

1.1. The Global Gender Gap Report 2017**In News**

- The World Economic Forum has released “The Global Gender Gap Report 2017”. India slipped 21 places on the index to 108.
- India’s latest ranking is 10 notches lower than its reading in 2006 when the WEF started measuring the gender gap.
- The Global Gender Gap Report benchmarks 144 countries on their progress towards gender parity across four thematic dimensions: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment.

Key Highlights

- India has closed 67% of its gender gap, less than many of its international peers.
- It has been ranked behind neighbours China and Bangladesh, primarily due to less participation of women in economy and low wages. Bangladesh was ranked 47th while China at 100th in the index.
- The report said that in India, the workplace gender gap is reinforced by extremely low participation of women in the economy (136 out of the total 144 countries covered) and low wages for those who work (136th ranking for estimated earned income).
- India’s greatest challenges lie in the economic participation and opportunity pillar where the country is ranked 139 as well as health and survival pillar where the country is ranked 141.
- According to the report, on average, 66% of women’s work in India is unpaid, compared to 12% of men’s. Unpaid work measures the average minutes spent per day on routine housework, shopping, care for household members, care for non-household members volunteering, travel related to household activities and other unpaid activities for men and women aged 15–64 years.
- The report attributed much of India’s decline on the overall Global Gender Gap Index to a widening of its gender gaps in political empowerment as well as healthy life expectancy and basic literacy.
- At the top of the Global Gender Gap Index is **Iceland**. The country has closed nearly 88% of its gap. It has been the world’s most gender-equal country for nine years.
- Others in the top 10 include Norway (2nd), Finland (3rd), Rwanda (4) and Sweden (5), Nicaragua (6) and Slovenia (7), Ireland (8), New Zealand (9) and the Philippines (10).
- According to the report, the proportion of “unpaid work” per day is far higher for women than men globally.
- As per the report, the global average annual earnings for a female stood at \$12,000, while for a male it was as high as \$21,000.
- For the first time since the WEF began measuring the gap across four pillars — health, education, the workplace and political representation — the global gap has actually widened.
- While much of this imbalance is explained by the discrepancy in care-giving and unpaid work, institutional and policy inertia, outdated organisational structures and discrimination, one additional explanatory factor is the skills differentials in the types of degrees women and men seek out in their education.
- The report mentioned that at the current rate of progress, the global gender gap will take 100 years to bridge, compared to 83 last year.

Reasons For Gender Pay Gap In India**1. Occupational Segregation**

- Preference is given to male workers while recruiting or promoting to senior roles.
- The rate of female participation in the paid labour market is generally low, and is primarily concentrated in rural areas in the agricultural sector.
- Women's participation is also higher in light industries and the unorganized sector, where the wages are usually lower.

2. Cultural Barriers:

- Women are not promoted to seek gainful employment outside their home.
- Due to role stereotyping, childcare, cooking etc. is viewed primarily as women's job.
- It leads to interrupted careers of women (women take career-breaks for certain personal and societal reasons)

3. Education and Training:

- Biased socialization processes do not encourage women to pursue higher education or to upgrade their skills.
- The literacy rate for women in India is far lower than the rate for men, and it has been observed that many girls drop out of school and fail to fully complete their education.

4. Unpaid Work: According to the Human Development Report 1995, women spend about two-thirds of their working time on unpaid work, while men spend only one-fourth of their time towards unpaid labour.

Way Forward

- Introduction of women friendly policies in organisations on voluntary basis can help in improving the situation. E.g. - Very recently, Tata Sons announced a seven months' maternity leave for its women with an extension of up to 18 months.
- Leadership intent to engage women, especially returning women, is crucial. This is 'inclusion in action'.
- Training the hiring team on how to assess women on breaks, how to identify potential and to match the same with the right job is essential.
- Having a clear strategy in place, as well as policies that direct and guide are also critical. But, most important is the realisation that women are a crucial talent pool that needs to be engaged at all life-stages.
- It is also the responsibility of women to stay up-to-date of these changes, and upskill themselves constantly, especially when they need to take career breaks. Women must identify a re-entry path. It could be through an internship (there are many such internships being offered – primary among them being the Tata SCIP programme) or through a second-career programme of a company.

1.2. Deen Dayal SPARSH Yojana Launched To Promote Philately**In News**

- The Government has launched a pan India scholarship program for school children called Deen Dayal SPARSH Yojana to increase the reach of Philately.
- SPARSH - **S**cholarship for **P**romotion of **A**ptitude & **R**esearch in **S**tamps as a **H**obby

Key Highlights

- Under the scheme, it is proposed to award annual scholarships to children of **Standard VI to IX** having good academic record and also pursuing Philately as a hobby through a competitive selection process in all postal circles.
- Every Postal Circle will select a maximum of 40 scholarships representing 10 students each from Standard VI, VII, VIII & IX.
- The amount of Scholarship will be Rs. 6000/- per annum @ Rs. 500/- per month.
- To avail this scholarship, a child must be a student of a recognized school within India and the concerned school should have a Philately Club and the candidate should be a member of the Club.
- In case, the school Philately Club has not been established, a student having his own Philately Deposit Account will also be considered.
- Every prospective school, which participates in the competition, would be assigned a Philately mentor to be chosen from amongst the renowned Philatelists.

About Philately:

- Philately is the hobby of collection and study of Postage stamps. It also entails the collection, appreciation and research activities on stamps and other related philatelic products.
- The hobby of collecting Stamps includes seeking, locating, acquiring, organizing, cataloguing, displaying, storing, and maintaining the stamps or related products on thematic areas.
- Philately is called the king of hobbies because Stamp collection as a hobby has lot of educational benefits - it teaches a lot about the socio economic political reality of the period in which the stamp is issued or the theme on which it is issued.

1.3. Hausla 2017

In News

- The Ministry of Women and Child Development will celebrate the Child Rights Week - Hausla 2017 - from 16th to 20th November, 2017.
- The country celebrates the Children’s Day on 14th November and the International Child Rights Day is celebrated on 20th November every year. The period between the two important events will be celebrated as Child Rights Week.

In News

- The festival will provide an occasion to showcase the talents of children from various child care institutions (CCIs) across the country and provide them with a space to express their dreams and aspiration.
- Children will be participating in various events like Bal Sansad, painting competition, athletics meet, football, chess competition and speech writing.
- Child Reporters from street children’s news magazine “Balaknama” will cover the entire event and publish it in their magazine, with due approval of the content from Ministry.

Child Rights

- Child rights are specialized human rights that apply to all human beings below the age of 18. Universally child rights are defined by the United Nations and United Nations Convention on the Rights of the Child (UNCRC).

- There are four broad classifications of these rights. These four categories cover all civil, political, social, economic and cultural rights of every child. These are:
 - **Right to Survival**, which is inclusive of the child rights to be born, right to minimum standards of food, shelter and clothing, and the right to live with dignity.
 - **Right to Protection**: A child has the right to be protected from neglect, exploitation and abuse at home, and elsewhere.
 - **Right to Participation**: A child has a right to participate in any decision making that involves him/her directly or indirectly. There are varying degrees of participation as per the age and maturity of the child.
 - **Right to Development**: Children have the right to all forms of development: Emotional, Mental and Physical.

Child Rights and India

- The term 'Child' is *not defined* in the Indian Constitution. The legal definition of child tends to depend upon the purpose. There are a number of legislations in India which defines the term 'Child' depending upon the purpose.
- Under the **Indian Majority Act 1875**, the age of majority is eighteen years & in case of a minor for whose person & property a guardian is appointed or whose property is under the supervision of the Court of Wards the age of majority is twenty-one years.
- Under the **Child Labour (Prohibition and Regulations) Act 1986**, child means a person who has not completed his fourteenth year of age.
- Under the **Child Marriage Restraint Act 1926**, child means a person who, if a male, has not completed twenty-one years of age and, if a female, has not completed eighteen years of age.
- Under **Juvenile Justice (Care and Protection) Act 2000**, 'Juvenile' or 'Child' means a person who has not completed eighteenth year of age.
- The **Constitution of India** guarantees all children certain rights, which have been specially included for them. These include:
 - Right to free and compulsory elementary education for all children in the 6-14 year age group (Article 21 A).
 - Right to be protected from any hazardous employment till the age of 14 years (Article 24).
 - Right to be protected from being abused and forced by economic necessity to enter occupations unsuited to their age or strength (Article 39(e)).
 - Right to equal opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and guaranteed protection of childhood and youth against exploitation and against moral and material abandonment (Article 39 (f)).
- Indian Constitution also obliges states to take steps for the protection of child rights. The State must:
 - Make special provisions for women and children (Article 15 (3)).
 - Protect interest of minorities (Article 29).
 - Promote educational interests of weaker sections of the people (Article 46).
 - Raise the level of nutrition and standard of living of its people and the improvement of public health (Article 47).
- Besides these rights, children also have rights similar to any other adult male or female. These

are:

- Right to equality (Article 14).
- Right against discrimination (Article 15).
- Right to personal liberty and due process of law (Article 21).
- Right to being protected from being trafficked and forced into bonded labour (Article 23).
- Right of weaker sections of the people to be protected from social injustice and all forms of exploitation (Article 46).
- Other Legislations: Apart from the Constitution, there are a number of legislations which deals with children. The following are some of them -
 - The Child Marriage Restraint Act 1929
 - The Child Labour (Prohibition And Regulation) Act
 - The Pre-Natal Diagnostic Technique (Regulation and Prevention of Misuse) Act
 - The Juvenile Justice (Care and Protection of Children) Act
- Besides, the government has also formulated National **Policy for Children 2013** to ensure that the principles of this Policy are respected in all sectors at all levels in formulating laws, policies and programmes affecting children.

1.4. Srirangam Temple Wins UNESCO Award

- Following the massive renovation and restoration work which was carried out at the Sri Ranganathaswamy Temple in Srirangam, the sacred shrine temple has won the UNESCO Asia Pacific Award of Merit 2017 for cultural heritage conservation.
- It has become the first temple in Tamil Nadu to be given the prestigious award from the UN body.
- The use of traditional methods in renovating temple structures and re-establishment of rainwater harvesting and historic drainage system, to augment water and prevent flooding, were the main reasons for the temple to achieve the award.

About UNESCO Asia – Pacific Awards

- UNESCO Asia – Pacific awards were launched in 2000 by UNESCO for cultural heritage conservation programme which are awarded under four categories – Award of Excellence, Award of Distinction, Award of Merit and Award of New Design in Heritage Context.
- These awards aim at acknowledging efforts taken to restore and conserve historical structures without affecting their heritage value in region comprising 48 countries.

Sri Ranganathaswamy Temple

- The temple is situated on an islet between Cauvery and Kollidam rivers. It is located at Srirangam in Tamil Nadu.
- It is one of the most illustrious Vaishnava temples in South India dedicated to Ranganatha, a *reclining form of the Hindu deity Vishnu*. The temple has played an important role in Vaishnavism history starting with the 11th-century career of Ramanuja.
- The temple has been mentioned in Tamil literature of the Sangam Era, however the oldest structure of the temple dates back to the 10th century.
- The inscriptions in the temple belong to the Chola, Pandya, Hoysala and Vijayanagar dynasties

who ruled over the region.

- Encompassing around 247 'pasurams' (hymns) to its credit, Ranganathaswamy Temple has been praised by all the Alvars (Divine saints of Tamil Bhakti Movement). Scholars from all schools of thought (Advaita, Vishistadvaita and Dvaita) have identified the importance of this temple despite their affiliation.

1.5. India Youth Development Index and Report 2017

In News

- Union Minister of State for Youth Affairs and Sports (Independent Charge) has released the India Youth Development Index and Report 2017.
- The Rajiv Gandhi National Institute of Youth Development (RGNIYD), Sriperumbudur, Tamil Nadu, has come out with this Youth Development Index and Report 2017.

Key Highlights

- The objective of constructing the India Youth Development Index (YDI) 2017 is to track the trends in Youth Development across the States.
- The Index enables recognizing the high and low performing States, identifies the weak domains and informs the policy makers the priority areas of intervention for youth development in the States.
- In the India Youth Development Index 2017, the first five dimensions are retained same as that of Global YDI. However, Global YDI is different from YDI constructed for India in one unique way; YDI for India adds a new domain, **social inclusion**, to assess the inclusiveness of societal progress as structural inequalities persist in Indian society.
- This construction helps to identify the gaps that require intensification of policy intervention.

Global Youth Development Index

- The YDI is a composite index of 18 indicators that collectively measure multi-dimensional progress on youth development in 183 countries, including 49 of the 53 Commonwealth countries.
- It has five domains measuring levels of **education; health and well-being; employment and opportunity; political participation; and civic participation** for young people.
- The YDI is guided by the Commonwealth definition of youth as people between the ages of 15 and 29, while recognising that some countries and international institutions define youth differently.
- India has been ranked 133rd out of 183 countries in the 2016 Global Youth Development Index (YDI).

Importance Of This Report

- This report is of immense value to enable comparisons across geographical areas and categories, as human development index has done in comparing the development situation across regions, nations and localities.
- The index also measures the achievements made, besides serving as an advocacy tool for youth development, and facilitates to identify priority areas for development of policy and Interventions.
- As an effective decision – support tool, the YDI-2017 will enable the policy makers track the national and the regional progress as well setbacks in youth development policies, planning, priority identification and implementation strategies.
- Besides providing insights to suggest alternatives and options, it also aids in judicious allocation of resources.

1.6. Pradhan Mantri Mahila Shakti Kendras

In News

- The Cabinet Committee on Economic Affairs has approved a new scheme called 'Pradhan Mantri Mahila Shakti Kendra' which involves establishment of 920 Mahila Shakti Kendras at block-level in the 115 most backward districts.
- It aims at empowering rural women through community participation to create an environment in which they realise their full potential.
- The scheme is part of the Umbrella Scheme "**Mission for Protection and Empowerment for Women**" of the Ministry Of Women And Child Development.

National Mission for Empowerment of Women

- It was operationalised as a Centrally Sponsored Scheme in April 2011. The focus was to bring convergence of efforts through inter-sectoral coordination amongst different ministries and programmes with Ministry of Women and Child Development (MWCD) as the nodal for achieving holistic empowerment of women.
- Following the restructuring of Centrally Sponsored Schemes (CSS) during the 12th Plan period, NMEW was approved for continuation as a sub-scheme of the Umbrella Scheme for **Protection and Development of Women**.
- Under the revised Scheme, technical support to Ministry of Women and Child Development is being provided by domain experts who are involved in the implementation and monitoring of new initiatives of the Ministry like Beti Bachao Beti Padhao (BBBP Scheme), One Stop Centres, Women Helpline etc. and also facilitates convergence of schemes/programmes of different Ministries/Departments with focus on women.

Key Highlights

- It is envisioned as a one-stop convergence support service for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition.
- It will aim to improve declining child sex ratio, ensure survival and protection of the girl child, ensuring her education and empowering her to fulfil her potential. It will provide an interface for rural women to approach the government for getting their entitlements and for empowering them through training and capacity building.
- The new scheme is envisaged to work at various levels.
 - The national level (domain based knowledge support) and state level (State Resource Centre for Women) structures will provide technical support to the respective governments on issues related to women.
 - The district and block level centres will provide support to PMMSK and also give a foothold to Beti Bachao Beti Padhao scheme in 640 districts to be covered in a phased manner.
- Community engagement through Student Volunteers is envisioned in 115 most backward districts as part of the PMMSK Block level initiatives. Student volunteers will play an instrumental role in awareness generation regarding various important government schemes/ programmes as well as social issues.

1.7. 'Safe City' Plan For Women

A comprehensive 'safe city' plan for women is being rolled off in eight metropolitan cities – Delhi, Mumbai, Kolkata, Chennai, Ahmedabad, Bengaluru, Lucknow and Hyderabad.

Key Highlights

- The plan will serve as a robust emergency response system and will ensure availability of police-verified public transport.
- An independent analysis and feedback system would be institutionalised to assess the perception of women on ground regarding their safety issues.
- The police and municipal corporations of these cities have been asked to frame a plan of action.

Key Initiatives Taken For Women Safety

Women safety has been a primary concern in these cities and many initiatives have been taken so far. Some of these are:

- 'Himmat' app, all women patrol van, 'shishtachar' programme of the Delhi police;
- 'Hawkeye' mobile app and 'Bharosa' programme of the Hyderabad police;
- 'Suraksha' app of the Bengaluru police
- Power Angels of Uttar Pradesh police.

1.8. WHO Releases Guidelines On Responding To Child Sex Abuse

In News

- For the first time, the World Health Organisation (WHO) has released guidelines on responding to children and adolescents who have been victims of sexual abuse.
- The main objective of the guideline is to provide evidence-based recommendations for quality clinical care for children and adolescents who have, or may have, been subjected to sexual abuse, in order to lessen the negative health consequences and improve their well-being.
- The clinical guidelines have been aimed at helping front-line health workers, primarily from low resource settings.

Key Highlights Of The Guideline

- **Gender sensitive and Child centric-** While providing first line support, health care providers in response to disclosure of sexual abuse should ensure that it is gender sensitive and child or adolescent centric.
- **Minimization of additional trauma** - When the medical history is being obtained or a forensic interview is being conducted or in conducting physical examinations, health-care providers should seek to minimize additional harm, trauma, fear and distress, and respect the autonomy and wishes of children or adolescents.
- **Offering preventive treatment for HIV post exposure-** It offers HIV post-exposure prophylaxis and adherence support to those who have been raped and who present within 72 hours.
- **Pregnancy prevention** –It offers emergency contraception to girls who have been raped and who present within 120 hours (5 days) of the incident.
- It also takes in considerations Cognitive Behavioral Therapy (CBT) with trauma focus for those have PTSD symptoms and diagnosis.
- It also calls upon health care providers about informing obligation on victims and their non-offending caregivers to report abuse and limits of confidentiality before interviewing them.

Need For Such Guidelines

- Girls and boys who experience abuse often face a number of short and long term negative consequences for their mental, physical, sexual, and reproductive health and well-being.
- Boys and girls who are sexually abused face higher risks of lifetime diagnoses of post-traumatic stress disorder, anxiety, depression, externalizing symptoms, sleep disorders, and having thoughts of suicide and self-harm.

- Hence these guidelines will help the first responders to respond in an effective manner which is child/adolescent centered.

Conclusion

- While these guidelines are extremely helpful, there is more than just guidelines required in the country.
- These guidelines should be followed with ground training of all first line respondents. Also, the government needs to adopt a policy that will streamline all the other aspects as well.

Child Sexual Abuse (CSA) in India

- It is a fact that millions of girls and boys worldwide are being sexually abused within homes and outside. They are abused by families and known persons. The perpetrator can be anyone who exploits the child's vulnerability to gain sexual gratification.
- A significant study in this regard, at the pan Indian level, has been the National Study on Child Abuse (2007). According to the study:
 - 53.18 % children in the family environment not going to school reported facing sexual abuse.
 - 49.92% children in schools reported facing sexual abuse.
 - 50% abusers are persons known to the child or in a position of trust and responsibility.

Reasons for CSA

- In Indian context, Child Sexual Abuse (CSA) is snowed under many different suppositions and oppositions. Some assumptions are:
 - Out of sheer curiosity children must have asked for sexual contact.
 - Sexual abuse is part of the process of growing up and does not lead to any negative consequences.
 - Very young children cannot be abused sexually.
 - Boys cannot be abused, only poor are abused.
 - Women being the caregivers can never be offenders etc.
- A form of child sexual abuse in India are child marriages which is widely prevalent.
- However, the reality contradicts these assumptions. Hence, child sexual abuse in India thrives on this very mentality. Parents have no idea how adversely this crime can affect children in their adulthood.

Laws Relating to Child Sexual Abuse:

- In 2012, the Indian Parliament passed the **Protection of Children from Sexual Offences Act**.
- Ministry of Women and Child Development (MWCD) has issued Model Guidelines for POCSO.

Highlights of the 'Protection of Children from Sexual Offences Act 2012'

- The Act defines a child as any person below the age of 18 years and provides protection to all children under the age of 18 years from the offences of sexual assault, sexual harassment and pornography.
- This is the first time that an Act has listed aspects of touch as well as non-touch behaviour (eg: photographing a child in an obscene manner) under the ambit of sexual offences.
- The Act incorporates child friendly procedures for reporting, recording of evidence, investigation and trial of offences
- The attempt to commit an offence under the Act has also been made liable for punishment for upto half the punishment prescribed for the commission of the offence.
- The Act also provides for punishment for abetment of the offence, which is the same as for the commission of the offence. This would cover trafficking of children for sexual purposes.

- For the more heinous offences of Penetrative Sexual Assault, Aggravated Penetrative Sexual Assault, Sexual Assault and Aggravated Sexual Assault, the burden of proof is shifted on the accused.
- The media has been barred from disclosing the identity of the child without the permission of the Special Court.

Way Forward

- Trained personnel should interview the victim children. The language of the child is to be understood by the legal system.
- The investigation of trial of sexual offences have to be made time bound. Special courts need to be set up.
- There is a need for a special provision relating to medical examination of child victim in the CrPC.
- The absence of a proper medical report in the case of a sexual assault goes against the child assaulted the mental health of victim needs to be attended to, as the trauma has to be reduced.

1.9. Intensive Program To Train Elected Women Representatives Of PRIs

- The Ministry of Women and Child Development has launched an intensive training program for Elected Women Representatives (EWRs) of Panchayati Raj Institutions and Master Trainers.
- This program is being organized at New Delhi by National Institute of Public Cooperation and Child Development (NIPCCD) of the WCD Ministry, which will ultimately train approximately 20,000 EWRs covering nearly 50 EWRs from each district by March, 2018.
- For the first time ever an initiative of this scale has been taken up to train EWRs who will go out and administer the villages professionally.
- The training program will include simple engineering skills and will give them an insight into women's issues as well as focus on education and financial matters.

Significance Of This Program

- Not many women sarpanches and EWRs come forward to take up their responsibilities and mostly allow their husbands to take the lead. So, they remain 'sarpanchanis' in name only.
- The Capacity building of Elected Women Representatives (EWRs) is critical to empower women to participate effectively in the governance processes.
- This will help them assume the leadership roles expected of them and guide their villages towards a more prosperous future.
- Training 2,00,000 women sarpanches across the country will help bring following important changes:
 - It will help to create model villages.
 - It will help prepare women as political leaders of the future.

1.10. The India Hypertension Management Initiative (IHMI) Launched

- Union health ministry has launched The India Hypertension Management Initiative (IHMI) to reduce disability and death related to high blood pressure.
- The initiative aims to improve the control of high blood pressure (hypertension), reduce salt consumption and eliminate artificial trans-fats, leading risk factors for Cardio vascular diseases (CVDs).
- It is a joint collaboration by ICMR, Health Ministry, State governments and WHO.

Key Highlights

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- The IHMI is focused on five essential components of scalable treatment of hypertension.
- It will support the adoption of standardized simplified treatment plans for managing high blood pressure, ensure the regular and uninterrupted supply of quality-assured medications, task sharing so health workers who are accessible to patients can distribute medications already prescribed by the medical officer, and patient-centered services that reduce the barriers to treatment adherence.
- Data on hypertension will be improved through streamlined monitoring systems, and the lessons learned and practice-based evidence will inform further interventions to improve cardiovascular care.

Need For Such Initiatives

- An estimated 200 million adults in India have high blood pressure, yet control rates for the condition remain low.
- Studies suggest that in rural areas in India, only one quarter of people with hypertension are aware of their condition, and only around 10 percent have their blood pressure controlled.
- In urban areas, around 40 percent of people with hypertension are aware of their condition, and only around 20 percent have their blood pressure controlled.
- There is urgent need to raise awareness about NCDs amongst families regarding packaged food and processed foods with excessive salt and trans-fat.

1.11. Manipur Sangai Festival 2017

- Named after Manipur's state animal, the brow-antlered Sangai deer, the Sangai Festival 2017 started on November 21.
- It is a 10-day long tourism extravaganza which has been dubbed as the grandest festival of Manipur.
- It started in the year 2010. The Sangai Festival showcases the tourism potential of the state in the field of arts & culture, handloom, handicrafts, indigenous sports, cuisine, music and adventure sports etc.
- For the first time, Keibul Lamjao, a unique 'floating' reserve situated in Manipur in India's Northeast, which is home to the brow-antlered deer, will also play host to the festival.
- Another first-time feature that this year's Sangai fest will introduce will be separate toilets for transgenders.

Famous Martial Arts of Manipur

- Thang Ta (a combination Spear & Sword skills),
- Yubi-Lakpi (a game played with greased coconut like rugby),
- MuknaKangjei (a game that combines hockey and wrestling),
- SagolKangjei- Modern Polo (believed to have evolved in Manipur)

Dance Forms of Manipur

- The State's classical dance form - 'RasLeela'
- Folk dance forms:
 - the Kabui Naga dance,
 - Bamboo dance,
 - Maibi dance,
 - Lai Haraoba dance,
 - KhambaThoibidanc

2.1. Increase In Carpet Area Of Affordable Houses

The Union Cabinet has given its nod for an increase in the carpet area of the affordable houses eligible for interest subsidy under the Credit Linked Subsidy Scheme (CLSS) for the Middle Income Group (MIG) under the Pradhan Mantri Awas Yojana (Urban).

