

## Table of Contents

### GS PAPER 1

3-16

#### History & Culture

3-4

- Chauri Chaura Centenary
- 150th Year Birth Anniversary of Abanindranath Tagore
- Dandi March

#### Society

5-12

- Demand For A Population Control Law
- Caste Census And Associated Concerns

- Hunger And Malnutrition In India In Light Of Global Hunger Index Report 2021
- Reforms in Urban Planning Capacity in India
- Model Tenancy Act 2021- Need And Challenges

#### Geography

13-16

- Atlantic Meridional Overturning Circulation (AMOC)- Significance
- Arabian Sea Transforming Into Tropical Cyclone Hotspot

### GS PAPER 2

17-101

#### Polity

17-37

- Right To Be Forgotten
- Impact Of Exemption Under Article 15 (5) Wrt Article 21A (Right To Education)
- Reservation In Jobs For Locals/Domicile Based Reservations
- 127th Constitution Amendment Bill 2021
- Creamy Layer Among OBCs
- 97th Amendment Act
- UP Anti-Conversion Law
- Declining Productivity Of Parliament And Measures To Improve
- Government of National Capital Territory of Delhi (Amendment) Act (GNCTD) 2021
- 15th Finance Commission Report
- Women In Judiciary
- Tribunal Reforms Act 2021
- Personal Data Protection (PDP) Bill, 2019
- European Union (EU)'s Data Protection Law
- Government vs WhatsApp on Privacy Policy

#### Governance

38-48

- Administrative Reforms
- Criminal Justice System – Problems and Solutions
- RTI Assessment- Hurdles Still Prevalent
- New FCRA Rules and NGOs
- New IT Rules for Social Media and OTT Platforms/IT Rules 2021
- Geospatial Data Policy
- Draft Cinematograph Bill 2021

#### Social Justice

49-70

- Juvenile Justice (Care And Protection Of Children) Amendment Act, 2021
- Community Based Inclusive Development Program For Disabled
- Chakmas, Hajongs, And Their Deportation
- Article 21 And Right Of Non-Refoulment
- Internal Migrants- Issues Associated
- One Nation One Ration Card Scheme
- Draft Anti-Trafficking Bill
- Mid-Day Meals Scheme Has Been Renamed As PM POSHAN
- Issues With NEP (New Education Policy) Regulatory Regime
- NIPUN Bharat Mission
- Health Should Be Shifted to The Concurrent List
- Ayushman Bharat Digital Mission
- MTP Rules and MTP Amendment Act 2021
- Jal Jeevan Mission: Clean Drinking Water For All, Can It Be A Reality?

#### International Affairs

71-101

- Taiwan-China conflict
- U.S. Exit From Afghanistan And Resurgence of Taliban
- India-Myanmar Relations Post Coup d' etat
- Indo-Nepal Border Dispute
- 50 Years Of Indo-Soviet Treaty
- India-UAE Negotiations for CEPA
- EU Unveils Indo-Pacific Strategy
- 1st In-person Quad Summit

**GS PAPER 2**

**17-101**

**International Affairs 71-101**

- AUKUS Grouping
- Regional Comprehensive Economic Partnership (RCEP)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- SCO Summit
- Relevance Of 'G-7 Summit 2021' For India
- Build Back Better World (B3W) Initiative
- IBSA In Light Of BRICS
- Arctic Council: Interest and Concerns
- 60 years of Antarctic Treaty
- New Version of Atlantic Charter – An Opportunity for India

**GS PAPER 3**

**102-179**

**Economic Growth And Development 102-139**

- e- RUPI- Leads towards CBDC's in India
- Challenges of Urban Cooperative banks and Recommendation of Vishwanathan Report
- Insolvency and Bankruptcy Code
- Establishment Of Bad Banks – Associated Issues And Significance
- Assesment Of Seven Years Of PM Jan dhan Yojna
- Account Aggregator System
- Social Stock Exchanges - Need/Challenges
- General Insurance Business (Nationalisation) Amendment Bill, 2021
- Taxation Laws (Amendment) Act, 2021
- RoDTEP (Significance and Concerns)
- PLI Underperformance
- Vehicle Scrappage Policy
- Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme
- ONE DISTRICT ONE PRODUCT (GAME CHANGER IN NORTH EAST)
- Mines and Minerals (Development and Regulation) Amendment Bill, 2021
- Front of Pack (FoP) Labelling- Regulations And Issues
- Draft e-Commerce Rules 2021
- NMP- Benefits And Challenges
- Telecom Sector Reforms
- Disinvestment-Air India Sale
- Inland Vessel Bill 2021
- Draft Blue Economy Policy of India
- Draft Electricity (Amendment) Bill, 2021
- India Needs Transition From Coal-Based
- Scenario Towards Cleaner Energy
- Coal Capacity OF India
- National Hydrogen Energy Mission
- OALP- Benefits And Issues

**Agriculture 140-143**

- Farm Laws And The MSP System
- 5 years of Pradhan Mantri Fasal Bima Yojana

**Technology 144-149**

- 5th National Science and Technology Policy
- DNA Technology (Use and Application)
- Regulation Bill, 2019
- Deep Ocean Mission
- Copyright Regime And Recent Amendment To Copyright Rights

**Environment And Biodiversity 150-163**

- Glasgow Climate Change Conference (COP 26)
- Net Zero Emissions (NZE) Roadmap
- Extinction Rebellion/ Greta Thunberg 'Toolkit' Case
- NITI Aayog's Vision Document For Great Nicobar
- SEEA Ecosystem Accounting (SEEA-EA)
- Plastic Waste Management & EPR Rules, 2021
- E-Waste
- Climate Change Impacting Caves Art

**Disaster Management 164-166**

- Cloudbursts
- Forest Fires
- Issue of Desertification of North Eastern States

**Security 167-179**

- Extra Judicial Killings: An Attack On Fundamental Right
- Need For A Cyber Security Doctrine
- Karbi-Anglong Agreement
- Draft Drone Rules, 2021
- UNSC Debate on Maritime Security
- Technology and United Nation Peacekeeping
- Indigenisation Of Defence

## GS PAPER 1

### History & Culture

#### Chauri Chaura Centenary

- Prime Minister Narendra Modi has inaugurated the Chauri Chaura Centenary Celebrations in Gorakhpur district of Uttar Pradesh on 4th February 2021.
- The UP government has also planned to develop the 'Chauri Chaura Shaheed Memorial' in Gorakhpur as a heritage tourist spot.

#### Chauri Chaura Incident

- Chauri Chaura is a town in Gorakhpur district of Uttar Pradesh. The name is derived from the names of two villages Chauri and Chaura.
- In August, 1920, Gandhi had launched the Non-Cooperation Movement against the government, which involved a boycott of foreign goods, especially machine-made cloth, and legal, educational and administrative institutions.
- Two days before the Chauri Chaura incident, volunteers participating in the Non-Cooperation Movement were beaten by the local police. Several leaders were arrested and put in the lock-up at the Chauri Chaura police station.
- On February 4, 1922, large number of volunteers gathered in protest and marched to the police station.
- After a confrontation, the police fired, killing three people and injuring many more. In response, the protestors burnt the police station, in which 23 policemen were killed.

#### Impact Of The Incident

- Gandhi was deeply disturbed by the incident and condemned the killing of policemen.
- The volunteer groups in the nearby villages were dissolved, and a Chauri Chaura Support Fund was set up to demonstrate genuine sympathy and seek prayashchit (atonement).
- Gandhi decided to **stop Non-Cooperation Movement** and on February 12, 1922, the movement was formally suspended.
- Gandhi felt that he had acted too early in encouraging people to revolt against the British Raj without sufficiently emphasising the importance of ahimsa (non-violence) and without adequately training the people to practice non-violence.
- Jawaharlal Nehru and most other prominent freedom fighters, who were in prison when Gandhi took this decision, felt that this was an incorrect decision and was taken at a time when the nation was finally uniting against the British government in India.
- A few months after this withdrawal, Gandhi was also arrested and sentenced to six years of imprisonment but was later released in February 1924, on grounds of his ill health.

#### Growth of Revolutionaries

- The disappointment resulting from the suspension of the Non-Cooperation Movement led many young Indian nationalists to believe that India would not be able to get independence through non-violence.

## VAJIRAM & RAVI

- In the years that followed the incident, many popular revolutionaries including Jogesh Chatterjee, Ramprasad Bismil, Sachin Sanyal, Ashfaqulla Khan, Jatin Das, Bhagat Singh, Bhagwati Charan Vohra, Masterda Surya Sen etc. emerged in the country.

### 150<sup>th</sup> Year Birth Anniversary of Abanindranath Tagore

- Year-long celebrations, marking 150 years of Abanindranath Tagore has started recently.
- Abanindranath Tagore, the nephew of Rabindranath Tagore, was the first major supporter of *swadeshi values in Indian art*. He first created **Indian Society of Oriental Art** and later established the **Bengal School of Art (BSA)**.
- His aim of establishing BSA was to counter the English influence on Indian artists. For this, he included Indian elements in his works and achieved success when British art institutions accepted to teach and promote his style of work in their organizations.
- He believed Indian art forms gave importance to spirituality as opposed to the West which stressed on materialism. His idea of modernizing Mughal and Rajput paintings gave rise to **modern Indian painting**.
- In his later works, Abanindranath *integrated Chinese and Japanese calligraphic traditions* into his style. The intent was to develop a union of **modern pan-Asian artistic tradition** and the common elements of **Eastern artistic and spiritual culture**.
- **Ganesh Janani, Bharat Mata, The Victory of Buddha** are some of his notable paintings.
- He was also a noted writer, particularly for children. Popularly known as Aban Thakur, his books **Rajkahini, Budo Angla, Nalak, and Khirer Putul** were landmarks in Bengali language children's literature and art.

### Dandi March

- On the 91st anniversary of the historic salt march led by Mahatma Gandhi from Sabarmati Ashram to Dandi in Gujarat, Prime Minister Narendra Modi flagged off a symbolic 'Dandi march', following the same route.
- The **1882 Salt Act** gave the British a monopoly in the manufacture and sale of salt. Even though salt was freely available on the coasts of India, Indians were forced to buy it from the colonisers.
- The 24-day march from March 12 to April 5, 1930 was a tax resistance campaign against the British salt monopoly. Based on Gandhi's principle of non-violence or Satyagraha, the march marked the inauguration of the civil disobedience movement.

### Significance

- Dandi march was the most significant organised movement against the British Raj after the non-cooperation movement of the early 1920s.
- The popularity gained by the march shook the British government. It responded by arresting more than 95,000 people by March 31.
- As Gandhi broke the salt laws in Dandi, similar acts of civil disobedience took place in other parts of India.
- What started as salt satyagraha soon grew into mass satyagraha. The illegal manufacture and sale of salt was accompanied by the boycott of foreign cloth and liquor. Forest laws were flouted in Maharashtra, Karnataka and the Central Provinces.

- Peasants in Gujarat and Bengal refused to pay land and chowkidari taxes. Acts of violence too broke out in Calcutta, Karachi and Gujarat, but unlike what happened during the non-cooperation movement, Gandhi refused to suspend the civil disobedience movement this time.
- The Congress Working Committee decided to end the Satyagraha only in 1934. Even though it did not immediately lead to self-rule or dominion status, the Salt Satyagraha did have some long-term effects. After this, the British also realised that control over India now depended completely on the consent of the Indians.

## Society

### Demand For A Population Control Law

- The Ministry of Health and Family Welfare recently submitted its response to a public interest litigation (PIL) in the Supreme Court.
- The PIL claimed that Population explosion in India is a major cause of poverty, criminal activity and distorted development; and suggested that a population control law, based on the model of China, is urgently required in India.
- It also asked the Supreme Court to give directions to the government to frame a law on population control and family planning.

### Centre's Response

- The Centre told the SC that China model shows that any coercion to have a certain number of children is counter-productive and leads to demographic distortion. In fact, recently National legislature of China has **formally endorsed the three-child policy**. The reason being the population control policy has bene proven regressive --
  - **Change in Demographic Structure:** Compared to census 2010, the recent census had recorded an increase in the population in the age group of 60+ (5.4% increase). **On the other hand**, the population in the 15-59 age group has declined (6.7% since 2010)
  - **Declining Workforce:** China's workforce in the 15-59 age bracket peaked at 925 million in 2011. It had dropped to 894 million in this census.
  - **Fertility rate** well below the replacement rate - The fertility rate was 1.3 children per woman in 2020, which is far below the replacement level of 2.1(for developed countries). It is similar to the **fertility rates in Japan and Italy**, which are home to some of the **world's oldest populations**.
  - **Fear of Economic Burden** - A shrinking working age population and a growing retired population would hamper China's economic growth and strain social services.
  - **Increase in sex-based abortions** – Previous policy had led to selective sex-based abortions, causing female feticide and a sex imbalance to form over time. In 2020, China had 723.34 million men, compared to 688.44 million women.
  - The skewed sex ratio also led to **increased trafficking of women and forced prostitution**.
  - China was accused of **enforcing reproductive limits as a tool for social control**. E.g. The **Uighur Muslims** were forced to have fewer children to restrict the growth of their population.

- Also, through various voluntary birth control measures, India is witnessing a constant decline in the total fertility rate (TFR). India's TFR was 3.2 in the year 2000 compared to 2.2 in 2018, and now 2.0 as per the latest report of NFHS-5.
- Among the larger states, only 3 states – Bihar (3.0), UP (2.4), and Jharkhand (2.3) – have a fertility rate above replacement level fertility of 2.1 or less.
- The National Population Policy, 2000 also aims to achieve **replacement level fertility**. Its long-term objective is to achieve a stable population by 2045, at a level consistent with the requirements of sustainable economic growth, social development, and environmental protection.

#### States That Follow Two-Child Norm

- **Uttar Pradesh (UP)** government announced a new population policy for 2021-2030.
  - UP government will give promotions, increments, concessions in housing schemes and others perks to employees who adhere to population control norms and have two or less children.
  - For non-government employees, the incentives are rebates in taxes on water, housing and home loans.
  - If a single child's parent opts for a vasectomy, the child will be entitled to free medical facilities until the age of 20. Such children are also proposed to get free education, insurance, and preference in government jobs.
- **Rajasthan:** Those having more than two children are not eligible for appointments in government jobs.
- **Madhya Pradesh:** Follows the two-child norm since 2001. Under MP civil services rules, if the third child was born on or after January 26, 2001, a person becomes ineligible for government services.
- **Maharashtra:** Candidates are disqualified from contesting local body elections for having more than two children.
- **Gujarat:** Amended the local law in 2005 to disqualify anyone with more than two children from contesting local body elections.

#### Arguments Against Tailoring Population Control Law

Apart from center's response mentioned above, there are other arguments also that counter any population control law. These are-

- **Declining Decadal Growth Rate:** 2001-11 is the first decade in the last 100 years which has added lesser population as compared to the previous one. The 2001-11 decade registered the sharpest decline in the decadal growth rate, from 21.5% in 1991-2000 to 17.6% in 2001-11
- **Discriminatory Against Women:** India has one of the world's highest rates of female sterilizations, with about 37% of women having the operations. Only a tiny fraction of men choose to have vasectomies.
- **Penalizing Vulnerable Section Of Society:** Sometimes, it is due to extreme poverty, lack of awareness or the inability to afford contraceptives or abortion that people have more kids. De-incentivization (taking away subsidies) will have detrimental effect on these already vulnerable people.
- **Contravention of violation international laws** as India became a signatory to the International Conference on Population and Development Declaration in 1994. Thus, India is committed to honour the individual right of the couples to decide freely the number of children they want to have. These measures would be contrary to the constitutional Right to Life (Article 21).

- Studies have found that men divorced their wives to run for local body elections and families gave up children for adoption to avoid disqualification in states that had adopted a two-child policy.
- Such a policy takes away the basic rights of citizens like contesting election and voting. These policies also result in denial of merit.

### Certain Facts On Inequality

#### A. Gap Between The Richest And The Rest

- India's richest 1% hold more than four times the wealth held by the 953 million who make up for compared to the bottom 70% of the country's population and the world's richest 1% have more than twice as much wealth as 6.9 billion people.
- Nearly half the world is trying to survive on \$5.50 a day or less and many people are just one hospital bill or failed harvest away from destitution.

#### B. Women Are Worse Off Than Men

- Men predominate positions of political and economic power, as just 18% of ministers and 24% of parliamentarians globally are women.
- Further, men own 50% more wealth than women, while women occupy only an estimated 34% of managerial positions in the countries where data is available.
- Globally, extreme poverty rates are 4% higher for women than men; this gap rises to 22% during women's peak productive and reproductive ages.
- Women do 12.5 billion hours of unpaid care work every day, equivalent to 1.5 billion people working 8 hours a day with no remuneration.
- Globally, 42% of working age women are outside the paid labour force, compared with 6% of men, due to unpaid care responsibilities. Further, 80% of the estimated 67 million domestic workers worldwide are women.

---

### Caste Census And Associated Concerns

#### Census 2021 Vs Previous Census

- The country's 16th Census (Census 2021) will be done **digitally** for the first time. Till now, the process involved visiting every household and filling up forms. This year, workers going door-to-door will have **tablets or smartphones** that will let them enter information digitally.
- This would help in getting results almost immediately, unlike earlier cases where it used to take multiple years for the data to be analyzed and published.
- There is also a provision for **self-enumeration via** a mobile app for the collection of data.
- **Census portal** for *management and monitoring* of various Census related activities will act as a **single source** to provide **multi language support**.
- There will **not be any caste data** as was collected in previous Socio-Economic Caste Census (SECC) which was conducted alongside Census 2011.
- For the first time, data will also be collected under **Transgender Head**.

**Caste Data In Census**

The government has made it clear in Supreme Court that a caste census of the **Backward Classes** is “administratively difficult and cumbersome” while conducting **Census 2021**. The government’s assertion came in response to a writ petition filed by the State of Maharashtra to gather Backward Classes’ **caste data** in the State while conducting **Census 2021**.

**Arguments Against**

- i) **Accuracy Questionable:** The Centre reasoned that even when the census of castes was taken in the pre-Independence period, the data suffered in respect of “**completeness and accuracy**”. It said the caste data enumerated in the Socio-Economic and Caste Census (SECC) of 2011 is “**unusable**” for official purposes as they are “replete with technical flaws”
- ii) **Exclusion Is A Conscious Policy Decision:** It clarifies that exclusion of information regarding any caste other than Scheduled Castes and Scheduled Tribes from the purview of the census is a conscious policy decision.
- iii) **Population census has never been the ideal instrument:** The government said caste-wise enumeration in the Census was **given up** as a matter of policy from 1951.
  - ✓ It said there was a policy of “**official discouragement of caste**”.
  - ✓ There is a “grave danger” that the “basic integrity” of census data would be compromised as many people may not register themselves in the census in the event of **hiding their caste**.

**SECC 2011**

- It was conducted for the **first time** since **1931**.
- Covers every Indian family, both in rural and urban India, and ask about their:
  - ✓ **Economic status:** To allow authorities to come up with a range of indicators of deprivation which could be used to define a poor.
  - ✓ **Caste name:** To allow the government to re-evaluate which caste groups were economically worse off and which were better off.

**Arguments In Favour**

- i) Preserving caste-based affirmative action programmes or welfare schemes.
- ii) Legal imperative, considering courts’ requirement of quantifiable data for reservation matters.

It is said that in India voters don’t cast their votes, they vote their caste. Break up of population in various caste would **further strengthen caste-based politics** in India. Such politics may lead to marginalization of developmental issues like health, education, etc.

**Hunger And Malnutrition In India In Light Of Global Hunger Index Report 2021**

In GHI Report 2021, India slipped to 101<sup>st</sup> position among 116 countries from 2020 ranking (94), with **score of 27.5** (category serious). It is placed behind Pakistan (92), Bangladesh (76), Nepal (76), and Myanmar (71).

Though India is concerned with the faulty methodology in calculation of GHI, it can’t be denied that **hunger and malnutrition** are its two biggest curses. According to global nutrition report, India is home to **194.6 million undernourished people** i.e., three times the entire population of France. Globally, country is home to over 1/4<sup>th</sup> of all undernourished people worldwide and **1/3<sup>rd</sup> of world’s stunted** (chronically malnourished) children. Over the past decade, the proportion of:

underweight children fell ~7% points to 36% > stunted children declined ~10% points to 38%.

Despite the progress, these rates are still higher than those of many poorer countries in sub-Saharan Africa.

### Why India's Performance On This Front Is Poor?

Despite steady economic growth and self-sufficiency in food grains production, the country is grappling with hunger and malnutrition because of following reasons-

- **Poverty Trap** – Poverty ridden do not have enough money to buy or produce enough food. In turn, they tend to be weaker and get trapped into poverty hunger nexus.
- **Dietary Ignorance** – People often do not complement their children's diet with sufficient **nutritional components**. As a result, we see the incidents of child stunting, child wasting etc.
- **Socio Cultural Factors** - Hunger in India also has **age, gender and caste** dimensions. Compared to men, women more often forgo meals to feed their children. This is evident from the World Bank's report which says that 60% of those who are hungry are female. Caste and tribe are structural factors which predispose certain groups to long term poverty which ultimately gets translated into hunger and malnutrition.
- **Politics of Distribution** - According to *Amartya Sen*, hunger usually arises from food distribution problems, or from governmental policies in developing world, and not from the insufficiency of food production. Corruption, leakages, exclusion-inclusion error etc. makes PDS inefficient.
- **Food Wastage** – Be it cold storage of FCI or the extravaganza shown in marriages and rituals, these wastages distort the food availability making difficult for poor and vulnerable to buy food from market.
- **Natural Disaster** – Erratic monsoon, draughts, unseasonal rainfall, cyclones etc. affects food grain production and hence affects the food security in India.

### India's Effort

- **First five-year plan** focused on agriculture to increase food production. However, India had to depend on food aid like PL480 of USA. It was only after **Green Revolution**, India attained self-reliance and also surplus in food grain production.
- **Targeted public Distribution system** of India along with **Antodayaanna Yojana** aims to provide access to food grains to the most vulnerable sections of our society.
- There are a number of food-for-work programmes and employment guarantee schemes, the largest of which is the **MGNREGA** which aims to increase income levels to provide access to food and nutrition.
- **Rashtriya Krishi Vikas Yojna and National Food Security Mission** to increase the agricultural productivity to feed the hungry millions of our country.
- **National Food Security Act, 2013**: To provide subsidized food grains to ~2/3<sup>rd</sup> of India's 1.2 billion people.
- **Midday Meal Scheme & Integrated Child Development Services (ICDS)**
- **Food fortification programs** and schemes like **Nutri Farms** and Livestock development programs are striving towards reducing malnutrition among the people.
- **National Nutrition Strategy** by NITI Aayog.
- **Pradhan Mantri Garib Kalyan Anna Yojna (PMGKAY)** and **Atma Nirbhar Bharat Scheme (ANBS)** announced recently as a covid relief measures.

### Policy Recommendations

- Enhance resilience of food systems to simultaneously address the impacts of conflict and climate change and to ensure food and nutrition security.

- Base actions on a thorough understanding of the context, and strengthen inclusive, **locally led** initiatives.
- Commit to flexible, need-based, cross-sectoral, multiyear planning & financing.
- Address conflict on political level, strengthen international law & ensure accountability for rights violations. Lead the way to fundamentally change food systems

Malnutrition should not be viewed as an offshoot of poverty having adverse effects on health, development of individuals but as a national problem that results in loss of productivity & economic backwardness. Thus, series of convergent and well-coordinated actions in different sectors are required to be undertaken in the mission mode approach to address this big network problem of malnutrition.

<b>India's Concerns With GHI Calculation Methodology</b>
<p>A common continuing criticism is that it continues to suffer from worse child malnutrition. Analysts in India believe it is due to the faulty methodology adopted to calculate the index.</p> <ul style="list-style-type: none"> <li>✓ The scientific measurement of undernourishment would require <u>measurement of weight and height</u>. However, this 4-question opinion poll was conducted telephonically by Gallup.</li> <li>✓ Failed to take into account the other <u>parameters like availability of food grains per capita</u>.</li> <li>✓ This methodology <u>clubs the height and weight data about all children of the world together</u>. On the basis of that ranking, it calls below average children wasted or stunted.</li> <li>✓ Raises question about what determines height of child? Is it gene or nourishment?</li> </ul> <p>As a result, an Indian child with healthy nourishment often ends up with less height or weight compared to her African counterpart. Thereby he/she is wrongly treated as wasted or stunted.</p>

### Reforms in Urban Planning Capacity in India

NITI Aayog has launched a report “Reforms in Urban Planning Capacity in India” on measures to ramp up urban planning capacity in India.

#### Urbanization In India

<b>Urbanisation Level</b>	<ul style="list-style-type: none"> <li>• It is <b>31.1% (2011 Census)</b></li> <li>• <b>Distribution and pace of urbanisation is not uniform across country.</b></li> <li>• <b>Over 75% of the urban population of the country is in 10 States.</b></li> </ul>
<b>GDP contribution</b>	<ul style="list-style-type: none"> <li>• <b>Urbanisation contributes nearly 60% to India’s GDP.</b></li> </ul>
<b>Employment Target</b>	<ul style="list-style-type: none"> <li>• <b>Total workforce estimated to be 0.64 billion by 2030, of which 0.26 billion to be employed in urban areas.</b></li> </ul>
<b>National Infrastructure Pipeline (NIP)</b>	<ul style="list-style-type: none"> <li>• <b>Urban sector has a significant share of 17% in the NIP.</b></li> </ul>

### Report Made Several Recommendations

1. **Programmatic Intervention for Planning of Healthy Cities:** Every city must aspire to become a 'Healthy City for All' by 2030. The report recommends a Central Sector Scheme '**500 Healthy Cities Programme**', for a period of 5 years, wherein priority cities and towns would be selected jointly by the states and local bodies.
2. **Programmatic Intervention for Optimum Utilization of Urban Land:** All the cities and towns under the proposed 'Healthy Cities Programme' should strengthen development, control, and regulations based on scientific evidence to maximize the efficiency of urban land.
3. **Ramping Up of Human Resources:** To combat the shortage of **urban planners** in the public sector, states/UTs may need to expedite the filling up of **vacant positions** of town planners
4. **Ensuring Qualified Professionals for Undertaking Urban Planning:** States may need to undertake requisite amendments in their recruitment rules to ensure the entry of qualified candidates into town-planning positions.
5. **Re-engineering of Urban Governance:** The key aspects that would need to be addressed are: i) clear division of the roles and responsibilities of various authorities, appropriate revision of rules and regulations, etc., ii) creation of a more dynamic organizational structure, standardisation of job descriptions of town planners and other experts, and iii) extensive adoption of technology for enabling public participation and inter-agency coordination.
6. **Revision of Town and Country Planning Acts:** Many notified master plans need to be *reviewed and upgraded*. Therefore, the formation of an **apex committee at the state level** is recommended to undertake **regular review** of planning legislations (including town and country planning or urban and regional development acts or other relevant acts).
7. **Demystifying Planning and Involving Citizens:** The committee strongly recommends a 'Citizen Outreach Campaign' for demystifying urban planning.
8. **Steps for Enhancing the Role of Private Sector:** These include the adoption of fair processes for procuring technical consultancy services, strengthening project structuring and management skills in the public sector
9. **Steps for Strengthening Urban Planning Education System**
10. **Measures for Strengthening Human Resource and Match Demand–Supply:** Constitution of a 'National Council of Town and Country Planners' as a statutory body of the Government of India. Also, a 'National Digital Platform of Town and Country Planners' is suggested to be created within the National Urban Innovation Stack of MoHUA.

### Model Tenancy Act 2021- Need And Challenges

Union Cabinet has recently approved the Model Tenancy Act (MTA) to streamline the process of **renting property in India** and aid the rent economy in the estate sector. The Act aims to **formalise the shadow market of rental housing**, unlock vacant properties, increase rental yields, ease/remove exploitative practices, reduce procedural barriers in registration and increase transparency & discipline.

#### Need For The Act

- In India, 95% of households in rural areas live in self-owned housing, and rental housing is a predominantly urban phenomenon. Between 1951 and 2011, the **urban population in India grew by six times** and as of 2011, comprises 31% of the total population. This is projected to grow to 40% by 2036. The **2011 Census**

noted that between 6.5-10 crore people (17% to 24% of the urban population) live in unauthorized housing in urban areas.

- The **2015 draft National Urban Rental Housing Policy** noted that urban areas face a significant housing shortage and stated that this cannot be addressed by home ownership.
- The **Economic Survey (2017-18)** noted that **rental housing is a key way to address informality and shortage**. It stated that rental housing enables mobility and affordability for low-income segments, who may not be able to purchase housing.
- At present, many states have their own rent laws but the laws have become **outdated and are restrictive** – the main reasons for low rental housing in India and discourage owners from renting out their vacant houses due to fear of repossession.
- One of the potential measures to unlock the vacant house is to bringing transparency and accountability in the existing system of renting of premises and to **balance the interests of both the property owner and tenant in a judicious manner**. Arbitrary evictions, higher security deposits, repair money, notice period etc. have been some of the irritants between tenant and owner.

**Model laws are not binding on states.** Since MTA is a model law (as land is a state subject) the responsibility will now be on the states to accept or reject it. States can adopt the Act as it is with fresh legislation, or they can **amend their existing rent acts to factor in the new MTA**. States and Union Territories have MoUs with the Centre under the Pradhan Mantri Awas Yojana-Urban which has this provision. Like in the case with RERA (Real Estate Regulation and Development Act), the fear is that states may choose not to follow guidelines, diluting the essence of the Model Act.

### Features Of The Act

- **Written Agreement:** MTA mandates written agreement for all new tenancies which is to be submitted to Rent Authority. Tenant will continue to pay the rent even during the pendency of a dispute with a landlord.
- **Applicability:**
  - The new Act will be **applicable prospectively** and will not affect existing tenancies.
  - The Act seeks to **cover urban and as well as rural areas**.
  - It will apply to premises let out for **residential, commercial or educational use**, but not for industrial use. It also won't cover hotels, lodging houses, inns, etc.
- **Institutional Mechanism:** It comprises of *Rent Authority, Rent Court and Rent Tribunal* to provide fast-track resolution of disputes. The disposal of a complaint/appeal by the Rent Court and the Rent Tribunal will be **mandatory within 60 days**.
- **No Monetary Ceiling:** At present, in many old properties let out under archaic rent-control Acts, such ceilings have left landlords stuck with outdated rent amounts.

### Challenges Associated With The Act

- **Not Binding:** Land, land improvement, and control of rents falls under the State List. Model Act is only a proposed framework and hence not binding.
- **Violate Right to Privacy:** The Act requires all landlord and tenants to intimate the Rent Authority about a rental agreement along with details like **Aadhaar numbers** and attach self-attested copies of the card. This may violate the Puttaswamy judgement (2018) which states that requiring Aadhaar number can be made mandatory only for expenditure on a subsidy, benefit or service incurred from Consolidated Fund of India.

- The Act states that landlord must carry out structural repairs and tenants must be responsible for drain cleaning, geyser repairs etc. Providing these details may restrict changes that contracting parties may want to make in a contract based on their specific situation.
- **No time limit** specified for resolution of some disputes: For example, it does not specify a timeline within which the Rent Authority must resolve a dispute on **revision of rent**.
- **Limited Purview**: Excluding number of premises like properties owned by Central/State government, UT will keep a large inventory of leasable properties away from the regulatory framework. Moreover, it does not cover premises for industrial use. It also won't cover hotels, lodging houses, inns, etc.

### Conclusion

Besides its key objectives, the Model Act also seeks to ensure affordability, formalisation and increase private investment in the rental housing market. However, the framework proposed under the Model Act raises some concerns for right to privacy.

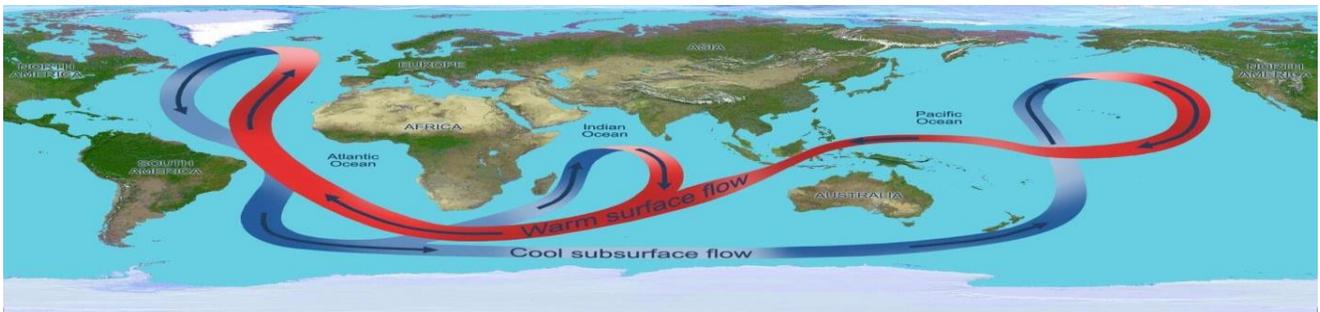
## Geography

### Atlantic Meridional Overturning Circulation (AMOC)- Significance

- A study published in Nature Climate Change notes that the circulation, known as the **Atlantic Meridional Overturning Circulation (AMOC)**, is losing its stability.
- The findings support the assessment that the AMOC **decline** is **not** just a fluctuation or a linear response to increasing temperatures but likely means the approaching of a critical threshold beyond which the circulation system could collapse.

### What is AMOC

- The AMOC is a **large system of ocean currents**. It is the **Atlantic branch of the ocean conveyor belt** or Thermohaline circulation (THC), and distributes heat and nutrients throughout the world's ocean basins.
- THC is a part of the large-scale ocean circulation that is driven by **global density gradients** created by **surface heat** and **freshwater fluxes**.
- The global conveyor belt's circulation is the result of two simultaneous processes: warm surface currents carrying less dense water away from the Equator toward the poles, and cold deep ocean currents carrying denser water away from the poles toward the Equator
- AMOC carries **warm surface waters from the tropics** towards the Northern Hemisphere, **where it cools and sinks**. It then **returns to the tropics and then to the South Atlantic as a bottom current**. From there it is distributed to all ocean basins via the Antarctic circumpolar current.



### Causes of Slowing Down of AMOC

- **Global warming:** Climate models have predicted that global warming can cause a weakening of the major ocean systems of the world.

A part of the Arctic's ice called "**Last Ice Area**" has also melted. The freshwater from the melting ice (eg greenland) **reduces the salinity** and **density** of the water. These changes make the ocean water lighter and so reduce the sinking in the 'conveyor belt'. Now, the water is **unable to sink** as it used to and weakens the AMOC flow.

- **Warming of Indian Ocean:** As the Indian Ocean warms faster and faster, it generates additional precipitation. With so much precipitation in the Indian Ocean, there will be **less precipitation** in the Atlantic Ocean, leading to **higher salinity** in the waters of the **tropical** portion of the Atlantic. This **saltier water in the Atlantic**, as it comes **north** via AMOC, will get cold much quicker than usual and sink faster.
- AMOC and THC strength has always been fluctuating, but the changes we experience in the last 100-200 years are **anthropogenic**, and these abrupt changes are **destabilising the AMOC**, which could collapse the system.

### Implications of AMOC Shutdown

- **Gulf Stream, a part of the AMOC**, is a warm current responsible for mild climate at the Eastern coast of North America as well as Europe. Without a proper AMOC and Gulf Stream, **Europe will be very cold**.
- Modelling studies have shown that an AMOC shutdown would **cool the northern hemisphere and decrease rainfall over Europe**. It can also have an **effect on the El Nino**.
- **AMOC collapse** brings about increase in **Sea ice** over the Greenland-Iceland-Norwegian seas and to the south of Greenland
- **A significant southward rain-belt migration** over the tropical Atlantic.

### Arabian Sea Transforming Into Tropical Cyclone Hotspot

The changing climate and rising global warming have converted the Arabian Sea into a new hotbed for cyclonic activities. Earlier the majority of the cyclones used to occur in the Bay of Bengal.

### Conditions for Formation of Tropical Cyclones

- Large sea surface with a temperature higher than 27° C
- Presence of Coriolis force
- Presence of vertical wind speed variations
- A pre-existing weak low-pressure area or low-level-cyclonic circulation
- Upper divergence above the sea level system.
- Continuous source of energy through moisture available above oceanic surface

### Time Period Till 2000

- Bay of Bengal was having perfect conditions for cyclone formation like more than 27-degree Celsius temperature, influx of fresh water from Ganga and Brahmaputra rivers etc. Hence Bay of Bengal was cyclone hotspot of Indian ocean.

## VAJIRAM & RAVI

- The Arabian Sea has been comparatively less prone to cyclonic storms than the Bay of Bengal. There was occurrence of one extremely severe cyclone every four-five years in the Arabian Sea.

Period 1891-2000	~308 tropical cyclones originated in Bay of Bengal, of which 103 were severe.	48 cyclones originated in Arabian sea, of which 24 were severe.
------------------	---	---

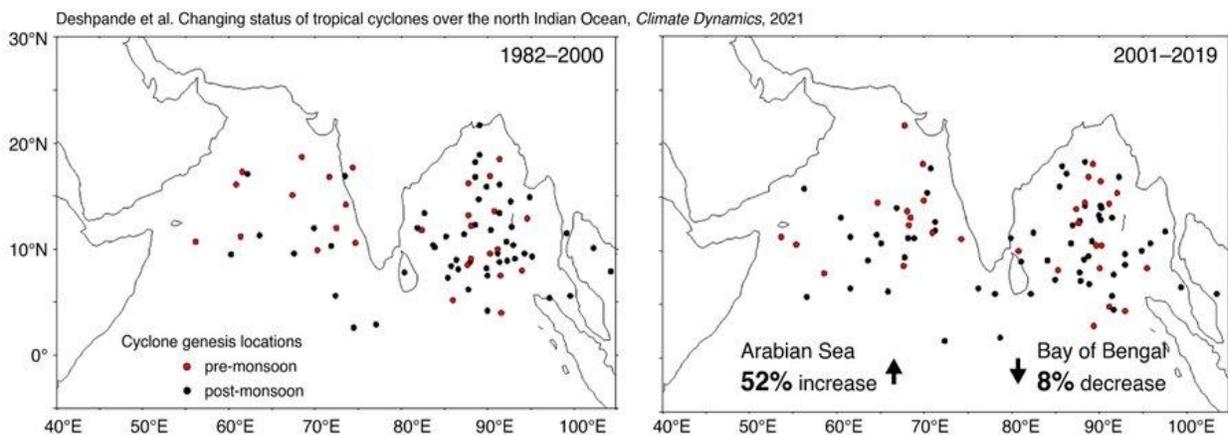
- Annually, the trend was that 5 cyclones on average used to form in Bay of Bengal and Arabian Sea combined. Among these, 4 develop in the Bay of Bengal and 1 in the Arabian Sea.

### Events Post 2000 – New Trend Of Cyclone Seen

- Earlier, tropical cyclones in the Arabian Sea were **restricted** to Gujarat. However, now even Kerala and Karnataka have also become more vulnerable to cyclones.
- There is increase in **frequency** of cyclones in Arabian sea.

No.	Name of cyclone	Year of occurrence	Important feature
1	Mekanu	2018	
2	Vayu	2019	
3	Nisarga	2020	After landfall, it travelled till Jabalpur.
4	Tauktae	2021	Took only 2 days to become VSCS

- Journal *Climate Dynamics* has found that there has been a 52% increase in the number of cyclones in the Arabian Sea in the past 20 years. The number of very severe cyclonic storms (VSCS), with wind speeds of 118-165 km per hour, has increased by a whopping 150% in the Arabian Sea.
- Life span** of all cyclones in the Arabian Sea has increased by 80% as compared to the twenty years preceding it. What's also alarming is that the duration of VSCS has increased by a whopping 260% in the Arabian Sea. By comparison, the duration and frequency of cyclones in the Bay of Bengal has remained relatively stable

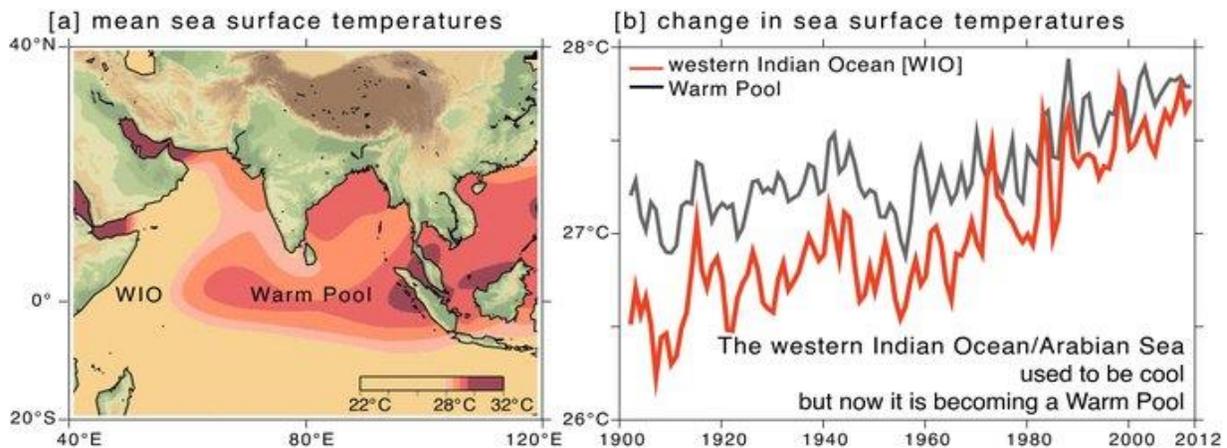


### Factors Responsible For Making Arabian Sea A Cyclone Hotspot

- Ocean Water Warming** - UN Intergovernmental Panel on Climate Change's (IPCC) reports over the past few years have reported that since 1970, the global ocean has absorbed 90% of the excess heat generated by man-made climate change. Because of this, Arabian sea become 'warm pool region', where sea surface

temperatures (SST) are at least 28 degrees Celsius. This is a temperature threshold that is conducive to the creation of cyclonic storms.

2. **High Moisture Availability In Atmosphere** - A warmer atmosphere holds more moisture. Moisture content in the air increases by 7% for every 1 degree Celsius of warming. A combination of higher moisture content plus high SST is the perfect recipe for more powerful and destructive cyclones. *Cyclone Tauktae* absorbed so much heat and moisture from the ocean, which is why it could maintain its cyclone status even one day after making landfall.
3. The Arabian Sea is also providing **conductive wind shear** for cyclones. For instance, a higher-level easterly wind drove the depression of *Cyclone Ockhi* from the Bay of Bengal to the Arabian Sea.
4. Occurrence of **El Nino Modoki** creates conditions that are not conducive for cyclogenesis in the Bay of Bengal. However, this condition is conducive for the formation of cyclones in the Arabian Sea.



Here climate change can be seen as clear evidence of making Arabian sea a cyclone hotspot. Climate scientists at Indian Institute of Meteorology, have predicted that there might be more intensification of cyclone from Arabian sea as there is scope for further temperature rise of oceanic water. So there is urgent need for development of strategy so that impact of cyclones on coastal infrastructure, on the life of people is minimized.

## GS PAPER 2

## Polity

## Right To Be Forgotten

*RTBF claimed against private party, but FR generally enforceable against state.*

In an important development for the 'right to be forgotten', the Delhi High Court recently ordered the removal of one of its own judgments from easy access.

## Background

- The petitioner was acquitted of certain crimes by the court and the judgment was freely accessible on the Internet. Unhappy with this, the petitioner sought removal of the judgment from a leading database platform and search engines.
- The court, as a temporary relief, asked search engines to remove this order from search results, and ordered the database platform to block the judgment from being accessed by search engines.
- The High Court recognised that the petitioner may have a right to be forgotten, which must be balanced with the right of the public to access court's record.

## What Is A 'Right To Be Forgotten'?

- The 'right to be forgotten' is **the right to have publicly available personal information removed from the internet, databases, or any other public platforms**, once the personal information in question is no longer necessary, or relevant.
- It has been recognised as a **statutory right in European Union under General Data Protection Regulation (GDPR)**, and has been upheld by a number of courts in the United Kingdom, and in Europe.
- In India, **there is no law that specifically provides for the right to be forgotten**. However, the Personal Data Protection Bill 2019 recognises this right.

## RTBF Under Personal Data Protection Bill 2019

- Section 20 of the Bill gave an individual the right to restrict or prevent the continuing disclosure of their personal data when such data has served the purpose for which it was collected, or is no longer necessary for said purpose.
- However, the provision made this right enforceable **only on an order passed by the adjudicating officer** appointed under the Bill. While passing such an order, the adjudicating officer is required to take several things into account, including

- Sensitivity of the personal data
- Scale of disclosure and degree of accessibility that sought to be restricted or prevented.
- Role of the individual in public life.
- Relevance of the personal data to the public
- Nature of the disclosure and of the activities of the individual

**What The Courts Have Said?**

- In **Justice Puttaswamy v. Union of India Case 2017**, the Supreme Court recognised right to be forgotten as being under the ambit of **right to privacy** (specifically informational privacy) under the Constitution.
- It observed that the “right of an individual to exercise control over his personal data and to be able to control his/her own life would also encompass his right to control his existence on the Internet”.
- However, the right to be forgotten was subject to **reasonable restrictions** based on countervailing rights such as free speech.

**Issues Associated with RTBF**

1. **Privacy vs. Information:** The existence of RTBF in a given situation depends on its balancing with other conflicting rights such as the right to free expression or other publication rights. This brings the person’s right to be left alone, derived from Article 21, directly in conflict with the rights of the media to report on issues, flowing from Article 19.
2. **Enforceability Against Private Individuals:** The RTBF will normally be claimed against a private party (a media or news website). This raises the question of whether fundamental rights can be enforced against the private individual, which is generally enforceable against the state.

**Only Article 15(2), Article 17 and Article 23** provides protection against a private act of a private party that is challenged based on its violation of the Constitution.

3. **Ambiguous Judgements:** In recent years, without a data protection law to codify RTBF, there are some inconsistent and peculiar adjudications of the right by various high courts. Courts in India have repeatedly either accepted or rejected the application of RTBF while completely ignoring the wider constitutional questions associated with it.

**Impact Of Exemption Under Article 15 (5) Wrt Article 21A (Right To Education)**

Recently, the National Commission for the Protection of the Rights of the Child (NCPCR) conducted a Nationwide Assessment of Minority Schools. The aim was to assess how the **93rd Amendment**, which exempts minority institutions from otherwise mandatory provisions of the Right to Education, affected children belonging to minority communities.

**Article 15 (5)**

- **93rd Amendment to Indian Constitution:** It empowers the state to make special provisions for the socially and educationally backward classes or the SC or ST in educational institutions including private educational institutions (whether aided or unaided by the state), **except the minority educational institutions**
- **Since minority schools are outside the purview of the RTE Act**, there is no compulsion to admit students from disadvantaged backgrounds

**Highlights of The Report**

- The religion-wise breakup of the schools:

	<b>India’s Minority Population</b>	<b>Schools Run</b>
Christians	11.54 %	71.96%
Muslims	69.18%	22.75%
Jains	1.9%	1.56%

Sikhs	9.78%	1.54%
Buddhists	3.83%	0.48 per%

- **Minority Schools catering to the Non-Minorities:** Overall, 62.5% of the students in these schools belonged to non-minority communities.
  - ✓ 74% of students in Christian missionary schools belonged to non-minority communities.
  - ✓ Only 8.76% of the students in minority schools belong to socially and economically disadvantaged backgrounds.
- **Sachar Committee report:** According to the NCPCR, the Sachar Committee report, which says 4% of Muslim children (15.3 lakh) attend madrasas, has only taken into account the registered madrasas.
- **Surge in the number of schools securing Minority Status Certificate** after the 93rd Amendment in 2006, with more than 85% of schools of the total schools securing the certificate in the years 2005-2009.
  - ✓ A second surge was seen in 2010-14, after the 2012 Society judgment that made Sections 12(1)(c) and 18(3) of the RTE Act, 2009 inapplicable to unaided minority schools.
  - ✓ In 2014, the Pramati judgment made the whole of the RTE Act inapplicable to minority schools.
- **Disproportionate Numbers:** This disproportion takes away the core objective of establishing minority educational institutions.eg-

<b>West Bengal</b>	92.47% of the minority population is of Muslims but only two schools with Muslim minority status	2.47% are Christians but 114 Christian minority schools
<b>Uttar Pradesh</b>		Christian population is less than 1% but 197 Christian minority schools

- **Non-Uniformity in Madarsas:** It found that the largest number of out-of-school children – at 1.1 crore – belonged to the Muslim community.

### Reservation In Jobs For Locals/Domicile Based Reservations

Jharkhand Assembly has passed **Employment of Local Candidates in Private Sector Bill 2021**, which provides **75% reservation** for local people in the **private sector** up to **₹40,000 salary a month**. Once notified, Jharkhand will become the **3<sup>rd</sup>** State in the country, after Andhra Pradesh and Haryana, to pass such law.

The employer may claim **exemption** where an adequate number of local candidates of the desired skill qualification are not available. The company has to apply to the Designated Officer (DO), the Deputy Commissioner of the concerned district, who will inquire into the attempts made by the employer to recruit local candidates of desired skill, qualification or proficiency.

<b>LOCAL PREFERENCE</b>	
<b>Maharashtra</b>   Private sector to employ 80% domiciled workers (Maha residents for more than 15 years); <b>Status:</b> Planned, not implemented	for state govt jobs; <b>Status:</b> 70% quota applied, 'children of MP' at planning stage
<b>Haryana</b>   Ordinance mandating 75% quota for locals in private sector jobs; <b>Status:</b> Planned, not implemented	<b>Karnataka</b>   Pvt industries to give priority to Kannadigas in clerical and shop-floor jobs; <b>Status:</b> Rules amended, follow-up law not passed yet
<b>Madhya Pradesh</b>   70% quota in pvt sector jobs for locals; only 'children of MP' to be eligible	<b>Andhra Pradesh</b>   Up to 75% quota for locals in govt and pvt sector; <b>Status:</b> Law passed, yet to be implemented

Significance Of Domicile Based Reservations

- With increasing privatisation and Central government pushing for National Monetisation Pipeline (NMP), these law would prove to be a boon for the local.
- Helps in checking people who arrive from other States and eventually settle.
- Raises morale, discourages migration, address agrarian crisis and unemployment within state

Issues

- Identification of beneficiaries.
- Spirit of competition hampered.
- Against the unity in diversity concept.
- Discourage investment as merit criteria is relegated to second position. Also, private firms will prefer to shift to those states which do not have such laws.
- Violates 50% reservation ceiling

Bill Can Be Challenged To Violate Following Articles

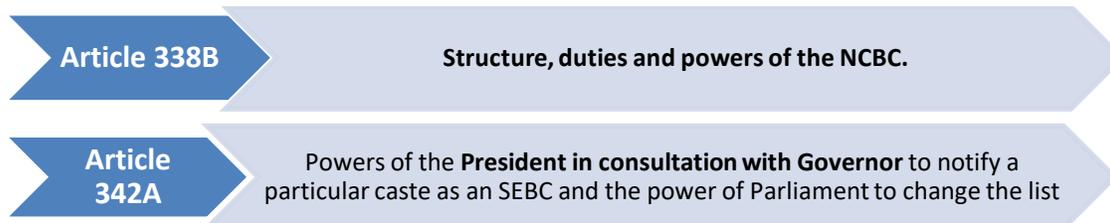
- Reservations to locals are against that equality guaranteed under **Article 14**.
- **Articles 15(1) and 15(2)** also prohibit the state from discriminating against any citizen *only on* grounds of religion, race, caste, sex, **place of birth**. But clauses (3) to (5) of Article 15 *empower the state* to provide for positive discrimination.
- **Article 16(1)** provides for equality of opportunity for all citizens in matters relating to **'employment or appointment'** to any *office under the State*. But Article 16(3) provides an exception by saying that *Parliament* may make a law "prescribing" a requirement of residence for jobs in a particular state. However, this power vests solely **in the Parliament, not state legislatures**, and that too in matters of **public employment and not in private employment**.
- Private sector firms can claim that the law interferes with their constitutional rights under **Article 19(1)(g)** which allow them to carry on their business or trade freely.

Court Judgments That Goes Against Such Reservation Policies

Pradeep Jain Vs Union of India, 1984	•SC discussed the issue of legislation for "sons of the soil". Further, the court held an opinion that such policies would be unconstitutional but <b>did not expressly rule on it</b> .
Sunanda Reddy Vs State of Andhra Pradesh, 1995	•SC affirmed the observation in Pradeep Jain to strike down a state government policy that gave 5% extra weightage to candidates who had studied with Telugu as the medium of instruction
Kailash Chand Sharma Vs State of Rajasthan, 2002	•Court held that "measures taken by State on <b>considerations of localism</b> are not sanctioned by constitutional mandate of equality"
2019, Allahabad High Court	•It struck down a recruitment notification issued by the Uttar Pradesh Subordinate Service Selection Commission. The commission prescribed preference for women who were original residents of the state

**127th Constitution Amendment Bill 2021**

- Parliament has passed the Constitution (127th Amendment) Bill, 2021 to *restore the power of State Governments to identify and specify SEBCs* (Socially and Economically Backward Classes), which was lost after the Supreme Court Judgement in Maratha quota case which ruled that **only the Centre had the power to draw up the OBC list**, as per the Constitution 102nd Amendment Act 2018.
- 102nd Amendment Act had granted constitutional status to the **National Commission for Backward Castes (NCBC)**. It further inserted:



**What Powers Does the Amendment Give To States?**

- There will be a consequential amendment in Articles 366(26C) (defines SEBCs) and 338B (9), after which states will be able to directly notify OBC and SEBCs without having to refer to the NCBC.
- Consultation with the NCBC:** Article 338B of the Constitution mandates the central and state governments to consult the NCBC on all major policy matters affecting the SEBCs. **The Bill exempts states and UTs** from this requirement for matters related to preparation of their list of SEBCs.
- The "state list" will be completely taken out of the ambit of the President and will be notified by the state Assembly.
- Nearly 671 OBC communities would have lost access to reservation in educational institutions and in appointments if the state list was abolished. Moreover, nearly one-fifth of the total OBC communities would have been adversely impacted by this.

<b>Sub-categorization of OBCs</b>	
<b>Need for sub-categorization of OBCs</b>	<b>Challenges in implementation of OBC sub-categorisation</b>
<ul style="list-style-type: none"> <li>Benefits of reservations have reached only limited sections: <b>Rohini commission</b> highlighted that from about 2,633 central list OBCs, about 1900 castes have not proportionately benefitted.</li> <li>Half of these 1900 castes have not availed the benefits of reservation at all, and the other half include those that have availed less than 3% share in the OBC quota.</li> <li>The commission highlighted that <b>25% of benefits</b> from OBC reservations have been availed by <b>only 10 sub-castes</b>.</li> <li>Benefits tilted towards economically</li> </ul>	<ul style="list-style-type: none"> <li><b>Political sensitivity of the issue:</b> OBC reservations have caused political turmoil in the past.</li> <li><b>Use of older and unreliable estimates:</b> The Mandal commission has based its recommendations on quota within quota on the <u>population figures from the 1931 Census</u>, and not on the more recent Socio-Economic Caste Census (SECC) 2011.                         <ul style="list-style-type: none"> <li>✓ Since the implementation of the Mandal Commission report, over 500 new castes have been added to the Central list of OBCs.</li> <li>✓ Also, the 1931 census also does not have population of princely states that were not ruled by the British.</li> </ul> </li> <li><b>Information unavailability on social and educational status:</b> There is lack of availability of information regarding</li> </ul>

<p>stronger sub-sections: Research suggests that the Mandal Commission recommendations helped the economically better positioned OBCs more than the most backward castes.</p>	<p>the social and educational backwardness of various castes.</p> <ul style="list-style-type: none"> <li>• <b>Difficult exercise statistically</b> due to following reason: Apart from a large number of castes, there are significant <b>variations within castes</b> from state to state which implies data collection needs to be larger and more robust.</li> </ul>
---	---

### Creamy Layer Among OBCs

A proposal to revise the income criteria for defining the “creamy layer” among OBCs has been pending for years, and MPs have raised the issue during the ongoing Monsoon Session of Parliament.

#### What Is The Creamy Layer

- It is a concept that sets a **threshold within which OBC reservation benefits are applicable**. While there is a **27% quota for OBCs in government jobs and higher educational institutions**, those falling within the “creamy layer” cannot get the benefits of this quota.
- Based on the recommendation of the **Second Backward Classes Commission (Mandal Commission)**, the government on August 13, 1990 had notified 27% reservation for Socially and Educationally Backward Classes (SEBCs) in vacancies in civil posts and services that are to be filled on direct recruitment.
- After this was challenged, the Supreme Court on November 16, 1992 (**Indira Sawhney case**) upheld 27% reservation for OBCs, **subject to exclusion of the creamy layer**.

