



VAJIRAM & RAVI

(Institute for IAS Examination)

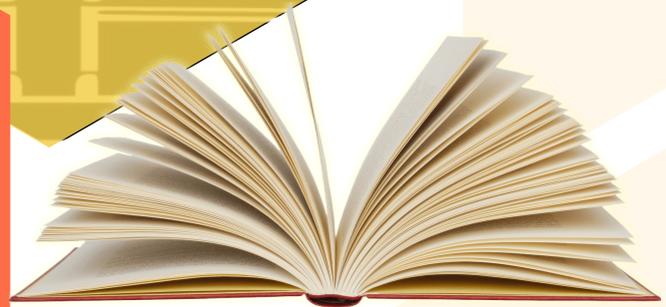


**Ranker's
Choice for Last
Mile Revision**

GS MAINS Probable 2022

Part - 2

*One stop
solution to
maximise your
GS Marks*



*'In reference to
Part-1'*

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PAPER 1

HISTORY AND CULTURE

Bill To Strengthen ASI

According to the Lok Sabha bulletin, the **Ancient Monuments and Archaeological Sites and Remains (Amendment) Bill, 2022** has been listed for introduction and passage by the government.

About The Bill

- The proposed amendment would change **Section 20A** of the Act to rationalise the prohibited and regulated areas.
- It **will replace the provision which allows a 100-metre prohibited area for construction activity** around Centrally-protected monuments with site-specific limits to be decided by an expert committee.
 - ✓ The Section 20 of the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, 1958, was amended in 2010 to declare the 100-metre radius of protected monuments as prohibited areas and the next 300-metre radius as regulated areas.
- **Expert monument committees** would decide the prohibited area around a particular monument and **activities permitted** herein
 - ✓ **Specific laws:** Given the unique nature of each monument, the Act also proposes **heritage by-laws** for each monument to be prepared by an expert body.
- The **ASI would be given enforcement powers** like in the Forest Act which would empower it to act against those encroaching at protested sites.
- The bill would also seek to **review the list** of protected sites under the ASI.

Concerns Related To New Legislation

- **Endangering The Commons:** Rezoning land around ASI-protected monuments into industrial, commercial, or even residential plots will thus deprive human & animal communities of much-needed commons.
- **Weaken Foundations:** Permitting construction work risks weakening the foundations of centuries-old edifices. For instance, Sacks of cement stacked against a frescoed wall can irreversibly abrade its surface.
- **Anthropogenic Forces:** For example, domestic waste and grey water which regularly seep into the sub-terrain sixth-century **sanctuary at Jogeshwari** in Mumbai. Air and water pollution continue to turn the white marble of the **Taj Mahal** yellow and green, and so on.
- **Worrying Consequences:** The artefacts long buried in layers of soil are at risk of being broken and their contexts destroyed by construction machines.
- **Constitution of Committee:** Concerns related to like who will determine the **make-up of committees** and **criteria** to be used by these committees is still unclear
- **Unclear Mandate:** It is also unclear about **redressal mechanisms** under new amendment and how it will empower the ASI as various statutory bodies like National Monuments Authority (under the Ministry of Culture), is already in place to help the ASI to fulfill its mandate.
- **No Archaeological Impact Assessment:** The Government has built new highways, metro-rail systems, and industrial parks without methodical archaeological impact assessments which has led to the shattering of numerous historical artefacts.

Constitutional Provisions for Protection of Cultural Heritage

- **Fundamental Duties, Article 51 (A)** - It shall be the duty of every citizen of India to value and preserve the rich heritage of our composite culture.
- **DPSP, Article 49** – It shall be the obligation of the State to protect every monument or place or object of artistic or historic interest, declared by or under law made by Parliament

Schemes and Initiatives Related to Cultural Heritage

- **“Scheme for Safeguarding India’s Intangible Heritage and Diverse Cultural Traditions”**: To revive and revitalize various institutions and to strengthen, preserve, & promote India's rich intangible cultural heritage.
- **National Virtual Library**: To bring together all the information on India’s rich heritage.
- **The conservation portal of the ASI** is a tracking portal that checks all the conservation and developmental works that are done in India.
- The **retrieval of stolen antiques from abroad**, example - the bronze Nataraja and the stone object of Ardhnarishwara from Australia.
- **Swachh Smarak**: Polythene Free Zones are declared in ASI Protected Historical Monuments and Archaeological Sites. Major sites were designated as **Adarsh sites**.
- **Sanskriti App** allows to observe Indian cultural activities such as music, dance, and theatre. Literature, film presentations, and other forms of entertainment.
- **Rashtriya Sanskriti Mahotsav** held once a year to highlight India’s cultural heritage.