Key Highlights

- Under the MIG I category of CLSS, the carpet area will be increased up to 120 sq mt. from 90 sq mt. The carpet area in the MIG II category will be increased to 150 sq.m from the existing 110 sq.m.
- The decision will be retrospectively implemented, effective from January 1, 2017, the date the CLSS for MIG was implemented.

About Pradhan Mantri Awas Yojana (Urban)

- In 2015, Pradhan Mantri Awas Yojana – Urban was launched with an aim to provide housing for all by 2022.
- It has four verticals: the Credit Linked Subsidy Scheme (**CLSS**); *In-Situ* Slum Redevelopment (**ISSR**) using land as resource through private participation; Affordable housing in partnership (**AHP**); and subsidy for Beneficiary-Led Individual House Construction (**BLHC**).
- Under **ISSR**, the private developers are given land and incentive to monetize the part of demarcated land to build housing stock for the low income households especially slum dwellers. Along with redevelopment and rehabilitation, the private developers are responsible for providing interim accommodation to beneficiaries during the implementation of scheme.
- Under **CLSS**, initially the weaker sections were given subsidy on home loans. In 2017, the scope of CLSS was widened to include the MIG segment as well.
- The CLSS for MIG covers two income segments in the MIG viz. Rs.6,00,001 to Rs.12,00,000 (MIG-I) and Rs.12,00,001 to Rs.18,00,000 (MIG-II) per annum. In the MIG-1, an interest subsidy of 4% has been provided for loan amounts up to Rs.9 lakh while in MIG-2, an interest subsidy of 3% has been provided for loan amount of Rs.12 lakh.
- Housing loans above 9 lakh and 12 lakh will be at non-subsidized rates. The nodal agencies such as Housing and Urban Development Corporation (HUDCO) and National Housing Bank at the central level are responsible for monitoring.
- Under **AHP**, financial assistance is provided to EWS house when they are built-in partnership with public-private stakeholders.
- For BLHC, central assistance of Rs. 1.50 lakhs is provided for the construction of new houses or for upgradation of existing houses to eligible families under EWS category.

Impact Of This Step

- The limit of 120 sq m. and 150 sq m. is seen as a reasonable enhancement and would cater to the market generally scouted by the MIG belonging to the two income categories specified in the scheme.
- The increase in carpet area will enable the MI category of individuals to have a wider choice in Developers' projects.
- The increased carpet area will also give a boost to the sale of ready built flats in the affordable housing segment.
- However, many analysts do feel that increasing the area under the PMAY scheme will not work as:

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- Property prices are already unaffordable for buyers earning below Rs 12-18 lakhs annually (which forms a majority of buyers).
- Instead of offering larger carpet size, the policy should have increased the income level or subsidy level, to reach out to the masses.
- The tangible gain with the scheme is only a couple of thousand rupees in the EMI, as compared to a significant increase in the price of a larger house.

[For detailed analysis on Housing Scenario in India, refer Yojana summary of September 2017 along with CA magazine of October 2017 (World Habitat Day)]

2.2. Vidyarthi Vigyan Manthan

In News

- Vidyarthi Vigyan Manthan (VVM) - a nationwide science talent search examination is scheduled to be held on 26th November.
- The aim behind this search is to select students with scientific temperament from class VI to XI, across the country.
- It is a unique initiative to give a boost to the learning of science, technology and mathematics among the youth-especially the school students

Key Highlights

- This programme is organized by eminent scientists and academicians associated with Vigyan Prasar (VP) - an autonomous organisation under Department of Science and Technology and National Council of Education Research and Training (NCERT) of Ministry of Human Resources and Development and Vijnana Bharati.
- One of the unique features of this examination is that the test will be conducted online. Students will attend the exam through the various digital devices like, mobile, tablet, laptop or desktop in line with the vision of Digital India Campaign.
- The participants will undergo multilevel competition right from school level to district, state and finally at national level.
- At state and national level the skill test for creative writing, experimental skill, presentation, leadership qualities, creative thinking and innovative learning will be conducted.
- Top 3 rankers per class will be selected through comparative evaluation per class. These students will be named as "Himalayans" at national level.
- The national level winners will get a chance to undertake study tours and opportunity to interact with renowned scientists both from our country as well as abroad.

Vijnana Bharati (VIBHA)

It is one of the largest science movement in the country led by eminent scientists and to inculcate and generate scientific temper, foster excellence in students and nurture and mentor them for their careers in pure sciences.

2.3. Amendment In The National Council For Teacher Education Act, 1993

The Union Cabinet has given its approval for introduction of a Bill in Parliament to amend the National Council for Teacher Education Act, 1993 (NCTE).

Key Highlights

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- The amendment seeks to grant retrospective recognition to the Central/State/Union Territory funded Institutions/Universities conducting Teacher Education Courses without NCTE recognition till the academic year 2017-2018.
- This retrospective recognition is being given only as a onetime measure so as not to jeopardize the future of students who have either passed out or are enrolled in these institutions.
- All institutions running Teacher Education Courses such as B.Ed. and D.El.Ed. have to obtain recognition from the National Council for Teacher Education under section 14 of the NCTE Act. Further, the courses of such recognised Institutions/Universities have to be permitted under section 15, of the NCTE Act.

About NCTE Act 1993

- The main objective of the Act is to provide for the establishment of a NCTE to achieve planned and coordinated development of the teacher education system, regulation and ensure proper maintenance of norms and standards in the said system.
- In order to achieve the objectives of the Act, separate provisions have been made in the Act for recognising Teacher Education courses and to lay down guidelines for compliance by recognized Institutions/Universities.
- The mandate given to the NCTE is very broad and covers the whole gamut of teacher education programmes including research and training of persons for equipping them to teach at pre-primary, primary, secondary and senior secondary stages in schools, and non-formal education, part-time education, adult education and distance (correspondence) education courses.

2.4. Special Courts To Speed Up Trial For Politicians

In News

- The Supreme Court has asked the government to frame a central scheme for setting up special courts across the country to exclusively try criminal cases involving 'political persons.'
- It takes years, probably decades, to complete the trial against a politician. By this time, he or she would have served as a minister or legislator several times over.
- The aim is to speed up the trial of politicians so as to put an effort to cleanse politics of criminality and corruption.

Key Highlights

- In compliance of the SC directive, the Centre has written to the Chief Ministers and Chief Justices Of High Courts to fix responsibility on district administrations to expedite probe and trial of MPs and MLAs facing charges for serious crimes.
- If for some extraordinary circumstances, the court concerned is not able to conclude the trial within one year from the date of framing of charges, such court shall submit a report to the CJs of high courts indicating reasons for not adhering to the time limit.
- A report card to be submitted by December on the status of the 1,581 criminal cases pending against Members of Parliament and State Legislative Assemblies at the time of the 2014 elections.
- While the trial in cases against MPs/MLAs has to be completed within a year, the investigating officer and the senior superintendent of police may be held personally responsible for any lapse and may be liable for disciplinary proceedings for non-compliance.

Previous Efforts

- In 2004 **Lily Thomas vs. Union of India case**, SC has struck down Section 8(4) of RPA 1951 as unconstitutional. It allows convicted lawmakers a 3 month period for filing their appeal to the higher court and to get a stay of the conviction and the sentence. SC held that charge-sheeted Members of Parliament and MLA's on conviction for offences will be disqualified from holding membership.
- In 2013 **CEC vs. Jan Chaukidar** case, SC upheld the findings of the Patna High court. It states that "A person who has no right to vote by virtue of the provisions of Section 62(5) of RPA 1951 is not an elector and is not qualified to contest the election of the house of people or the legislative assembly of the state".
- In 2014 **Public India Foundation Case**, SC ruled that criminal trials, especially those dealing with corruption and heinous offences, involving elected representatives should be completed in a year, thus putting a deadline on trial process
- Finally in November 2017, on a petition seeking a life ban on convicted lawmakers, it said the Centre should set up a mechanism for speedy trial of lawmakers.
- The law ministry has already started an e-court expansion project and very soon all cases related to undertrials shall be available on the click of a mouse that would help the higher authorities take action against any authority which may be responsible for delay in trial.

2.5. Appointment Of Second National Judicial Pay Commission

In News

- The Union cabinet has approved the appointment of a second National Judicial Pay Commission for the subordinate judiciary.
- The commission will decide on a salary hike for almost 21,000 judges of the subordinate judiciary level.
- Judges and judicial officers of subordinate courts got their last pay hike in 2010, a three-fold jump, from the salaries decided in 1999

Key Highlights

- The Commission is to be headed by retired justice of the Supreme Court, J.P.Venkatrama Reddi.
- The Commission is to make its recommendations to the state governments preferably within a period of eighteen months.
- It will aim at arriving at a uniform pay scale for the service of judicial officers of the subordinate judiciary throughout the country.
- The recommendations of the Commission will help in promoting efficiency in Judicial Administration, optimizing the size of judiciary etc. and to remove anomalies created in implementation of earlier recommendations.

2.6. TRAI Upholds Net Neutrality

In News

- In its recommendations, Telecom Regulatory Authority of India (TRAI) has backed the idea of free and open internet, and upheld net neutrality.
- The telecom regulator had earlier issued a consultation paper for over-the-top service. In 2016, Department of Telecommunications had sought TRAI's recommendations on net neutrality.

- TRAI's recommendation came in the wake of United States Federal Communications Commission (FCC) report which suggested plans to scrap landmark 2015 rules intended to ensure a free and open internet.

Net Neutrality

- Net Neutrality is a concept where **content and application providers** get equal treatment by telecom operators. Those advocating Net neutrality believe all bits of data are equal, and, therefore, should not be discriminated on the basis of content, site or user. There is access to all websites, nothing is blocked, and the speed of access is not differentiated.
- Thus it advocates that individuals should be free to access all content and applications equally, regardless of the source, without Internet Service Providers discriminating against specific online services or websites.

Key Highlights

- **Discriminatory treatment of content** is prohibited. It upholds the basic principles of Net neutrality, disallowing telecom operators from prioritising, throttling or blocking content on their networks.
- It also restrains ISPs from entering into pacts with any person which discriminates on content, protocol or user equipment.
- The internet use should be facilitated in such manner that it *advances free speech rights* of citizens, by ensuring plurality and diversity of views, opinions and ideas. Hence, in a way the recommendations **promote and protect the rights of citizens**.
- TRAI has kept **Content Delivery Networks (CDN)** out of the regulation. CDNs enable telecom deliver content within their network without going through the public internet in order to create a content ecosystem to drive user traction. Reasons for this exemption are:
 - CDNs reduce latency and congestion and improve the overall efficiency in the delivery of traffic.
 - It is not a consumer based offering – there is no direct link with end-user, nor is it a licensed service.
 - CDNs do not slow down other applications; to the contrary, they benefit other users by decongesting the network.
- The **Internet of things (IoT)** has not been exempted from the principles of Net neutrality. However, critical IoT services, which may be identified by DoT, and which specify the definition of specialised services, would be automatically excluded.
- According to the report, telecom operators may deploy reasonable traffic management practices to ensure they can use their network efficiently. However, any such exceptions must conform with the basic requirements of reasonableness, and should be transparent.
- It calls for setting up **multi-stakeholder body** to monitor and investigate whether ISPs are adhering to rules.
- International treaties, court orders, government order on blocking certain sites are exempt from these guidelines.

Significance Of This Recommendation

- It will prevent ISPs from misusing their position to give preference to certain web traffic while making the rest of the apps and services harder to use.
- It will make India among fewer countries which have a clear guidelines on Net Neutrality.

- TRAI’s measured response is likely to effectively address the problem of anti-competitive practices adopted by certain providers. It has left it, with important caveats, to the government to decide on services that count as “specialised” and deserve exceptional treatment by regulators.

Net Neutrality In India

- In India, the debate on net neutrality picked speed after Facebook launched the **Free Basics program** in December 2015, earlier known as internet.org.
- Free Basics gives free access to basic internet services to users who could not afford 4G data plans and were still using slower 2G networks. Though, Facebook wasn’t charging users anything extra, the notion of favouring access to certain content went against the basic principle of net neutrality.
- TRAI banned Free Basics and other similar services such as Airtel Zero in February 2016.
- After the debate, The Department of Telecommunication had formed a **committee headed by A K Bhargava**, which had recommended the core principles of the net neutrality be adhered to.
- Now TRAI has come out in full support of the Net Neutrality.

Debate on Net Neutrality

In Favour of Net Neutrality	Against Net Neutrality
<ul style="list-style-type: none"> • Net Neutrality will preserve the internet architecture that has enabled the fast and innovative development so far. 	<ul style="list-style-type: none"> • Traffic management is inevitable, and neutrality has never existed. • Without net neutrality restrictions, Internet companies can develop new services for customers, with guaranteed quality of service.
<ul style="list-style-type: none"> • Without net neutrality, the Internet will look like cable TV in which few big companies will control the medium. • New entrants and small businesses will not have a chance to develop, especially those in developing world. • Twitter, Wats app etc. would not have gained the current popularity, had they been discriminated in their initial phase. 	<ul style="list-style-type: none"> • Without net neutrality restrictions in commercial agreements with content and service providers, telecom operators will be able to raise funds which would make them more interested in investing in infrastructure. • This will encourage new services and innovations.
<ul style="list-style-type: none"> • The Internet is the result of developments by volunteers over the decade. • THE INVENTOR OF the World Wide Web, Tim Berners-Lee did not apply for its patent as he believed in the potential of an open and free internet architecture. • The internet has become a global heritage of mankind and it would be ethical to adhere to the principles of net neutrality. 	<ul style="list-style-type: none"> • Net neutrality is ethically questionable because operators have to invest in maintaining and expanding the infrastructure to support new services while most benefits are reaped by Internet content companies such as Google, Amazon etc.

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|---|---|
| <ul style="list-style-type: none">• Net neutrality must be imposed by government to preserve the public interest. Any form of self-regulation will leave it open for operators to breach the principle of net neutrality. | <ul style="list-style-type: none">• The open market is based on choice, and users can always change their Internet provider if not satisfied.• Any form of government regulation will be against the idea of free market and it may have repercussions on its growth and creativity. |
|---|---|

2.7. Cauvery Tribunal Gets 6 Months Extension

In News

- Union Ministry of Water Resources, River Development and Ganga Rejuvenation has extended the term of Cauvery Water Disputes Tribunal by six months upto May 02, 2018.
- The tribunal is looking into the long-standing dispute between Tamil Nadu and Karnataka on the sharing of Cauvery, an inter-State basin having its origin in Karnataka and flowing through Tamil Nadu and Puducherry before out falling in the Bay of Bengal.

Background

- The dispute is an old one going back to agreements in 1892 followed by one in 1924 between Madras province and Mysore, then a principality.
- By 1990, when the Cauvery Water Disputes Tribunal (CWDT) was established, Madras province was Tamil Nadu and Mysore had become the state of Karnataka.
- It took the CWDT 17 years to arrive at its final order in 2007 on how the Cauvery waters should be shared between the four riparian states—Tamil Nadu, Karnataka, Kerala and Puducherry.
- The central government took another six years to notify the award in 2013, that too at the prompting of the Supreme Court.
- When this happened, all the states rushed to the Supreme Court challenging the award. As a result, the apex court has now been handed the task of apportioning water shares.
- The central government has yet not constituted the Cauvery Management Board.

Constitutional Provision

- Article 262 of the constitution provides for the adjudication of inter-state water dispute.
- In pursuant of this Article, centre enacted the Inter-State Water Dispute Act (1956).
- This act empowers Central government to set up an ad hoc tribunal for the adjudication of a dispute between two or more states.
- The decision of tribunal would be final and binding on the parties of the dispute.
- Neither Supreme Court not any other court have jurisdiction with respect to disputes referred to such tribunal under this act.

2.8. YONO

- State Bank of India, the country's largest public sector bank, has launched a unified integrated app called YONO (You Need Only One) that would offer all kinds of financial and lifestyle products.
- It will be the first digital banking platform to offer customised products and offers from over 60 e-commerce players by leveraging analytics, besides a range of banking and financial services.

- In addition, YONO will also allow customers to meet their lifestyle needs across 14 categories including booking and renting cabs, entertainment, dining experience, travel and stay, medical needs and so on.
- This will also be the first to offer online purchase and view of insurance policies within the portal, without redirecting customer to respective service provider, and to seamlessly access and purchase investment products.
- The portal has been designed to offer maximum customer convenience and that the product has been developed by SBI using artificial intelligence, predictive analysis and machine learning. It can be accessed through both Android and iOS platforms.

2.9. National Commission for Backward Classes (NCBC)

In News

- The central government will reintroduce in Parliament a bill to give constitutional status to the National Commission for Backward Classes (NCBC).
- The bill aims to empower the NCBC to hear complaints of other backward classes (OBCs) and safeguard their rights.

Background

- Earlier, the Constitution (**One Hundred and Twenty-Third Amendment**) Bill 2017 to bring NCBC (set up in 1993) on a par with National Commission for Scheduled Castes (NCSC) and National Commission for Scheduled Tribes (NCST), was passed by the Lok Sabha.
- But, in Rajya Sabha, a crucial amendment to the bill was moved. The amendment expanded the three-member commission to five so as to give representation to a woman and a person from minority community and mandated that all five members should necessarily be from Other Backward Classes (OBC).
- Other amendments proposed were to ensure that states would be able to participate and advise on who should be included or excluded from the list of socially and educationally backward classes.
- As a result, there was an impasse over the Bill in the last session of Parliament.

Key Highlights Of The Bill (Presented In Last Session Of The Parliament i.e., in April 2017)

- It aims to constitute a Commission under Article 338B for socially and educationally backward classes by name of National Commission for Backward Classes, which is at par with the National Commission for Scheduled Castes (NCSC) and the National Commission for Scheduled Tribes.
- Currently, under the Constitution the NCSC has the power to look into complaints and welfare measures with regard to Scheduled Castes, backward classes and Anglo-Indians. The Bill seeks to remove the power of the NCSC to examine matters related to backward classes.
- The Constitution Amendment Bill states that the President may specify the socially and educationally backward classes in the various states and union territories. He may do this in consultation with the Governor of the concerned state.
- However, a law of Parliament will be required if the list of backward classes is to be amended.
- Under the Constitution Amendment Bill, the NCBC will comprise of five members appointed by the President. Their tenure and conditions of service will also be decided by the President through rules.

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- The duties of the NCBC will include: (i) investigating and monitoring how safeguards provided to the backward classes under the Constitution and other laws are being implemented, (ii) inquiring into specific complaints regarding violation of rights, and (iii) advising and making recommendations on socio-economic development of such classes.
- The NCBC will be required to present annual reports to the President on working of the safeguards for backward classes. These reports will be tabled in Parliament, and in the state legislative assemblies of the concerned states.
- Under the Constitution Amendment Bill, the NCBC will have the powers of a civil court while investigating or inquiring into any complaints.

Criticism Of The Bill

- Many analysts are in support of an extended panel and for the mandatory inclusion of a woman and minority members. It makes sense in the context of a Backward Classes Commission, because of the complexity and diversity of backward classes across the country.
- For example, the washermen communities in parts of South India are classified as OBCs, but are recognised as Scheduled Castes in some parts of North India. In Madhya Pradesh, Meenas are classified as OBC, whereas in neighbouring Rajasthan they are notified as Scheduled Tribes.
- Thus, it is an extremely challenging exercise to identify backward classes accurately.
- Also, the current bill does not provide significant role in making recommendations to the list.
- A combined reading of Article 342A and 366(26c) makes it clear that once the 123rd amendment passes, only the Union government can determine whether a caste is socially and educationally backward or not. It has potential to affect our federal structure.

2.10. 12th Meeting Of Standing Committee Of Inter-State Council

In News

- The Union Home Minister had chaired the 12th meeting of the Standing Committee of Inter-State Council (ISC).
- Recommendations of the Punchhi Commission on Centre-State Relations were discussed during the meeting.

Key Highlights

- The subjects discussed at the meeting included :
 - Matters related to financial transfers from the Centre to the States;
 - Goods and Services Tax;
 - Structure and devolution of functions to local bodies;
 - District Planning; Special provisions for Fifth and Sixth Scheduled Areas;
 - Maintenance of communal harmony;
 - Deployment of Central Forces;
 - Migration issues;
 - Police reforms;
 - Criminal justice system and other internal security issues.
- The convening of the Standing Committee meetings twice in the same year reflects the importance attached to the promotion of harmonious Centre-State relations. Last one was convened in April 2017.

Inter State Council

- Inter State council is a constitutional body set up in pursuance of provisions in Article 263 of the Constitution of India.
- It was set by a Presidential Order in May, 1990 on recommendation of Sarkaria Commission.
- The council is a recommendatory body on issues relating to inter-state, Centre-State and Centre –Union Territories relation.

Composition of Inter-state Council:

- Prime Minister is the Chairman of the Inter-state Council.
- Chief Ministers of all the States and Union Territories having Legislative Assemblies,
- Administrators of Union Territories not having Legislative Assemblies,
- Governors of States under President's rule and
- six Ministers of Cabinet rank in the Union Council of Ministers, nominated by the Chairman of the Council,
- Five Ministers of Cabinet rank nominated by the Chairman of the Council are permanent invitees to the Council.

Punchhi Commission:

- The Punchhi Commission was set up by the Government under the chairmanship of Justice (Retd.) Madan Mohan Punchhi, former Chief Justice of Supreme Court of India in 2005. The Punchhi Commission submitted its report in 2010.
- Punchhi commission was constituted to look into new issues of Centre-state relations keeping in view the changes that have taken place in the polity and economy.

2.11. Constitution Day

- In 2015, the Central government declared 26 November as Constitution Day by a gazette notification.
- The day was earlier commemorated as National Law Day, after a resolution by the Supreme Court Bar Association, a lawyers' body, in 1979.

Some Unique Facts About Constitution

- The Constitution was prepared over 2 years, 11 months and 17 days. The session of the Constituent Assembly was held on December 9, 1946.
- A total of 11 sessions of the Constituent Assembly was held including those by the drafting committee under the chairmanship of BR Ambedkar.
- The drafting committee was one of the 17 such bodies set up under the Constituent Assembly.
- Dr Rajendra Prasad, who went on to become the first President of India, was the chairman of the Constituent Assembly. The Constitution making committees held meetings on 165 days to hold deliberations and debate provisions to be incorporated.
- There were 299 members, including 15 women, of the Constituent Assembly. Of them 284 members finally signed the Constitution, when it was adopted in 1949.

2.12. PRAGATI**In News**

- Prime Minister Narendra Modi has chaired an interaction through PRAGATI , the ICT-based multi-modal platform for Pro-Active Governance and timely implementation.
- This was his twenty-third interaction through PRAGATI. The first twenty-two meetings of PRAGATI have seen a cumulative review of 200 projects.
- In this interaction, the Prime Minister reviewed the progress towards handling and resolution of grievances related to consumers and the progress of nine infrastructure projects in the railway, road, power, and renewable energy sectors, spread over several states.

About PRAGATI

- Pro-Active Governance and Timely Implementation (PRAGATI) platform was launched in 2015
- It is a multi-purpose and multi-modal platform aimed at addressing grievances of common man. It also aims at simultaneously monitoring and reviewing important Union Government programs and projects as well as projects started by State Governments.
- It is an innovative project in e-governance and good governance and accountability with real-time presence and information exchange among the key stakeholders.
- The PRAGATI platform uniquely bundles three latest technologies: Digital data management, video-conferencing and geo-spatial technology.
- It also offers a unique combination in the direction of cooperative federalism since it brings on one stage the Secretaries of Government of India and the Chief Secretaries of the States.

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3. ECONOMY AND INFRASTRUCTURE

3.1. Big Jump In Ranking For India In Ease Of Business

In News

- India broke into the top 100 in the World Bank's Ease of Doing Business rankings notching up the biggest improvement among all countries. The rise to the **100th position from 130 last year** made India one of the top 10 best improved countries.
- The World Bank's '**Doing Business 2018: Reforming to Create Jobs**' report ranks 190 countries on the basis of a combined score on **10 parameters**. India notched up improvement in rank in six of these measures.
- With the World Bank going to take into account India's GST, the overall ranking should improve further next year.



Expected Gains

- Raise overseas investment:** The rise in ranking will help boost the government's mission to raise overseas investment as part of efforts to revive the economy.
- Assurance to the investor:** This will send a huge message to the entire investor community and the recognition by the World Bank is the ultimate assurance for the investor.
- Competitive federalism:** The ranking will also promote competitive federalism among the states to compete with each other on attracting investment.