Timeline: Concept of Creamy Layer In Appointments (OBC) and In Promotions (SC/ST)
<p style="background-color: #e1eef6; margin: 0; padding: 2px;"><b>Indra Sawhney judgment (1992)</b></p> <ul style="list-style-type: none"> <li>Gave preference to the poorer sections among the OBCs while granting the 27% quota.</li> <li>Applied creamy layer criterion on OBC only.</li> <li>The reservation of seats shall <b><i>only confine to initial appointments and not to promotions</i></b>, and the total reservations shall not exceed 50%.</li> <li>It <b><i>rejected ‘Creamy layer criterion’ for SCs &amp; STs</i></b> as they are part of Presidential list under Article 341/342 and there is no question of showing their backwardness again.</li> </ul>
<p style="background-color: #e1eef6; margin: 0; padding: 2px;"><b>77th Constitutional Amendment Act, 1995</b></p> <ul style="list-style-type: none"> <li>Government through this amendment introduced Article 16(4A), empowering the state to make provisions for <b><i>reservation in promotion to SCs/STs employees</i></b> if the state feels they are <u><i>not adequately represented</i></u>.</li> <li>So, this created a difference between OBCs and SCs, assuming that OBCs don’t face the kind and extent of discrimination faced by SCs.</li> </ul>
<p style="background-color: #e1eef6; margin: 0; padding: 2px;"><b>M. Nagaraj vs. Union of India (2006) known as ‘Reservation in Promotion Case’</b></p> <ul style="list-style-type: none"> <li>It reversed its earlier stance in Mandal case, in which it had excluded the creamy layer concept on SCs/STs in appointment. It now applied this concept on reservation in promotions for SC/STs.</li> <li>Validated Parliament’s decision to extend reservations for SCs/STs to include promotions but with three</li> </ul>

conditions.

- i) State has to provide quantifiable data as proof for the backwardness of the class.
- ii) State has to collect quantifiable data showing inadequacy of representation of that class in public employment.
- iii) State has to show how reservations in promotions would further administrative efficiency.

#### **Jarnail Singh v. Lachhmi Narain Gupta (2018)**

The government need not collect quantifiable data to demonstrate backwardness of public employees belonging to SC/STs to provide reservations for them in promotion as it is contrary to the nine-Judge Bench in Indra Sawhney case making this provision invalid.

#### **How Is It Determined**

- Following the order in Indra Sawhney, an expert committee was constituted for fixing the criteria for determining the creamy layer. On September 8, 1993, the Department of Personnel and Training (DoPT) **listed out various categories of people of certain rank/status/income whose children cannot avail benefit of OBC reservation**
- For those not in government, the **current threshold is an income of Rs 8 lakh per year**.
- For children of government employees, the threshold is based on their parents' rank and not income. For instance, an individual is **considered to fall within the creamy layer if**
  - ✓ either of his or her parents is in a constitutional post;
  - ✓ either parent has been directly recruited in Group-A; or if both parents are in Group-B services.
  - ✓ the parents enters Group-A through promotion before the age of 40
- Children of a Colonel or higher-ranked officer in the Army, and children of officers of similar ranks in the Navy and Air Force, too, come under the creamy layer.
- **Income from salaries or agriculture land is not clubbed** while determining the creamy layer.

#### **Revision of Creamy layer**

- Other than the income limit, the current definition of creamy layer remains the same as the DoPT had spelt out on September 8, 1993. No other orders for definition of creamy layer have been issued.
- The income limit has been revised over the years. While the DoPT had stipulated that it would be **revised every three years**, the first revision since 1993 (Rs 1 lakh per year) happened only in 2004 (Rs 2.50 lakh), followed by revisions in 2008 (Rs 4.50 lakh), 2013 (Rs 6 lakh), and 2017 (Rs 8 lakh). It is now more than three years since the last revision.
- Parliament Committee on Welfare of OBCs noted that the provision of revision of income limit after three years is **not being followed by the Government and the revisions are being made at larger intervals**. It also noted that currently there is **poor representation of OBCs in central government jobs** and that several OBC-reserved posts were being filled by general category candidates with the noting on files that "none found suitable".

## 97th Amendment Act

Supreme Court has struck down a part of the **97th Amendment Act** and **Part IX B** of the Constitution which governs cooperative societies in the country. It gave a major boost for federalism as the 97th Amendment shrank the exclusive authority of States over its co-operative societies.

### What Is 97th Constitution Amendment?

- The Union government, in its Statement of Objects and Reasons for the amendment, referred to the **“weaknesses” in safeguarding the interests of members of cooperatives** and the fulfilment of the objectives of these institutions.
- It referred to *delayed elections, nomination of office-bearers for long durations, reduced accountability in management and inadequate professionalism* in many societies. It spoke of the **need to initiate fundamental reforms to revitalise these institutions** and ensure “their autonomy, democratic functioning and professional management”.
- Recognising that ‘cooperative societies’ came under **Entry 32 of the State List** in the Seventh Schedule, **the Amendment proposed to create a framework for the functioning of cooperative societies**. State laws on cooperatives should conform to this framework.
- It **introduced Part IXB in the Constitution** so that the concept of cooperative societies gains constitutional recognition. The idea was to **empower Parliament to frame laws for cooperative societies** that function across States (*multi-State cooperative societies*) and State legislatures to make laws for all other cooperative societies falling under their jurisdiction.
- The Amendment set out basic rules such as a **maximum of 21 directors** in a society, a **fixed term of five years** for elected members, a **six-month cap** on the time limit for which a society’s board of directors can be kept under supersession or suspension, and **reservation of one seat for the Scheduled Castes or the Scheduled Tribes**, and two seats for women on the board of every cooperative society.

### Legal Infirmity In 97th Amendment

On a legal challenge to the validity of 97th Amendment, the **Gujarat High Court struck down Part IXB** partially.

- It is declared that Part IXB of the Constitution is *operative only insofar as it concerns multi-State cooperative societies (MSCS)* both within the various States and in the Union Territories. However, it declared the Part inoperative only in respect of cooperative societies that came under the States.
- The judgment makes a distinction between cooperative societies operating in one State and multi-State cooperative societies and holds that while a **ratification by half the State legislatures** would have been necessary insofar as it applies to cooperative societies in one State. This was because the Amendment impinged on a subject over which only the State legislatures had law-making powers. In the absence of such ratification, the Part was declared unconstitutional.
- It also ruled that the Part **violated basic structure of Constitution**, indicating breach of federal principles.
- It did not strike down the portions of Part IXB of the Amendment concerning ‘MSCS’ due to lack of ratification requirement. When it comes to MSCS with objects not confined to one State, the legislative power would be that of the Union of India which is contained in Entry 44 List I (Union List).

### Centre’s View

- The Centre’s defence was that the **Amendment did not alter entry in the State List** on ‘cooperative societies’. In fact, it specified that the State legislatures would enact the relevant laws based on a common framework.

- There was no need for ratification by the Assemblies, **as no subject was shifted from the State List to the Central or Concurrent List.**

**Supreme Court's View**

- The Supreme Court rejected the Centre's argument as the Amendment had the **effect of limiting and circumscribing the scope and extent to which States could frame laws** on cooperative societies. This impacted on their legislative power and would therefore amount to a change that would require ratification by the Assemblies.
- The top court had said if the Centre wanted to achieve uniformity (the reason for Amendment, as quoted by Centre, then the only way available was to take the recourse under **Article 252** of the Constitution which deals with the power of Parliament to legislate for two or more states by consent.
- The court took the example of the 73rd and 74th Amendments which were similar in impact on the legislative power of the States, had been passed by the special procedure involving ratification by State legislatures.

Union government has been acquiring incrementally greater control of cooperative societies over the years. Cooperative banks have been brought under the purview of the Reserve Bank of India. Union Government recently established the Union Ministry for Cooperation. It is best that the Government takes this judgment in the right spirit and stays away from further meddling in the cooperative sector, notwithstanding the creation of the new Ministry.

**Ministry Of Cooperation**

The government announced the formation of a separate **Union Ministry of Cooperation**, a subject that till date was looked after by the *Ministry of Agriculture*.

**What Is Cooperative**

- By definition, cooperatives are organizations formed at the grassroots level by people to harness the power of collective bargaining towards a common goal.
- **Constitution (97th Amendment) Act, 2011**
  - It added a new **Part IXB** right after Part IXA (Municipals) regarding the cooperatives working in India.
  - The word "cooperatives" was added after "unions and associations" in **Article 19(1)(c)** under Part III of the Constitution. This enables all the citizens to form cooperatives by giving it the status of fundamental right.
  - A new **Article 43B** was added in the Directive Principles of State Policy (Part IV) regarding the "promotion of cooperative societies".
- A majority of the cooperative societies are governed by **laws in their respective States**, with a **Cooperation Commissioner** and the **Registrar of Societies** as their governing office.
- The Government of India announced a National Policy on Co-operatives in 2002.
- In 2002, the Centre passed a **Multi State Cooperative Societies Act** that allowed for registration of societies with operations in more than one state. These are mostly banks, dairies and sugar mills whose area of operation spreads across states.

**Objectives of New Ministry**

- The Ministry of Cooperation will provide a **separate administrative legal and policy framework** for strengthening the cooperative movement in the country.

- It will help deepen **co-operatives as a true people-based movement** reaching upto the grassroots.
- The Ministry will work to **streamline processes for ‘Ease of doing business’** for co-operatives and enable development of Multi-State Co-operatives (MSCS).

**Need For a New Ministry**

- It was necessary to **restore the importance of the cooperative structure** in the country. Various studies have shown the cooperative structure has managed to flourish and leave its mark only in a handful of states like Maharashtra, Gujarat, Karnataka etc.
- Cooperative institutions get capital from the Centre, but most of the funds come to a few states such as Maharashtra, Gujarat, etc., while other states failed to keep up. Over the years, the cooperative sector has witnessed drying out of funding and thus under the new Ministry, the cooperative movement would get the required **financial and legal power** needed to penetrate into other states also.

**UP Anti-Conversion Law**

UP government passed an ordinance to deal with unlawful religious conversions, which are in opposition of various judgements of the Supreme Court which has held that faith, the state and the courts have no jurisdiction over an adult’s absolute right to choose a life partner.

Key Provisions Of The Law	Issues With Anti-Conversion Laws
<ul style="list-style-type: none"> <li>• Law prohibits conversion from one religion to another by <u>“misrepresentation, force, fraud, undue influence, coercion, allurement or marriage”</u>.</li> <li>• Marriage will be declared null and void if the sole intention was to change a girl’s religion.</li> <li>• It makes <b>religious conversion</b> for marriage a non-bailable offence and the burden to prove would be on the person who caused the conversion or the person who facilitated it.</li> <li>• <b>Notice period</b> to the District Magistrate for the religious conversion is two months.</li> <li>• Violation of the provisions of the law would invite a jail term of not less than one year extendable to five years with a fine of Rs. 15,000.</li> <li>• If a minor woman or a woman from SC or ST converts, the jail term would be a minimum of 3 years and could be extended to 10 years with a fine of Rs. 25,000.</li> <li>• If any person reconverts to his immediate previous religion, then it shall not be</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ordinance route</b> taken by the government is controversial as the law is not containing any specific urgency for this route.</li> <li>• The law encroaches upon the <u>right to privacy and violates the right to life, liberty and dignity</u> of the consenting adults.</li> <li>• <b>No need of a separate law:</b> Police do not require a special law to prevent a fraudulent or coercive inter-faith marriage. It can do so under normal circumstances too as in the case of child marriages.</li> <li>• <b>Section 7</b> authorises the arrest of a person by a police officer on receipt of the information that a religious conversion is taking place. <u>Here, arrest doesn’t require a magistrate order or warrant.</u> Information can be false news as seen in some of the recent cases.</li> <li>• In case, person wants to convert but not marry, she/he requires informing DM two months in advance. Then DM requires the police to inquire the real purpose of conversion and file a report. It leaves the scope of heavy pressure on the person from all around i.e. police and right groups.</li> <li>• <b>Section 12</b> puts the burden of proof that it is not through coercion or fraud, on the person causing conversion through marriage or by any other way.</li> </ul>

deemed to be a violation of the ordinance.	<ul style="list-style-type: none"> <li>• It promotes patriarchal mind-set, where an adult women is unable to make her own choice in the matters of religion or marriage</li> </ul>
--	--

### Declining Productivity Of Parliament And Measures To Improve

Parliament is the embodiment of the people’s will. In addition to its legislative role, it is also mandated to scrutinize the functioning of the Government which incorporates close examination and investigation of government policies, actions and spending that is carried out by the Lok Sabha/ Rajya Sabha and their committees. Despite various instruments for close and continuous scrutiny of the functioning of government like discussion/debate, Question Hour, Parliamentary committees, the parliamentary scrutiny of the government is still ineffective. The following are the reasons for it:

- **Sitting Hours:** Recently, in the Monsoon session, Lok Sabha saw only 21 hours of functioning and 22% productivity of the House before being adjourned sine die.
  - ✓ During the first two decades of Parliament, Lok Sabha met for an average of a little more than 120 days a year. This has come down to approximately 70 days in the last decade.
  - ✓ The winter session of the Parliament was truncated owing to the COVID-19 Pandemic.
- **Bypassing the Parliament Committee System:** According to data by PRS Legislative Research, while 60% of the Bills in the 14th Lok Sabha and 71% in the 15th Lok Sabha were referred to Departmentally-related Standing Committees (DRSCs) concerned, this proportion came down to 27% in the 16th Lok Sabha.

Apart from the DRSCs, there are negligible bills referred to Select Committees of the Houses or Joint Parliamentary Committees. The last Bill referred to a Joint Parliamentary Committee was The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, in 2015.

- **Bills are passed in haste:** Amid continuing disruptions, Lok Sabha, on an average, took less than 10 minutes to pass a law, and Rajya Sabha passed each law in less than half an hour. In Lok Sabha, there were 13 bills on which no MP spoke other than the Minister-In-Charge of the bill.
- **Disruptions during Question Hour:** In the 16th Lok Sabha, question hour has functioned in Lok Sabha for 77% of the scheduled time, while in Rajya Sabha it has functioned for 47%. Consequently, this time lost indicates a lost opportunity to hold the government accountable for its actions.
- **Important bills are pending:** The Personal Data Protection Bill, 2019, The Surrogacy (Regulation) Bill, 2019, The Inter-State River Water Disputes (Amendment) Bill, 2019, etc. are pending in the Parliament for more than 2 years.
- **Deciding the duration and timing of the session of the Parliament is government’s prerogative:** The time gap between two sessions cannot be more than six months (Article 85). However, it is the government (Cabinet Committee on Parliamentary Affairs) that decides the exact time and duration of the Parliamentary session which is seen in conflict with the principle of government being accountable to the Parliament. Also, as there is no fixed calendar for the sessions, the Governments have shuffled around the dates of sessions to accommodate political and legislative exigencies
- **Role of Speaker or Chairman:** The reference to the committees is within the discretion of the Speaker or the Chairman. However, many times, the speaker or chairman have exercised their discretion not to refer to the committee an important Bill which has serious implications for society.

- ✓ For example, even after popular protests against the three Bills related to agricultural produce and the three labour Bills, that definitely deserved to be scrutinised by Select Committees of the Houses, were passed by the government only by using the majority.
- ✓ Some of the most momentous Acts of Parliament in recent years such as the overhaul of Article 370 that revoked the special status of Jammu and Kashmir and divided the State into two Union Territories were not processed by any House committee.

### Suggestions

- The National Commission to Review the Working of the Constitution has recommended that Lok Sabha should have **at least 120 sittings in a year**, while Rajya Sabha should have **100 sittings**.
- Parliament should **revitalize its committees** to enable wider public participation.
- Parliament, rather than the government, should have the power to convene or take decisions on sittings and timings of the Parliament in keeping the executive accountable for its actions.
- Like the Lokpal & Lokayuktas Bill which underwent double scrutiny by two committees of Parliament, there is a need to **strengthen the parliamentary committees** rather than bypassing them for the betterment of the parliamentary democracy
- Institutionalized arrangements are necessary to provide the much-needed professional training and orientation to every newly elected/nominated Member. The curriculum should include adequate knowledge of political system, the Constitution, the Rules of Procedure and Conduct of Business, the do's and don'ts for Members, the rules of parliamentary etiquette etc.

---

## Government of National Capital Territory of Delhi (Amendment) Act (GNCTD) 2021

### History Of Delhi

- In 1956, when the Constitution of India was amended to implement the provisions of States Reorganisation Act, Delhi then became a Union Territory to be administered by an Administrator appointed by the President.
- In 1989, **Balakrishnan Committee** recommended that Delhi should continue *to be a Union Territory but that there must be a Legislative Assembly and Council of Ministers* responsible to the said Assembly with appropriate powers; and to ensure stability, appropriate constitutional measures should be taken to confer the National Capital a special status.
- Based on this report, the **Constitution (69th) Amendment Act** and the **Government of National Capital Territory of Delhi (GNCT) Act, 1991** were passed.

### GNCT Act, 1991

- The act introduced Articles 239AA and 239BB in the Constitution
- It conferred the Union Territory of Delhi with a **special status**, and redesigned it as the 'National Capital Territory of Delhi' and designated its administrator as the Lieutenant Governor (LG). (Article 239)
- It provided for a fully elected assembly and a council of ministers responsible to the assembly.
- It conferred on the assembly the power to legislate on all matters in the state list as well as the concurrent list **except land, police and public order**. However, the laws of Parliament prevail over those made by the Delhi Assembly.

- It also brought in a provision from the Government of Union Territories Act, 1963, namely, that ***in case of a difference between the LG and the council of ministers on any matter***, it shall be referred to the ***President*** by the LG for his/her decision and pending such decision, the LG can take any action on the matter as he/she deems appropriate. (**Article 239AA(4)**). This provision has been at the root of conflicts between the LG and the CM that has arisen quite often.

#### **Few Recent Instances of Conflicts And Court's Ruling**

- Between early 2015 and mid-August 2016, several orders issued by the Delhi government related to the matters such as transfer of bureaucrats, setting up of Commissions of Inquiry and the administration of the Anti-Corruption Branch (ACB), were either declared void or reversed by the L-G citing procedural lacunae ranging from lack of approval from his office to not being constitutionally empowered to take such decisions.
- The issue was taken by the Delhi government to the **Delhi High Court** which, in **August 2016**, held that the **L-G had "complete control" of matters related to the NCT** and "nothing will happen without the concurrence of the L-G".
- However, this HC judgement of 2016 was contradicted by Supreme Court in **Govt. of NCT of Delhi v. Union of India (2018)**, which guiding principle was that the elected government should not be undermined by the unelected administrator. It ruled --
  - Noting that there was no room either for anarchy or absolutism in a democracy, the SC held that "***real authority to take decisions lies in the elected government***". The L-G has *not been entrusted with any independent decision-making power*. He has to either act on the '***aid and advice***' of the **Council of Ministers**, or he is bound to implement the decision taken by the President on a reference being made by him."
  - The 'aid and advice' clause pertains only to matters on which the elected Assembly has powers under the State and Concurrent Lists, but *with the exception of public order, police and land*.
  - Wherever there are differences between the L-G and the elected government, ***the former should refer the question to the President***. However, the power to refer "any matter" to the President *did not mean that "every matter"* should be referred thus. It said the power to refer to the President was an exception; that the Lieutenant Governor need not in a mechanical manner refer every decision. *Only genuine cases of public interest can be referred to the President*.
  - The NCT's government, it also ruled, *needed only to inform the LG* of its "well-deliberated" decisions instead of obtaining his "concurrence" in *every issue of daily* governance.

#### **What Does The Government of National Capital Territory of Delhi (Amendment) Act, 2021 Says**

Underlining Delhi's status as a Union Territory, modifications have been made to four sections of its three-decade-old predecessor, the Government of National Capital Territory of Delhi Act, 1991.

- In the context of legislation passed by the Delhi Assembly, ***all references to the 'government' would mean the "Lieutenant Governor"***. It is somewhat incongruous for a territory with an elected House to be declared the sole domain of the L-G. It is an attempt to rule Delhi through the LG by making his office a '***super Chief Minister***'.
- The Act says before **taking any executive action**, the opinion of the Lieutenant Governor shall be obtained on such matters as may be specified.

- The clause that declares void any rule that empowers the Assembly or its Committees to discuss **any matter of day-to-day administration or conduct enquiries** amounts to a rollback of representative government.

In the ‘**objects and reasons**’ mentioned, the government states that there is no structural mechanism for effective time-bound implementation of Section 44 of the 1991 Act. Additionally, there was no clarity on what matters are required to be submitted to the LG before implementation. So, the current amendment will solve these crisis.

### Conclusion

- The provisions of amendment act are very antithesis of what the Court has said in its 2018 ruling. The Act will wholly undermine the Court’s efforts to strengthen the elected government vis-à-vis the appointed Lieutenant Governor.
- The government, a product of the beautiful democratic process, is replaced by one individual, a nominee of the Central government, who will occupy office at its pleasure. The Act effectively reduces the elected government to a mere vestigial organ and elevates the centrally appointed LG, to the position of a Viceroy with plenipotentiary powers.
- It is a huge setback for Delhi’s quest for **full statehood** as the L-G gets precedence to the Delhi government.

### 15<sup>th</sup> Finance Commission Report

The FFC (Chair: Mr N. K. Singh) was required to submit two reports. The first report consists of recommendations for the financial year 2020-21, and the final report with recommendations for the 2021-26 period.

#### Key Recommendations In The 2nd Report (2021-26 Period)

- **Devolution of Taxes To States:** The share of states in the centre’s taxes is recommended to be decreased from 42% during the 2015-20 period to 41% for 2020-21. The 1% decrease is to provide for the newly formed union territories of Jammu and Kashmir, and Ladakh from the resources of the central government.

- For horizontal devolution, it has suggested **12.5% weightage to demographic performance**, 45% to income, 15% each to population and area, 10% to forest and ecology and 2.5% to tax and fiscal efforts.

- ✓ **Tax Effort criterion** has been used to reward states with higher tax collection efficiency. It has been computed as the ratio of the average per capita own tax revenue and the average per capita state GDP during the three-year period between 2014-15 and 2016-17.

**Table 1: Criteria for devolution (2020-21)**

Criteria	14 <sup>th</sup> FC 2015-20	15 <sup>th</sup> FC 2020-21
Income Distance	50.0	45.0
Population (1971)	17.5	-
Population (2011)	10.0	15.0
Area	15.0	15.0
Forest Cover	7.5	-
Forest and Ecology	-	10.0
Demographic Performance	-	12.5
Tax Effort	-	2.5
<b>Total</b>	<b>100</b>	<b>100</b>

Sources: Report for the year 2020-21, 15<sup>th</sup> Finance Commission, PRS.

- ✓ **Demographic Performance** rewards efforts made by states in controlling their population. It will be computed by using the reciprocal of the total fertility ratio of each state, scaled by 1971 population data.

- Performance Based Incentives and Grants to States which revolve around four main themes.

- ✓ 1<sup>st</sup> is the **social sector**, where it has focused on health and education.
- ✓ 2<sup>nd</sup> is the **rural economy**, where it has focused on agriculture and rural roads.

- ✓ 3<sup>rd</sup>, **governance and administrative reforms** under which it has recommended grants for judiciary, statistics and aspirational districts and blocks.
- ✓ 4<sup>th</sup>, it has developed a performance-based incentive system for the **power sector**, which is not linked to grants but provides an important, additional borrowing window for States.

### Recommendations On Fiscal Roadmap

- **Fiscal deficit and debt levels:** It recommended that both central and state governments should focus on debt consolidation and comply with the fiscal deficit and debt levels as per their respective Fiscal Responsibility and Budget Management (FRBM) Acts.
- **Off-budget borrowings:** The Commission observed that financing capital expenditure through off-budget borrowings detracts from compliance with the FRBM Act. It recommended that both the central and state governments should make full disclosure of extra-budgetary borrowings. The outstanding extra-budgetary liabilities should be clearly identified and eliminated in a time-bound manner.
- **Tax capacity:** The Commission noted that tax revenue is far below the estimated tax capacity of the country. The Commission recommended: (i) broadening the tax base, (ii) streamlining tax rates, (iii) and increasing capacity and expertise of tax administration in all tiers of the government.
- **Statutory framework for public financial management:** It observed that an overarching legal fiscal framework is required which will provide for budgeting, accounting, and audit standards to be followed at all levels of government.
- **Financing of security-related expenditure:** The Commission noted that the Ministry of Defence proposed following measures for this purpose: (i) setting up of a non-lapsable fund, (ii) levy of a cess, (iii) monetisation of surplus land and other assets, (iv) tax-free defence bonds, and (v) utilising proceeds of disinvestment of defence public sector undertakings.

The Commission was asked to prepare report on a many new and unique demand via its terms of Reference (ToR) which were different from previous commissions.

- The Commission was asked to recommend a fiscal consolidation roadmap by reviewing the current finances of both state and central government and for sound fiscal management.
- The commission was asked to evaluate the impact of the GST, including the need for payment of compensation for possible loss of revenues for 5 years, and abolition of a number of cesses.
- The Commission was asked to propose measurable *performance-based incentives* for States, at the appropriate level of government in areas like deepening of tax nets, population control, power sector reforms etc.
- Other unique demands like analysing the possibility of creation of a non-lapsable defense fund and reviewing the present arrangements on financing Disaster Management initiative.

### Women In Judiciary

The participation of women in the judiciary so far has remained minuscule, especially at higher levels.

- Supreme Court since independence witnessed the appointment of **only 11 women judges**. Justice Fathima Beevi became the first woman to be appointed as SC judge in 1989. After this, there are only 10 more appointments to date.
  - **Presently there are 4 sitting female judges out of the total 33 judges.**

- No woman Judge has ever held the position of the Chief Justice of India.
- In 25 High Courts, only 81 women judges are present out of 1078. The HCs of Manipur, Meghalaya, Patna, Tripura, Telangana, and Uttarakhand do not have any women among the sitting judges.
- Women constitute only 28% of district court judges.

**Onus Of Gender Gap Lies On Collegium System**

- After 1993, the *collegium* became the ultimate authority to recommend names to SC.
- This group missed the opportunity to recommend more women judges. Both the *government and collegium system* is hence responsible for such dismal performance because the collegium is responsible for the movement up from the high court to the Supreme Court.
- As per the retired female judges, the most important reason for this disparity was “men, who normally choose the judges, tend to overlook the ability of women. There is an inbuilt bias that way, men wanting to appoint people who are like them.

**Significance Of Women In Judiciary**

- **Representation of country’s demography:** It would raise willingness of women to seek justice and produce judgments that better reflect the diversity of Indian experiences.
- **Public perception:** Perceived as a positive step in the direction of judiciary being as more transparent, inclusive, and representative of the people who seek recourse to justice. By their mere presence, women judges enhance the legitimacy of courts.
- **Different way of decision-making:** Women judges also face all the social and cultural challenges common women face. Women judges bring those experiences to their judicial actions that tend toward a more comprehensive and empathetic perspective encompassing not only the legal basis for judicial action, but also awareness of consequences on the people affected.
- **Role model:** Any step in this direction will be a benchmark for society with many more young women students coming forward and opting for law as a profession.

Challenges In Bridging Gender Gap	Suggestions
<ul style="list-style-type: none"> <li>● <b>Seniority Principle:</b> Strict adherence to this also discourages more women appointments.</li> <li>● <b>Insensitive Attitude:</b> Many judges feel that women judges lack the desired qualities.</li> <li>● <b>Neglect of Academic Community:</b> The collegium or government doesn’t appoint any distinguished jurist to Supreme Court.</li> <li>● <b>Strict stance of Collegium:</b> Providing reservations for women might impact the quality of Justice as there might be a chance where a woman Judge is appointed only to fill the reservation.</li> </ul>	<ul style="list-style-type: none"> <li>● Relaxation to the seniority principle.</li> <li>● Sensitization workshops and gender-sensitive training. An attitudinal change, along with a strong will to attain gender parity is needed amongst the male judges, in order to curb the gender gap in the judiciary.</li> <li>● Bar Council of India has to take adequate steps to encourage more women to take up the Lawyer profession. This will improve the quality of women lawyers in the long run.</li> <li>● Creating a vision document towards bridging the gender gap: SC has to take the plea filed by Supreme Court Women Lawyers Association as an opportunity.</li> <li>● The collegium should diversify the criteria of <i>geographical representation</i> in appointment process as many times there are no women judges in a particular geography.</li> </ul>

**Tribunal Reforms Act 2021**

The Tribunals Reforms Bill, 2021 has been passed by both Houses of the Parliament. Recently, the Supreme Court has challenged the government to produce material showing its reasons for introducing the Tribunal Reforms Bill of 2021. The Bill replaces the Tribunals Reforms (Rationalisation and Conditions of Service) Ordinance, 2021 which was quashed by the Supreme Court.

**Limitations of Tribunals (Acted as Trigger For Drafting of Bill)**



- The tribunals **are not independent**. The Executive holds key positions in Tribunals and the *government is the largest litigant*. So, the cases might not be decided fairly.
- Analysis of data of the last three years has shown that tribunals in several sectors have **not necessarily led to faster justice delivery** and they are also at a considerable expense to the exchequer. Ad-hoc regulation as tribunals fall under various ministries.
- **Non-uniformity** across tribunals with respect to service conditions, tenure of members, regulations etc. as tribunals fall under various ministries.
- **Bypassing the jurisdiction of High Court** in certain Tribunals like NGT, NCLAT, CAT, etc. have provisions allowing for direct appeals to the Supreme Court.
- India now has 16 tribunals including the National Green Tribunal, the Armed Forces Appellate Tribunal, the Debt Recovery Tribunal among others which also suffer from **crippling vacancies** as the SC has noted.

**Key Features Of The Bill**

- **Abolition of Appellate Tribunals:** The Bill seeks to dissolve certain existing appellate bodies and transfer their functions, such as adjudication of appeals, to other existing judicial bodies. (See in fig. beside).
- **Chairpersons and judicial members** of tribunals are former judges of High Courts and the Supreme Court. Chairperson and Members of the Tribunals will be appointed on the recommendation of a **Search-cum-Selection Committee**. The central government must decide on the **recommendations** of selection committees preferably within **three** months from date of the recommendation.
- **Eligibility and term of office:** The Bill provides for a **four-year term of office** (subject to the upper age limit of 70 years for the Chairperson, and 67 years for members). Further, it specifies a **minimum age requirement of 50 years** for appointment of a chairperson or a member.

EIGHT TRIBUNALS DISSOLVED VIA BILL		
Act under which Tribunal was set up	Abolished tribunal	Where disputes are heard after abolition
The Cinematograph Act, 1952	Film Certification Appellate Tribunal	High Court
The Trade Marks Act, 1999	Intellectual Property Appellate Board	High Court
The Copyright Act, 1957	Intellectual Property Appellate Board	Commercial Division of High Court
The Customs Act, 1962	Customs, Excise and Service Tax Appellate Tribunal	High Court
The Patents Act, 1970	Intellectual Property Appellate Board	High Court
The Airports Authority of India Act, 1994	Airports Appellate Tribunal	<ul style="list-style-type: none"> <li>■ Central government (disposal of properties on airport premises left by unauthorised occupants)</li> <li>■ High Court (appeals against eviction orders)</li> </ul>
The Control of National Highways (Land & Traffic) Act, 2002	The National Highways Tribunal	Civil Court
The Geographical Indications of Goods (Registration and Protection) Act, 1999	Intellectual Property Appellate Board	High Court

- **Removal of tribunal members:** While the Bill provides for **uniform pay and rules for the search and selection committees** across tribunals, it also provides for removal of tribunal members. It states that the central government shall, on the recommendation of the **Search-cum-Selection Committee**, remove from office any Chairperson or a Member, who has —
  - a) been adjudged as an insolvent; or
  - b) been convicted of an offence which involves moral turpitude; or
  - c) become physically or mentally incapable of acting as such Chairperson or Member; or
  - d) acquired such financial or other interest as is likely to affect his functions as such Chairperson or Member; or
  - e) so abused his position as to render his continuance in office prejudicial to the public interest.

### Key Issues Raised by SC And Analysis

- The dissolution of certain tribunals and appellate bodies, and the transfer of their functions to High Courts are criticized on the grounds that **Indian courts are already overburdened with their existing caseload.**

Pendency in HCs of as of June 2021. > 91,885 pending cases of more than 30 years

- Also, **Lack of Specialisation** in regular courts could be detrimental to the decision-making process. For example, the FCAT exclusively heard decisions appealing against decisions of the censor board, which requires expertise in art and cinema.
- Unconstitutional **Legislative Overriding of judgement passed by SC:** There was lack of discussion over the bill, and the government has re-enacted the very same provisions (regarding conditions of service and tenure) struck down by the Court in the Madras Bar Association case (2020).
  - ✓ The SC in Madras Bar Association case (2020) had fixed the term of **5 years** for the Chairpersons, Vice-Chairpersons and members of the Tribunal. In violation of the verdict, the tenure of 4 years is now fixed by the bill.
    - Short tenure of members of a tribunal along with provisions of re-appointment increases the **influence and control of the Executive over the judiciary.**
    - It also discourages meritorious candidates from applying for such positions as they may not leave their well-established careers to serve as a member for a short period.
  - ✓ **It undermines the length/security of tenure:** In past judgements, the Supreme Court (2020) has stated that advocates with at least 10 years of relevant experience must be eligible to be appointed as judicial members, as that is the qualification required for a High Court judge. **A minimum age requirement of 50 years** may prevent such persons from being appointed as tribunal members.
  - ✓ **No judicial impact assessment** was conducted prior to abolishing the tribunals despite the Supreme Court's (SC) direction in *Rojer Mathew vs. South Indian Bank case 2019*.
- The **bill violates the principles of separation of powers**, independence of judiciary, rule of law, and equality before law. It allows the Central Government to take a decision on the recommendations made by the selection Committee, preferably within three months.

**Personal Data Protection (PDP) Bill, 2019**

- Data is any collection of information that is stored in a way so computers can easily read them. It usually refers to information about messages, social media posts, online transactions, and browser searches.
- To be considered useful, data has to be processed, which means analysed by computers. Data is collected and handled by entities called data fiduciaries. While the fiduciary controls how and why data is processed, the processing itself may be by a third party, the data processor.
- This distinction is important to delineate responsibility as data moves from entity to entity. For example, in the US, Facebook (the data controller) fell into controversy for the actions of the data processor — Cambridge Analytica.

**Provisions Of PDP Bill**

- It governs the processing of personal data by **government, companies incorporated in India, and foreign companies dealing with personal data** of individuals in India.
- It trifurcates personal data. Some types of personal data are considered **sensitive personal data (SPD)**, which the Bill defines as financial, health, sexual orientation, biometric, genetic, transgender status, caste, religious belief, and more. Another subset is **critical personal data**. The government at any time can deem something critical, and has given examples as military or national security data.
- It also imposes certain **obligation on data fiduciary** like personal data can be processed only for **specific, clear and lawful purpose**. Additionally, all data fiduciaries must undertake certain transparency and accountability measures.
- It generally allows processing of data by fiduciaries only if consent is provided by the individual. However, in certain circumstances, **personal data can be processed without consent** like for providing benefits to the individual, legal proceedings, to respond to a medical emergency *etc.*
- It sets out certain **rights of the individual or data principal**. These include the right to obtain confirmation from the fiduciary on whether their personal data has been processed, seek correction of inaccurate, incomplete, or out-of-date personal data, have personal data transferred to any other data fiduciary *etc.*
- It sets up a **Data Protection Authority** which may take steps to protect interests of individuals, prevent misuse of personal data and ensure compliance with the Bill.
- **Sensitive personal data** may be transferred outside India for processing if explicitly consented to by the individual and after the approval of a Data Protection Agency (DPA). However, such sensitive personal data should continue to be stored in India. Certain personal data notified as **critical personal data** by the government can only be processed in India.
- Further, the **Central government can exempt any of its agencies** from the provisions of the Act in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states.
- Offences include -- processing or transferring personal data in violation of the Bill, punishable with a fine of **Rs 15 crore or 4% of the annual turnover** of the fiduciary; failure to conduct a data audit, punishable with a fine of **5 crore rupees or 2% of the annual turnover** of the fiduciary *etc.*

**Decoding the data protection bill**

**WHAT IT MEANS FOR CONSUMERS**

- **DATA** can be processed or shared by any entity only after consent.
- **SAFEGUARDS**, including penalties, introduced to prevent misuse of personal data.
- **ALL** data to be categorized under three heads— general, sensitive and critical.

**THE GOVERNMENT & REGULATORY ROLE**

- **GOVT** will have the power to obtain any user's non-personal data from companies.
- **THE** bill mandates that all financial and critical data has to be stored in India.
- **SENSITIVE** data has to be stored in India but can be processed outside with consent.

**WHAT COMPANIES HAVE TO DO**

- **SOCIAL** media firms to formulate a voluntary verification process for users.
- **SHARING** data without consent will entail a fine of ₹15 crore or 4% of global turnover.
- **DATA** breach or inaction will entail a fine of ₹5 crore or 2% of global turnover.

**Criticism Of PDP Bill**

- The principal shortcoming is that it does not detail a legal framework for regulating **state infringement of privacy by Intelligence agencies**.
- The Bill leaves the **definition of critical personal data** to the government so may leave scope for misuse and arbitrary action.
- The Data Protection Authority is to determine whether a **data breach needs to be reported to the affected individuals or not**. Further, the draft Bill **does not specify any timeline** for notification once the breach is identified. In the case of GDPR, for instance, it is **72 hours** once the breach is identified.
- The bill leaves the procedure of selection and tenure of the adjudicating officer entirely up to the central government. It is likely that this regulator will **never be sufficiently independent** to enforce rights against the government.

**Conclusion**

With increasing significance of data, it has become an important source of profits for companies but also has a potential avenue for invasion of privacy as it can reveal extremely personal aspects, hence the legislative process of the bill should be mindful that future’s economy and law enforcement will be predicated on the regulation of data, surrounding the issues of national sovereignty.

Extra Mile	
Arguments For Data Localisation	Arguments Against Data Localisation
<ul style="list-style-type: none"> <li>• A common argument from government officials has been that data localisation will help law-enforcement access data for investigations and enforcement. As of now, much of <b>cross-border data transfer</b> is governed by bilateral mutual legal assistance treaties — a process that almost all stakeholders agree is cumbersome. “</li> <li>• In addition, proponents highlight security against foreign attacks and surveillance, harkening notions of <u>data sovereignty</u>. Data regulation for privacy and security will not be strong enough without localization (models in China and Russia).</li> <li>• Many economy stakeholders say localisation will also increase the ability of the Indian government to <u>tax Internet giants</u>.</li> </ul>	<ul style="list-style-type: none"> <li>• The provisions could prove <b>detrimental to the country’s start-up and innovation ecosystem</b> since smaller companies or foreign application providers may not be able to afford the additional costs and compliance burden.</li> <li>• Data localization requirements are contrary to the <b>goals of promoting Digital India</b>, as global data transfer is critical to cloud computing and data analytics.</li> <li>• It will <b>increase cyber security risks</b> since cross border flow of data can lead to better fraud analysis.</li> <li>• Moreover, some lawyers contend that security and government access are not achieved by localisation. Even if the data is stored in the country, the encryption keys may still be out of reach of national agencies.</li> <li>• Many are concerned with a fractured Internet (or a “splinternet”), where the domino effect of protectionist policy will lead to other countries following suit.</li> </ul>

**European Union (EU)’s Data Protection Law**

Amazon has been handed a massive fine of close to \$900 million under the **EU’s data protection law**. The tech giant has been fined under the **General Data Protection Regulation (GDPR)** enacted in 2018.

**Why Was Amazon Fined**

- EU's **General Data Protection Regulation** (GDPR) enacted in 2018, requires companies to seek people's consent before using their personal data. However, Amazon was found to be processing personal data in violation of the rules. Amazon had **manipulated customers' data**. The advertising targeting system imposed by Amazon is carried out without free consent
- The penalty was imposed by the **Luxembourg National Commission for Data Protection** under a collective complaint filed against Amazon by 10000 people.

**About GDPR**

- The regulation ensures that personal data is gathered legally and under strict conditions. The organisations are obliged to protect the collected data from misuse and exploitation.
- Some of the **key privacy and data protection requirements** of the GDPR include:



- Any company that markets goods or services to EU residents, regardless of its location, is subject to the regulation.

**Government vs WhatsApp on Privacy Policy****Background**

- WhatsApp's new policy changes came into force from 15<sup>th</sup> May 2021. Privacy policy update of 2021 asks users to sign up to its **data-sharing policy with Facebook group companies**.
- The Centre is opposing the policy update on grounds including "violation of informational privacy".
- WhatsApp, on the other hand, had said that the latest update will enable it to use some of the "business conversations" hosted with Facebook for advertising.

**What Is The Stand Of The Government**

- The Centre has argued that WhatsApp is indulging in **anti-user practices by obtaining "trick-consent"**.
- The Government further alleged that its entire **existing user base is being made to accept** the terms and conditions before the pending **Personal Data Protection Bill becomes law**.
- The Centre has cited the **"discriminatory treatment"** of Indian users compared with European users, given that the new policy was *not applicable in Europe*. WhatsApp's decision to not implement the new privacy policy in Europe was driven by the *EU's General Data Protection Regulation*.

**Governance**

**Administrative Reforms**

Some of the major administrative reforms which were introduced in recent years -

**Major Initiatives for Administrative Reforms**

1. **Launch of “Mission Karmayogi”**- National Programme for Civil Services Capacity Building (NPCSCB is a new national architecture for *comprehensive reform* of the capacity building apparatus at individual, institutional and process levels for efficient public service delivery;
2. **e-Samiksha**- A real time online system for *monitoring and follow up action* on the decisions taken by the Government at the Apex level in respect of implementation of important Government programmes/ projects;
3. **e-Office**- e-Office Mission Mode Project (MMP) has been strengthened for enabling Ministries/ Departments to switchover to paperless office and efficient decision making;
4. **Citizen Charters**- Government has mandated Citizen Charters for all Ministries/Departments which are updated and reviewed on a regular basis.
5. **Good Governance Index 2019** assesses the Status of Governance and impact of various interventions taken up by the State Government and UTs.
6. **National e-Governance Service Delivery Assessment** aims at assessing the States, UTs and Central Ministries on the efficiency of e-Governance service delivery;
7. **Centralized Public Grievance Redress and Monitoring System (CPGRAMS)**-The Government is undertaking CPGRAMS reforms in the top grievance receiving Ministries/ Departments by enabling questionnaire guided registration process and providing for automatic forwarding of grievances to field level functionaries thereby reducing the redress time.

**Civil Service Reforms**

Reforms are required so as to ensure smooth functioning of democracy

<b>Recruitment</b>	<p><b>Recommendations of ARC II</b></p> <ul style="list-style-type: none"> <li>- A <u>National Institutes of Public Administration</u> should be established to run bachelor’s degree courses in public administration/ governance/management.</li> <li>- Graduates in other disciplines would also be eligible to appear in the Civil Services Examination, provided they complete a ‘<i>Bridge Course</i>’ in the core subjects.</li> </ul>
<b>Training</b>	<p>A <u>National Institute Of Good Governance</u> may be set up by upgrading one of the existing national/state institutes. This institute would identify, document, and disseminate best practices and also conduct training programmes.</p>
<b>Domain expertise</b>	<p><b>Recommendations of ARC II</b></p> <ul style="list-style-type: none"> <li>- In posting officers, the primary consideration should be to select the most suitable person for the post that is on offer.</li> <li>- Domains should be assigned by the <u>Central Civil Services Authority</u> to all officers of the All</li> </ul>

	<p>India Services and the Central Civil Services on completion of 13 years of service.</p> <ul style="list-style-type: none"> <li>- State Governments should take steps to constitute State Civil Services Authorities on the lines of the Central Civil Services Authority.</li> </ul>
<b>Autonomy</b>	<p>The second ARC suggested that there is a need to safeguard the <u>political neutrality and impartiality</u> of the civil services. The onus for this lies equally on the political executive and the civil services. This aspect should be included in the Code of Ethics for Ministers as well as the Code of Conduct for Public Servants</p>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>- The Hota Committee, 2004 emphasised the <u>use of information and communication technologies (ICT)</u> to transform Government by making it more accessible, effective and accountable.</li> <li>- It stressed on the need to recognise that e-governance is about discarding old procedures and transforming the process of decision making and that technology is merely a tool and a catalyst for such transformations.</li> </ul>
<b>Accountability</b>	<ul style="list-style-type: none"> <li>- The <b>Hota Committee</b> recommended that <u>Sections 13 (1) (d) and 19 of the Prevention of Corruption Act and Section 197 of the CrPC</u> may be amended to protect honest civil servants from malicious prosecution and harassment.</li> <li>- It also recommended that a Code of Ethics should be drawn up for civil servants incorporating the core values of integrity, merit and excellence in public service.</li> <li>- Another recommendation of the Hota Committee was that each department should lay down and benchmark services to be delivered, methods of grievance redressal and public evaluation of performance.</li> </ul>
<b>Performance appraisal</b>	<ul style="list-style-type: none"> <li>- <b>Surinder Nath Committee, 2003</b> recommended that - performance appraisal should be primarily used for the overall development of an officer and for his/her placement in an area where his/her abilities and potential can be best used.</li> <li>- Only those who can demonstrate a credible record of actual performance and possess the necessary knowledge and skills required for higher responsibilities should be promoted.</li> </ul>

### Mission Karmayogi

The 'Mission Karmayogi' - National Programme for Civil Services Capacity Building (NPCSCB) - aims to **reform and upskill civil servants** across the country and prepare them for future. Under this mission, the government will be providing **mid-career training** to civil servants. The training which was earlier available for only All India Services will now be compulsory for all officers at all levels.

#### Need Of The Mission

- Both the **National Training Policy of 2012** and **NITI Aayog's India@75 report** underscored the necessity of capacity building of officials as a critical part of the overall Civil Services Reforms.
- There is a need to **develop domain knowledge besides administrative capacity** in the bureaucracy by beginning right at the recruitment level and then invest in building more capacity through the rest of their career.

**Features Of Mission Karmayogi**

- **Digital Learning Framework:** Mission Karmayogi programme will be delivered by setting up a digital platform called **iGOTKarmayogi**. The platform will act as a launchpad for NPCSCB, which will enable a comprehensive reform of the capacity building apparatus at the individual, institutional & process levels.
- **Governance:** NPCSCB will be governed by the **Prime Minister's Human Resource Council**, which will also include State Chief Ministers, Union Cabinet Ministers and experts. This council will approve and review civil service capacity building programmes. Besides this, there will be a **Cabinet Secretary Coordination Unit** comprising of select secretaries and cadre controlling authorities.
- **Civil Service Competency Framework** — FRAC (Framework of Roles, Activities and Competencies) — which will contain the competency requirements for every role. The learning records of the officials will signal their existing competency details. Matching the two will help to identify the right person with the right competencies for the right job.
- **Capacity Building Commission** will prepare and monitor annual capacity building plans and audit human resources available in the government. It includes experts in related fields and global professionals.
- **Funding:** To cover around 46 lakh central employees, a sum of Rs 510.86 crore will be spent over a period of 5 years from 2020-21 to 2024-25. The expenditure is partly funded by multilateral assistance.

**Challenges In Implementation**

- **Linking training to career progression and performance is complex** in practice and needs careful planning, systemic ownership and a high degree of transparency and credibility.
- While a centralised architecture may offer coordination and standardisation, a diverse public sector workforce needs a **decentralised training and learning ecosystem**.
- Good training is an important facet of state capacity but is unlikely to improve service delivery or get absorbed by organisations without a concomitant effort to **change organisational norms and learning culture**. *Norms of hierarchy and bureaucratic processes* can stifle innovation even among highly skilled workers. Hence the culture in which competence is deployed is as important as competence itself.

**Way Forward**

- Emphasis on digital content, training and the centralised institutional architecture of the proposed reform must be balanced by understanding of the contexts and needs of diverse workers and learners.
- While training might increase awareness, behavioural change requires that information is supported by existing organisational practices and norms. Here, organisations that foster problem-solving, participation, trust, shared professional norms, and a strong sense of mission are likely to perform much better in delivering public services.
- The new system must find ways in which departments proactively strengthen investments in training their own employees, beyond goal setting, annual plans and financial contributions, as envisioned in the current proposal.

**Criminal Justice System – Problems and Solutions**

The criminal justice system is a collective enterprise authorized and supported by the legitimacy and coercive power of the state to **create and administer law**. The purpose of criminal law is not only to deter criminal

deviance and protect society from crime, but also to provide procedural safeguards to individuals and protect innocents from State persecution.

### **Need For Reform In Criminal Justice System In India**

- **Decades-old System:** The Criminal Justice System in India is a several decades-old system, based on the system established by British in India, without any major changes.
- **Colonial Foundations Of Our Criminal Law:** The fundamental principles of IPC, CrPC, and Indian Evidence Act continue to **reflect state paternalism and Victorian morality of the colonial state.**
- **Inadequately Manned:** The implementation of the criminal justice system rests with three institutions, i.e. the *police, the courts, and the prisons*. With a ratio of 144 police officers per 100,000 citizens, the Indian police are operating at a 30% vacancy. Indian judiciary has a judge population ratio of 18 judges per million compared to 50 to 110 judges per million in developed countries.
- **Pendency of Cases:** The efficacy of any justice system can be judged by the speed by which the cases are disposed of. As present, there are around **3.5 crore cases pending in the judicial system**, much of which are concentrated in the district and subordinate courts.
- **Delay In The Investigation Of Crimes** or the haphazard way in which the cases are investigated, greatly contribute to the delay in dispensing prompt justice.

### **Way Forward**

- **Rights of Crime Victims:** Victimological underpinnings ought to be given a major thrust in reforming laws to identify the rights of crime victims. The launch of victim and witness protection schemes, use of victim impact statements, advent of victim advocacy, increased victim participation in criminal trials, enhanced access of victims to compensation and restitution all point towards the increased role of victims in the criminal justice system.
- **Construction of new offences and reworking of the existing classification of offences** must be informed by the principles of criminal jurisprudence which have substantially altered in the past four decades.
  - ✓ For instance, liability questions in offences need a fresh look. Criminal liability could be graded better to assign the degree of punishments.
  - ✓ New types of punishments like community service orders, restitution orders, and other aspects of restorative and reformatory justice could also be brought in this fold.
- **Rework on the scheme of chapters and classification of offences:** Chapters of the IPC are overloaded at several places. It is unnecessary to have hundreds of sections in the category of property offences. Even the chapters on offences against public servants, contempt of authority, public tranquility, and trespass can be redefined and narrowed.
- **Unprincipled criminalization must be avoided** to save the state from dealing with too many entrants into the criminal justice system.
- **Principled Sentencing:** On the procedural side, sentencing reforms are highly imperative. Principled sentencing is needed as judges at present have the discretion to decide the quantum and nature of sentence to be imposed and often sentence convicts differently for crimes of the same nature and/or gravity.

## RTI Assessment- Hurdles Still Prevalent

Without access to relevant information, people's ability to formulate opinions and express themselves meaningfully is curtailed. That is why, Right to information has been upheld by the Supreme Court as a **fundamental right flowing from Article 19 of the Constitution**, which guarantees every citizen the right to free speech and expression.

Since its enactment, the RTI law has been used by people to seek information to actively **participate in decision-making processes** and **hold governments accountable**. Every year nearly **six million applications** are filed under the RTI Act, making it the **most extensively used transparency legislation in the world**. A large proportion of these are filed by the poorest and the most marginalised who have understood the tremendous potential of the law to empower them to access their basic rights and entitlements, especially in the absence of effective grievance redress mechanisms to address service delivery failures.

### Key Issues And Constraints In Implementing RTI Act

#### A. Issues Faced On The Demand Side

- **Low Public Awareness:** The Act lays down that the appropriate government may organize educational programmes to advance the understanding of the public, especially the disadvantaged communities regarding how to exercise their rights contemplated under the RTI Act. However, the Nodal Dept. has not undertaken any substantial steps to promote the RTI Act.
- **Constraints Faced In Filing Applications:** The Act provides that reasonable assistance must be provided to the applicant while filing an application but there are several constraints in implementation of the following guideline:
  - ✓ Non-availability of user guides. Lack of user guide results in undue hardship to information seekers to gather knowledge about the process for submitting a RTI request.
  - ✓ The Act provides that an RTI application can be submitted in writing or through electronic means. However, inadequate efforts have been made to receive RTI applications through electronic means.
  - ✓ Inconvenient payment channels: While it is desirable for the State Government to collect fee from any mode but the majority Public Information Officers (PIOs) require the applicant to deposit the fee via cash or DD which causes inconvenience to the applicants.
- **Poor Quality of Information:** Due to lack of infrastructure and adequate processes to comply with the RTI Act, the quality of information provided is very low. The information provided is either incomplete or lacks the substantial data.
- **Frivolous Request:** The Act may be used to blackmail public functionaries which makes them unable to take decisions objectively. Large number of **frivolous RTI applications** are being filed affecting efficiency of governance. The Act poses **threat to national security** as anybody, without establishing their locus, can ask questions on sensitive issues such as missile programs and international relations.

#### B. Issues Faced On The Supply Side

- **Inevitable delay in flow of information:** Failure of the Public Authority in providing information within 30-45 days once the complaint is filed.
- **Obsolete Record Management Guidelines:** Ineffective record management practices and collection of information from field offices leads to delay in processing of RTI applications. The records are required to be catalogued and indexed in a manner that the entire data is available through a centralized system on all over the country.

- **Lack of Monitoring And Review Mechanism:** There is no centralized database of RTI applicants. A centralized database of applicants with their information requests and responses from information providers will enable the PIOs to send an accurate and timely compilation.
- **Issues Faced At The Information Commissions:** Under the Act, the Information Commissions at the Central/State level are required to take steps to secure the compliance with the provisions of the Act. However, there have been inadequate processes and records available with the Information Commissions to monitor and review the working of the various Public Authorities and initiate steps to make them comply with the spirit of the Act.
- Of the permissible grounds for rejection, Section **8(1) (j)** saw the highest use. Section 8(1) (j) permits denial of access to personal information if disclosure is likely to cause unwarranted invasion of the privacy of the individual concerned.

#### Way forward

- The RTI applications must be **disposed off within the statutory time limit** provided under the Act with complete and comprehensive information.
- The **Public Information Commissioners must be given adequate training** to be cooperative enough towards the Information seekers. External agency must be appointed to train the officers within and beyond the Act.
- **Maintainance of information must be automated and efficient.** The State Government has to play a facilitative role by issuing rules/procedures to mandate the compliance of the Act.
- **The role of Information Commissions must not be limited to hearing of appeals** but they must also be a watchdog over the public authorities.
- **Dissemination of awareness** about the Right to Information in rural areas so that more rural people could practice this right.

#### New FCRA Rules and NGOs

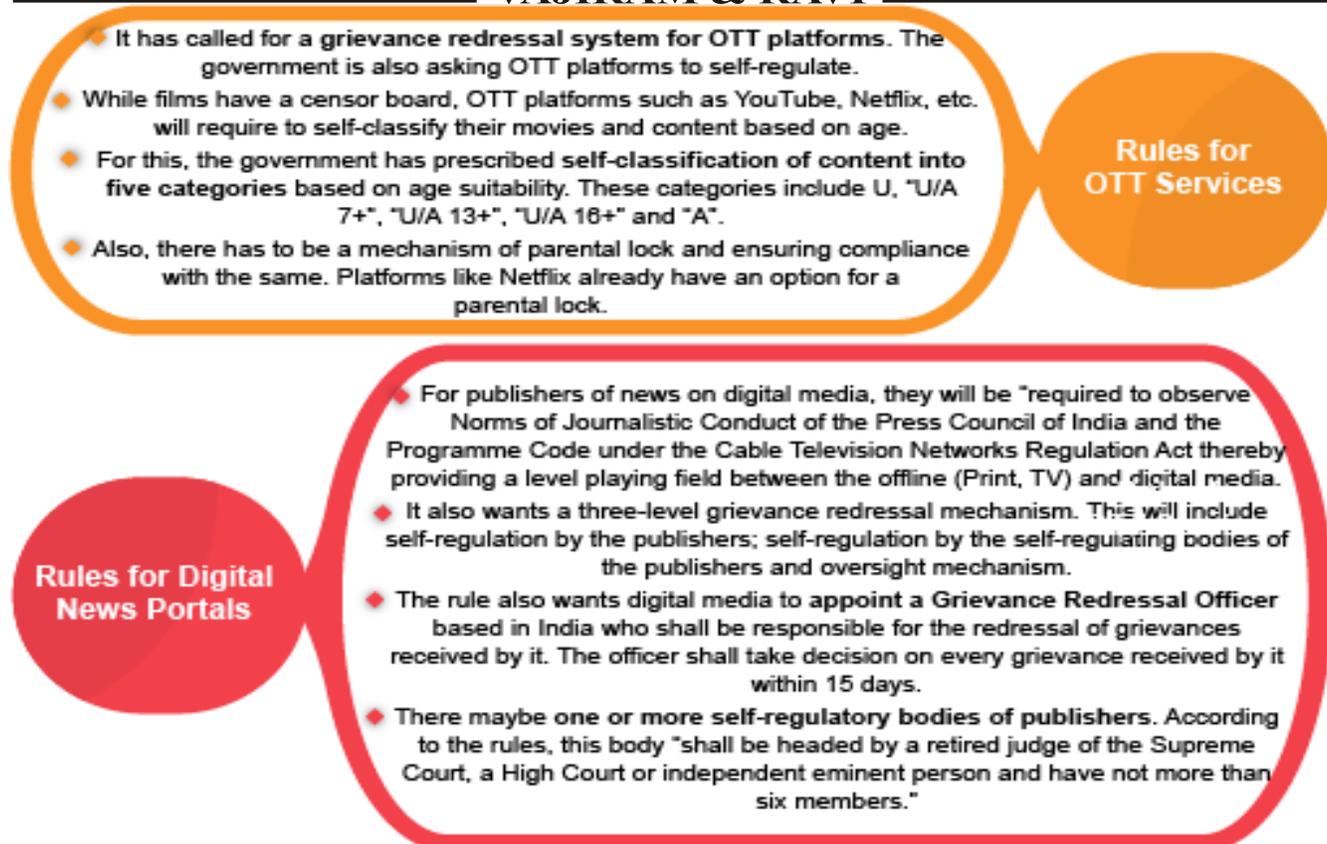
- The **Ministry of Home Affairs (MHA)** has issued new guidelines to banks on Foreign Contribution (Regulation) Act (FCRA) rules. The new guideline says that “**Donations received in Indian rupees**” by non-governmental organisations (NGOs) and associations from “any foreign source even if that source is located in India at the time of such donation” **should be treated as “foreign contribution”.**
- Donations given in Indian rupees (INR) by any foreigner/foreign source including **foreigners of Indian origin like OCI or PIO cardholders** should also be treated as foreign contribution.
- Foreign contribution has to be **received only through banking channels** and it has to be accounted for in the manner prescribed. Any violation by the NGO or by the bank may invite penal provisions of the FCRA, 2010.
- As per the existing rules, all banks have to **report to the Central government within 48 hours**, the “receipt or utilisation of any foreign contribution” by any NGO, association or person whether or not they are registered or granted prior permission under the FCRA.
- In September 2020, the Foreign Contribution (Regulation) Act, 2010, was amended by Parliament and a new provision that makes it **mandatory for all NGOs to receive foreign funds in a designated bank account at the State Bank of India’s New Delhi branch** was inserted.
- FCRA regulates foreign donations and ensures that such contributions **do not adversely affect the internal security of the country.** The Act, first enacted in 1976, was amended in the year 2010 and then 2020.