SOCIETY

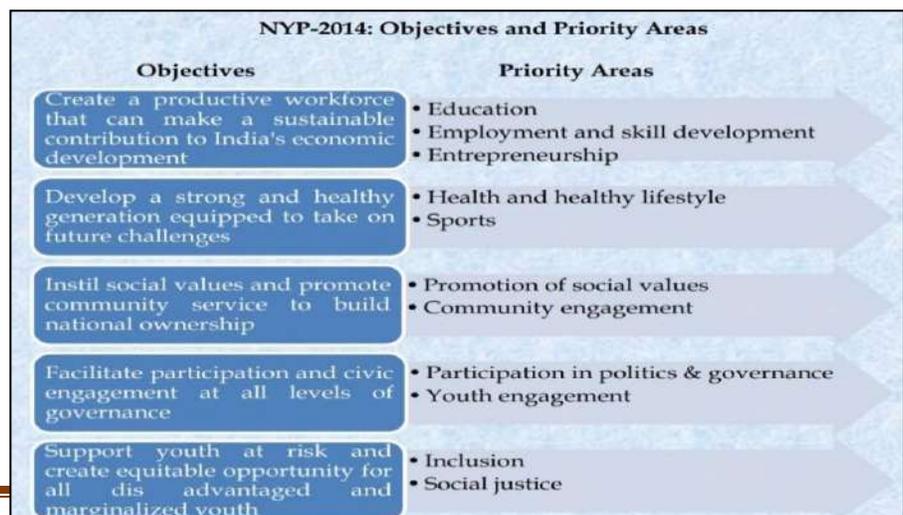
Population And Associated Issues

India’s Demography At Crossroads

As per the “Youth in India 2022” report, India’s favourable demographic dividend is at an inflection point, with the population share of the youth starting to taper off. Demographic dividend occurs when the proportion of working people in the total population is high. This report has been released by the Ministry of Statistics and Programme Implementation.

Who Are Youths?

- There is no universally agreed international definition of the youth age group.
- United Nations defines ‘youth’ as those persons between the ages of 15 and 24 years.
- But in the National Youth Policy 2014, the persons between the age group of 15



and 29 years are considered youth.

Key Highlights Of The Report

- The youth in the age group of 15-29 years comprise 27.2% of the population for 2021, which is expected to decrease to 22.7 by 2036.
 - ✓ The total youth population from 333.4 million in 2011 is projected to reach 371.4 million by 2021.
 - ✓ Thereafter, the number will decrease to 345.5 million by 2036.
- Share of the elderly is expected to increase** during 2021-2036.
 - ✓ The proportion has increased to 9.2% in 2016 and is projected to reach 14.9% in 2036.
 - ✓ States such as *Kerala, Tamil Nadu and Himachal Pradesh* are projected to see a higher elderly population than the youth by 2036.
- Projections for states:** Bihar and Uttar Pradesh experienced a rise in proportion of youth population to total population till 2021 and then it is expected to start declining.
 - ✓ These two states, along with Maharashtra, Madhya Pradesh and Rajasthan, are projected to have 52% of the country's youth.

| State/Union Territory | % of youth in total population of State/UT | | |
|-----------------------|--|------|------|
| | 2021 | 2031 | 2036 |
| Bihar | 28.8 | 27.7 | 25.5 |
| Himachal Pradesh | 25.1 | 21.4 | 19.5 |
| Kerala | 22.1 | 20 | 19.2 |
| Madhya Pradesh | 27.7 | 25.3 | 24.7 |
| Maharashtra | 26.1 | 22.5 | 21 |
| Rajasthan | 28.7 | 25.8 | 24.6 |
| Tamil Nadu | 23.2 | 20.4 | 19.1 |
| Uttar Pradesh | 29.9 | 26.3 | 25.1 |
| India | 27.2 | 24.1 | 22.7 |