Challenges

- Still lack of ease of doing business:** In the key parameter of starting a business, registering a property, getting construction permits, India's ranking has either fallen or has improved a very little.
- Confined to metro cities:** The World Bank measures progress in the most efficient parts of the country, Delhi and Mumbai and have failed to consider the measure adopted at the local level.
- Conducive business environment is a wider term:** A conducive business environment is more than just a rank on an index since it takes into account the size of the market, the opportunities and government policy. That is why while Russia is a lot higher than China on the Index, it gets a fraction of the FDI China does.

- **Red tapism:** Bureaucracy is still stubbornly slow and graft ridden denting the working of smaller businesses more than larger rivals.
- **Bad debt problem:** The biggest stumbling block is the banking system frozen into immobility by large pile of bad debt and extreme risk aversion.

Way Forward

- In order to improve further, it is important to focus on areas where India's score remains quite low and has even slipped.
- The next stop should be to come within the top 50 and improve things outside the two metros of New Delhi and Mumbai. This is something that Government of India's own ease of doing business index for the states is goading on with some success.
- Hard reforms such as fast insolvency of defaulters, clearing administrative blocks and the implementation of an easy to administer and pay system of GST should be the major areas of focus.

3.2. Rail Stations, Cable Cars On Infra List

In News

- The government has included railway station redevelopment and cable cars for tourism in the definition of infrastructure.
- The Finance ministry has amended a harmonized list to include ropeways and cable cars, besides railway terminal infrastructure including stations and adjoining commercial infrastructure.
- A sub-category of terminal infrastructure including stations and adjoining commercial infrastructure has been added in the category of transport implying real estate development will also benefit from this categorization.

INFRASTRUCTURE CATEGORY: There are 5 main items and 33 sub-sectors in the list that was first notified in 2012. The 5 main categories are:- Transport Energy Water & Sanitation Communication Social & Commercial Infrastructure .

Benefits Of Getting Infrastructure Status

- Infrastructure status helps operators in accessing credit including cheap foreign loans. Moreover, under the current RBI guidelines only firms with the infrastructure sector are allowed to raise any form of external commercial borrowing.

Method of Inclusion

- A committee headed by the economic affairs secretary with representatives from other departments of the finance ministry, RBI, IRDA, PFRDA, SEBI and the NITI Aayog decides on what to include in the list for the infrastructure sector.

3.3. Airports Management Contracts Likely To Be Offered In Bundles

In News

- India is considering a proposal to bundle a few airports together while awarding management contracts to private parties seeking to make business models more attractive and viable for the prospective bidders.
- To make the bidding process more lucrative the management contract will not only give permission to manage the existing terminal but also any new terminal that comes up at that particular airport in the future.

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- Under the earlier model the bidder has to pay the government a fixed rental based on the revenues it felt it could generate. But under the management contract the Airports Authority of India (AAI) would make all capital investments while the private sector has to manage the airports.
- The need for such a move surfaced after attempts by the AAI to award management contracts for the Jaipur and Ahmedabad airports to private companies did not result in any bids.

Benefits Of The Said Move

- **Balanced approach:** Management contract involves garnering the efficiencies of the private sector but without full-fledged privatization. Thus it is a balanced approach.
- **Avoid unnecessary controversies:** The government able to avoid various controversies related to the privatization such as high airport development charge, opposition by labour union etc.
- **International best practice:** This model is internationally accepted and has been adopted in the countries like Greece.

Challenges

- **Unlikely to attract international players:** Any large international player will not want to come to India unless they are offered contracts involving the construction and maintenance of airports as in the case of Delhi and Mumbai.
- **AAI still manages aeronautical aspect of aviation:** The foreign companies have also not shown the interest because they were not keen to work at an airport where AAI manages the aeronautical aspects. They will come only if the airport is bid out fully.
- **Bureaucratic approach:** The things will become bureaucratic when AAI will make all the investment. For ex- Any bidder that wins the airport has to get a terminal modernization-expansion plan approved by the AAI including each element of the cost and even the choice of contractors.
- **Management contracts are not attractive:** Airport developers make bulk of their revenue from real estate and from running hotels, commercial complexes etc. And if this is taken out of the equation and the government is looking just for efficient management of terminals then big airport operators unlikely to bid.

Way Forward

- The robust private participation is essential for augmenting and expanding regional airport capacity, which is essential for the success of **UDAN scheme**.
- A successful privatization model will do much to restore confidence in the viability of public private partnership investment model for infrastructure. Further, the issue of overcrowding in airport has reached a crisis point and private participation is essential to resolve this issue. Thus, the government should get over its hesitation to fully privatize the airports.

3.4. Government Tweaks RKVY Scheme To Make Farming Remunerative

In News

- To make farming a remunerative profession the government has approved changes to ongoing central scheme **Rashtriya Krishi Vikas Yojana (RKVY)** with a focus on value chain, post-harvest infrastructure and agriculture entrepreneur development among others.

Aim Of The Revamped Scheme

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- The scheme will incentivize states in enhancing more allocation to agriculture and allied sectors. This will also strengthen farmer's efforts through creation of agriculture infrastructure that helps in supply of quality inputs, market facilities.
- The scheme also aims to promote agri-entrepreneurship and support business models that maximize returns to farmers.

Provisions Of The Revamped Scheme

- **Changed name:** The scheme has been rebranded as **RKVY-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RAFTAAR)** to be implemented for three years till 2019-20 with a budget allocation of Rs 15722 crore.
- **Objective:** The objective of the scheme is to make farming a remunerative economic activity through strengthening the farmer's effort, risk mitigation and promoting agri-business entrepreneurship.
- **Contribution:** The RKVY-RAFTAAR funds will be provided in the ratio of 60:40 to the states except for north east and Himalayan states which will get 90:10 grant.
- **Allocation with in the scheme:** Under the revamped scheme about 50 per cent of the annual outlay will be provided for setting up infrastructure and assets, 30 per cent for value-addition linked production projects and 20 per cent of the outlay will be flexi-funds for supporting any project as per the local needs.
- **Other provisions:** That apart about 20 per cent of the annual outlay will be provided for implementing special sub schemes of national priorities under RKVY-RAFTAAR. Also 10 per cent of the annual outlay will be provided for innovation and agri-entrepreneur development through creating end-to-end solution, skill development and financial support for setting up the agri-enterprise.

3.5. Company Pour \$10.24 Billion Into Food Processing

In News

- Companies such as PepsiCo, Amazon, Britannia, ITC, Coca-Cola, Cargill, Patanjali and Yes Bank have signed 13 MoUs at **World Food India**. And they have committed investments of \$10.24 billion or about Rs 68000 crore in the Indian processed foods space.
- World Food India aims to raise awareness on the potential of the food industry and bring together overseas investors, states and industry on the same platform. It also aims to boost startups and innovation in the food sector.
- The government has claimed that these investments will help in realize the goal of doubling farmer's incomes as well as generating massive employment in food processing.
- The government has recently launched **Pradhan Mantri Kisan Sampada Yojana** the flagship scheme of the food processing ministry. Sampada is an umbrella programme that has incorporated certain ongoing and new schemes and aims at the development of modern infrastructure to encourage entrepreneurs to set up food processing units.

Opportunities

- **Specific opportunities:** The opportunity of food in India is huge with a population of 1.3 billion people, emerging middle class, a youth segment larger than the entire population of the USA and increasing rate of urbanization.

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- **Consumption market:** India's consumption market is projected to triple to \$4 trillion by 2025 with the bulk of expenditure going into food products.
- **Increase in GDP:** Improvement in agricultural yields and increase in the level of processing from the current 10% to 30% can increase the GDP by as much as five fold.
- **Wide climatic variation:** India enjoys a wide range of agro-climatic zones, soil types, and terrain with a huge variety of agricultural produce from grains and cereals to fruits and vegetables and micronutrients. With these resources India is a natural home for the food processing industry.

Benefits Of Food Processing

- **Economic contribution:** The processing sector is one of the largest industries in India ranked fifth in terms of production, consumption, export and expected growth. The food industry valued at \$40 billion in 2013 is expected to grow to \$100 billion by 2020.
- **Benefits the agricultural sector:** In agriculture the food processing sector helps add to farmer incomes by providing growth and value addition opportunities.
- **Benefits for the consumer:** The industry ensures that produce is optimally utilized and reaches the consumer in a safe and hygienic condition.
- **Employment generation:** The food-processing sector is one the most employment intensive among the manufacturing industries. It accounts for more jobs per unit of output than many other capital-intensive sectors particularly for women. Thus also fills a social need for our rural economy, farmer incomes, and gender empowerment.

Background: Currently less than 10 per cent of agri-produce is processed while an estimated 30 per cent is lost in wastage.

Challenges

- **Inadequate transportation:** Inadequate transport and storage infrastructure from farms to consumers result in high wastage of food products.
- **Problems of agriculture:** Further, fragmented land holdings, low usage of technology and low agricultural productivity hinder the food processing sector.
- **Inadequate regulation:** The regulatory environment for food safety and packaging is still evolving. And safety and quality issues as well as lack of skilled manpower also impact the food-processing sector.
- **Intermediaries:** The large number of intermediaries in the supply chain has increased the prices of the processed food. Moreover the sector is overtaxed.
- **APMC act:** The non-implementation of the Model APMC act has prevented contract farming in the sector.

Way Forward

- The better food safety and quality assurance mechanisms, technology upgradation, relaxation of export norms and greater access to credit can transform the sector. The way ahead is to rationalize taxes and levies, ramp up infrastructure like quality power, modern logistics and reliable transport.
- The entire value chain needs proactive policy attention so as to step up oversight, shore up quality standards and boost innovation.
- There is also a need for **National Food Processing Policy** based on consultations with the state governments.

3.6. Tax Accounting Standard ICDS

In News

- The **Income Computation and Disclosure Standards (ICDS)** that improved the country's ranking (by the World Bank) over 50 notches in ease of paying taxes are an accounting standard for the purpose of income tax. It advances some income and postpones some expenses to arrive at the profitability of companies.

Background

- Earlier tax accounting was done on a conservative basis to recognize income as and when it arose. For instance, a company engaged in construction activity was allowed to show income from a contract after a point when the construction had reached a specified level. Say, after four years. This is called the **completed contract method**.
- However, the tax department felt companies were manipulating their books to show lower or a fit. Companies on the other hand used to say they were preparing their accounts on the basis of latest standards.

ICDS

- **Issued by CBDT:** To address the above issue the Central Board of Direct Taxes (CBDT) came out with its own accounting standard i.e. ICDS for tax purposes and implemented it from April 1, 2016.
- **10 standards:** The ICDS have 10 standards, which basically advance some income and postpone some expenses to arrive at the profitability of companies. Earlier tax accounting was done on a conservative basis to recognize income as and when it arose.
- **Computation of profit:** Under ICDS profits have to be recognized once 25 per cent of the completion stage is achieved in construction contracts. This is called **percentage of completion method**.
- **Other standards:** Besides ICDS there is also **IndAS or Indian Accounting Standards**, which are adopted by Indian companies and issued by the country's Accounting Standards Board. Whereas the **IFRS or International Financial Reporting Standards** are global accounting standards issued by the IFRS Foundation and the International Accounting Standards Board.

3.7. Online Technology Companies To Seek Clarity On Google Tax

In News

- Online firms are planning to meet finance ministry officials to seek clarity on the applicability of general anti-avoidance rules (GAAR) in cases where the websites use patents based out of an offshore jurisdiction.
- The move comes after the recent Bengaluru Income Tax Appellate Tribunal (ITAT) judgment against Google India asking it to pay up taxes on Rs 1457 crore of income that the Indian arm had transferred to its Ireland unit.
- In this case Google India had remitted a portion of the revenue generated from Google AdWords to Google Ireland where the patents for the programme were registered. The ITAT took the view that since Google India used the patents of its Ireland parent the amount transferred would be considered as royalty payment.

Google Tax

- An entity which makes a payment exceeding Rs 1 lakh in a financial year to a non resident technology company for some Business-to-Business Services (B2B) needs to withhold 6% tax on the gross amount being paid as an **equalization levy**.

- **The conditions for imposition of Google tax are as follows:** This tax is applicable to B2B services and goods only and NOT on Business to Consumer goods (B2C) and services. And the tax is applicable to only those companies, which have no permanent establishment in India.

Benefits of Google Tax

- **Prevent profit shifting:** Jurisdiction like Singapore, Netherland and Ireland are popular destination for tech firm to register patents. But they also are low tax jurisdiction thus used to avoid the taxes. Thus Google tax prevents shifting of the profit.
- **International best practice:** The goggle tax has brought Indian tax law in line with the recommendation of the OECD's base erosion and profit shifting plan.
- **Ensure tax payment by Internet companies:** The Google tax also ensures the tax payment by the online companies who earn there considerable income from India.
- **Incentivise companies to have permanent establishment:** The Google tax will act as an incentive for the companies to have permanent establishments in India.

Issues About Google Tax

- **Impact e-commerce and technology sector:** It is a harsh judgment and may impact on business arrangements especially in the e-commerce and information technology sector.
- **Impact existing business structure:** The decision will have a bearing on business structures where big data and other IPs are held in jurisdictions outside India and Indian subsidiaries or group companies have access to the IPs against a payment of fee.
- **Weak IP laws:** Indian markets have scores of online service providers including homegrown e-commerce firms like Flipkart and Snapdeal but none of these companies have any IP registered in India as Indian IP laws are comparatively weaker.
- **Genuine concern for the companies:** The Company have claimed that having IP based out of a country like Ireland was only for security purposes and was not done with an aim of avoiding tax. However due to the ITAT decision these structure could be interpreted as tax avoidance arrangement. This GAAR rule provision could be invoked.

Way Forward

The government need to make effective guidelines for the imposition of GAAR provision so that there is balance between concern of tax evasion and genuine corporate restructuring model.

3.8. Stronger Contract Law In Pipeline To Lift Ease Of Doing Business Ranking

In News

- India is proposing a radical change in the legal framework on contracts to make them enforceable thus creating a more stable and predictable business environment and boosting investment especially in the country's infrastructure sector.
- A cabinet note will be moved by the Ministry of law and justice to amend the **Specific Relief Act, 1963**. The move is expected to lift the country's rating in the World Bank's Doing Business index as it is a measure on which India does poorly, having been ranked at **164 out of 190** on this score.
- In Mumbai, it takes 1445 days on average to resolve a dispute according to the World Bank's Doing Business report against 578 days in high-income OECD countries and 164 days in best performing nation Singapore.

Proposed Changes

- **Specific performance as rule compensation as exception:** The changes are aimed at widening the ambit of enforceability beyond just compensation. The law currently provides for damages as a general rule and awarding specific performance i.e. forcing an entity to complete a task as an exception. But the proposed amendment would make specific performance the rule and damages the exception.

In Letter & Spirit
Govt reading a stronger contract law

FOCUS ON ENFORCEABILITY

SPECIFIC RELIEF
Act to be strengthened

EMPHASIS ON
enforcement of the contract

The current law more tilted towards providing compensation in case of breach

CHANGES TO
make specific performance the rule and damages the exception

CHANGES ALSO TO CURB
discretionary powers of courts

TIME-BOUND
resolution of disputes

A CABINET
note to be moved soon

HOW WILL IT HELP
THIS WILL ENSURE projects are completed

PROVIDE MORE
stable and predictable business environment

ENCOURAGE
investments, particularly in infrastructure

IMPROVE
INDIA'S ease of doing business ranking further

- **Limit discretionary power of Court:** The government is also looking at removing the discretionary powers of the courts in granting relief related to specific performance.
- **Use of experts and timeline:** The government is also looking at empowering courts to appoint experts to seek their opinion on individual and a limit of two years for the disposal of suits for the recovery of possession of immovable property.
- **Public work Contract:** A definition for public works contract could also be introduced with a provision for specific performance as a general rule with a deadline for the disposal of disputes.

The Benefits Of Proposed Amendment

- **Speedy enforcement of contract:** These changes will bring the law in line with present day business needs of speedy enforcement of contracts.
- **Improvement in ranking:** It will help in lifting India ranking in ease of doing business which is currently at 164th position in enforcing the contracts.
- **Improve investment climate:** These changes would not just help India climb the doing business ladder but also improve the overall investment climate. Reviving investment is critical to boosting India's economic growth rate, generating jobs and lifting people out of poverty.
- **Better infrastructure creation:** Contract enforcement particularly in the infrastructure sector is important as the country looks to improve its roads, ports, railways and airports. Breaches of contract have scared away domestic and foreign investors from the sector.

Way Forward

The proposed move makes ample sense. We do need to proactively improve the enforcement of contracts. There is also a need to set commercial courts in Delhi and Mumbai to begin with to seedily resolve commercial disputes. And for transparency and efficiency such courts need to have electronic case management systems.

3.9. Loan Waiver Is Not The Solution

In News

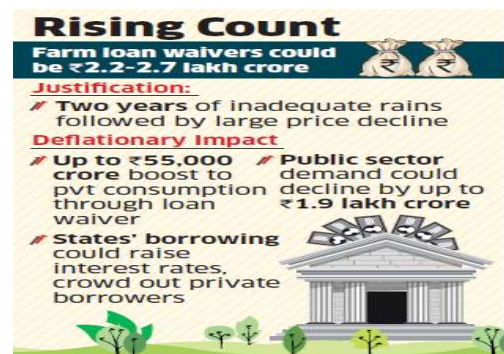
- The agricultural institutional credit has increased to Rs 10 lakh crore in 2017-18. Of this Rs 3.15 lakh crore is meant for capital investment while the remaining is for crop loans.
- While the flow of institutional farm credit has gone up but the rolling out of the farm waiver scheme in recent months has slow down its pace and pose a challenge to increasing agricultural growth. For example the Uttar Pradesh government has promised a Rs 0.36 lakh crore loan waiver covering 87 lakh farmers and the Maharashtra government has announced writing off Rs 0.34 lakh crore covering more than 89 lakh farmers. The demand for such a loan waiver is escalating in Punjab, Karnataka and other States.
- There is a serious debate on whether providing loans to farmers at a subsidized rate of interest or their waiver would accelerate farmer's welfare.

Need For Loan Waiver

- **Necessary evil:** The agriculture is facing vagaries of monsoon therefore loan waiver is a necessary evil for farmers to keep them motivated towards agriculture.
- **Agriculture not remunerative:** About 85% of the farmers are small and marginal and for them agriculture has not been remunerative due to small landholdings.
- **Debt overhang problem:** For farmers the debt has been a chronic problem and they have not been able to invest in agriculture due to debt overhang. Thus they need support in the form of loan waiver.
- **Farmer's suicide:** The farmers are also undergoing through various stressful situations and thus leading to rising cases of suicide among farmers. Thus loan waiver is essential to resolve this issue.

Negatives Fallout Of Loan Waiver

- **Loan waiver is inequitable:** A major proportion of farmers remain outside the ambit of a formal credit system policy thus loan waiver schemes announced by respective State governments remain confined to relatively better off medium and large farmers.
- **Counterproductive in long run:** It leads to diversion of money towards unproductive source which adversely impinge on state finance and may dissuade lending by the banks and hence prove counterproductive to the government's broader mandate of doubling farmer's income by 2022-23.
- **Problem of identification and disbursement:** The writing off loans will not only put pressure on already constrained fiscal resources but also bring in the challenge of identifying eligible beneficiaries and distributing the amount.
- **Rise in NPA:** Waiver is major cause for rising NPAs of banks and crowding out of the infrastructure and private financing.
- **FRBM target:** The loan waiver leads to states violating FRBM targets and make them fiscally irresponsible.
- **Moral Hazard:** Farm loan waiver leads to moral hazard in the future, as farmers in expectation of the waiver may not pay their current loans.



Way Forward

- The above anomaly can be rectified only if the credit market is expanded to include agricultural laborers, marginal and small landholders. It is therefore, important to revisit the credit policy with a focus on the outreach of banks and financial inclusion.
- The governments must also direct its efforts to protect them from incessant natural disasters and price volatility through crop insurance and better marketing systems.
- There is also a need for accelerating investments in agriculture research and technology, irrigation and rural energy with a concerted focus in the less developed eastern and rain fed States for faster increase in crop productivity and rural poverty reduction.

3.10. Anti-Profiteering Body To Push Companies To Pass On GST Benefits To Consumers**In News**

- The Union Cabinet approved setting up of the proposed **National Anti-profiteering Authority (NAA)** under the goods and services tax (GST) to ensure consumers get the benefit of lower taxes under the new indirect tax regime.
- The decision came after the sharp reduction in the GST rates of a large number of items of mass consumption.
- The "anti-profiteering" measures enshrined in the GST law provide that the full benefits of input tax credits and reduced GST rates on supply of goods or services flow to the consumers.

Anti-profiteering Authority

- **Composition:** NAA will have **five members** and will act as the final adjudicating authority. A senior officer of the level of Secretary will head it along with four technical members. It is envisaged as an interim body that will function only for two years from the date on which the chairman assumes charge.
- **Structure:** Under the anti-profiteering mechanism, there will be a state level screening committee and a standing committee at the national level. All the complaints of local nature will go to the screening committee and complaints having all India ramification will go to the standing committee.
- **Investigation:** If these two bodies find merit in the complaints, they can refer them for further investigation to the Directorate General Of Safeguards (DGS). The DGS would need to submit a report within three months to complete the investigation and send the report to the anti-profiteering authority (NAA).
- **Power:** NAA will have power to ask those not passing on the tax benefit to return the undue profit earned to consumers along with an **18% interest**; and if the consumer is not identifiable, deposit the amount in a **Consumer Welfare Fund**. In grave cases of abuse, NAA can impose a penalty and even cancel GST registration.
- **Methodology:** The NAA will decide on the methodology to evaluate if the benefits of lower taxes under GST including those arising due to seamless input tax credit have not been passed to the consumer.

Benefits of Setting up of NAA

- **Consumer protection:** NAA is an assurance and protection to the consumers of India and ensure that the consumers reap the full benefit of the reduction of GST on goods and services.
- **Grievance redressal mechanism:** The NAA provides any avenue for the consumers for the redressal of their grievance.

- **Prevent undue enrichment:** The move will also prevent undue enrichment of traders at the cost of the mass consumers by not passing the benefit of lower taxes and input tax credit to the consumers.
- **International best practice:** The many nations have similar bodies to prevent Anti-profiteering such as in Australia and Malaysia.

Negative Implication

- **Pricing is a complex phenomenon:** The pricing of products and services is a dynamic process and depends on a host of factors including quality and brand. Thus, it may lead to undue interference by NAA in market determination of the prices of the goods and services.
- **Complex structure:** The institutional framework that includes a Standing Committee, Screening Committees in every State and the Directorate General of Safeguards in the Central Board of Excise & Customs (CBEC) is complex. A simpler way would have been to let the Competition Commission of India (CCI) do the job.
- **Compliance burden:** The move will increase the compliance cost for the companies as the firms will have the responsibility to ensure entire retail chain follows directive on pricing. So expected positive benefits of the introduction of GST in terms of reduced compliance burden will fade away.
- **Overlapping jurisdiction:** Setting up of NAA may lead to the overlapping jurisdiction with the consumer protection authority. Thus will add to the confusion.
- **Harassment:** It will end up causing a lot of harassment to producers across the country and add to the culture of rent seeking and Inspector raj.

Way Forward

- The NAA needs to rope in professionals with domain expertise so as to bring the meaning to the authority rather than making it as a mere bureaucratic organisation.
- The scrutiny should be done in a clear, fair and transparent way to eliminate any subjectivity. It should not place a needless compliance burden on manufacturers.
- It should also not lead to fear-mongering given that the authority will have sweeping powers that include imposing a penalty on the defaulting business entity or even order a cancellation of its registration under GST.

3.11. Decks Cleared For First Mega CEZ

In News

- The government has given the go-ahead for setting up India's first mega coastal economic zone (CEZ) at the Jawaharlal Nehru Port in Maharashtra.
- The country's first mega CEZ will stretch along north Konkan region spread across Nashik, Thane, Mumbai, Pune and Raigarh. About 45 companies across telecom, auto and IT sectors will bid for 200 hectares of land to set up manufacturing units in the zone.
- CEZs are spatial economic regions comprising a group of coastal districts or districts with a strong linkage to ports in that region to tap into synergies with the planned industrial corridor projects.


YEA OR NAA?

■ GST has been inflationary so far; latest rate cuts seen to bring down retail inflation by **20-40** basis points

■ Industry expects the anti-profiteering body to soon notify the methodology to determine profiteering

■ Price determined not only by taxes and other production inputs, it is also a **business decision influenced** by market forces, analysts say

■ Profiteering complaints so far largely at the state screening committee level; a few pleas against **restaurants** and **real-estate** received at the central level



■ **Australia** and **Malaysia** among countries with similar mechanisms

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- The Union Cabinet in 2016 had approved setting up of **14 mega CEZs** under the National Perspective Plan of the **Sagarmala Programme**.
- The government's plan envisages investment of \$100 billion in industrial development for port led economic growth in maritime sector and hopes to add two percentage points to India's GDP through creation of world-class infrastructure.