**New IT Rules for Social Media and OTT Platforms/IT Rules 2021**

India's new IT rules came into force on 26<sup>th</sup> May 2021. Titled as **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**, it seeks to regulate social media platforms, OTT players & digital media.

**Key Highlights IT rules 2021**





**Analysis**

- Many experts believe that India's new social media rules **could be emulated by other countries** such as the US, the UK and Australia.
- These countries have been **pressing social networks to take responsibility for content** on their platforms besides wanting tighter data-handling practices. India's **demand for traceability** had also found resonance in these countries.
- The new rules mandate social media companies with over 5 million users in India to **not just enable traceability** of end-to-end encrypted messages, but also **establish local offices with senior officials** to deal with law enforcement and user grievances.
- They also have to alter their interface to clearly distinguish verified users from others, apart from setting up automated tools for content filtration and informing users if their accounts have been blocked with explanations.
- The new rules are part of a **global shift following the mass shooting in New Zealand that was live-streamed by the gunman on Facebook**.

**Criticism**

- Some experts said the rules violate freedom of speech and expression and privacy. The open internet is fundamentally based on the principles of interoperability and common standards, **which may begin to fragment under these rules**.

- Now these rules will compel social media intermediaries to depart from their global practices to cater to Indian laws, thereby implicitly creating a rift between their global platform and the platform accessible in India.
- Some provisions, such as those enabling traceability of encrypted content and automated filtering, are fundamentally incompatible with end-to-end encryption and will weaken protections.

#### Reaction Of Social Media Giants on New Rule

- WhatsApp has **approached Delhi High Court** against the new IT rules that require **instant messaging platforms to aid in identifying the 'originator' of messages**.
- It has challenged the constitutionality of new IT rule on the ground that it violates privacy.
- Right to privacy is a fundamental right as pronounced in the landmark judgment of the Supreme Court in the **K.S. Puttaswamy case**.
- On the other hand, Facebook said it **aimed to comply with the provisions** of India's new IT rules of intermediaries. At the same time, it wants to discuss the issues related to the new guidelines with the government.

#### Twitter Loses Safe Harbour

- Micro-blogging platform Twitter **has failed to appoint statutory officers** (Resident Grievance Officer, Nodal Officer and Chief Compliance Officer) as mandated by the new Information Technology (IT) Rules, 2021.
- As a result, the protection under **Section 79** of the Information Technology (IT) Act, accorded to Twitter **for being a social media intermediary, now stands withdrawn**.
- In other words, Twitter has reportedly lost the **coveted "safe harbour" immunity in India**.

#### What Does it Mean

- Losing the safe harbour means that Twitter's senior executives **might face legal actions** under relevant IPC for 'unlawful' activities on the platform - **even if conducted by users**.
- Now twitter will **no longer be treated as an intermediary** with no legal fallout for the actions of its users.

#### Protection Accorded to Intermediaries under Section 79 of IT Act

- Section 79 says that any intermediary shall **not be held legally or otherwise liable for any third-party** information, data, or communication link made available or hosted on its platform.
- In other words, as long as a **platform acts just as the messenger** carrying a message from point A to point B, without interfering with its content in any manner, it will be safe from any legal prosecution brought upon due to the message being transmitted.

#### Geospatial Data Policy

With initiatives like Smart Cities and Digital India, geospatial data is of key importance **to undertake mapping to ensure proper development of sophisticated systems** like urban public transport, delivery and logistics, e-commerce, automated drones, etc. However, India is riddled with the **lack of data**. The mapping of the entire country with high accuracy, by the Indian government alone could take decades.

The government therefore felt an urgent need to incentivise the geo-spatial sector for Indian companies and increase investment from private players in the sector. In this regard, the **Ministry of Science and Technology** recently released **new guidelines for the Geo-spatial sector in India**. The new policy deregulates existing protocol and liberalises the sector to a more competitive field.

### Provisions of The New Geospatial Sector Policy

- According to the guidelines, **geospatial data implies location information** and includes data about **natural or man-made, physical or imaginary features** whether above the ground or below, **boundaries, points of interest**, natural phenomena, mobility data, **weather patterns, statistical information, etc.**
- With this new policy, **Indian entities would not have to get prior approvals, licences or security clearances, etc.** to acquire and produce such data and related services, including maps. This would include the Survey of India, data collected by security and law enforcement agencies, academic and research institutions, private organisations, NGOs and individuals.

Earlier, companies needed government approval and licences to produce, change or disseminate such geospatial information. This would often involve long waiting periods and red tape.

- There will, however, be a **negative list of sensitive information** that will require government regulation.
- In addition, the **new rules also allow foreign companies to use such data** by acquiring them from Indian companies but **only for the purpose of serving their customers in India**. They will not be allowed to reuse or resell such map data.

### Benefits of Liberalising Geospatial Data

- The reforms will allow Indian companies to develop apps like Google Earth and Google Maps. Existing Indian navigation companies like MapMyIndia will be able to make changes in their existing database without any approvals from the government.
- Liberalising the system will ensure **more players in the field, competitiveness of Indian companies in the global market**, and more accurate data available to both the government to formulate plans and administer, but also for individual Indians.
- **Startups and businesses** will be able to use this data, especially **in the sector of e-commerce or geo-spatial based apps**.
- There is also likely to be an **increase in public-private partnerships** with data collection companies working with the Indian government on various sectoral projects.
- It may lead to an **increase in investment** in the geo-spatial sector by companies, and also an **increase in export of data to foreign companies and countries**, resulting in an increase in employment which in turn will boost the economy.
- The availability of data and modern mapping technologies to Indian companies is also crucial for achieving the vision of AtmaNirbharBharat and a five trillion-dollar economy
- With the opening up of such data, efficiencies in agriculture as well as related sectors would also be witnessed.

### Challenges with Geospatial Data Liberalisation

- Privacy and surveillance-related issues: The collection of geospatial mapping and data involves various privacy-related issues and violate the individual's right to privacy. The major issues were:
  - ✓ Data of persons can be captured through geospatial **tagging** via social media.
  - ✓ There is also a possibility to capture sensitive personal information.
  - ✓ Unintended or unknown surveillance of persons.
- Private companies by collecting data on a large scale can threaten national security.

- ✓ Majority of the present geospatial data is in the hands of the US and European companies. Chinese also started many startups recently. They can tie with an Indian startup (or create a startup) in India and indulge in data mining activities.
- ✓ India at present doesn't have enough manpower to **monitor the violation** in Geospatial data. This can be exploited for any potential national security threat.

### Draft Cinematograph Bill 2021

Soon after the Centre released draft Cinematograph (Amendment) Bill 2021, it received a lot of criticism from many actors and filmmakers.

#### Significant Changes Proposed

- The Ministry of Information and Broadcasting wants to add a provision to the Act giving **revisionary powers to the Centre**. If Section 5B(1), that pertains to principles for guidance in certifying films, is violated then the Centre may direct the Chairman of Central Board of Film Certification to either re-examine the film or reverse the decision.
- It proposes to give certificates to films for perpetuity, which is currently set for 10 years.
- The provisions relating to certification of films under 'unrestricted public exhibition' category are proposed to be amended so as to further **sub-divide the existing UA category into age-based categories**. As per the proposed law, films will be categorised as follows:

#### Category 'U'

- This is for unrestricted public exhibition.

#### Category 'U/A'

- This requires parental guidance for children under 12. 'U/A' is further divided into three categories as per the age of children -- U/A 7+, U/A 13+ and U/A 16+.

#### Category 'A'

- This is for adult films

While there are no piracy policies in the Cinematograph Act, 1952, in the amendments the government proposes to include **Section 6AA** to prohibit unauthorised recording.

- Also **Section 7 (1A)** is added to provide for penalties on violation of Section 6AA. If the law is violated, the punishment will be "imprisonment not be less than three months". This may be extended to three years and with a fine "which shall not be less than Rs 3 lakh but which may extend to 5 per cent of the audited gross production cost or with both".

#### Criticisms Against The Bill

- Filmmakers believe that the proposed amendments will make them powerless at the hands of the state and more vulnerable to threats, vandalism and intimidation of **mob censors**.
- Undermining **sovereignty of the Censor Board** and the **Supreme Court**, the Central Government has been given supreme power over cinema exhibition in the country, potentially **endangering freedom of expression and democratic dissent**.
- With coming up of Tribunal Reform Act 2021, the government has **done away with Film Certification Appellate Tribunal (FCAT)**, a statutory body constituted to hear appeals of filmmakers aggrieved by cuts

suggested by the CBFC. Now, filmmakers unhappy with the decision of the Censor Board, are left with no option but to appeal in the High Courts, bearing legal cost of representation and financial loss due potential delays in film releases.

- Cinematograph (Amendment) Bill 2021 must clearly **define the role of CBFC** as a body which certifies film content for public exhibition, and not as a censoring body.
- Against proposed direction on film certification: Proposed changes go against the spirit of recommendations from Mudgal Committee (2013) and Shyam Benegal Committee (2016) on film certification.

Shyam Benegal Committee primarily recommended some major changes in film certification as: Complete rights of rights owner over film, i.e., only certification by CBFC with no modification suggestions, CBFC should restrict to deciding category (a sort of statutory warning), allowing audiences to make informed viewing decisions

While film piracy poses real challenges to filmmakers, the proposed amendments do not address this concern effectively merely by introducing a penal provisions.

## Social Justice

### Juvenile Justice (Care And Protection Of Children) Amendment Act, 2021

- The Juvenile Justice (Care and Protection of Children) Amendment Bill 2021 was recently passed in the Parliament and has received Presidential assent. The Act amends the Juvenile Justice (Care and Protection of Children) Act, 2015.
- The Juvenile Justice (JJ) Act, 2015 contains provisions for children **in conflict with law** and children **in need of care and protection**.
- The Act fulfils India's commitment as a signatory to the United Nations Convention on the rights of the child and other related international instruments.

#### Background

- The amendment bill was initiated based on a report filed by the National Commission for Protection of Child Rights (NCPCR) in 2018-19 in which the over 7,000 Child Care Institutions (or children's homes) were surveyed.
- It was found that 1.5 % does not conform to rules and regulations of the JJ Act and 29 % of them had major shortcomings in their management.
- It also found that not a single Child Care Institution in the country was found to be 100% compliant to the provisions of the JJ Act. Since the survey, the Centre has shut down 500 illegal child welfare institutions that had not been registered under the JJ Act.
- National Crime Records Bureau (NCRB) 2018 report highlights that 51% of all trafficking victims were children, of which more than 80% were girls for forced labour, all kinds of domestic work and trafficking of women for sexual exploitation.

Key Provisions of JJ Act

Adoption Provision

- As per the JJ Act, adoption process was under the courts, but there were huge backlogs, and each adoption case could take years to be passed.
- The Bill provides that instead of the court, the District Magistrate (including Additional District Magistrate) will issue such adoption orders, both for intra-country and inter-country adoptions.
- DMs and ADMs have been empowered to monitor the functioning of various agencies under the JJ Act in every district. This includes the Child Welfare Committees, the Juvenile Justice Boards, the District Child Protection Units and the Special Juvenile Protection Units.

Offence Classification

- Presently there are three categories of offence defined under the Act, while considering cases of children in conflict with law:
  - Heinous offences (minimum punishment of seven years of imprisonment);
  - Serious offences (three to seven years of imprisonment); and
  - Petty offences (below three years of imprisonment).
- However, it was observed that some of the offences do not strictly fall under any of these categories.
- The Bill adds that serious offences will also include offences for which maximum punishment is imprisonment of more than seven years, and minimum punishment is not prescribed or is less than seven years.
- Moreover, as per the bill, offences punishable with imprisonment between 3-7 years shall be non-cognizable and non-bailable. Under the Act, such offences were cognizable (where arrest is allowed without warrant).

Designated Courts

- Under the Act, an offence against children punishable with imprisonment of a term more than seven years, are tried in the *children's court*. Other offences punishable with imprisonment less than seven years are tried by a *Judicial Magistrate*.
- As per the Bill, all the offences will be tried in children's court.

Child Welfare Committees

- Act provides that states constitute one or more CWCs for each district for dealing with children in need of care and protection. It provides certain criteria for the appointment of members to CWC.
- The Bill specifies that a person will not be eligible to be a member of the CWC if he/she:
  - Has any record of violation of human rights or child rights
  - Has been convicted of an offence involving moral corruption, and such conviction has not been reversed;
  - Has been removed or dismissed from service of the central government, or any state government, or an undertaking owned by the government; or
  - Is part of the management of a child care institution in a district.

Benefits	Issues
<ul style="list-style-type: none"> <li><b>Faster adoption:</b> There is significant delay in finalising adoption cases in courts. Between April 2015 and March 2020, about 19,000 children have been adopted, an average of 320 adoptions</li> </ul>	<ul style="list-style-type: none"> <li>The AA puts a great deal of responsibility of children's welfare on DMs, ignoring the fact that the DMs are overburdened authorities, with the charge of entire district.</li> <li>Centralizing all powers with respect to children rehabilitation in one authority (DMs) may lead to delays,</li> </ul>

<p>per month. As on July 2018, there were 629 adoption cases pending in various courts. The AA will ensure that more orphans, in need of homes, will be adopted faster</p> <ul style="list-style-type: none"> <li>• <b>Enhanced Protection</b> of children: Both heinous and serious crimes have been clarified, removing ambiguity to ensure that children, as much as possible, are protected and kept out of the adult justice system.</li> </ul>	<p>and may have a negative impact on child welfare.</p> <ul style="list-style-type: none"> <li>• The Centre should consider providing them with suitable assistance to ensure that this important issue does not get side-tracked in their day-to-day work.</li> <li>• Specific training in child protection rules should also be given, as district magistrates usually are not trained or equipped to deal with these specific laws</li> <li>• Concerns regarding doctrine of separation of powers as the Grievance redressal powers have been given to the executive.</li> </ul>
--	---

### Community Based Inclusive Development Program For Disabled

Ministry of Social Justice & Empowerment launched a 6- month Community Based Inclusive Development (CBID) Program on rehabilitation of Divyangjan/Persons with Disabilities (PwDs).

- CBID aims to create a pool of **grass-root rehabilitation workers** at community level who can work alongside ASHA and Anganwadi workers to handle cross disability issues and facilitate inclusion of PwDs in the society.
- It has been designed to provide competency-based knowledge and skills among these workers to enhance their ability for successfully discharging their duties through offline/online training.

#### Definition Of Disability In India

- Until the 2011 census, the questionnaire to identify people with disabilities, included questions on seven kinds of disabilities. This list of disabilities was expanded to 21 when the Rights of People with Disabilities was introduced in 2016.
- Accordingly, the 2019 report from the National Statistics Office, included questions to identify people with **temporary loss of an ability as well as neurological and blood disorders**. This was in addition to the earlier definition, that included mental retardation and permanent inability to move, speak, hear and see.
- Moreover, the revised definition recognises **deformities and injuries of acid attack victims** as disabilities, entitling them to various relief measures.

#### Statistics On Disability

- In the 2021 census, disability will be defined as per the Rights of Persons with Disabilities (RPwD) Act of 2016.
- The 2011 census estimated the number of people with disabilities at close to 2.68 crore (or 2.2% of the population) - that is more than the entire population of Australia. Moreover, a **higher proportion of men** (56% ~1.5 crore) were disabled in India compared with women (44% ~1.18 Crore).
- Disability was **more prevalent in rural areas** than in urban areas and rural men had the highest.
- 54% of the disabled children with multiple disabilities never attended educational institutions.
- The department of disability affairs is in the process of creating a national database of PwDs, which will contain information on those with certificates issued by competent medical authorities.

**Rights of Persons with Disabilities (RPwD) Act, 2016**

- It replaced the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995. According to the RPwD Act, disability has been defined based on an evolving and dynamic concept.
- It fulfills India’s obligations to the United National Convention on the Rights of Persons with Disabilities (**UNCRPD**), to which India is a signatory.
- The Act puts the responsibility on appropriate governments to take effective measures to ensure that the PwDs get their rights equally like others.
- Additional benefits such as reservation in higher education (not less than 5%), government jobs (not less than 4 %), reservation in allocation of land, poverty alleviation schemes (5% allotment) etc. have been provided for persons with benchmark disabilities.
- As per the Act, a person with **benchmark disability** means a person with not less than 40% of a specified disability. Every child with benchmark disability between the age group of 6 and 18 years will have the right to free education.
- Government funded educational institutions as well as the government recognized institutions will have to provide inclusive education to the children with disabilities.
- To strengthen the Accessible India Campaign, stress has been given to ensure accessibility in public buildings (both government and private).

**Barriers Still Faced By PwDs**

<b>Attitudinal</b>	<ul style="list-style-type: none"> <li>• <u>Stereotyping</u>: People assume that quality of life of PwDs is poor or that they are unhealthy because of their impairments.</li> <li>• People may see disability as something that needs to be cured or prevented (Stigma), as a punishment for wrong doing (Prejudice), or as the lack of ability to behave as expected in society (Discrimination).</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• <u>Literacy related</u>: Only 36% of the total disabled persons are workers &amp; only around 55% are literates.</li> <li>• <u>Work related</u>: Major issues faced are access to and within workplace, harassment and discrimination at work, and lack of positive attitude towards PwDs.</li> <li>• <u>Age related</u>: Children with disabilities are almost four times more likely to experience violence than children without disabilities.</li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>• Design and construction of indoor and outdoor facilities prevent them from going to school and hospitals, shopping and finding or keeping a job. Footpaths, parks and public transportation may also be inaccessible.</li> </ul>
<b>Healthcare and Assistive technology</b>	<ul style="list-style-type: none"> <li>• Only 5-15% of people who require assistive devices and technologies have access to them due to High Cost, limited availability of services, physical barrier, inadequate skills and knowledge of health workers.</li> </ul>
<b>Policy</b>	<ul style="list-style-type: none"> <li>• Lack of awareness or enforcement of existing laws and regulations that require programs and activities be accessible to people with disabilities</li> </ul>
<b>Poverty</b>	<ul style="list-style-type: none"> <li>• Poor health and nutrition, poor living conditions, lack of care given to pregnant mothers etc. among persons living in poverty can lead to disability. Equally, the onset of disability can have an adverse effect on education, employment and earnings, increase</li> </ul>

**Way Forward**

In order to improve their scenario and make their living inclusive, following approaches must be adopted:

<b>Attitudinal Change</b>	Not considering disability a personal deficit and instead as a social responsibility in which all people can be supported to live full and independent lives
<b>Improving accessibility</b>	By specifically considering needs of people with disabilities and building or modifying products, services, and facilities to suit their needs.
<b>Assistive technologies</b>	It enhances functional independence and make daily living tasks easier that help a person travel, communicate, learn, work, and participate in social and recreational activities.
<b>Improving education</b>	Building accessible classrooms, providing disabled friendly study material, proper teacher training
<b>Employment opportunities</b>	Identifying work and jobs disabled persons can do, incentives to employers to employ disabled workers
<b>Early diagnostic and intervention</b>	Helps in primary prevention (manifestation of disability) and Secondary prevention (reducing the duration or severity)
<b>Disability inclusion in health sector</b>	Access to effective health services, protection during health emergencies, and access to cross-sectorial public health interventions ( such as water, sanitation & hygiene services)

**Chakmas, Hajongs, And Their Deportation**

Chakma organisations have slammed the proposed deportation of 60,000 people belonging to the Chakma and Hajong communities from Arunachal Pradesh.

**About Chakma and Hajong Communities**

- Found in northeast India, West Bengal, Bangladesh and Myanmar.
- They are ethnic people who lived in the Chittagong Hill Tracts, most of which are located in Bangladesh.
- They fled erstwhile East Pakistan (Bangladesh) in 1964-68 and settled in Arunachal Pradesh.
- The rehabilitation was under a centrally-sponsored plan following a series of discussions between the representatives of the Central government, the NEFA administration and local tribal leaders.
- The refugees were given voting rights in 2004.

**Chakmas**

- Predominantly **Buddhists**
- They lost their land to the development of Kaptai Dam on Karnaphuli River, Bangladesh.

**Hajongs**

- **Hindus**
- They faced religious persecution as they were **non-Muslims and did not speak Bengali.**

**Concerns**

- In 2015, the Supreme Court directed the Centre to grant citizenship to Chakma and Hajongs who had migrated in 1964-69.

- **Not under ambit of CAA,2019:** However, they did not directly come into the ambit of the Citizenship Amendment Act, 2019 (CAA) because Arunachal Pradesh is among the states exempted from the CAA since it has an Inner Line Permit to regulate entry of outsiders.

2019 CAA allows Indian citizenship for Hindu, Sikh, Buddhist, Jain, Parsi, & Christian minorities who fled from neighboring Muslim majority countries of Pakistan, Bangladesh & Afghanistan before December 2014 due to "religious persecution or fear of religious persecution".

- 94% of the Chakmas and Hajongs settled in present-day Arunachal Pradesh are **Indians by birth**.
- For a very long time local people have been protesting against Chakmas and Hajongs because of their differing ethnicity. If the Chakmas and Hajongs are ejected from Arunachal Pradesh, Assam shall be the dumping ground for all the unwanted communities from **even other States covered by:**

#### Inner-Line Permit

- Manipur, Mizoram and Nagaland besides Arunachal Pradesh

#### Sixth Schedule areas

- Meghalaya

### Article 21 And Right Of Non-Refoulment

India is a home of millions of refugees and asylum seekers such as Tibetans, Afghani, Burmese, Pakistani, Bangladeshi, Sri Lankans and Africans. Indian hospitality of welcoming these people lies in the ancient tradition of 'Athithi Devo Bhav' (Guest is our God).

However, the Indian government had announced its decision to deport 40000 Rohingya, including UNHCR recognised refugees. Not only has this step violated the ancient tradition of Athithi Devo Bhav, but it also highlighted flaws in Indian approach while dealing with refugees.

#### Flaws In India's Approach Towards Refugees

- India has **not signed 1951 Refugee Convention** and its **1967 Protocol**, which leads to **legal insecurity of refugees' status** and **difficulty to access in terms of refugee rights**.
- Due to the absence of specific laws, refugees and asylum seekers are **regulated under the Foreigners Act, 1946**. As a result, these people are **treated similar to tourist, illegal immigrants, and economic immigrants**.
- Indian **law does not define who is a refugee**, the government can brand all refugees and asylum seekers under the umbrella "illegal migrant" term.
- Absence of uniform law leads to **unequal treatment** towards refugee groups. This is reflected in how refugees from Tibet are well received compared to refugees from Myanmar in India. Incoming refugees are treated based on their **national origin and political considerations**.
- Recently, Indian Citizenship rules have been amended to accommodate specifically Hindu refugees from Pakistan and Bangladesh, ignoring other groups of refugees in need of protection. Analysts have termed this step to be motivated by **nationalist politics rather than humanitarian concern**.

#### High Court's Observation

- In March 2021, the Ministry of Home Affairs (MHA) had directed the authorities of the border states in the North-East and the Assam Rifles to check the flow of illegal migrants from Myanmar in the wake of the coup in Myanmar.

- Against this order, a petition was filed in Manipur HC. The petition contended that the order of MHA **failed to differentiate between a migrant and a refugee**.
- The HC noted that **though India has no clear refugee protection policy** or framework, it **does grant asylum** to a large number of refugees from the neighbouring country.
- It further noted that **India usually respects UNHCR's recognition of the status of such asylum seekers**, mainly from Afghanistan and Myanmar.
- Hence, the court observed that those in question are **not migrants**, but **are asylum seekers**.
- They fled the country of their origin under imminent threat to their lives and liberty. They aspire for **relief under International Conventions** that were put in place to offer protection and rehabilitation to refugees/asylum seekers.

### Supreme Court Stand on Refugee

- In the absence of refugee law in India, SC has interpreted the word "person" in the Article 21 of the Constitution in an unprecedented judicial tradition.
- According to the judicial interpretation of the SC, the term "person" also includes non-citizens.
- In cases of **Khudiram Chakma v. State of Arunachal Pradesh**, and **National Human Rights Commission v. State of Arunachal Pradesh**, the SC held that "all the refugees living in India have the right to life and the personal liberty" as enshrined in Article 21 of the Constitution of India.
- The 'state is obligated to protect the life and freedom of each, be a citizen or otherwise, and it cannot permit individual or group of individuals to threaten the refugees, to leave.

### Conclusion

- Over the years India has received wave after wave of refugees from many of its neighbours. And India has generally followed the **principle of non-refoulement**, meaning the practice of not forcing refugees or asylum seekers to return to a country in which they are liable to be subjected to persecution.
- However, Rohingya crisis has highlighted the fact that **an adaptive approach** towards the sensitive human rights issues like refugees **might lead to isolation among world community**.
- If India wants a permanent position in the United Nations Security Council and wants to provide able leadership to the world, then it must set a good example in South Asia by providing a secure legal protection to its refugees and asylum seekers.

### Why India Has Not Joined The UN Refugee Convention?

- India under Jawaharlal Nehru chose not to sign the 1951 Convention and the 1967 Protocol due to the **fear of international criticism** and **unnecessary interference** in what it has always maintained is its "internal matter".
- The Convention requires the signatory nation to accord a minimum standard of hospitality and housing towards those it accepts as refugees. Failure to provide the minimum continues to attract a lot of international criticism for host nations even today.
- The **porous nature of borders in South Asia, continuous demographic changes, poverty, resource crunch, and internal political discontent** made it impossible for India to accede to the Protocol.
- Many analysts believe that that signing the 1951 Convention or its Protocol would have meant **allowing international scrutiny of 'India's internal security, political stability and international relations'**.

**Internal Migrants- Issues Associated**

Supreme Court took suo motu cognizance & gave directions to all states and Union territories (UT) to implement the 'One Nation One Ration Card' scheme for the benefit of migrant workers.

**Internal Migration in India**

- A person is considered as migrant by place of last residence, if the place in which he is enumerated during the census is other than his place of immediate last residence.
- The 2011 Census enumerated **450 million internal migrants** based on place of last residence, or 37% of the total population and 68% of all migrants were females.
- The Economic Survey (2017) estimated that an average of 5–6 million Indians migrated annually between 2001 and 2011, leading to an inter-state migrant population of “about 60 million” and an inter-district migrant population “as high as 80 million”.

	Issues Affecting Internal Migrants	Challenges In Providing Services To Migrants
<b>Labour Market - Low wages, high risk jobs</b>	It is the main constituent of vulnerability for migrants in the informal labour market. It is estimated that migrant workers comprise nearly <b>60% of occupationally vulnerable</b> workers outside agriculture.	There is <b>lack of institutional and governance support</b> to <u>facilitate safe transfer of remittances of migrants</u> to their left-behind families
<b>Lack of Social Security</b>	Almost all states are apathetic to the needs of migrants. Even if states make provisions for migrants' benefits, no measures are put in place to make migrants aware of the relevant schemes and policies.	<b>Declining expenditure on Social protection:</b> Estimates show that the central government's expenditure on all major social protection programmes declined from <u>1.6 % in 2013-14</u> and to only <u>1.28% in 2019-20</u>
<b>Education and Skilling</b>	Census 2011 states that <b>57.8% of female and 25.8% of male migrants are illiterate.</b> About <b>80% of seasonal migrant children</b> in major destinations lack access to education near work sites There is <b>absence of crèches, early childcare services, and other facilities</b> at workplaces.	<b>Policy Gap:</b> <u>Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act (1979)</u> applies to only migrants crossing state boundaries and, therefore, a large section of migrants is excluded from its ambit. It does not monitor unregistered contractors and <u>establishments and remains silent on provision for crèches, education centres etc</u>
<b>Housing and Sanitation</b>	Internal migrants live in slum accommodations, often facing difficulties in accessing basic amenities like sanitation	<b>Lack of attention:</b> Migrants constitute a <b>floating and invisible population</b> , alternating between source and destination areas and remaining on the periphery slums thereby accorded very low priority by the government
<b>Health</b>	Poor work and living conditions impact their health.	<i>Macro databases such as Census</i> fail to adequately capture flows of <b>short term migrants</b> and do not record reasons for their

		poor health.
<b>Political Participation</b>	Interstate migrants cannot exercise voting right since voting is determined by one's inclusion in the local constituency's electoral roll which is time consuming	<b>Unorganised Workers' Social Security Act</b> included neither a National Minimum Social Security Package, nor the provision for mandatory registration due to lack of political will.
<b>Identity and registration</b>	Migrants often lack proper personal identification in the destination states. In addition to Aadhar, India provides for a system of state identification known as domicile/residency. This certificate is issued for those born in a state or for migrants who have resided for a stipulated period (which varies from state to state) and have applied for a domicile certificate.	<b>Inadequate data:</b> There exists a serious data gap on the extent, nature and magnitude of internal migration which hampers delivery of services for migrants. The official data (Census or the National Sample Survey) is more than a decade old. Census 2011 migration data was made publicly available only in 2019.
<b>Little or no upward mobility</b>	Informal social networks help migrants in providing access to the urban job market in the initial stages, but do not have any positive effect on upward mobility	Migrants do not constitute a homogeneous category, and are segmented along gender, class, ethnicity, language and religion
<b>Marginalization of migrants</b>	Their right to the city is denied because 'sons of the soil' ideology	Migrants are looked upon as 'outsiders' by the local administration

### One Nation One Ration Card Scheme

The SC has held that Right to Food is one of the "bare necessities of life", and is an integral part of the right to live with dignity. Thus, the court ordered all States to fully implement ONORC scheme.

#### Background

- ONORC was launched in August, 2019. Work on ration card portability, however, had begun in April 2018 itself, with the launch of Integrated Management of Public Distribution System (**IM-PDS**) portal.
- As part of its Covid economic relief package, the government had announced the national rollout of ONORC in all states and Union Territories by March 2021.
- To promote adoption of ONORC, the Centre had set its implementation as a **precondition for additional borrowing by states** during the Covid pandemic last year. At least 17 states, which implemented ONORC reform, were allowed to borrow an additional Rs 37,600 crores in 2020-21.
- Till date, 34 states and Union Territories have joined the ONORC, covering about 75 crore National Food Security Act (NFSA) beneficiaries.

#### One Nation, One Ration Card (ONORC)

- ONORC scheme was launched to enable migrant workers and their family members to buy subsidised ration from **fair price shop anywhere** in the country under NFSA.

## VAJIRAM & RAVI

- Before ONORC, a ration card holder could buy food grains only from an FPS assigned to him/her in the locality in which he/she lived. If a beneficiary shifted to another state, he/she had to apply for a new ration card in the second state.
- Registering for ration cards at the new location is a difficult process, especially if some members of the household still remain in their original home.

### Functioning of ONORC

- ONORC is based on technology that involves details of beneficiaries':



The system runs with the **support of two portals** — IM-PDS and Annavitran.

#### Annavitran portal

- Enables a migrant worker or his family to avail the benefits of PDS outside their district but within their state.

#### IM-PDS portal

- Provides the technological platform for the inter-state portability of ration cards

### Beneficiaries

- The main beneficiaries of the scheme are the country's migrant workers. According to data from the Census 2011, there are more than **45 crore internal migrants** in India.
- Apart from this, field studies estimate that **4-10 crore people are short-term migrants**, often working in cities, but not moving there permanently.
- **Women, who change locations after marriage**, will also benefit from the scheme, as they find it difficult to start accessing ration benefits using a new household's card.

### Benefits

- Under the new system, if they are denied service or face corruption or poor quality in one shop, they are free to move to a different shop.
- It is expected that allowing ration card portability will also **reduce corruption and improve access and service quality by removing monopolies**.
- The scheme is also driving faster implementation of initiatives to digitise and integrate the food storage and public distribution system

### Completion of NDUW Portal

- The court reprimanded Labour Ministry for delay in completing the work on **National Database for Unorganised Workers (NDUW) portal**.
- NDUW portal will be used to register and identify migrant workers and unorganised labourers to ensure their rights, welfare and food security.
- The court had ordered the Ministry to finalise the NDUW module way back in 2018. However, the Centre has blamed various technical and operational issues for the delay.
- **The court has now ordered the Centre to complete the work on the portal by July 31 and complete the registration of workers by December 31 this year.**

### Draft Anti-Trafficking Bill

**Trafficking in Persons (Prevention, Care and Rehabilitation) Bill, 2021** aims to prevent and counter trafficking in persons, especially women and children.

Key Provisions Draft Anti-Trafficking Bill		
<p><b>Applicability</b></p> <p>All citizens of India (within and outside the country), a foreign national or a stateless person who has residence in India. Law would cover every offence of trafficking, even with cross-border implications.</p>	<p><b>Widened Scope of the victims</b></p> <p>It includes transgenders, besides women and children. Also, it does away with the provision that a victim necessarily needs to be transported from one place to another to be defined as a victim.</p>	<p><b>Defined Exploitation</b></p> <p>Exploitation has been defined to include the exploitation of the prostitution of others or other forms of sexual exploitation.</p> <ul style="list-style-type: none"> <li>• A minimum of 7 years which can go up to an imprisonment of 10 years and a fine of Rs 5 lakh. In the case of the trafficking of more than one child, the penalty is life imprisonment. In certain cases, even the death penalty can be sought.</li> </ul>
<p><b>Seizure of Property similar to Money Laundering Act</b></p> <p>Property bought via such income as well as used for trafficking can now be forfeited.</p>	<p><b>Agency responsible for investigation</b></p> <p>National Investigating Agency (NIA) will be the main investigative agency, and therefore will look at cross-border offenses.</p>	
<p><b>Punishment</b></p> <p>A minimum of 7 years which can go up to an imprisonment of 10 years and a fine of Rs 5 lakh. In the case of the trafficking of more than one child, the penalty is life imprisonment. In certain cases, even the death penalty can be sought.</p>	<p><b>Institutions for effective implementation</b></p> <p>Central government will notify and set up a National Anti Trafficking Committee, while state governments will set up these committees at state and district levels to ensure effective implementation.</p>	<p><b>Extensive List of Offenders</b></p> <p>The offenders will also include defence personnel and government servants, doctors and paramedical staff or anyone in a position of authority.</p>

### Analysis

- The bill addresses the concerns regarding the **Cross-border trafficking**.
- It is expected that the provisions related to the **attachment of property would be a greater deterrent than a possible jail sentence**.
- Making NIA as a nodal agency responsible for investigating the crime of trafficking shows that the govt is serious about cracking down on such crimes.
- However, many experts believe that the **draft bill also lends to confusion**. There are laws already in place on forced labour and sexual exploitation, which creates lot of overlapping. The law does not clarify which law is to apply.

### Existing Trafficking Laws/Schemes

- Trafficking is primarily an **offence under the Indian Penal Code, 1860**. It defines trafficking to include recruiting, transporting, or harboring persons by force or other means, for exploitation.
- The **Immoral Traffic (Prevention) Act, 1986** covers trafficking for commercial sexual exploitation.
- The **Bonded Labour System (Abolition) Act, 1976** deals with punishment for employment of bonded labour.
- **Ujjawala Schemes**: It is a comprehensive scheme launched in 2007 to combat trafficking and it provides for Prevention, Rescue, Rehabilitation, Re-Integration and RePatriation of victims trafficked for commercial sexual exploitation. It is mainly being implemented through NGOs.

**Trafficking In India: Scenario And Challenges**

- Recently, Trafficking in Persons Report 2021 has been released by the US State Department.
- The report said that India **did not meet the minimum standards** to eliminate trafficking. Although it mentioned that the government is making significant efforts. So, the report has **retained India in the Tier 2 category** (countries who do not fully comply with minimum standards but are making significant efforts).

Report Lauded The Government	Report Criticized The Government
<ul style="list-style-type: none"> <li>➤ Allocating funding for the strengthening of existing and establishment of new <b>Anti-Human Trafficking Units</b> around the country,</li> <li>➤ Establishing “<b>women help desks</b>” in police stations across the country.</li> <li>➤ <b>Increased patrolling</b> of transportation hubs by railway and transit police</li> <li>➤ Courts expanding the use of <b>video testimony</b> for trafficking victims during the pandemic</li> <li>➤ Notable efforts to include issuing standard operating procedures (SOPs) for <b>victim identification</b> of bonded labour and granting the <b>maximum amount of compensation</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Poor success rate in convictions</b> in human trafficking cases. The acquittal rate for traffickers in India <b>remained high at 73%</b>.</li> <li>➤ <b>Filing trafficking cases under the Juvenile Justice Act</b> and other sections of the IPC which were unevenly enforced, and some of their prescribed penalties were not sufficiently stringent.</li> <li>➤ <b>Lengthy or non-existent repatriation processes</b> as some foreign trafficking victims remained in state-run shelters for years</li> <li>➤ <b>Inadequate efforts to audit</b> government-run or -funded shelters</li> <li>➤ Many victims waited years to receive central-government mandated compensation</li> </ul>

**India’s Inability To Eradicate Human Trafficking Despite Several Measures**

- **Globalization:** Besides increased demand of cheap labour in the production sector, globalization has played a major part for the growth of tourism business. As a result, sex tourism has registered rapid growth.
- **Transit point of human trafficking:** Usually people from poorer countries like Bangladesh and Nepal are trafficked to their neighboring country India. From India, there is further movement of these women and girls to the Middle East as well as other destinations.
- **High profit, low risk to traffickers:** Such conditions arise due to weak law enforcement and low levels of prosecution.
- **Child marriages:** It is one of the easiest modes applied to send young girls from one place to another.
- **Victimization of trafficked persons:** It has often been alleged that police harass the victims. These limitations make the socially and economically deprived sections vulnerable to re-trafficking.

**Mid-Day Meals Scheme Has Been Renamed As PM POSHAN**

Union Cabinet has approved the **Prime Minister POSHAN scheme (PM-POSHAN)** for providing one hot cooked meal in Government and Government-aided schools. The scheme will replace the existing Mid-day Meal (MDM) Scheme. It has been launched for an initial period of five years (2021-22 to 2025-26).

**Key Points**

	Previous (MDM) Scheme	Add On in New Scheme
<b>Coverage</b>	The scheme will cover 11.8 crore students enrolled in classes 1 to 8 in over 11.2 lakh schools.	The scheme will <b>also be extended</b> to students studying in pre-primary or Balvatikas running in government and government aided primary schools <b>along with classes 1-8.</b>
<b>Promote Nutritional Gardens in schools</b>		The gardens are being provided to offer additional micro-nutrients to students.
<b>Supplementary Nutrition</b>	Restriction on the part of the Centre to provide funds only for wheat, rice, pulses and vegetables. Till now, if a state decides to add any component like milk or eggs to the menu, the Centre does not bear the additional cost.	The new scheme has a provision for supplementary nutrition for children <b>in aspirational districts and those with high prevalence of anaemia.</b> It does away with the previous restrictions
<b>Tithi Bhojan Concept encouraged</b>		It is a community participation programme in which people provide special food to children on special occasions/festivals.
<b>Direct Benefit Transfer (DBT)</b>	Earlier money was allocated to the states, which then included their share of the money before sending it to a nodal midday meal scheme authority at district and tehsil levels.	The central government will ensure DBT from states to schools, which will use it to cover cooking costs. This is to ensure no leakages at the level of district administration and other authorities
<b>Nutrition expert</b>		To be appointed in each school to ensure that health aspects such as Body Mass Index (BMI), weight and hemoglobin levels are addressed
<b>Social Audit</b>		A social audit of the scheme has also been mandated for each school in each state, which was so far not being done by all states. The Ministry of Education will also engage college and university students to monitor the scheme at a local level.
<b>Vocal for Local for Atmanirbhar Bharat</b>		Involvement of Farmers Producer Organizations (FPO) and Women SHGs in implementation will be encouraged. Also, use of locally grown traditional food items for a fillip to local economic growth will be encouraged

### Significance of MDM scheme

- A new study highlighting the *intergenerational benefits* of midday meal (MDM) scheme was recently published in the journal Nature Communications.
- The study used nationally representative data on mothers and their children from 1993 to 2016 to assess whether mid-day meals support intergenerational improvements in a child's linear growth.
- The study found that investments made in school meals in previous decades were associated with improvements in future **child linear growth**.
- Girls, who had access to free lunches provided at schools, had children with a **higher height-to-age ratio** than those who did not. It found that the MDM scheme was associated with 13-32% of India's improvement in height-for-age scores between 2006 and 2016.
- The links between midday meals and lower stunting (low height for age) in the next generation were stronger in lower socio-economic sections.
- The study noted that findings from previous evaluations of MDM scheme have shown a positive association with *beneficiaries' school attendance, learning achievement, hunger and protein-energy malnutrition*.
- This may contribute to later fertility decisions and access to health care, reducing the risk of undernutrition in the next generation.

### Way Ahead

The key takeaway from the study is to expand and improve school meals now, so that inter-generational benefits of the scheme do not get delayed.

## Issues With NEP (New Education Policy) Regulatory Regime

### Need For The New Policy

Based on two committee reports (TSR Subramanian Committee in 2016 and K Kasturirangan Committee), National Education Policy 2020 sets out the path for education in the country for the next 20 years. In the three decades since the last National Education Policy 1986/1992 was formulated, the social, political, and economic environment in India and the world has changed significantly. New global challenges have emerged, while rapid advances in technology present both opportunities and challenges to human well-being.

India has made progress — education is now recognised as a fundamental right, access to education at different stages has increased dramatically and important curricular reforms have been made. However, **equity and quality of education** still remain challenges. NEP, 2020 is a response to these changes and challenges. It is also a response to the unfinished education agenda set by the two previous education policies of 1968 and 1986/1992. In doing so, it changes the name of the Ministry of Human Resource Development to the Ministry of Education, and raises public spending on education by Centre and States to 6% of GDP.

**Various Provisions Of The New Education Policy****A. School Structure**

- ◆ The new NEP proposes a 5+3+3+4 design corresponding to the age groups 3-8 years (foundational stage), 8-11 (preparatory), 11-14 (middle), and 14-18 (secondary).
- ◆ This brings early childhood education (also known as pre-school education for children of ages 3 to 5) under the ambit of formal schooling and proposes the extension of the Right to Education (RTE) to all children up to the age of 18.

**B. New Learning Framework**

- ◆ The school curriculum overhaul will come in the shape of a new National Curricular Framework for School Education (or NCFSE 2020-21), which will be undertaken by NCERT.
- ◆ A National Mission on Foundational Literacy and Numeracy will ensure basic skills at the Class 3 level by 2025.
- ◆ Students will begin classes on coding as well as vocational activities from Class 6 onwards. Indian knowledge systems, including tribal and indigenous knowledge, will be incorporated in an accurate and scientific manner.
- ◆ Introduction of contemporary subjects such as artificial intelligence, design thinking, holistic health and organic living.

**C. Medium of Instruction**

- ◆ Wherever possible, the medium of instruction until at least Grade 5, but preferably till Grade 8 and beyond, will be the home language/ mother tongue/ local language/ regional language.
- ◆ Following widespread protests, the reference to Hindi and English in the draft NEP regarding the three-language formula has been dropped from the final policy document. The three languages learned by children will be the choices of States, regions, and of the students, so long as at least two of the three languages are native to India.

**D. Reforms in Examination**

- ◆ The new policy talks about moving away from high-stakes examinations towards more continuous and comprehensive evaluation. The focus will be on testing concepts and knowledge application.
- ◆ All students will be allowed to take Board Exams on up to two occasions during any given school year, one main examination and one for improvement, if desired.
- ◆ There will be an aptitude test on the lines of SAT in the US for entrance into colleges and Board results alone will no longer determine admission.
- ◆ To be overseen by the National Testing Agency (NTA), these tests will serve as a common entrance exam across the country with universities free to add other criteria. However, universities can choose to disregard NTA assessments altogether and continue with their own entrance exams

**E. Higher Education Institutions**

- ◆ Introduction of the four-year multidisciplinary Bachelor's programme, with exit options.  
While the traditional three-year BA, B.Sc, and B.Voc degrees will continue, under the four-year programme,
- ◆ students can exit after one year with a certificate, after two years with a diploma, and after three years with a Bachelor's degree.
- ◆ To enroll for a Ph.D, a Master's degree or a 4-year Bachelor's degree with Research shall be required. The M.Phil programme shall be discontinued.
- ◆ Academic Bank of Credit (ABC) shall be established which would digitally store the academic credits earned from various recognised HEIs and will also make it easier to transfer between institutions.  
NEP calls for a transparent mechanism for fixing fees with an upper limit

#### F. Multidisciplinary Institutions

- ◆ The policy proposes the phasing out of all institutions offering single streams (such as technical education) over time.

#### G. All universities and colleges must aim to become multidisciplinary by 2040.

#### H. Foreign Universities

- ◆ The new policy states that the world's top 100 universities will be facilitated to operate in the country through a new law.
- ◆ Such universities will be given special dispensation regarding regulatory, governance, and content norms on par with other autonomous institutions of India.

#### I. Increase In Gross Enrolment Ratio

- ◆ The NEP emphasises universal access to schools, and aims to bring two crore out-of-school children back into the educational mainstream.
- ◆ It also aims to double the Gross Enrolment Ratio in higher education, including vocational education, from 26.3% in 2018 to 50% by 2035, with an additional 3.5 crore new seats.
- ◆ To achieve this, the **National Scholarship Portal** will be expanded to support, foster, and track the progress of students receiving scholarships.

#### J. Teacher Development

The policy emphasises rigorous teacher preparation through four-year teacher education programmes, continuous teacher professional development, positive working environment and enabling service conditions for teachers.

#### K. Include Disadvantaged Groups

- ◆ The policy brings focus on socially and economically disadvantaged groups, which include gender, socio-cultural, and geographical identities besides disabilities.
- ◆ Regions with large chunk of educationally-disadvantaged groups will be declared **Special Education Zones**.
- ◆ The Centre will also set up a '**Gender-Inclusion Fund**' to provide equitable quality education to all girls and transgender students.
- ◆ The fund will be available to States to implement priorities (such as the provisions of sanitation and toilets, bicycles, conditional cash transfers, etc).

#### L. Governance

- ◆ New single regulator, called **Higher Education Commission of India (HECI)**, will have four independent verticals to carry out functions of regulation, funding, accreditation, and setting standards for learning outcomes thereby replacing University Grants Commission (UGC) and All India Council for Technical Education (AICTE).
- ◆ The college affiliation system is being phased out over the next 15 years, so that every college develops into either an autonomous degree-granting institution, or a constituent college of a university

#### Issues And Challenges

- In a federal system, any educational reform can be implemented only with **support from the States**, and the Centre has a difficult task of building a consensus on many ambitious plans.

- The implementation requires **enormous resources** for an ambitious target of public spending at 6% of GDP. However, the allocation seems unlikely, due to the current tax-to-GDP ratio and competing claims on the national exchequer of healthcare, national security and other key sectors.
- With **inter-state migration for employment**, and India's large diversity of languages, regional language will endanger some students' learning.
- **Stress on vocational training** from the preparatory stage would lead to students from marginalised backgrounds dropping out early to take up jobs thus affecting holistic learning.
- Placing the **burden of pre-primary education** on the **overstretched, under-funded and under-equipped anganwadis** may also lead to disastrous results.
- Further, the goal of 50% enrolment ratio in higher education and 100% in secondary school education, could be tough to achieve, since it is currently only 25.8% in higher education & 68% in Class 9.
- **Fear of Commercialization**: The NEP suggests that admission to all higher education programmes should be based on standardised test scores conducted by the National Testing Authority. This may encourage coaching classes and rote memorization.
- **Fear of Privatisation**: In the name of philanthropic schools and PPP, it is laying the roadmap for entry of private players in education, which will further exacerbated existing inequalities
- Moreover, there are various proposals such as the age of starting schooling will need to be deliberated upon, which require legal changes and may face **legislative hurdles** in implementation due to applicability of two operative policies namely The Right to Education Act, 2009 and the National Education Policy, 2020.

### Analysis

The New Education Policy, for the most part, provides a forward-looking framework for transforming Indian education. By delivering on its promise of providing greater flexibility and skills to students and greater autonomy to educational institutions, it could prove a game changer. It signals the new normal in education with its focus on critical thinking, experiential learning, interactive classrooms, integrated pedagogy and competency-based education. But as with every policy, the real test of NEP will be translating it to action.

### NIPUN Bharat Mission

- The **Ministry of Education** recently launched the **National Initiative for Proficiency in Reading with Understanding and Numeracy (NIPUN)** Bharat Mission under the Samagra Shiksha scheme.
- Samagra Shiksha is a centrally sponsored scheme for school education extending from **pre-school to class 12**, with broader goal of improving school effectiveness. It was launched after subsuming three existing schemes: Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).
- A five-tier implementation mechanism will be set up at the **National- State- District- Block- School** level in all States and UTs, under the aegis of Samagra Shiksha Abhiyan.

### Details of NIPUN Bharat

- The Mission aims to ensure that every child in the country necessarily attains foundational literacy and numeracy (**FLN**) **by the end of Grade 3, by 2026-27**. It aims to cover learning needs of children in age group of **3 to 9 years**.

- This is aligned with the aim of National Education Policy 2020, of attaining universal FLN in children which replaced the 34 year old National Policy on Education (NPE), 1986.
- It envisages making the experience of learning at the **foundational stage**-Holistic, Integrated, Inclusive, Enjoyable, and Engaging.
- The success of Mission will primarily depend on teachers, so, there will be a special emphasis on *capacity building of teachers*. A special package under **NISHTHA** is being developed by NCERT and around 25 lakh teachers teaching at pre-primary to primary grade will be trained this year on FLN.

**NISHTHA** is a national teacher’s training program. It is a capacity building programme that aims to build capabilities among all the teachers and school principals at the elementary stage.

**Expected Outcomes**

- Foundational skills enable to keep children in class thereby **reducing the dropouts** and **improve transition rate** from primary to upper primary and secondary stages.
- Activity based learning and a conducive learning environment will **improve the quality of education**.
- Intensive capacity building of teachers will make them empowered and provide greater autonomy for choosing **the pedagogy (methods of teaching)**.
- **Holistic development** of child by focusing on different domains of development like physical and motor development, socio-emotional development, literacy and numeracy development, cognitive development, life skills etc. which are interrelated and interdependent.
- Children to achieve a steeper **learning trajectory** which may have positive impacts on later life outcomes and employment.
- Since almost every child attends early grades, therefore, focus at that stage will also benefit the **socio-economic disadvantaged group** thus ensuring access to **equitable and inclusive quality education**.

**Should Health Be Shifted to Concurrent List**

The COVID-19 pandemic has exposed the precariousness of the Indian health system. Fifteenth Finance Commission chairman N.K. Singh suggested that “Health” subject should be shifted from State list to concurrent list of Seventh schedule as one of solution to overcome challenges in Indian Health system.

**Current Constitutional Status Of Health Subject**

- Public health and allied subjects, such as sanitation, hospitals and dispensaries are under the states’ responsibility.
- On the other hand, prevention of the infectious and contiguous diseases from one state to another falls under the concurrent list.

Benefits of Shifting	Challenges Associated with Shifting
<ul style="list-style-type: none"> <li>• <b>Rationalization and Streamlining of Multiple Acts:</b> There are multiplicity of Acts, rules and regulations. Because of this lot of private medical institutions are thriving, yet regulation of sector is not adequate. With the health in the concurrent list, <i>uniformity of acts</i> can be ensured.</li> <li>• <b>Centre Expertise to States:</b> The Central government is</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Anti-federal Move</b> - It is against the principle of subsidiarity which holds that any task should be left to level of government best placed to do it.</li> <li>• Does not guarantee above intended benefits as Right to health is enshrined in</li> </ul>

also technically better equipped to come up with health schemes because it has the assistance of multiple research bodies and departments dedicated to the management of public health. E.g. National Institute of Virology of PUNE.

- **Consistency in action and policy** can be seen if health and all other allied subjects like ‘prevention of the infectious and contiguous diseases from one state to another’ are in same list. Pandemic like COVID-19 can be effectively tackled.
- **Financial allocation** of Centre could be increased to 2.5% of GDP as targeted under National Health policy, 2017. States could have better finance for health system at their disposal.
- **Greater flexibility** of Centre for enacting regulatory changes and reinforce the obligation of all stakeholders towards providing better healthcare. E.g. NAAC accreditation of Hospitals, Increasing seats of Doctors and other health personnel, also feasibility of All India Health Service.

Article 21 of constitution of India.

- **More Burdens with Centre:** The Centre has onerous responsibilities of its own, for which it struggles to find resources. Taking more functions would help neither the states nor the Centre discharge their constitutional obligations.
- NITI Aayog’s Health Index, improved regulatory environment for healthcare providers and medical education are examples of center’s support that can nudge states in the right direction.
- States are being overburden with funds for joining National level health Insurance program i.e. AB-PMJAY (Prime Minister Jan Arogya Yojana)
- Other systematic issues in Health System being unaddressed like Development Financial Institution for Health sector.

**Way forward**

For shifting public Health from “state list” to “Concurrent List”, Center need to mobilize support of states and ensure them that it won’t be top-down approach. States and Center along with private sector should come together as team for raising standard of health sector in India. True sense of Cooperative federalism can be path breaking solution for this unique problem.

**Challenges of Health Sector**

- Low Expenditure on Health: At present the share of expenditure of the state and central governments is in the ratio of 63:35. States are spending around 4.47% of SGDP and center is spending Around 1.1% of GDP on health sector.
- Also issues of National Level Common Entrance Test like NEET being not accepted by states like Tamil Nadu.
- Other issues related to health sector.

- **Health Infrastructure is not sufficient to cater Huge population**
- **Human resource is overburden in health sector**
- **Lack of accountability in private medical colleges**
- **Research and innovation still not at optimum level in India.**

**Solutions To Challenges**

To strengthen the health sector and make it ready for any pandemic situation, following recommendations given by 15<sup>th</sup> FC and High Level Group on Health chaired by Randeep Guleria should be looked into -

- Primary Healthcare should be fundamental commitment of all states and they should spend 2/3<sup>rd</sup> of health expenditure
- Standardization of healthcare codes for states as well as center
- Forming All India Medical and Health Service
- PPP model for healthcare infrastructure.
- Linking all private medical colleges to District Government Hospitals.

### Ayushman Bharat Digital Mission

PM launched the **Ayushman Bharat Digital Mission** for the entire country almost a year after it was implemented on pilot basis in six Union Territories.

#### Vision

To create a national digital health **integrated ecosystem** that supports universal health coverage in an efficient, accessible, inclusive, affordable, timely and safe manner.

- ✓ It will enable individuals to discover hospitals, laboratories and pharmacies across the country. The health record of every citizen will be digitally protected.
- ✓ The difficulty of maintaining long trails of paper-based health records or standing in long queues at health facilities, etc. will no longer be a burden.