Source: Youth in India 2022 Report, MoSPI
Report of the Technical Group on Population Projections for India and States 2011-2036, Ministry of Health & Family Welfare, 2020

Legislation for Refugees

NHRC had a discussion on Protection of the basic human rights of refugees and asylum seekers in India

Highlight of Discussion

- Refugees and asylum seekers are entitled to the rights charted in **Article 14** (Right to Equality), **Article 20** (Protection with respect to conviction of offenses), and **Article 21** (Right to Life) of the Constitution.
 - ✓ Article 21 encompasses the **right of non-refoulement**, the principle under international law which states that a person fleeing persecution from his own country should not be forced to return to his own country.
- NHRC has drafted model law on asylum and refugees a decade ago but was never implemented by Government.

Need of Refugees Law

- The influx of refugees in India is huge and India is considered a country that has always taken refugees. E.g Tibetan Refugees, refugees from Afghanistan
- Due to absence of law, intermixing of refugees and migrant has created haphazard situation.
- India requires long term practical solution to shift from charitable approach to a rights-based approach by enacting a national refugee law.
- A national refugee law will streamline refugee status determining procedures.
- It will guarantee refugees with basic human rights, legal sanctity and

Concerns Regarding Refugees in India

- India has not signed the **1951 Refugee Convention** which leads to legal insecurity of refugees' status and difficulty to access in terms of refugee rights.
- Due to the absence of specific laws, refugees and asylum seekers are regulated under the **Foreigners Act, 1946**. As a result, these people are treated similar to tourist, illegal immigrants, and economic immigrants.
- Absence of uniform law leads to unequal treatment towards refugee groups. This is reflected in how refugees from Tibet are well received compared to refugees from Myanmar in India.
- Incoming refugees are treated based on their national origin and political considerations, questioning the uniformity of rights and privileges granted to refugee communities as per the international human rights

uniformity.

conventions and UN treaties.

Supreme Court Stand on Refugee

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

Poverty And Development Issues

State of Food Security and Nutrition In The World, 2022

The State of Food Security and Nutrition in the World, 2022 report has been released. It is an annual flagship report to inform on progress towards ending hunger, achieving food security and improving nutrition. It is jointly prepared by:

Food and Agriculture Organisation (FAO)

International Fund for Agricultural Development (IFAD)

UNICEF

World Food Programme (WFP)

WHO

Key Highlights

- **World is moving backwards in its efforts to end hunger, food insecurity & malnutrition**
 - ✓ We are now only eight years away from 2030, but the distance to reach many of the SDG 2 (Zero Hunger) targets is growing wider each year.
 - ✓ At the same time, more frequent and extreme climate events are also disrupting supply chains, especially in low-income countries.
- **Global hunger has increased**
 - ✓ Number of people affected by hunger globally rose to as many as 828 million in 2021.
 - ✓ It further said that, in 2021, around 2.3 billion people are facing moderate or severe difficulty in obtaining enough to eat.
 - This was before the Ukraine war, which has disrupted supply chains & sparked increases in the cost of grain, fertilizer, and energy.
- **Gender gap in food insecurity continued to rise in 2021**
 - ✓ 31.9% of women in the world were moderately/severely food insecure, compared to 27.6% of men.

India Specific Observation

- **Number of undernourished people declined** to 224.3 million (16.3%) in 2019–21 from 247.8 million (21.6%) in 2004-06.
- **Number of stunted children under 5 years declined** to 36.1 million in 2020 from 52.3 million in 2012.
 - ✓ The number of children under five years of age who are overweight declined to 2.2 million in 2020 from 3 million in 2012.
- **Number of obese adults in India grew** to 34.3 million in 2016 from 25.2 million in 2012.
- **Prevalence of anaemic women aged 15 to 49 years declined marginally** from 53.2% in 2012 to 53% in 2019.