Expected Benefits

- **Job creation:** This will lead to a total investment of Rs 15000 crore in the first phase and creation of more than 1.5 lakh jobs.
- **Attract large firms:** It will also attract large firms interested in serving the export markets and they will help in bringing with them technology, capital, good management and links to the world markets.
- **Create an ecosystem for small and medium firms:** This in turn will help to create an ecosystem around such zones in which productive small and medium firms would emerge and flourish. As these zones are expected to provide business friendly ecosystem including ease of doing business, ease of exporting and importing, swift decisions on applications for environmental clearances and speedy water and electricity connections.
- **Other benefits:** It will help in promoting development of industrial clusters around ports, encourage port led development, reduce logistics cost and time for movement of cargo, enhance global competitiveness of India's manufacturing sector.

Boost to Manufacturing

- India's 1st coastal economic zone to have mfg clusters for some of the labour-intensive sectors
- Zone to have labour- and business-friendly laws
- Idea is to attract export-oriented mfg units
- Could eventually emerge as hub for job creation

HOW WILL IT HELP?

- 45 cos have shown interest; will soon bid for 200 hectares of land
- Over 1.5 lakh jobs are likely to be created

What makes CEZs attractive

- Low wage cost in India vis-à-vis China may compel MNCs to relocate to India
- India's significant jump in the ease of doing business ranking of the World Bank

Way Forward

- It is sensible to set up EOUs in the coastal zones, as there is huge potential to boost exports of labor-intensive items such as textiles, garments provided they can reap economies of scale and have the required capability to meet high volume export demand.
- India also has to learn from the failed experiment with special economic zones. Enclave specific administrative procedures and special labour laws fall foul of WTO laws and lead to revenue loss. Thus reforming laws and simplifying procedure should be across the board to make the entire country one thriving economic zone.
- The states should also suitably reform labour and land laws. The focus should be to strengthen economy wide competencies, build robust infrastructure and ensure functional and speedy administration across states.

3.12. State Run Companies Can Use TReDS Platform

In News

- Trade Receivables Discounting System (TReDS) a trading platform that could ease financing constraints for small and medium enterprises is set to take off after the government allowed state run companies to use the platform.
- The government has made it mandatory for all major public sector units to register on TReDS.
- MSMEs have been at the receiving end of the manipulative practices by large business houses and find it hard to convert their trade receivables into liquid funds. So to overcome these problems the RBI setup TReDS.

TReDS

- **Electronic platform:** TReDS is an online electronic institutional mechanism, which facilitates the financing of trade receivables of MSMEs through multiple financiers. TReDS deals with discounting of both invoices and bills of exchange.
- **Auctioning method:** The platform enables discounting of invoices of MSME sellers against large buyers through an auction mechanism that ensures prompt realization of trade receivables at competitive market rates.
- **TReDS working:** TReDS works in two phases, first one deal with discounting of factoring units (invoices/bills) by financiers thus ensuring fund flow to MSME. The second phase comprises re discounting of the factoring units by the financiers. Random audits may also be introduced to verify authenticity of invoices and genuineness of the transactions.
- **Boost for MSME:** Thus this initiative is a huge enabler for SMEs because financing happens in a transparent manner without collateral and they can get the best possible rates.
- **Benefits for the banks:** For a bank any exposure on the platform qualifies for a priority sector lending; they also cost banks marginally but gain access to multitude of SME sellers and buyers without investing in infrastructure.

3.13. Moody's Upgrade India's Rating After 14 Years

In News

- Moody's upgraded India's government debt rating from Baa3 to Baa2 with a stable outlook. The last upgrade had happened way back in 2004 when Moody's had upgraded the rating of India's government debt from speculative grade to Baa3.
- The irony was that for a full 14 years the Indian government debt had been classified as just one notch above speculative grade. That did little justice to an economy that boasted of a GDP of \$2.2 trillion and a market cap of \$2.6 trillion.
- Sovereign ratings give investors insight into the level of risk associated with investing in a particular country including political risks.

Moody's & its moods - what the ratings mean	
RATING SYMBOL	MEANING
Aaa	Highest quality, lowest credit risk
Aa	High quality, low credit risk
A	Upper medium grade, low credit risk
Baa	Medium grade, moderate credit risk, speculative characteristics
Ba	Speculative, substantial credit risk
B	Speculative, high credit risk
Caa	Poor standing, very high credit risk
Ca	Very near default, with some prospect of recovery of principal & interest
C	Typically, in default, with little prospect of recovery of principal & interest

Reason For Rating Upgrade:

- **Reforms undertaken:** Moody's believed that the reforms consisting of fairly significant moves like GST implementation, digitization via demonetization and the frontal attack on bank NPAs will not only strengthen India's institutional framework but also increase productivity and help sustainable growth.
- **Debt remaining stable:** Moody's also believed that the government debt at 68% of GDP will remain stable once reforms are undertaken in a big way and growth comes back to the economy. This is critical because Baa median debt/GDP ratio is 44%.
- **Institutional reforms:** Thirdly some changes in the macro institutional framework are also likely to be positive for India. The commitment of the FRBM, institutionalization of monetary policy through the MPC and the GST Council will promote transparency and fairness.

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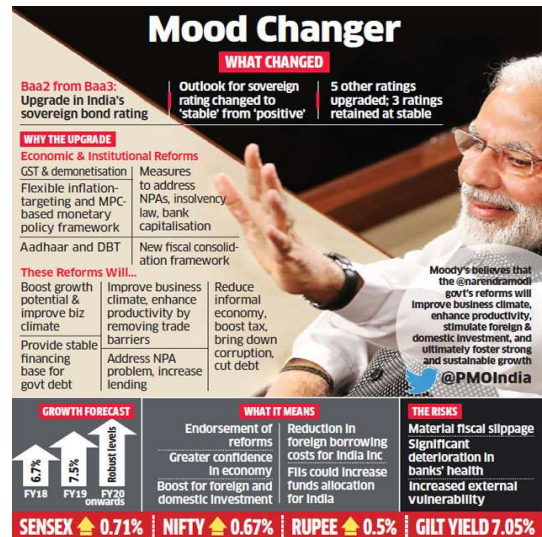
- **NPA Resolution:** The big trigger for Moody's was the massive boost to resolving banking NPAs via the deployment of Recapitalization Bonds. This is likely to help banks grow their loan books at the same time preparing for the post Basel-IV scenario.

Risk Pointed Out By Moody's

- **Risk to the upgrade:** Moody's has cautioned about some real risks to this upgrade. Factors like a low level of per capita Nominal GDP, a threat of inflation, exposure to oil imports, current account deficit and the social inequalities could make the Indian economy vulnerable.

Implication Of Rating Upgrade For India

- **Flow of FDI:** India is already the largest recipient of foreign direct investment (FDI) at over \$60 billion per annum and this upgrade could expedite the flows of FDI into India.
- **Portfolio investment:** Foreign portfolios Investors are likely to increase their allocation to India as Indian becomes more attractive in risk-adjusted terms.
- **Lower borrowing cost:** External commercial borrowings (ECBs) for the domestic companies could get cheaper thus aiding investment (as the rate of interest is calculated as a spread over the LIBOR and this spread is inversely related to the risk perception).
- **Bond yield:** Bond yields are likely to come down further as the spread with other country yields will now narrow due to the upgrade.
- **Valuation in Equity market:** Equities have received the rating announcement positively. The rating upgrade results in lower risk perception leading to lower cost of capital and therefore higher valuations for equities.
- **Trust in reform process:** Above all this upgrade is a stamp of trust in India's reforms process. That is the key takeaway of rating upgrade.



Way Forward

- Indian economy is growing at a rate of above 7%, which is on par or slightly better than China. The fact that India could sustain high growth at a time when the entire world was struggling is a testimony to the economy's resilience. To be fair the one redeemable feature of this upgrade was that it was better late than never.
- Moreover the important measures that need to be taken include planned land and labour market reforms, removing social inequalities that rely to a great extent on cooperation with and between the states.

3.14. Logistics Sector Given Infra Status

In News

- The logistics sector has been granted infrastructure status. The logistic sector covers cold chain, warehousing facilities and multimodal parks comprising Inland Container Depot (ICD) subject to certain conditions.

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- Amendment of the existing framework has widened the category of infrastructure sub-sectors to "transport and logistics" from the earlier sub-head of "transport".
- Roads and bridges, ports, shipyards, inland waterways, airports, railway tracks, tunnels, viaducts, terminal infrastructure including stations and adjoining commercial infrastructure are all part of the transport and logistics classification.
- The cost of logistics in India is very high (about 13% of GDP) compared to developed countries including the USA.

Benefits For The Logistic Sector

- **Access to cheaper funds:** The grant of infrastructure status will enable the logistics sector to avail infrastructure lending at easier terms with enhanced limits, access to larger amounts of funds as External Commercial Borrowings, access to longer tenor funds from insurance companies and pension funds.
- **Boost to growth:** It will not only help in accessing loans on easier terms but also encourage manufacturing in the country and help improve economic growth.
- **Increased competitiveness:** Reduced logistic cost will increase the competitiveness of Indian goods both in domestic as well as export market.

3.15. Cabinet Okays Setting Up of 15th Finance Commission

In News

- **New commission:** The government has constituted the 15th Finance Commission under the chairmanship of former expenditure and revenue secretary **NK Singh** with a task to recommend principles of devolution of central tax revenues and grants-in-aid to states and local bodies.
- **Members:** The members of the panel include former economic affairs secretary Shaktikanta Das and Anoop Singh, adjunct professor, Georgetown University. Two part time members are former chief economic adviser Ashok Lahiri and Niti Aayog member Ramesh Chand.
- **Terms of reference:** The terms of reference of the commission include a fiscal consolidation roadmap by factoring in appropriate levels of general and consolidated government debt and deficit levels; whether revenue deficit grants to states needed; measurable performance based incentives for states based on their effort in areas including expansion and deepening of tax net under goods and service tax (GST) and ease of doing business.
- **Factors to be considered:** While making recommendation the Commission will have to factor in the impact on the fiscal situation of the Union government after substantially enhanced tax devolution to states following recommendations of the 14th Finance Commission and the impact of the GST including payment of compensation to states for possible loss of revenues for 5 years.
- **Submission of the report:** It will submit its report latest by October 30, 2019. And the recommendations of the committee will cover a five-year period starting April 1, 2020.
- **Constitutional provision:** Article 280 of the Constitution requires setting up of a finance commission within two years from the commencement of this Constitution and thereafter at the expiration of every fifth year.



- **Functions:** The primary task of the commission is to decide the formula for the distribution between the Centre and the states of net proceeds of taxes and the horizontal allocation of the devolution among states. It also decides on the rules for grants in aid to the states out of the Consolidated Fund of India.

3.16. Centre Sets Up Task Force To Revamp 50 Year Old IT Act

In News

- The government announced setting up of a task force to draft a new direct tax law after reviewing the over 50 year old Income Tax Act, 1961. The proposed direct tax code is expected to simplify and consolidate existing laws into a single legislation.
- The task force has been given six months to carry out the exercise. **Arbind Modi**, member of central board of direct taxes (CBDT) has been named convener of the seven-member group.
- The terms of reference for the task force include studying the direct tax system prevalent in various countries along with the international best practices. Additionally, the new direct tax code will be based on the economic needs of the country and other connected matters.
- A draft direct tax code (DTC) was put in the public domain in 2009 and after that a revised version of DTC was released in 2014 which has not been taken further by the current government.

Some of Provisions of DTC 2014

- **Personal income tax:** The revised DTC had proposed an exemption of up to Rs 3 lakh on personal income while suggesting that the peak rate of 30 per cent tax should apply to those with income above Rs 25 lakh.
- **Corporate tax:** For income tax on corporates the draft code had proposed withdrawal of several exemptions and cutting the tax rate to 25 per cent in phases. Further, a dividend tax was proposed on the income earned by resident shareholders in excess of Rs 1 crore.
- **High rate of tax:** It also proposed a tax rate of 35 per cent for individuals and Hindu undivided family (HUFs) where the total income exceeds Rs 10 crore.
- **Curbing tax avoidance:** For corporates the DTC 2014 proposed to introduce General Anti Avoidance Rules (GAAR), taxation of Controlled Foreign Companies (CFC), Place of Effective Management (POEM) rule and also contained expanded source rules for taxation of royalty, fees for technical services (FTS) and interest.

Analysis Of The Latest Decision

- While the stated objective of this proposal is laudable but the present Income Tax Law already contains most of the international best practices such as GAAR, transfer pricing, BEPS etc. It would be helpful if the new tax law emphasizes more reasonable and fair administration of the tax laws to address the concerns of uncertainties and needless tax litigations.
- Moreover instead of changing the entire law the government should consider modifying the existing law so that the disputable provisions and litigations could be minimized. So it will not be a wise decision to unsettle the settled law, especially in the present environment where entities are endeavouring their best to implement India's biggest tax reform, GST in its true spirit.

3.17. Govt. Abolishes Curbs On Export Of Pulses

In News

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- The Cabinet Committee on Economic Affairs has abolished all restrictions on export of pulses to allow farmers to seek remunerative prices for their output. This also became necessary, as domestic rates have crashed below MSP in view of record production.
- While lifting restrictions on exports the Cabinet's economic panel decided that the export and import policy for pulses will be reviewed by a committee which will also be empowered to consider changes in import duties and impose quantitative restrictions on trade based on domestic and international production and demand trends.
- India produced 23 million tonnes of pulses in 2016-17 and the government has set a target to produce 22.90 million tonnes in 2017-18.

Expected Benefits

- **Remunerative prices for farmers:** Opening of exports of all types of pulses will help the farmers dispose of their products at remunerative prices by providing farmers with greater choice in marketing their produce and encourage them to expand the area of sowing.
- **Revitalize milling industry:** It will correct price distortions, offer support to pulses selling below MSP and revitalize the milling industry.
- **Regain export market:** Export will provide an alternative market for the surplus production of pulses thus will also help the country and its exporters regain markets.
- **Integration with global supply chain:** The decision to remove export curbs will lead to integration with global supply chain, helping farmers adopt good agricultural practices and achieve better productivity.
- **Nutritional security:** This is also likely to provide higher levels of protein to the population and work towards nutritional security.
- **Soil fertility:** The move will also help in moving out of the wheat-paddy cycle thus will help in improving soil fertility.

Way Forward

- The decision is important as imposing export bans deprives farmers of getting the best prices for their produce. India needs to remove quantitative restrictions on exports for improving its image as a supplier. Further it is time to consider cultivation of GM crops for capturing a bigger share in global farm trade.
- Among internal actions needed are long term measures to tackle the issues of low productivity, over dependency on monsoon and lack of post harvest infrastructure that lower the net supply of agriculture commodities and leads to knee jerk reactions in the form of export bans. Moreover, It is time India stop over promotion of cereals and let demand and supply forces guide production and trade decisions.

3.18. Insolvency Code Tweaked To Firewall Dubious Promoters

In News

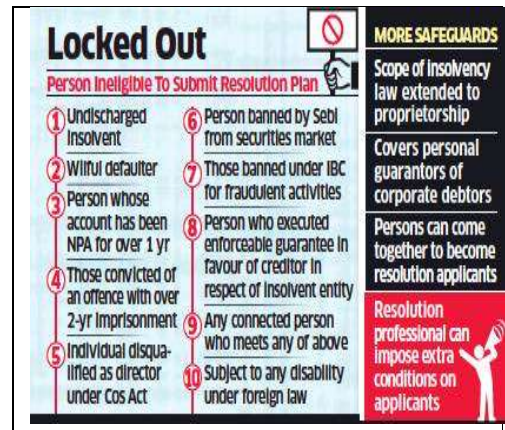
- The government has tighten the Insolvency and Bankruptcy Code (IBC) through an ordinance to ensure that wilful defaulters and promoters of companies in loan default over an extended period of time won't be able to get back on assets during the resolution process.
- The decision came after the Insolvency and Bankruptcy Board of India (IBBI) amended its **Corporate Insolvency Resolution Process (CIRP) Regulations** to ensure that as part of due diligence prior to approval of a Resolution Plan the antecedents, credit worthiness and credibility of

a Resolution Applicant including promoters are taken into account by the **Committee of Creditors (CoC)**.

- The move is aimed at ensuring that attempts at backdoor entry in the guise of resolution applicants are prevented.
- But the dilemma for lenders is whether to accept the bid of the highest bidder therefore reducing their loss or to ascertain the one most capable of running the company.

Insolvency Ordinance Provisions

- **Non eligible person:** The ordinance added Section 29A to the Code: “A person shall not be eligible to submit a resolution plan if such person or any other person acting jointly with such person or any person who is a promoter or in the management control of such person is an undischarged insolvent.”
- **Prohibit promoter and sister concerns:** It also aims to prohibit promoters or sister concerns of companies with NPA of more than a year from bidding for these companies.
- **Other who are disqualified:** Also disqualified are those who have been convicted for any offence punishable with imprisonment for two years; those who have been already disqualified as directors of companies; those who have been prohibited by the SEBI from trading in securities; and those found by an adjudicating authority to have been indulged in fraudulent, preferential or undervalued transactions.
- **Qualification for promoter:** In order to bid promoters will have to make the NPAs standard assets by paying the principal and interest. However even this is not allowed once the National Company Law Tribunal (NCLT) has accepted an insolvency petition.
- **Provision for penalty:** To ensure the changes are enforced effectively, the newly introduced Section 235A provides for fines for the contravention of the law, which would be at least Rs 1 lakh but may extend up to Rs 2 crore.
- **Eligibility criteria:** The ordinance prescribes eligibility criteria for prospective resolution applicants and empowers the IBBI to specify other norms if required.
- **Due diligence framework:** It also provides a due diligence framework to enable the CoC to make a proper assessment of the creditworthiness and credibility of an applicant before approving a resolution plan.



Positive Implication Of The Amendment

- **Restriction imposed on promoter is correct:** Ideally the promoters should not be allowed to bid for the companies admitted under the Insolvency and Bankruptcy Code, as they are responsible for bringing the company to the bankruptcy.
- **Protect bank's interest:** The ordinance was much needed because if as part of the insolvency process the bank takes a 40% haircut on its exposure to a particular business the same promoter is then able to make a bid for the business then the only loser in the process is the banker.
- **Deter wilful defaulting:** The ordinance will give investors with a well-proven track record a better chance to buy the stressed assets and also will act as a deterrent to future promoters of businesses from defaulting willfully.

- **Resolve NPA issue:** The amendment will resolve the issue of NPA because if a promoter wants to take part in the resolution process he has to pay and convert the NPA to performing asset.
- **Boost global investment:** The ordinance will act as a booster for global investors seeking to buy distressed assets but were wary of promoter intervention.

Negative Implications

- **Problem with wilful default criteria:** With the criteria to define a willful defaulter or fraudulent promoter remaining the same most of the promoters will remain eligible to bid for the companies. Forensic audits done on them during the earlier corporate debt restructuring acquitted most promoters.
- **Blanket ban is not correct:** Any blanket ban will punish even those who were not able to pay loan because of various economic factors including global ones.
- **Disrupt existing proceeding:** The big concern among resolution professionals is the amendments will disrupt nearly all pending insolvency proceedings. Besides the eligibility of all bidders will have to be ascertained before examining their bids.
- **Lenders may act arbitrarily:** Identification of wilful defaulters has been left to banks, which experts believe that may lend arbitrariness to the exercise even though it followed RBI guidelines. A provision that is punitive or takes away a right must be enshrined in the statute as a substantive provision and not be left to be determined by an interested party (lender).
- **Move will bring down competition:** The amendment could impact lenders, as it will bring down the value of these assets as the promoters who might have put in high bids due to attachment to their assets, other bidders could be more conservative and press for bigger discounts from banks.
- **Favours foreign bidders:** The amendments also place foreign bidders in an advantageous position as the concept of wilful defaulter may not exist in other countries and the disqualification criteria in corresponding situations may be different.
- **Promoter may challenge the ordinance:** The risk is also that a promoter can challenge such determination by a lender in court and seek a stay on insolvency proceedings till the challenge is decided.
- **Promoter may claim damages:** A court might not stay the insolvency process and the promoter could lose his company but later if the bank's decision were found to be illegal by court, the promoter would become entitled to claim damages.

Way Forward

- The way to ensure that the resolution process yields optimal recovery for the lender is to create a competitive market for the assets being sold. The Financial Sector Legislative Reforms Commission had recommended for creation of **information utilities** that would assemble all the detailed data on the companies being resolved for potential bidders to assess. Absence of comprehensive data would deter some bidders.
- A strong monitoring mechanism with right to recompense to banks should be put in place for promoters for stressed assets apart from dubious and wilful defaulters if they wish to bid for their assets.

4.1. Re-elections In Kenya

Uhuru Kenyatta was re-elected as the President of Kenya.

Background

- The first universal suffrage was held in 1961 and pre-independence political party the Kenya African National Union (KANU) won majority of seats in the expanded 65-seat parliament despite the European dominance.
- In the 1963 elections, the system was changed again and seats were increased to 129 House of Representatives and a 38-seat Senate. KANU won majority seats and the country saw its first African Prime Minister in the person of Jomo Kenyatta.
- This led to independence in 1964 and Kenyatta became the first President. Kenya was established as a republic in December 1964 and Kenyatta was elected Kenya's first president and J. Odinga as the Vice President.
- Kenya was transformed into a one-party state in 1969. Again, in 1992, President Moi restored multiple party politics after democratic pluralism swept through Africa.
- Moi stood down in 2002 for Uhuru Kenyatta to stand.
- The 2007 elections saw some 1,300 people killed and more than 600,000 displaced after violence that saw Uhuru Kenyatta and his running mate William Ruto indicted by the International Criminal Court in 2011 for incitement of the ethnic violence against Odinga's supporters.
- The charges were dropped against Kenyatta in December 2014 and against Ruto in April 2016 due to lack of evidence.
- The post-election violence brought forth the 2008 National Accord and Reconciliation Act. This made Odinga the first Prime Minister since 1964, and Uhuru his deputy.
- Elections were held in 2013 under the new constitution in 2010 that was approved after a referendum. Uhuru Kenyatta defeated Raila Odinga, whose party won the most seats in the National Assembly.

Current Status

- In a battle for power between the countries two elite political dynasties, Uhuru Kenyatta (being the son of Kenya's first President and Odinga being the son of Kenya's first Vice President) finally won the re election with 98% vote share.
- Kenya conducted a presidential election rerun because the Supreme Court nullified the results of the August 8 poll citing electoral irregularities, which was won by President Uhuru Kenyatta.
- Kenya after a long stalemate has finally seen a settlement over the rigged election issue as on 20th November the Supreme Court ruled the elections as fair though charged elections with minor wrongdoings but noted that this could not have affected the results in any way.
- The opposition though has said that they will be raising the issue at the international levels.
- Kenya had seen decent growth under U. Kenyatta but the political stalemate had started to hurt the economy and people at large. The major tribes were divided but finally in the reelection there was a concluding verdict in the favour of U. Kenyatta.
- Many see this as an end to Odinga as he is 77 years old and unlikely to fight another election.

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- Kenya is hoping for a stable government, reforms, end to political violence, growth and poverty reduction. The unemployment rate is high and youth is expecting years of jobs and economic growth.

Q) What was the controversy surrounding election in Kenya? How political pundits are marking this as another beginning of a political dynastic rule in one of the Africa's pillar nation. Explain.

4.2. Robert Mugabe Steps Down As The President Of Zimbabwe

After ruling Zimbabwe for 37 years, Robert Mugabe has submitted his resignation as president in a letter to parliament.

Background

- In the year 1960, Mugabe gave his first political speech while back in Rhodesia, saying how the country should model itself on Ghana. This was the beginning of Mugabe as a liberation leader.
- Robert Mugabe and Zanu win British-supervised elections in 1980. Joshua Nkomo, leader of rival Zanu was also included in new cabinet.
- But within 2 years Mugabe sacked Nkomo, accusing him of seeking the overthrow of the government. Mugabe sent the North Korean-trained Fifth Brigade to crush Zanu in the Matabeleland region. At least 8,000 people were killed until Nkomo surrendered in 1987 and joined Mugabe's ruling Zanu-PF party.
- Mugabe won the presidential election in 2002 after scores of his opponents were murdered and thousands beaten or tortured. Food shortages began as almost all white farmers are forced off their land.
- The European Union imposed travel bans and asset freezes on Mugabe and his colleagues.
- The United States declared Zimbabwe as one of the world's six "outposts of tyranny" in 2005. Mugabe launched Operation Clear out the Rubbish, a slum clearance programme that left 700,000 township dwellers homeless.
- MDC claimed victory in presidential and parliamentary elections in 2008. The official results gave Morgan Tsvangirai 47.9 percent of the vote in the first round compared with Mugabe's 43.2 per cent.
- Mugabe then authorised a national terror campaign to guarantee his victory in the second round. Tsvangirai pulled out of the contest and Mugabe was declared the winner.
- Mugabe and Tsvangirai signed South Africa-brokered power-sharing agreement. The following year, Tsvangirai is sworn in as prime minister of a coalition between the MDC and Zanu-PF.
- However in the year 2013 Robert Mugabe won the presidential election and Zanu-PF won with a majority in parliament after Tsvangirai and the MDC are discredited by the experience of coalition government.