#### Components

Health ID	• It will be used for the purposes of <b>uniquely identifying persons, authenticating them</b> , and threading their health records <b>only with the informed consent of the patient</b> to help hospitals, insurance firms, and citizens access health records electronically when required
Electronic medical record (EMR) web app	• <b>Comprehensive digital version</b> of a patient's chart ( <b>medical and treatment history</b> ) from a single health facility. It is to create a <b>web application</b> that operates on a <b>set of standards</b> (interoperability and medical terminologies).
Health Facility Registry (HFR)	• Comprehensive repository of health <i>facilities</i> (including hospitals, clinics, diagnostic laboratories and imaging centers, pharmacies, etc) across different systems of medicine.
Healthcare Professionals Registry (HPR)	• <b>Comprehensive repository of all healthcare professionals</b> involved in delivery of healthcare services across <b>modern and traditional systems of medicine</b>
Personal Health Record-System (PHR)	• It will enable an individual to manage information about his/her healthcare. This includes viewing of records comprising of health data, lab reports, treatment details, discharge summaries across one or multiple health facilities.
Ayushman Bharat Digital Mission Sandbox	• It will act as a framework for <b>technology and product testing</b> that will help organisations, including private players intending to be a part of ecosystem (Health Information Provider or Health Information User) or efficiently link with building blocks of Ayushman Bharat Digital Mission

**Concerns**

- Lack of a **data protection bill** could lead to the misuse of data by private firms.
- **Denied healthcare due to faults** in the system is a cause of concern.

**MTP Rules and MTP Amendment Act 2021**

Government has **notified new rules** under which the gestational limit for medical termination of pregnancy has been **increased from 20 to 24 weeks for certain categories** of women.

- The new rules come under the Medical Termination of Pregnancy (Amendment) Act, 2021 passed by Parliament earlier this year.
- Under the new rules, **seven specific categories** (such as minors, survivors of sexual assault, rape victims, mentally ill women, foetal malformation etc.) will be eligible for termination of pregnancy up to 24 weeks:
- Medical Board will decide if a pregnancy may be terminated **after 24 weeks** due to **substantial foetal abnormalities**. All state and UT's will constitute a Medical Board consisting of a gynaecologist, paediatrician, radiologist/sonologist, and other members notified by the state government.
- **New Rules Regarding Medical board**
  - ✓ The medical boards are to either accept or reject the proposal for medical termination of pregnancy within **three days** of receiving the request.
  - ✓ Abortion procedure has to be done within **five days** of the board receiving the request.

	<b>MTP ACT 1971</b>	<b>MTP Amendment ACT 2021</b>
Failure of contraceptive (Methods/Device)	Upto 20 weeks only by a married woman	Unmarried women also covered
Upto 12 weeks	Advice of 1 registered medical practitioner(RMP)	Advice of 1 RMP
12 to 20 weeks	Advice of 2 RMP	Advice of 1 RMP
20 to 24 weeks	Not allowed	2 doctors for some categories of pregnant women
<b>More than 24 weeks</b>	Not allowed	<b>State Level Medical Board In Case Of Substantial Foetal Abnormality</b>
<b>Breach of confidentiality</b>	Fine upto 1000 Rs	Imprisonment up to a year, or fine, or both
<b>Any time</b>	1 RMP, if immediately necessary to save pregnant woman's life, opinion formed in good faith.	

<b>Significance OF MTP (Amendment) Act 2021</b>	<b>Issues Still Unaddressed</b>
<ul style="list-style-type: none"> <li>• Despite a sustained government push over years, <b>contraceptive use</b> in India is not very popular. Data from the National Family Health Survey-4 show that just 47.8% of couples in the country use modern contraceptive methods and only 53% use any method at</li> </ul>	<ul style="list-style-type: none"> <li>• Formation of a state medical board raises additional concerns of their access, particularly to women from rural areas.</li> </ul>

<p>all.</p> <ul style="list-style-type: none"> <li>• According to a 2018 study by the Guttmacher Institute, 50% of pregnancies in <u>six of the larger Indian states</u> — Assam, Bihar, Gujarat, Madhya Pradesh, Tamil Nadu and Uttar Pradesh — are <b>unintended</b>. Estimation of unintended pregnancies is important because many of them result in abortions and the availability of cheap and safe abortion services is one of the indicators of a robust health system.</li> <li>• Several petitions have been filed in the Courts seeking permission for aborting pregnancies at a gestational age beyond the present permissible limit on <b>grounds of foetal abnormalities</b> or <b>pregnancies due to sexual violence</b> faced by women.</li> <li>• Current changes are a step towards safety &amp; well-being of women who will be benefited by comprehensive abortion care, under strict conditions, without compromising service &amp; quality of safe abortion.</li> <li>• The amendments will increase the ambit and access of women to safe abortion services and will ensure dignity, autonomy, confidentiality and justice for women who need to terminate pregnancy</li> </ul>	<ul style="list-style-type: none"> <li>• The Act requires abortion to be performed only by doctors with specialisation in gynaecology or obstetrics. There is a 75% shortage of such doctors in community health centres in rural areas.</li> <li>• National Health and Family Survey (2015-16): Only 53% of abortions are performed by a <b>registered medical doctor</b> and the balance are conducted by a nurse, auxiliary nurse midwife, family member, or self.</li> <li>• <b>No clarity regarding transgender</b> persons whether they will be covered or not.</li> </ul>
--	--

### Jal Jeevan Mission: Clean Drinking Water For All, Can It Be A Reality?

Jal Jeevan Mission is envisioned to provide safe and adequate **drinking water through individual household tap connections by 2024 to all households in rural India**. To complement the Jal Jeevan Mission (Rural), Jal Jeevan Mission (Urban) was announced in the Budget 2021-22. The provision of an assured tap water supply in homes relieved people, **especially women and young girls**, from the drudgery of fetching water over long distance.

#### Progress Achieved So Far

- When the mission was launched, only 17% of the country’s rural households had a tap water supply. Today, **41.14% rural households have tap water supply**.
- Goa, Telangana, Andaman & Nicobar Islands and Puducherry have achieved 100% household connection in rural areas.
- As on date, tap water supply has been provided in 76% schools and 67.5% anganwadi centres.

#### Challenges Still Unaddressed

- **Lack of convergence** with other related schemes for water management like Atal Bhujal Yojana and National Aquifer Mapping and Management Programme.
- **Inadequate focus on water quality** - As many as 56,788 rural households in 18 states have water contaminated with fluoride, arsenic, iron, salinity, nitrate and heavy metals.
- **Lack of in-village infrastructure**, lack of capacity of local communities and poor operation and maintenance.

**International Affairs**

**Taiwan-China Conflict**

**Background**

The island seems to have first appeared in Chinese records in AD239, when an emperor sent an expeditionary force to explore the area

This evidence is used by Beijing to back its territorial claim.

Taiwan was administered by China's Qing dynasty from 1683 to 1895.

In 1895, Japan won the First Sino-Japanese War, and the Qing government had to cede Taiwan to Japan.

After World War II, Japan surrendered and relinquished control of territory.

**Civil War**

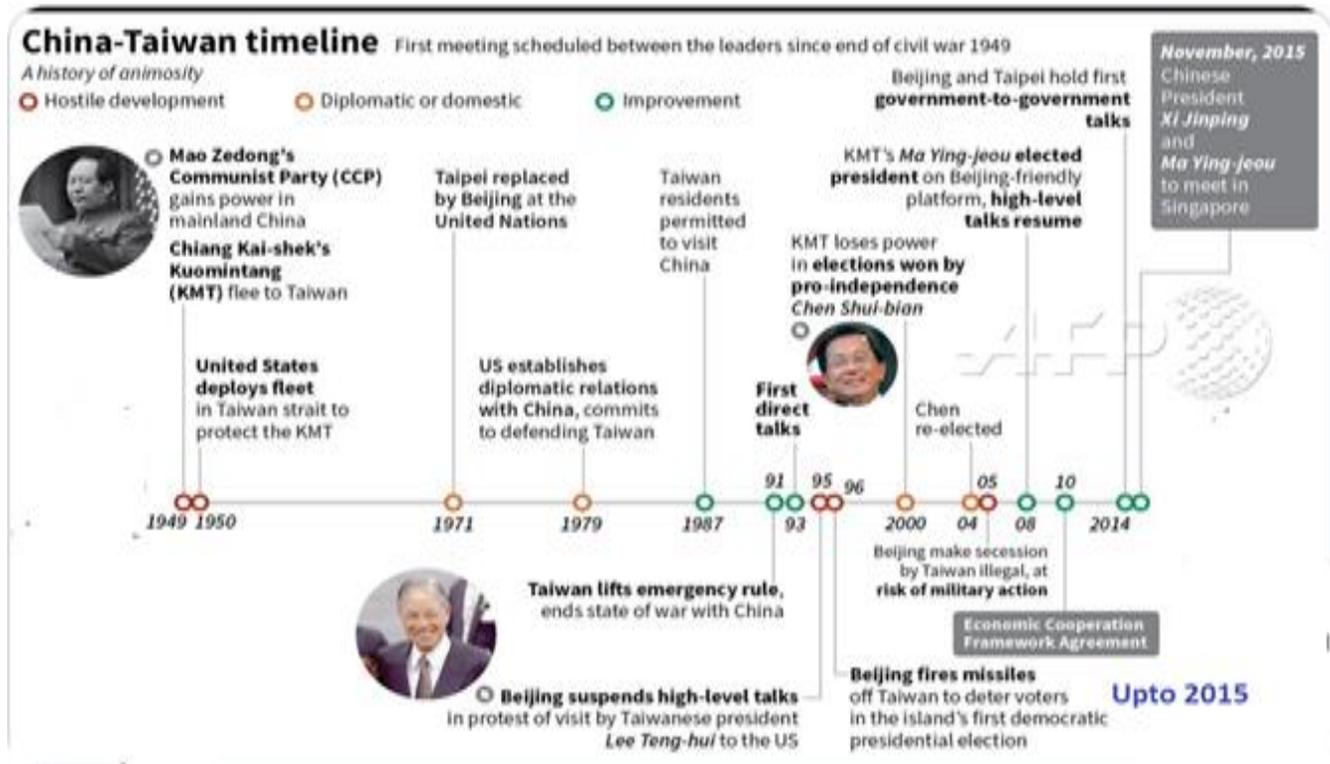
When Japan surrendered, Chinese Nationalist Party (also known as the Kuomintang) began ruling Taiwan with the consent of its allies, the US and UK.

Chiang Kai-shek was the ruler of this party.

However, almost immediately following Japan's surrender, the Chinese Civil War broke out between the KMT and the Chinese Communist Party (CPC).

Chiang and the remnants of his Kuomintang government fled to Taiwan in 1949.

**China-Taiwan Timeline (1949 Onwards)**



**Disagreement and Confusion About Taiwan**

- China regards Taiwan as a breakaway province which it has vowed to retake, by force if necessary.
- China has repeatedly insisted that *Taiwan should be called "Chinese Taipei"* in efforts to prevent international recognition of Taiwan as a country.
- But Taiwan's leaders argue that it is a **sovereign state**. Taiwan continues to participate in international events and dialogues separately.
- It has its own constitution, democratically-elected leaders, and about 300,000 active troops in its armed forces.

**Who Recognises Taiwan?**

- Chiang Kai-shek's Republic of China (ROC) government held China's seat on the United Nations Security Council.
- It was recognised by many Western nations as the only Chinese government.
- However, in 1971 the UN switched diplomatic recognition to Beijing and the ROC government was forced out.
- Since then, the number of countries that recognise the ROC government diplomatically has fallen drastically to about 15.

**India-Taiwan Relations**

India does not have formal diplomatic ties with Taiwan. Like most countries, it maintains commercial ties with Taiwan.

In 1995, New Delhi set up the India-Taipei Association (ITA) in Taipei to promote interactions between the two sides.

- o The aim of ITA was to facilitate business, tourism, and cultural exchanges.
- o ITA has also been authorized to provide all consular and passport services.

In the same year, Taiwan too established the Taipei Economic and Cultural Centre in Delhi




**Recent Relation Between India and Taiwan**

In 2018 India and Taiwan signed an updated bilateral investment agreement to expand economic ties.

In 2019, India - Taiwan trade volume was US\$7.2 billion.

- o Major Indian exports to Taiwan include waste oil, naphtha, cereals, cotton, organic chemicals, copper, aluminum and food residues.
- o Major Taiwanese exports to India include integrated circuits, machinery and other electronic products.

In May 2020, two members of the Indian Parliament virtually attended the newly re-elected President Tsai's swearing ceremony.

In October 2020, India gave approval to firms including Taiwan's Foxconn Technology Group, Wistron Corp. and Pegatron Corp. to invest in India. The idea is to attract investment worth more than 10.5 trillion rupees (\$143 billion) for smartphone production over five years.

**U.S. Exit From Afghanistan And Resurgence of Taliban**

- The US and its allies exited Bagram airbase thereby **effectively completing its military campaign in Afghanistan**. This base was the centre of war against militants for some 20 years.
- After the September 11, 2001 terrorist attacks on USA, the then President George Bush declared war on Afghanistan. Afghanistan was then **ruled by Taliban** which **refused to hand over al-Qaeda leaders**, including Osama bin Laden, to USA.
- Taliban regime was quickly dislodged and a transitional government was established in Afghanistan. At that time, **U.S. rejected an offer from the Taliban to surrender** and vowed to defeat the insurgents in every corner of Afghanistan.

**Why US Has Pulled Back Now**

- US started to believe that this **war was unwinnable**. USA got embroiled in an endless war for 20 years. Even after 20 years, peace and stability seemed elusive.
- Also, it was a costly affair for USA. The 20-year war has claimed over 70,000 civilian lives and has cost the country **more than \$2 trillion**.

**Negotiations Before Exit**

- USA wanted a **face-saving exit**. In order to do that, since 2015, successive governments had been trying to negotiate with Taliban.
- During earlier part of negotiations, efforts were made to forge a consensus between Afghanistan and Taliban. The **first-ever meeting** between the Taliban and the Afghan government was hosted by Pakistan under the overall supervision of USA.
- Since these talks yielded no tangible results, USA decided to directly negotiate with the Taliban which resulted into **February 2020 Agreement** (also known as **US-Taliban Peace Deal**).
- This deal dealt with **four aspects of the conflict** — *foreign troops, violence, intra-Afghan peace talks, and the use of Afghan soil by terrorist groups*.
- The Taliban promised to **reduce violence, join intra-Afghan peace talks, and cut all ties with foreign terrorist groups**, while the U.S. pledged to withdraw all its troops by May 1, 2021. However, this date was pushed to September 11 by the new US President Joe Biden.

**Biden’s Peace Plan And The Fallout**

- Biden Administration unveiled a new peace plan to the Afghan government and the Taliban, seeking to bring violence to a halt and **form an interim government**.
- It proposed a **UN-led conference** of representatives of **Russia, China, Pakistan, Iran, India and the U.S.** “to discuss a unified approach to support peace in Afghanistan”.
- However, Afghan President Ashraf Ghani rejected the U.S. proposal as he was not willing to accept power-sharing with the Taliban in an interim arrangement. He was to **propose a new presidential election within six months**, under a peace plan he will put forward as a counter-offer to a U.S. proposal.
- The **Taliban was even less willing to share power**, given its confidence in taking over Kabul the moment the US forces leave, which it has done. It is certainly not willing to give up its sanctuaries in Pakistan. It will not accept any dilution of the strict Islamic system that it wants to enforce.

**Challenges Facing Afghan Crisis**

<b>Inherent Complexities</b>	Afghan dialogue has been riddled with the presence of multiple stakeholders including Afghan government, Taliban, Haqqani Network and various tribes existing in the region. This complicates the process due to conflicting viewpoints and divergence in opinion on the direction the dialogue process should take.
<b>Role of External Actors</b>	Apart from the internal variations, interference from various other countries including Pakistan, US, China and other actors like Pakistan’s ISI. This complicates the process with some groups pulling the peace process in different directions as per their self-interest and others intent on sabotaging the peace process by getting involved with non-state actors
<b>Conservative Mindset of Taliban</b>	Taliban has always wanted to bring back the conservative culture by introducing sharia law, restrictions of women’s freedom etc.

**What Should India Do**

- It should **start talks with Taliban despite** hurdles which can be posed by Anti-Indian factions present in the Taliban and also by political opposition within India

- **In the past, India chose not to engage the Taliban.** Many analysts believe that India paid a heavy price by doing this. The security situation in J&K had worsened during that time due to support to anti-Indian forces by Taliban. Also, during Kandhar Hijack incident, India was helpless as there was no link with the then Taliban government so as to start negotiation.
- Hence, in **order to safeguard its civilian assets** as well as to **stay relevant in the unfolding ‘great game’** in and around Afghanistan, India must begin open talks with the Taliban.
- **Broader Diplomatic Engagement:** India should consider appointing a special envoy dedicated to Afghan reconciliation. The envoy can ensure that Indian views are expressed at every meeting, broaden engagement with the Afghan government and other political actors, and reach out to certain Taliban representatives.
- **Developmental and Humanitarian aid:** Given the continued levels of violence and the impact of the coronavirus on the Afghan economy, India should expand its development assistance.
- **Working With and Through Others:** India should look to broaden its engagements with Iran and Russia, explore opportunities for cooperation with China, and find common ground with the United States on Afghanistan’s future.

**UN High-Level Meeting on the Humanitarian Situation in Afghanistan**

- It was held recently in Geneva.
- As per World Food Programme (WFP) estimate, **14 million people are on brink of starvation.**
- Hundreds of health facilities are at risk of closure after donors backed out.
- **3.5 million people are currently internally displaced.**
- Participating nations have pledged over \$1.2 billion to help Afghanistan. Earlier, UN had called for **\$606m to be raised**, saying this **would bring vital relief to millions.**

**India’s Stand at the Meeting**

<b>Did not pledge any money</b>	<ul style="list-style-type: none"> <li>• This was probably the <b>first time in 20 years</b> that it has not pledged any money to <b>Taliban ruled Afghanistan.</b></li> </ul>
<b>Humanitarian assistance</b>	<ul style="list-style-type: none"> <li>• <u>Humanitarian assistance providers must be given <b>unrestricted</b> and direct access to Afghanistan</u></li> <li>• Normalisation of regular commercial operations of <b>Kabul airport</b> which could help the <b>flow of relief material to Afghans.</b></li> <li>• <b>Non-discriminatory distribution of humanitarian assistance</b> across all sections</li> </ul>
<b>Recalled UNSC resolution 2593</b>	<ul style="list-style-type: none"> <li>• <b>Resolution 2593</b> calls for <b>Afghan soil not being used for terrorism.</b></li> <li>• India expressed hope that the <u>resolution 2593 would guide international community's approach in coming days.</u></li> </ul>
<b>Expressed concerns about regional stability</b>	<ul style="list-style-type: none"> <li>• UNDP has recently assessed that there is an imminent threat of poverty levels rising from 72 to 97% in Afghanistan.</li> <li>• As per India, this would have catastrophic consequences, <b>not just in the collective fight against poverty, but also for regional stability</b></li> </ul>

**Pakistan's Stake in Afghanistan**

- Pakistan was **one of the three countries that had recognised** Taliban regime in the 1990s. Later, under US pressure, it cut formal ties with the Taliban and joined America's war on terror.
- However, it kept on **supporting Taliban** by *providing shelter to Taliban's top leaders*. Even now, the resurgent Taliban is getting help from Pakistan. Pakistan is keeping its *supply lines open* as well as *providing tactical and logistical support* to the outfit.
- **Pakistan wants to check India's influence in Afghanistan** and bring the Taliban to Kabul. Return of Taliban to power would provide more strategic space to Pakistan.
- However, even Pakistan does not want violent military takeover of Afghanistan by Taliban as it would **lack international acceptability**. Also, in such situation, Pakistan could face **influx of refugees from Afghanistan** and a **strengthening of anti-Pakistan terror groups**, such as the Tehrik-i-Taliban.

**India's Concern/Stake In Afghanistan**

- **Limitations of India's Existing Approach:** India has always supported "*an Afghan-led, Afghan owned and Afghan controlled*" process for enduring peace and reconciliation in Afghanistan. It involved active engagement with the elected Afghan Government and isolation of the Taliban regime.
- **Revival of Terrorism:** India faces threat from terrorist factions such as the Haqqani group, which is a key member of Taliban. Also, political instability in Afghanistan can lead to resurgence of other terror groups, such as Al Qaeda, Islamic State (IS) etc.
- **Perpetual Regional Instability:** The Taliban has no single Afghan identity, and it is heavily dependent on various factions representing different regions, tribes and interests. Thus, internal strife may create a perpetual instability post the takeover, which has security (terrorism, illicit drug trade etc.) as well as economic (impact on bilateral and regional trade etc.) implications for India.
- **Human Rights Violation:** The rule of Taliban may be accompanied by erosion in women's and minority rights and the overturning of a democratic system which stands a concern for India.
- **Economic Loss:** India has to **protect its investments**, which run into billions of rupees, in Afghanistan. Over the past two decades, India was able to ensure its presence in Afghanistan through *developmental assistance to tune of around \$3 billion*.
- India's **strategic interests** are also at stake. Afghanistan is very important for India's *Connect Central Asia policy*.
- India also wants to prevent a **future Taliban regime from being a pawn of Pakistan**. India will have to ensure that the Pakistan-backed *anti-India terrorist groups do not get support from Taliban*. It will worsen the security situation in Kashmir.

**India-Myanmar Relations Post Coup d' etat**

Myanmar's **military has seized power** after detaining Aung San Suu Kyi and other democratically elected leaders. The military has declared a **one-year state of emergency**. Army seized control on 1 February 2021 following a general election which Ms Suu Kyi's NLD party won by a landslide. The army alleged that the recent landslide election win by NLD was **marred by fraud**.

**What Has Been The International Reaction To The Coup?**

- Numerous countries have condemned the military takeover. **UN** Secretary-General said it was a "serious blow to democratic reforms".
- **US and UK** have responded with sanctions on military officials.
- However, **China blocked a UN Security Council statement condemning the coup**. Beijing, which has previously opposed international intervention in Myanmar, urged all sides to "resolve differences".
- **Neighbours** including Cambodia, Thailand and the Philippines, have said it is an "internal matter".
- India expressed "deep concern" over the reports of an unfolding military coup in Myanmar. India had always been steadfast in its support to the process of democratic transition in Myanmar. It believes that the rule of law and the democratic process must be upheld.
- However, India has **adopted a more cautious position** because of **security concerns linked to its north-eastern states**, and the fear of **Myanmar falling into China's lap**.

**India Abstains from Voting on Myanmar Resolution**

- India has abstained from a vote on a UN General Assembly resolution on Myanmar. The resolution was **seeking to delegitimise the Myanmar military junta** and to **prevent flow of arms into the country**.
- The **resolution was overwhelmingly passed** with a vote of 119-1. A total of **36 countries abstained from voting** which included India, China, Russia and Indian neighbours such as Nepal, Bhutan and Bangladesh.
- The resolution, among other things, called on the Myanmar military:
  - to end the state of emergency, reopen the "democratically elected parliament",
  - release detained civilian leaders "immediately and unconditionally",
  - swiftly implement the five-point consensus reached at the Association of Southeast Asian Nations meeting in April,
- Although **not legally binding** on member states, the document carries significant political heft.

**Why Did India Abstain From Voting**

- As per India, the resolution was tabled in UNGA **without adequate consultations** with neighbours and regional countries. This is not only unhelpful but may also prove counter-productive to the efforts of ASEAN to find a solution.
- India believes that the solution to the crisis in Myanmar **needs to come from the region**.
- India has walked the **diplomatic tightrope on Myanmar** since the military coup of February 2021. It firmly believes in working with whoever is in power in Naypyitaw to protect its own bilateral and regional interests which include --
  - ✓ Security relationship between the two sides is crucial to tackling **militancy in the north-eastern states**.
  - ✓ preserve its **channels of communication with the Burmese generals** and prevent them from moving further into China's lap.
  - ✓ Indian absence would give boost to **Chinese presence** in the region. It will also **jeopardize India's Act East policy**.
- Also, it should be noted that **India has signed a series of defence deals** with the Myanmar military in recent years. Hence, any resolution with an aim to prevent the flow of arms into Myanmar could be interpreted as New Delhi's endorsement of an informal arms embargo.

**Myanmar's Tryst with Military Rule**

- Myanmar, also known as Burma, was ruled by the **armed forces from 1962 until 2011**, when a new government began ushering in a return to civilian rule.
- Myanmar, under military government, drafted a constitution in 2008 which formed the basis of power transition in 2011.
- However, Myanmar's constitution, framed under the military government, ensures role and supremacy of military in national affairs.
- Under its provisions, the **military reserves for itself 25% of seats** in both Houses of Parliament, to which it appoints serving military officials.
- The constitution allows formation of a political party which is proxy to the military. In other words, indirectly, Military can contest election in Myanmar. Union Solidarity and Development Party (USDP) in Myanmar is backed by military.
- *Article 417 of Myanmar Constitution* allows the military to take control over the nation in times of emergency. This clause is often termed as "**coup mechanism in waiting**".

**Indo-Nepal Border Dispute**

- Nepal's Cabinet has **endorsed a new political map** showing **Lipulekh, Kalapani and Limpiyadhura** under its territory.
- Ruling Nepal Communist Party lawmakers have also **tabled a special resolution** in Parliament **demanding return of Nepal's territory** in Kalapani, Limpiyadhura and Lipulekh.

**What Triggered The Recent Revival Of Dispute**

- In November 2019, India **published a revised political map** showing the newly created Union Territories of Jammu and Kashmir and Ladakh. The map showed Kalapani as part of Pithoragarh district which was immediately protested by Nepal.
- This year, on May 8, India inaugurated the **Darchula-Lipulekh pass link road**, cutting across the disputed Kalapani area which is used by Indian pilgrims to Kailash Mansarovar. This seems to have snowballed into the present controversy.
- Although, there are analysts who believe Chinese hand behind Nepal's current aggressive position.

**Inauguration Of Link Road by India up to Lipulekh**

- The 80 km road goes right up to the Lipu Lekh pass on the LAC. Through this road, **Kailash Mansarovar pilgrims exit India into China** to reach the mountain and lake revered as the abode of Siva.
- As a result of this road, what used to be a difficult trek to the gateway, situated at 17,060 ft, **would now be an easy road trip**.

**Current Status**

- At present, Kalapani, a 372 sq km area, is controlled by Indo-Tibetan Border Police (**ITBP**), which has a post there since 1962.
- The entire India-Nepal border is 1,758 km long. It is a porous open border.
- India claims Kalapani as part of Uttarakhand's Pithoragarh district while Nepal says it is part of its Darchula district.
- Lipulekh has always been on the Indian map and **Nepal hasn't protested until now**. India had closed **Lipulekh from 1962 to 1991** due to the 1962 Sino-Indian war.

**Why Is Kalapani Territory Significant**

- Lipulekh Pass, situated at an altitude of 5,000 meters, has geo-strategic value as **Tibet is on its northern side**.
- The lowest point is 11,980 ft, the highest is 20,280 ft. It helps India track Chinese movements in the region.
- The pass is situated along the 80Km-long Uttarakhand-Nepal border.
- It was an ancient route for traders and pilgrims transiting between Nepal and Tibet.

**Chinese Stand On This Issue**

- Beijing has an ambiguous position on Kalapani. On one hand, it treats Kalapani as a bilateral issue between India and Nepal; On the other, it was **2015 bilateral agreement between India and China** that opened up Lipulekh for trade. The **current link road** is constructed under this agreement.
- **Neither side consulted Nepal** or sought its opinion before this agreement that boosted pilgrimage and trade to Tibet.

**Genesis of Current Border Dispute**

- The Nepal-India border was **delineated by the Sugauli Treaty of 1816**. It was signed between Nepal and British India.
- According to treaty '**west of Kali river**' belonged to India. The treaty, however, did **not mention the source of Kali which runs through Kalapani**.
- British surveyors subsequently showed the origin of the river, with many tributaries, at different places. This digression has led to territorial disputes between the two countries.
- Nepal claims that river to Kalapani's west is the main Kali, and thus the country has territorial rights to the region.
- India holds that a ridgeline to Kalapani's east is the border, thus Kalapani falls in India.
- Another disputed area, Lipulekh Pass atop Kalapani, is a mountain pass at the Uttarakhand-Nepal border.
- The third area that Nepal stakes claim to is Limpiyadhura, north west of Lipulekh, which according to the neighbouring country is the origin of Kali, hence Kalapani and Lipulekh in the east of Kali river belong to Nepal.

**50 Years Of Indo-Soviet Treaty**

The **Treaty of Peace, Friendship and Cooperation** between India and the Union of Soviet Socialist Republics was signed fifty years ago on August 9, 1971.

**Background Against Which The Treaty Was Signed****A. Unstable Domestic Political Situation**

- The domestic political situation had been shaken by the Congress split in 1969.
- In order to consolidate her position, the then PM Indira Gandhi was beginning to take the country further down on the road of socialism.
- She had also brought forward the General Election by a year, to March 1971.

**B. Grave External Environment**

- The immediate external environment became grave because of internal developments in Pakistan.

- Elections were held in Pakistan, then under the military dictator Gen Yahya Khan, in December 1970. The Awami party led by Sheikh Mujibur Rehman gained a landslide victory in East Pakistan. However, the army and the politicians of west Pakistan refused to hand over power to the Awami party.
  - A brutal and bloody crackdown on East Pakistan was launched on March 25.
  - The Pakistani army's genocide in East Pakistan led to a **grave security situation for India** as refugees began to cross the border.
  - The atrocities against the population led to general popular pressure on the govt for military intervention. However, armed forces needed time to prepare.
- C. Friendly Relation Between USA and Pakistan
- The Western powers led by the US had no real sympathy for India's predicament and their major objective was the maintenance of Pakistan's territorial integrity.
  - In 1971, Pakistan also played a vital role in establishing a contact between the US and China. This helped in strengthening the Pak-USA relationship further.
  - USA overlooked Pakistani army's genocide against its own people. Apart from warning India against taking military action, US also encouraged China to take military action, should India militarily intervene in Pakistan.
- D. Cold Sino-India relation
- Sino-Indian relations were cold and hostile while Sino-Pak ties had become firm, based on a shared hostility with India.
  - Against this backdrop, India simply had to possess the cover of a security assurance from the Soviet Union, even if that superficially impaired the tenets of non-alignment.

#### **About The Treaty**

- The Indo-Soviet Treaty of Peace, Friendship and Cooperation was signed in August 1971 that specified mutual strategic cooperation.
- This Treaty symbolized the close partnership between India and the Soviet Union; for their bilateral relations it set the highest standards of cooperation, and on security matters, it symbolized an alignment of interests in the face of regional and international challenges.
- The Treaty symbolized an extraordinary convergence of national interest of both countries on the most critical issues of war and peace.
- **Article IX** of the Treaty ensured Russian help if India is attacked by external forces, and vice versa. This gave India the confidence that the US and China would not consider militarily intervening in the conflict.

#### **Achievements**

- The treaty has been termed as the most seminal foreign policy arrangement entered into by India in the 20th century.
- It had the most profound effect on the politics and geography of South Asia, cementing what many thought was the pre-eminence of India in the region.
- It was not a military alliance. However, it added to India's strategic autonomy, and its capacity for independent action.
- This treaty had a direct impact on the decisive battle between India and Pakistan in the eastern war theatre which led to the creation of Bangladesh.

- Even after the 1971 war, the treaty had effectively restrained Pakistan and its allies from embarking on a course of military adventurism in the sub-continent thereby ensuring regional peace and stability.

**Conclusion**

Critics saw this treaty as a significant deviation from India’s previous position of non-alignment in the Cold War and the prelude to the Bangladesh war (which was against the policy of non-interference).

However, in the annals of diplomacy, the Indo-Soviet Treaty on Peace, Friendship and Cooperation was a **unique document that not only epitomised the special relationship between India and the Soviet Union but also acted as a guarantor of regional peace.**

**India-UAE Negotiations for CEPA**

India and UAE started formal negotiations for a mutually-beneficial *Comprehensive Economic Partnership Agreement (CEPA)*. India has already signed CEPAs with South Korea and Japan.

**Background**

During the visit of Crown Prince al-Nahyan to New Delhi (January 2017) as Chief Guest for Republic Day celebrations, India and the UAE signed a **Comprehensive Strategic Partnership (CSP) agreement**. The focus areas underlined in the CSP were:

- ✓ Economy with emphasis on a two-way flow of investments,
- ✓ Counter-terror cooperation and defence ties.
- ✓ Negotiation in areas such as trade facilitation, customs cooperation
- ✓ Intellectual Property Rights.

**CEPA with an Early Harvest**

Both countries formally launched negotiations for a **CEPA with an early harvest (CSP)** to be concluded by end of December 2021 and new formal agreement to be signed by March 2022.

**Aims To Increase Bilateral Trade In Goods And Services**

- The proposed free trade agreement (FTA) is expected to raise bilateral merchandise trade to \$100 billion in five years following the signing of the pact. In FY21, the bilateral merchandise trade was at \$43 billion.
- It also aims to more than double bilateral services trade to \$15 billion during this period.

**FTAs With Key Economies: India’s Broader Strategy**

- The negotiations with the UAE are a part of India’s broader strategy to **forge “fair and balanced” trade agreements with key economies.**

India is also aiming to sign free trade agreements with Australia, UK and the European Union in the near future.
- This strategy gained traction after **India pulled out of the China-dominated RCEP** in November 2019.
- Balanced FTAs will also enable India to achieve sustained growth

**Early Harvest Schemes**

- Aim of this scheme is to promote trade before a comprehensive Free Trade Agreement is concluded.
- It helps the two trading countries to identify certain products for tariff liberalisation pending the conclusion of FTA negotiation.



rates in exports in the coming years. India has set an **ambitious merchandise export target of \$400 billion for FY22**, against \$291 billion in FY21.

**India – UAE Bilateral Relationship**

<b>Political relations</b>	<ul style="list-style-type: none"> <li>• Established diplomatic relations in 1972.</li> <li>• In February 2019, <b>UAE invited India as the "Guest of Honour"</b> to address the Inaugural Plenary of <u>46th Session of the Organisation of Islamic Cooperation</u>.</li> <li>• PM Modi, in August 2019, was awarded the <b>highest civilian award of UAE called 'Order of Zayed'</b>.</li> </ul>
<b>Trade Relation</b>	<ul style="list-style-type: none"> <li>• UAE was India's <u>2<sup>nd</sup> biggest goods export market</u> until FY20, behind only the US.</li> <li>• China pipped it in FY21 when the pandemic caused severe disruptions in trade.</li> <li>• UAE is currently <u>India's 3<sup>rd</sup> largest trading partner</u> with bilateral trade in FY20 valued at \$59 billion.</li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>• UAE is <u>8<sup>th</sup> largest investor in India</u>, having invested \$11 billion between 2000 and 2021.</li> <li>• Investment by Indian companies in the UAE is estimated to be over \$85 billion.</li> </ul>
<b>NRI Remittances</b>	<ul style="list-style-type: none"> <li>• Annual remittances made by the <b>large Indian community in UAE (~3.3 million)</b> amount to US\$ 17.56 billion for year 2018.</li> </ul>
<b>Energy Cooperation</b>	<ul style="list-style-type: none"> <li>• Abu Dhabi National Oil Company along with Indian Strategic Petroleum Reserves Ltd. (ISPRL) are establishing a <b>strategic crude oil reserve in Mangalore (Karnataka)</b>.</li> </ul>
<b>Defence Relation</b>	<ul style="list-style-type: none"> <li>• Defence co-operation between the two countries is steered through a <u>Joint Defence Co-operation Committee at Ministry level</u>. Bilateral Defence Exercise:             <ul style="list-style-type: none"> <li>• Zayed Talwar exercise, In-UAE BILAT - naval exercise</li> <li>• DESERT EAGLE-II – Airforce exercise</li> </ul> </li> </ul>
<b>Cultural relation</b>	<ul style="list-style-type: none"> <li>• <u>Cultural Agreement of 1975</u> provides the basic framework</li> <li>• India was the <u>Guest of Honour Country in Abu Dhabi International Book Fair 2019</u>.</li> <li>• Abu Dhabi celebrated 150th birth anniversary of Mahatma Gandhi, 115th birth anniversary of Lal Bahadur Shastri &amp; 550th Birth Anniversary of Guru Nanak Dev ji.</li> <li>• <u>First traditional Hindu Temple in Abu Dhabi</u> was opened in April 2019.</li> <li>• In February 2019, Abu Dhabi included <b>Hindi as the 3<sup>rd</sup> official language</b> used in its courts, alongside Arabic and English.</li> </ul>

## EU Unveils Indo-Pacific Strategy

EU has **unveiled a new strategy** for boosting economic, political and defence ties in the Indo-Pacific.

### Indo-Pacific Region

- As per EU, the region stretches from **India and China through Japan to Southeast Asia and eastward past New Zealand to the Pacific.**
- This region is **growing in importance** given its rising population and political weight, its role in global trade and security and its impact on climate change.

### Aim Of The Strategy

- Strengthen and expand **economic relations**
- Reinforce the respect of **international trade rules**
- Help partners fight and adapt to **climate change** and biodiversity loss
- Boost cooperation on **health care** so least-developed countries can prepare better

**Seven priority areas identified** for a sustainable and inclusive socio-economic recovery.

Sustainable and inclusive prosperity	Green transition	Ocean governance	Digital governance and partnerships	Connectivity	Security and defence	Human security
--------------------------------------	------------------	------------------	-------------------------------------	--------------	----------------------	----------------

### Key Highlights

<b>Partnerships &amp; Cooperation</b>	<ul style="list-style-type: none"> <li>• Aims to deepen its engagement with <b>partners that already have Indo-Pacific approaches of their own.</b></li> <li>• Expressed its interest in <b>engaging with the QUAD</b> on <u>issues of common interest such as climate change, technology or vaccines.</u></li> </ul>
<b>Centrality of ASEAN</b>	<ul style="list-style-type: none"> <li>• It appreciates <b>ASEAN's commitment to effective multilateralism</b> and supports the <b>principle of ASEAN centrality</b>, its efforts to build a <b>rules-based regional architecture.</b></li> <li>• Supports the <b>ASEAN-led process</b> towards an <u>effective, substantive and legally binding Code of Conduct in the South China Sea.</u></li> </ul>
<b>Cooperation with China</b>	<ul style="list-style-type: none"> <li>• Pledged to <b>seek a trade deal with Taiwan</b> and to <b>deploy more ships to keep open sea routes.</b></li> <li>• It <b>does not claim to be directed against China in the region.</b> It is <u>built on the will to cooperate, not to confront.</u></li> <li>• Highlights areas like <b>climate and biodiversity</b> where <b>China's cooperation is essential.</b></li> </ul>
<b>Security Dimension</b>	<ul style="list-style-type: none"> <li>• Mention of <b>joint exercises, port calls to ensure freedom of navigation</b> and to <b>combat piracy.</b></li> <li>• Hints at possibilities of establishing <b>"Maritime Areas of Interest in Indo-Pacific".</b></li> <li>• Consolidated information sharing through information fusion centres, including <b>Indo-Pacific Regional Information Sharing (IORIS) platform.</b></li> </ul>

**What Was The Need For EU To Release Its Indo-Pacific Strategy?**

- **EU’s Engagement In The Region**
  - ✓ For long, EU has just been present as **an economic actor in Asia** and the broader Indo-Pacific.
  - ✓ Now, it wants to **step up its involvement** given the rise in regional geopolitical tensions which are hurting trade and supply chains and undermining security.
- **Members of EU Started To Adopt Indo-Pacific Policy On Their Own**
  - ✓ Members like Germany, France and Netherlands started integrating Indo-Pacific in their own national security strategies.
  - ✓ This pushed Brussels to adopt the Indo-Pacific as a strategic concept.
- **China’s Rise And Its Aggressive**
  - ✓ China’s aggressive and expansionist policies in South China Sea, Taiwan Strait, Hong Kong, Xinjiang forced EU to form a strategy for this region.
  - ✓ Growing US-China rivalry its negative impact on European interests was also the reason.

**1st In-person Quad Summit**

- Leaders of 4 countries (India, the US, Australia and Japan) met for Quad summit in **Washington**. This was the **first-ever in-person** Quad summit.
- It was **first mooted** by Japanese Prime Minister Shinzo Abe in 2007. However, due to Chinese resistance and reluctance shown by India, it could not move ahead.
- The aim of this grouping is to ensure a **free and open international order based on the rule of law in the Indo- Pacific**.
- The summit concluded with the release of **Joint statement** and a **factsheet**. These documents highlighted the diversified areas of cooperation under the QUAD.

**Outcome of the Summit: Factsheet**

<b>COVID and Global Health</b>	<p><b>a. Quad vaccine initiative: Help Vaccinate the World</b></p> <ul style="list-style-type: none"> <li>• In March 2021, Quad leaders launched <b>Quad Vaccine Partnership</b> to help enhance <b>equitable access of vaccines</b> in the Indo-Pacific and the world.</li> <li>• They decided to <b>donate more than 1.2 billion vaccine doses</b> globally, in addition to the doses financed through COVAX. To date, group has <u>delivered ~79 million vaccine doses</u>.</li> </ul> <p><b>b. Save Lives Now</b></p> <p>The summit highlighted that Japan will work with India to enhance key investments of approx. \$100 million in the healthcare sector related to COVID-19.</p>
<b>Infrastructure</b>	<p><b>Launch the Quad Infrastructure Coordination Group</b></p> <p>This will share assessments of regional infrastructure needs and coordinate respective approaches to deliver transparent, high-standards infrastructure.</p>
<b>Climate</b>	<p><b>a. 3 thematic area of cooperation</b></p> <ul style="list-style-type: none"> <li>• Climate ambition, including working on 2030 targets for national emissions</li> </ul>

	<ul style="list-style-type: none"> <li>• Clean-energy innovation and deployment,</li> <li>• Adaptation, resilience, and preparedness.</li> </ul> <p><b>b. New initiatives launched</b></p> <ul style="list-style-type: none"> <li>• <b>Form a Green-Shipping Network</b> – to deploy green-port infrastructure and clean-bunkering fuels at scale.</li> <li>• <u>Quad Shipping Taskforce</u> in order to establish <u>2 or 3 Quad low-emission or zero-emission shipping corridors by 2030.</u></li> <li>• <b>Establish a Clean-Hydrogen Partnership</b> - to strengthen and reduce costs across all elements of the clean-hydrogen value chain.</li> <li>• <b>Climate &amp; Information Services Task Force</b> will be convened and a new technical facility will be built through the <b>Coalition for Disaster Resilient Infrastructure</b>. This will provide <u>technical assistance in small island developing states.</u></li> </ul>
<b>People-to-People Exchange and Education</b>	<ul style="list-style-type: none"> <li>• <b>Quad Fellowship for students</b> from each of the member countries.</li> <li>• It will <u>sponsor 100 students per year</u>—25 from each Quad country—to pursue masters and doctoral degrees at leading STEM graduate universities in the United States.</li> </ul>
<b>Critical and Emerging Technologies</b>	In March 2021, QUAD established a new critical and emerging technologies working group.
<b>Cybersecurity</b>	Decided to launch a <b>Quad Senior Cyber Group</b> to promote
<b>Space</b>	<ul style="list-style-type: none"> <li>⊖ <b>Share Satellite Data</b> to Protect Earth and its Waters – to better adapt to climate change</li> <li>⊖ Enable Capacity-Building , Consult on norms for Sustainable Development of outer space.</li> </ul>

### Rules-based Order and Need for Quad

- **USA** – Due to the growing regional competition between Beijing and Washington, USA is moving in all directions to make allies to contain China’s rise. **US-China trade tension, USA accusing China for current pandemic, assertiveness of China in the South China Sea** etc. are few issues between these two countries.
- **India** – Current border standoff at LAC is forcing India to recalibrate its ties with China. Also, growing bonhomie between China and Pakistan is a cause of worry for India.
- **Australia** - Australia is concerned about China's growing interest in its land, infrastructure and politics, and influence on its universities. In 2020, Australia asked for an international investigation into the origin of Coronavirus. However, China responded by **imposing crippling financial sanctions** on Australia.
- **Japan** - Japan is concerned about China’s territorial transgression in the region. Both countries are involved in a dispute over **Senkaku Islands** (Diaoyu Islands).

So, against these backdrops, Quad comes about as an effort to try to deter China’s ability to challenge and disrupt the **rules-based order and the status quo in the Indo-Pacific region.**

#### Quad vs Belt and Road Initiative (BRI)

- The BRI promises economic security but **not human security** by providing funds to developing countries

with a **debt trap**.

- Herein, the Quad can play a vital role as it is a group of democratic countries. It should provide a choice to the nations as to **where they want to borrow the money for development purposes** from and also be a part of the supply chain.

### Challenges

1. **Assertiveness of China** – Chinese officials have likened the **group to a “mini-NATO”** and said its activities are aimed at targeting third parties.
2. **China as a Trading partner** - Beijing has emerged as the most important trading partner of the Indian Ocean region, accounting for 16.1% of its total goods trade in 2017, up from 4.8% in 2000.
3. **Approach of Member Countries** – While USA is quite vocal in naming the aggressive China, other members show restraint and avoid naming China directly. There is difference in the approach as well. E.g., USA looks the Indo-Pacific region militarily. On the other hand, India views this region diplomatically.
4. **Different Areas of Prioritisation** - The way that the four different Quad members view their interests in the Indo-Pacific leads them to prioritise different areas. For instance, for the US, South China Sea and East China Sea are vital. Same goes for Japan. And for Australia, it also includes the Western Pacific. But for **India, the Quad is about the Indian Ocean and South China Sea is a secondary theatre**.
5. **ASEAN** – Many analysts believe the elephant in the room is the ASEAN. As of now there are no signs that the ASEAN is willing to take a united stand on many issues so far raised by Quad. It would be difficult for the Quad to execute any effective policy minus the cooperation from the ASEAN countries.
6. **RCEP** - Japan and Australia joined the Regional Comprehensive Economic Partnership (RCEP). This is an indication of their desire to do business with China even as they seek to deter its growing clout in the region.

### Conclusion

- The Quad is emerging as a critical piece of the **Indo-Pacific’s geopolitical fabric** with an interest in ensuring a rules-based approach to navigation in the Indo-Pacific.
- The initiative is expected to put an end to the economic coercion tactics of China and cooperation with Japan and other allies will checkmate Chinese development assistance and its hegemony in the region.

### AUKUS Grouping

- **United States, UK, and Australia** announced a new trilateral defence deal for **Indo-Pacific**.
- USA & Britain will help Australia deploy **nuclear-powered submarines** in Pacific region.

### Key Highlights Of The Partnership

- The first major initiative of AUKUS would be to **deliver a nuclear-powered submarine fleet for Australia**. However, the new submarines will **not be armed with nuclear weapons**. This is because Australia is a **signatory to Nuclear Non-proliferation Treaty** which bans it from acquiring or deploying nuclear weapons.
- Under the deal, the three nations have agreed to
  - Enhance the development of joint capabilities and **technology sharing**,

- Foster deeper integration of security and defence-related science, technology, industrial bases and supply chains.

**Significance:** US has **only shared** nuclear submarine technology **once** before in 1958 with Great Britain.

#### **For Indo-Pacific Region**

- This will be a partnership where technology, scientists, industries and defence forces of these three countries will work together to **deliver a safer and more secure region**.
- Some analysts feel that this partnership will lead to **intensified arms race in the region**.

#### **For Australia**

- **Australia has never had nuclear-powered submarines**. Hence, this step will give **Australia naval heft in the Pacific**, where China has been particularly aggressive.
- Critics, on the other hand, claim that this **deal would antagonise Beijing** which will not be good for Australia. As per them, the deal represents a **dramatic loss of Australian sovereignty**.
- Australia is now set to join **an elite group of only six countries** – India, US, UK, France, Russia and China – that operate nuclear-powered submarines.

#### **For India**

- The new pact will add to the **global efforts to balance China in the region**.
- It should be noted that Australia and India are close strategic partners in the Indo-Pacific region.
- Australia is also a member of **QUAD group**. A stronger Australia would lead to further strengthening of QUAD.

#### **For France**

- France is not happy with the deal and has termed this deal a “**stab in the back**”.
- **Australia had signed a contract** to buy 12 Attack-class **submarines from France** in 2016. The first submarine was expected to be operational around 2034.
- As a result of the current deal, **Australia** will have to **ditch the contract**. This would affect **French economy in a negative way**.

#### **How China Views This Development**

- China has **denounced** a new Indo-Pacific security alliance saying **such partnerships should not target third countries**.
- It claims that the current cooperation would gravely undermine regional peace and stability, aggravate arms race and **hurt the international non-proliferation efforts**.
- This highlights that western powers are using **nuclear exports for geopolitical gaming tools**.

#### **Concerns**

- **New Challenge in Indo-pacific:** The deal could eventually lead to a crowding of nuclear attack submarines in the Eastern Indian Ocean, eroding India’s regional pre-eminence.
- **U.S’s unreliability:** Sceptics suggest if Australia and U.S. could deceive a NATO partner, then they could do the same with lesser allies.
- **AUKUS has taken the focus away from the Quad**.

- **Impact on other multilateral engagements:** Recently, France has pulled out of India-France-Australia foreign ministers trilateral (formed to counter balance China) to protest against AUKUS.

### Regional Comprehensive Economic Partnership (RCEP)

In November 2020, the Regional Comprehensive Economic Partnership (RCEP), a mega trade bloc comprising **15 countries**, signed the world's biggest free trade deal.

#### About RCEP

- RCEP is a free trade agreement (FTA) between ASEAN nations and its FTA partners.
  - The ten ASEAN member nations include Singapore, Thailand, Vietnam, the Philippines, Cambodia, Brunei, Laos, Malaysia, Myanmar and Indonesia.
  - The FTA partners of ASEAN nations included China, Japan, Australia, New Zealand, South Korea, India.
  - **After India's pull out**, only five FTA partners of ASEAN are members of RCEP.
- Its **principal purpose** is to *"achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among the ASEAN Member States and ASEAN's FTA Partners."*
- The agreement would cover a market of 2.2 billion people, almost **30% of the world's population**, with a combined GDP of US\$ 26.2 trillion or about **30% of global GDP**, and accounts for nearly **28% of global trade** (based on 2019 figures).

#### India's Position on RCEP

- India, which had been one of the original negotiating participants, walked out of RCEP talks last year citing outstanding issues. However, the recently concluded agreement has given India option of joining the bloc.
- In this regard, the bloc put out a separate document "**Ministers' Declaration on India's participation in the RCEP**" which recognised the **strategic importance of India**.
- It made provision for India to join in the future and invited it to be an "observer" at the RCEP any time prior to its accession to the trading bloc.

Why India Did Not Join The Bloc?	Key Demands Which Were Not Fulfilled
<ul style="list-style-type: none"> <li>• The decision of not joining the agreement was guided by the impact that it would have on the lives and livelihoods of all Indians, especially the vulnerable sections.</li> <li>• There <b>was growing agitation</b> against the pact not just from the <b>Indian industry</b> but also from <b>farmer groups</b>. Indian industries were fearful of <b>zero-tariff imports</b>, especially from China. Similarly, farmers were also protesting stating that cheap imports would destroy the dairy sector as also vegetable and fruit growers.</li> <li>• As part of the agreement, India would have had to <b>eliminate import duties on 80-90% items</b> over a period, for which our industry and farmers were not prepared.</li> </ul>	<ul style="list-style-type: none"> <li>• For protecting domestic industry from Chinese imports, <b>India demanded the base year</b> – for which tariffs were to be noted for phased cuts – <b>to be fixed at 2019</b>, instead of the previously agreed 2014.</li> <li>• Since 2014, Indian tariffs have increased on several products such as smartphones to incentivise the 'Make in India' initiative. The 2019 tariffs are much higher and a reduction schedule kicking in from 2019 would mean allowing domestic industry more protection during the phase-out.</li> <li>• The urge to protect domestic industries also drove India to <b>demand an automatic safeguard mechanism</b>, enabling <i>built-in remedial action against surges in imports, particularly from China</i>,</li> </ul>

<ul style="list-style-type: none"> <li>Also, India was <b>not getting anything in the area of services</b>, which is its core strength</li> </ul>	<p style="text-align: center;"><i>beyond a threshold.</i></p> <ul style="list-style-type: none"> <li>India's <b>demand for stringent rules of origin</b> was also not agreed upon.</li> </ul>
---	---

**Possible Impact**

- ON RCEP** - As the second largest market in the group, and one of the largest global economies with a robust growth record, India would have been vital in the flourishing of the RCEP through new trade and investment creation.
- On Indian Government** - The government no longer needs to make difficult concessions on agricultural trade.
- On Other Members of RCEP** – They will not need to open their home markets to India's thriving, and low-cost services sector. Other Members will be able to move forward faster with an agreement that was at risk of being jeopardized by India's foot-dragging.
- On US** - The US, meanwhile, can take satisfaction from the fact that **its key regional ally in New Delhi is remaining outside of Beijing's orbit**. A stronger RCEP that included India would almost certainly have revived politically fraught question of whether Washington should rejoin the rival Trans-Pacific Partnership agreement or TPP.
- On China** - For China, this comes as a huge achievement. The agreement would lower tariffs and open up the services trade within the bloc. The RCEP is now being looked at as a **Beijing-driven bloc** and an **alternative to the United States** in the region.

<b>Debate: By Not Joining RCEP, Has India Missed The Opportunity?</b>	
<b>YES</b>	<b>NO</b>
<ul style="list-style-type: none"> <li><b>Economic Powerhouse</b> - A concluded RCEP will constitute the world's largest trade bloc by both GDP and population, and be the second largest (behind the EU) in terms of share of world trade.</li> <li><b>Economic Integration</b> - RCEP would have provided India with an eastern economic bridge and would have helped India's economic integration in the Indo-Pacific region. The momentum from a concluded RCEP could also support India's accession into <b>APEC</b>. India is likely to face isolation.</li> <li><b>Geopolitical Implications</b> - A concluded RCEP would likely advance its adoption in Southeast Asia by <i>creating an Indo-Pacific institution in which ASEAN's central position is secured</i>. Giving up on the RCEP means considerable loss of geopolitical goodwill for India.</li> <li><b>Strategic Implication</b> - It gives a message that, on trade, <i>India is a very difficult partner</i> and unwilling to go along with the rest of the region on a common agenda. Its trade policy is hardly complementing of its</li> </ul>	<ul style="list-style-type: none"> <li><b>Flooding of Cheap Chinese Goods</b>- India's trade deficit with China accounts for about 50% of the country's total trade deficit. Joining RCEP would have flooded Indian Market with Cheap Chinese goods.</li> <li><b>High Trade Deficit</b> - India has trade deficits with 11 of the 15 other RCEP members, many of them sizable. Joining RCEP would have made this deficit unsustainable.</li> <li><b>Cost Benefit</b> - As a country with one of the highest average tariff rates on all imports among RCEP members, India would be among those making the <u>largest cuts to get tariffs to zero</u>. It also was not clear whether the benefits of the deal would make up for that cost.</li> <li><b>Inherent Diversity</b> - Its members include some of the most advanced members of</li> </ul>

foreign policy. Not only that, India's celebrated outreaches like the 'Act East' policy would take a hit. Also, disengaging from the RCEP would mean ceding considerable strategic turf to China in the region.

- **Bright Future** - The implications of RCEP's current and expected future size for the regional and global trading architectures are significant. At the regional level, its developing country-focused model will likely become the template for the next phase of trade and investment liberalisation.

the OECD, alongside several lesser-developed economies, who naturally have major differences between their economic interests and capacity for trade reform. Members of RCEP would need to **strike a balance** between its **ASEAN-centred institutional form** and its **China/Japan -dominated economic geography**.

### Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

- In March 2018, eleven countries in the Pacific region signed a major Asia-Pacific free trade agreement in Santiago, (Chile) post the withdrawal of USA. The agreement is called **CPTPP**.
- After becoming President, Trump announced the withdrawal of US from the original 12-member agreement, known as the Trans-Pacific Partnership (TPP). He said the move was aimed at protecting U.S. jobs.
- The 11 remaining nations continued with the negotiations and signed the agreement in March 2018.
- The CPTPP incorporates, by reference, the obligations (rules and market access outcomes) contained in the original TPP agreement. However, there is a list of 22 original TPP provisions which has not been included in the CPTPP.

#### About CPTPP

- CPTPP is a new free trade agreement between Canada, Mexico, Peru, Chile, Japan, Vietnam, Brunei, Malaysia, Singapore, Australia, and New Zealand.
  - ✓ In February 2021, the United Kingdom formally requested accession to the CPTPP.
  - ✓ In September 2021, China applied to join the pact.
- It is one of the largest free trade agreements in the world and provides enhanced market access to key Asian markets.
- The deal is aimed at reducing import taxes and putting in place trade rules for member nations.



#### Anticipated Impact of CPTPP

- The countries represent **500 million people and more than 14% of the world economy**. With the U.S., the agreement would have covered 40% of the world economy.
- Its anticipated impact will be immense, as slashed tariffs encourage significant shifts in global supply chains.
- The CPTPP's high-standard provisions on the digital economy, investment, financial services, labor and the environment will have broad country-specific and collective impact.