- **People who were unable to afford a healthy diet** touched 973.3 million in 2020 (70.5%), up from 948.6 million in 2019 (69.4%).
- **India provides substantial food subsidies to final consumers** under TPDS for grains.
- **Lauded India for its effort**
 - ✓ The report said that the most prominent example of a (Lower-middle-income countries) LMIC is India, where the food and agricultural policy has historically focused on protecting consumers.
 - ✓ India does this by ensuring affordable food prices, through
 - export restrictions (on wheat, non-basmati rice, and milk, among others);
 - marketing regulations around pricing; and
 - public procurement, public food stockholding and distribution of a vast range of agricultural commodities.
- ✓ Input subsidies and expenditure on general services such as in R&D and infrastructure.
 - This is used as means of compensating for price disincentives generated by trade and market measures.
 - It also helps in boosting production and self-sufficiency in the country.

Panel Calls For Boosting Protein, Nutrients In Government Meal Programmes

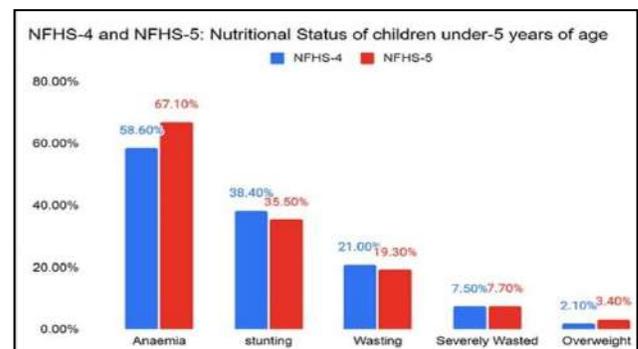
An *inter-ministerial committee* has observed that the Covid-19 pandemic is likely to have aggravated the silent crisis of undernutrition in India. It was submitted in October 2021 and is currently under the Centre's consideration.

Nutritional Status in India

According to the National Family Health Survey (NFHS-5) 2019-21, India has seen no significant improvement in nutritional status among its population. {Refer the Picture given beside}

Key Observations

- **Protein rich food items as well as micronutrients to be legally included in meals** given through food safety programmes in schools and anganwadis.
 - ✓ Protein-rich food items - eggs, nuts and legumes;
 - ✓ Micronutrients - calcium, iron, zinc, folate and vitamin A.
- This could be done by revising Schedule II of the National Food Security Act (NFSA), 2013.
 - ✓ **Schedule II** of the NFAS lays down nutritional standards for government food safety programmes like mid-day meal, PM Poshan and Integrated Child Development Services scheme.
 - ✓ Currently, it quantifies nutrition per meal in terms of calories and protein only.
 - ✓ However, inter-ministerial panel has called for micronutrients also to be taken into account.
- The report states that those who do not consume eggs may be provided double the proposed quantity of nuts and seeds.
- **Recommended new standards of kilocalories and protein per meal** along with fixing proposed intake of micronutrients for all categories of beneficiaries.
 - ✓ It also recommended the food items required to achieve those standards. This excludes milk and fruits.
 - ✓ According to the cost implications of the recommendations, the cost per meal in lower primary classes will be Rs 9.6 and Rs 12.1 in upper primary.
 - ✓ Currently, the cooking costs are Rs 4.97 and Rs 7.45 respectively.



{For more about "Various Factors responsible for the Present Nutritional Situation In India" refer topic Hunger And Malnutrition In India In Light Of Global Hunger Index Report 2021 from Part 1}

GEOGRAPHY

Interlinking Of Rivers In India

Centre has set in motion the process of creating the exclusive body **National Interlinking of Rivers Authority (NIRA)** to implement river-linking projects in India.

- NIRA is an independent autonomous body for planning, investigation, financing and the implementation of the river interlinking projects in the country.
- NIRA will be headed by a Government of India Secretary-rank officer.
- It will replace the existing National Water Development Agency (**NWDA**) and will function as an umbrella body for all river linking projects.
 - **Function of NIRA:** Coordinate with neighbouring countries and concerned states and departments as directed by the Ministry of Jal Shakti or the Ministry of External Affairs.