Current Crisis

- In December 2014 Grace Mugabe was appointed as the new head of the Zanu-PF women's league taking a seat on the party's politburo and it was announced that she intends to succeed her husband. This led to a situation of hopelessness where people started thinking that Mugabe era will continue for long.

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- From the years in between 2014-17, Robert Mugabwe's health and grip on the government was not so firm as it used to be. This had given rise to lot of rumours regarding his succession plans and health.
- On November 6th President Mugabwe ousted the current Vice President Emmerson Mnangagwa. People saw that as a step to bring Grace Mugabe to the forefront and help her gain the top position of power in the country. She in fact was influential and was affecting the decision making.
- The head of the Zimbabwe Defence Forces, General Constantino Chiwenga launched what is called as 'Operation Restore Legacy' to bring down corrupt officials, restore legitimacy and rule of law.
- The military seized control in Zimbabwe and claimed to have "secured" the President. This was followed up with the arrests of his close aides and former cabinet members. This was the beginning of a controlled coup where army took control.
- As the news spread army's steps though got the support of common Zimbabweans was under pressure from the international community who called for democratic rule and criticized any sort of military rule.
- Known as "the crocodile" because of his political cunningness, R. Mugabe was associated with some of the worst atrocities committed under the ruling Zanu-PF party since independence. The Zanu-PF party presented Mr Mugabe with a deadline for impeachment proceedings against him and he eventually stepped down.
- Mnangagwa became president in November 2017 following a dramatic month in which the military took charge and Robert Mugabe resigned after 37 years in office. He is to serve out Mr Mugabe's term until elections scheduled for August 2018.

Assessment

- The announcement of new president's cabinet includes a number of former members of Robert Mugabe's government. This has disappointed many as a number of ministers and military leaders who served under former President Robert Mugabe are back in power.
- In spite of these moves many still suspect that this is a real change. Human right lawyers allege army to have bypassed constitution. Common Zimbabweans are also disappointed after seeing the new cabinet.
- Mnangagwa, the President in his maiden speech after being appointed as the President has promised for election reforms and complete overhaul.
- Zimbabwe's economy is in shambles, banking sector has collapsed, country's currency has lost credibility due to faulty monetary policies, agriculture sector is at its worse and unemployment rate is as high as 90%. There are huge expectations and Zimbabweans are hoping for a better change.
- It will be seen in near future that whether it has led to a real change or not, yet it's a fresh new beginning for Zimbabwe.

4.3. ICJ (International Court Of Justice) Elections

Justice Dalveer Bhandari was re-elected as a judge on the panel of ICJ.

About ICJ

- The International Court of Justice (ICJ) is the **principal judicial organ** of the United Nations (UN). It was established in June 1945 by the Charter of the United Nations.

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- The seat of the Court is at the Peace Palace in The Hague (Netherlands). Of the six principal organs of the United Nations, it is the only one not located in New York (United States of America).
- The Court's role is to settle in accordance with international law, legal disputes submitted to it by States and to give advisory opinions on legal questions referred to it by authorized United Nations organs and specialized agencies.
- The Court is composed of 15 judges, who are elected for terms of office of nine years by the United Nations General Assembly and the Security Council. It is assisted by a Registry its administrative organ.
- The Court may entertain two types of cases: legal disputes between States submitted to it by them (contentious cases) and requests for advisory opinions on legal questions referred to it by United Nations organs and specialized agencies (advisory proceedings).
- Only States are eligible to appear before the Court in contentious cases. At present, this basically means the 192 United Nations Member States.
- The Court has no jurisdiction to deal with applications from individuals, non-governmental organizations, corporations or any other private entity. It cannot provide them with legal counselling or help them in their dealings with the authorities of any State whatever.
- However a State may take up the case of one of its nationals and invoke against another State the wrongs which its national claims to have suffered at the hands of the latter and the dispute then becomes one between States.
- The International Court of Justice has no jurisdiction to try individuals accused of war crimes or crimes against humanity. As it is not a criminal court, it does not have a prosecutor able to initiate proceedings.

How Does Elections Take Place In ICJ

- The judges are elected by members of the United Nations General Assembly and the Security Council, where polling takes place simultaneously, but independent of each other. In order to be elected, a candidate must have an absolute majority in both bodies.
- In order to ensure a sense of continuity especially in pending cases elections are conducted triennially for a third of the 15-member Court. Judges are eligible to stand for re-election.
- After the Court is in session President and Vice-President are elected by secret ballot to hold office for three years. If a judge were to die in office, resign or be incapacitated to perform the duties a special election is held as soon as possible to fill the vacancy for the unexpired duration of tenure.
- In order to maintain ethno-cultural matrix to ensure that it is representative of the chief forms of civilization and the principal legal systems of the world it is mandated that three should be from Africa, two from Latin America and the Caribbean, three from Asia, five from Western Europe and other states and two from Eastern Europe.

What Bhandari's Re-Elections At ICJ Means For India

- The permanent members of the Security Council -- the US, Russia, France, and China were supporting and rallying behind Greenwood, Bhandari's rival candidate from Britain. Britain is the fifth permanent member of the UN Security Council.
- India stated that the democratic process needs to be played its full course in both the Security Council and the General Assembly and there should not be an intervention or adoption of a process that has never been used before or the one that undermines the voice of the majority.

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- The voting in the General Assembly which overwhelmingly favoured India is reflective of the new global order which is not pleasant to the world powers more so to the five permanent members.
- The UK will not have a judge on the bench of the ICJ for the first time in its 71-year history.
- It has been interpreted as a sign of its increasing relevance of India on the world stage.
- Bhandari's election upsets what has become a traditional balance in the ICJ. Besides a permanent member going unrepresented, four Asian countries will be represented on the ICJ bench instead of the usual three.
- Bhandari's cause will become a rallying point for the nations not a member of the Council who are under the domination of the unrepresentative Council to make a popular show of force.

UN Reforms

Why Reforms

- It is widely accepted that the existing membership and functioning of the UNSC reflects the realities of a bygone era. Global politics has changed a lot as regards its power, structure, rules, and norms since the formation of the UN.
- The world has witnessed a redistribution of power and emergence of new power centres, along with a transformation from the era of colonialism to that of post-colonial independent states.
- However as a global institution to promote international peace and security, the UNSC has not responded to these changes due to many reasons. The only change has been an increase in the number of non-permanent members in the UNSC from six to ten that too as far back as 1965.
- Three major criticisms are raised as regards the Council -- lack of equitable representation, unresponsiveness towards new political realities and domination of Western states.

Why And What Of Reform's

- Most reform proposals revolved around the five core issues of "**membership categories, the question of the veto held by the five permanent members, regional representation, the size of an enlarged Council and Council working methods**".
- The major coalitions for SC reforms include the G-4 (Brazil, Germany, India and Japan), the L69 (Group of 42 developing countries), the Uniting for Consensus (UfC) (Group of 12 countries), the African Group (Coalition of 54 African countries) and P5 Countries (Britain, China, France, Russia and United States).
- G-4 is the leading contender for permanent membership in the Council as they seek four permanent seats for themselves and one more seat for the African continent. The coalition demands expansion of both categories of membership -- permanent and non-permanent so as to make the Council more representative of the new realities in the global political landscape.
- The L69 comprises 42 countries from Africa, Asia, Caribbean, South America and Pacific and includes three of the four G-4 members (Brazil, India and South Africa). Similar to the G-4, L69 also argues for reform as a way towards greater accountability, transparency, representation and legitimacy.
- The African Group, comprising 54 states from five regions of the continent, is another prominent advocate of reform. The coalition reflects the Ezulwini Consensus, the official position of the African Union, which demands two permanent seats with veto power for the

African continent.

- In addition to these four larger demand groups some other coalitions have also proposed reforms in accordance with their own interests and preferences. The Uniting for Consensus (UfC) group led by Argentina, Mexico, Italy, Pakistan and South Korea.
- The Arab Group comprised of members of the Arab League and 10 countries from Africa, the Organization of Islamic Conference (OIC) and Accountability, Coherence and Transparency (ACT), a cross-regional grouping of 27 countries are the other leading groups that have proposed reforms consistent with their particular interests and preferences.

Q) Justice Dalveer Bhandaris re-election to the ICJ is symbolic of the changing world order and need of UNSC reform's. Critically examine.

.Q) Which are the major demand groups related to UN reforms and what are their demands. Discuss.

5.1. India And Bhutan

Royal couple of Bhutan visited Delhi on a 4 day visit.

The Current Visit

- The king of Bhutan Jigme Khesar Namgyel Wangchuck and the Queen of Bhutan Jetsun Pema Wangchuck recently visited India.
- The visit provides an opportunity to both the sides for reviewing the entire gamut of bilateral cooperation and to plan for celebrations of golden jubilee of establishment of diplomatic relations between the two countries in the year 2018.
- India and Bhutan enjoy unique ties of friendship characterized by deep understanding and mutual trust. The recent visit of His Majesty the King of Bhutan is in keeping with the long standing tradition of regular high-level exchanges between the two countries.
- The king and the Bhutanese royal family are held in very high esteem by the people of its country. It is common knowledge that the king influences decision making in the government though the head of the government is Prime Minister Tshering Tobgay.
- The king's visit at this juncture after India and China ended a 73 day old standoff on Doklam plateau in the Himalayan kingdom two months ago will help India underline its special relationship with Bhutan.
- It is a signal that Bhutan's India first policy is intact against the backdrop of China trying to make inroads into a country seen as firmly within India's sphere of influence in South Asia.
- The South Asian Association for Regional Cooperation or Saarc, regional grouping has been rendered ineffective due to tensions between India and Pakistan. India is thus pushing for the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation or BIMSTEC as an alternative (It comprises Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand and brings together 1.5 billion people or 21% of the world population and a combined gross domestic product (GDP) of over \$2.5 trillion).
- Bhutan is key for India's plans to push subregional cooperation. A transport agreement among Bangladesh, Bhutan, India and Nepal was mooted in 2014 but is yet to take shape given Bhutan's worries about the impact of pollution and loss of businesses if trucks and cars from India, Bangladesh and Nepal roll into the country. A discussion with the king covering all these issues will help address concerns and help accelerate regional integration within BIMSTEC.
- Besides these cooperation in hydropower was also at the helm of the discussions. The Himalayan country has a hydel power potential of 30,000 megawatt (MW) of which 23,000 MW can be tapped. India is involved in developing a number of hydel power projects in Bhutan already and is keen to deepen the cooperation.
- It was also decided in the visit that the Annual India-Bhutan Development Cooperation Talks will be held on 10 November 2017 in New Delhi. The Annual Development Cooperation Talks is an important bilateral mechanism to review the entire gamut of India's development partnership with Bhutan. India is a privileged partner in Bhutan's socio economic development.

India-Bhutan Bilateral Relations

Background

- Diplomatic relations between India and Bhutan were established in 1968 with the appointment of a resident representative of India in Thimphu.

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- The basic framework of India- Bhutan bilateral relations was the *Treaty of Friendship and Cooperation* signed in 1949 between the two countries, which was revised in February 2007. The India-Bhutan Friendship Treaty not only reflects the contemporary nature of our relationship but also lays the foundation for their future development in the 21st century.
- The treaty commits both countries to cooperate closely with each other on issues relating to their national interests and not allow the use of their territories for activities harmful to the national security and interest of the other.
- The traditionally unique bilateral relations characterized by trust and understanding have matured over the years. The special relationship has been sustained by the tradition of regular visits and high-level dialogues between the two countries.
- There are a number of institutional mechanisms between India and Bhutan in areas such as security, border management, trade, transit, economic, hydro-power, development cooperation, water resources. There have been regular exchanges at the Ministerial and official's level, exchanges of parliamentary delegations to strengthen partnership in diverse areas of cooperation.

Hydropower Cooperation

- Hydropower projects in Bhutan are an example of win-win cooperation providing a reliable source of inexpensive and clean electricity to India and generating export revenue for Bhutan thus cementing economic integration.
- So far Government of India has constructed three Hydroelectric Projects (HEPs) in Bhutan totalling 1416 MW (336 MW Chukha HEP, 60 MW Kurichhu HEP and 1020 MW Tala HEP) which are operational and exporting surplus power to India (about three-fourth of the power generated is exported and rest is used for domestic consumption).
- Hydropower exports provide more than 40% of Bhutan's domestic revenues and constitute 25% of its GDP.
- The ongoing cooperation between India and Bhutan in the Hydropower sector is covered under the 2006 Agreement on Cooperation in Hydropower and the Protocol to the 2006 agreement signed in March 2009. Under this Protocol, Government of India has agreed to assist Royal Government of Bhutan in developing a minimum of 10,000 MW of hydropower and import the surplus electricity by the year 2020. Currently, there are three Inter-Governmental (IG) model HEPs viz. 1200 MW Punatsangchhu-I, 1020 MW Punatsangchhu-II and 720 MW Mangdechhu under construction.
- In April 2014, an Inter-Governmental Agreement was signed between India and Bhutan for development of four more HEP's of capacity 2120 MW (600 MW Kholongchhu, 180 MW Bunakha, 570 MW Wangchu and 770 MW Chamkarchu) under the Joint Venture Model. These projects will have both the JV partners owning 50:50 shareholdings each in the JV company.

Bilateral Trade

- The India-Bhutan Trade and Transit Agreement 1972 established a free-trade regime between the two countries. The Agreement also provides for duty-free transit of Bhutanese exports to third countries.
- In 2015, bilateral trade reached Rs 8,550 cr. Imports from India accounts for 79% of Bhutan's total imports and Bhutan's exports to India constitutes 90% of its total exports.
- More than one-third of Bhutan's exports to India is electricity. Other items of export include minerals such as ferro-silica (the Bhutanese have been complaining that these exports have been declining) cement and dolomite.

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- Recently there has been growing exports of cardamom and Bhutan is also keen to sell off-season vegetables in neighbouring Indian markets.
- Planning is underway to build a mini dry port in the border town of Phuentsholing to promote exports that are plagued by logistical difficulties due to the difficult terrain and poor connectivity.
- Bhutan sources the majority of its import requirements from India. Bilateral trade is conducted in Indian Rupees, which is fully convertible to Ngultrum at par. Although Bhutan has an adverse balance of trade with India but the balance of payment position with India ended last year with a surplus.

Border Management

- There is a Secretary-level mechanism on border management and security related matters. There is also a Border District Coordination Meeting Mechanism between the bordering States and the Royal Government of Bhutan to facilitate coordination on border management and other related matters.
- Bhutan is concerned of the Chinese intrusions at the border and trijunctions as was the case in Doklam. India as per the friendship treaty between the two countries has assured of full cooperation and both sides after the Doklam issue have agreed to a greater border management and defense cooperation.
- China sees border with Bhutan as the vulnerable outlet that can be used to potentially threaten India. Bhutan knows Chinese intentions and is worried about its sovereignty hence have sought for special vigil at the border through India's help.

Assessment

- Bhutan has been India's longstanding and a special ally. From cultural ties to security both the countries share deep indivisible ties.
- Bhutan's support is a key for India to counter Chinese influence in the region. Although both India and China had agreed to maintain status quo in the region but recent reports of Chinese military build-up near the strategic Doklam area is a cause of concern for India and also for Bhutan.
- One of the goals of Chinese through Doklam was to create a rift between the long standing relationship of India and Bhutan. Therefore Indo-Bhutan friendship is important in view of the changing geopolitical situation of the region.

Q. In the context of Doklam issue, critically analyse the role of Bhutan and Indo Bhutan relations.

5.2. Release of Hafiz Saed

In News

Recently, three related news have made the headlines. These are –

- Hafiz Saed released from jail in Pakistan.
- China blocks Masood Azhar entry in UN list of designated terrorist.
- Pakistan pulled up by FATF for terror funding.

Why Is China Stalling Entry Of Masood Azhar In The List Of UN Designated Terrorist

- China and Pakistan are "all-weather friends" and Beijing's efforts are aimed at keeping its ally in South Asia happy.

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- India is seen as a competitor and sometimes even a threat by China and needling India in this way keeps India busy in its own problems in South Asia thus leaving it with little leeway to focus on issues away from its immediate neighbourhood.
- Any breakthrough in South Asia in terms of peace with Pakistan or penalising Pakistan with support from other countries would mean India being relatively free to concentrate on growth and development.
- Pakistan's support for China within groupings like the Organisation of Islamic Cooperation (OIC) and others like the Non-Aligned Movement where China has no representation is another reason for Beijing extending support to Pakistan through the UNSC where it is a powerful veto-wielding member.
- Pakistan has shielded China in the OIC against remarks on Beijing's crackdowns on its Muslim Uyghur community in its restive Xinjiang province.
- Islamabad stood up against any inclusion of sharp language against Beijing at the Non Aligned Movement's meetings on its conduct in the South China Sea.
- India's growing proximity to the US is also seen as a major challenge. India's warming relations with the US in the past decade the high water mark of which was the 2008 civil nuclear deal has been variously debated and discussed as moves by the US to find a counterweight to China in Asia.
- China's anger with India for sheltering the Dalai Lama also adds as the reason. The Dalai Lama is the temporal head of Tibetan Buddhists. India giving the Tibetan spiritual leader asylum is a sore point vis-a-vis Beijing.
- The key role played by Pakistan in China's One Belt One Road is crucial. China has pledged \$51 billion in projects and investments in the economic corridor that runs across the length of Pakistan connecting China's Xinjiang region to the Arabian Sea port of Gwadar. The port is important for China, which sees it as an alternative to sea routes from Africa and West Asia through the South China Sea. Thus making Pakistan central for its future economic and strategic growth.

Crack Down On Terror Funding Through Pakistan By FATF

- FATF's International Co-operation Review Group (ICRG) analyses high-risk jurisdictions and recommends specific action to address the ML/FT (Money laundering and Financing of Terrorism) risks emanating from them.
- In the recent plenary session held at Buenos Aires, Argentina ICRG asked Pakistan to comply with the previous notice and report on terrorism funding especially with regards to Lashkar-e-Taiba and Jmad-Ud-Dawa both being Pakistan based and banned organizations under UN 1267 Resolution.
- It is a diplomatic win for India to further isolate Pakistan on the issue of financing terror and providing safe heavens to terrorists.
- It will also send a signal to the supporters of Pakistan especially China who has recently supported Pakistan by blocking the naming of Masood Azhar in the UN list.
- This will force Pakistan to further coordinate, share information and freeze all the properties of UNSCR 1267 terrorists.
- State Bank of Pakistan has been asked to come up with a compliance report on the steps taken to control terror financing and other regulatory measures.
- Though here too China tried to influence and block the strict measure being taken but as two nations are required to block the consensus China's lone effort was not able to yield any result.

- Though FATF is a voluntary group but even then such step will have a serious impact and will further expose and corner Pakistan.

About FATF

- In response to mounting concern over money laundering the Financial Action Task Force on Money Laundering (FATF) was established by the G-7 Summit held in Paris in 1989.
- During 1991 and 1992, the FATF expanded its membership from the original 16 to 28 members. In 2000, the FATF expanded to 31 members and has since expanded to its current 37 members.
- The FATF currently comprises of 35 member countries and 2 regional groupings namely European Commission and Gulf Cooperation Council.
- Financial Action Task Force (FATF) thus is an inter-governmental body.
- The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.
- The FATF therefore works as a “policy-making body” which aims to generate the necessary political will to bring about national legislative and regulatory reforms in these areas.
- Starting with its own members FATF monitors countries’ progress in implementing the FATF Recommendation, reviews money laundering and terrorist financing techniques and promotes the adoption and implementation of the FATF Recommendations globally.

About UNSCR 1267 :

- Following attack on the US embassies in Nairobi and Darussalam by Al Qaeda leader Osama Bin Laden and other associated groups in 1999 the Security Council passed a resolutions known as “Resolution 1267” or “1267 Regime” under Article 41 of the UN which states.
- It established a sanctions regime to cover individuals and entities associated with Al-Qaida, Osama bin Laden and/or the Taliban wherever located.
- The UNSCR 1267 (1999) and its successor resolutions require countries to immediately freeze funds, financial assets or economic resources of individuals and entities who are designated by the United Nations Security Council based on such person’s / entity’s connections with terrorism and terrorist financing.
- Further countries should ensure that no funds, financial assets or economic resources are made available to or for the benefit of such designated persons/entities.
- Under the UNSCR 1267 there is no scope for judicial review of the Security Council decision. No full reasons for designating individuals or organisations as terrorists need be given to the individuals or the entities concerned.

Current Status

- There is a global consensus emerging against terrorism. India has been successfully raising the issue of terrorism and safe havens at various international for a including the UN.
- Chinese help to Pakistan on the issue of terrorism can’t sustain for long and has got diluted due to the increased global consensus.

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- India has raised the issue of Masood Azhar at the recently held ASEAN summit on the lines of BRICS summit. This is likely to soften the Chinese stand.
- India is cornering and isolating Pakistan by cutting the terror funding routes. India's recent bid at FATF which heavily cracked down on Pakistan for no action against the UN banned terrorist's funding is testimony of India's efforts.
- US and Western countries as well as Russian support on the subject of terrorism and Islamic terrorism is clearly in favour of India.
- India's strict action against the terrorists and extremists in Kashmir and recent investigations by NIA has further dented the state sponsored terrorism.
- India's economic as well as strategic prominence can't be ignored and hence even in UN and UNSC India's voice cannot go unheard.

Q) What is FATF and how does it help curb terrorism?

Q) What is UNSCR 1267? Why China is opposing Masood Azhar's entry in the UNSCR 1267?

5.3. India and Singapore

Indian navy will set up a logistics base east of Malacca in Singapore.

India Singapore Bilateral Agreement for Navy Cooperation

- India-Singapore Bilateral Agreement for Navy Cooperation was signed at the second Defence Ministers Dialogue between India and Singapore.
- Singapore sits at the eastern edge of this crucial water channel that is the shortest route between Indian Ocean with the Pacific Ocean.
- It's a strategic move that is likely to irk China. This will give India Strategic advantage and will help India counter Chinese String of Pearl.
- This bilateral agreement will allow Indian Navy ships logistical support including refuelling at Singapore's Changi naval base located near the disputed South China Sea.
- Singapore also wants both sides to engage more activity in the Strait of Malacca through which China's oil and natural gas imports pass.
- The agreement aims at increased cooperation in maritime security, joint exercises, temporary deployment from each other's naval facilities and mutual logistics support.
- The Navy will have a full-fledged logistics facility that is 2,177 km east from its nearest base at Port Blair in the Andaman and Nicobar Islands in the Bay of Bengal. This is the first such military logistics agreement with a country east of Malacca indicating a shift eastwards for the Indian Navy.

Strategic Importance of Malacca Strait to China

- Malacca Straits are critical to the transport of natural gas and oil especially for China. As it is particularly reliant on unimpeded sea-lane of communications like through South China Seas and Malacca Straits.
- In 2016 approximately 80 per cent of China's oil imports and 11 per cent of natural gas imports transited the South China Sea and Strait of Malacca.

- China continues to look primarily to the Persian Gulf, Africa to satisfy its growing oil and gas demands making the Malacca Straits even more significant.
- To keep check on piracy and maintain the dominance in the region the Malacca and South China Sea are crucial to China.

India-Singapore Bilateral Relations

Background

- The close ties between India and Singapore have a history rooted in strong commercial, cultural and people-to-people links. India's connection with Singapore dates back to the Cholas.
- The more modern relationship is attributed to Sir Stamford Raffles who in 1819 established a trading station in Singapore on the route of the Straits of Malacca which became a colony under British India governed from Calcutta (1830-1867).
- The colonial connection is reflected in a similarity of institutions, practices, usage of English and the presence of a large Indian community.
- India was one of the first countries to recognize Singapore in 1965. India's economic reforms in 1990s and the Look East Policy provided opportunities to recreate a new framework for cooperation which included the Comprehensive Economic Cooperation Agreement (CECA) of 2005.
- This robust relationship was elevated to a Strategic Partnership during the visit of Prime Minister Modi in November 2015 who signed a Joint Declaration on a Strategic Partnership with Singapore Prime Minister Lee Hsien Loong on the occasion of the 50th anniversary of the establishment of diplomatic relations.