**CPTPP Vs WTO**

CPTPP’s advantage lies in its **higher trade standards** when compared with WTO. As a result, countries that were sitting on the fence earlier, upon realising its potential, are rushing to join the pact. UK, China and Taiwan are the recent examples in this regard. Thus, the CPTPP is touted as a next-generation trade agreement, building on the core structure of the WTO Agreements. The reasons for that is tabulated below -

Factors Currently Affecting Working Of WTO	Factors Making CPTPP An Attractive Alternative
<ul style="list-style-type: none"> <li>• <b>“Spaghetti Bowl” concept</b>, where countries cut trade deals directly with each other, bypassing the WTO.</li> <li>• <i>Newer areas of discussion coming to fore such as E-commerce &amp; rules of MSMS:</i> Current doctrines need to be revised to incorporate these.</li> <li>• <i>Changed global Economic Distribution:</i> Operational framework of WTO needs to take into account the demands of developing countries like India.</li> <li>• Emerging trade war between China &amp; USA</li> <li>• Dysfunctional WTO appellate body due to US’ refusal to appoint judges.</li> <li>• Effect of Covid pandemic: Disruptions in global supply chain led to impose of export bans and restrictions. This will lead to more trade disputes in future.</li> <li>• Threat to waning of globalization since global tendencies shift towards de-globalization.</li> </ul>	<ul style="list-style-type: none"> <li>• CPTPP commitments in <b>trade in services are in general broader</b> than those under the WTO General Agreement on Trade in Services. It extends WTO rules in a number of key areas, such as <u>digital trade and electronic commerce, intellectual property, government procurement, state-owned enterprises, environment, labour etc.</u></li> <li>• Modern digital trade rules facilitates free cross-border data flow and removal of localization requirements.</li> <li>• Provides easier Rules of origin (ROO) criteria to importers/exporters.</li> <li>• Product specific rules to help Small and Medium Enterprises</li> <li>• Enables trade diversification: Removes tariff on an estimated 95% of goods traded between CPTPP members and will provide greater market access ultimately supporting and creating high-value jobs.</li> <li>• Simple, effective, clear and predictable customs procedure reduces processing time at the border.</li> </ul>

**CPTPP Vs RCEP**

- The 15-nation RCEP is an ASEAN-led initiative that seeks to bring into its fold China, Japan, South Korea, Australia and New Zealand.
- Seven of them are also CPTPP members, namely Australia, Brunei, Japan, Malaysia, Singapore, New Zealand and Vietnam.
- The RCEP is the largest trade bloc in terms of population. The RCEP countries make up 46% of the global population and are worth 39% of global GDP.
- Like the CPTPP, the RCEP also does not include the US.
- Unlike the CPTPP, the RCEP deal lacks protection for labour, human rights and the environment.

**SCO Summit**

21<sup>st</sup> summit of Shanghai Cooperation Organisation (SCO) was held in Dushanbe, Tajikistan. Dushanbe Declaration was issued at the end of the summit by SCO members. SCO represents approximately 42% of the world's population, 22% of its land area and 20% of its GDP.

**Key Highlights of the Summit**

- This was 20<sup>th</sup> anniversary of SCO and the first summit to be held in a hybrid format.
- Iran was admitted as a full member and Saudi Arabia, Egypt and Qatar as observers.
- Proposal to establish SCO Counter-Terrorism Centre in Dushanbe as a separate permanent body was discussed.
- Indian PM attended the summit virtually. It was the 4<sup>th</sup> summit that India has participated as a full-fledged member (since 2017).

**Why SCO is important**

<ul style="list-style-type: none"> <li>▶ Is seen as an Eastern counter-balance to NATO</li> <li>▶ Enhances security cooperation among members</li> <li>▶ Helps deal with terrorism, particularly IS terrorists</li> <li>▶ Increases economic cooperation in the region</li> </ul>	<ul style="list-style-type: none"> <li>▶ China's One Belt and One Road (OBOR) initiative</li> <li>▶ India's push for connectivity with Chabahar port in Iran</li> <li>▶ International North-South Transport Corridor connecting the sub-continent with Central Asian countries</li> </ul>
---	---

**Dushanbe Declaration**

<b>Terrorism</b>	<ul style="list-style-type: none"> <li>• <b>Terrorism had to be uprooted from its social foundations</b>, which includes <u>eliminating poverty, unemployment and illiteracy.</u></li> <li>• <b>Joint efforts to prevent terrorism and its financing.</b></li> <li>• Continue to <b>conduct joint anti-terrorism exercises</b>, with a special reference to upcoming <b>Pabbi Anti-Terror 2021 exercise</b> which will <b>take place in Pakistan.</b> <u>India has not confirmed its presence</u></li> </ul>
<b>Afghanistan</b>	<ul style="list-style-type: none"> <li>• Supported the <u>emergence of Afghanistan as an independent, neutral, united, democratic and peaceful state, free of terrorism, war and drugs.</u></li> <li>• It is <b>critical to have an inclusive government in Afghanistan</b>, with representatives from all ethnic, religious, and political groups.</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• Creation of additional mechanisms for interaction in sphere of <b>culture and tourism.</b></li> <li>• Proposed to <u>introduce the practice of announcement of a SCO tourism and cultural capital every year.</u></li> </ul>

Significance of SCO for India	Challenges Faced by India at SCO
<ul style="list-style-type: none"> <li>• India's security, geopolitical, strategic and economic interests are closely intertwined with developments in the region</li> <li>• The <b>Regional Anti-Terrorism Structure (RATS)</b> of SCO specifically deals with issues relating to security and defence.</li> <li>• The Central Asian region is <b>richly endowed with natural resources</b> and vital minerals</li> </ul>	<ul style="list-style-type: none"> <li>• SCO as a platform is seen by the West as <b>an organization to forward Chinese interests.</b></li> <li>• <b>Growing convergence with China and Russia</b> will be another challenge for India.</li> <li>• <b>Differences between India and Pakistan</b> might hamper the functioning of the SCO.</li> <li>• All members of SCO have supported OBOR except India. It might lead to <b>isolation of India</b></li> </ul>

<ul style="list-style-type: none"> <li>• SCO provides a platform for <b>India's efforts to connect with Central Asia.</b></li> <li>• <b>Stable Afghanistan</b> is in India's interest. SCO is a platform which can play an important role in Afghanistan.</li> </ul>	<p><b>on this platform.</b></p> <ul style="list-style-type: none"> <li>• It would be difficult for India to <b>overcome the burden of geography</b> and make tangible gains in terms of trans-regional connectivity.</li> </ul>
--	---

**Relevance Of 'G-7 Summit 2021' For India**

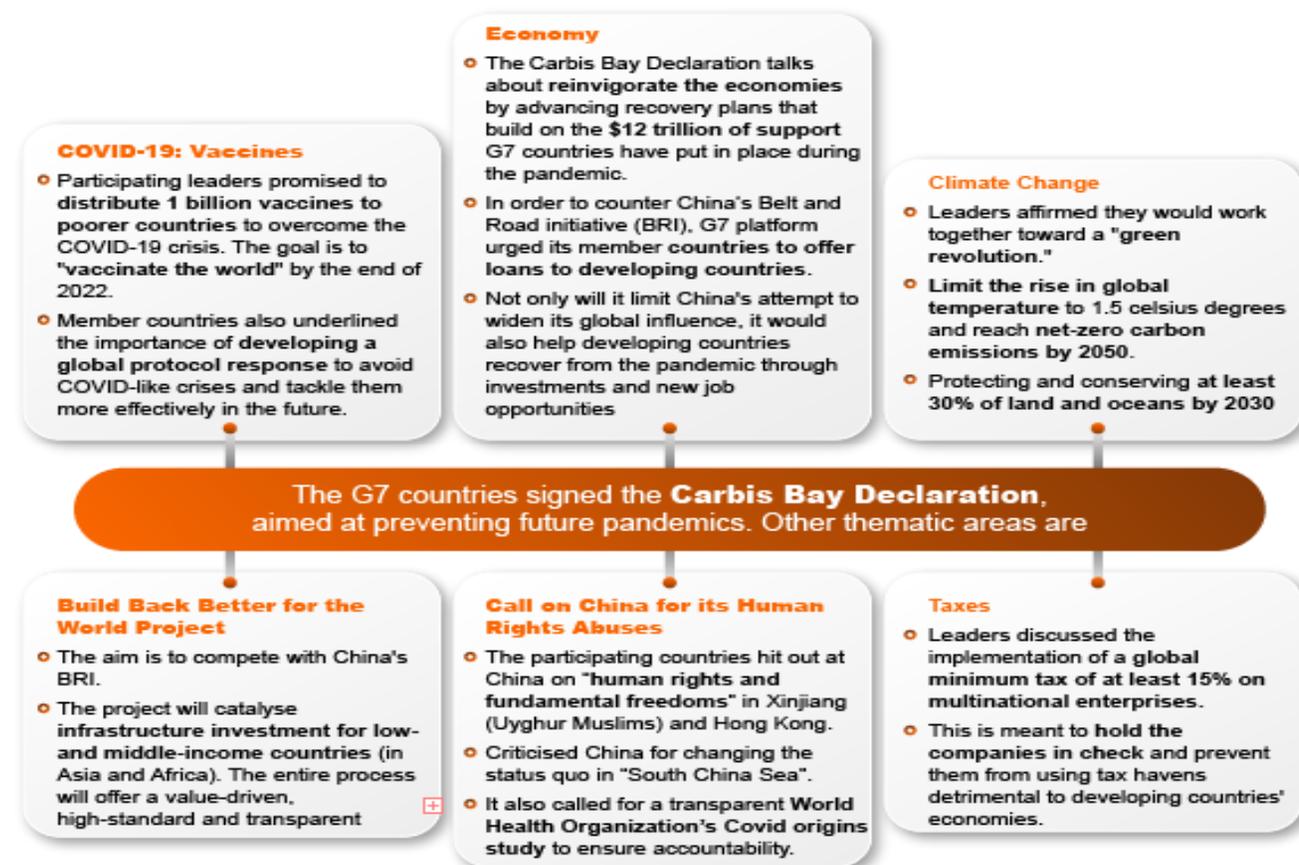
Recently, the 47th G7 summit was held in **Cornwall, England.** United Kingdom holds the presidency of the Group of Seven (G7) inter-governmental political forum (Canada, US, UK, France, Germany, Italy, and Japan).

**Agenda** for the summit was - *Global Action to Build Back Better.*

Australia, India, South Korea and South Africa were invited as guest countries to this year's G7.

**Key Highlights of The Summit**

- The UK had outlined **four priority areas** for its Presidency. These are:
  - ✓ global *recovery from coronavirus* while strengthening resilience against future pandemics;
  - ✓ promoting future prosperity by championing *free and fair trade*;
  - ✓ tackling *climate change* and preserving the planet's biodiversity; and
  - ✓ championing *shared values and open societies.*
- The G7 countries signed the **Carbis Bay Declaration**, mainly aimed at preventing future pandemics. It contained many other thematic areas which are as follows:



**What UK's Invite Means for India**

1. India's presence at the G7 is being seen as the **legacy of decades of strong strategic ties** between London and New Delhi. UK was the first P5 member to support a permanent **UN Security Council seat** for India and the first G7 member to invite India to a **G7 Summit in 2005**.
2. As the **current President of BRICS forum** and **G20 President in 2023**, India will play a key role driving in multilateral cooperation helping to build back better around the world.
3. An invite to the G7 summit was also an acknowledgement that despite the current state of the Indian economy, the **world expects India to bounce back**. Since the 1991 economic reforms, the international community eyeing India's potential and its huge market had been paying a lot of attention to the country.
4. India will remain deeply engaged with the G7 and guest partners on all major issues, health governance, and access to vaccines, climate action and climate justice, diversification of supply chains and building economic resilience, to name just a few.

**India's Stand at The Summit**

- Underscoring the need for genuine global solidarity and leadership, India gave the mantra of "**One Earth One Health**". It was based on the idea that **no one is safe until everyone is safe**.
- PM Modi sought the strong support of G7 leadership for **India and South Africa's proposal for a TRIPS waiver at WTO**. TRIPS waiver is an important element of his "**Global Vaccination Plan**", a roadmap to vaccinate the entire global population by doubling vaccine production.
- On the issue of **Climate Change**, India highlighted the fact that **it is the only G20 country on track to meet its Paris commitments**. India called on the G7 to meet their **unfulfilled promise of \$100 billion annually** in climate finance.
- During the session pertaining to **open societies and open economies**, India underscored the vulnerabilities inherent in open societies. India signed off on a joint statement by G-7 and guest countries (together these countries were called as **Democracies 11** by the PM of UK) on "open societies".
- It also referred to "**politically motivated internet shutdowns**" as one of the threats to freedom and democracy.
- It should be noted that another G-7 statement criticising China was **not signed by India**.

**Corporate Tax Deal**

- G7 grouping agreed in principle to **ratify a global minimum corporate tax rate of 15%** to counter the possibility of countries undercutting each other to attract investments.
- The minimum corporate tax is also aimed to counter the **low effective rates of tax shelled out by some of the world's biggest corporation** such as Apple, Facebook etc. These companies often use their subsidiaries to **shift profits out of major markets into low-tax countries**.

**What are the Issues with the Plan?**

- Challenge of getting all major nations on the same page.
- It impinges on the right of the sovereign nations to decide a nation's tax policy.
- A global minimum rate would essentially take away a tool that countries use to push policies that suit them. Lower tax rate is often used by countries to push economic activity.

**What Does it Mean for India?**

- India has already been trying to engage with foreign nations in order to enhance exchange of information

under Double Taxation Avoidance Agreements, Tax Information Exchange Agreements and Multilateral Conventions to plug loopholes.

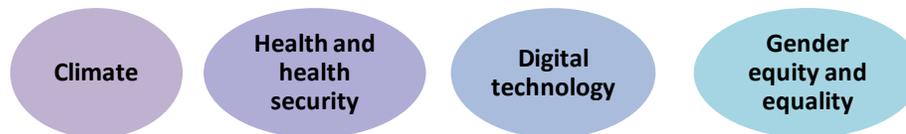
- **India's position** regarding shifting of tax base to other tax heavens **stands vindicated** and India is likely to see a boost in its corporate tax collection.
- **India, in September 2019, reduced corporate taxes** for domestic companies to 22% and for new domestic manufacturing companies to 15%. The cuts effectively brought India's headline corporate tax rate broadly at par with the average 23% rate in Asian countries.
- Hence, a global minimum corporate tax would help India in attracting new investments as well.

### Build Back Better World (B3W) Initiative

- Launched during the 47<sup>th</sup> G7 summit held in June 2021, B3W initiative is a values-driven, high-standard, and transparent infrastructure partnership led by major democracies.
- The project will catalyse infrastructure investment for low- and middle-income countries (in Asia and Africa) by to helping narrow the \$40+ trillion.

#### Focus Areas of B3W

- The initiative will coordinate in mobilizing private-sector capital in four areas of focus:



#### B3W Is Global in Scope

- B3W will be global in scope: From Latin America and the Caribbean to Africa to the Indo-Pacific.
- Different G7 partners will have different geographic orientations, but the sum of the initiative will cover low- and middle-income countries across the world.

#### Guiding Principles of B3W

- **Values-Driven:** Infrastructure development carried out in a transparent and sustainable manner will lead to a better outcome for recipient countries and communities.
- **Good Governance and Strong Standards:** The initiative is committed to providing citizens of recipient communities with the long-run benefits they expect and deserve from infrastructure projects.
- **Climate-Friendly:** The investments will be made in a manner consistent with achieving the goals of the Paris Climate Agreement.
- **Strong Strategic Partnerships:** Infrastructure created under the B3W will be developed through consultation with communities and assessing local needs as a true partner.
- **Mobilize Private Capital Through Development Finance**
- **Enhancing the Impact of Multilateral Public Finance:** Multilateral development banks and other international financial institutions (IFIs) have developed rigorous standards for project planning, implementation, social and environmental safeguards, and analytical capability.

**How B3W Aims to Counter China's BRI?**

- The B3W is not merely a financial spin to BRI or responding to the debt trap diplomacy of China's political ambitions. It is a geopolitical kickback around the BRI that should help create a new development model.
- In Chinese BRI, there is limited clarity officially on
  - ✓ How much money the country is spending on BRI and
  - ✓ What kind of projects is treated as being part of the initiative?

However, B3W will take care that infrastructure development is carried out in a transparent and sustainable manner — financially, environmentally, and socially.

- The biggest issue in BRI is the large amounts of debt that developing countries have come to owe China for joining BRI
- Basically, the B3W aims to counter the BRI by offering a higher-quality choice via a model that reflects their shared values.

**Can It Address Infrastructure Deficit?****1. A grand infrastructure plan for developing nations**

- The B3W aims to forge cross-national and regional cooperation between the countries involved while facilitating large-scale projects in the developing world.
- The Chinese BRI is primarily focused on project construction, digital technology, and physical infrastructure (e.g., ports, roads, dams, railways, electric power plants, and telecommunication facilities).
- However, B3W focuses on “softer” outcomes, namely improvements in climate, health and security, modernized digital technology, and gender equity and equality.
- The goal is to bolster social infrastructure such as strengthening care for children and seniors and creating jobs that pay decent wages.

**2. Predictable financing mechanisms**

- The B3W plans to mobilize bilateral and multilateral tools and private-sector capital to catalyze hundreds of billions of dollars of investment.
- The G-7 and their partners also have deep experience with bilateral and multilateral development finance. This could help address the \$40+ trillion global infrastructure gap that has been identified by the G-7.
- It should be noted that the Chinese BRI mainly relies on bilateral loans (concessionary and commercial) and investment backed by state-owned banks and funds to support project construction in developing countries.
  - ✓ It has had limited success in leveraging private capital.
  - ✓ It is striving to use the newly established Asian Infrastructure Investment Bank to power multilateral infrastructure financing.
  - ✓ However, China's limited experience makes it largely reliant on the World Bank and Asian Development Bank for operational models.

**3. Timely alternative to BRI**

- Data from Boston University's Global Development Center shows that Chinese overseas development finance peaked in 2016 and has plummeted since.
- The Chinese government now stresses high-quality BRI development, which seems to imply a more restrictive and focused approach to overseas infrastructure investment.

- In this context, the B3W, with its aim of filling global infrastructure gaps, offers a timely alternative to the BRI for many low- and middle-income countries.

**Conclusion**

- A truly better world means leveraging all parties' comparative advantages, ensuring sustainability and high environmental standards, promoting development and prosperity at a global scale, and bringing mutual benefits for infrastructure providers and recipients.
- B3W comes as a programme to strengthen the rules-based order narrative by ensuring that low and middle-income states have an alternative to often debilitating Chinese financing.

**Significance of B3W for India**

- India refused to join the Chinese initiative in the past and raised its voice against the BRI.
- B3W will provide a good alternative to India. India will be able to attract foreign investments in infrastructure creation under this initiative.
- This initiative will also provide India a platform to forge partnerships in order to invest in other developing countries such as African countries.
- So far, India has decided to study the plan, and might engage with it at a later stage.

**IBSA In Light Of BRICS**

- IBSA is a unique Forum which brings together India, Brazil and South Africa - three large democracies and major economies from three different continents, facing similar challenges.
- It was launched through the **Brasilia Declaration in 2003** and soon it became a unique voice for the Global South. However, it started to lose its relevance in the wake of the emergence of BRICS.

**BRICS Overshadowed IBSA**

- Since its first summit in 2009, BRICS today can be seen as an **important driver in the politico-economic sphere** among the comity of nations.
- The significance of BRICS was also substantially enhanced due to the **presence of Russia and China**, both **permanent members of the UNSC**.
- The BRICS nations collectively represented 26% of the landmass of the world and 46% of its population. They collectively contributed to **18% of the global GDP**.
- BRICS leaders kept on **meeting at the regular interval**. On the other hand, IBSA has been unable, until now, to hold its sixth summit. *Last IBSA summit was held in 2011.*
- The BRICS countries' common interests are reflected in various policy areas: a joint development bank and the consolidation of an agreement for a reserve fund.
- However, IBSA's survival largely depends on the identification of common interests and India's greater engagement.

**IBSA: Equally Important for India**

- IBSA is the **true inheritor of solidarity among developing countries**, which was nurtured from the Bandung Conference (1955) through UNCTAD and G-77. The glue that binds IBSA countries together is their faith in democracy, diversity, plurality, inclusivity, human rights and rule of law.

- It is the champion of **South-South Cooperation**, and the advocate of a coordinated response by developing economies to secure the Sustainable Development Goals (SDGs).
- **Reforming Multilateral Institutions** such as the United Nations Security Council UNSC, IMF etc. is a necessary prerequisite to forge consensus behind the principle of economic development among developing countries. India, Brazil and South Africa have serious aspirations to become permanent members of UNSC.
- IBSA was found to **coordinate on global and regional political issues**, such as, the *reform of the global institutions of political and economic governance, WTO/Doha Development Agenda, climate change, terrorism* etc.
- **In the emergence of BRICS:** Working collectively towards ensuring the MERCOSUR -SACU-India Trilateral PTA (Preferential trade Agreement) first, and eventually a FTA, will go a long way in ensuring the grouping's relevance. (MERCOSUR for Brazil & SACU for South Africa). The grouping must work together as a joint lobby in other groupings of which they are members of, such as BRICS and G20.

### Conclusion

- IBSA Trilateral Forum cannot be rendered obsolete. The special responsibilities it bears cannot be discharged by BRICS.
- In fact, strengthening IBSA could increase the effectiveness of BRICS and encourage it to follow a more balanced approach on key issues of interest to India, Brazil and South Africa.
- A series of events held during 2018-19, marking its 15th anniversary, and the meeting of experts held in 2019 in Kochi imparted new momentum to the endeavour to revitalise IBSA.

### Arctic Council: Interest and Concerns

The Arctic Council is the leading intergovernmental forum promoting cooperation on common Arctic issues, in particular on issues of sustainable development and environmental protection in the Arctic. It was established by the eight Arctic States — *Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States*, the countries whose territories fall in the Arctic region — through the **Ottawa Declaration** of 1996. Besides them, six organisations representing the indigenous people of the Arctic region have been granted the status of permanent participants.

#### Interests of Arctic Council Nations

The Arctic region presents huge **commercial and economic opportunities**, particularly in shipping, energy, fisheries and mineral resources.

- **Oil and natural gas deposits**, estimated to be 22% of the world's unexplored resources, mostly in the Arctic ocean, will be open to access.
- The **shipping (sea transport) industry** would benefit from greater use of Arctic and shipping routes such as the **Northern Sea Route, Northwest passage, or Bering Strait** with reduced ice cover extent and thickness and **longer ice-free periods** increasing seasonal availability to maritime traffic. These nations believe that Arctic sea lanes could become the 21st-Century Suez and Panama Canals.
- The **mineral industry** would benefit from increased physical access to mineral resources such as lead and zinc in Alaska, gold in Canada, rare earth elements in Greenland, diamonds and iron in Canada etc.
- **Arctic tourism industry will be benefitted** directly. It has opened up previously inaccessible areas for exploration and use by the expedition cruise ship industry.

- The limited **Arctic manufacturing industry** would benefit from increased inputs availability such as fish for processing (Iceland, Greenland), rare earth minerals for electronics (Arctic Finland), and aluminium for smelting (Iceland) etc.

### Concerns of Wider World

- Due to climate change, Arctic temperatures are rising twice as fast as in the rest of the world. This has increased the rate of melting of the Arctic Sea Ice, thereby creating a conflict. Retreat of Arctic sea ice not just **threatens polar bears and marine species**, but also contributes to *rising sea levels, adding to the risk of coastal flooding*.
- **Arctic vegetation zones are very likely to shift:** Treeline is expected to move northward and to higher elevations, with forests replacing a significant fraction of existing tundra, and tundra vegetation moving into polar deserts. More productive vegetation is likely to increase carbon uptake, although reduced reflectivity of the land surface is likely to outweigh this, causing further warming.
- It presents **major pollution risk** if energy and transport firms find it easier to exploit the pristine Arctic wilderness.
- The melting of ice can also lead to **losing climate history** stored in these ice sheets.

### INDIA IN ARCTIC COUNCIL

India is **Observer** to the Arctic Council since 2013. Its membership as an observer was renewed in 2019 for another five years. The Observer status is granted to entities that support the objectives of the Arctic Council, and have demonstrated capabilities in this regard, including the ability to make financial contributions.

### India's Involvement In The Arctic

- India is one of the very few countries to set up a permanent station in the Arctic for the purposes of scientific research. It launched its **first scientific expedition** to Arctic in 2007.
- Subsequently, India has been sending scientific teams every summer and winter for carrying out studies in the Arctic, primarily in the fields of glaciology, hydrochemistry, microbiology, and atmospheric sciences.
- The **Himadri research station**, located in *Ny Alesund, Svalbard in Norway*, about 1200 km south of the North Pole, was started in July 2008. Himadri is manned for about 180 days a year.
- In 2014, India deployed **IndArc**, a multisensory observatory in **Kongsfjorden**.
- In 2016, India's northernmost atmospheric laboratory was established at **Gruvebadet** to study clouds, precipitation, long-range pollutants, and other background atmospheric parameters.

### India's Interests In Arctic Region

- India's extensive coastline makes us **vulnerable to the impact of Arctic warming** on ocean currents, weather patterns, fisheries and most importantly, our monsoon. Scientific research in Arctic developments, in which India has a good record, will contribute to our **understanding of climatic changes** in the Third Pole — the Himalayas.
- With some parts of the Arctic melting due to global warming, the region also opens up the possibility of **new shipping routes** that can reduce existing distances.
- **Diversification of energy imports** remains a crucial endeavour for India. Arctic region has gas fields on Russian side and Oil fields on Norwegian side.
- The Arctic region also holds **mineral resources**, as mentioned earlier, including gold, nickel, copper, graphite

and uranium. These minerals are utilised in the manufacture of high-technology products such as mobile phones and nuclear energy, which can help push India's 'Make in India' programme.

- Countries which already have ongoing activities in the Arctic **hope to have a stake in the commercial exploitation of natural resources** present in the region.
- The **strategic implications of an active China in the Arctic** and its growing economic and strategic relationship with Russia are self-evident and need close monitoring.

#### India's Draft Arctic Policy

- India has unveiled a new draft 'Arctic' policy that commits to **expanding scientific research, sustainable tourism and mineral oil and gas exploration** in the Arctic region.
- According to the draft policy, India could be **particularly impacted as changes in the Arctic** have an effect on **water security and sustainability, weather conditions and monsoon patterns, coastal erosion and glacial melting, economic security** and critical aspects of national development.
- **Goals of India's Arctic Mission**
  - ✓ Better understand the scientific and climate-related linkages between the Arctic and the Indian monsoons.
  - ✓ Harmonise polar research with the third pole (the Himalayas).
  - ✓ Advance the study and understanding of the Arctic within India.
- India's Arctic Policy draft rides on **five pillars**:



- The Goa-based **National Centre for Polar and Ocean Research** is expected to lead scientific research and **act as a nodal body**.
- India also proposes to focus on vast resources of the Arctic region including hydrocarbons, minerals and renewable power to ensure its energy security.

### 60 years of Antarctic Treaty

This year, the 60th anniversary of Antarctic Treaty was observed. This treaty had entered into force on 23 June 1961.

#### About The Treaty

- The treaty was signed on 1 December 1959 by the twelve nations.  
There are now **54 Parties** to the Treaty. **India** became a **member of this treaty in 1983**.
- The treaty **applies to all land and ice-shelves south of 60° South latitude**.
- Through its 14 articles, the Treaty promotes **freedom of scientific research and peaceful use of the continent**.
- The treaty also prohibits **military activities, nuclear tests and disposal of radioactive waste**.

- The treaty seeks to **neutralise territorial sovereignty** in Antarctica (a limit was placed on making any new claim or enlargement of an existing claim).
- The treaty also put a **freeze on any disputes** between claimants over their territories on the continent.

### India and Antarctica

- India has two stations on the polar continent of Antarctica — **Maitri and Bharati**. These are being operated under the *National Centre for Polar and Ocean Research (NCPOR)*, Union Ministry of Earth Sciences.
- Recently, in January 2021, **40th Indian Scientific Expedition to Antarctica (ISEA)** departed for the South Pole.
- **Dakshin Gangotri** was the **first Indian scientific research base station** established in Antarctica. Now it acts only as a **supply base**.

### New Version of Atlantic Charter – An Opportunity for India

- Recently, the new Atlantic charter was signed by the US' President and UK's Prime Minister at the first face-to-face meeting at the 2021 G7 summit in Cornwall, England.
- They are pledging to “defend the principles, values, and institutions of democracy and open societies.”

Original Atlantic Charter	Significance of Old Atlantic Charter
<ul style="list-style-type: none"> <li>• It was a joint declaration by US President and British Prime Minister on 14th August, 1941.</li> <li>• It outlined a series of governing principles that emphasised <b>unity and democratic values</b>.</li> <li>• Charter prioritised the self-determination of sovereign nations, the reduction of trade barriers, the disarmament of hostile nations and a united drive to ensure better economic and social conditions for all people.</li> </ul>	<ul style="list-style-type: none"> <li>• It was not a formal treaty instead it was a statement of shared ethics and intent.</li> <li>• Its purpose was to be a message of hope to the occupied countries, and it held out the promise of a world organization based on the enduring verities of international morality.</li> <li>• It pledged no military support for the war in Europe, and signalled US as a major player on world stage.</li> <li>• It provided Allied forces with moral support while also sending a powerful message to the Axis powers.</li> <li>• It was a significant first step toward the United Nations.</li> </ul>

### The New Atlantic Charter

The new Atlantic Charter is a 600-word document that reaffirms the joint commitment of USA and UK on a range of issues. The specific aim of the charter include -

- To defend the principles, values, and institutions of democracy and open societies.
- To strengthen the institutions, laws, and norms that sustain international co-operation to adapt them to meet the new challenges of the 21st century.
- To harness and protect our innovative edge in science and technology, to open new markets, to promote the development and deployment of new standards and technologies to support democratic values and to foster sustainable global development.
- To affirm shared responsibility for maintain collective security and international stability and resilience against the full spectrum of modern threats, including cyber threats and declared nuclear deterrents to the defence of NATO.

- To continue building an inclusive, fair, climate-friendly, sustainable, rules-based global economy for the 21st century.
- To tackle the climate crisis, protect biodiversity, and sustain nature. Prioritise these issues in all our international action.
- To continuing to collaborate to strengthen health systems and advance our health protections, and to assist others to do the same.

### **Opportunity for India**

The old Atlantic Charter did not do much for India. In 1941, the UK insisted that the **principle of self-determination** highlighted in the charter did not apply to India, but with the changing times, due to recent closeness between India, the US and the UK, the new Atlantic Charter could help India in various fields at the international level.

- **Correct International Order:** India, itself a developing country, will require international cooperation to develop. The new Atlantic Charter will strengthen the laws and norms that sustain international cooperation, in order to adapt them to meet the new challenges of the 21st century. Principles in Atlantic Charter will help for UNSC reforms, Leadership change in International Institutions WB, IMF where developing countries are not represented proportionately.
- **To Solve International Challenges:** India is the world's third largest greenhouse gas emitter and the new Atlantic Charter talks about building a sustainable rules-based global economy with an inclusive fair climate, which can be of great help to India. Also it will be helpful in usage of global commons like Arctic ocean and space.
- **To address challenges in Neighbourhood:** India is facing a two-pronged problem, China on one side and Pakistan on the other. Both the factions have created a lot of problems for India, but the new Atlantic Charter may come out as a new support for India. Because recently, there has been a lot of positive change in the relationship between India, US and UK.
- Being developing country, India still depends on developed countries for Technology, Finance, innovation which is must for Fulfilling SDG by 2030. New Atlantic charter will be guiding principle for that.

The old Atlantic charter had many short coming, because of which in 1942, Mahatma Gandhi wrote to Roosevelt about the 'hollowness' of the Atlantic Charter, pointing to the exploitation of Indians and Africans by the British. But a lot of positive promises have been made in the new Charter Act which addresses those shortcomings and can prove to be a helping hand for India.

## GS PAPER 3

### Economic Growth And Development

#### e- RUPI- Leads Towards CBDC In India

- National Payments Corporation of India (NPCI) has recently launched an **electronic voucher based digital payment system- e-RUPI**.
- It has been **developed by** NPC, Department of Financial Services, Ministry of Health and Family Welfare and the National Health Authority.

#### e-RUPI

- It is a **cashless and contactless** digital payments medium. It is essentially like a prepaid gift-voucher that can be redeemed at specific accepting centres.
- It will connect the **sponsors of the services with the beneficiaries and service providers** in a digital manner *without any physical interface*.
- It will be a **person-specific and purpose-specific** payments system. For example, if someone has an e-RUPI voucher for Covid-19 vaccine, then it can be redeemed for vaccines only.
- **Banks** (both public and private banks) will be the **issuing entities** of vouchers. Any corporate or government agency can generate e-RUPI vouchers via their partner banks.

#### Benefits of e-RUPI

- The most distinguishing feature of e-RUPI compared to other digital payment systems is that the **beneficiary need not be banked**. This would translate into higher adoption rates in rural areas.
- It can drive **greater adoption of digital payments**, as even non-smartphone users can use it.
- It offers a **secure transaction process**, as the beneficiary details are completely **confidential**, which helps to maintain privacy.
- It will enable **leak-proof delivery of welfare benefits** in education, nourishment, healthcare, agriculture etc. as voucher redemption can be tracked by the issuer. The mechanism ensures that the payment to the service provider is made only after the transaction is completed.
- The private sector can also use e-RUPI for **employee welfare** and **corporate social responsibility (CSR)** programmes.
- Vouchers can be redeemed without any credit or debit card, a mobile app or internet banking, as **no physical interface** is required for transactions.
- Being pre-paid in nature, it will ensure **timely payment** to the service provider without the involvement of any intermediary.

**Limitations of e-RUPI:** Since the beneficiary is not required to disclose their identity, these vouchers are also likely to be claimed by other people.

**Difference Between e-RUPI and Central Bank Digital Currencies (CBDC)**

- e-RUPI is backed by the existing Indian rupee as the underlying asset and cannot be classified as a CBDC or virtual currency, as its usage is **restricted to the purpose** for which it has been issued. Thus, putting it closer to a **voucher-based** payment system.
- CBDCs are digital currencies issued by a central bank (like RBI in India). In simple terms, a CBDC would be a **digital banknote**, which can be used by individuals to pay shops, each other or between financial institutions to settle trades in financial markets. Several countries are trying to develop CBDCs in their respective countries.

**e-RUPI Leads Towards Case for CBDCs in India**

- RBI believes that the **increasing penetration of digital payments** in the country, will help the growth of digital currencies in India.
- RBI is working towards a phased implementation strategy for CBDC in India.
- The spread of private virtual currencies such as Bitcoin and Ethereum, makes it important for RBI to explore CBDC in India, as central banks have a duty to **safeguard people’s trust** in the money of the country.
- Moreover, the **high currency to GDP ratio** in India will also support the adoption of **CBDC**.

**Challenges Of Urban Cooperative Banks And Recommendation Of Vishwanathan Report**

Cooperative societies are based on the principles of cooperation, mutual help, democratic decision making and open membership. Urban cooperative banks, also referred to as primary co-operative banks, plays an important role in meeting the growing credit needs of urban and semi-urban areas of the country. These banks were traditionally centered around communities, localities and workplace groups.

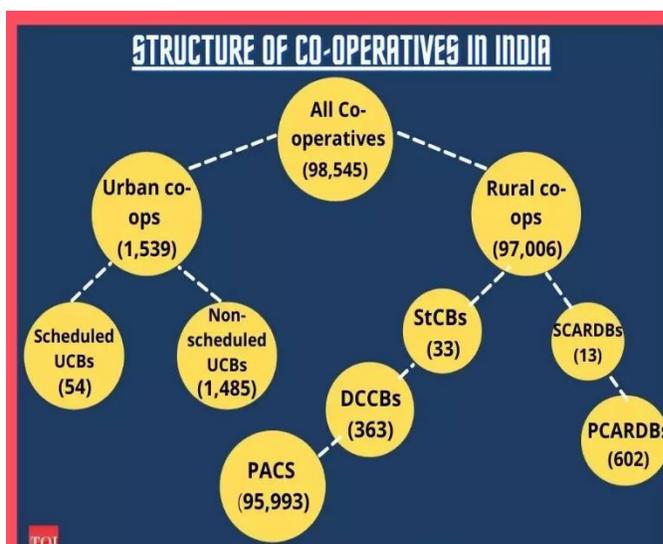
**Characteristics of UCBs**

1. They mobilize savings from the middle and lower income groups and purvey credit to small borrowers, including weaker sections of the society.
2. UCBs essentially lent to small borrowers and businesses. But their scope of operations has widened considerably in current times.
3. Earlier these banks were allowed to lend money only for non-agricultural purposes. After 1966, this distinction being done away and now UCB can lend for agriculture purpose too.
4. UCBs are being regulated by registrar at State government level and RBI too.

**Current Status of UCBs**

According to the **Trends and Progress of Banking In India report** published by RBI

- Urban commercial banks have witnessed a decline in deposits from 6.1% in 2018-19 to 3.5% in 2019-20.
- In terms of loans and advances too, there has been a sharp decline from 8% in 2018-19 to 0.8% in 2019-20.



- By the end of March 2020, the sector comprised 1,539 UCBs and 97,006 rural cooperative banks, with a depositor base of 8.6 crore.
- Rural cooperatives make up 65% of the total asset size of all cooperatives taken together.

**Challenges Associated With Functioning Of UCBs**

1. **Financial Sustainability challenge** - UCBs have been struggling to survive for the last few years. The issue came into limelight after the Punjab and Maharashtra Cooperative (PMC) bank fiasco.
2. **Sinking balance sheet:** Sharper decline is seen both in terms of loans and deposits.
3. **Heterogeneity in UCB state coverage and size of banks.** UCBs are concentrated in Maharashtra, Andhra Pradesh, Gujrat.
4. **Rising competitive from Private Sector banks** and niche banks like small finance Bank and Payment bank in areas of technology and areal penetration.
5. **Changes in fin-tech sector:** The evolving changes in the financial sector combining and integrating micro finance, Fin-Tech companies, payment gateways, social platforms, e-commerce companies and NBFCs challenge the continued presence of the UCBs, which are mostly small in size.
6. **Lack of corporate Governance:** Unprofessional management and lack of professional attitude in operations responsible for stagnant performance of UCBs.
7. **Dual control:** For years, such banks have escaped scrutiny despite failures and frauds due to dual regulation by the state registrar of societies and the RBI.
8. **Declining number of UCBs:** After liberalization in licensing policy in 1993, nearly one-third of the newly licensed ones became financially unsound within a short period. Also, RBI policy of merging weak UCBs with stronger UCBs is again responsible for reducing number of UCBs in India.
9. **COVID affected the asset quality:** This resulted in the decline of profitability of Urban Cooperative Banks. Lax corporate governance standards combined with political influence and interference was a prominent reason for the downfall of the sector.

**Steps Taken By Different Stakeholders In UCBs Regulation**

1. Centre has recently formed a new **Cooperative Ministry** for revival of cooperative agencies in country.
2. RBI revised supervisory **regulatory framework** of UCBs. More stringent threshold for various parameters were set that could trigger a prompt Corrective Action (PCA).

Sr No.	Criteria	Limit
1	Net NPA	Should be less than 6%
2	CRAR ratio	Should be more than 9%
3	Minimum years of loss in Balance-sheet	Two years

3. Reserve Bank constituted a group comprising representatives of the RBI, State Government and UCB, to explore probable avenues, and options for increasing the capital of UCBs and establishing greater stability and sustenance for them.

**NS Viswanathan Report**

Committee headed by former RBI Deputy Governor NS Viswanathan on reform of Urban cooperative Banks has suggested following measures:

1. **Mandatory Merger** - The RBI should not hesitate to use the route of mandatory merger for Urban Cooperative Banks (UCBs) that do not meet the prudential requirements. Beginning 2004-05 till March 2020, UCBs have undergone 136 mergers, with Maharashtra accounting for over half of them.
2. **Regulation of UCBs in 4 tiers**- It has suggested a four-tiered structure to regulate them, based on size of deposits. (0-100 crores, 100-1000 crores, 1000-10,000 crores, and above 10,000 crores)
3. Committee has also proposed setting up an **umbrella organization (UO)** to oversee co-operative banks.
  - An umbrella organization with a **minimum capital** of 300 crore rupees.
  - UO should be financially strong and be **well governed** by a professional board and senior management.
  - **Acquisition:** As an alternative to mandatory consolidation, the Committee preferred **smaller banks** acquiring scale via the network of the UO, which is one of the successful models of a strong financial cooperative system globally.
  - The UO, structured as an NBFC, will be able to **raise capital from market** and also on-lend it to member UCBs.
  - The umbrella organization, at a later stage, can consider converting into a **universal Bank**.
  - The small UCBs with the support of the UO can emerge as the neighborhood Bank of choice.

The vision of the Committee has been to make space for more and more operational and strategic autonomy of co-operative institutions and introducing larger regulatory requirements that provide system stability. UCBs are very important for rejuvenation of Corporatism and financial inclusion lead Inclusive growth of Indian Economy.

### Insolvency and Bankruptcy Code

- Various Earlier frameworks for resolution (given in figure besides) had proved inefficient. It was in this context that the government decided to enact the **Insolvency and Bankruptcy Code (IBC), 2016** to bring about a structural change in the framework that governs the **corporate insolvency resolution process (CIRP)** in India.



- CIRP includes necessary steps to revive the company such as raising fresh funds for operation, looking for a new buyer to sell the company etc.
- The prime objective of IBC is to **rescue corporate debtors** in distress. It specifies a **time-bound** corporate insolvency resolution process (CIRP), which must be completed within 330 days.

### Resolution Process In Brief

- Insolvency resolution process can be initiated by: **Firm/Debtor/Financial or Operational Creditors/ Employees**.
- **Triggered:** If there is a minimum default of Rs 1 Crore. This process can be triggered by way of filing an application before the NCLT.

- Once the resolution process starts, the NCLT appoints an interim (temporary) resolution professional (**IRP**). The term of interim resolution professional continues till the appointment of the (regular) resolution professional.
- After the appointment of the IRP, the affairs of the corporate debtor (company in debt) are managed by the IRP. The IRP receives and collates the claims submitted by various creditors and constitutes a **committee of creditors (CoC)**.
- Once the interim resolution professional-IRP/RP collates and verifies the claims, the CoC **invites proposals** for resolution plans that could potentially be implemented.
- After that the CoC can appoint the IRP as the resolution professional or replace him with another resolution professional. CoC forms the decision-making body in the Corporate Insolvency Resolution Process (CIRP).
- A resolution plan may include provisions for the **restructuring of the corporate debtor**, through a **merger, demerger** etc. A resolution plan approved by **66% (reduced from 75% by amendment to IBC) of the CoC**, is then presented before the NCLT.
- If the NCLT approves the resolution plan, then it becomes binding on the corporate debtor and all the stakeholders. However, if the NCLT does not sanction the resolution plan or, the CoC is unable to finalize a resolution plan in the **designated period**, then the **tribunal orders the liquidation** of the corporate debtor.

#### Recent Supreme Court (SC) Ruling

- SC held that the Committee of Creditors (CoC) approved resolution plan under the IBC submitted to the National Company Law Tribunal (NCLT) cannot be modified.
- The adjudicating authority (NCLT/ NCLAT) cannot allow modifications or withdrawals of Resolution Plans approved by the CoC at the behest of the successful Resolution Applicant, once the plan is submitted to it.

#### Performance Analysis

- **Strengthened hands of creditors** in enforcing their rightful claims against corporate debtors.
- **Behavioural change:** The threat of losing control over their company has emerged as a powerful deterrent against **wrongful promoters** not wanting to meet their financial obligations.
- **Tool to negotiate the dues of operational creditors** (typically micro, small and medium enterprises) with the larger firms. In fact, about half of the cases have been initiated by operational creditors.
- **India's 'ease of doing business Rank:** India's rank in ease of doing business improved from 155 (2017) to 63(2020) and Starting a business rank improved from 151(2017) to 136(2020).
- **Reducing bankruptcy resolution time:** Average time taken for resolution was reduced from 4.3 years in 2017 to 1.6 years in 2020.
- **Recovery Rates:** Not only were recovery rates significantly higher than earlier, but they reflected substantially lower haircuts than the small sums which could be generated through the liquidation route.
- **IBC (Amendment) Act 2021** introduced an alternate insolvency resolution process for Micro, Small and Medium Enterprises (**MSMEs**) with defaults up to Rs 1 crore called the **Pre-packaged Insolvency Resolution Process (PIRP)**. A PIRP is a process wherein a **resolution arrangement** is agreed upon between the distressed corporate debtor (CDs) and lender **before approaching** NCLT for bankruptcy proceedings.

Benefits of PIRP	Issues with PIRP
Time and cost-effective insolvency resolution, maximize value, preserve employment and lessen the burden on the National Company Law Tribunal	<ul style="list-style-type: none"> <li>• Only corporate debtors, that is, companies and Limited Liability Partnerships are covered. Other forms of MSMEs such as the Hindu Undivided Family, proprietorships and partnership firms are excluded.</li> <li>• Strict timeline: A corporate debtor is required to submit a base resolution plan within 90 days from the pre-package insolvency commencement date.</li> <li>• Board of the corporate debtor does not get suspended and shall continue to manage the affairs of the company as a going concern</li> </ul>

**Issues of IBC**

- On various parameters, outcomes under the IBC have not been as favourable as envisaged. The above mentioned instances of high recovery are **more the exception than the rule**.
- Of the 4,376 cases admitted till March 2021, only 2,653 have been closed, and in that too liquidation tops. High share of liquidation indicates that resolution was ensured only in minority of cases.



- Proportion of **outstanding credit recovered** through the resolution process is 39.26% which is **not** much higher than the 26% registered for cases dealt with under the **SARFAESI Act**.
- **Delays:** In cases where a resolution plan has been accepted, the average time taken stands at 459 days, higher than the 330 limit. In most cases, this is due to delay in court proceedings, as NCLT and National Company Appellate Tribunal (NCLAT) are overburdened.
- **Explanations for the outcomes not meeting expectations:** Amid a slowing economy, uncertain future prospects may have reduced the number of interested buyers or depressed the bids for companies. Further, delays in either **beginning the insolvency proceedings** or **resolution process itself**, promoters have repeatedly tried to create **legal hurdles**

**Conclusion**

IBC has emerged as a credible threat and a stringent mechanism to develop credit discipline in the country. But the functioning of the Code needs to be streamlined and strengthened. The timelines for resolution need to be strictly adhered to and the capacity of the system to handle cases needs to be augmented as delays in the process destroy enterprise value. Doing so, would help to enhance ease of doing business, boost innovation & entrepreneurship, and attract foreign investment.

**Establishment Of Bad Banks – Associated Issues And Significance**

- The government recently cleared a ₹30,600-crore guarantee programme for securities to be issued by the recently incorporated **National Asset Reconstruction Company Ltd (NARCL)**.
- This will help NARCL to acquire stressed assets worth Rs 2 lakh crore from the balance sheets of banks.



**Background**

- Since the global financial crisis of 2008-09, the NPAs have increased significantly in the Indian banking system.
- Existing asset reconstruction companies (ARCs) have been helpful in resolution of stressed assets, especially for smaller value loans.
- However, considering the large stock of old NPAs, additional alternatives were needed and the NARCL-IDRCL structure was announced in this year’s Union Budget.
- Bad banks have been considered a success in several countries including the US, Sweden, Finland, Belgium and Indonesia.

**Features of Bad Bank**

- Technically, it is an ARC or an AMC (Asset Management Company) that takes over the bad loans of commercial banks. The takeover of bad loans is normally **below the book value** of the loan and the bad bank tries to recover as much as possible.
- **Asset reconstruction** is the **purchase of title or rights** of the banks or financial institutions in loans, bonds etc., for the sole purpose of its recovery.



- Thus, the difference between the amount the commercial bank was supposed to get and the amount the bad bank is able to raise will be paid from the Rs 30,600 crore provided by the government.

**Benefits**

- It will help banks to remove bad assets from their balance sheets, by transferring them to the bad bank and **cleaning up their books**. The bad bank will release capital for the banks and enable them to **restart lending**.

- Bad bank will be more **result-oriented** and hence will be better able to recover the dues.
- As it is supported by the government, it will not delay resolution due to governance deficiencies, slow-moving judicial architecture, poorly designed regulation etc, which are major issues faced by ARCs. Overall, it will give a huge boost to the macro economy.

### Issues

- The process of **price discovery** — the price at which NARCL buys these loans from the banks — might be challenging.
- In the ongoing weak economic conditions, the bad bank may find it difficult to find **potential buyers** for bad loans.
- Also, the public sector banks will be both shareholders and customers of the bad bank—which may lead to a situation where the bad debt has only been **shifted from one book to another**.
- Whether it is recapitalizing PSBs laden with bad loans or giving guarantees for security receipts, the money is coming from the **taxpayers' pocket**.
- Although such structures might help, **bad banks cannot prevent NPAs in future**. The only sustainable solution is to improve the lending operation in public sector banks.

### Assesment Of Seven Years Of PM Jan Dhan Yojna (PMJDY)

Pradhan Mantri Jan Dhan Yojana is a scheme started to provide financial inclusion to Indian citizen. It was started in August 2014. The primary aim of this scheme is to provide poor people access to bank account, both in rural and urban areas. SDG 8 of 2030 states that there has to be decent economic growth and a nation should work towards achieving financial inclusion. PMJDY can take India towards achieving this goal.

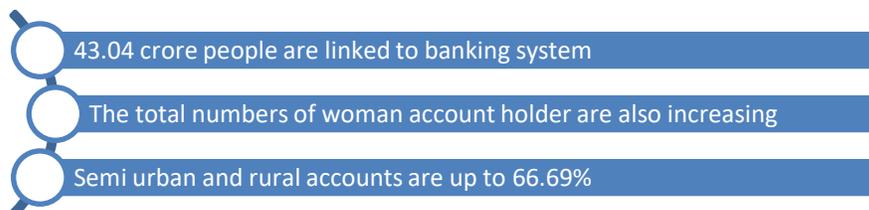
### Six Pillars Of PMJDY

The basic objective of PMJDY is to ensure access to various financial services to the excluded section at an affordable cost. The six pillars of scheme are

1. **Universal access to banking service** to every household: Online accounts in core banking sector is provided.
2. **Overdraft facility** of Rs 10,000 to every household will lead to basic saving culture.
3. **Financial literacy programme**: Promoting use of online transaction using ATMs & mobile phone.
4. **Free accidental insurance** cover of Rupay card up to 2 lakh rupees.
5. **Creation of Credit Guarantee Fund**: It helps bank to get some guarantee against defaults.
6. **Pension scheme** for unorganised sector is provide under PMJDY.

### Achievements Of The Scheme

- 1 **Account** opening under Jan dhan yojana is increasing at smooth pace:



- 2 **Deposits:** There is also increase in deposits by 6.83 times. This is an indicator to understand people's behavioural change. Adopting methods to save money is a good sign of financial inclusion. A total balance of Rs.79117crore is with public sector bank. It is followed by regional rural banks and private sector. Thus helping overall economy to grow inclusively.
- 3 **Circulation of currency:** Most of account under PMJDY is operative. 85.6% of account is in operation. It is helping in currency circulation.
- 4 **Use of Rupay card:** The number of Rupay card usage has increased immensely over these seven years.
- 5 **Hassle-free DBT Transactions:** Efforts of government, NPCI (National payment corporation of India) and banks has ensured smooth DBT transaction. DBT failure percentage is reduced to 5.7% from 13.5%.
- 6 **Reduced Leakage:** With the use of technology, the benefits have been reaching to eligible thus reducing the wastage and leakage of resources. Jan Dhan Darshak app was launched to make this platform a citizen centric for locating bank branches, ATMS, Bank Mitras etc.
- 7 PMJDY is considered a success with uplifting of rural citizen specially women. It has provided efficiency to rural banking. And it has done immense work to make country financial literate.

### Challenges

However, despite many achievements, there are some areas which needs to be looked in more specifically by the government such as

- Simple opening of bank accounts may not fulfil the aim of the scheme but with continuous operation of bank account for longer time will help to know real success of bank.
- Lakhs of Bank mitras need to be appointed. It will be hurdle to train with accurate knowledge, skill and attitude.
- Lack of infrastructure to create banks and ATMs in every village is still a challenge.
- Problems of Indian banking system like bad loans of public sector banks specially post covid-19, liquidity has become huge issue.
- Private sector bank levy hidden charges on citizens that can be a deterrent for financial inclusion.

### Account Aggregator System

- India's **eight major banks** recently joined the Account Aggregator (AA) network. The AA framework was created through an inter-regulatory decision by RBI and other regulators including SEBI, IRDA, and PFRDA through an initiative of the **Financial Stability and Development Council (FSDC)**.
- An Account Aggregator (AA) is a RBI regulated **non-banking financial company (NBFC)**. The AA framework allows customers to access different financial services from various providers on a **single portal**.
- It allows a customer to transfer his financial information related to various accounts such as banks deposits, equity, mutual fund and pension funds to any other regulated financial institution in the AA network.
- However, data cannot be shared without the consent of the individual.
- It has a **three-tier structure**: Account Aggregator, FIP (Financial Information Provider) and FIU (Financial Information User).
- Data transmitted through AA is **encrypted** and AAs are not allowed to store, process & sell customer's data.

- Four account aggregator apps that have received operational licences from RBI: Finvu, OneMoney, CAMS Finserv, and NESL. In-principle nods have been given to: PhonePe, Perfios, and Yodlee.

### Significance of AA in Light of FI-Index

- **Increase Access:** India's financial system involves many issues for consumers like sharing physical signed and scanned copies of bank statements, notarising documents etc. **AA network would replace** all these with a mobile-based, simple and safe digital data access & sharing process
- **Increase Quality**
  - ✓ It will help banks to reduce transaction costs, and offer customised products and services to the customers.
  - ✓ Reduce frauds associated with physical data by introducing secure **digital signatures** and **end-to-end encryption** for data sharing.
- **Increase Usage:** Improve an individual's access to loans and access to money management, as AA will fast track the loan evaluation process. It may also enable loans without physical collateral, by sharing trusted information from a government system like GST.

### Social Stock Exchanges

- A technical group (TG) on social stock exchanges (SSEs), constituted by SEBI, released its report.
- An SSE allows the listing of **non-profit or non-government organisations** on stock exchanges, providing them with an **alternative fund-raising structure**.
- Countries like the **UK, Canada and Brazil** have SSEs.
- The proposal to set up SSEs in the country was first floated during the Union Budget 2019-20. In September 2020, SEBI set up the TG as it felt further expert advice and clarity was needed.

### Highlights Of The Report

- Social Enterprises (SE), eligible to participate in SSE, shall be entities (Non-Profit Organization- NPO and For-Profit Social Enterprise- (FPE) having social intent and impact as their primary goal.
- However, corporate foundations, political or religious organizations/ activities, professional or trade associations, infrastructure and housing companies (except affordable housing) **will not be permitted** on SSE.
- TG has suggested 3 **parameters** for an enterprise to establish primacy of social impact objective-



- The report has drawn a list of broad activities based on those identified by NITI Aayog under sustainable development goals that Social Enterprises can engage in. These include eradicating hunger, poverty malnutrition and inequality; promoting gender equality by empowerment of women and LGBTQIA+ communities; training to promote rural sports; and slum area development, affordable housing.

- Entities listed on SSE will have to disclose their social impact report on an annual basis covering aspects such as strategic intent and planning, approach, impact score card.

**Fund Raising**

- The panel has recommended different modes of fund raising for NPOs and FPEs.
  - ✓ NPOs can raise funds through equity, zero coupon zero principal bond, development impact bonds, social impact fund currently known as social venture fund (SVF, and donations by investors through mutual funds.
  - ✓ For FPEs, it has recommended fundraising through equity, debt, development impact bonds, and social venture funds (SVF).
- To boost investor participation in SVF, Sebi panel has recommended that the minimum corpus size for such funds be Rs 5 crore and the minimum subscription amount be Rs. 2 lakh.
- The SVF will fall under **category-I Alternative Investment Fund (AIF)** and will allow 100% grants-in and grants-out.
- The capacity building fund for SSE should have a **corpus of Rs 100 crore**. This fund should be housed under Nabard. Exchanges and other developmental agencies such as SIDBI should be asked to contribute towards this fund.