Interlinking of Rivers in India

- In the 1970s, the idea of transferring surplus water from a river to water-deficit area was initiated by the then Union Irrigation Ministry.
- It also suggested construction of a National Water Grid for transferring water from water-rich areas to water-deficit areas. Similarly, a Garland Canal was proposed to redistribute water from one area to another.
- However, the government did not pursue these two ideas. Later, in 1980 the Ministry of Irrigation prepared a **National Perspective Plan (NPP)** for water resources development for inter basin water transfer in the country.
- The NPP comprised two components: **Himalayan Rivers Development and Peninsular Rivers Development**.
- Based on the NPP, the National Water Development Agency (NWDA) identified **30 river links**—16 under Peninsular component and 14 under Himalayan Component. KBLP is a part of the Peninsular component.
- The following **clearances** are required for the interlinking of river projects:
 - Techno-economic (given by the Central Water Commission);
 - Forest Clearance and Environmental clearance (Ministry of Environment & Forests);
 - Resettlement and Rehabilitation (R&R) Plan of Tribal Population (Ministry of Tribal Affairs);
 - Wildlife clearance (Central Empowered Committee).

| Advantages of River Interlinking | Issues And Challenges |
|--|---|
| <ul style="list-style-type: none"> • Interlinking of rivers will help in water availability throughout the year considering that rainfall is concentrated in few months of the year. • The river linking project on one hand will reduce water shortages in western and southern India, on other hand it will mitigate the impacts of recurrent floods in eastern India. • This will also reduce farmers dependence on monsoon rains for purpose of irrigation. • These projects can help India to meet its clean energy production (hydro project) as required under Paris climate agreement. • These projects also have potential to promote inland water transportation as well as increasing income sources in rural areas through fishing. • Diversion of water from water surplus basins to water deficit basins/regions and the use of the surplus water which is | <ul style="list-style-type: none"> • Economic Challenges: National river linking project is a dream project for the Indian government which has a vast impact on the national economy as the programming cost of this project is very high nearly \$87 billion. It seems rather difficult to arrange this vast money from the market itself. • Environmental Challenges: The project may have negative ecological effect as it may impact fisheries, flora/ fauna, wetlands and may lead to possible diversion of forest land. • International Challenges: Himalayan rivers like Ganga and the Brahmaputra are transboundary rivers. India's neighbours especially Bangladesh will resist this project because the flow of Ganga in Bangladesh will be reduced which will create a problem in implementing NRLP. • Social unrest/Psychological damage: Building of dams and reservoirs under the project will lead to displacement of people. For ex- Tehri dam led to submersion of 72 villages. • Political Challenges: Water is the sign of wealth for a state as its basic need of every kind thus several states |

otherwise flowing into the sea unutilized.

do not want to go with national river linking project in fear of losing surplus of water to the other states.

Conclusion

The river linking project is a great challenge as well as an opportunity to address the water issues arising out of climate change. The long-term solution to water scarcity lies in investing in water conservation, efficient irrigation practices etc. Moreover, interlinking of river should take place after a detailed study and feasibility.

Important Geophysical Phenomena

Heat Wave

- It is a **period of abnormally high temperatures**, more than the *normal* maximum temperature that occurs during the summer season.
- According to Indian Meteorological Department (IMD) heat wave need not be considered till maximum temperature of a station reaches at least **40°C for Plains and at least 30°C for Hilly regions**.

Effects of Heat Wave

- **Increased Energy Consumption** - Demand for air conditioning can overload systems, which can lead to power outages and blackouts.
- **Elevated GHG Emissions and Air Pollution** since power plants rely on fossil fuel for energy production.
- **Poses Danger to Aquatic Systems** - The surface temperatures can heat storm-water runoff into drainage systems and raises water temperatures as it is discharged into ponds, streams, rivers, lakes and oceans, resulting in thermal pollution.
- **Discomfort and Danger to Human Health** – It seriously affect the health of sensitive and vulnerable populations such as older adults, children, and those with weather-responsive health conditions.
- **Impacts on Animals** - Most species need optimum temperatures to colonize, utilize and thrive in their ecosystems and due to high temperature, essential activities of the organisms gets limited.
- **Food security** - Adverse heat can also significantly reduce the availability of food, shelter, water.