Bilateral Trade and Investments

- Singapore is India's 10th largest bilateral trade partner (2016-17) and the 2nd largest among ASEAN countries with a share of 2.5 % and 2.6 % of overall trade of India and Singapore respectively.
- Bilateral trade expanded after the conclusion of CECA from US\$ 6.7 billion in 2004-05 to reach US\$ 16.7 billion in 2016-17.
- Total foreign direct investments from Singapore into India was USD 57.6 billion (till June 2017) which was 16.8% of total FDI inflow.
- High ease of doing business has resulted in many Indian companies to register their offices in Singapore which also results in greater FDI. The FDI from Singapore in the period April 2016 – March 2017 was US\$ 8.7 billion. The outward Indian FDI to Singapore was USD 49.45 billion (till June 2017) making Singapore one of the top destinations for Indian investments.
- The sectors which attracted investments include Information Technology, real estate, manufacturing, construction, renewable energy and pharmaceuticals.
- About 6,000 Indian companies are registered in Singapore. 6 PSUs, 9 banks, India Tourism, CII, FICCI, Air India, Jet Airways have their offices in Singapore. More than 440 companies from Singapore are registered in India. 2 banks, International Enterprise Singapore (IE) and Singapore Tourism Board have their offices in India. Thus, there is an environment of deep and strong economic cooperation between the two countries.
- Singapore has expressed interest in working with India on the Smart Cities initiative. A consortium of Singapore companies is working to develop Amaravati, new capital city of Andhra Pradesh. Singapore is also working with State Governments in preparing Concept Plans for townships in Udaipur, Jodhpur and Greater Shimla.

Other Areas of Partnership

- Defence has been an area where both the countries share deepening relationship. The SIMBEX a joint naval exercise between the two countries is the symbol of the strong defence ties. India is crucial to Singapore in providing a strong defence partner that can counter and withstand the growing Chinese assertiveness.
- Science and technology and skill development have been other areas of nurturing closer ties. Singaporean companies have tied up with India's Skill Ministry for the flagship SKILL INDIA scheme. While national university of Singapore (NUS) has made several tie ups with IITs and other premier science institutes. ISRO has also helped Singapore with the launch of crucial communication satellites.
- Cultural ties have been one of the strongest pillar of the relationship between India and Singapore. Inter-governmental cooperation in culture is governed by a 1993 MOU for Cooperation in the fields of Arts, Archives and Heritage.
- ICCR and the National University of Singapore (NUS) have signed an MOU in March 2010 establishing a short-term Chair on Indian Studies at the South Asian Studies Programme, NUS.
- Indian Community has a strong presence in Singapore. Ethnic Indians constitute about 9.1 % or around 3.5 lakhs of the resident population of 3.9 million in Singapore.

Q) What is the importance of recently signed naval agreement between India and Singapore. Critically analyse the significance of the small but important nation – Singapore, for India.

5.4. Chabahar Port

[To Be Read With the topic Visit of Indian Minister of Road and Transport to Iran from August issue of CA magazine]

In News

First phase of Chabahar port inaugurated.

About Chabahar Port

- Iran's Chabahar port is located on the Gulf of Oman and is the only oceanic port of the country. The port gives access to the energy rich Persian Gulf nation's southern coast to India and India can bypass Pakistan with the Chabahar port becoming fully functional.
- Chabahar has two ports -- Shahid Kalantari and Shahid Beheshti, each with five berths. The project investment arm of the shipping ministry -- India Ports Global is partnering with the Jawaharlal Nehru Port Trust and Gujarat's Kandla Port Trust to develop two container berths with a length of 640 metres and three multi-cargo berths by investing \$85 million.
- India and Iran had agreed to look at developing the port in southeastern Iran in 2003, during a visit to India by the then Iranian President Mohammad Khatami but the venture was not able to make much progress until 2012.
- Chabahar port project was discussed in length at the sidelines of 16th Non Aligned Movement summit in 2012 as a part of larger scheme of developing Southern Silk Road connecting Iran to Central and South Asia through roads, railways and last but not least major ports.
- The crucial Silk Road port in this case is Chabahar, in Sistan Balochistan province in southeast Iran. Tehran had already invested \$340 million to complete 70 per cent of the port construction in the decade long project.

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- Due to US and EU sanctions affecting the Iranian economy and Afghanistan's want to have an alternative safe route connecting it with Iran made India, Iran and Afghanistan think seriously on the issue. India had already invested \$136 million to link Chabahar to Afghanistan's ring road system.
- India in 2013 agreed for further funding of the project after the partial lifting of sanctions from the Iran by US and other European countries.
- During the Iran visit in 2016, Prime Minister Modi gave fillip to the project by inking a pact which entailed establishment of Transit and Transport Corridor among the three countries. It talked of using Chabahar Port as one of the regional hubs for sea transportation in Iran, besides multi-modal transport of goods and passengers across the three nations – India, Iran and Afghanistan.
- This along with another round of funding from the Indian side gave the needed impetus and the project entered its last lap.

Significance

- Chabahar means "Four Seasons" -- a port that may be used all year long. Thus its importance in the broader Iran-India strategic partnership not only in terms of Central Asia but for India's commercial relations with Southwest Asia and the wider Middle East.
- Chabahar port will ensure in the establishment of a politically sustainable connectivity between India and Afghanistan. This will in turn lead to better economic ties between the two countries.
- It allows India to bypass Pakistan in transporting goods to Afghanistan. Over a month before the official inauguration of the Chabahar port, India had sent its first consignment of wheat to Afghanistan by sea through this port.
- The shipment of wheat was considered as a landmark moment as it will pave the way for operationalisation of the Chabahar port as an alternate, reliable and robust connectivity for Afghanistan.
- Chabahar port will boost India's access to Iran, the key gateway to the International North-South Transport Corridor (INSTC) that has sea, rail and road routes between India, Russia, Iran, Europe and Central Asia.
- INSTC is an ambitious multimodal transport system established in 2000 by Iran, Russia and India to promote transportation cooperation. It is planned to connect the Indian Ocean and Persian Gulf to the Caspian Sea through Iran and then onwards to St. Petersburg and northern Europe through Russia.
- Chabahar port will be beneficial to India in countering Chinese presence in the Arabian Sea, which China is trying to ensure by helping Pakistan develop the Gwadar port.
- Gwadar is a part of China-Pakistan-Economic Corridor project (CPEC) aimed at opening up an energy and trade corridor from the Gulf to western China.
- With Chabahar port being developed and operated by India, Iran also becomes a military ally to India. Chabahar could be used in case China decides to flex its navy muscles by stationing ships in Gwadar port to reckon its upper hand in the Indian Ocean, Persian Gulf and Middle East.
- With Chabahar port becoming fully functional there will be a significant boost in the import of iron ore, sugar and rice to India. The import cost of oil to India will also see a considerable decline. India has already increased its crude purchase from Iran since the West imposed ban on Iran was lifted.

Current Status

- The first phase of the Chabahar port project is known as the Shahid Beheshti port. It was recently inaugurated by the Iranian President Hassan Rouhani.

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- Iran asked the Indian government to "manage" or operate the first phase of the port and to undertake the handover of the first phase of the Chabahar port project.
- Ahead of the inauguration India's External Affairs Minister SushmaSwaraj and her Iranian counterpart JavedZarif held a meeting in Tehran to review the implementation of the Chabahar port project.
- In the meeting, it was decided to fast track the project a joint secretarial group of the three nations shall be formed to finalise protocols related to transport and transit, ports, customs procedures and consular affairs.

Q) Where is Chabahar port located? Why is it crucial for India?

Q) Is Chabahar port part of the larger proposed INSTC ? What is INSTC ? Can it be India's OBOR?

6.1. 31st ASEAN Summit And The QUAD

In News

- The 31st Association of Southeast Asian Nations (ASEAN) Summit was held on 13-14 November 2017 at Manila, Philippines.
- India participated in the first formal official-level discussions under the regional coalition known as the 'Quad', the quadrilateral formation that includes Japan, India, United States and Australia.

Highlights

- During the summit the U.S., as an ASEAN member, was questioned whether it would maintain its interest in the region, especially after Mr. Trump's decision to withdraw from the Trans-Pacific Partnership.
- The ASEAN announced their readiness to support filling in the region's infrastructure gaps with Russia, South Korea and India all pledging to work with the Southeast Asian nations to achieve growth throughout the region.
- In the summit, it was cautioned that the robust growth momentum could be stymied by faster than expected monetary policy tightening in advanced economies, a rise in public sector debt and slow progress in regional trade.
- Major progress was made towards the finalization of scope of the long-negotiated Regional Comprehensive Economic Partnership (RCEP). Stuck in negotiations since 2012, the RCEP seeks to bring ASEAN member states together with China, Japan, South Korea, the United States, Australia and New Zealand.
- Violent extremism and the illegal drug trade were denounced in the opening ceremony of the 31st ASEAN Summit, highlighting the need for regional cooperation to tackle these issues, as well as "poverty alleviation, food security, coastal and marine environment, and the pursuit of innovation" among others.
- The quadrilateral talks were held as Prime Minister Narendra Modi interacted with Premier Shinzo Abe of Japan and U.S. President Donald Trump.

About ASEAN

- The Association of Southeast Asian Nations (ASEAN) is a politico-economic conglomerate of ten member countries from South East Asia, which came into existence in 1967.
- Initial members included Indonesia, Malaysia, Philippines, Singapore and Thailand and later, Brunei, Cambodia, Laos, Myanmar and Vietnam were also included into the organisation.
- ASEAN covers a land area of 4.4 million square kilometres, i.e. 3% of the total land area of the Earth and 8.8% of the world's population.
- ASEAN as an entity ranks as the seventh largest economy in the world, behind the US, China, Japan, Germany, France and the United Kingdom.
- ASEAN Summit is held twice a year to discuss and resolve political, economic and regional issues. Meetings with other countries, outside of the bloc are also held during the ASEAN Summit to promote external relations.
- Bilaterally, ASEAN maintains strategic relations with Australia, Canada, and the People's Republic of China, the European Union, India, Japan, the Republic of Korea, New Zealand, the Russian Federation, and the USA.

Scope of ASEAN

Scope of ASEAN, as highlighted in the ASEAN Declaration is to:

- Accelerate economic growth, social progress and cultural development in the region.
- Promote regional peace and stability.
- Promote collaboration and mutual assistance on matters of common interest.
- Provide assistance to each other in the form of training and research facilities.
- Collaborate for the better utilisation of agriculture and industry to raise the living standards of the people.
- Promote Southeast Asian studies.
- Maintain close, beneficial co-operation with existing international organisations with similar aims and purposes.

ASEAN Plus Three and East Asia Summit (EAS)

In 1997, the ten ASEAN leaders decided to further expand the ambit of the organisation by integrating with other major economic powers and created two more appendages:

ASEAN Plus Three:

- People's Republic of China, Japan and South Korea.

East Asia Summit (EAS):

- East Asia Summit (EAS) is a pan-Asian forum held annually by the leaders of 18 countries (ASEAN plus 08 countries) in the East Asian region with ASEAN in a leadership position.
- Membership of EAS was initially all 10 members of ASEAN plus China, Japan, South Korea, India, Australia and New Zealand but expanded to include the United States and Russia in 2011.
- A meeting of the EAS usually coincides with the ASEAN Summit. The 12th East Asia Summit was held on 14 November 2017.

Conclusion

- Most of the ASEAN countries and Japan are projecting a tough stance towards China's aggressive design of unlawfully encroaching upon land and maritime territories of other countries.
- It is being increasingly felt that the monopoly and expansionism of China's military might can only be checked through a collective stand.
- In order to limit India's regional dominance, China has adopted a policy of "String of Pearls" to isolate and intimidate India by expanding its area of influence around Indian territorial extremities.
- Hence, forming a strategic partnership with the anti-China camp will largely weaken Chinese aggressive posture.
- India and the US have been calling for freedom of passage in the international waters, much to the discomfort of Beijing, whose claim over South China Sea was also struck down by an international tribunal in favour of the Philippines last year.
- However, the idea of 'Quad' will be hard to sell as the total value of trade of the four 'Quad' countries with China is over a trillion dollars.
- Hence, all these countries will have to think twice before antagonising China, e.g. India's statement at the end of the meeting had no mention about freedom of navigation or maritime

security in South China Sea or even a categorical statement naming North Korea for nuclear proliferation.

6.2. UNEP EMISSION GAP

The United Nations Environment Programme has released the Emission Gap Report 2017.

Highlights Of The Report

- This year the Emissions Gap Report includes an assessment of the emissions associated with the Nationally Determined Contributions and current policies of each of the G20 members, including the European Union.
- This year's report explores removing carbon dioxide from the atmosphere as an additional way to mitigate climate change, over and above conventional abatement strategies.
- The report includes a new systematic assessment of how various economic sectors can reduce their climate-warming emissions, focusing on the potential reductions from the wide application of already-known and cost-effective technologies.
- The overarching conclusions of the report are that there is an urgent need for accelerated short-term action and enhanced longer-term national ambition, if the goals of the Paris Agreement are to remain achievable and that practical and cost-effective options are available to make this possible.
- According to the report Global greenhouse gas emissions in 2020 are likely to be at the high end of the range of the scenarios consistent with the 2°C and 1.5°C goals respectively making it increasingly difficult to be on track to meet the 2030 emission goals.
- A large gap exists between 2030 emission levels and those consistent with leastcost pathways to the 2°C and 1.5°C goals respectively. The 2°C emissions gap for the full implementation of both the conditional and unconditional NDCs for 2030 is 11 to 13.5 GtCO₂ e. The gap in the case of the 1.5°C target is 16 to 19 GtCO₂ e.
- Most G20 countries require new policies and actions to achieve their NDC pledges. Subnational and non-state action has the potential to reduce the emissions gap by a few gigatonnes CO₂ e/year by 2030. Improved information about the impact of subnational and non-state action is urgently required.
- The report highlighted that the Kigali Amendment and the ICAO Offsetting Scheme provide some welcome additional momentum and may contribute just under 1 GtCO₂ e to closing the gap in 2030.

About Emission Gap Report

- Since 2010, United Nations Environment Programme(UNEP) has produced annual Emissions Gap Reports based on requests by countries for an independent scientific assessment of how actions and pledges by countries affect the global greenhouse gas emissions trend and how this compares to emissions trajectories consistent with the long-term goal of the United Nations Framework Convention on Climate Change (UNFCCC).
- The Emission Gap report has been prepared by an international team of leading scientists, assessing all available information.

About UNEP

- The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the

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environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment.

- UNEP's mission is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.

Functions:

- Promoting international cooperation in the field of the environment and recommending appropriate policies.
- Monitoring the status of the global environment and gathering and disseminating environmental information.
- Catalyzing environmental awareness and action to address major environmental threats among governments, the private sector and civil society.
- Facilitating the coordination of UN activities on matters concerned with the environment and ensuring through cooperation, liaison and participation that their activities take environmental considerations into account.
- Developing regional programmes for environmental sustainability.
- Helping, upon request, environment ministries and other environmental authorities in particular in developing countries and countries with economies in transition to formulate and implement environmental policies.
- Providing country-level environmental capacity building and technology support.
- Helping to develop international environmental law and providing expert advice on the development and use of environmental concepts and instruments.

About 1 Gigaton Coalition:

- The UN Environment Programme (UNEP), with support from the Government of Norway, launched a coalition to promote the expansion of renewable energy and energy efficiency in climate change mitigation efforts.
- The Coalition supports countries to measure and report greenhouse gas emission savings resulting from renewable energy and energy efficiency activities and initiatives.
- The '1 Gigaton Coalition' is so named because it is believed that emission reductions from renewable energy and energy efficiency efforts could deliver annual savings of 1 gigaton of carbon dioxide equivalent (CO₂e) per year by 2020.

Q. What is the Emission Gap report? Explain the current status of the emission gap in the light of recently released emission gap report.

6.3. Global Conference On Cyberspace

In News

- The Global conference on Cyberspace has been organized on 23rd – 24th November in India.
- Theme -- **Cyber4All: A Secure and Inclusive Cyberspace for Sustainable Development.**

About GCCS 2017

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- The goal of GCCS 2017 is to promote an **inclusive Cyber Space** with focus on policies and frameworks for **inclusivity, sustainability, development, security, safety & freedom**, technology and partnerships for upholding **digital democracy**, maximizing collaboration for strengthening **security and safety** and advocating dialogue for **digital diplomacy**.
- The conference was one of the biggest International conferences on Cyberspace.
- National e-Governance Division (NeGD), under the Ministry of Electronics & IT (MeitY) was the main agency to organize the event on behalf of Government of India.
- GCCS 2017 was a unique opportunity to the world's Cyber community to gain first hand insight to the technology led transformation being engineered in India and also given an opportunity to all participants to learn from experience and expert insights, as issues and case studies are deliberated, experiences shared and knowledge exchanged.
- India has emphasized on *'the Right to access the internet is non-negotiable'* for everyone. Earlier, US Federal Communication had announced to scrap the laws related to open internet access.
- In the conference it has been emphasized that Internet is supposed to be democratic as it is a gateway to the global platform and should be linked to local ideas and concepts. The internet, by its very nature, is inclusive and offers the equity of access and equality of opportunity.
- Sri Lankan PM during the conference emphasized on net neutrality. Net neutrality lowers the barriers to entry by preserving the internet as a fair and level playing field and also helps new businesses to thrive online.
- Cyber Security remained the key talking point of the GCCS 2017. Indian said that the issue of Cyber Security should be approached with confidence, as much as with resolve.

About GCCS

- Global Conference on Cyber Space (GCCS) is a prestigious global event where international leaders, policymakers, industry experts, think tanks, cyber wizards etc gather to deliberate on issues and challenges for optimally using cyber space.
- GCCS was launched with a view to establish internationally agreed 'rules of the road' for behavior in cyberspace and create a more focused and inclusive dialogue between all those with a stake in the internet (governments, civil society and industry) on how to implement them.
- The first edition of GCCS was held in London in 2011.
- The fourth version- GCCS 2015 was held in The Hague, Netherlands.
- The scale and importance of GCCS has grown significantly over successive conferences. An institutional mechanism GFCE (Global Forum on Cyber Expertise) was set up to enhance Capacity Building.

7.1. Aadhar Card and Security Challenges

Many analysts and activists have expressed their concern regarding Aadhar card by terming it as threat to national security.

Background

- One of the recommendations of the Kargil Review Committee (which was established to review the state of national security in the wake of the Kargil intrusions) was the issue of “Multi-purpose National Identity” cards to villagers living in conflict zones.
- It was subsequently decided to extend this scheme to all citizens and that became the Aadhaar card. The motive for this expansion was to ensure the welfare of citizens by relatively easing their accessibility to various government schemes via a single identification document.
- This led to the establishment of a dedicated institution for rolling out the Aadhaar work called the Unique Identification Authority of India (UIDAI) in January 2009.
- Nandan Nilekani (an Infosys co-founder) was appointed as the chairman of UIDAI and after debates and deliberations, the Aadhaar Act finally came into effect in March 2016.
- As the Aadhaar project made progress simultaneously there were several debates and complaints about the display of incorrect data or lack of clarity over its significance to graver issues of cyber security, identity theft or data breaches. Whether the government is well equipped to handle something like the Aadhaar database still remains a part of the current discourse.

About Aadhar

- The UIDAI allots a unique identifier (Aadhaar Number) to each citizen and deposits their biometric and demographic data in a Central Identities Data Repository (CIDR). Aadhaar or Unique Identification Number (UID) is a 12-digit number that serves as a unique identifier for Indian citizens. Aadhaar's database has the records of over 1.12 billion registered users and is rapidly becoming the government's base for public welfare and citizen services scheme.
- Aadhaar authentication process validates an identity with a 'yes' or 'no', using one of the six demographic fields (name, date of birth, gender, address, mobile or email) along with either biometrics or One Time Password (OTP).
- The process is designed in such a way that neither the purpose of the transaction nor any other context is known to the Aadhaar system in order to ensure the safety of any transaction.
- In addition the UIDIA document also claims that every enrolment data packet is 'always' stored on disk in PKI (Public Key Infrastructure) encrypted form and is never encrypted or modified during transit making it completely inaccessible to any system/persons.

Challenges of Data Security And Privacy Ahead Aadhar Card

- Aadhaar in its physical form is just a plain card and can be downloaded from anywhere or a coloured printout that can be printed and may look as good as the original. It does not have a hologram or digital signature but rather a QR (Quick Response) code, which is just an image representation of a text and not a security feature.
- Another flaw in Aadhaar's security is that in few cases it gets to accessed a basic Google search due to linkages with private govt. agencies searchable databases.
- With the exponential growth in cybercrime the centralised database may provide valuable information to criminals. This might lead to either illegal tracking of individuals or identification

without consent. Such records may also aid in providing data on the precise location, time and context of the services availed by that individual.

- Moreover sensitive financial information of individuals and companies may also be exposed through breaches of the UID database or internal collusion.
- There are charges over operators issuing Aadhar cards without proper due diligence. Such discrepancies have made the system susceptible to loop holes.
- The fact that some of the companies outsourcing their service to the UIDAI for both software and hardware along with the companies providing servers are private companies. Few of them are foreign based and have been black listed by few federal agencies.
- Another issue is of privacy. On number of petitions challenging the government's directive to make Aadhaar enrolment compulsory for deriving state-sponsored benefits, the Supreme Court delivered a momentous verdict in August. A Constitutional Bench, headed ruled that the *right to privacy was a fundamental right*.
- This judgement is bound to have far-reaching implications on the Aadhaar scheme as portions of the judgement by the Constitutional Bench asserted that the onus was on the government to justify the necessity to collect personal information of citizens. Additionally, the government will have to explain the legality of the Aadhaar scheme, i.e. whether such data collection is actually backed by existent laws.

Way Forward

- Designating UID databases as "critical infrastructure" and hosting the servers in India.
- Crafting an encryption policy that specifically addresses encryption for Aadhaar-enabled apps and ensuring the companies providing the encryption software are not foreign based.
- Security testing of all Aadhaar-enabled applications must be made compulsory.
- Encouraging device-level encryption for mobile phones and laptop computers.
- Creating a Computer Emergency Response Team to monitor attacks on Aadhaar and any infringement related incidents.
- Working with the private sector at forums like the International Electronic and Electrical Engineers (IEEE) and the Internet Engineering Task Force to create interoperable security standards for platforms relying on national identity databases.
- Ensuring operator level security of data and strictly protecting private as well as public data.

Q) Explain what are the data security related challenges in front of the Aadhar card scheme keeping in mind the design framework of Aadhar Card.

7.2. Brahmos

The Indian Air Force conducted the first-ever successful air launch of the BrahMos cruise missile from a Sukhoi Su-30 MKI multirole aircraft.

About Brahmos Launch

- It is the world's fastest supersonic cruise missile. With advanced seeker software, the high speed missile was successfully flight-tested first time from the Indian Air Force's frontline fighter aircraft Sukhoi-30 MKI.

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- The two-stage missile's engine fired up and straightway propelled towards the intended target at the sea. The first stage of the system takes the missile to supersonic speed and the second accelerates it closer to Mach 3 or three times the speed of sound. Work is ongoing to develop a hypersonic (March 5) version.
- The Air Launched Cruise Missile (ALCM) BrahMos weighing around 2.5 tonne is the heaviest weapon to be deployed on Indian fighter aircraft modified by HAL to carry the weapon.
- BrahMos is a multi-platform and multi-mission weapon and is now capable of being launched from Land, Sea and Air, completing the tactical cruise missile triad for India.

Significance

- Speed and stealth are the essence of modern day warfare as the enemy also has potent defence systems to protect its air and maritime space. Capable of flying at more than 700 kms per minute and capable of covering a range of 2,000 km, the SU-30 can quickly launch BrahMos.
- Since the BrahMos weighs 2.5 tonne, the SU-30s can carry one missile at a time and fire it from a distance escaping the surface-to-air missiles and enemy aircraft since time is very crucial in such missions.
- With this test, the IAF has become the world's first air power to possess "unbeatable and unmatched" combat capability which will empower it to penetrate and strike "deep in the heart" of the adversary evading the most hardened air defence means.
- India has completed the supersonic cruise missile triad. The Army and the Navy have already inducted these missiles. Given the precision-strike ability of BrahMos, the armed forces can now destroy terrorist hideouts inside enemy territory, aircraft carriers, nuclear command hubs, command and control centres and other military targets from air, land and sea.
- Once inducted into the IAF, India will become the first country in the world to have the capability of launching supersonic missiles which travel at three times the speed of sound from fighter jets. The triad will enable India to protect its area on strategic interest as it faces constant threat from Pakistan and China.
- Jointly designed and developed by India and Russia, BrahMos can take out a target at a range of more than 290 kms. India joined the 34-nation Missile Technology Control Regime (MTCR) last year, which allows it to increase the range of the supersonic missile to more than 450 kms.
- The Army and the Navy have already started enhancing the ranges. This range was capped at 300 kms as India was not part of 34-nation MTCR which bans the proliferation of missiles having a range over 300kms.

Q) How does Brahmos supersonic missile change the deterrence dynamics vis a vis India's hostile neighbours. Explain citing specific features of Brahmos.

7.3. Naga Issue

President of India in a recent tour to Northeastern states declared that he is hopeful of a solution to the long drawn Naga issue.

Background

- The British annexed Assam in 1826 and in 1881, the Naga Hills too became part of British India. The first sign of Naga resistance was seen in the formation of the Naga Club in 1918, which told the Simon Commission in 1929 to leave them alone to determine for themselves as in ancient times.