Need of SSE	Challenges
<ul style="list-style-type: none"> <li>• Improved market access: An SSE would facilitate a meeting ground between social sector (FPEs/NPO) and investors with inbuilt regulation and will ensure larger visibility</li> <li>• Synergy between investor and investee in social aims: Canvas of choice would be much wider allowing investor and investees with similar visions and missions to connect seamlessly.</li> <li>• Transparency and accountability: Because of rigorous due-diligence and performance metrics that an SSE would be installing for background checks for investors.</li> <li>• Performance- based Philanthropy: As performance of the enterprises listed on an SSE would be closely monitored, it will result into better project implementation.</li> <li>• Reduced burden on government: SSE would leverage private sector participation in some key areas, engendering a collaborative approach with government in achieving the developmental goals.</li> </ul>	<ul style="list-style-type: none"> <li>• High transaction cost in monitoring and impact evaluation</li> <li>• No standard matrix to measure the impact of social projects</li> <li>• Difficult to define the counters of Social Enterprise working to deliver social good.</li> <li>• Lack of investment readiness of Social Enterprises to work upon capacity building</li> <li>• SSE would have to delineate the financial instruments that would be traded and tax related regulations must be put in place</li> </ul>

**General Insurance Business (Nationalisation) Amendment Bill, 2021**

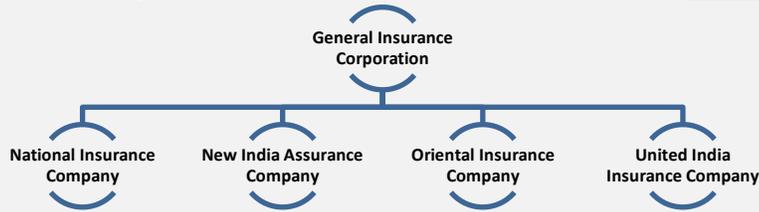
- The Parliament recently passed the **General Insurance Business (Nationalisation) Amendment Bill, 2021**, which allows the government to privatize **state-run general insurance companies (GICs)**.
- The Bill amends the General Insurance Business (Nationalisation) Act, 1972.

General Insurance Business (Nationalisation) Act, 1972

- The 1972 Act was enacted to nationalise all the private companies undertaking general insurance in India.

General Insurance Corporation of India (GIC) was also set up under the Act.

- Business of the companies nationalised were restructured in four subsidiary companies of GIC:



- The Act was amended in 2002 to transfer the control of these four subsidiary companies from GIC to the central government, thereby making them independent companies.
- It has also made it mandatory for the Central government to have at least 51% shareholding in these companies.
- Since 2000, GIC has exclusively undertaken the reinsurance business whereby one entity (the reinsurer) takes on all or part of the risk covered under a policy issued by an insurance company in consideration of a premium payment.

### Objectives Of The Bill

- Increase private participation in the public sector insurance companies
- Enhance insurance penetration and social protection
- Secure the interests of policyholders and contribute to faster growth of economy

### Key Provisions Of The Bill

- The bill removes the mandatory requirement of 51% central government shareholding in GICs.
- **Change in Definition**
  - The 1972 Act defines general insurance business as **fire, marine or miscellaneous** insurance business. It **excludes** capital redemption and annuity certain businesses from the definition.
  - The Bill removes this definition and refers to the definition provided by the **Insurance Act, 1938**, which **includes** capital redemption and annuity certain businesses.
- **Transfer of Control**
  - The Act will not apply to the specified insurers after the central government gives up control of the insurer. **Control** in this case means, power to appoint a majority of directors or power over the management or policy decisions.
  - The Act empowers the central government to notify the **terms and conditions of service** of employees of the specified insurers.
  - Under the current bill, schemes formulated by the central government in this regard will be deemed to have been adopted by the insurer. The board of directors of the insurer may change these schemes or frame new policies.
- **Director's Liabilities:** The Bill increases the liability of the **non-whole-time director**. These directors will be *held responsible for acts of omission and commission committed with their knowledge and consent*.

Benefits	Concerns
<ul style="list-style-type: none"> <li>It will bring in <b>more private capital</b> in the general insurance business and help the government to meet its <b>disinvestment target</b>.</li> <li>It will also help to improve the <b>reach and efficiency</b> of the business and make <b>more products</b> available to customers.</li> </ul>	<ul style="list-style-type: none"> <li>There are fears that the move may lead to <b>complete privatisation</b> of the sector.</li> <li>Furthermore, the <u>government will lose money through <b>dividends</b></u> in the proportion of shares being offered.</li> <li><b>Pensioners</b> in general insurance companies are <u>worried about the safety of their future pensions</u> post privatisation</li> </ul>

### Taxation Laws (Amendment) Act, 2021

- The **Taxation Laws (Amendment) Bill 2021**, that seeks to nullify retrospective taxation, was recently passed in the Parliament. It amends the Income Tax Act, 1961 (IT Act) and the Finance Act, 2012.
- 2012 Act had amended IT Act, to impose **capital gain** tax on indirect transfer of Indian assets on a **retrospective basis** (i.e. applicable to transactions done even before 2012).
- The 2012 retrospective tax law was used to impose tax on 17 companies including **Vodafone and Cairn Energy**. Last year, both Vodafone and Cairn Energy had won international arbitrations for the said tax disputes.

Provisions Of The Bill	Negative Impacts Of Retrospective Taxation
<ul style="list-style-type: none"> <li>The <u>Bill removes retrospective taxation</u>. Thus, no tax demand will be raised in future on the basis of the 2012 amendment.</li> <li>However, tax on indirect transfer of Indian assets will continue to apply for all transactions post the 2012 amendment.</li> <li>Tax raised for the indirect transfer of Indian assets before May 2012 would be "nullified on fulfillment of specified conditions" such as the withdrawal of pending litigation and an undertaking that no damages claims would be filed.</li> <li>Moreover, the government will also <u>refund the tax collected without any interest</u>.</li> </ul>	<ul style="list-style-type: none"> <li>Against the Principle of Tax Certainty: Retrospective Tax removes the time limit provided under Section 149 of IT Act.</li> <li>Hurts Private investors by introducing new demands which can have spill-over effect on businesses.</li> <li>Arbitration Issues: Being a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, (known as New York Arbitration Convention), the companies can enforce foreign and non-domestic arbitral awards enforced against Indian assets in numerous jurisdictions around the world.</li> <li>Damaging India's Reputation: Despite various financial and infrastructure reforms for Ease of Doing Business, it damages India's reputation with</li> <li>Reduced FDI inflows due to reduced confidence of potential investors, o Reduced effectiveness of special initiatives to attract investment like IFSC-GIFT city.</li> <li>Vicious Cycle of low investment and low tax revenue along with low growth and reduced employment opportunities.</li> </ul>

#### Positive Impact Of The Bill

- It will help to avoid unnecessary litigation and save time and costs of the government.
- It will lead to a predictable tax regime and improve ease of doing business
- This will boost confidence of investors (domestic and foreign), leading to more investments.

**Remission of Duties and Taxes on Export Products (RoDTEP) Scheme (Significance and Concerns)**

**Context**

- After months of delay, the Centre is planning to clear the pending dues of exporters. The allocation under RoDTEP scheme is being enhanced to Rs 17,000 crore for the current financial year, against Rs 13,000 crore provided earlier.
- Till now due to lower allocation, the scheme was getting restricted to only a few segments. The increase in allocation will now enable the commerce and revenue departments to refund duties paid by all exporters.
- This will offer much-needed relief to exporters, who have been struggling during the Covid pandemic.

**Background**

- The US had earlier challenged India’s key export subsidy schemes in WTO. A dispute panel in the WTO ruled against India, stating that India’s export subsidy programmes violated WTO norms.
- The panel further recommended India to withdraw such export subsidy programmes (including MEIS). This led to the development of the RoDTEP Scheme, in order to ensure that India stays WTO-compliant.

**Remission of Duties and Taxes on Export Products (RoDTEP) Scheme**

- The RoDTEP was formed to replace the Merchandise Exports from India (MEIS) Scheme. It became applicable from January 2021.
- Before the introduction of RoDTEP, GST taxes and import/customs duties for inputs required to manufacture exported products were either exempted or refunded.
- However, certain taxes/duties/levies are outside GST, and were not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc.
- RoDTEP creates a mechanism for reimbursement of taxes/ duties/ levies, which were not refunded under any other mechanism.

Eligibility	Benefits
<ul style="list-style-type: none"> <li>• RoDTEP is applicable to all the sectors. Labour-intensive sectors will be given priority.</li> <li>• Manufacturer exporters and merchant exporters (traders) are both eligible for the benefits.</li> <li>• To be eligible, the exported products need to have the <i>country of origin</i> as India.</li> <li>• Special Economic Zone Units and Export Oriented Units are also eligible to claim the benefits.</li> <li>• The scheme is also applicable to goods exported via courier through e-commerce platforms.</li> </ul>	<ul style="list-style-type: none"> <li>• The scheme helps country to comply with WTO norms, while providing benefits to exporters.</li> <li>• By covering previously uncovered taxes/duties, the scheme would lead to cost competitiveness of exported products in international markets.</li> <li>• It would also create better employment opportunities in export-oriented manufacturing industries.</li> <li>• Moreover, the digital platform helps clearance at a much faster rate and also increases the accuracy of transaction processing.</li> </ul>

India’s quarterly exports cross \$100 bn mark for the first time as a result of sector specific interventions. Government has set merchandise export target of \$400 billion for the year 2021-22

**Reasons for India’s Underperformance in Exports**

- **India’s Low Level of Participation in Global Value Chains (GVCs):** Compared to the major exporting nations in East and Southeast Asia.

- **Limited diversification of India's export basket:** The top 10 principal exports in terms of commodity groups accounts for as much as 78% of total merchandise exports.
- **Low competitiveness in global markets:** Factors like non-competitive infrastructure, complex land and labour laws, fragmented and unregulated logistics
- **Regional Disparities:** 70% of India's export has been dominated by 5 states — Maharashtra, Gujarat, Karnataka, Tamil Nadu, and Telangana. Intra- and inter-regional disparities in export infrastructure as coastal states have performed extremely well compared to the landlocked states in developing export promotion parks and hubs.
- **Poor growth orientation.** Other than Uttarakhand and the coastal states, there is an absence of strong **trade support** towards the exporters from the respective state governments in improving their quality or quantity.
- **Poor R&D infrastructure** to promote complex and unique exports curbing the innovative tendencies at the sub-national level
- **Inability to exploit comparative advantage** in lower-skilled and labor-intensive exports. India has seen its share of world trade in textiles, garments and footwear decline in recent years while Bangladesh has almost caught up to India, and Vietnam has well overtaken it

### PLI Underperformance

The production-linked incentive (PLI) scheme, approved last year for various sectors, is struggling across most sectors.

#### PLI Scheme

- The PLI scheme aims to **boost domestic manufacturing and reduce imports** by providing incentives on **incremental sales** from products manufactured in the country. The incentives will be available over a **five-year period**.
- Along with inviting foreign companies in India, the scheme aims to encourage local companies to set up or expand existing manufacturing units.
- It was launched in April 2020, for large scale Electronics Manufacturing sector, but later towards the end of 2020 was introduced for 10 other sectors. This scheme was introduced in line with India's Atmanirbhar Bharat campaign.
- 10 sectors include food processing, telecom, electronics, textiles, speciality steel, automobiles and auto components, solar photovoltaic modules etc. In Budget 2021-22, Finance Minister mentioned the inclusion of thirteen more sectors under the PLI Scheme for a period of five years and Rs. 1.97 lakh crores have been allocated for this scheme from Financial Year 2022.
- An average of 5% of production is given as incentive. This means that PLI schemes will lead to an increase in production worth USD 520 billion in India in the next five years.
- The incentive amount varies across sectors and savings generated from PLI in one sector can be utilized to fund other sectors, maximizing returns.
- Difference between the earlier schemes and those of the current government: The earlier industrial incentives used to be open ended input-based subsidies, now they have been made targeted and performance based through a competitive process.
- The PLI schemes are implemented by the concerned ministries/departments.

Expected Impact of PLI scheme	Issues With PLI Scheme
<ul style="list-style-type: none"> <li>• The PLI scheme will make Indian manufacturers globally competitive, attract investment, and enhance exports.</li> <li>• Growth in production and exports of industrial goods will give the Indian industry exposure to foreign competition and ideas, which will help in improving its capabilities to innovate further.</li> <li>• Creation of a productive manufacturing ecosystem will lead to an integration with global supply chains.</li> <li>• It will also help in establishing backward linkages with the MSME sector in the country.</li> <li>• It will lead to overall growth in the economy and create huge employment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Low Interest In PLI Schemes</u>: The reasons for low interest is that most companies (especially automobile sector) either do not meet the qualification norms for the PLI scheme, or feel that the return on investment is low compared to the incentives announced.</li> <li>• Similarly, for the <u>textile sector</u>, the government is considering adding more products (technical textile) in the list of eligible products to attract applicants.</li> <li>• In the <u>medical devices sector</u>, one of the challenges is that there are not many domestic manufacturers in the country. Moreover, domestic manufacturers do not want to invest, as low tariffs (import duties) make it more convenient to rely on importing these devices.</li> <li>• Companies in the <u>speciality steel sector</u> are not very keen on applying as they feel that the period of 5 years is too less to set up new units and start production from them or even expand old units. The sector is extremely capital intensive and at least 10 years would be needed to get return on investments.</li> </ul>

**Sectors Showing Good Signs**

- Among the sectors that have received the maximum number of applications under the scheme are food, mobile and specified electronic component manufacturing, IT hardware, as well as telecom equipment manufacturing.
- There is also a high degree of interest in the PLI scheme for Pharmaceuticals. The PLI scheme for critical bulk drugs too, has received a good number of applications.

**Vehicle Scrappage Policy**

Prime Minister recently launched the **Vehicle Scrappage Policy** which aims to replace old and polluting vehicles with new ones.

**Current Status**



- These vehicles are estimated to cause 10-12 times more pollution than the latest vehicles.
- Delhi is the **only city** where diesel vehicles older than 10 years and petrol vehicles older than 15 years get automatically deregistered. However, people are unable to scrap them since there are not enough authorised scrapping centres.

### Details Of The Policy

- **Commercial vehicles over 15 years old** and **personal vehicles over 20 years old** will be **deregistered and scrapped**, if they fail an **automated fitness test**.
- If a vehicle passes the fitness test, it will have to repeat the test after every 5 years.
- **Criteria** to determine vehicle fitness: **Emission tests, braking, safety equipment, among many other tests which are as per the Central Motor Vehicle Rules, 1989.**
- Mandatory testing of heavy commercial vehicles will start in April 2023 and for other categories in a phased manner, from June 2024.
- Policy also outlines key steps to set up support infrastructure with **automated testing stations (ATS)** and **registered vehicle scrapping facilities (RVSF)**.
- Owning vehicles older than 15 years will become expensive as renewal fitness cost will increase significantly. In addition, states will impose green tax over and above the road tax applied on every vehicle.

### Benefits of The Policy

- Creation of Scrap yards: India had to import 23,000 crore worth of scrap steel last year.
- It will help in encouraging fuel efficient, environment friendly vehicles, which will reduce vehicular pollution and oil import bill of the country.
- It will formalize the currently informal vehicle scrapping industry and promote a circular economy. In a **circular economy**, products are designed for durability, reuse and recyclability, which minimises the use of resources, generation of waste, pollution and carbon emissions.
- It will bring in new investment of more than ₹10 thousand crores, create more than 35,000 jobs and help the Centre and States to earn up to Rs 40,000 crore in GST.
- Prices of auto components would fall substantially with the recycling of metal and plastic.
- The new vehicle will also lower maintenance cost, lead to savings on fuel and improve road and vehicular safety.

### INCENTIVES FOR VEHICLE OWNERS

 <p><b>Scrap value:</b> 4-6% of ex-showroom price of new vehicle to be given to the owner by the scrapping centre</p>	 <p><b>Tax rebate:</b> States may be advised to offer a road tax rebate of up to 25% for personal vehicles and up to 15% for commercial vehicles against</p>	 <p><b>Discount on new vehicle:</b> Vehicle manufacturers will be advised to give 5% discount on new vehicles against a scrapping certificate</p>	 <p><b>Fee waiver:</b> Registration fees may also be waived for purchase of new vehicle against the scrapping certificate</p>
---	---	---	---

### Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme

- The Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme recently completed a year, during which it achieved various milestones.
- PMFME scheme is a **centrally sponsored scheme** launched by **Ministry of Food Processing Industries (MoFPI)**. It was launched last year under the Atmanirbhar Bharat Abhiyan package.
- It aims to enhance the competitiveness of *existing individual micro-enterprises* in the unorganized segment of the food processing industry and promote formalization of the sector.
- The scheme has proposed an outlay of Rs. 10,000 crore over a period of five years from 2020-21 to 2024-25.

**Objectives**

- Provide support to Farmer Producer Organizations, SHGs, and Producers Cooperatives along their entire value chain and increase access to credit.
- Increase access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services.
- Strengthening of institutions, research and training in the food processing sector.
- Increased access to professional and technical support for enterprises.
- Enhanced compliance with food quality and safety standards.

**Milestones Achieved Under PMFME**

- For **ministerial convergence**, MoFPI has signed agreements with Ministry of Rural Development, Ministry of Tribal Affairs, and Ministry of Housing and Urban Affairs.
- For **institutional convergence** of the scheme, MoFPI also signed six MoUs with ICAR, NCDC, TRIFED, NAFED, RSETI and NSFDC.
- The National Institute of Food Technology Entrepreneurship and Management (**NIFTEM**) and the Indian Institute of Food Processing Technology (**IIFPT**) are performing a key role in providing training and research support to selected enterprises/groups/clusters.
- Further, 54 Common Incubation Centres have been approved in 17 States and UTs.

**One District One Product Approach**

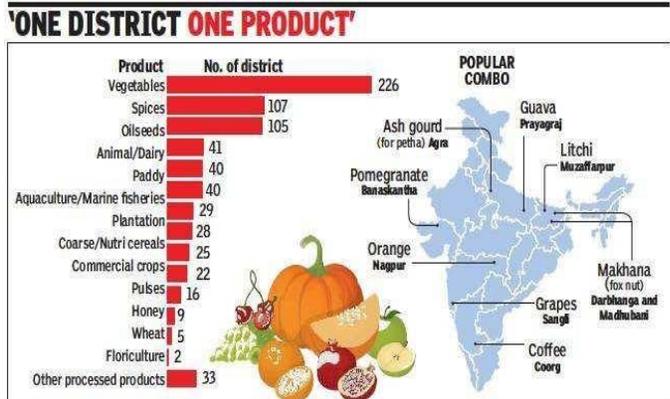
- The PMFME scheme adopts One District One Product (ODOP) approach to **convert each district of the country into an export hub** by identifying products with export potential in the district.
- There may be more than one cluster of ODOP in one district. There may be a cluster of ODOP consisting of more than one adjacent district in a State.
- It aims to promote manufacturing & services industry in the district and generate employment by supporting local exporters/manufacturers.
- It aims to extract benefits of scale in terms of procurement of inputs, availing common services and marketing of products.

**Progress Under ODOP**

- Under ODOP component of the scheme, MoFPI has approved ODOP for 707 districts for 35 States and UTs, including 137 unique products.
- The ODOP digital map of India has been launched to provide details of ODOP products of all the States and UTs.
- The digital map also has indicators for Tribal, SC, ST, and aspirational districts. It will enable stakeholders to make efforts for its value chain development.

**Financial Support**

- PMFME is providing seed capital to SHGs with the support of National Rural Livelihood Mission (NRLM) and its network of State Rural Livelihood Mission (SRLM).



- Further, an agreement has been signed with the Union Bank of India as the Nodal Bank of the scheme and MoUs with 11 banks as official lending partners for the Scheme.

#### ONE DISTRICT ONE PRODUCT (GAME CHANGER IN NORTH EAST)

ODOP is a *Japanese business development* concept. It got its popularity in 1979 when other Asian countries started to replicate the model. It is aimed at promoting a healthy competitive and basic product from a specific area to drive sales. At the same time, it tried to develop better standard of living of local population. Koyama Town Model of Japan especially focused on new plum and chestnut has been a success story.

In India, it was a successful drive in Uttar Pradesh as pilot project. The scheme helped Uttar Pradesh export rise by 38% in last three years. The scheme will be a step added to become Atmanirbhar Bharat. Implementing one district one product in north eastern India will definitely be a game changer as this part of country has huge potential to produce and export products.

#### Benefits of ODOP in North-eastern Region

- **Boost economy:** Along with make in India scheme this can help economic development of the region.
- **Push the ailing traditional industries:** Industries like Bamboo manufacturing etc. will be uplifted with the help of new technology and government incentives.
- **Global Market for products:** The scheme will be helping hand to market the products globally and nationally. E.g. we are seeing Lakadong Turmeric at shelves of supermarket of big cities.
- **Entrepreneurship:** Local communities will get secure employment through make in India campaign.
- **Preserving tradition and culture:** It will help to preserve traditional knowledge of north eastern region.
- **Tribal craft tradition:** Predominantly tribal population with every tribe having its own distinct craft, this scheme will help them to market their product at satisfactory price. Century old Bamboo craft get marketed by TRIFED.
- **Management of perishable agricultural and horticultural products:** North-eastern region has lot of varieties of fruits, vegetables and flowers. With the help of the scheme, proper channelizing of product delivery from harvesting to storage to export can be materialised.
- **Awareness about the region:** People in other part of country and world can also use the benefit of different products from northeast especially GI tag Manipur's black rice, Mizo bird eye chilli, Tripura's queen Pineapple.

However, implementation of One District One Product (ODOP) programme comes with its own set of challenge in north eastern region. Following challenges can be faced during implementation of the scheme:

- **One size fit for all approach** will be hindrance in northeast as it is diverse in nature. For example, Community cultivation is practiced in tribal areas but in major region of Assam it is not practiced.
- **Infrastructure problem:** Due to diverse land topography and sensitive atmosphere, it would be challenging to develop cold storage, export hubs etc.
- **Regional connectivity** is an important issue in north east.
- **Insurgency** in North east region has led to Security issue.
- **Diversity challenges:** The scheme needs to further address specific challenges possessed by different tribes of different region.

- Lack of entrepreneurship skills: Outward looking approach is missing in tribal region of northeast.
- Bureaucratic challenges: Since the scheme will be implemented with other schemes, communication between various government departments can be a difficult task

#### Solution

1. Infrastructure related issues can be resolved with the proper implementation of North East infrastructure development scheme.
2. Government needs tackle the issue of insurgency by dealing with internal security and law and order situation.
3. PM-Gati Shakti Yojana can be implemented with ODOP scheme to solve the connectivity problem.
4. Understanding ethnic sensitivity and work as inclusive with all stakeholders

One district one product is ray of hope for people of northeast. It will not only boost economy but also addresses problem related to regional, strategic and security aspect. It will help create livelihood across the region. It will also help connect north east in Global value chain.

### Mines and Minerals (Development and Regulation) Amendment Act, 2021

- The Parliament recently passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021, which was introduced to bring structural changes in the mining sector through amendment in the Mines and Minerals (Development and Regulation) Act, 1957.
- Mining in India contributes to only 1.75% of the GDP, while the share for countries like Australia and South Africa is about 7% of the GDP.
- India produces coal worth Rs 1.25 lakh crore, yet heavily imports it despite being the third largest storehouse of coal in the world.

#### Salient Features Of The Act

- Restrictions on **end use of minerals** by captive plants have been relaxed. Captive mines produce minerals for the exclusive use by the company that owns them. The amendment allows captive miners to sell up to 50% of their production after meeting the requirements of the end-use plant.
- Increased flexibility would allow miners to **maximise output** from captive mines as well as **prevent hoarding** of mines — since miners can sell in the market, the incentive to hoard is gone.
- Hoarding is a big issue, currently, and data suggests that of the 2,904 mining leases, 1,900 i.e. two thirds — are lying unused, non-working and unexploited. Even PSUs have 297 functioning leases of which 199 mines are non-functional and non-working.
- The new law mandates that whoever takes a mining lease has to **start producing within three years** of taking such lease or the lease will be taken over and the mine will be re-auctioned.
- **Transfer of Clearances:** All clearance and licenses granted shall continue till the reserves have been mined and post the expiry or termination of the lease, will be transferred to the next successful bidder. This will help attract investors as *under the previous regime, the new lessee had pre-embedded clearances for only two years*, making it difficult to get fresh clearances within this time period.
- **Auction By Central Government:** The Act empowers central government to **specify a time period** for completion of the auction process in consultation with the state government. If the state government is

unable to complete the auction process within this period, the central government can conduct the auction. However, even if the Centre auctions the mine, all proceeds from it will go to the state only.

**Benefits**

- It will help to strengthen the auction regime and boost transparency in the system.
- It will make mineral mining sustainable and drive economic activities in the country.
- It will generate huge employment opportunities, reduce imports and increase production by bringing large mineral blocks into auction, eventually leading to mineral security of the nation.

**Front of Pack (FoP) Labelling - Regulations And Issues**

- 7 years, 4 committees and 2 draft regulations later, India still does not have a **clear labelling system** to warn consumers about harmful levels of **fat, salt, and sugar** in the processed foods.
- Processed foods are linked strongly with obesity and diet-related non-communicable diseases such as Type-2 diabetes, hypertension, heart ailments and certain cancers.

**About FoP Labelling**

- WHO defines FoP: “**Nutrition labelling systems** that are presented on **front of food packages** in the principal **field of vision**; and present **simple**, often **graphic information** on the nutrient content or nutritional quality of products, to complement more detailed nutrient declarations provided on the **back of food packages**.”
- This system is one of the **global best practices** to nudge consumers into healthy food choices. Just the way cigarette packets are labelled with images to discourage consumption.
- Manufacturers provide information in such **cryptic language** on the **back** of the overly **colourful** packets that the consumer either fails to notice it or does not comprehend it.
- **Chile, Brazil and Israel** have used FoP labelling as a measure to fight obesity and NCDs.

**Indian Scenario**

- FSSAI made Food Safety and Standards (Packaging and Labelling) Regulations, 2011, which later divide these regulations into **two** regulations- **Food Safety and Standards (Packing) Regulations 2018** and **Food Safety and Standards (Labelling & Display) Regulations 2019**.
- Between January-June this year, FSSAI once engaged with stakeholders, including consumer organisations and industry groups.
- The working group has **relaxed the thresholds** to the extent that products with very high content of fat, salt or sugar can pass off as healthy. The new thresholds will not only fail to discourage the consumption of unhealthy junk foods but lead to poor dietary choices and distortion of food habits.

Draft Food Safety and Standards (Labelling and Display) Regulations 2019	
Regulations	Issues
<ul style="list-style-type: none"> <li>• <b>Mandate</b> colour-coded labels <b>on food items</b>.</li> <li>• <b>FoP food items will have to</b> display total number of calories, saturated and trans fats, salt and added sugar content <b>as well as proportion of daily energy needs fulfilled by food item</b>.</li> <li>• Changed the symbol of vegetarian food <b>from a green circle to a green triangle to help color blind people distinguish it from</b></li> </ul>	<ul style="list-style-type: none"> <li>• Industries’ concerns over the proposed format, especially using the colour red as it indicates danger and could dissuade consumers from their products.</li> <li>• Labelling format appears to be</li> </ul>

the brown circle denoting non-vegetarian food.

- If total amounts of calories, fats, trans-fats, sugar, and sodium per serving exceed stipulated limits, it would be indicated in red colour.
  - FSSAI proposed to also consider ‘positive nutrients’ in the FoP label. It was about giving scores to ‘positive nutrients’ such as proteins, nuts, fruits and vegetables
- aimed only at individuals who are literate and nutritionally aware.
- Positive nutrients will mask the negative impact of high fat, salt and sugar in the food and the industry will use it to mislead the consumer.

### Draft e-Commerce Rules 2021

Department of Consumer Affairs is looking at some provisions pertaining to the definitions such as ‘related party’ and ‘e-commerce entity’ proposed in the rules. Earlier, government notified the **Consumer Protection (E-Commerce) Rules, 2020** under the Consumer Protection Act, 2019.

#### Draft Rules 2021

- **Mandatory registration** for e-commerce entities with the *Department of Promotion for Industry and Internal Trade* (DPIIT).
- **Clause of country of origin:** E-commerce entities offering imported goods/ services to ‘incorporate a filter mechanism at a pre purchase stage to identify goods based on country of origin. Every time, they have to offer local alternatives to ensure a fair opportunity to domestic goods.

**Restricting Related Parties:** None of the related parties are allowed to use any consumer information for ‘unfair advantage’.

➤ Every e-commerce marketplace must ensure that nothing is done by related parties or associated enterprises that e-commerce entity itself cannot do.

➤ **None of an e-commerce entity’s ‘related parties can be enlisted as a seller for sale to consumers directly.** This “broad definition” of ‘related party’ can potentially include all entities such as those involved in logistics, any joint ventures, etc.

**Fall-back liability:** The rules made E-commerce firms liable in case a seller on their platform fails to deliver goods or services due to negligent

#### Criticism Of Draft Rules

- The perception of “**overreach**” by the **Consumer Affairs Department** — venturing into areas where other departments such as the Department for Promotion of Industry and Internal Trade (DPIIT) and the Ministry of Electronics & Information Technology (MeitY)
- The cross-indexing of rules governing the e-commerce sector among various government departments. Many of the provisions were “beyond the realm” of consumer protection

➤ The definition of **related party** certainly needs some more clarity, otherwise it will be difficult not only for foreign players like Amazon and Flipkart, but even homegrown companies like Tata and Reliance to have their various brands sell on their super-apps

➤ **Small joint ventures** will also face problems: Eg joint venture between Tata Group and Starbucks, which would be considered a **related party** under the proposed provisions, and would not be able to sell products on a Tata super-app.

Industry players have argued that on one hand FDI policy prohibits companies such as Amazon and Flipkart from having control over the inventory sold on their platforms, while on the other, e-commerce rules of Consumer Affairs Department holds these **platforms**

conduct, which causes loss to the customer.

**liable** in case a seller fails to deliver goods or services

**Specific flash sales or back-to-back sales** which limit customer choice, increase prices and prevent a level playing field are **not allowed**. Conventional flash sales were not banned.

These rules appear to **limit consumer choices** further through provisions such as blanket ban on flash sales, etc. despite Ministry's mandate to uphold consumer rights

**Cybersecurity issues:** All entities must provide information within **72 hours** on any request made by an authorised government agency, probing any breach of the law.

Provisions like having a compliance officer, adherence to law enforcement requests, etc., follow in the **footsteps of the Information Technology (Intermediary) Rules, 2021** issued by MeitY. These IT rules are facing legal challenges in several courts.

Appointing a **chief compliance officer** for 24x7 coordination with law enforcement agencies.

**NMP- Benefits And Challenges**

The Centre recently launched the **National Monetisation Pipeline (NMP)**, to monetise **government assets** across various sectors. NMP is developed **by NITI Aayog**. NITI Aayog, in coordination with the **Finance ministry**, has created the NMP dashboard and the detailed roadmap

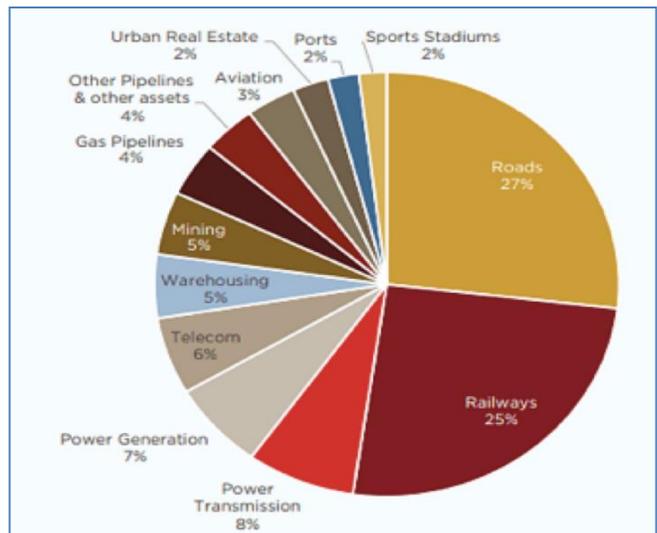
**Details of NMP**

- It is designed to unlock the value of investments in **brownfield public sector assets** by utilising institutional and long-term capital.
- Under NMP, government-owned roads, railways, power plants, gas pipelines, airports, ports, warehouses etc. could be leased out for a specified period to non-government entities.
- The **primary ownership of assets under NMP** will continue to be with the **government (Monetisation of Rights not assets)** and the assets will be handed back to the public authority at the end of the tenure.
- It expects to raise **Rs 6-lakh crore** over a **four-year period** from FY 2022 to FY 2025.

Funds from NMP will be used for infrastructure creation under the **National Infrastructure Pipeline** which has a targeted infrastructure investment of Rs 111 lakh crore over FY 2020-25.

The estimated amount to be raised through monetization is around 14% of the proposed outlay for Centre of Rs 43 lakh crore under NIP.

- The **top 5 sectors** (by estimated value) capture approximately 83% of the aggregate pipeline value - roads (27%), railways (25%), power (15%), oil & gas pipelines (8%) and telecom (6%).
- Monetisation will take place through a range of instruments including **public private partnership, Infrastructure Investment Trusts (InvIT), Real Estate Investment Trust (REIT)** etc.



- Currently, only assets of **central government line ministries** and **Central Public Sector Enterprises (CPSEs)** in infrastructure sectors have been included.

### Central Government's Assistance to State Governments

- To encourage states to pursue monetisation, the Central government has already set aside Rs 5,000 crore as incentive.
- If a state government divests its stake in a public sector undertaking, the Centre will provide a 100% matching value of the divestment to the state.
- Similarly, if a state lists a public sector undertaking in the **stock markets**, the Central government will give it **50%** of that amount raised through listing.
- Finally, if a state monetises an asset, it will receive 33% of the amount raised from monetisation from the Centre.

Benefits of NMP	Challenges in NMP
<ul style="list-style-type: none"> <li>• It will mobilise private capital by using idle assets for future investments, without selling government assets.</li> <li>• This will lead to new infrastructure creation, employment generation and enable high economic growth by integrating rural with semi-urban.</li> <li>• New models like InvIT and REIT will create new areas of investments for common people.</li> <li>• Promote cooperative federalism</li> <li>• PPP: Public and private sectors each excelling in their core areas of competence.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of identifiable revenue mechanism in various assets; lack of independent sectoral regulators in certain sectors and dispute resolution can act as challenges.</li> <li>• Further, low capacity utilisation in gas and petroleum pipeline networks; regulated tariffs in power sector assets; and low interest among investors in national highways below four lanes can also act as impediments.</li> <li>• Structural problems such as legal uncertainty and the absence of a deep bond market that hold back private investment in infrastructure</li> </ul>

### Telecom Sector Reforms

Recently, the Union Cabinet approved a **relief package for the telecom sector**.

1994

- Telecom sector was **liberalised under the National Telecom Policy, 1994** after which licenses were issued to companies for a **fixed license fee**

1999

- Government gave an **option** to the licensees to migrate to **revenue sharing fee model**.

### Revenue Sharing Fee Model

- Under this, mobile telephone operators were required to share a % of their **Adjusted Gross Revenue (AGR)** with government as:
  - ✓ **Annual license fee (LF)**- at 8% of AGR
  - ✓ **Spectrum usage charges (SUC)**- 3-5% of AGR
- Adjusted Gross Revenue= (Gross revenue) - (**Certain deductions** spelt out in the license agreements).

#### WHAT IS ADJUSTED GROSS REVENUE

■ Telecom operators are required to pay licence fee and spectrum charges in the form of 'revenue share' to the government

■ The revenue amount used to calculate this revenue share is termed as the adjusted gross revenue, or AGR

### Dispute

- Dispute between DoT and mobile operators was mainly on the **definition of AGR**.
- DoT argued that AGR includes all revenues from **both telecom and non-telecom services**.
- The companies claimed that AGR should comprise just the revenue accrued from **core services** and not dividend, interest income or profit on sale of any investment or fixed assets.

2005

• Telecom companies **challenged the government's definition for AGR calculation**.

2019

• Supreme Court **upheld the definition of AGR** and ordered telecom operators to pay Rs 1.19 lakh crore to DoT as pending AGR-dues.

September  
2020

• SC granted **10 years to the companies** to make deferred payments of AGR dues, including penalty, interest and interest on penalty through March 31, 2031.

### Major Reforms That Have Been Announced

- **Adjusted Gross Revenue (AGR):** AGR definition rationalised and **non-telecom revenue** will be **excluded** on prospective basis. As the rationalisation in AGR definition is only prospectively, the telcos need to generate resources, or raise capital, to eventually service this along with payment of bank dues.
- **Bank Guarantees (BGs) Rationalized:** Huge reduction in BG requirements (80%) against License Fee (LF) and other similar Levies. No requirements for **multiple BGs** in different Licenced Service Areas (LSAs) regions. Instead, One BG will be enough.
- **Moratorium on Dues:** A much needed moratorium has been announced on **statutory dues** (both AGR and spectrum purchased in past auctions) of the telecom sector for **4 years**.
  - ✓ This will help **conserve cash** which can be used in more productive areas. But this provides temporary relief.
  - ✓ However, those choosing to avail of the moratorium will have to pay an interest of **MCLR+2%**, something that will effectively protect the revenues of the government.
- **Interest Rates Rationalized:** From 1st October, 2021, Delayed payments of License Fee (LF)/ Spectrum Usage Charge (SUC) will attract interest rate of SBI's **MCLR+ 2%** instead of **MCLR+ 4%**. Interest **compounded annually** instead of monthly.
- **Penalty And Interest On Penalty** on payment of licence fees, spectrum charges and all kinds of charges have been **completely scrapped**.
- **Spectrum Tenure:** In future auctions, tenure of spectrum increased from 20 to 30 years.
- **FDI:** Government has increased FDI in the sector under **automatic route** from 49% to 100%. This could potentially pave the way to allow gradual exit of some of equity stakeholders of Vodafone Idea in due course.
- **Licence Raj Scrapped:** Customs notification of 1953 have been done away with and replaced with self-declaration. It will allow telecom operators to easily import equipments.
- Shifting between prepaid and postpaid and vice versa **did not require fresh KYC**.
- A long-standing demand for the government's intervention in setting telecom floor tariffs, as it has done in the civil aviation sector to protect competition, did not find a place in the relief package.

### Significance of Reforms

- **Cash Flow & Relief:** Moratorium on AGR dues and spectrum dues has offered the prospect of an **annual cash flow breather** of an estimated Rs 45,000 crore to the fund-starved industry.
- **Investment & Employment:** This will pave the way for large-scale investments in the telecom sector. More the investment, more the employment.
- **Healthy Competition:** It is a step towards strengthening the industry and ensuring survival of players to maintain healthy competition for the benefit of the customers.
- **Stabilizing and Reducing NPAs:** The telecom package comes as a relief to the banks as it mitigates the imminent possibility of default by vulnerable operators.

### Disinvestment-Air India Sale

After several failed attempts, Tata Sons subsidiary Talace Pvt. Ltd., recently won the bid for national carrier Air India. This marks the first major outright privatisation of a public sector company in almost two decades.

The **first attempt** to reduce the government's stake — disinvestment — was made in **2001** but that attempt — **to sell 40% stake** — failed. In **2012**, **UPA govt** approves turnaround plan and decided to infuse Rs 30,000 crore till 2021. Again in **2018**, the government made another attempt to **sell 76%** government stake but it **did not receive any response** from the market.

### Why Strategic Disinvestment Was Approved in 2018

- Comptroller and Auditor General of India (CAG), in its 2018 audit of the Turnaround Plan and Financial Restructuring Plan (TPFRP) of the airline, found that the airline has **failed to achieve many of the objectives** in various functional areas which were mandated under TPFRP which provided for an equity infusion of Rs 30,231 crore till FY21.
- This failure resulted in less revenue generation for the airline leading to requirement of **more short-term loans** for the airline & also eroded the benefit of financial restructuring plan.
- Some of the findings of CAG were -
  - ✓ It pointed that Air India is generating **less revenue over passengers compared to other airlines.**
  - ✓ There has been a mismatch in demand and availability of airline (i.e., **non-availability of proper aircraft**)
  - ✓ It also pointed out that **mismanagement in granting bilateral agreements with foreign countries** (i.e., granting more than required number of bilateral seats to carriers of foreign countries) has been hurting Air India's prospects.
  - ✓ **Mismanagement of manpower:** Disguised unemployment is more prevalent in Air India.

**Disinvestment Vs Privatisation**

- Disinvestment means sale of assets by the government, usually Central and state public sector enterprises, projects, or other fixed assets.
- The government undertakes disinvestment to reduce its fiscal burden or to raise money for meeting specific needs, such as to address the revenue shortfall from other regular sources.
- In some cases, disinvestment may be done to privatize assets. **However, not all disinvestment is privatisation.**
- Privatisation occurs when a government-owned business, operation, or property becomes owned by a private, non-government party. That is the private party owns more than 50% stake.

- **14th Finance Commission** has elaborated to consider the opportunity cost while investing in PSU's and suggested that the government should not be in the business of providing goods and services where the private sector has a vibrant presence.
- Divesting the loss-making Air India will send **a strong signal to investors that India is serious about reforms** and is no longer willing to throw good money after bad and also set an example and pave the way for disinvestment of other loss-making companies, such as Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL).

#### **Hurdles In The Earlier Attempts**

- In the previous two attempts (2001 and 2018), the Government **tried to retain a partial stake**, due to which private investors were not interested. The idea of government ownership, even if it was as little as 24%, might have reduced the operational freedom of the buyers.
- To address it, this time the **government put 100% of its stake on sale**. The NITI Aayog has suggested complete privatization.
- In the current attempt, the Government also announced that bids for Air India would be accepted on the basis of the **carrier's enterprise value instead of equity value** of a firm.
- Under the **enterprise value** route, the government let the bidders decide the amount of debt they wanted to pick up. These factors made the difference this time.

#### **Current Sale Terms**

- The deal with the Tatas will be executed at an enterprise value of Rs 18,000 crore, against a reserve price of Rs 12,906 crore. Of this, Tata will pay Rs 2,700 crore in cash, while Rs 15,300 crore of the airline's debt will be retained by it. The remaining debt will be transferred to a special purpose vehicle
- As per both the original and revised construct, all **non-core assets** (land, buildings, etc.), valued at Rs 14,718 crore, are to be transferred to **Air India Assets Holding Limited (AIAHL)** and are therefore not a part of transaction.

#### **Significance**

- The current deal underlines the government's commitment to **reduce the government's role in the economy**. It is a message from the government to the markets and global investors that *reforms will be given utmost importance.*
- The sale **relieves the government from a high-cost industry** that most governments around the world have left in the hands of private carriers.
- Now, the government will no longer need to constantly **put in cash in the loss-making enterprise**, as it has in the past. This will free up scarce resources, and the *money can be spent more meaningfully in social and strategic sectors.*
- The success of the AI deal is bound to **make private sector bidders confident** and give a boost to other disinvestment procedures which have been moving very slowly.

#### **Issues**

- However, purely in terms of money, the deal does not result in a very big step towards achieving the **government's disinvestment target** of Rs 1,75,000 crore in the current year.
- Moreover, of the total AI debt of Rs 61,562 crore, the Tatas will only take care of Rs 15,300 crore. That leaves Rs 43,562 crore of debt. The assets left with the government, such as buildings, etc., will likely

generate Rs 14,718 crore. But that will *still leave the government with a debt of Rs 28,844 crore* to pay back.

- So, it can be argued that if the government had run AI well, it could have made profits and paid off the debts — instead of selling the airline and still be left with a lot of debt.
- To protect the interests of more than 13,000 staff of the airline, the deal ensures that there should be no job cuts for at least one year. However, the *assimilation of these employees* can be challenging. For instance, the integration between Air India and Indian Airlines is still an unfinished task after so many years.
- At the same time, to turn around Air India at a time of increasing fuel costs and COVID-hit air travel, will be a difficult task.

---

## Inland Vessel Act 2021

The Parliament has passed the **Inland Vessels Bill, 2021**, which will replace the **Inland Vessels Act, 1917**

### Key Features

- A unified law for the entire country, instead of separate rules framed by the States.
- **Registration:** To operate in inland waters, vessels must have a certificate of survey, and registration. It enlarges the definition of ‘inland waters’, by including tidal water limit and national waterways declared by the Central Government

The certificate of registration granted under the proposed law will be deemed to be valid in all States and Union Territories, and there will be no need to seek separate permissions from the States.

- Those with Indian ownership must be registered with the Registrar of Inland Vessels which will be valid across India.
- While the state government will issue the certificate, the form will be prescribed by the Centre like in the case of motor vehicles.
- It defines **mechanically propelled vessels** as ships, boats, sailing vessels, container vessels, and ferries.
- All non-mechanically propelled vessels will also have to be enrolled at the district, taluk or panchayat or village level.

### Functions Of Central Government

- It empowers Centre to prescribe what kind of **pollutants and sewage** -vessels can discharge, and how much.
- **Maintaining a fund** which will be used for emergency preparedness, checking pollution and boosting navigation.
- The Centre will frame classification, standards of design, construction, and crew accommodation.
- Construction or modification will require approval of a designated authority.
- Their movement and identities will be logged in a central database.
- Non-compliance will attract a penalty of up to Rs 10,000 for the first offence, and Rs 25,000 for subsequent offences.

However, the Bill has been criticized on the ground that it takes away a lot of rights of the states and vests them with the Centre.

**Issues with the 1917 Act**

- The 1917 Act was seen as a purely consolidating legislation with limited applicability and purposes. It had undergone several amendments, the last major ones in 1977 and 2007.
- It had provisions for restrictive movement of mechanically propelled vessels within the jurisdiction of the state government.
- Non-uniform standards and regulations that varied from one State to another.

**Draft Blue Economy Policy of India**

- The Blue economy refers to **sustainable use of ocean resources** for *economic growth, improved livelihoods and ocean ecosystem health*.
- The main assets include fisheries, the coastline itself, mangroves, carbon absorption, seagrass beds and corals reefs with associated benefits of **coastal and marine tourism, carbon sequestration**.
- On the other hand, Brown economy relies **heavily on fossil fuels** and does not consider the **negative side effects that economic production and consumption** have on the environment.

The draft blue economic document is in line with the Government of India's Vision of New India by 2030, stressing the need for a coherent policy integrating different sectors so as to improve the lives of the coastal communities and accelerate development and employment. It recognizes the following seven thematic areas:

1. **National accounting framework for the blue economy and ocean governance:** A new robust mechanism to generate and collect reliable data pertaining to the Blue Economy would be developed.
2. **Coastal marine spatial planning (CMSP) and tourism:** India needs to adapt the CMSP approach of the Intergovernmental Oceanic Commission (IOC)-UNESCO guidelines and to establish a national level authority to define the scope and nature of CMSP. This will allow integration of various sectors of blue economy, local communities private players and government to meet local and national needs.
3. **Marine fisheries, aquaculture, and fish processing:** To increase sustainability of marine fisheries through a new national policy along with proper legal and institutional framework for effective management.
4. **Manufacturing, emerging industries, trade, technology, services, and skill development:** To ensure high capital infusion through PPP and enhance Ease of Doing Business in the sector.
5. **Logistics, infrastructure and shipping, including trans-shipments:** Government should formulate a 30 year holistic shipbuilding plan across existing and Greenfield shipyards under Atmanirbhar Bharat to boost shipping and ship building sector.
6. **Coastal and deep-sea mining and offshore energy:** Envisaged to launch a National Placer Mission to explore workable placer deposits and evolve a roadmap for their extraction. India will also take a lead role in exploration of cobalt rich Sea Mount Ferro Manganese Crust (SFMC) in the Indian Ocean.
7. **Security, strategic dimensions, and international engagement:** MDA needs to be strengthened by integrating national geo-intelligence framework and space applications along with international partnerships with key partner countries

**Benefits of Blue Economy**

- **Economic Growth:** Indian Ocean Region is of strategic importance to India's economic growth as the most of the country's oil, and gas is imported through the sea. Further, this dependency is expected to rise by 2025 exponentially.

- **Surging of Seaborne Trade** as Sea is a cost-effective and carbon-friendly mode of transportation for global trade.
- **Harnessing Ocean Wealth:** Mining of polymetallic nodules present in the seabed in the Central Indian Ocean Basin can help India improve availability of nickel, copper, cobalt and manganese.
- **Alternative Sources of Clean, Affordable and Renewable Energy** in the form of wave energy, solar energy, tidal energy, hydroelectric energy.
- **Food Security** through fisheries sector including aquaculture and aquatic plants.
- **Nutritional security** by fulfilling minimum amount of protein intake in daily food basket.
- **Coastal Tourism** presents huge potential for job creation and economic growth.
- **Managing Coastal Urbanisation** as in the blue economy framework, coastal cities are viewed as a source of economic dynamism, agglomeration of blue activities, social empowerment and pollution-free built-in environment.
- **Improving Ocean Health** as blue economy approach would contribute to the process of restoring the ocean health and its precious resources.
- **Ocean technologies** like freshwater production from sea etc. may get more attention in coastal economies pursuing blue economy.

Hence, it is clear that, **blue economy breaks the mould of brown development model** where oceans are perceived as a means of free resource extraction and waste dumping.

### Conclusion

- At the **United Nations Conference on Sustainable Development** held in **Rio de Janeiro in 2012**, blue economy was viewed as ocean economy that aims at the “improvement of human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. Therefore, the scope of blue economy is much wider and inclusive.
- Countries all over the world are mainstreaming policies related to blue economy. In November 2018, **first ever-Sustainable Blue Conference** was held at Nairobi.
- The island-nation of Seychelles has **launched the world's first blue bond** to raise the capital.
- It is time that other continents including Asia take up the challenge and tap the vast ocean of resources.

---

### Draft Electricity (Amendment) Bill, 2021

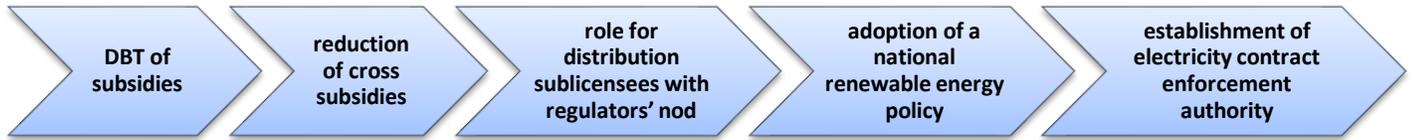
The Union Ministry of Power has come up with a draft Electricity Amendment Bill 2020, which is the fourth draft of Electricity (Amendment) Bill since 2014. The amendments seek to remove the regulatory shortcomings that were being experienced in the functioning of the sector and to bring in investment and ease of doing business in the power sector.

#### Key Points of the Amendment

- The objectives of the Bill are:



- Among the remedies presented by the government through the initiative are:



- **Choice to Consumers:** Electricity distribution is **delicensed**, at least in the letter, giving consumers a choice to choose a distribution company in their area.
- **Provision of Universal Service obligation Fund** which shall be managed by a government company. This fund shall be utilised to meet any deficits in cross-subsidy. In case of supply through pre-paid meters, security deposit will not be required.
- **Appellate Tribunal for Electricity (APTEL)** is being strengthened by an increasing number of members. The domains from where the chairperson and members of Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERC) will come have been described.
- **National climate change goals** focused: The responsibility of fixing renewable power obligation (RPO) is shifted from state commissions to the central government.
- **Role of dispatch centres** is gaining importance as the interconnected power system is getting more complex with the addition of renewable generators.
- **Dispatch disputes:** Disputes related to the dispatch of power are increasing, adjudication of load dispatch centres related disputes have been included in the functions of regulatory commissions.
- **Strengthened regulatory commissions:** The regulatory commissions were earlier called ‘toothless tigers’. Their orders will now be executable as decree including attachment of property, arrest and detention in prison. With Law members in the commission, these powers will be exercised appropriately
- **Penalty:** Has been increased up to Rs 1 crore. Non-fulfilment of RPO will also attract stringent penalties

**Reasons for Opposition**

<b>Financial Losses</b>	States feel that a greater role for private distribution companies and franchises would only lead to cherry picking of remunerative areas by them, leaving it to State discoms to serve social sector obligations and rural areas.
Disturbs Federal Balance	Many States argue that the proposed delicensing of distribution amendment strikes at the root of the federal structure.
<b>Replacing Farm Subsidies</b>	<b>DBT will do away with the heavily subsidised or free power supply to the farm sector.</b>
Problems with Hydropower	One of the complaints of Tamil Nadu against the draft Bill is that hydro power purchase obligation cannot be fixed separately as hydropower generation is seasonal, monsoon dependent and not in the control of its discom.
<b>Profiteering</b>	<b>The objective of providing choices to the consumers would end up in profiteering by new service providers through tariff hikes</b>
Low cost recovery	Discoms are unable to recover their costs, out of which nearly 75-80 % are power purchase costs. There is no regulatory intervention to fix coal costs and railway freight

**High Fixed cost for unutilised power**

**These costs have increased much more than the weighted average increase of wholesale price index and retail price index**

Huge AT&C losses

According to a report released based on Uday dashboard in 2020, AT&C losses of 12 states were more than 25% and of six states between 15 and 25%

**India Needs Transition From Coal-Based Scenario Towards Cleaner Energy**

The United Nations Intergovernmental Panel on Climate Change (IPCC) has released the first part of the sixth Assessment Report 2021 (AR6). It is clear from the report that India needs an energy transition towards cleaner energy sources from the current coal-based scenario, but it must be done in a way which secures an equitable outcome for the vulnerable sections of the society.

**Why We Need To Phase Out Coal?**

- Among fossil fuels, coal has the highest contribution to carbon dioxide (CO<sub>2</sub>) emissions. Of the 36.44 gigatonnes of CO<sub>2</sub> emitted from the burning of fossil fuels in 2019, almost 40% came from coal-fired power plants and industry.
- A near-total reduction in the use of coal and other fossil fuels for electricity generation by 2050 is necessary to limit global warming to 1.5 °C.
- Estimates found that coal burning is responsible for more than 800,000 premature deaths per year globally.
- Coal is also the reason for many millions of cases of serious and minor illness. This also has economic implications, like increased healthcare costs and a higher number of lost working days.

**Challenges India Will Be Facing In Phasing Out Coal**

- **Asymmetry in Energy Distribution:** While 85% of coal production is concentrated in relatively poor eastern and central states of Jharkhand, Odisha, Chhattisgarh, West Bengal and Madhya Pradesh; over 60% of renewable energy potential (and 80% of current capacity) is concentrated in relatively wealthy southern and western states – Gujarat, Maharashtra, Rajasthan, Andhra Pradesh, Karnataka, Tamil Nadu and Telangana.
- **High dependence on Coal based Energy:** Coal makes up more than 50% of India’s installed electricity generation capacity.
- **Implications on Govt Revenue:** Fossil fuel industries contribute significantly to the exchequer. Taxes on coal, oil and gas contributed 18.8% of the total revenue receipts of the central government and about 8.3% of the state governments in 2019-20.
- **Employment:** Coal production supports millions of lives and livelihoods either directly or indirectly. The industry employs at least 20 million people working in mines and factories. Automobile, iron and steel, and coal mining are the biggest employers.
- **Cheap and abundant power** is a key driver of economic growth and increasing the electricity coverage of the population has been a central goal of the government.

**Key Findings of The IPCC Report**

- The level of carbon dioxide in 2019 is greater than it had been in at least 2 million years.
- Average surface temperature of the Earth will cross 1.5°C over pre-industrial levels in the next 20 years.
- The world has already depleted 86% of its available carbon budget.
- The global surface temperature was 1.09°C higher in 2011-20 than between 1850-1900.
- Arctic ice is the lowest it has been in 1000 years because of ice melting.
- The main driver of sea-level rise is the melting ice of Antarctica.

- Foregoing coal could also **affect the competitiveness of industries such as** steel, aluminium, chemicals and other important components of industrial strategy. This might raise the risk of carbon leakage.
- **Renewable Energy** still not in position to replace coal based energy as it faces challenges of storage, intermittency.
- Beyond economic dependence, coal is frequently assumed the role of welfare provider in coal districts where the state has left a void. It has provided housing, roads, schools, hospitals, water, electricity, and other services in some of the most impoverished parts of the country.

With a population of more than 1.3bn, India's energy needs are set to rise more than any other nation in the next twenty years. In India, such a transition will only unfold gradually. Complete coal phase-out may take a few decades, we need to lay out a meticulous, long-term plan for coal-dependent regions right now.

The energy transition is more than technological fixes and investments; it is also about workers and communities who will be affected. To get this transition right, we will have to plan for a Just Transition and not merely an energy transition which will need policy and planning for five key elements (**5 R's**):

Restructuring	<b>Of the economy and industries in fossil fuel-dependent districts/ states</b>
Repurposing	Land and infrastructure, as these industries hold vast land and assets. For example, coal mines and thermal power plants alone have 0.3 million hectares of land, which can be repurposed to build a new green economy;
Reskilling	Existing and new workforce to avoid job loss and create a new workforce for the green industries
Revenue substitution	Along with investments in Just Transition. This will require progressively moving taxes away from fossils and using fossil taxes like GST compensation cess (formerly coal cess) and District Mineral Foundation funds for Just Transition
Responsible	Social and environmental practices during the transition process to create a better world

---

### **A Roadmap For Coal Phase-Out**

- A viable coal phase-out strategy will need to prevent new coal-fired power plants from being built.
- In many cases, expanding power supply through sources other than coal (that is, renewables or natural gas) is cost effective, even before considering the environmental and health costs of coal use. This will increasingly be the case as the cost of renewable energy technologies continues to fall.
- Coal producers and consumers need to understand the real costs of coal, including local health damages and climate consequences for the climate. Removing any existing coal subsidies would be a step to creating a level playing field for clean energy sources to compete.
- Efforts to phase out coal will only succeed if stakeholders are involved early on in the decision process to ensure democratic legitimacy.
- Instead of phasing out coal immediately, India can move towards energy-efficient buildings, lighting, appliances, and industrial practices. This will help faster phase-out of coal in the future.

Should The Old Coal Plants Retire?