Reasons Why India Is Experiencing More Heat Waves?

- Magnified effect of paved and **concrete surfaces** and **lack of tree cover** in **urban areas**.
- **Urban heat island effects can cause ambient temperatures to feel 3 to 4 degrees higher than they are**.
- Global temperatures increased by an average of 0.8 degrees over the past 100 years. **Night temperatures are also rising**.
- **Higher daily peak temperatures** along with longer, more intense heat waves globally due to climate change.
- **High intensity of UV rays** in medium-high heat wave areas.

Steps Taken To Deal With Heat Wave

- Chhattisgarh, Odisha, Kerala, Rajasthan, Andhra Pradesh, Maharashtra and Karnataka had **declared heat waves as a local disaster**.
- **Water kiosks, staggered outdoor work hours, cool roofs for buildings and homes**.
- **Passive Cooling technology** is a widely-used strategy to create naturally ventilated buildings.
- **Plantation and effort to increase the area under green cover** are the primary requirement to cut heat load within urban areas.

- Darker colours absorb more heat, so increasing the **reflectivity of buildings can reduce heat**.

Landslide

Recently, various part of India including Manipur, Assam and Mumbai are facing the incidence of landslide.

About Landslide

It is the **movement of a mass of rock, debris**, or earth down a slope under the **direct influence of gravity**. The term-encompasses 5 modes of slope movement: ***falls, topples, slides, spreads & flows***.

Cause of Landslide

Natural Causes: Earthquakes, Excessive Rainfall

Anthropogenic Causes

- **Infrastructure Development** -Creation of roads, railways, dams, etc. in the mountainous region.
- **Mining** - Removing the surface of the earth for mineral exploration loosens the grip of material.
- **Deforestation** loosens the soil grip and makes the region more vulnerable to landslides.
- **Unsustainable Tourism** - The rising tourist puts greater pressure on land as more infrastructure and amenities are needed to accommodate them. This leads to more construction and greater landslides.

Landslide Zones In India

- Approximately **15% of the country's territory is prone to landslides**.
- The Himalayas of Northwest and Northeast India, as well as the Western Ghats.

| Consequences Of Landslides | Steps Taken In India To Deal With Landslides |
|---|--|
| <ul style="list-style-type: none"> • It poses repeated threats to human life and livelihood. • It restricts the movement, because mud, rocks, and debris sliding down the hill create a barrier on important traffic corridors such as highways and railway lines. • It damages the infrastructure. • Economic loss because a substantial amount of money is spent on rebuilding infrastructure. • It may jeopardize water availability, because when landslides occur on the slopes of a river valley, the sliding material may reach the valley's bottom. | <ul style="list-style-type: none"> • National Disaster Management Authority (NDMA) Guidelines on Landslide Hazard Management (2009) - It outlines the steps that should be taken to avoid or reduce the risk of landslides. Identifying regions that are prone to landslides • National Landslide Risk Management Strategy (2019) - It covers <i>all aspects</i> of landslide disaster risk reduction and management, such as hazard <u>mapping</u>, <u>monitoring</u>, and <u>early warning systems</u>. • National Institute of Disaster Management (NIDM) - It is a prominent institute that provides disaster management and disaster risk reduction <u>capacity building support</u> to various national and state level authorities. |

Way Forward

- States in high-risk areas, such as Himachal Pradesh and Uttarakhand, should **proceed with discretion while pursuing disruptive projects**.
- Before commencing mining or dam construction, **appropriate environmental impact assessment (EIA) standards should be followed**.
- **Landslide micro zoning methods to be implemented** for hilly & other extremely sensitive areas.
- **More funds should be given to landslide planning and mitigation** agencies to strengthen disaster management capacity.

- **Mitigation techniques such as restricting agriculture to valleys** and places with moderate slopes, promoting large-scale afforestation initiatives should be encouraged.
- We should **install early warning systems** based on the monitoring of ground conditions such as strain in rocks and soils, slope displacement, and groundwater levels.

Cloud Burst

Huge tragedy unfolded near the holy Amarnath cave after a cloudburst reportedly triggered flash floods and chaos.