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- In 1946 the Naga National Council (NNC) under the leadership of *Angami Zapu Phizo*, declared Nagaland an independent state on August 14, 1947. The NNC resolved to establish a “sovereign Naga state” and conducted a “referendum” in 1951, in which “99 per cent” supported an “independent” Nagaland.
- On March 22 1952, Phizo formed the underground Naga Federal Government (NFG) and the Naga Federal Army (NFA). The Government of India sent in the Army to crush the insurgency and in 1958 enacted the Armed Forces (Special Powers) Act.
- The Naga Hills, a district of Assam, was upgraded to a state in 1963 by also adding the Tuensang Tract that was then part of NEFA. In April the next year, Jai Prakash Narain, Assam Chief Minister Bimala Prasad Chaliha and Rev. Michael Scott formed a Peace Mission and got the government and NNC to sign an agreement to suspend operations that September.
- But the NNC/NFG/NFA continued to indulge in violence and after rounds of talks the Peace Mission was abandoned in 1967 and a massive counter-insurgency operation launched.
- On November 11, 1975, the government got a section of NNC leaders to sign the **Shillong Accord** under which this section of NNC and NFG agreed to give up arms. A group of about 140 members led by Thuingaleng Muivah who were at that time in China, refused to accept the Shillong Accord and formed the National Socialist Council of Nagaland in 1980.
- Muivah also had Isak Chisi Swu and S S Khaplang with him. In 1988, the NSCN split into NSCN (IM) and NSCN (K) after a violent clash. While the NNC began to fade away, and Phizo died in London in 1991 the NSCN (IM) came to be seen as the “mother of all insurgencies” in the region.

What Is The Demand?

- A “Greater Nagalim” comprising “all contiguous Naga-inhabited areas” along with Nagaland. That included several districts of Assam, Arunachal and Manipur as also a large tract of Myanmar.
- The map of “Greater Nagalim” has about 1,20,000 sq km, while the state of Nagaland consists of 16,527 sq km.
- The claims have always kept Assam, Manipur and Arunachal Pradesh wary of a peace settlement that might affect their territories.
- The Nagaland Assembly has endorsed the ‘Greater Nagalim’ demand --“Integration of all Naga-inhabited contiguous areas under one administrative umbrella”-- as many as five times: in December 1964, August 1970, September 1994, December 2003 and on July 27, 2015.

The Peace Framework Agreement

The signing of the historic “Framework Agreement” between the Government of India (GoI) and the National Socialist Council of Nagaland Issac-Muivah (NSCN-IM) on 3 August 2015 had brought glimmers of hope amongst the Naga populace.

Challenges

- Other Naga factions have responded variously to the ongoing peace negotiations between the GoI and NSCN-IM. The National Socialist Council of Nagaland Khaplang (NSCN-K) has rejected any form of engagement with the GoI and is continuing with its acts of violence.
- The National Socialist Council of Nagaland Khitovi-Neokpao (NSCN-KN) views the ongoing process as an arrangement for the Nagas of Manipur only and not for the Nagas of Nagaland.
- The National Socialist Council of Nagaland Reformation (NSCN-R) which had earlier supported the Framework Agreement is now complaining of delays and emergent complications in the process.

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- Factions of the Naga National Council (NNC), the Manipur-based Zeliangrong United Front (ZUF) and the Manipur Naga Peoples' Front (MNPF) have all expressed their disagreements with the current format of negotiations.
- The issue of integration of contiguous Naga inhabited areas of Manipur, Assam and Arunachal Pradesh is one issue which concerns the other states as well.
- The demand for a separate Frontier State by the tribes of Eastern Nagaland goes against the agreement.
- Differences amongst the 'Naga political groups' whose support is essential for any accord to succeed is an issue which remains to be solved.
- Visible cracks in Naga society over the non-inclusion of all stakeholders in the pursuit of an acceptable and comprehensive political solution needs to be resolved by greater consensus.

Why And How Solution Is Near?

- The Gol has undertaken significant confidence building measures and is trying to rally divergent stakeholders in support of the ongoing process besides continuation of talks with NSCN-IM.
- The joint communiqué issued by the Gol and the NSCN-IM on the ongoing peace process along with the release on bail of Anthony Shimrey, an important NSCN-IM functionary (who was arrested on charges of arms smuggling) have generated goodwill and appreciated by the Naga public as well as civil society organizations.
- The NSCN-IM has been able to galvanise broad consensus amongst the Naga political and social entities with respect to its ongoing negotiations with the Gol.
- Prominent Naga social bodies including the Naga Hoho, Naga Student Federation, Naga Mothers Association, Naga Peoples' Movement for Human Rights and United Naga Council – most of whom were already amenable to the NSCN-IM's idea of a settlement for the Nagas – have given their consent to the process.
- There are continuous efforts by the outfit to re-establish its clout and dominance in the claimed areas of Nagalim, including the Naga-inhabited areas of Manipur, Assam and Arunachal Pradesh.
- The Nagas of Manipur are known to be supporting the ongoing peace process despite the prevailing anxiety over the contents of the framework agreement and its possible impact on their status.
- The pro-active role played by the Tribal Hohos, Civil Societies and different NGOs in their efforts to bring the different Naga rebel groups together has resulted in lower levels of violence in Naga areas.
- The cease-fire has been extended indefinitely and the peace talks have continued and this to be the most opportune time for the Nagas and the government of India to resolve the Naga political issue once and for all.

Q) What is the demand of greater nagalim signify? Do you think the latest peace agreement can become the final one? Discuss.

8.1. Researchers Create Earthquake Proof Concrete That Can Resist 9.1 Magnitude Earthquakes

In News

- Researchers from the University of British Columbia have developed an earthquake proof concrete that can withstand earthquakes as high as that of 9.1 magnitude.
- The material is called an *Eco-friendly Ductile Cementitious Composite (EDCC)* and is so strong and flexible that it acts like steel, bending during an earthquake instead of crumbling like concrete.
- The cement material is engineered at molecular scale to be strong, malleable, and ductile similar to steel. It is capable of dramatically enhancing earthquake resistance of seismically vulnerable structure when applied as a thin coating on surfaces.

Application

- The material will be used in practical application for the first time this fall as part of a seismic retrofit of the Dr. Annie B. Jamieson Elementary School in Vancouver.
- Future applications include the renovation of a school in Roorkee in the region Uttarakhand, India, where earthquakes are a common occurrence, and to build resilient homes for First Nations communities.
- Able to be applied to a variety of concrete structures, the researchers also anticipate use in the construction of pipelines, pavements, offshore platforms, blast-resistant structures, and industrial floors.

8.2. Glide Bomb – Smart Anti Airfield Weapon

- DRDO successfully test fired the Glide Bomb – a **Smart Anti Airfield Weapon (SAAW)**. The guided bomb released from an aircraft and guided through precision navigation system, can reach targets at greater than 70 km range, with high accuracy.
- The SAAW is a long-range precision-guided anti-airfield weapon, designed to be capable of engaging ground targets with high precision out to a range of 100 km.
- The lightweight high-precision guided bomb is one of the world-class weapons systems designed and developed in the country. The 120-kg class smart weapon is intended against runways, bunkers, aircraft hangers and other reinforced structures.
- Unlike the normal bombs, which may not hit the precise target due to environmental condition, this bomb with a navigation system has higher precision and is cheaper than missiles which have similar precision.

8.3. The Oldest Spiral Galaxy In The Universe Was Just Discovered By Scientists

Astronomers have discovered the most ancient spiral galaxy in the universe which they believe existed 11 billion years ago. According to the scientists, **the galaxy known as A1689B11**, existed just 2.6 billion years after the Big Bang, when the universe was only one-fifth of its present age.

Importance Of The Discovery

- Studying ancient spirals like A1689B11 is a key to unlocking the mystery of how and when the Hubble sequence emerges.

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- Spiral galaxies are exceptionally rare in the early universe, and this discovery opens the door to investigating how galaxies transition from highly chaotic, turbulent discs to tranquil, thin discs like those of our own Milky Way.
- Unlike other galaxies of the same epoch, A1689B11 has a very cool and thin disc, rotating calmly with surprisingly little turbulence.

8.4. China Launches Two Navigation Satellites

- China has **launched two BeiDou-3 satellites** into space through a single carrier rocket. The satellites were launched aboard a Long March-3B carrier rocket.
- The two newly-launched satellites represent the **third phase of the BeiDou Navigation Satellite System**. This system will provide services for countries involved in the Belt and Road Initiative, and form a complete global satellite navigation system by 2020.
- The BeiDou-3 is able to send signals that are better compatible with other satellite navigation systems and provide satellite-based augmentation.

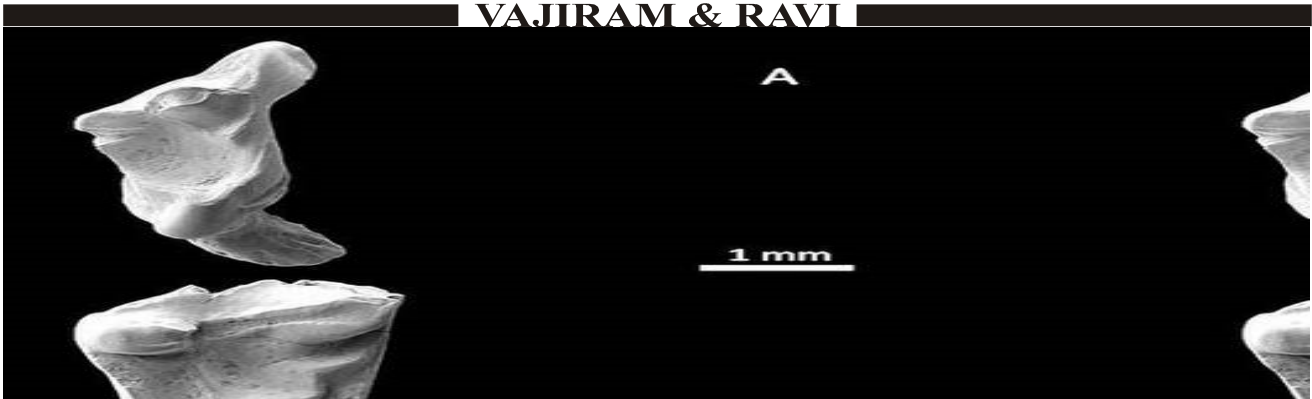
8.5. Proxima Centauri May Host Planetary System



- Scientists have detected dust belts around Proxima Centauri, a finding that indicates the presence of an elaborate planetary system hosted by the closest star to the solar system.
- New observations by the **Atacama Large Millimeter Array (ALMA) Observatory in Chile** revealed the glow coming from cold dust in a region between one to four times as far from Proxima Centauri as the Earth is from the Sun.
- The data also hints at the presence of an even cooler outer dust belt and may indicate the presence of a system of planets. These structures are similar to the much larger belts in the solar system and are also expected to be made from particles of rock and ice that failed to form planets.
- Proxima Centauri is the closest star to the Sun. It is a faint red dwarf lying just four light years away in the southern constellation of Centaurus. It is orbited by the Earth-sized temperate world Proxima b, discovered in 2016 and the closest exoplanet to the solar system.

8.6. Fossils Of Oldest Mammal Ancestor Discovered In U.K.

- Scientists have discovered the remains of humankind's oldest mammal ancestor — a tiny rat-like creature that lived 145 million years ago.
- The fossils of the nocturnal mammal were discovered on the Jurassic Coast of Dorset, by palaeontologists from the University of Portsmouth in the U.K.



- The animal is the earliest in the line that evolved into humans, and branched off into creatures as diverse as blue whales and pigmy shrews.
- The new species of fossilized nocturnal mammal was named **Durlstotherimnewmani**- after an amateur palaeontologist and pub owner Charlie Newman, who helped scientists collect the new specimens.

8.7. India Successfully Test Fires Indigenous Subsonic Cruise Missile Nirbhay Off Odisha Coast

- India conducted a flight test of its indigenously designed and developed long range **sub-sonic cruise missile 'Nirbhay'**, which can carry warheads of up to 300 kg, from a test range at Chandipur along the Odisha coast.
- It was the fifth experimental test of Nirbhay missile system. It achieved all mission objectives completely from lift-off till the final splash.

NIRBHAY Missile

It is India's first indigenously designed and developed Long Range Sub-Sonic Cruise Missile. It has blended missile and aeronautical technologies which allows it to take off vertically like missile and cruise horizontally like an aircraft. It is two stage missile powered by solid rocket motor booster developed by Advanced Systems Laboratory (ASL). It can be launched from various kind of platforms.

8.8. Musa Paramjitiana

Botanists have discovered new species of wild banana named **Musa paramjitiana** in North Andaman's Krishnapuri forest, 6 kilometres from any human habitation. It has been name in honour of Paramjit Singh, director of the Botanical Survey of India (BSI).

Key Facts

Musa paramjitiana species grows to height of nine metres and bears an edible, sweet-and-sour tasting fruit that is boat-shaped and has numerous bulb-shaped seeds. The fruit of Musa paramjitiana is part of diet of local tribes. Its conservation status has been declared as '**Critically Endangered**' as it has so far been spotted in only two locations on islands.

Significance of Discovery

- Andaman and Nicobar Islands are biodiversity hotspot and hosts seven different species of wild banana that we know of. The discovery of this species will motivate researchers to find other undocumented species. In 2014, another wild banana named **Musa indandamanensis** was

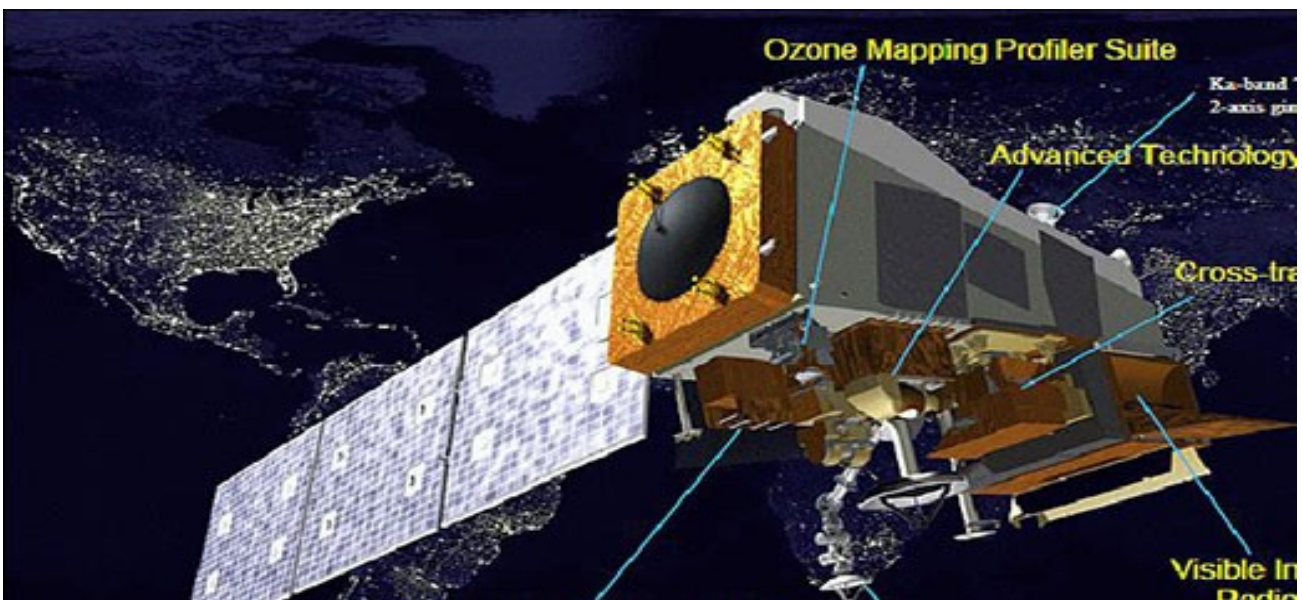
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discovered in remote tropical rain forest on the Little Andaman Island. It has dark green cylindrical flower buds.

- It presents a great opportunity for plant breeders and horticulture experts to improve the existing banana crop.
- Also, the germplasm of all the wild banana species needs to be conserved on an urgent basis, since most of these are found in very small habitats and at risk of extinction.

8.9. NASA Launches Next-Generation Weather Satellite

- NASA has launched a next-generation satellite into space designed to monitor weather around the world and help improve forecasts. The satellite, called the **Joint Polar Satellite System-1 (JPSS-1)**, is a joint venture between the US space agency and the National Oceanic and Atmospheric Administration (NOAA), which provides weather reports and forecasts.



- It will orbit the Earth 14 times each day from one pole to the other at 824 km above the planet, providing scientists full global coverage twice a day.
- The satellite “is the first in NOAA’s series of four, next-generation operational environmental satellites representing major advancements in observations used for severe weather prediction and environmental monitoring.
- JPSS-1 “carries a suite of advanced instruments designed to take global measurements of atmospheric, land and sea conditions, from sea surface temperatures, volcanic ash, hurricane intensity and many more.

8.10. New Drug Regimen For TB Patients

- The Ministry of Health & Family Welfare has recently announced the launch of daily regimen for TB patients across the country under The Revised National TB Control Programme (RNTCP).
- The Health Ministry has been providing the thrice weekly regimen for the treatment of tuberculosis (TB), however it has now decided to change the treatment strategy for TB patients from thrice weekly to daily drug regimen using **fixed dose combinations (FDC)** for treatment.

- The salient features of this treatment strategy are use of Ethambutol in continuation phase for all patients, drugs to be given daily (as against only 3 times weekly previously), fixed dose combination (FDC) tablets to be used which will reduce pill burden (as against separate 7 tablets previously).

Fixed Dose Combinations

- These are combinations of two or more active drugs in a single dosage form. An example of a fixed-dose combination HIV drug is Atripla (a combination of efavirenz, emtricitabine, and tenofovir).
- By reducing the number of pills a person must take each day, fixed-dose combination drugs can help improve adherence to a treatment regimen.
- The rationality of FDCs should be based on certain aspects such as:
 - The drugs in the combination should act by different mechanisms.
 - The pharmacokinetics must not be widely different.
 - The combination should not have supra-additive toxicity of the ingredients.
- Most FDCs have the following demerits:
 - Dosage alteration of one drug is not possible without alteration of the other drug.
 - Differing pharmacokinetics of constituent drugs pose the problem of frequency of administration of the formulation.
 - By simple logic there are increased chances of adverse drug effects and drug interactions compared with both drugs given individually.

8.11. Moscow Declaration On TB & HIV

Health ministers, NGOs, and private sector representatives from 120 countries adopted the **Moscow Declaration** to eliminate additional deaths from HIV co-infection by 2020 and achieving synergy in coordinated action against TB and non-communicable diseases.

Key Highlights

- India is among the signatories to the declaration.
- The Moscow declaration emphasized the need for fixing multi-sectoral responsibility towards ending TB by 2035, the global target.
- A national inter-ministerial commission will be set up by 2018 to achieve “fast-tracking universal access to health care through all state and non-state care providers by adopting WHO-recommended TB diagnostics, drugs, technologies etc.
- The TB report card will be reviewed by the UN General Assembly in 2018 during a high-level meeting.

8.12. First Supersonic Parachute Test For Mars 2020 Mission By NASA

- The National Aeronautics and Space Administration (NASA) successfully tested supersonic landing parachute that will be deployed in its Mars rover mission set to launch in 2020. It was the first test of its Mars 2020 mission's parachute-testing series.
- The mission relies on special parachute to slow spacecraft down as it enters Martian atmosphere at over 5.4 kilometres per second.

Mars 2020 Mission

The Mars 2020 rover mission is part of NASA's Mars Exploration Program, a long-term effort of robotic exploration of the Red Planet. The mission will seek signs of ancient Martian life by deploying rover for investigating evidence in place and by caching drilled samples of Martian rocks for potential future return to Earth. The rover will also examine different methods to create oxygen from Mars's atmosphere.

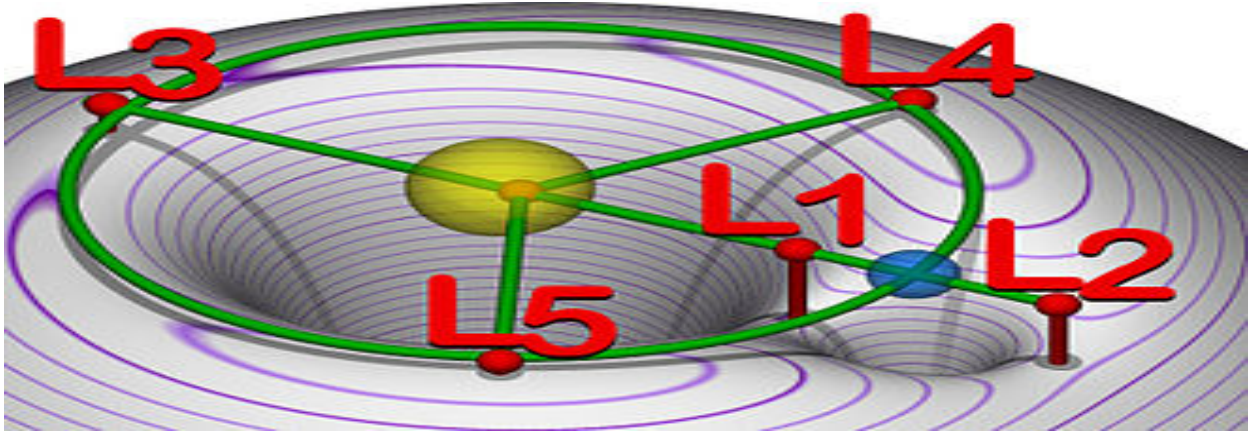
8.13. World's Smallest Data Recorder Made Of Bacteria

- Researchers have hacked the immune system of a bacterium into serving as the equivalent of a molecular tape recorder. By responding to chemical changes in the surroundings and then 'time-stamping' them in DNA, the technology paves the way for living monitoring devices that could be used in health screens or to analyse pollutants in ecosystems.
- The development is based on hijacking the bacteria's own immune system, specifically the CRISPR-Cas complex as it takes snippets of DNA from whichever virus the bacterium encounters, and precisely inserts them into its own genome in chronological order.
- The team was able to modify the little circles of DNA found in bacteria, called plasmids, to record the time and events. They edited one to make copies of itself when it detected certain outside stimuli, like particular metabolites produced by specific bacteria, while a separate plasmid marked the time by continually adding spacers into its genome. This means that when the bacterium has been exposed to the correct stimuli, the signal will disrupt the time-keeping spacer signal, and denote when this took place.

8.14. ISRO's Sun Mission To Take Off In 2019

- India will send ISRO's **solar mission Aditya-L1** to a vantage point in space, known as the L1 Lagrange point, to do imaging and study of the sun.
- The so-called L1 point is 1.5 million kilometres away. Here, due to the delicate balance of gravitational forces, the satellite will require very little energy to maintain its orbit. Also it will not be eclipsed from the sun.
- The 1,500-kg class satellite will be programmed to orbit this point and image the sun's magnetic field from space for the very first time in the world. Scientists hope to capture the close-ups of the sun from here, uninterrupted by eclipses for years.
- Aditya-L1 is expected to be the very first to study from space, the magnetic field of the sun's corona. **The corona is the outer layer that we see during total solar eclipses.**
- The mission will carry seven payloads, consisting of a coronagraph, equipment that will image the sun using ultraviolet filters, X-ray spectrometers, and particle samplers all being made within the country. Each of these will either image the sun or sample the space around it for traces of charged particles spewed out by the sun during coronal mass ejections.
- Like seasonal changes on the earth, the sun experiences approximately eleven-year-long cycles during which sunspots, caused by the sun's magnetic field, start forming, increase in the ascending phase and decrease in the descending phase towards the end of the cycle.
- Studying **coronal mass ejections** [a phenomenon that would correlate with high sunspot activity] is not the only objective. This study can also help us understand the coronal heating problem. **The 'coronal heating problem'** refers to the fact that the photosphere, a deeper layer of the sun, is at a much lower temperature than the outer layer, the corona. Since it is believed that the heating process happens from within, what causes this heating of the outer layer, the corona, remains a mystery. Observations by Aditya-L1 of the magnetic fields bubbling out of the photosphere into the corona will help shed light on this.

Lagrange Point



Lagrange point is position in space where combined gravitational forces of two large bodies, such as Earth and sun or Earth and moon, equal centrifugal force felt by a much smaller third body. The interaction of these forces creates point of equilibrium where spacecraft may be “parked” to make observation. These points are named after Joseph-Louis Lagrange, an 18th-century mathematician. There are 5 such points between earth and sun namely – **L1, L2, L3, L4, L5**. In these orbits, the satellite requires very little energy to maintain its orbit and it will not be eclipsed from the sun.

8.15. North Korea's New Hwasong-15 Missile

North Korea has launched its most powerful weapon called **the Hwasong-15**. It is believed that this new type of intercontinental ballistic missile could possibly reach Washington and the entire eastern US seaboard. The missile was launched from near Pyongyang.