Arguments For	Arguments Against
<ul style="list-style-type: none"> <li>• There is the availability of under-utilized newer and presumably more efficient coal-based capacity. Hence, shutting down older inefficient plants would lead to improved efficiencies, reduced coal usage, and cost savings.</li> <li>• They are major contributors to carbon emissions. Their closure will aid in achieving INDC</li> <li>• It would be uneconomical for old plants to install pollution control equipment required to meet the emission standards announced by the Environment Ministry.</li> </ul>	<ul style="list-style-type: none"> <li>• Plants older than 25 years consist of around 20% of the total installed thermal capacity and play a significant role in the country’s power supply.</li> <li>• There are also several old plants, which operate at lower costs. For instance, plants such as Rihand (U.P) and Vidhyanchal (MP) are over 30 years old and have very low generation costs of around Rs. 1.7/kWh, which is lower than the national average.</li> <li>• Many studies suggest that total savings from shutting older plants would be less than 5,000 crores annually. It is just 2% of the total power generation cost.</li> <li>• There are some old plants that may continue to be economically viable even if they install pollution control equipment as their current fixed costs are very low</li> </ul>

### Coal Capacity OF India

According to the recent report prepared by EMBER and Climate Risk Horizons, India does not require **additional new coal capacity** to meet expected demand growth by financial year 2030.

#### Why India Has No Need Of New Coal Capacity By 2030?

- India’s peak demand would reach **301 GW by 2030**, if it grows at an annual growth rate of **5%**. If this peak occurs during sunlight hours as recent studies predict, India’s planned solar capacity can cover much of it.
  - ✓ By FY 2030, India will have a total **firm capacity** of about 346 GW in addition to 420 GW of **variable renewables capacity** to meet this estimated peak demand
  - ✓ Furthermore, India can meet peak demand in FY 2030 even if it retires its old coal plants and stops building new coal beyond those under construction.
- If India’s power demand grows 5% annually, the analysis shows that coal-fired generation in the financial year 2030 will be lower than in the financial year 2020, as long as India achieves its 450 GW renewable energy targets.
- In effect, more coal capacity beyond what’s already under construction isn’t needed to meet the aggregate demand growth by FY 2030, adding that the development of new coal plants will lead to “zombie” units, ones which will exist, but not be operational.

#### Advantage Of No New Coal Capacity By 2030

- By avoiding these unnecessary ‘zombie’ coal plants, India can not only save lakhs of crores of rupees, but also **lower power costs.**
- India can free up to **Rs.2.5 lakh crore by not investing** in “zombie” coal projects. However, once incurred, these wasted investments will **lock DISCOMs** (power distribution companies) and consumers into **expensive contracts** and impact India’s Renewable Energy goals by adding to the system’s overcapacity.

- India transfers these resources to renewables and storage to build a cheaper, more resilient grid for the future.

### Suggestions

- **Review Proposals:** India needs to watch out for new coal power plant proposals of 27 GWs of capacity that could potentially become superfluous to the overall country electricity requirements by 2030.
- **Coal Capacity:** India doesn't require new coal capacity beyond the 33 GW of new coal plants already being built, to meet demand growth by FY 2030.
- **Switching investment** from coal projects to renewables and battery storage would save the Indian power system an additional 43,219 crores a year from 2027 onwards in terms of reduced power purchase cost, in addition to Capex savings, without sacrificing the power system's ability to meet future demand.
- **Smart option is to divert these resources** to renewables and storage to build a cheaper, more resilient grid for the future.

### Why Coal Is Important For India

- Coal is the largest source of electricity in the world. Coal-fired plants generate 72% of India's electricity
- India produced a 1/10<sup>th</sup> of the world's coal. India was also the 2<sup>nd</sup> largest coal importer, with a 16% share. India accounts for nearly 13% of global coal consumption.
- NITI Aayog report estimated the share of coal in the energy mix in 2040 to be at least 44%, that is nearly half of the total energy mix and way ahead of any other source of energy.

### Other major energy source rather than coal in India

- Solar power in India is a fast-developing industry as part of the renewable energy in India. The country's solar installed capacity was 47.7 GW as of October 2021. India's Intended Nationally Determined Contributions (INDC's) commitment include 100 GW of solar power out of 175 GW renewable energy by 2022.
- India is blessed with immense amount of hydroelectric potential and ranks 5th in terms of exploitable hydro-potential on global scenario. As per assessment made by CEA, India is endowed with economically exploitable hydropower potential to the tune of 148 GW of installed capacity.
- Nuclear power is the fifth-largest source of electricity in India after coal, gas, Hydroelectricity and wind power, with a total installed capacity of 7,480 MW, contributing about 2% of the country's electricity supply.
- India has the fourth largest installed wind power capacity in the world. In 2015-16, wind power accounted for 8.5% of India's total installed power capacity, and 2.5% of the country's power output. India aims to install a total 60 GW of wind power capacity by 2022.
- Tidal energy, is a form of hydropower that converts energy obtained from tides into useful forms of power, mainly electricity. India's potential to harness tidal energy is significant.
- India's geothermal energy installed capacity is experimental, and commercial use is insignificant. India has about 340 hot springs spread over the country, in which Puga and Chumathang area in Ladakh are deemed as the most promising geothermal fields in India.

---

### National Hydrogen Energy Mission

The Prime minister has announced the launch of National Hydrogen Mission (NHM) on India's 75th Independence Day.

**About NHE Mission**

- The proposal for the National Hydrogen Mission was made in the Budget 2021.
- The National Hydrogen Mission will give a quantum jump in meeting our climate targets. It will make India a **green hydrogen hub** (for production and export), and will also lead to a **clean energy transition**.
- Green hydrogen (generated from renewable sources of energy - solar and wind) is the cleanest form of hydrogen generation compared to grey or blue hydrogen (extracted from hydrocarbons- fossil fuels) since the by-products are just water and water vapour. Only 1% of the hydrogen generated is via this process.

**Why Emphasize On Hydrogen**

- Hydrogen is the **most abundant element** in the universe. But on Earth it is found in complex molecules such as water or hydrocarbons. Hydrogen is not a source of energy, but an energy carrier, which means it has to be produced, or extracted, and stored before it can be used.
- The World Energy Council says that combusting one kilo of hydrogen releases **three times more energy** than a kilo of gasoline and produces **only water**.
- Hydrogen fuel cells can **produce electricity continuously** for as long as hydrogen and oxygen are supplied. These are electrochemical cell that converts chemical energy of hydrogen and oxygen into electricity, whose waste product, again, is water.
- It is a **non-toxic substance** which is rare for a fuel source. The by-product of burning of hydrogen produces is water. Others such as nuclear energy, coal and gasoline are either toxic or found in places that have hazardous environments. Because hydrogen is friendly towards the environment, it can be used in ways that other fuels can't even possibly match.
- It can be produced again and again, unlike other non-renewable sources of energy.

There are several ways of extracting hydrogen and, depending on the method, the hydrogen produced is classified as 'grey', 'blue', or 'green' hydrogen.

Hydrogen from hydrocarbons like natural gas, fossil fuels is called grey hydrogen. Grey hydrogen becomes blue hydrogen when the CO<sub>2</sub> given out during its production is locked up through carbon capture and storage (CCS) processes. Green Hydrogen is generated from renewable sources of energy like solar and wind.

**Challenges With National Hydrogen Mission**

- Hydrogen is widely available, but **it is expensive**. It takes a lot of time to separate the element from others, it's still not a feasible source of fuel for everyone until technology is developed that can make the whole process a lot simpler.
- Hydrogen is **very hard to move around**. Oil can be sent through pipelines, coal, can be easily carried off on the back of trucks. When talking about hydrogen, just moving even small amounts is a very expensive matter. For that reason alone, the transport and storage of such a substance is deemed impractical.
- It is not easy to replace existing infrastructure, there just isn't any infrastructure that can support hydrogen as fuel. Also, cars need to be refitted in order to accommodate hydrogen as fuel.
- Since hydrogen is a very powerful source of fuel, **hydrogen can be very flammable**. Hydrogen gas burns in air at very wide concentrations between 4-75%.
- Although hydrogen energy is renewable and has minimal environmental impact, other non-renewable sources such as coal, oil and natural gas are needed to separate it from oxygen. While the point of switching to hydrogen is to get rid of using fossil fuels, they are still needed to produce hydrogen fuel.

**Way forward**

- The Ministry of New and Renewable Energy is extending support for several projects being carried out in academic institutions, research and development (R&D) organizations research for developing and implementing hydrogen and fuel cells across the country.
- The Centre has committed Rs 800 crores between 2021 to 2024 towards pilot projects, R&D, and projects to bring down the cost of hydrogen production and push India towards a hydrogen future.

**OALP- Benefits And Issues**

- The Ministry of Petroleum and Natural Gas recently launched the **sixth round** of bids under the Open Acreage Licensing Programme (OALP).
- Under it, the bidders would be able to submit their bids on an **online e-bidding portal** and the blocks would be awarded to winning bidders at the end of November 2021.
- In earlier rounds, the Oil Ministry had awarded 105 blocks covering an area of around 156,580 sq km, which attracted a total committed investment of about \$2.4 billion.
- This Bid Round-VI is expected to add further 35,346 sq km (under 21 blocks), taking the total area for exploration to 191,926 sq. km under the Hydrocarbon Exploration and Licensing Policy (HELP) regime.

**Hydrocarbon Exploration and Licensing Policy (HELP)**

- India imports more than 80% of its crude oil requirements, which makes the country heavily dependent on foreign sources of supply. This leads to a huge financial burden on the country, apart from subjecting the country to global swings in crude oil price.
- To address these concerns, the Hydrocarbon Exploration and Licensing Policy (HELP) was launched in **2016**. HELP replaced the New Exploration Licensing Policy (NELP) of 1997-1998. HELP had **2 key drivers**, both were launched in June 2017 -



- HELP’s objective is to increase India’s indigenous oil and gas production by maximising the potential of hydrocarbon resources in India.
- It aims to increase investment in the energy and petroleum sector and provide **operational flexibility** to the investors.

**Provisions under HELP**

- I. **Single license** that covers exploration and production of all types of hydrocarbon viz. conventional & unconventional resources eg oil and gas, coal-bed methane, shale oil, gas hydrates, etc.
- II. **Provision under Open Acreage Licensing Programme (OALP)**
  - Under NELP, the bidders could choose only from the blocks offered by the government and had to wait for the government to undertake bidding for blocks which were of interest to the bidders.
  - To address this issue, the government introduced **OALP under HELP**.
    - ✓ OALP gives investors the freedom to carve out blocks of their choice after assessing Exploration & Production data available at **National Data Repository** and submit an **Expression of Interest (Eoi)**.

- ✓ EoI can be submitted **thrice a year without waiting for a formal bid round from the government.** These blocks are later offered through a biannual (twice a year) formal bidding process. The entity offering the maximum share of oil and gas to the government is awarded the block.

Benefits of OALP	Concerns Related to OALP
<ul style="list-style-type: none"> <li>• Removing red-tapism: It has reduced multiple licences for extracting different hydrocarbons even from the <b>same well.</b></li> <li>• Brought in a quantum jump in the Exploration &amp; Production sector by the successful roll-out of the HELP regime, followed by OALP Bid Rounds</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Lesser involvement of Private Players:</b> Public Sector Companies like ONGC and Oil India (OIL) are the major winners of the bidding rounds.</li> <li>• Higher Tax and Cess: Proposal by the Petroleum Ministry to <b>reduce</b> the oil cess charge on domestic production of crude has been rejected by the Finance Ministry</li> <li>• <b>Less Participation of Foreign Companies:</b> Indian attempts to attract Foreign Energy Giants are not yielding expected results.</li> </ul>

**III. Revenue Sharing Model**

- Under NELP, contracts were based on the concept of **profit sharing** where profits are shared between the Government and the contractor after recovery of cost. So, it became necessary for government to examine cost details of private participants and this led to many delays and disputes.
- Under the **revenue sharing model of HELP**, the government is not concerned with the cost incurred in the process and directly receives a share of the gross revenue from the sale of oil, gas etc. This model is simpler and easy to monitor, as the government has to monitor only two parameters - revenue and production of the contractor.

**IV. Financial Incentives under HELP**

- To encourage exploration in deep water and ultra-deep water, **royalty rates have been reduced** and a **graded system of royalty** has been introduced, in which royalty rates decrease from shallow water to deep water and ultra-deep water.
- Exemptions: The royalty is **exempted for the first seven years** and subsequently royalty of 5% and 2% is applicable in deep water and ultra-deep water areas. Exemption of custom duty applicable on equipment/ services for exploration and production activities.
- Marketing and pricing freedom for crude oil and natural gas produced from these blocks.

**National Data Repository (NDR)**

- NDR is the backbone of HELP. It provides data to contractors that they can analyse & bid for particular blocks in which they are interested.
- The data presented through NDR is obtained through advanced technology simulations which makes it more reliable

## Agriculture

### Farm Laws And The MSP System

In a major development, Prime Minister announced the government's decision to withdraw the three controversial farm laws saying the constitutional process to do so would be completed in the upcoming Winter Session of Parliament. The laws are:

- i) *The Farmers' Produce Trade And Commerce (Promotion And Facilitation) Law;*
- ii) *The Farmers Agreement on Price Assurance and Farm Services Law; and*
- iii) *The Essential Commodities (Amendment) Law.*

Farmers concerns are mainly about sections relating to "trade area", "trader", "dispute resolution" and "market fee" in the Farmers' Produce Trade And Commerce (Promotion And Facilitation) Bill (FPTC)

#### Issues With Trade Area

- The FPTC defines a 'trade area' as any area or location that does not include the physical boundaries of market yards managed and run by the market committees formed under each state APMC Act.
- This provision **enables farmers to sell their produce directly**, without the need of going through the APMC mandis or middlemen.
- However, the provision has also led to concerns among farmers that if the mandi system comes to an end, the MSP mechanism would also be cancelled.
- But, the government has stressed that it has no plans of abolishing the MSP mechanism and is committed to continue it.

#### Issues With Provision Of Trader

- FPTC defines a "trader" as a person who buys farmers' produce through inter-State trade or intra-State trade or a combination of both. Thus, it includes processor, exporter, wholesaler, miller, retailer etc.
- A trader can operate in both - APMC mandi and trade area. Further, any trader with a PAN card can buy the farmers' produce in the 'trade area'.
- However, for trading in the APMC mandi, the trader would require a licence/registration as provided for in the State APMC Act. In the present mandi system, arhatiyas (commission agents) have to get a licence to trade in a mandi.
- The protesters say arhatiyas have more credibility as their financial status is verified during the licence approval process. As the traders operating outside the APMC mandis do not need a license, farmers cannot have a similar level of trust on the financial status of the trader.

#### Issues With Provision Of Market Fee

- FPTC states that no market fee or cess or levy (applicable under any State APMC Act or any other State law) shall be levied on any farmer or trader for trade in a 'trade area'.
- Under the existing system, such charges in states like Punjab come to around 8.5% — a market fee of 3%, a rural development charge of 3% and the arhatiya's commission of about 2.5%.
- As per the government, removal of market fee will reduce the cost of transaction and will benefit both the farmers and the traders.

- However, the protestors claim that this provision does not provide a level playing field to APMC mandis and by removing the fee on trade, the government is indirectly incentivising big corporates.
- The corporates will use this difference to offer better prices to farmers in the initial days and when the APMC mandi system will collapse in some time, the corporates will monopolise the trade.

#### **Issues With Provision Of Dispute Resolution**

- The protestors say that the provision on dispute resolution does not sufficiently safeguard farmers' interests. As per the provision, in case of a dispute arising out of a transaction between the farmer and a trader, the parties may seek a mutually acceptable solution through conciliation by filing an application to the Sub-Divisional Magistrate.
- The Sub-Divisional Magistrate will refer the dispute to a Conciliation Board to be appointed by him, for the settlement of the dispute.
- Farmers claim that the bill does not allow farmers to approach a civil court and fear that the proposed system of conciliation can be misused against them.

#### **Issues With Provisions On Essential Commodities**

- The provisions under this will allow private players to buy the produce in harvest season when prices are generally lower, stock it, and sell it when prices increase. Thus, it will harm the farmers and will only benefit the middlemen and the traders.
- Small and marginal farmers will suffer the most as they depend immensely on intermediaries to sell produce.

#### **Analysis**

- Majority of agricultural marketing already happens outside the mandi network, with only 7,000 APMC markets operating across the country. Bihar, Kerala and Manipur do not follow APMC system at all.
- The Centre only purchases paddy, wheat and select pulses in large quantities, and only 6% of farmers actually sell their crops at MSP rates, according to the 2015 Shanta Kumar Committee's report.
- However, most private buyers are currently small traders at local mandis. The removal of stock limits and facilitation of bulk purchase and storage could bring large corporate players into the agriculture space.
- Although they will bring much-needed investment, they could also skew the playing field, with small farmers unlikely to match them in bargaining power.
- Further, there are innumerable past examples when the government's decision to protect the consumers from higher prices have resulted in farmers being robbed of the higher prices a free market could have provided them.

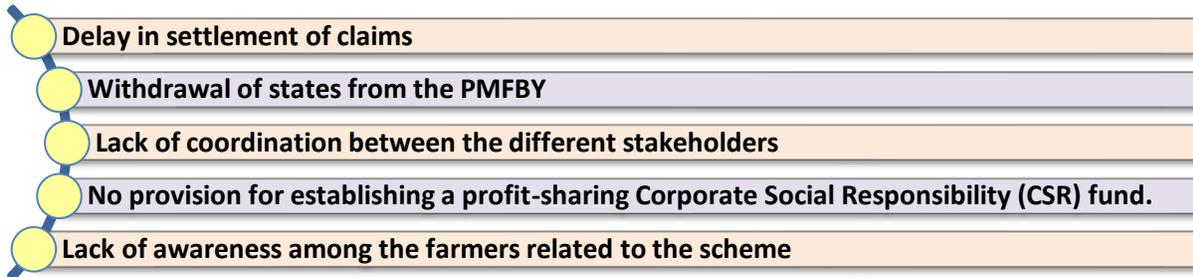
#### **Way Ahead**

- There is evidence that mere liberalisation does not lead to private investment in new markets. When Bihar removed the APMC system, markets suffered loss of fee revenue, with no significant private investments in the sector.
- If the Centre's intent is to strengthen competition, it should massively fund the expansion of the APMC market system, remove trade cartels, and provide farmers good roads, logistics of scale and real time information.
- Rather than opt for heavy centralisation, the emphasis should be on empowering farmers through State Farmers Commissions recommended by the National Commission on Farmers, to bring about a speedy government response to issues.

- Without strong institutional arrangements, laissez-faire policy may harm lakhs of unorganised small farmers, who have been remarkably productive and shored up the economy even during a pandemic.

### 5 years of Pradhan Mantri Fasal Bima Yojana

The Parliamentary Standing Committee on Agriculture presented a report on Pradhan Mantri Fasal Bima Yojana and highlighted the major issues like:



### Other Findings

- **For Farmers:** Around 72.5 million farmers have benefited from the scheme between April 2016 and December, 2020.
- **Private companies profit:** Private enterprises have grown by more than 30% in the last four years. Many businesses profit by 60 to 70%.

### Recommendations Made By The Committee

- It called for local public representatives such as members of Parliament and legislative assemblies to be nominated in District Level Grievance Redressal Committees (DGRCs). This would ensure the accountability of concerned stakeholders and enhance the acceptability of PMFBY amongst farmers
- The ministry should also provide a toll-free number of three-four digits for **queries** regarding PMFBY, registration of complaints by farmers and information regarding action taken on their complaints.
- It also urged the popularisation of the number and added that complaints were to be attended in a time-bound manner for effective implementation of PMFBY.
- Spend profits on CSR: The companies should spend a set amount on rural development under CSR.
- Andhra Pradesh, Telangana, Jharkhand, and Gujarat refused to participate in the plan for the 2020 Kharif season. The committee urged the Centre to find out their grievances.

### Revamping of Pradhan Mantri Fasal Bima Yojana (PMFBY)

- The Union Cabinet, in Feb 2020, has approved revamping of PMFBY and Restructured Weather Based Crop Insurance Scheme (RWBCIS) to address existing challenges in implementation of Crop Insurance Schemes.
- At present, under PMFBY and RWBCIS, farmers pay a premium of 2% of the sum insured for all foodgrains and oilseeds crops of Kharif; 1.5% for all foodgrains and oilseeds crops of Rabi; and 5% for all horticultural crops.
- The difference between actuarial premium rate and the rate of insurance premium payable by farmers, which is called the Rate of Normal Premium Subsidy, is shared equally between the Centre and the states.
- However, states and Union Territories are free to extend additional subsidy over and above the normal

subsidy from their budgets.

- PMFBY has been criticised by a wide variety of stakeholders. Farmers groups have claimed that private insurance companies have made windfall gains on the scheme.
- Several major insurers, have opted out of the scheme in 2019-20, reportedly due to losses because of high claims ratios. The scheme mandates that if the farmers do not get their claim within the specified time, the insurance companies must pay a penalty of 12% interest.

#### **Changes In The Schemes**

- Enrolment in the two schemes has been made **voluntary** for all farmers, including those with existing crop loans. When the PMFBY was launched in 2016, it was made mandatory for all farmers with crop loans to enrol for insurance cover under the scheme.
- Until now, there was no upper limit for the central subsidy. However, the Cabinet has decided to cap the Centre's premium subsidy under these schemes for premium rates up to 30% for unirrigated areas/crops and 25% for irrigated areas/crops. Districts having 50% or more irrigated area will be considered as irrigated area/district.
- Further, Central share in premium subsidy for north eastern states, will be increased to 90% from the existing sharing pattern of 50:50.
- States have been given flexibility to implement the schemes with option to select any or many of additional risk covers/features like prevented sowing, localised calamity, mid-season adversity, and post-harvest losses. Earlier, these risk covers were mandatory.
- Further, States/UT can offer specific single peril risk/insurance covers, like hailstorm etc, under PMFBY even with or without opting for base cover.
- The allocation of business to insurance firms through tender process for both the schemes would be done for three years as against the current policy of one to three years.
- The Cabinet also approved provisioning of at least 3% of the total allocation for the scheme to be made by the Centre and implementing state governments for administrative expenses.
- States can also choose how to calculate the sum insured for any crop in any district, opting either for the scale of finance or a value based on notional average yield multiplied by MSP.
- For estimation of crop losses/admissible claims in the PMFBY, two-step process will be adopted based on defined deviation matrix using specific triggers like weather indicators, satellite indicators, etc, for each area along with normal ranges and deviation ranges. Only areas with deviations will be subject to crop cutting experiments (CCEs) for assessment of yield loss.
- Technology solutions like Smart Sampling Technique (SST) and optimization of number of CCEs would be adopted in conducting CCEs. In case of non-provision of yield data beyond cut-off date by the States to implementing insurance firms, claims will be settled based on yield arrived through use of technology solution.
- Also, a separate scheme is being developed to provide financial support and effective risk mitigation tools through crop insurance especially to 151 districts which are highly water stressed including 29 which are doubly stressed because of low income of farmers and drought.

#### **Impact Of The Changes**

- With these changes, it is expected that farmers would be able to manage risk in agriculture production in a

better way and will succeed in stabilizing the farm income.

- Further, it will increase coverage in north eastern region enabling farmers of NER to manage their agricultural risk in a better way. These changes will also enable quick and accurate yield estimation leading to faster claims settlement.
- Currently, the Centre and States split the balance of the premium equally among themselves. However, the revamp now reduces the burden on the Centre and increases the share of States, as they will be left to take on 70-75% of the premium subsidy.
- In the north-eastern States, however, the balance will swing the other way, with the Centre agreeing to take on 90% of the premium subsidy.

## Technology

### 5th National Science and Technology Policy

- The Department of Science and Technology (DST) has released the draft 5<sup>th</sup> National Science, Technology, and Innovation Policy (STIP).
- The objective of the policy is **to identify and address strengths and weaknesses of the Indian STI ecosystem** to catalyse socio-economic development of the country and also make the Indian STI ecosystem globally competitive.
- The STIP will be guided by its **Broad Vision** of:
  - Achieve technological self-reliance and **position India among the top three scientific superpowers** in the decade to come.
  - Attract, nurture, strengthen and retain critical human capital through a **'people centric' STI ecosystem**.
  - **Double the number of Full-Time Equivalent (FTE) researchers, Gross Domestic Expenditure on R&D (GERD)** and private sector contribution to the GERD every 5 years.
  - **Build individual and institutional excellence in STI** with the aspiration to achieve the highest level of global recognitions and awards in the coming decade.
- The new policy, STIP, revolves around the core principles of being:



It aims to bring in the **concept of 'dynamic policy' with a robust policy governance** mechanism incorporating features such as implementation strategy, periodic review, policy evaluation, feedback, and adaptation, and most importantly, a timely exit strategy for various policy instruments.

- STIP 2020 policy formulation framework involves **4 detailed tracks of activities**:
  - i) **Track-I involves extended public and expert consultation** with larger public participation.
  - ii) **Track-II involves focused experts-driven thematic group** consultations to feed evidence-informed recommendations into the policy drafting process.

- iii) **Track-III connects ministries, departments,** and states to this policy process through a designated nodal officer.
- iv) **Track-IV** brings institutional coherence by integrating inputs from all the tracks. This track is the **binding force that draws upon the apex-level multi-stakeholder** engagement at the national as well as global levels.
- The policy also envisages the formation of an **STI Development Bank** for direct investments on various long and medium-term projects in select strategic areas, commercial ventures, start-ups, technology diffusion and licensing.
- The **lesbian, gay, bisexual, transgender, queer (LGBTQ+) community will be included in gender equity conversations** with special provisions to safeguard its members' rights and promote their representation and retention in STI.
- The STIP will lead to the establishment of a **National STI Observatory** that will act as a central repository for all kinds of data related to and generated from the STI ecosystem.

#### Earlier Science Policy

- The **Science Policy Resolution 1958 (SPR 1958)** aimed to “foster, promote and sustain” the “cultivation of science and scientific research in all its aspects”.
- The **Technology Policy Statement 1983 (TPS 1983)** emphasized the need to attain technological competence and self-reliance, with the objective to “integrate programmes of socio-economic sectors with the national R&D system and the creation of a national innovation system”.
- The **Science and Technology Policy 2003 (STP 2003)** brought the benefits of Science and Technology to the forefront and focused on the investment required for research and development along with the national innovation system.
- The **Science, Technology, and Innovation Policy 2013 (STIP 2013)** focused on the large demographic dividend and set the paradigm “**Science technology and innovation for the people.**”

#### DNA Technology (Use and Application) Regulation Bill, 2019

- Members of Parliament have filed dissent notes to the Parliamentary Standing Committee’s report on **DNA Technology (Use and Application) Regulation Bill 2019**, claiming that it does not take into account their **concerns over privacy violations.**
- The DNA Technology Regulation Bill was introduced in the Lok Sabha in July 2019. The Bill was then referred to the **Parliamentary Standing Committee on Science and Technology.**
- The primary intended purpose of the bill is for **expanding the application of DNA-based forensic technologies** to support and strengthen the justice delivery system of the country.

#### Provisions of The Bill

- The Bill seeks to regulate use and application of DNA technology **for the purposes of only establishing identity of certain categories of persons**, including victims, offenders, suspects, under trials, missing persons and unknown deceased persons and related matters.
- **Use of DNA Data:** Under the Bill, DNA testing is **allowed only in respect of matters listed in the Schedule to the Bill.** These include offences under the **Indian Penal Code, 1860, and for civil matters** such as paternity suits. Further, the Schedule includes DNA testing for matters related to establishment of individual identity.

- **Consent for DNA sample:** No consent would be needed for collecting bodily substances for DNA profiling for offences punishable with **more than seven years of imprisonment or death penalty**.
- **DNA Data Bank:** The Bill provides for the establishment of a **National DNA Data Bank and Regional DNA Data Banks**, for every state, or two or more states.
  - DNA laboratories are required to share DNA data prepared by them with the National and Regional DNA Data Banks.
  - Every Data Bank will be required to maintain indices for the following categories of data:



- **DNA Regulatory Board:** The Board would be **headed by a secretary level officer** and comprise experts in the fields of biological sciences, forensic and legal matters and representatives from various investigating and police agencies like the DG of NIA, Director of CBI, DGP of a state on rotational basis and National Human Rights Commission.
- **No court would have jurisdiction** to entertain any suit or proceeding in any matter for which the Board is empowered.
- **Removal of profile:** The Bill provides for removal of DNA profile, through written request, **for a person who is neither an offender nor a suspect** but whose DNA profile is entered in the crime scene index or missing persons' index of DNA Data Bank.
- **Offences and penalty:** The Bill specifies penalties for various offences, including: (i) for disclosure of DNA information, or (ii) using DNA samples without authorization.

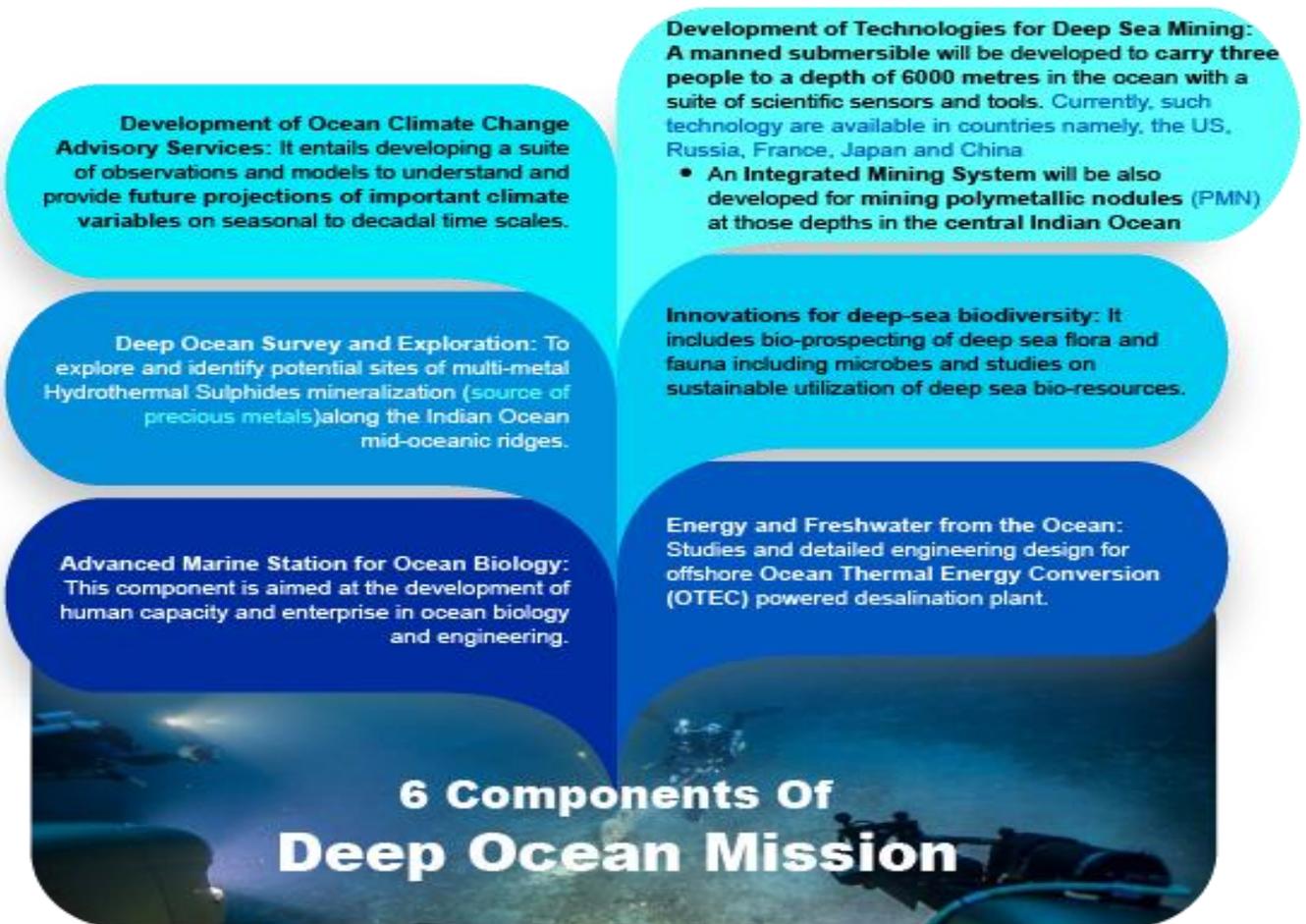
#### **Associated Concerns**

- The DNA profiles can **reveal extremely sensitive information** of an individual such as pedigree, skin colour, behaviour, illness, health status and susceptibility to diseases. Access to such intrusive information can be misused to **specifically target individuals and their families with their own genetic data**.
- While there is a good case for a DNA database of convicts, so that repeat offenders may be easily identified, there is **no legal or moral justification for a database with DNA of the other categories** given the high potential for misuse.
- The Bill refers to consent in several provisions, but in each of those, a **magistrate can easily override consent**, thereby in effect, making consent perfunctory. There is also no guidance in the Bill *on the grounds and reasons of* when the magistrate can override consent.
- The Bill also provides that **DNA profiles for civil matters** will also be stored in the data banks, but **without a clear and separate index**.
- In the **absence of robust data protection legislation**, the security of a huge number of DNA profiles that will be placed with the National DNA Data bank and its regional centres is questionable.
- DNA testing is currently being done on an extremely limited scale in India. The **standards of the laboratories are not monitored or regulated**.

**Deep Ocean Mission**

- The Cabinet Committee on Economic Affairs has approved the proposal of "Deep Ocean Mission". The aim is to **explore deep ocean for resources** and **develop deep-sea technologies** for sustainable use of ocean resources. The estimated cost of this mission mode project will be Rs. 4077 crore **for a period of 5 years** to be implemented in a phase-wise manner.
- The **Ministry of Earth Sciences (MoES)** will be the nodal ministry for implementing the multi-institutional mission. Private institutions will be included in the development of technologies for this mission to explore the possibilities of mining, biodiversity, energy, freshwater etc. in the deep ocean and to support the 'blue economy'.
- These technological developments are funded under an umbrella scheme of the government – called **Ocean Services, Technology, Observations, Resources Modelling and Science (O-SMART)**.

**Six Components Of The Mission**



- The United Nations (UN) has declared **2021-2030 as the Decade of Ocean Science for Sustainable Development.**
- India has a unique maritime position -its **7517 km long coastline** is home to **nine coastal states** and 1382 islands.

- India has been allotted a site of 75,000 square kilometres in the Central Indian Ocean Basin (CIOB) by the UN International Sea Bed Authority for exploitation of polymetallic nodules (PMN).
  - India was the first country to receive the status of a '**Pioneer Investor**' in 1987 and was given an area of about 1.5 lakh sq km in the **Central Indian Ocean Basin (CIOB)** for nodule exploration.
  - In 2002, India signed a contract with the ISA and after complete resource analysis of the seabed 50% was surrendered and the country retained an area of 75,000 sq km.
- In September 2016, India signed a **15-year contract** with the International Seabed Authority (**ISA**) for exploration of **Poly-Metallic Sulphides (PMS)** in the Indian Ocean.

### Challenges

- **Environmental Impact**
  - ✓ According to the IUCN, these deep remote locations can be home to unique species that have adapted themselves to conditions such as poor oxygen and sunlight, high pressure and extremely low temperatures. **Such mining expeditions can make them go extinct** even before they are known to science.
  - ✓ The deep sea's biodiversity and ecology remain poorly understood, making it difficult to assess the environmental impact and frame adequate guidelines, and carry out EIA (Environment Impact Assessment).
  - ✓ Additional concerns have been raised about the **noise and light pollution from the mining vehicles** and **oil and chemical spills from the operating vessels**.
- **Economic Viability:** The latest estimate from the ISA says it will be commercially viable only if about three million tonnes are mined per year.
- **Concerns regarding the sediment plumes:** There have been concerns regarding the sediment plumes that will be generated as the suspended particles can rise to the surface, harming the filter feeders in the upper ocean layers.

### Copyright Regime And Recent Amendment To Copyright Rights

Copyright is a type of intellectual property. It gives the owner exclusive right to make copies of his or her creative work. It includes -

- **Literary works** - computer programs, tables and compilations including computer databases which may be expressed in words, codes, schemes or in any other form, including a machine readable medium.
- Dramatic, musical and artistic works.
- Cinematographic films and sound recordings.
- The right of adaptation, right of reproduction, right of publication, right to make translations, communication to public etc.

Copyright comes into existence as soon as a work is created. No formality is required for acquiring protection. But it is advisable to apply for registration of copyright for its evidentiary value. According to World Intellectual Property Organization, Copyright protects two types of rights.

**Economic rights**

- Allow the owners to derive financial reward from the use of their works.

**Moral rights**

- Allow authors to take certain actions to protect their link with their work.

Copyright Regime in India-Copyright regime of India is governed by **Copyright Act, 1957** and the **Copyright rules 2013**. The Copyright Rules, 2013 was last amended in the year 2016. Copyright rules, 2013 deals with following provisions:

**The main objectives of Copyright (amendment) rules, 2021**

- To ensure smooth and flawless compliance in the light of technological advancement in digital era.
- New rules will help India adopt towards electronic means as primary mode of communication.
- It is highly important to achieve the goals of Digital India.
- To bring the existing rules in parity with other relevant legislations.

**Provisions Of Recent Copyright (Amendment) Rules, 2021**

- **Institutional mechanism:** Copyright Board has been merged with Appellate Board. It results in harmonizing the Copyright Rules with the provisions of Finance Act, 2017.
- **Transparency in working of copyright societies-** copyright societies will be required to draw up and make public an Annual Transparency Report for each financial year.
- **Simple Compliance for software works –** As per new rules, the applicant has the liberty to file the first 10 and last 10 pages of source code or the entire source code if less than 20 pages, with no blocked out or redacted portions.
- **Publication in official gazette:** A new provision regarding publication of a copyrights journal has been incorporated, thereby eliminating the requirement of publication in the Official Gazette. The said journal would be available at the website of the Copyright Office.
- **Powers to High Courts:** New rules replace powers in favour of the Intellectual Property Appellate Board (IPAB) from the Copyright Board but due to newly Tribunals Reforms (Rationalization and Conditions of Service) Ordinance, 2021 that has abolished the IPAB, all the powers that are supposed to vest with the IPAB are actually vesting with the High Courts.
- **Time limit:** time limit for the Central Government to respond to an application made before it for registration as a copyright society is extended to 180 days for comprehensive examination.

- **Accountability and transparency** in Copyright Regime- new provisions have been introduced to deal with the **undistributed royalty amounts** and use of electronic and traceable payment methods while collection and distribution of royalties.
- **More sync with Berne convention** of literary and artistic works, 1886.

Challenges for Copyright Rules in Digital Era	Suggestions
<ul style="list-style-type: none"> <li>• <b>Piracy:</b> One of the most common hazards of our society. In our daily life, we come across so many websites, posts, research works, movies, songs, games, softwares etc. which are copied and sold in the market at the lowest price. This practice not only affects the original owner’s hard work but also the nation’s economy.</li> <li>• <b>Reproducing work in digital domain:</b> The facility of reproducing and disseminating copyrighted works via the <u>Internet at zero cost</u> pose a great challenge.</li> <li>• <b>Public V/s Private domain:</b> The Copyright Act of 1957 provided for distinction between the <u>reproduction of particular content in public and private domain</u> but since one person can transfer material to several people through the internet, the copyright laws regarding public and private spaces have become difficult to enforce.</li> <li>• <b>Issue of Enforcing Liability:</b> To determine where the liability lies to enforce punishment against the offender. However, there can be involvement of several people in one issue related to copyright infringement over the internet. For example thousands of people are involved in illegal uploading and downloading of a movie/song.</li> <li>• <b>Lack of legislative harmony:</b> There is a lack of harmony between the state IPR laws about copyright violation on the internet.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Legal Approach:</b> There is a need for new approach through legalisation of certain practices in order to ensure that the copyright system continues to fulfil its basic function i.e., protection of creators and encouragement of creativity.</li> <li>• <b>Harmonization of state laws:</b> It is important to have uniformity in the domestic cyber laws regarding copyright breach.</li> <li>• <b>Determination of liability:</b> There are several cases where it is difficult for the courts to decide who exactly will be liable in case of copyright violation. Therefore, it is important to have clear cut rules that govern liability in cases where multiple countries are involved.</li> <li>• <b>Human resource capability:</b> There is a huge need of well skilled and trained human resource that can detect copyright infringement and can stop it as well as enforce legal protection.</li> </ul>

## Environment And Biodiversity

### Glasgow Climate Change Conference (COP 26)

This COP also marks **five years** of COP21 when a landmark Paris climate agreement was signed in 2015, in which countries pledged to work hard to keep warming below 1.5°C.

#### COP26 Goals

According to UNFCCC, COP26 will work towards four goals:

<p><b>Secure global net-zero by 2050 and keep 1.5 degrees within reach</b></p> <ul style="list-style-type: none"> <li>• Countries are being asked to come forward with ambitious 2030 emissions reductions targets that align with <b>reaching net zero</b> by middle of the century</li> </ul>	<p><b>Adapt to protect communities and natural habitats</b></p> <ul style="list-style-type: none"> <li>• Countries will work together to protect and restore ecosystems and build defences, warning systems and resilient infrastructure and agriculture to avoid loss of homes, livelihoods and even lives.</li> </ul>	<p><b>Mobilise Finance</b></p> <ul style="list-style-type: none"> <li>• Developed countries must make good on their promise to mobilise at least <b>USD100 Bn</b> in climate finance per year.</li> </ul>	<p><b>Work Together to Deliver</b></p> <ul style="list-style-type: none"> <li>• Work together to frame a list of <b>detailed rules</b> that will help fulfill Paris Agreement.</li> </ul>
---	---	---	---

**What Does The UK - Host Of Conference - Want From COP26?**

It described aims for this COP as “**coal, cars, cash and trees.**”

- All countries should be committed in such a way that effort should be made to eliminate the most polluting fossil fuel.
- All countries should move to electric power engines by phasing out the international combustion engines.
- All countries should raise cash so that they can reduce the damage caused by climate change in developing countries as well as help in the energy transition.
- All countries should stop deforestation, along with this we should also find out rules for pricing and trading of carbon at the global level.

**Challenge Ahead To Meet COP 26 Goals**

- Even today coal is used on a large scale in the world because it is cheap, which is a big reason for climate change. But due to economic reasons, countries are still afraid to adopt new alternatives to coal.
- **Talanoa dialogue** was launched in COP23, a process designed to help countries implement and increase their Nationally Determined Contributions (NDCs) by 2020 but many countries failed to do so before the deadline.
- The carbon market, which was established under the **Paris Agreement**, for which no rules have yet been set, developing countries has several million unsold carbon credits. The rules and verification process that have been created is not very strong.
- Multilateralism is necessary to deal with climate change where there is cooperation between many countries in pursuit of a common goal but nowadays countries are focusing more on their own development, due to which somewhere climate change is being ignored.

**Why Are We So Focused On Climate Change?**

- UN Intergovernmental Panel on Climate Change’s (IPCC) latest report, released in August 2021, warns in its strongest word those human activities that have clearly warmed the planet and that climate change is now widespread, rapid and intensifying.
- Scientists explain how climate change is fueling extreme weather events like flooding, severe heat waves,

**Are Countries On Track To Meet International Climate Goals?**

- UN warned in September 2021 that countries’ revised targets were too weak and would leave the world on pace to warm 2.7 C by the end of the century.
- China, the world’s largest emitter, has not submitted its NDCs. Major fossil fuel producers such as Saudi Arabia, Russia,

droughts, loss and extinction of species, melting of ice sheets & rising of sea levels.

- There are already enough GHG emissions in the atmosphere and they remain there long enough. Even if countries reduce their emissions, the world will experience rising temperatures through at least mid-century.

and Australia seem unwilling to strengthen their commitments.

- Brazil has increased deforestation of the Amazon, the world's largest rainforest and crucial for biodiversity and removing carbon dioxide from the atmosphere.

**Steps Taken By India To Meet International Climate Goals**

- India has reduced **emissions intensity of GDP by 21%** and is on track to achieve the **goal of 35% emissions reduction** as promised in Paris agreement.
- After a long rejection of net-zero target, at the COP26 summit in Glasgow, India pledged to **achieve net-zero emissions** as part of a five-point action plan.
- India, along with UK, launched '**Infrastructure for Resilient Island States' (IRIS)** on the side-lines of the COP 26 climate summit in Glasgow. IRIS is a part of the Coalition for Disaster Resilient Infrastructure (CDRI).
- However, India has **not signed** the **Global Methane Pledge** launched at UN COP26 the aim of which is reducing methane emissions by 30% by the year 2030, as compared to 2020 levels.
- India has leapfrogged from **BS IV to BS VI** for vehicle emission norms.
- India has promised **creation of additional carbon sinks of 2.5 to 3 billion tons of carbon equivalent** through increasing green cover. In last 5 years, India's green cover has increased by 15,000 sq. km.
- India has taken up a target for **restoration of 26 million of degraded land by 2030** during the 14th COP of UN Convention to Combat Desertification in Delhi.
- India has launched **Coalition for Disaster Resilient Infrastructure**, which is a partnership to support countries through knowledge exchange and provide technical support on developing disaster and climate resilient infrastructure.

**Way Forward**

- Net zero pledges need to be **credible, accountable and fair** to get us to a stable climate.
- Not all states will be in a position to pledge net zero targets, nor should they be expected to. All states, including India, can, however, pledge actions that are credible, accountable and fair.
- **Credible short-term commitments, with a clear pathway to medium-term decarbonisation**, that take into account the multiple challenges states face, such as on air pollution, and development, might well be the more defensible choice for some.
- **Issues of fairness and justice**, both between and within generations, are "unavoidable".

<b>India's five-point action plan</b>	
i)	India will reach carbon neutrality by 2070.
ii)	India also raised India's Nationally Determined Contributions (NDCs) of achieving 450 GW non-fossil energy capacity to 500 GW by 2030.
iii)	India will fulfil 50% of its energy requirements from renewable energy sources by 2030.
iv)	It will reduce total projected carbon emissions by a billion tonnes between now and 2030.
v)	India will reduce carbon intensity of its economy by 45%. Under Paris Agreement, India promised to reduce its emissions intensity (emissions per unit of GDP), by 33 to 35% by 2030 compared to 2005 levels.

- The Paris Agreement is a **legally binding international treaty on climate change**. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016.
- Its goal is to **limit global warming to well below 2**, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.
- The Paris Agreement is a landmark in the multilateral climate change process because, for the first time, a **binding agreement** brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects.

#### How Does The Paris Agreement Work?

- The Paris Agreement works on a **5- year cycle of increasingly ambitious climate action** carried out by countries. By 2020, countries submit their plans for climate action known as **nationally determined contributions (NDCs)**.
- To better frame the efforts towards long-term goal, the Paris Agreement invites countries to formulate and submit by 2020 long-term low greenhouse gas emission development strategies (**LT-LEDS**). LT-LEDS provide the long-term horizon to the NDCs. Unlike NDCs, they are not mandatory.
- The Paris Agreement reaffirms that developed countries should take the lead in providing financial assistance, technology development & transfer, and capacity-building to countries that are less endowed and more vulnerable.
- **Progress Tracking:** With the Paris Agreement, countries established an **enhanced transparency framework (ETF)**. Under ETF, starting in 2024, countries will report transparently on actions taken and progress in climate change mitigation, adaptation measures and support provided or received.
- The information gathered through the ETF will feed into the Global stock take which will assess the collective progress towards the long-term climate goals. This will lead to **recommendations for countries to set more ambitious plans** in the next round.

#### Challenges In Achieving Targets

- Although 151 states have indicated that they will submit stronger targets before December 31, **only 13 of them, covering 2.4% of global emissions, have submitted such targets**. States have been slow to update their national contributions for 2025-2030. Thus, the spreads of goals and commitments across the states are not fair and equitable. Every state is not doing its fair share.
- **The IPCC 1.5 degrees Celsius Report** indicated that to stay within a reasonable chance of achieving 1.5 degrees Celsius, global carbon dioxide **emissions have to fall by 45%** from the 2010 levels by 2030. But current national contributions are not on track for such a fall.
- For many there is a **mismatch between short-term actions and long-term commitments**. There is a significant **“overshoot” in terms of GHGs** in the short and medium-term, and a reliance on **negative emissions** (such as carbon dioxide removal) technologies to get there in the long-term.
- **Accountability** under the Paris Agreement is limited. **States are not obliged to achieve their self-selected targets** and there is no mechanism to review the adequacy of individual contributions.
- **The transparency framework** does not contain a robust review function, and the compliance committee is facilitative and limited to ensuring compliance with a short list of binding procedural obligations.

#### Achievements So Far

- Although climate change action needs to be massively increased to achieve the goals of the Paris

Agreement, the years since its entry into force have already sparked low-carbon solutions and new markets.

- More and more countries, regions, cities and companies are establishing carbon neutrality targets. Zero-carbon solutions are becoming competitive across economic sectors representing 25% of emissions. This trend is most noticeable in the power and transport sectors and has created many new business opportunities for early movers.
- By 2030, zero-carbon solutions could be competitive in sectors representing over 70% of global emissions.

### Net Zero Emissions (NZE) Roadmap

- The **International Energy Agency (IEA)** published a report outlining the essential conditions for the global energy sector to reach **net-zero CO<sub>2</sub> emissions by 2050**.
- The NZE is the IEA's first-ever detailed pathway to reaching net-zero carbon dioxide (CO<sub>2</sub>) emissions from energy and industry by 2050. It is described as "**1.5C compatible**".
- It also aims to minimise methane emissions from the energy sector. In recent years, the energy sector was responsible for around three-quarters of global greenhouse gas (GHG) emissions.

### Highlights of IEA NZE Strategy

- **Carbon Budget:** NZE would give a **50 % chance of staying below 1.5C**, with no 'overshoot', if paired with stringent cuts to non-carbon dioxide GHG and emissions from forestry and land use.
- **Fossil Fuel Extraction**
  - In the NZE, the IEA says that **oil demand** never returns to its 2019 peak and declines by nearly 75% from 2020 to 2050. This means continued investment in existing oil fields is sufficient to meet demand. The same is true of natural gas.
  - **Coal** sees a significant decline, with no final investment decisions for new coal plants unless they are equipped with CCS.
  - **Methane leaks** are a major source of emissions from fossil fuel production and the NZE includes a 75% decline in these emissions. This requires the elimination of all technically avoidable methane emissions from fossil fuel infrastructure by 2030.
- **Electricity Supply:** Electrification is key to the NZE, with global electricity demand more than doubling over the next three decades and its share of total final energy consumption reaching 49% by 2050. This demand is expected to be met by renewables.
  - The NZE also sees **pairing of batteries with solar and wind** becoming "commonplace" in the late 2020s, to improve grid flexibility and maintain energy security.
  - Nuclear power is also important in the NZE, with its overall output doubling by 2050. After renewables, it would be the largest remaining source of electricity by 2050.
- **Hydrogen:** The share of low-carbon hydrogen and hydrogen-based fuels in total final energy use worldwide reaches 13% by 2050 in the NZE.
- **Bioenergy:** Bioenergy with carbon capture and storage (BECCS) plays a particularly important role in the NZE as it can be used to offset emissions from otherwise "hard-to-decarbonise" sectors. By 2050, around 10% of bioenergy is used in facilities with CCS, capturing around 1.3GtCO<sub>2</sub>.

- **Transport:** The NZE includes a deadline of no new passenger internal combustion engine car sales globally by 2035. There is also expected to be a role for hydrogen fuel-cells, but mainly for heavy trucks. Ammonia and hydrogen are the main low-carbon fuels for the sector, making up 60% of total energy consumption in 2050.
- **Buildings:** There would be a 2% annual rate of retrofits in emerging and developing countries and by 2050 more than 85% of buildings would be zero-carbon ready, meaning they would be energy-efficient and ready to be powered by renewables.
- **Industry:** Three industries – **steel, cement and chemicals** – emit around 70% of CO<sub>2</sub> from this sector and are, therefore, key to the transition. NZE relies primarily on CCS and, to a lesser extent, hydrogen to decarbonise these industries.
- **Behaviour change:** Around three-quarters of emissions reductions from behavioural changes in the NZE rely on governments introducing policies and developing infrastructure, such as new high-speed railways to encourage cleaner transport options.

### Extinction Rebellion/ Greta Thunberg 'Toolkit' Case

The three activists have been accused of collaborating with a pro-Khalistani group to create a toolkit to 'defame India across the globe on the issue of three agri laws'. The toolkit, first shared by Swedish teenage climate activist Greta Thunberg on February 4, has been claimed as the proof of the Khalistani conspiracy against India by many critics.

#### What is Extinction Rebellion?

- The global movement Extinction Rebellion, also referred to as 'XR', describes itself as a "decentralised, international and politically non-partisan movement using non-violent direct action and civil disobedience to **persuade governments to act justly on the Climate and Ecological Emergency**".
- XR was **launched in the United Kingdom** in October, 2018, as a response to a report by the United Nations Intergovernmental Panel on Climate Change (IPCC), which declared that "**we only have 12 years to stop catastrophic climate change and our understanding that we have entered the 6th mass extinction event**".
- The group uses an **hourglass inside a circle as its logo**, to represent time running out for many species.
- The movement now has a **presence in 75 countries, including India**.



### NITI Aayog's Vision Document For Great Nicobar

- The NITI Aayog has come up with a plan for the "Holistic Development of the Great Nicobar Island".
- The plan aims to develop a new Greenfield city with a diverse and robust economy based on **Maritime services and tourism**.

#### NITI Aayog's Ambitious Master Plan

- The new Greenfield coastal city will be developed as a **free trade zone** to strengthen India's status, economy, trade and tourism.

- The plan entails the development of a **transshipment terminal** with a greenfield international airport, townships and solar and gas-based power plants.

**Significance Of This Plan**

- The primary push for this project has been the vision to turn Andaman & Nicobar Islands into an **economic hub**, strengthening India's presence in the Andaman Sea and the Southeast Asian region.
- This project is to enable India to use its geographical access to **major shipping routes** between East Asia and South Asia and major trade cities like Colombo and Singapore to its leverage and to pocket, a significant share of the regional maritime economy.
- There will be a huge increase in employment opportunities with the launch of the project. From the construction phase to installation, operation and final settlement, the demand for workers from economic drivers will translate into a living population for the area.

**Major Criticism For The Proposed Development Plan**

- **Tribal Rights** - The Proposed Development Plan fails to recognize the rights of the tribal and falls short of expectations, plan does not take consent of tribal population.
- **Relocation in violation of FRA:** People fear that their rights will be denied and will be relocated without prior assessment whether co-existence is possible and exercising forests rights would lead to irreversible damage to the habitat/species
- **Cultural Shock to natives:** Very dangerous repercussion of urbanization can be the degradation of natural habitat in the Tribal Reserve Areas and intrusion of outsiders into Shompen and Nicobarese areas which will render the forest.
- **Environmental threat** - The fear of the loss of tropical forest upon tourist attracted capitalism, contamination of surface or ground water which is limited in source as the rivers that flow is fed by rain and therefore, waste management must be the primary goal to prevent irreparable damage to natural water supplies.

Environment Appraisal Committee (EAC) reported major red flags in the analyses on the 'pre-feasibility' report of 'Holistic Development of Great Nicobar Island'.

Galathea Bay wildlife sanctuary along the southeast coast of Great Nicobar Island is India's most iconic nesting site for leatherback turtles. There nesting site may also be at risk because of the project.

- **Sustainable Development threat** - The islands are one of the few ecologically rich and well-preserved hubs of biodiversity thriving without human intervention. They are geographically already at extreme risk due to rising sea levels. Any further large-scale disturbance like the aforementioned development will push it to the brink of making it completely inhabitable and ecologically robbed.
- **Volatility of the Area** - In the year of 2004 approximately 8-metre-high waves hit the shores of Andaman, as a result of which a lighthouse on Indira Point, got submerged in water. This is a clear indication that the area is extremely volatile and a slight tweak into the normal indices could result in a catastrophe.

**Forest Right Act (FRA), 2006 Could Be Implemented In Right Manner To Safeguard Rights Of Tribal**

- Forest Right Act 2006 recognises the rights of forest-dwelling tribal communities and other traditional forest dwellers to forest resources on which these communities were dependent for a variety of needs. If the rights are violated because of this project, then peoples can raise voice against it.

- For any project, clearance of Gram Sabha is needed. So, in this project there should be transparency in grant from clearance by Gram Sabha, with proper awareness generation among tribal people.
- EIA (Environment Impact Assessment) should be done from third party assessment agency for transparency and accountability.