About Cloud Burst

- It is **short-duration, intense rainfall** events **over a small area**.
- The **rainfall rate which is equal to or greater than 100 mm/hour is a cloudburst**.

Occurrence of Cloudburst

- It occurs when **moisture-carrying air** moves up a hilly terrain, forming a vertical column of clouds known as 'cumulonimbus' clouds.
- Such clouds usually cause rain, thunder and lightning. This **upward motion of the clouds is known as an orographic lift**.
- These **unstable clouds cause an intense rainstorm over a small area** after becoming heavy enough and locked in the ridges and valleys between the hills.
- The **energy necessary for the cloudburst comes from the upward motion of air**.
- It mostly occurs at elevations between 1,000-2,500 metres above sea level.
- The moisture is usually provided by a low-pressure system (usually associated with cyclonic storms in the ocean) over the Gangetic plains associated with low level winds flowing in from the east.
- Sometimes **winds flowing in from the north-west also aid the occurrence of cloudbursts**.
- The many factors that have to come together to make a cloudburst event happen make them highly unlikely.

Effect of Cloudbursts

- Cloudbursts are also **responsible for Flash floods creation**.
- **Landslides, Mudflows and Land caving** are also the indirect effect of outburst.

Predication of Cloud Burst

- There is **no satisfactory technique to predict a cloudburst** because of their small scale.
- A very fine network of radars is required in order to detect the likelihood of a cloudburst however this technique is prohibitively expensive.
- Only the areas likely to receive heavy rainfall can be identified on short-range scale.

Flash Floods

- It is **highly localized events of short duration with a very high peak. It usually has less than 6 hours between the occurrence of the rainfall and peak flood**.
- Rainfall intensity, rainfall location and distribution, land use and topography, vegetation type and growth/density, soil type, and soil water content all determine how quickly flash flooding can occur, and where it occurs.

PAPER 2

CONSTITUTION AND POLITY

Indian Constitution: Historical Underpinnings, Evolution, Features, Amendments, And Significant Provisions

Fundamental Rights

Supreme Court Call for Reform on Bail Law

The Supreme Court underlined that there is a pressing need for reform in the law related to bail and called on the government to consider framing a special legislation on the lines of the law in UK.

- The UK law has provisions for ensuring *legal aid for defendants*. It also recognises a “*general right*” to be *granted bail*. The Act provides specific grounds for rejecting a bail.

Constitution Protection Against Indiscriminate Arrest

- **Article 20** – It deals with the protection of citizens in respect of conviction for offences.
- **Article 21** - It states that no person shall be deprived of his life and personal liberty by the State except as per the procedure established by law.
- **Article 22** – It deals with the protection against arrest and detention in certain cases.

Bail Law in India

- The CrPC does not define the word bail but only categories offences under the IPC as bailable and non-bailable.
- The CrPC empowers magistrates to grant bail for bailable offences as a matter of right.
- In case of non-bailable offences, a magistrate would determine if the accused is fit to be released on bail. **The CrPC also lists provisions for the cancellation of bail.**
- The concept of **bail emerges to secure personal liberty protected under Article 21 of the constitution**, of the person charged with some offense.

General Principle Regarding Bail Law

- Grant of bail in the cases of bailable offences is a right that should be guaranteed to the accused by the magistrate or police.
- Grant of bail in non-bailable offences is a *judicial discretion given to the magistrate* and no power is given to the police in these kinds of cases.
- The accused who has committed the offence which is punishable by death or imprisonment for life, the magistrate has no right to grant bail in those circumstances. But women, a person sick or infirm and children below the age of 16 are excused from the rule.

Problem In Indian Bail Law

- In cases involving high-profile individuals, bail is granted without considering the enormity of the case.
- Another major problem in the bail system is **the amount of bail bonds set by the court**, which at times poor person can't afford.

- The Supreme Court observed that **unwarranted arrests** are carried out in violation of Section 41 (CrPC), which empowers police to arrest without a warrant.

