicated professional acquisition cadre to bridge the knowledge asymmetry between government and industry.
- Create the post of Chief Of Defence Staff (CDS) as the focal point for drawing up a consolidated procurement plan for the defence and security forces.

INDIA, PAK Coast Guards Hold Talks

In News

- India Coast Guard officials & Pakistan Maritime Security Agency officials held meeting at Delhi.
- Both sides discussed issues like boundary violations by fishermen, enhancement of co-operation in maritime search and rescue besides ways to combat pollution at sea.

Key Highlights

- During the meeting, India stressed the need for a standard operating procedure for early release of fishermen on humanitarian grounds, who inadvertently violate maritime boundary.
- Further, expeditious exchange of the information about the apprehension of fishing boats and fishermen by both sides was also recognised to ensure safety of the fisher folks.
- Appreciating the need for collaboration for preservation and protection of marine environment, both sides agreed to explore opportunities for cooperation in the field of oil spill response at sea in line with the MoU signed recently by India with the South Asian Cooperative Environment Programme.

Background

- The high-level meeting took place under the provisions of the Memorandum of Understanding (MoU) signed between the two agencies in 2005.
- The MoU envisages cooperation through exchange of information on Exclusive Economic Zone (EEZ) violations, marine pollution, apprehended vessels, natural disasters and calamities, combating

smuggling, illicit trafficking of narcotic drugs and piracy and coordination in search and rescue and return sea passage.

- This annual meeting is a significant link between the two maritime agencies for addressing various and the two Service heads from Indian Coast Guard and Pakistan MSA.
- They also have a hotline link between them for regular exchange of information on non-military maritime issues as per the MoU between the two governments.

Indian Coast Guard (ICG)

- The ICG is a multi-mission organization, conducting round-the-year real-life operations at sea.
- It protects India's maritime interests and enforces maritime law, with jurisdiction over the territorial waters of India, including its contiguous zone and exclusive economic zone.
- The Indian Coast Guard was formally established on 18 August 1978 by the Coast Guard Act as an independent Armed force of India. It operates under the Ministry of Defence.

Rustom-2 Drone

- THE Rustom-II Unmanned Aerial Vehicle (UAV), which is being developed by the Defence Research and Development Organisation (DRDO), will be delivered to the armed forces by 2020.
- Rustom 2 is part of the Rustom line of Unmanned Aerial Vehicles (UAVs) that includes Rustom-I, Rustom-H and Rustom-C.
- The drone was developed for use by all three services of the Indian armed forces, primarily for intelligence, surveillance and reconnaissance operations.
- The medium-altitude prototype can fly at over 22,000 ft and is a long-endurance (MALE) UAV that has an approximate flight time of 20 hours.
- The Rustom 2 is propelled by two 3-bladed NPO saturn engines. It can fly at around 280 km/h and carry a variety of payloads like Medium Range Electro Optic (MREO), Long Range Electro Optic (LREO), Synthetic Aperture Radar (SAR), Electronic Intelligence (ELINT), Communication Intelligence (COMINT) and Situational Awareness Payloads (SAP) that help in performing missions even during the night.
- Rustom 2 can fly missions on manual as well as autonomous modes. The onboard way-point navigation system allows the drone to conduct missions autonomously.

Indian Navy commissions fourth Mk-IV LCU

- The Indian Navy has commissioned the **IN LCU L54**, the fourth ship of Landing Craft Utility MK-IV, into its fleet at Port Blair.
- It is in line with the Union Government's Make in India initiative.
- It will be the fourth Landing Craft Utility (LCU) Mk-IV class to be inducted into the Indian Navy. The ship was indigenously designed and built by Garden Reach Shipbuilders and Engineers, Kolkata.
- Landing Craft Utility (LCU) MK-IV fleet of ships is an amphibious programme with its primary role being transportation and deployment of Main Battle Tanks, Armoured Vehicles, troops and equipment from ship to shore.
- The fleet will consist of 8 ships and will be based at Andaman & Nicobar Command.
- The ships can be deployed for multirole activities like beaching operations, search and rescue, disaster relief operations, supply and replenishment and evacuation from distant islands.