**Forest Rights Act**

- Livelihood and occupancy rights.
- Rights to water bodies and flora and fauna.
- Settlement and conversion rights.
- Right to conservation.
- Intellectual property rights and traditional knowledge related to biodiversity.
- Rehabilitation and settlements rights

**Way forward**

- The development must be carried out with due regard to tribal rights. This would involve proper adherence to policies like the **Shompen Policy of 2015**, which calls for giving priority to tribal rights over large scale development proposals.
- Construction of infrastructure should be done using **eco-friendly practices** like strict adherence to means Green Rating for Integrated Habitat Assessment (GRIHA) code for building construction.
- NITI Aayog and the agencies participating in planning should maintain **transparency in data**. The government should release the data on the rationale, the process of creation, consulted groups etc. in public domain. This will give a holistic view to critics and supporters.
- Data on Demographic details of tribal population dwelling in the reserved and protected forests to incorporate the changes in past decade.
- India should enhance Cooperation with countries like Japan, South Korea etc. This will help in developing successful island development models.

**SEEA Ecosystem Accounting (SEEA-EA)**

The SEEA-EA is a satellite system of the SNA (System of National Accounts) that consists of several sets of accounts. It will calculate change in environmental assets, services, pollution level of region in a particular time span. SEEA EA constitutes an integrated and comprehensive statistical framework for organizing data about habitats and landscapes, measuring the ecosystem services, tracking changes in ecosystem assets, and linking this information to economic and other human activity. **It will help to find out true value of economic activities of that region. E.g. pollution levels caused by a producing industry can be linked to the specific economics of that industry.**

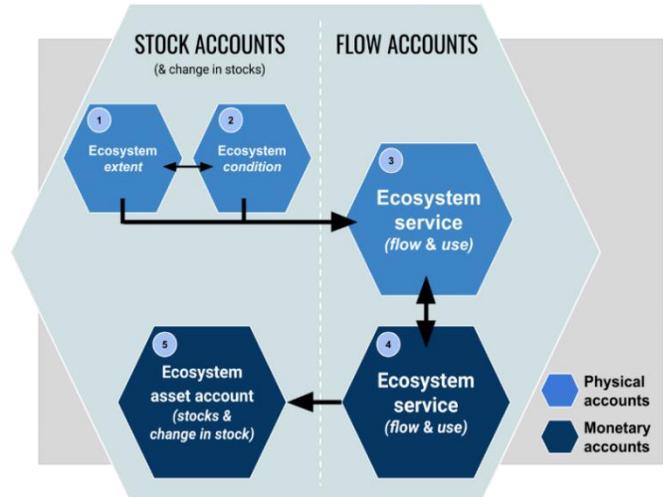
The UN Statistical Commission initiated process of adoption of SEEA-EA. If adopted, it will push nations to incorporate sustainable development in their economic planning and policy decision-making. India is one of the 90 countries that have been in favor of adopting the SEEA-EA after incorporating it in its domestic statistical framework to combat environmental degradation. India's effort was led under the Natural Capital Accounting and Valuation of Ecosystem Services (NCAVES) Project which aims to advance the theory and practice of ecosystem accounting in India.

**Important Characteristics of System of Environmental Economic Accounting (SEEA)-EA**

SEEA EA is built on **4** core accounts.

1. **ECOSYSTEM EXTENT** accounts record the total area of each ecosystem, classified by type within a specified area (ecosystem accounting area). Ecosystem extent accounts are measured over time in ecosystem accounting areas (e.g., nation, province, river basin, protected area) by ecosystem type, thus illustrating the changes in extent from one ecosystem type to another over the accounting period.

2. **ECOSYSTEM CONDITION** accounts record the condition of ecosystem assets in terms of selected characteristics at specific points in time. Over time, they record the changes to their condition and provide valuable information on the health of ecosystems.
3. **ECOSYSTEM SERVICES** flow accounts (physical and monetary) record the supply of ecosystem services by ecosystem assets and the use of those services by economic units, including households.
4. **MONETARY ECOSYSTEM ASSET** accounts record information on stocks and changes in stocks (additions and reductions) of ecosystem assets. This includes accounting for ecosystem degradation and enhancement.



### Benefits of Adopting SEEA-EA

1. It will help countries to reflect “**nature’s true value**” in their policies, plans and economic systems.
2. Easy to calculate Ecosystem Services and more effective for principle of “**LOSS AND DAMAGE**”. E.g. NPA calculation is important whenever Forest clearance needed in Infrastructure projects.
3. More comprehensive way to look beyond GDP as contributions of forests, oceans and other ecosystems—are recognized in economic reporting.
4. It is effective **tool for future path correction** as Natural ecosystems being monitored in spatial and temporal scale. This will ensure Sustainable development.
5. **Even though more than half of global GDP depends on nature**, natural capital has declined 40% in just over two decades, globally. Still countries spend some US\$ 4-6 trillion dollars a year on subsidies that damage the environment. SEEA-EA can pin point target areas to stop such damage.
6. Data from ecosystem extent and condition accounts has been used to monitor progress towards the United Nations Sustainable Development Goals and the strategic objectives of the United Nations Convention to Combat Desertification
7. It can be used to analyze contribution of ecosystems and their services to the economy, social wellbeing, jobs and livelihoods.

### Challenges in Adoption of SEEA-EA

1. Heterogeneous system of resource accounted in different countries.
2. Notion on natural Resource dependency varies with different societies & countries based on stage of economic development. E.g. Slash and burn agriculture is normal way of life for tribal region NE India. But that can be seen as environment damage in advanced economies of western World.
3. Technological knowhow and Finance is one of the key impediments in adoption of SEEA-EA by third world countries.

UN statistical commission should come with a strong strategy for adoption of SEEA-EA to overcome challenges mentioned above. Also like minded countries like India, USA should form technological group for dissemination of technological know-how through National institutional like NSO (National Statistical Organization). A

collaboration with the UN Statistics Division (UNSD) and UN Environment Programme (UNEP) would be helpful to understand ecological services and assets.

Valuation of natural resources is an essential input into both social cost-benefit analysis and SEEA-EA is one of approaches to environmental accounting.

## Plastic Waste Management & EPR Rules, 2021

### Plastic Waste Generation

According to the reports for year 2017-18, Central Pollution Control Board (CPCB) has estimated that India generates approximately **9.4 Million TPA** (tonnes per annum) plastic waste, out of this ~ 60 % (5.6 Million TPA) plastic waste is recycled & **3.8 Million TPA plastic waste is left uncollected or littered**. While recycling stats are 40% higher than global average of 20%, there are no comprehensive methods for plastic waste management.

### Harmful Effects Of Plastic

Ironically, one of plastic's most desirable traits: its durability and resistance to decomposition, is the source of one of its greatest liabilities when it comes to the disposal of plastics. The disposal of plastics is highly problematic areas as natural organisms have a very difficult time breaking down the synthetic chemical bonds in plastic, creating the tremendous problem of the material's persistence.

- **Groundwater And Soil Pollution:** When buried in a landfill, plastic lies untreated for years. In the process, toxic chemicals from plastics drain out and seep into groundwater, flowing downstream into lakes and rivers, causing soil pollution and resulting in presence of micro plastics in soil.
- **Pollution in Oceans And Effect on Marine Species:** Since most of the plastic debris that reaches the ocean remains floating for years as it does not decompose quickly, it leads to the dropping of oxygen level in the water, severely affecting the survival of marine species. When oceanic creatures and even birds consume plastic inadvertently, they choke on it which causes a steady decline in their population.
- **Dangerous For Human Life:** Burning of plastic results into formation of a class of flame retardants called as Halogenes. These harmful chemicals are known to cause severe health problems .

### Environmental Issues On Disposal Of Plastic Waste

- ✓ Burning of plastics generates toxic emissions such as Carbon Monoxide, Chlorine, Hydrochloric Acid, Dioxin, Furans, Amines, Nitrides, Styrene, Benzene, 1, 3- butadiene, CCl<sub>4</sub>, and Acetaldehyde.
- ✓ Lead and Cadmium pigments, commonly used in LDPE, HDPE and PP as additives are toxic and are known to leach out.

### Plastic Waste Management Rules 2016

Government of India notified Plastic Waste Management (PWM) Rules 2016, superseding Plastic Waste (Management & Handling) Rules, 2011. These rules were further amended and named as 'Plastic Waste Management (Amendment) Rules, 2018. Salient features of Plastic Waste Management Rules, 2016 are:

- Applicable to every Waste Generator, Local Body, Manufacturer, Importer, Producer and Brand Owner.
- Carry bags, made of virgin or recycled plastic, shall not be less than **50 microns in thickness**.
- Waste Generators including institutional generators, event organizers shall not litter the plastic waste, shall **segregate waste and handover to authorized agency** and **shall pay user fee** as prescribed by ULB.
- **Local Bodies** shall encourage *use of plastic waste for road construction or energy recovery or waste to oil or co-processing in cement kilns* etc. It shall be responsible for development and setting up of infrastructure for

- waste management which includes segregation, collection, storage, transportation, processing and disposal of the plastic waste either on its own or by engaging agencies or producers.
- State Pollution Control Board (SPCB)/ Pollution Control Committee (PCC)** shall be the authority for enforcement of the provisions of PWM Rules, 2016, relating to registration, manufacture of plastic products and multi-layered packaging, processing & disposal of plastic wastes.

**Plastic Waste Management (2<sup>nd</sup> Amendment) Rules, 2021**

In this amendment, the govt took a **U turn on its stand of banning use of recycled plastic or newspaper** for food items packaging. The 2<sup>nd</sup> amendment came just a few weeks after the notification of the **1<sup>st</sup> amendment**, which listed 20 single-use plastic items to be phased out. **2 new rules** have been added by 2nd amendment which are:



- 1<sup>st</sup> Rule**
  - Assured companies that more single-use plastic products will be added to phase-out list **only after 10 years** from the notification of **1<sup>st</sup> amendment of 2021**, thereby providing a moratorium to big companies to keep polluting
- 2<sup>nd</sup> Rule**
  - To allow the use of **recycled plastics** for food products packaging

**Criticism of Plastic Waste Management (2nd amendment) Rules, 2021**

**Non-Conformity With Previous Laws**

According to Plastic Waste Management Rules 2016, carry bags/Products made of **recycled plastic** shall not be used for storing, carrying, dispensing or packaging **ready to eat or drink foodstuff.**

**FSSAI in 2018** banned use of **recycled plastic or newspaper** for packaging of food items from July 1, 2019.

**Not a part of Draft rules 2021**

**Public discussion** which is the essence of **democracy**, was not done

**Plastic Waste Management (1<sup>st</sup> Amendment) Rules, 2021- Key Features**

**Single-use plastic**

Manufacture, import, stocking, distribution, sale and use of **12 single-use plastic**, shall be **prohibited with effect from the 1st July 2022**

The ban will **not apply to commodities made of compostable plastic.**

**Thickness of plastic bags**

**Polythene bags with thickness less than 50 microns were already banned.** Government chalked out a **phased manner of banning-single use carry bags.**

- Polythene bags under 75 microns and 120 microns will not be allowed** from Sept' 2021 and Dec' 2022, respectively.

This will also allow the reuse of plastic carry due to an increase in thickness.

**Plastic packaging waste**

Not covered under the phase-out of identified single-use plastic items, **shall be collected** through **Extended Producer Responsibility(EPR) of the Producer, importer and Brand owner (PIBO)**, as per Plastic Waste Management Rules, 2016.

Guidelines for EPR have been given **legal force** through Plastic Waste Management 1<sup>st</sup> Amendment Rules, 2021

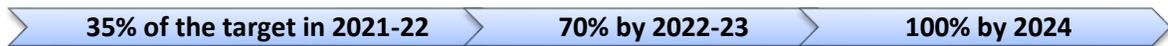
## Implementation

**Plastic Waste Management (1<sup>st</sup> Amendment) Rules, 2021** is to be implemented in three stages starting this year and culminating in mid-2022.

- States/UTs have been requested to constitute a **Special Task Force** for the elimination of single-use plastics and effective implementation of Plastic Waste Management Rules, 2016.
- **National Level Taskforce** has also been constituted for taking coordinated efforts to eliminate identified single-use plastic items and effective implementation of Plastic Waste Management Rules, 2016.

## New Draft Rules for Extended Producer Responsibility (EPR)

- Environment Ministry has issued draft rules that mandate **producers** of plastic packaging material to **collect all of their produce by 2024 and ensure that a minimum percentage of it be recycled as well as used in subsequent supply.**
- It has also specified a system whereby makers and users of plastic packaging can collect certificates — called **Extended Producer Responsibility (EPR) certificates** — and **trade** in them.
- Only a fraction of plastic that **cannot** be recycled such as **multi-layered multi-material plastics** will be eligible to be sent for end-of-life disposal such as road construction, waste to energy, waste to oil and cement kilns, and here too, only methods prescribed by the Central Pollution Control Board will be permitted for their disposal.
- **Targets:** Producers of plastic will be obliged to declare to the government, via a centralised website, how much plastic they produce annually. Companies will have to collect at least :



- **Non-compliance:** Will not invite a traditional fine. Instead an “**environmental compensation**” will be levied, though the rules do not specify how much this compensation will be.

Funds collected in this way will be put in an **escrow account** and can be used in collection and recycling/end of life disposal of uncollected and non-recycled/ non-end of life disposal of plastic packaging waste on which the environmental compensation is levied.

## E-Waste

E-waste consists of all waste from electronic and electrical appliances which have reached their end- of- life period or are no longer fit for their original intended use and are destined for recovery, recycling or disposal.

### E-Waste in India

- India is the **fifth largest** E-waste producing country in the world.
- There are 10 States that contribute to 70% of the total e-waste generated in the country. Among them, Maharashtra ranks first followed by Tamil Nadu, and Andhra Pradesh.
- The main sources of electronic waste in India are the government, public and private (industrial) sectors, which account for almost 70% of total waste generation. The contribution of individual households is relatively small at about 15%, the rest being contributed by manufacturers.
- According to Central Pollution Control Board, **India collected just 10% of the e-waste** estimated to have been generated in the country 2018-19 and 3.5% of that in the generated in 2017-18.

**Concerns**

- The composition of e-waste is diverse and falls under ‘hazardous’ and ‘non-hazardous’ categories. Broadly, it consists plastics, glass, wood and plywood, printed circuit boards, concrete, ceramics, rubber and other items. Iron and steel constitute about 50% of the waste, followed by plastics (21%), non-ferrous metals (13%) and other constituents.
- The presence of elements like lead, mercury, arsenic, cadmium, selenium, hexavalent chromium, and flame retardants beyond threshold quantities make e-waste **hazardous**.
- Some of major health effects include **serious illnesses** such as lung cancer, respiratory problems, bronchitis, brain damages, etc due to inhalation of toxic fumes, exposure to heavy metals.
- E-waste contains over 1,000 toxic materials, which contaminate **soil and groundwater**.

**Why It Is Difficult To Manage E-Waste In India**

- The producers/manufacturers do not have adequate information on their website regarding e-waste management.
- Customer care representatives do not know about their company’s responsibility to take back what they produce.
- Setting up e-waste collection centres for entire India is not economically possible for a company
- Improper enforcement of the existing laws is another hurdle. Though India’s Ministry Of Environment And Forest has made import of e-waste illegal, a fair amount of e-waste is still illegally imported into India.

**What Are The Initiatives Taken By India**

- Until 2011, E-waste was dealt with under the Hazardous Waste Management (HWM) Rules.
- In 2011, the **E-waste (Management and Handling) Rules, 2011** was enacted under the Environmental Protection Act 1986.
- In 2016, the **E-waste (Management) Rules, 2016** was enacted which replaced the 2011 rules and was eventually amended in 2018.
- India’s first e-waste clinic for segregating, processing and disposal of waste from household and commercial units has been set-up in Bhopal, Madhya Pradesh.

<b>E-Waste Management Rules, 2016</b>	<b>E-waste (Management) Amendment Rules, 2018</b>
<ul style="list-style-type: none"> <li>• <b>Over 21 products were included</b> under the purview of the rule. It included Compact Fluorescent Lamp (CFL) and other mercury containing lamps, as well as other such equipment.</li> <li>• For the first time, the rules brought the producers under <b>Extended Producer Responsibility (EPR)</b>, along with targets. Producers have been made responsible for the collection of E-waste and for its exchange.</li> <li>• Various producers can have a separate <b>Producer Responsibility Organisation (PRO)</b> and ensure collection of E-waste, as well as its disposal in an</li> </ul>	<ul style="list-style-type: none"> <li>• The e-waste collection targets under EPR have been revised and are being applied from October 1, 2017.</li> <li>• The phase-wise collection targets for e-waste in weight is 10% of the quantity of waste generation as indicated in the EPR Plan during 2017-18, with a 10% increase every year until 2023. The target from 2023 onwards, shall be 70% of the quantity of waste generation as indicated in the EPR Plan.</li> <li>• Producer Responsibility Organizations (PROs) shall apply to the Central Pollution Control board (CPCB) for registration to undertake</li> </ul>

### Climate Change Impacting Caves Art

Recent IPCC report 2021 mentions that surface temperature of the earth will cross 1.5 degree Celsius over pre industrial era level in next 20 years. This data is alarming. Flood, drought, diseases etc. are result of various direct and indirect effect of climate change. Lately we have discovered the ruthless effect of climate change on ancient caves art.

Caves art is defined as kind of art that is done inside cave walls. Ancient people used different kind of **technique to paint their opinions &** express their mind on wall since they did not have paper and pen.

- Paintings like fresco murals were used in caves like famous caves in Ajanta and Ellora.
- There are abundant paintings and engraving found in caves and shelters dating back to Ice age (upper Palaeolithic age) approximately from 45,000 to 14000 years ago like Maguru Cave in Bulgaria, Cueva de las manos in Argentina.
- There are different types of cave art are abstract signs, figurative painting, and engraving and relief sculpture. World’s oldest cave art was discovered in Indonesia. It is life sized picture of a wild pig painted at least 45,500 years ago.

#### IMPACT OF CLIMATE CHANGE

The art work at Sulawesi cave are **hand stencil** pressing the hand on a cave wall and spraying wet red- mulberry pigment over it. Change of atmosphere around and in cave due to climate change is one of major factor impaction cave art.

Impact of climate change which is eroding ancient art is discussed below:

1. **Change in temperature and humidity:** Repeated change in temperature and humidity caused by alteration of wet and dry weather in the region. That causes flacking of wall of caves destroying caves art.
2. **Formation of salt crystals:** The **calcium sulphate and sodium chloride** (salt crystal) on the rock surface are acting as breaking agent. These salt crystals are formed by the process of **haloclasty**. Flakes of rock have begun to detach from cave surface. It either weather off or separates the part of painting by creating mount like structure.
3. **Disaster induced destruction of caves:** Indonesia has also experienced several natural disasters in recent years like sea level change, torrential rainfall. It has further increased the process of degradation.
4. **ELNino effect:** Climate change induced Droughts because of Rising instances of EL- NINO responsible for degradation of caves.
5. **Climate change induced rise in temperature range** impacting color resistance of Caves painting to alter via increase chemical reactions.

#### MITIGATION STRATEGY to preserve the Cave arts

Cave art is treasurable to mankind and we need to work on saving these ancient paintings effectively.

1. **Regular physical and chemical monitoring of the sites.** We have successful examples from French and Spanish prehistoric caves.

2. **International and national stakeholders should come together** to pool in resources to save world heritage. Governments should work with international organization like UNESCO to pool in resources for preserving the cave art.
3. Restoration and preservation of these cave paintings should be given equal importance as conserving other heritage sites.
4. At national level we can also create **buffer zone around old caves**. Sustainable tourism can help to maintain these national treasures.
5. **Use of technology** to preserve cave art. For example, use of Artificial intelligence to preserve Ajanta caves in digitized form by a firm.

Any kind of ancient art form is window to our ancestor's mind. It gives us perspective of prehistoric life style and helps us to understand their society. This vibrant and long-lasting evidence of the transmission of human thoughts and belief is an important asset to modern world. However, with climate change, it is fearful that these ancient cave arts will not be long lasting any more. Numerous problems like vanishing of painting, flaking of stone are observed. Archaeologists have found caves dating back to Pleistocene era and also housed oldest cave painting of world. So it is highly important to save these artefacts from climate change.

## Disaster Management

### Cloudbursts

#### What is A Cloudburst

- According to India Meteorological Department (IMD), it is a weather phenomenon of short-duration with **unexpected precipitation exceeding 100mm/h** over a geographical region of approximately **20-30 sq km**.
- A study published last year, seeking factors behind the cloudburst over Kedarnath region, showed that during the cloudburst, the relative **humidity and cloud cover was at the maximum level** with low temperature and slow winds.
- It is expected that because of this situation a high amount of clouds may get condensed at a very rapid rate and result in a cloudburst.

#### Why And How Does It Happen?

- Cloudbursts occur because the warm air current from the ground or below the clouds rushes up and carries the falling raindrops up with it.
- The rain fails to fall down in a steady shower and this results in **excessive condensation in the clouds as new drops** form and old drops are pushed back into it by the updraft.
- Then one of them gives in. The air current slows down or the clouds can't hold. The resulting violent **downpour can dump as much as 70,000 tonnes of water** over an acre of land.
- In India, a **cloudburst mostly occurs in the mountains of India** where the low monsoon clouds are stopped by the high mountains. But it may happen elsewhere.

#### Climate Change and Cloudbursts

- Several studies have shown that **climate change will increase the frequency and intensity of cloudbursts** in many cities across the globe.

- The World Meteorological Organization noted that there is about a 40% chance of the annual average global temperature temporarily reaching 1.5°C above the pre-industrial level in at least one of the next five years.
- As **temperatures increase the atmosphere can hold more and more moisture** and this moisture comes down as very intense rainfall for a short duration, resulting in flash floods in the mountainous areas and urban floods in the cities.

### Suggestions

- **Radar Network:** To monitor cloud burst, there is need to have dense radar network over the cloud burst prone areas or one need to have a very high resolution weather forecasting models to resolve the scale of cloud burst.
- A useful model in cloudburst mitigation is **Copenhagen climate adaptation plan** which has organized a cloudburst master plan coupled with concretization plans and creation of canals. The plan is envisioned with a view to cope with the effects of climate change.
- Avoiding constructing settlements in fragile shops and along the streams.
- Imparting training to the rural people for minimizing damage.

### Forest Fires

Forest fires are a recurrent annual phenomenon. Except for periods of precipitation in monsoon and winter, the forests remain vulnerable to wildfires, especially **Chir Pine forests**.

### Causes Of Forest Fire

- Natural causes such as lightning or rubbing of dry bamboos with each other can sometimes result in fires, but forest officials maintain that almost all forest fires can be attributed to human factors.
- When the grass is dry, even a small spark, such as someone dropping a burning matchstick, torchwood or a bidi/cigarette, can cause a massive fire.
- A spark can also be produced when dry pine needles or leaves fall on an electric pole.
- Also, when people burn their fields to clear them of stubble, dry grass or undergrowth, the fire sometimes spreads to the adjoining forest.
- **Fuels of such massive fires:**
  - ✓ The dry leaf litter on the forest ground acts as a ready fuel. Fallen tree leaves, dry grass, deadwood on the forest floor etc. form the surface fuels. Below the loose litter, decaying materials such as humus, wood, shrubs, roots, much and peat can also support the combustion.
  - ✓ Above the surface level, dry standing trees, mosses, lichens, dry epiphytic or parasitic plants etc. can spread the fire to the upper foliage and the tree crowns.

### Measures To Prevent And Control Forest Fires

- **Clearing camping sites of dried biomass**, early burning of dry litter on the forest floor, growing strips of fire-hardy plant species within the forest.
- **Forecasting fire-prone days** using meteorological data is essential.
- **Creating fire lines** in the forests. Fire lines are strips in the forest, kept clear of vegetation to prevent fire from spreading.
- Once a fire starts, **early detection and quick action** by fire-fighting squads is crucial.

**Issue of Desertification of North Eastern States**

The U.N. Convention to Combat Desertification (UNCCD) defines desertification as “land degradation in arid, semiarid and dry sub-humid areas resulting from various factors, including climatic variations and human activities”. Desertification is a type of land degradation in which a relatively dry region becomes increasingly arid, typically losing its water bodies as well as vegetation and wildlife.

According to a report of **ISRO**:

- States of Mizoram, Arunachal Pradesh, Assam, Tripura, Nagaland and Meghalaya are having issue of desertification. Mizoram in the North East has been desertifying at the fastest rate in the country.
- In Arunachal Pradesh, 2.4% of the area underwent degradation or desertification in 2018-19.

According to India Meteorological Department, the northeastern states have been receiving lower rainfall than normal for several years and the distribution is skewed. In 2019, the region recorded a rainfall deficit of 12%. Over half the districts in Arunachal Pradesh, Nagaland, Mizoram experienced deficient precipitation

**Other Reasons of Desertification**

- a) Deforestation:** Without the plants (especially the trees) around, the rest of the biome cannot thrive. Slash and burn agriculture, making house, infrastructural projects are major reasons behind Deforestation.
- b) Stripping the Land of Resources:** If an area of land has Natural resources like natural gas, oil, or minerals, people will come and mine it or take it out. This usually strips the soil of nutrients, which in turn kills the plant life, and eventually leads to the process of becoming a desert biome.
- c) Farming Practices:** Faulty practices like tuber crops on step slopes enhances soil erosion, Intensive use of fertilizers and pesticides responsible for soil degradation which finally takes form of desertification.
- d) Climate Change:** Climate change plays a huge role in desertification. As the days get warmer and periods of drought become more frequent, desertification becomes more and more eminent. Land degradation reduces the soil’s ability to absorb carbon, according to IPCC Special Report. Land degradation and climate change fuel each other. Unless climate change is slowed down, huge areas of land will become desert; some of those areas may even become uninhabitable as time goes on.
- e) Natural Disasters** There are some cases where the land gets damaged because of natural disasters like flash floods, torrential rainfall. That causes desertification in long run.

**Remedial Measures**

- **Traditional knowledge:** Land and water management can be achieved by harnessing traditional knowledge systems which were largely sustainable. The first step towards this can be documentation of local traditional knowledge/ practices related to farming, water conservation, weather forecasting etc.
- **Structural measure to control Soil erosion:** It can be achieved through the use of shelter belts, woodlots and windbreaks. Windbreaks can be constructed with trees and bushes-
- **Water conservation techniques:** North East is a region abundant in rainfall but proper water conservation roadmap is missing. However, with changing climatic conditions and global warming, rain pattern is expected to undergo change. Hence, water conservation techniques like rainwater harvesting, digging ponds and lakes etc. will help in water conservation which in turn would prevent land degradation.
- **Slowly shift from slash and burn agriculture** towards traditional residential agriculture practices through incentivizing those communities by input seeds and technology demonstration.

- **Reclaiming of Deserted badland topography** through Afforestation, use of Gypsum under National Wasteland Development program.

Large parts of the total population of North East reside in rural areas and are dependent on agriculture for their livelihood. Increasing degradation and desertification of land is a threat to all of them. A proper well thought and well laid out plan with community participation is the need of the hour.

**Security**

**Extra Judicial Killings: An Attack On Fundamental Right**

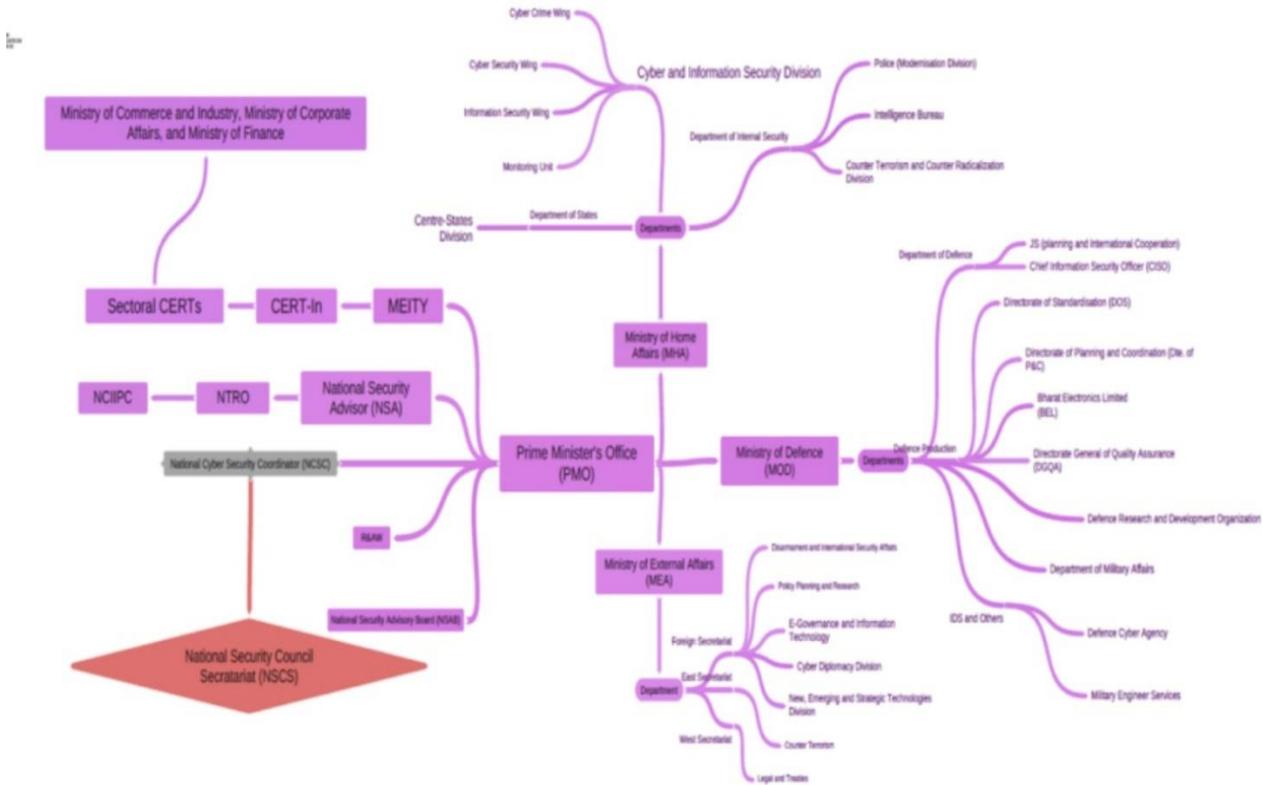
Extrajudicial killings in the form of fake encounters are acts of violence carried out by law enforcement agencies without any judicial authorization. This is usually done by the state to enforce what may be called '**instant justice**' by circumventing the elaborate procedure established through the criminal justice system

<p><b>Supreme Court view</b></p>	<ul style="list-style-type: none"> <li>• In a 2012 landmark judgment, the Supreme Court termed these killings as '<b>state-sponsored terrorism</b>'</li> <li>• SC guidelines give the <b>victims' families the right to move to court</b> if they are dissatisfied with the police investigation</li> </ul>
<p><b>OHCHR Analysis</b></p>	<ul style="list-style-type: none"> <li>• The Office of the High Commissioner for Human Rights (OHCHR) has also observed that the reluctance of the police to <b>inform the families of the victims</b> about the killings and <b>withholding the post mortem reports</b> from them, stands in complete defiance of the SC guidelines.</li> <li>• Family member voices are easily quashed by implicating them in false cases and harassing them with death threats</li> </ul>
<p><b>Attack on Fundamental Rights</b></p>	<ul style="list-style-type: none"> <li>• <b>Article 14:</b> Right to equality &amp; <b>Article 21</b> that protects life and personal liberty</li> <li>• Every person is entitled to a fair investigation and trial under Article 14 and Article 21</li> <li>• In 1978 SC held that any state action which is <b>against principles of natural justice</b> is violative of Article 21</li> <li>• In 2009 SC held that <b>fairness, justice, and reasonableness</b> constitute the essence of the guarantee of life and liberty as enshrined in Article 21</li> <li>• Police assuming the role of the judiciary and executioner without giving a proper chance to the accused to be heard at an appropriate judicial forum, thereby <b>violating the principle of audi alteram partem</b></li> </ul>

**Reasons for Extra Judicial Killings**







- **National Security Council Secretariat (NSCS)** - It is the apex agency looking into the political, economic, energy and strategic security concerns of India.
  - National Cyber Security Coordinator (NCSC) works under NSCS and coordinates with different agencies at the national level for cyber security matters.
- **National Information Board (NIB):** It is entrusted with the responsibility of enunciating the national policy on information security and coordination on all aspects of information security governance in the country.
  - NIB is headed by the National Security Advisor (NSA).
- **National Cyber Coordination Centre (NCCC):** It will be set up by CERT-In and will function under the NIB.
  - Some of the components of NCCC include a cybercrime prevention strategy, cybercrime investigation training, review of outdated laws, etc.
- **National Crisis Management Committee (NCMC):** NCMC, headed by the Cabinet Secretary, is an apex body for dealing with significant crisis incidents that have severe or national ramifications.
  - It will also deal with national crisis arising out of focused cyber-attacks.
- **CERT-IN (Indian Computer Emergency Response Team):** It is a functional organisation to secure Indian cyberspace.
  - It monitors Indian cyberspace and coordinates alerts and warning of imminent attacks and detection of malicious attacks.
- **National Critical Information Infrastructure Protection Centre (NCIIPC):** In January 2014, the Department of Information Technology (DIT) issued a notification announcing the creation of a specialised body to protect India's CII's.

- The NCIIPC was placed under the National Technical Research Organisation (NTRO).

#### **b. Various Ministries involved in Cyber Security**

- **Ministry of Home Affairs (MHA):** Ministry of Home Affairs issues security guidelines from time to time to secure physical infrastructure. Until 2013, cybersecurity fell under the purview of the Home Ministry.
- **Ministry of Defence:** It is the nodal agency for cybersecurity incident response concerning Defence sector. It has also formed the Defence CERT where primary function is to coordinate the activities of services/Mod CERTs.
- **The Ministry of Electronics and Information Technology (MEITY)**
- **The Ministry of External Affairs (MEA)** – It has its own cyber security units to deal with international security, counter terrorism and others.

#### **2. Increased cyber-attack in India**

- As per an official estimate, India suffered a loss of around Rs 1.24 lakh crore in 2020 due to cyber-attacks.
- Cyber-attacks increased by 500% during the pandemic due to adoption of digitisation and India has been one of the most attacked nations. More than 30% attacks were from US.
- A report highlighted the possibility that the power outage in Mumbai, 2020, could have been the result of an attack by a Chinese state-sponsored group.

#### **3. Privacy rights and tracing the origin of cyber attacks**

- Countries like the USA, Netherlands, Germany have strong privacy laws. It becomes difficult to get information about the origin of attacks from these countries.
- These countries were utilised as last hop for the attacks.

#### **4. Ineffectiveness of international rules in tackling ransomware attacks**

- Recently, there was a 150% rise in ransomware attacks. In such attacks, international rules are not helpful.
- Earlier, a group of 32 countries, including India, have come together to handle the ransomware menace. This group is focusing on improving network security and resilience, measures to deal with illicit finance, disrupt networks of criminals and handle cyber diplomacy.
- However, in absence of a robust cyber-security strategy, India is not able to gain much from this alliance.

#### **5. Absence of active cyber defense**

- India does not have active cyber defense in the form of regulation related to data protection.
- Implementing the personal and non-personal data protection law will strengthen the Indian information technology ecosystem, apart from strengthening appropriate protection for personal data.
- EU has General Data Protection Regulation (GDPR); The US has Clarifying Lawful Overseas Use of Data (CLOUD) Act.

#### **What would the Cyber Security Strategy do?**

- It will present an action-oriented plan which would give the objectives.
- It will fix the accountability by mentioning who will deliver that objective.
- It will give funding for the objective and will give a timeline for achievement of that objective.
- National Cyber Security Policy 2013 clarified that **India needs a National Cyber Security Strategy**. However, it is yet to be released. It should be remembered that a clear public posture on cyber security boosts citizen

confidence, helps build trust among allies, and clearly signals intent to potential adversaries, thus enabling a more stable and secure cyber ecosystem.

## Karbi-Anglong Agreement

A **tripartite peace accord** was signed by representatives of the Centre, Assam government and five ultra-groups based in Assam's Karbi Anglong.

### Salient features of the Agreement

#### Development of Karbi Anglong

- A **Special Development Package of Rs. 1000 crores** over 5 years will be given by the Union Government
- Assam Government will **undertake specific projects for the development** of Karbi areas.

#### Greater Devolution of Power

- It proposes to give more legislative, executive, administrative and financial powers to Karbi Anglong Autonomous Council (KAAC).
- It will ensure **focussed development of the Council area, without affecting the territorial and administrative integrity of Assam**

#### Peace and Security in the region

- Over **1000 armed cadres have vowed to abjure violence** and join the peaceful democratic process
- It also provides for **rehabilitation of cadres of the armed groups**

#### Creation of Institutions

- The Government of Assam shall set up a **Karbi Welfare Council** for focussed development of Karbi people living outside KAAC area.
- The **Consolidated Fund of the State will be augmented** to supplement the resources of KAAC

#### Development of Local People

- The agreement will provide **protection of identity, language, culture, etc.** of Karbi people

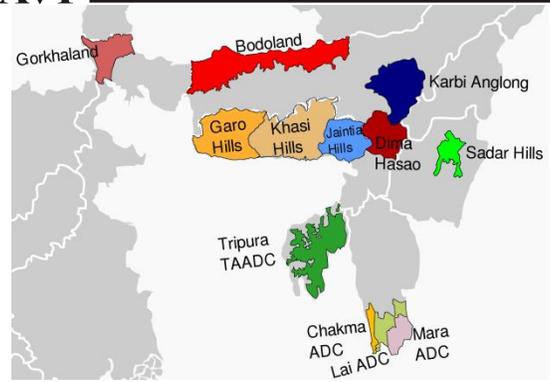
### About Karbi-Anglong

- Karbi Anglong is the **largest district in Assam**, comprising **various tribal** and ethnic groups (Karbi, Dimasa, Bodo, Kuki, Hmar, Tiwa, Garo, Man, Rengma Naga)
- **Karbhis at 46.38% form the majority** of the population. They linguistically belong to the **Tibeto-Burman group**.

**Reasons For The Existence Of Insurgency**

**Tribes and ethnic clashes**

- Several clashes have broken out between various tribes in Karbi over the years.
- In 2014, over 3,000 people from Karbi and Rengma Naga tribes were rendered homeless due to violent clashes that broke out between these two tribes



**Demand for statehood**

- Karbis have been demanding for a **separate state** of Karbi Anglong comprising **two hill districts** — **Kabri Anglong and Dima Hasao**.
- **Other demands of the militant groups are: Incorporate these 5 more demands**

- **Inclusion of some areas into Karbi Anglong Autonomous Council (KAAC)**
- **Reservation of seats for Scheduled Tribes**
- **More powers to the council**
- **Inclusion of Karbi language in the Eighth Schedule**
- **Financial package of Rs 1,500 crore**

**Poor Socio-economic Development**

- Over the years, endless corruption, mismanagement of funds and the failure to devolve power to common people have completely jeopardised the KAAC.
- The present **system of allocation of funds through the state government** has also deprived the council of resources and impeded the development process.
- KAAC has also **not been able to address the concerns of the non-Karbi people** residing in the Karbi Anglong District.

**Karbi Anglong Autonomous Council (KAAC)**

- Karbi Anglong is an **autonomous district under the Sixth Schedule** of Indian Constitution.
- Karbi Anglong is geographically divided into two parts: East Karbi Anglong (EKA) and West Karbi Anglong (WKA), with its administrative headquarters located at Diphu town in EKA.
- On April 01, 1995, **Karbi Anglong District Council (KADC)** was **upgraded to Karbi Anglong Autonomous Council (KAAC)**.

**Draft Drone Rules, 2021**

- Ministry of Civil Aviation has released **The Drone Rules, 2021** for public consultation.
- The new rule is built on a premise of *trust, self-certification, and non-intrusive monitoring*. It will replace the **Unmanned Aircraft System (UAS) Rules 2021** (released in March 2021). The existing UAS Rules 2021, were considered restrictive, as it required a variety of mandatory approvals for operating drones in the country

- The **objective** of the rules is to enable more types of drone operational scenarios, increase the ease of compliance for the drone industry, and ensure safety and security.

**Key Highlights Draft Drone Rules, 2021**

**Approvals Abolished**

Many approvals in the UAS Rules 2021 are proposed to be **abolished in the latest draft**.

- These include approvals such as unique authorisation number, unique prototype identification number, authorisation of R&D organisation, student remote pilot licence, remote pilot instructor authorisation, drone port authorisation etc.
- The number of forms required to operate drones have been reduced from 25 to 6.
- Licence fee has been delinked from drone size and made affordable for all.

**Creation of Digital Sky Platform**

The latest draft rules focused on the creation of 'Digital Sky' platform'. The Digital Sky Platform is the national unmanned traffic management platform in India.

- This platform will a **single-window online system** where most **permissions to own and operate drones will be self-generated**.
- This initiative will provide a secure and a scalable platform that **supports drone technology frameworks, such as NPNT (no permission, no take-off)**.
- It is designed to enable **flight permission digitally** and managing unmanned aircraft operations and traffic efficiently.

**Zones Demarcated**

The draft rule states that an interactive airspace map with green, yellow, and red zones will be displayed on the digital sky platform.

- As per the new rules, in green zones, no flight permission will be required for operations up to 400 feet and up to 200 feet in the area between 8-12 km from an airport perimeter.
- To fly in the yellow zone, a drone pilot will require permission from the air traffic control authority. **Yellow zone has been reduced from 45 km to 12 km from nearby airport perimeter**

**Coverage of Drones**

Coverage of drones under the draft rule has been increased from 300 kg to 500 kg and will cover drone taxis.

**Licensing and Airworthiness**

**No pilot licence will be required for micro drones used for non-commercial use, nano drones and for R&D organizations operating such drones.**

- The system will work on a **unique identification number (UIN)** that can be obtained from the digital sky platform after submitting requisite details.
- Issuance of Certificate of Airworthiness has been delegated to Quality Council of India and certification entities authorised by it.

**Drone Corridor**

The draft rule proposes the development of drone corridors for cargo deliveries. It also talks about setting up of a drone promotion council to facilitate a business-friendly regulatory regime.

- Till now, many tasks were undertaken by light helicopters (e.g: pipeline survey, aerial photography, payload delivery). These tasks may well slip into the hands of drone entrepreneurs.

**Training**

All drone training and testing will be carried out by a DGCA-authorized drone school. DGCA will prescribe training requirements, oversee drone schools and provide pilot licences online.

**Safety Features**

The draft rules also have safety features such real-time tracking beacon, and geo-fencing.

- These are expected to be notified in future and a six-month lead time will be provided for compliance.

**Miscellaneous provisions**

- There will no longer be a ban on the use of drones by foreign-owned companies registered in India. Import of drones and drone components will be regulated by the Directorate General of Foreign Trade (DGFT).
- Maximum penalty under new rules has been reduced to Rs 1 lakh. This shall, however, not apply to penalties in respect of violation of other laws.

**Impact**

- The new rules will make it significantly easier for people and companies to own and operate drones, by streamlining the certification process for manufacturers, importers and users.
- Drones are facilitating the next big technology revolution around the globe with reduced costs, resources and time taken for operations. The new rules will help the country to take advantage of these benefits offered by drones which include speed, safety, economy and reliability.
- It will go a long way to facilitate investments in drone technology in India, and give a boost to the future of technology in the country.

**UNSC Debate on Maritime Security**

PM Modi chaired a high-level **open debate** on maritime security held by UNSC. He became the **first Indian Prime Minister** to preside over a UN Security Council Open Debate.

**Key Facts**

- India assumed the rotating Presidency of the UNSC for the month of August. This was India's **tenth** tenure at the UNSC as President. Last one was in **November 2012**.
- This was the **first time** that **maritime security was discussed** as an exclusive agenda item in such a high-level open debate.

**3 Signature Events Under India's Presidency**

1. Debate on global cooperation for maritime security
2. Debate on UN Peacekeeping Operations
3. Debate on counter-terrorism

**Key Highlights**

**A. Five-point Agenda** forwarded by PM to enhance maritime cooperation are --

- **Removal of barriers to legitimate maritime TRADE**
- **Promoting responsible maritime CONNECTIVITY**
- **Conservation of marine RESOURCES**
- **Fight THREATS from natural disasters, non-state actors**
- **Resolution of maritime DISPUTES peacefully in accordance with international law**

**B. Primacy of the UNCLOS (United Nations Convention on the Law of the Sea)**

- The debate session **highlighted the primacy of the UNCLOS**, which sets out the **legal framework** applicable to activities in the oceans, including countering illicit activities at sea.
  - An **outcome document**, in this regard, was adopted. Initially, China resisted. However, under international pressure, it submitted to asserting the primacy of UNCLOS.
- C. India's Role as the Net Security Provider**
- Indian PM highlighted India's role as the **"Net Security Provider"** for the Indian Ocean region.
  - He referred to Indian Navy's anti-piracy patrolling,

**United Nations Convention on the Law of the Sea**

- It establishes rules governing all uses of the oceans and their resources. It was adopted in December 1982 and came into force in 1994. India became a signatory to the UNCLOS in 1982.
- It divided marine areas into five main zones - **Internal Waters, Territorial Sea, Contiguous Zone, Exclusive Economic Zone (EEZ) & High Seas**.
- It **created three new institutions** - The International Tribunal for the Law of the Sea, The International Seabed Authority, The Commission on the Limits of the Continental Shelf.

India's support to other nations under **SAGAR Doctrine**, hydrographic survey conducted by India & enhancing maritime domain awareness.

UNSC finally **adopted** the first-ever presidential statement on maritime security.

- Member States were asked to consider ratifying, acceding to and implementing the **2000 United Nations Convention against Transnational Organized Crime** and the Protocols thereto.
- UNTOC is also known as the **Palermo Convention** since it was adopted in Palermo in Italy in 2000, entered into force in 2003. India joined UNTOC in 2002
- Called on Member States to implement the **International Ship and Port Facility Security (ISPS) Code**: The ISPS Code is a set of measures to enhance the security of ships and port facilities. It was developed in response to the perceived threats to ships and port facilities after the 9/11 attacks.

### Importance for India

- **Long Maritime Boundary**: With a coastline of over 7,500 km, India has a natural interest in enhancing maritime security. The Indian Ocean region transports 75% of the world's maritime trade and 50% of daily global oil consumption.



- Securing **3 major Sea Lanes of Communication (SLOCs)** through Indian Ocean:



### Efforts By India To Enhance Maritime Cooperation

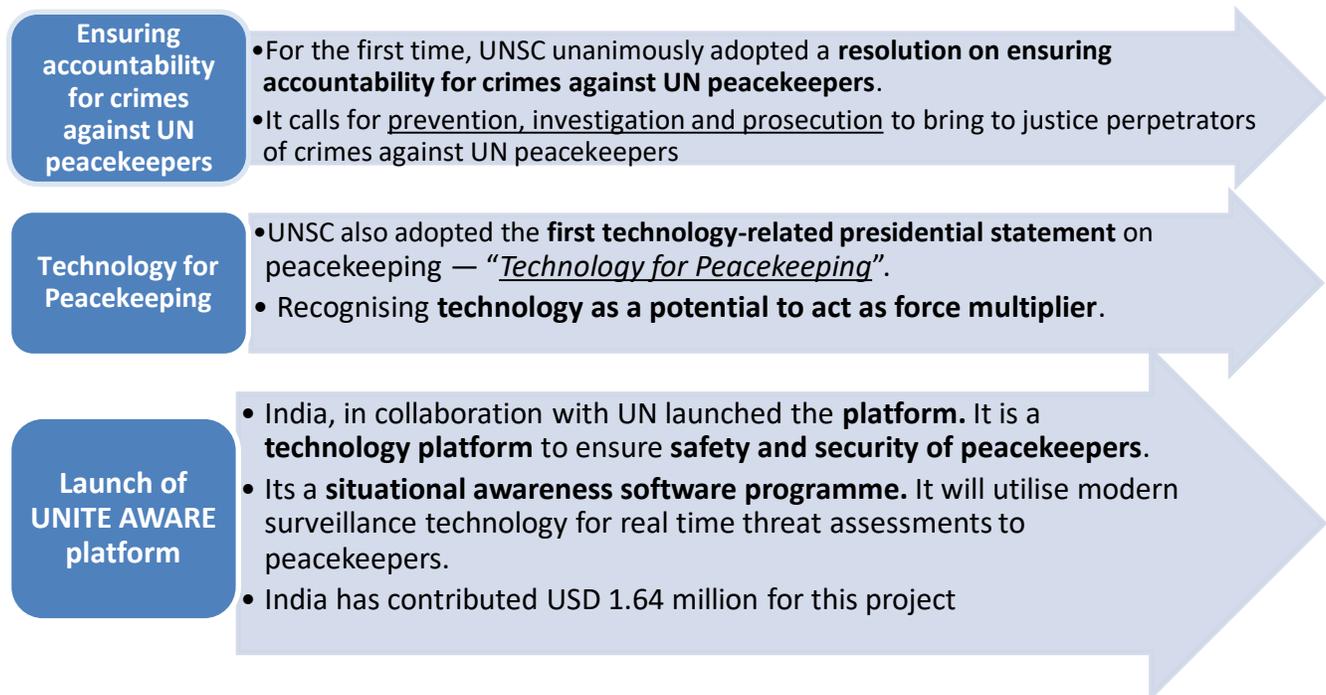
- **Deep Ocean Mission** – Launched in 2021, it proposes to explore the deep ocean similar to the space exploration started by ISRO.
- **Indo-Pacific Oceans' Initiative (IPOI)** - Put forwarded in 2019, it focusses on seven pillars of maritime security including *Maritime Ecology; Maritime Resources; Capacity Building and Resource Sharing; Disaster Risk Reduction and Management; Science, Technology and Academic Cooperation; and Trade Connectivity and Maritime Transport*.
- **White Shipping Information Fusion Centre** established in Gurugram in 2018 for Sharing data on threats to commercial shipping

- **SAGAR** (Security and Growth for All in the Region) - Articulated in 2015, it focusses on cooperative measures for sustainable use of oceans and providing a framework for a safe, secure and stable maritime domain in the region.
- Indian Navy has been **patrolling to counter piracy** in the Indian Ocean since 2008.

### Technology and United Nation Peacekeeping

The United Nations Security Council (UNSC) organised a **high-level open debate on United Nations Peacekeeping Operations under Indian Presidency**.

#### Key Outcomes



**Indian Proposed 4 Point Framework for Protection of UN Peacekeepers (often referred to as Blue Berets or Blue Helmets)**

- 1. Deployment of proven, cost-effective, field-serviceable technologies
- 2. Consistent training and capacity building of peacekeepers in field of technology
- 3. Ensure regular technological improvements for peacekeepers
- 4. Establish a sound information and intelligence foundation for ensuring early warning and mobilising a coherent and early response

#### Why Digital Transformation of UN peacekeeping is Needed?

- Besides increasing the efficiency, it helps the peacekeeping forces to **adapt to changing conflict dynamics**.
- New technologies pose profound threats. These are reflected by the **online proliferation of violent extremist ideologies, cyber-attacks and misinformation**.

- Anonymous actors are able to **target critical infrastructure** such as power stations, hospitals, government facilities etc.

## UN Peacekeeping Operations & India

### Contribution with Troops

- India has been a pioneer in UN Peacekeeping, deploying *more than a quarter of a million troops* over the years in as many as **49 UN Peacekeeping Missions**.
- It has been actively participating in peacekeeping right from 1950 when it supplied medical personnel and troops to the **UN Repatriation Commission in Korea**.
- India has a long tradition of sending women on UN peacekeeping missions. In 2007, India became the first country to deploy an all-women contingent to a UN peacekeeping mission
- It has troop deployment in Lebanon, Golan Heights, Congo and South Sudan in addition to staff officers in other missions.
- Nearly 80% of Indian peacekeepers are deployed in hostile regions such as **Central African Republic and South Sudan in various sections**.
- So far, **174 gallant Indian soldiers have made the supreme sacrifice** over the years, the largest number among troop contributing countries.
- In April 2019, a total of 150 Indian peacekeepers serving with the **UN Mission in South Sudan (UNMISS)** have received **medals of honour**

#### Statistics

- India is **Fifth largest troop contributor** with 5,424 personnel across 9 missions
- India's contribution to the **peacekeeping budget stands at 0.16%**.
- **US has never contributed** with ground troops

### Training and Capacity Development

- **Centre for United Nations Peacekeeping (CUNPK)** set up in September 2000 in New Delhi, to oversee training of contingents earmarked for peacekeeping operations.
- These courses have now been formally **endorsed by Department of Peacekeeping Operations at UN HQ**.
- In 2016, **India and the USA** began a joint annual initiative "**UN Peacekeeping Course for African Partners**".
- In August 2021, an MOU was signed between CUNPK (India) and C4ISR Academy for Peace Operations (UN) for new training modules for UN peacekeepers.

### Other Contribution

- India provided **2,00,000 doses of COVID-19 vaccines** for UN Peacekeeping personnel
- During the pandemic, **India upgraded its hospitals** in UN Mission in South Sudan (**UNMISS**) and United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (**MONUSCO**).

### India's Grievances with UN Peacekeeping Operations

- India believes that the peacekeeping missions cannot be a long-term response to what are fundamentally political problems.
- Hence, it has urged the UNSC to address these issues **rather than burden peacekeeping missions beyond their mandate**.
- Also, UNSC should decide peacekeeping operations within 30 days or a maximum period of 90 days in order to **avoid tragedies because of delays**.

**Conclusion**

Acknowledging India's contribution, **UN secretary general Antonio Guterres** said that it would be an understatement to say that India's contribution to global peace has been remarkable. India's spontaneous and unreserved participation in UN peacekeeping operations is a clear demonstration of the **country's commitment to the objectives set out in the UN Charter**.

**Indigenisation Of Defence**

- 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".

**Issues with Defence Acquisition Framework**

- India's defence acquisition framework has **failed 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, **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 etc.
- These actors are **neither trained** for their assigned **roles nor are they given adequate time to build institutional capacity**.
- So far, there has been **lip service to indigenisation/self-reliance**. Although the DPPs of recent years have tried to address this issue 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.
- These are the **offices of the DG (Acq.)** and **Secretary (Defence Production)** – the latter is responsible for indigenous arms production by both state and private entities. **Lack of convergence** has been observed between these two offices.
- 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.

**Various Measures To Achieve Self-Reliance In Defence Production**

- Two Defence Industrial Corridors have been established in Tamil Nadu and Uttar Pradesh.
- A new category '**Buy {Indian-IDDM (Indigenously Designed, Developed and Manufactured)}**' was introduced in the revised Defence Procurement Procedure to promote indigenous design and development of Defence equipment.
- 'Make-II' category encourages indigenous development by assurance for orders.
- DPSUs and OFB are required to give preference to domestic manufacturers while procuring these items.

- **Defence Investor Cell** has been created in Feb', 2018 to provide all necessary guidance and information to investors, innovators, MSMEs and Start-ups interested in defence manufacturing.
- An innovation ecosystem to foster innovation and technology development in Defence and Aerospace titled Innovations for Defence Excellence (iDEX) has been launched in April, 2018.
- **FDI Policy has been revised** and FDI is allowed under automatic route upto 49% and upto 100% with Government approvals.
- Defence Products list requiring Industrial Licences has been rationised.
- In March, 2019 Government has notified a Policy for indigenization of components and spares used in Defence Platforms.

### Way Forward

- **Creation of the post of Chief Of Defence Staff (CDS)** is a major step towards addressing the issues related to defence acquisition. It will act as the **focal point for drawing up a consolidated procurement plan** for the defence and security forces.
- Also, the draft Defence Procurement Procedure 2020 is a right step forward towards indigenisation of defence equipment.
- By **simplifying the procedure** and **reducing the timeline**, it will go a long way in ensuring probity, transparency and accountability in defence procurement.

### Conclusion

India can learn a lot **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 govt and industry.

#### New Defence Acquisition Policy

- Defence Acquisition Procedure (DAP) will supersede the Defence Procurement Procedure of 2016.
- DAP 2020 has been aligned with the vision Atmanirbhar Bharat and empowering Indian domestic industry through Make in India initiative with the ultimate aim of turning India into a global manufacturing hub

#### Key Highlights

##### I. New Category Buy (Global – Manufacture in India)

- It has been introduced with minimum 50% indigenous content on cost basis of total contract value.
- Only the minimum necessary will be bought from abroad while the balance quantities will be manufactured in India.
- This would be in preference to the 'Buy Global' category as manufacturing will happen in India and jobs will be created in the country.

##### II. Greater Indigenous Content

- It promotes greater indigenous content in arms and equipment procurement. DAP 2020 stipulates 10 % higher indigenisation than DPP 2016.

##### III. Reservations for Indigenous Firms

- The policy reserves several procurement categories for indigenous firms. It defines an "Indian vendor" as a company that is owned and controlled by resident Indian citizens, with FDI not more than 49%.

##### IV. Offset liability

- The offset guidelines have been revised, wherein preference will be given to the manufacturing of complete defence products over components and various multipliers have been added to give incentivisation in the discharge of offsets.
- Also, the policy decided not to have an offset clause in procurement of defence equipment if the deal is done through inter-government agreement (IGA), government-to-government or a single vendor.

##### V. Leasing introduced as a new category

- Leasing has been introduced as a new category for acquisition in addition to existing 'Buy' & 'Make' categories.
- This has been done to get defence equipment at affordable rates. India now can formally take military equipment on lease from a friendly country.
- In fact, India already leases one of its most potent naval combat platforms from Russia — the nuclear propelled attack submarine, INS Chakra.