Hwasong-15

- Hwasong-15 is the ‘greatest ICBM’ that could be armed with a ‘**super-large heavy nuclear warhead**’ capable of striking the ‘whole mainland’ of the United States of America.
- Hwasong-15 is a **two-staged, liquid-fuelled intercontinental ballistic missile (ICBM)**, with the length and diameter estimated to be 22.5 metres and 2.5 metres, respectively. The mass of the devastating weapon ranges between 40-50 tonnes and the thrust required at lift off is 72 tonnes.
- The missile is perhaps an upgraded version of its old ICBM with an enhanced second-stage.

9.1. Blackbuck Conservation Reserve To Come Up In U.P

- A wildlife conservation reserve dedicated **exclusively to the blackbuck** is coming up over 126 hectares in the **trans-Yamuna region of Allahabad** in the Meja forest division that is known for its rocky, undulating and arid terrain.
- The U.P. government evoked Section 36 A (1) and (2) of the Wildlife Protection Act, 1972, to declare the area as conservation reserve.
- There are few national parks and sanctuaries inhabited by blackbuck in the country, like **Velavadar Wildlife Sanctuary in Gujarat** and **Ranibennur Blackbuck Sanctuary in Karnataka**. However, there are not many conservation reserves exclusively dedicated to the antelope.

About Blackbuck

- Blackbucks (Antelope cervicapra), known for their **majestic spiral horns and coat colour contrasts**, are found in grasslands and open forests. It is the only living species of the genus Antelope.
- Blackbuck inhabits grassy plains and slightly forested areas. Due to its regular need of water, it prefers areas where water is perennially available.
- They once ruled the open savannahs of north and central India, but are now restricted to just a few patches and habitats, primarily due to human population growth, ecosystem degradation and hunting.



- The conservation of blackbuck can now be done in an effective way. It will also create awareness about biodiversity conservation and provide opportunities for people's participation. Eco-tourism will be encouraged and locals will get opportunities for employment.

About The Area

- The blackbucks can often be seen grazing in agricultural fields during the dry season in the **trans-Yamuna belt in Meja and Bundelkhand**. The island is safe haven for the blackbuck.
- Within the designated reserve is a rocky terrain dotted with trees of dhak, mahua, neem and acacia.
- The area boasts more than 200 species of birds and herbivores like blackbucks and bluebull [nilgai], and carnivores like jackals and striped hyena.

9.2. Banaganapalle Mangoes, Six Others Get GI Tag

- Famous **Banaganapalle mangoes of Andhra Pradesh** and **Tulapanji rice of West Bengal** are among the seven commodities that have been granted Geographical Indications this fiscal year by the Indian patent office.
- **Darjeeling Tea, Tirupathi Laddu, Kangra Paintings, Nagpur Orange and Kashmir Pashmina are among the registered GIs in India.**

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- The other five products which have received this tag this year include **Pochampally Ikat of Telangana; Gobindobhog Rice of West Bengal; Durgi Stone Carvings and Etikoppaka Toys of Andhra Pradesh; and Chakshesang Shawl of Nagaland**, according to the Indian patent office website.

Geographical Indication (GI)

- The Geographical Indication (GI) is name or sign used on certain products which correspond to specific geographical location or origin.
- It is **used for agricultural, natural and manufactured goods** having special quality and established reputation.
- These goods and products having tag are recognised for their origin, quality and reputation and gives it required edge in the global market.
- It **also ensures that none can use their name, giving them exclusivity**. The registration of a GI is valid for 10 years after which it needs to be renewed.
- GI is covered as element of intellectual property rights (IPRs) under Paris Convention for Protection of Industrial Property.
- At international level, GI is governed by WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- In India, GI tag is governed by Geographical Indications of Goods (Registration and Protection Act), 1999.
- This Act is administered by Controller General of Patents, Designs and Trade Marks, who is also Registrar of Geographical Indications.
- The commerce and industry ministry has also launched a contest for designing a common logo and tagline for Geographical Indications to increase awareness about intellectual property rights.

Geographical Indications
granted by **Indian Patent Office** in 2017-18

Banaganapalle Mangoes of Andhra Pradesh

Tulapanji Rice of West Bengal

Tirupathi Laddu

Darjeeling Tea

Kashmir Pashmina

Nagpur Orange

Kangra Paintings

Other 5 products that received this tag this year

- Pochampally Ikat of Telangana
- Gobindobhog Rice of West Bengal
- Durgi Stone Carvings of Andhra Pradesh
- Etikoppaka Toys of Andhra Pradesh
- Chakshesang Shawl of Nagaland

A Geographical Indication (GI) is primarily an agricultural, natural or a manufactured product (handicrafts/industrial goods) originating from a definite geographical territory

2016-17: 6 items got GI registration

9.3. New Ant Species Discovered In The Western Ghats

- Researchers have discovered a new species of ant in the Periyar Tiger Reserve in the Western Ghats, recognised as one of the world's 'hottest hotspots' of biological diversity.
- The new species has been named as **Tyrannomyrmex alii** after **Prof. Musthak Ali**, an eminent Indian myrmecologist.
- Myrmecology is the branch of entomology focusing on the scientific study of ants.**
- The particular genus had been erected in 2003 with the discovery of the species, *Tyrannomyrmex rex* Fernández, in Pasoh Forest Reserve, Malaysia. Later, two more species that were under the same genus had been discovered; *Tyrannomyrmex dux* (or *T. dux*) from the Ponmudi hills in 2007

and *T. legatus* from the Sinharaja Forest Reserve in Sri Lanka in 2013. *T. alli* has thus become the four species of the rare genus and the second one from India. Notably, both of the *Tyrannomyrmex* species that have been described from the country are known from the Western Ghats range in Kerala.

- The new species can be distinguished from the other species of the same genus through its morphological characteristics. While it differed from *T. dux* by the petiolar shape, it became dissimilar to *T. legatus* and *T. rex* by surface sculpture and pilosity.

9.4. Facebook Rolls Out Disaster Maps in India

- In a bid to **help communities recover and rebuild faster in the aftermath of natural disasters** in India, Facebook introduced new measures, including its **Disaster Maps** feature in the country.
- As part of the effort, Facebook will make data from Disaster Maps available to the National Disaster Management Authority (NDMA) and the Sustainable Environment and Ecological Development Society (SEEDS), a non-profit organisation working on disaster resilience.
- Disaster Maps, which was introduced globally in June, uses aggregated, de-identified Facebook data to help organisations address the critical gap in information they often face when responding to natural disasters.
- In times of disaster, this platform is a valuable source of information - whether it is letting your friends and family know you are safe with Safety Check feature or using Facebook to raise donations for relief efforts.
- Facebook will provide multiple types of maps during disaster response efforts.
- Location Density Maps show where people are located before, during and after a disaster.
- Movement Maps illustrate patterns of movement between different neighbourhoods or cities over a period of several hours.
- Safety Check maps are based on where Facebook community uses 'Safety Check' feature to notify their friends and family that they are safe during a disaster.

9.5. First Power Plant Under PM Ladakh Scheme Commissioned In Drass

- The 1.5-mw small hydropower plant in Biaras Drass of Kargil has become the first project to be commissioned under the **Prime Minister's Ladakh Renewable Energy Initiative**.
- The Ministry of New and Renewable Energy is implementing the project. It **aims to minimize dependence on diesel** in the Ladakh region and meet power requirement through local renewable sources. Such projects would be able to replace the use of diesel to a great extent, at least for about 8 months in a year and reduce greenhouse emissions in the region.
- The project has been developed by the **Kargil Renewable Energy Development Agency (KREDA)** under the Ladakh Autonomous Hill Development Council.
- The plant will power the Drass town in Kargil, which is one of the coldest places in India. Power from the Biaras plant would be sufficient to meet normal power requirement of about 1,000 families, which would make them comfortable in the extreme winter season.

Implementation:

- The approach is to meet power requirements through small/micro hydel and solar photovoltaic power projects /systems and use solar thermal systems for water heating/space heating/cooking requirements.

- The project also envisages setting up of 10 solar photovoltaic power plants in defence establishments.

9.6. Bonn Climate Negotiations

In News

- The UNFCCC Climate Change Conference (COP23) was held in Bonn, Germany and was presided over by the Government of Fiji.
- It concluded with countries putting in place a road map for ‘**Talanoa Dialogue**’ — a year-long process to assess countries’ progress on climate actions.
- The Conference also made progress on framing rules for implementing the Paris Agreement and brought the rich nations on board to walk the talk on their pre-2020 commitments.

Key Highlights

- Although the negotiators still have to do a lot of works on finalising the rules which would be adopted during next Conference of Parties (COP24) in Poland in 2018, **the Bonn conference (COP23)** gave them a sense of what they need to do when it comes to bring money on table and raise ambition to achieve the ***climate goal of keeping the global average temperature rise within 2 degree Celsius by the end of this century and make efforts to keep it below 1.5 degree Celsius.***
- Talanoa Dialogue:
 - ‘Talanoa’ is a traditional approach used in Fiji and the Pacific to engage in an inclusive, participatory and transparent dialogue.
 - The ‘Talanoa Dialogue’ process would help them review their actions and discuss the way forward. Agreement on this stocktaking process is an important outcome of the Conference. It will discuss pre-2020 actions of rich nations apart from looking at the climate actions of all nations under the Paris Agreement.
 - As per the COP23 decision, **it has been structured around three questions – where are we? where do we want to go? and how do we get there? –** to arrive at answers with consensus.
 - The dialogue will consider, as one of its elements, the efforts of Parties (countries) on mitigation action and financial and technical support, as appropriate, in the pre-2020 period, adopted by all the countries as part of the final decision.
- The overall outcome of the Conference was, however, a mixed one for developing countries, including India.
- The group could force the rich nations to agree for discussing their pre-2020 actions under the ‘Talanoa Dialogue’ (2018 facilitative dialogue) and bring them on board to get their performance reviewed next year and also in 2019.
- But, the rich nations did not budge much on the issue of finance despite the European Union’s (EU) pro-active role to fill the void created by the US decision to withdraw from the Paris Agreement.
- The US will technically be in the Agreement till November 2020, but the move raised a lot of concerns among participants during the 12-day Conference.
- Besides giving details of the ‘Talanoa Dialogue’ process, **the COP final decision clearly outlined what all the rich nations need to do as far as their pre-2020 actions under the Kyoto Protocol (KP) are concerned.**

- It had been a crucial demand of developing countries. The pre-2020 actions refer to existing obligations of only rich nations to take mitigation (emission cut) actions under the KP whereas the post-2020 actions are meant for all countries as per their nationally determined contributions (NDCs) under the Paris deal.

Where Do We Stand Right Now

- Under the Paris deal nearly 200 countries submitted proposals for cutting their greenhouse gas emissions. Yet not one of the major industrialized nations is on course to achieve these goals.
- And even these goals are just a starting point -- emissions would have to be cut even further to stop global average temperatures from warming more than 2 degrees Celsius over preindustrial levels, the point at which scientists say drastic consequences will be unavoidable.
- The latest report on emissions gap by UNEP was another indication that the world has not done enough on cutting emissions. Industrial emissions had been steady for the past three years, but are projected to rise to record highs this year.
- The increase in global emissions is due in part to China burning more coal on account of upsurge in economic activities.
- The Green Climate Fund established in 2010 was meant to help developing countries tackle climate change. Seven years later many of the most vulnerable nations have not seen any grants.
- Led by Canada and Britain 19 countries will end their coal power use by 2030. But none of them are big coal consumers so experts doubt the real effect of this step.
- Some island nations extremely vulnerable and frustrated by the slowness of the United Nations process have started to look elsewhere for aid.
- The talks ultimately had to postpone most of the major issues until 2018. It was a stark reminder that the real action on global warming is far away from being getting started in a massive way.
- The US administration has sent a delegation to Bonn but the America's step backwards from the Paris deal has severely put the issue at the back burner.
- But the Trump administration also sent representatives from energy companies to promote coal, natural gas and nuclear power, industries that have the support of the current regime.
- Syria also announced that it would join the Paris climate accord meaning that every country in the world has now signed on to the pact or intends to join and only one, the United States has signaled its intention to withdraw from it.

About UNFCCC

- In 1992 countries joined an international treaty, the United Nations Framework Convention on Climate Change as a framework for international cooperation to combat climate change by limiting average global temperature increases and the resulting climate change.
- By 1995 countries launched negotiations to strengthen the global response to climate change and two years later adopted the Kyoto Protocol.
- The Kyoto Protocol legally binds developed country Parties to emission reduction targets. The Protocol's first commitment period started in 2008 and ended in 2012. The second commitment period began on 1 January 2013 and will end in 2020.
- There are now 197 Parties to the Convention and 192 Parties to the Kyoto Protocol.
- The 2015 Paris Agreement adopted in Paris on 12 December 2015 marks the latest step in the evolution of the UN climate change regime and builds on the work undertaken under the

Convention.

- The Paris Agreement seeks to accelerate and intensify the actions and investment needed for a sustainable low carbon future. Its central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius. The Agreement thus aims to strengthen the ability of countries to deal with the impacts of climate change.

9.7. India Is Overtaking China To Become World’s Largest Emitter Of Anthropogenic Sulphur Dioxide

- India's emissions of the air pollutant Sulphur dioxide **increased by 50 percent since 2007**, while China's fell by 75 percent, claims a study which found that India is yet to implement emission controls like its neighbor.
- **Sulphur dioxide is an air pollutant that causes acid rain, haze and many health-related problems.** It is produced predominantly when coal is burned to generate electricity.
- China and India are the world's top consumers of coal, which typically contains up to three percent sulphur. Most of the two countries' Sulphur dioxide emissions come from coal-fired power plants and coal-burning factories.
- In particular, Beijing suffers from severe haze problems because of the many coal-burning factories and power plants located nearby and upwind. Starting in the early 2000s, China began implementing policies such as fining polluters, setting emission reduction goals and lowering emissions limits.
- By contrast, India's **sulphur dioxide emissions increased by 50 percent over the past decade.** The country opened its largest coal-fired power plant in 2012 and has yet to implement emission controls like China.
- Right now, India's increased sulphur dioxide emissions are not causing as many health or haze problems as they do in China because the largest emission sources are not in the most densely populated area of India. However, as demand for electricity grows in India, the impact may worsen.

TABLE 55.2 Major industrial sources of air pollution

<i>Industry</i>	<i>Major air pollutants</i>
Thermal power plants	NO ₂ , N ₂ O, SO ₂ , particulates
Steel industries	Smoke, particulates, CO, fluoride
Petroleum refineries	SO ₂ , smoke, particulates
Metal smelters	SO ₂ , NO ₂ , N ₂ O, smoke, particulates
Fertilizer plants	SO ₂ , NO ₂ , N ₂ O, NH ₃ , fluoride
Acid plants	SO ₂ , NO ₂ , N ₂ O
Cement plants	SO ₂ , smoke, particulates,
Soap and detergent plants	Particulates, odour
Paper mills	SO ₂ , particulates, odour

9.8. Parasitic Plant Found In Nagaland

- Scientists have discovered a new species of parasitic flowering plant that has no chlorophyll, and survives by feeding on another species of plant that does (chlorophyll helps a plant make its own food using sunlight).
- The species, named ***Gleadovia konyakianorum***, in honour of the **Konyak tribe of Nagas**, was identified during a botanical exploration earlier this year near Tobu town of Mon district in eastern Nagaland.

Characteristics

- It is a **holoparasite [complete parasite]** that derives its entire nutritional requirement from the host plant, which is a *Strobilanthes* species. The plant was found in the semi-evergreen forest at an altitude of 1,500-1,600 metres.
- Though it has no chlorophyll, the plant has a vascular system and extracts its nutrition from the host plant with the help of a haustorium.
- A haustorium is a specialised structure with which plant parasites attach themselves to the tissue of host plants and derive nutrition.
- *Gleadovia konyakianorum* is a root parasite that grows up to 10 cm in height, and bears white, tubular flowers. Interestingly, this is **only the fourth species** from the genus *Gleadovia* to be found in the world.
- The other three are *Gleadovia banerjiana* (discovered in Manipur), *Gleadovia mupinense* (found in China) and *Gleadovia ruborum* (discovered in Uttarakhand and also reported from China).
- Parasitic plants are often referred to as curious plants as they steal their entire nutritional requirement from the host. Not only are they rare but they are crucial evolutionary links in the plant kingdom that attest to Darwin's theory of survival of the fittest.
- Plant parasites are differentiated as stem and root parasites. Common stem parasites found in India are *Loranthus* sp, on Mango trees, and *Cuscuta reflexa*, a climber. Among the root parasites are *Sapria himalayana*, a rare holoparasitic flowering plant found in Arunachal Pradesh and Meghalaya.

9.9. Bamboo Ceases To Be A Tree, Freed Of Forest Act

- After 90 years, the bamboo has legally ceased to be a tree with the government amending the Indian Forest Act, 1927 and axing the bamboo — taxonomically a grass — from a list of plants that **also included palms, skumps, brush-wood and canes**.
- The government hoped to promote cultivation of bamboo in non-forest areas to achieve the **“twin objectives”** of increasing the income of farmers and also increasing the green cover of the country.
- *Bamboo grown in the forest areas would continue to be governed by the provisions of the Indian Forest Act.*

Why It Matters

- The earlier act wrongly classified Bamboo as a tree. Bamboo is a scientifically recognized grass.
- Including it under the list of trees led to the inaccurate classification of felled Bamboo as ‘timber’ whether it originates from government or private land. It was hence subject to not only the Central but also the State Forest Laws.
- Non-uniform rules and regulations in different states for varying species of bamboo also resulted in tedious negotiations with the forest and police department officials.

VAJIRAM & RAVI

- The Forest Department enjoyed a monopoly over harvest, transit and trade of Bamboo as forest produce.
- This regulatory framework has throttled a viable Bamboo economy and denied livelihood opportunities to many people.
- India is the world's **second largest** bamboo producer and has 13.96 million hectares, the largest area, under bamboo cover. About 2 crore people are estimated to be working in industries that use bamboo.
- This amendment can help promote agro-forestry with combined efforts like treating bamboo as a horticultural crop through subsidies, bank loan schemes, etc.

Criticism

- In the Northeast, the amendment is being seen as a half-measure to solve the problem. The present initiative to declare bamboo as non-timber from non-forest areas will not benefit northeastern states as about 95 per cent of the bamboo produce is from forest areas in the northeastern states.
- This colonial order needs to be removed from all areas, both in non-forest and forest, where farmers and communities are engaged in bamboo cultivation as a source of livelihood. Bamboo should be declared as a commodity like tea/rubber/coffee/coconut etc.
- Though the forest department has no right to demand royalty or transport permit on finished bamboo products, this continues to happen at every check post. Even after the amendment, *how are they going to distinguish bamboo from non-forest and forest areas?*

Conclusion

The amendment was cleared as an ordinance and is therefore yet to get parliamentary backing. However experts welcomed it saying that it removed ambiguity on the status of bamboo and also brought it in harmony with the related Forest Rights Act.

9.10. New National Policy On Biofuels And Pradhan Mantri Ji- Van Yojana

- A consultative workshop on New National Policy on Biofuels & Pradhan Mantri Ji- Van Yojana (VGF for 2nd Generation Ethanol Bio Refineries) was organised by Ministry of Petroleum and Natural Gas for inviting suggestions for drafting a suitable roadmap for Biofuels in India.
- The workshop was organised as the government is promoting Biofuels with an **objective to reduce dependency on import of crude oil, savings in foreign exchange, provide better remuneration for the farmers and address growing environment concerns** in the light of India's Commitment at COP 21.
- During the workshop 5 Working Groups on 1-G Ethanol, 2-G Ethanol, Biodiesel, Municipal Solid Wastes to Fuel & Bio-CNG comprising of all the stakeholders (producers, bankers and buyers) deliberated issues related to their segment in detail and came up with many constructive suggestions and inputs.

Biofuels:

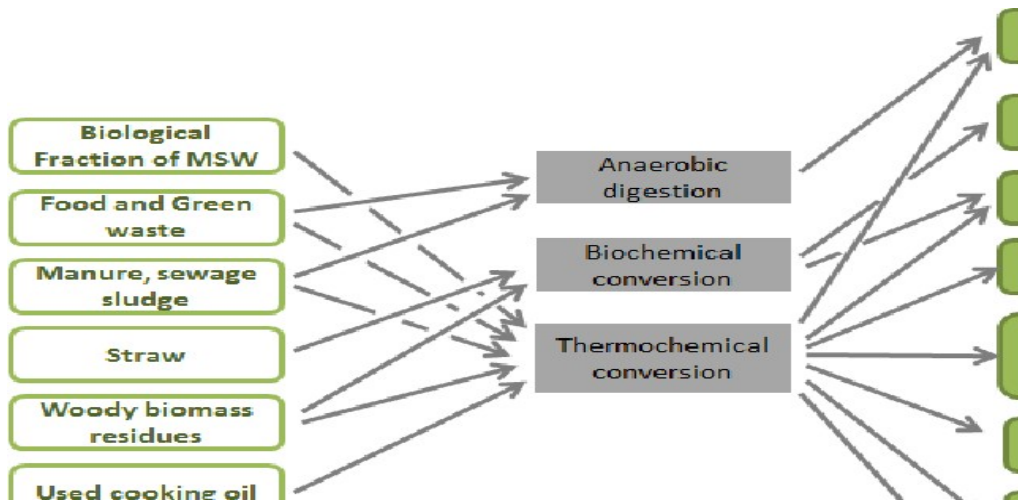
- Biofuels are fuels produced directly or indirectly from organic material – biomass – including plant materials and animal waste.

Biofuels may be derived from agricultural crops, including conventional food plants or from special energy crops. Biofuels may also be derived from forestry, agricultural or fishery products or municipal wastes, as well as from agro-industry, food industry and food service by-products and

wastes.

Primary biofuels, such as fuelwood, wood chips and pellets, organic materials are used in an unprocessed form, primarily for heating, cooking or electricity production.

Secondary biofuels result from processing of biomass and include liquid biofuels such as ethanol and biodiesel that can be used in vehicles and industrial processes.



9.11. Multi State Mega Mock Tsunami Exercise 2017

- The Ministry of Home Affairs through National Disaster Management Authority (NDMA) and the Indian National Centre for Ocean Information Services (INCOIS) conducted a multi-State mega mock exercise on tsunami preparedness.
- The exercise was simultaneously conducted in 31 coastal districts across four States - West Bengal, Odisha, Andhra Pradesh and Tamil Nadu - and Union Territory Puducherry along the entire East Coast.
- The disaster scenario simulated tsunami waves originating due to a high-intensity earthquake near the Andaman and Nicobar Islands, which lead to a massive tsunami along the East Coast.
- Participants from 11 Pacific Island countries observed the entire exercise to take away key lessons and best practices to be adopted while preparing for and responding to a disaster situation.
- The exercise is one of the various activities planned on the occasion of the 2nd World Tsunami Awareness Day held on November 5 this year.
- Tsunami is a highly devastating natural hazard, and requires rapid response when it occurs as the reaction time is limited. A two-hour reaction time has been planned in this scenario during which the entire State machinery was mobilised in a defined manner to respond swiftly and efficiently.
- Evacuation drills were also be rehearsed at selected sites. This exercise aims to assess and help improve the preparedness, response mechanism and coordination among concerned agencies.

- India's eastern coast is susceptible to both floods and tsunamis and many coastal districts have conducted similar mock exercises for better preparedness over the years. This is, however, the first time that the entire eastern coast participated in a mock exercise simultaneously.

9.12. Drought, Heatwaves Increasing In Frequency

- Analysing rainfall and temperature data of 50 years, researchers from Indian Institute of Science (IISc) have found that **the frequency of heatwaves accompanied by drought has increased** not only in magnitude but in area too over the past three decades – particularly in Gujarat and Central India.
- While heatwaves (or, a prolonged period when temperatures approach record extremes) and droughts are destructive even when occurring in separate events, their concurrence is far more serious.

Observations

- Researchers calculated the Heatwave Magnitude Index daily (HWMId) — which combines duration and magnitude of heatwaves— and the Standardized Precipitation Index (SPI), which defines meteorological drought from 1951 to 1981. Using that as the base, they compared it with the HWMId and SPI between 1981 and 2010.
- In all combinations of drought (moderate or severe) and heatwaves (3.5 and 10-day events) that were analyzed, the percentage increase in frequency was most significant in parts of Maharashtra and Southern Gujarat, Karnataka and Andhra Pradesh.
- While the rest of the country, too, showed increases in frequency, a surprising decrease was seen in Rajasthan and West Bengal.
- Researchers believe this could be due to the **intricate relationship** of land surface processes, soil moisture, evapo-transpiration and local climate. (Evapo-transpiration is the sum of evaporation and plant transpiration from the Earth's land and ocean surface to the atmosphere).
- The area affected by the 'extreme of extreme' incident has gone from almost nothing in 1951, to nearly 4% by 2010.