Latest SC Guidelines With Respect To Bail

- **Specific legislation:** Court pointed out that the Government of India may consider the introduction of a separate enactment, in the nature of a **Bail Act** (as in **United Kingdom**) so as to streamline the grant of bails.
- **Bail application:** The court held that there *need not* be any insistence on a bail application while considering the application under certain Sections of the Code.
 - ✓ These sections relate to **various stages of a trial** where a magistrate can decide on release of an accused.
 - ✓ The Supreme Court held that in these circumstances, **magistrates must routinely consider granting bail**, without insisting on a separate bail application.
- **Adhering to Timeline:** The Court clearly directed that bail applications ought to be disposed of **within a period of two weeks** except if the provisions mandate otherwise.
 - ✓ The Court also held that “applications for **anticipatory bail** are expected to be disposed of **within a period of six weeks** with the exception of any intervening application.
- **Compliance with earlier order:** The Court said that there needs to be a strict compliance of the mandate laid out in **Siddharth vs State of U.P. 2021** judgment.
 - ✓ The Court further stated that in case the investigating officer believes that the accused will not abscond or disobey the summons, then until and unless he has been charged for a heinous crime, the officer is not compelled to arrest him during the investigation.
- **Directions to High Courts:** The High Courts have been directed by the apex court to identify undertrial prisoners who cannot comply with bail conditions and take appropriate action in light of Section 440 of the CrPC, facilitating their release.
 - ✓ **About Section 440 CrPC:** The amount of bond shall not be excessive, and high courts & sessions courts may reduce the amount prescribed by the magistrate or a police officer.
 - ✓ A **similar exercise** has been mandated under **Section 436A** of CrPC, under which a person imprisoned during investigation or trial shall be released on bail on completion of half of the jail term prescribed for that offence.
- **Direction to states:** The SC also directed all state governments and UTs to facilitate **standing orders** to comply with the orders and avoid indiscriminate arrests.
 - ✓ The High Court in consultation with the State governments will have to undertake an exercise on the need for **special courts** and vacancies in the position of **Presiding Officers** of the special courts will have to be filled up expeditiously.

Fundamental Duties

Fundamental Duties

Supreme Court has issued a notice to the Centre and states to respond to a petition **to enforce** the Fundamental Duties of citizens, including patriotism and unity of the nation, **through comprehensive, well-defined laws.**

Fundamental Duties

- Fundamental Duties were incorporated by **44th Constitutional Amendment Act** in the year **1976** on the recommendation of **Swaran Singh Committee.**

- There were 10 in number. In 2002 one more Fundamental duty was added through 86th Constitutional amendment Act.
- Unlike fundamental rights, fundamental duties are **not enforceable (non-justiciable)** in Courts.
- It is intended to be reminder to every citizen to observe certain basic norm.
- The characteristic of Fundamental Duty is of two types - moral and civic.

Laws To Give Effect To Fundamental Duties

- **Prevention of Insult to National Honour Act (1971)** prevents disrespect to the constitution of India, the National Flag and the National Anthem.
- **Wildlife Protection Act and Forest Conservation Act 1980.**
- **Right to Education Act 2009** specifies the duties and responsibilities of parents in providing free and compulsory education.

Need to Legally Enforce Fundamental Duties

- In erstwhile Soviet Union Constitution, the rights and duties were placed on the **same footing**.
- There is a pressing need to enforce and implement at least some of the fundamental duties. For instance, to uphold and protect sovereignty, unity and integrity of India, to defend the country and render national service when called upon to do so and to disseminate a sense of nationalism and to promote the spirit of patriotism to uphold the unity of India.
- These fundamental duties assume significance after the **emergence of China** as a superpower.

Supreme Court's Previous Stand on Fundamental Duties

| | |
|---|---|
| Ranganath Mishra judgment 2003 | <ul style="list-style-type: none"> • SC held that fundamental duties should not only be enforced by legal sanctions but also by social sanctions. |
| AIIMS Students Union v. AIIMS 2001 | <ul style="list-style-type: none"> • SC held that fundamental duties are equally important like fundamental rights. • Though fundamental duties are not enforceable like fundamental rights they cannot be overlooked as duties in Part IV A. |

Rights and Duties are correlative and the violation of one lead to the violation of the other. It is important to maintain a healthy balance between legal enforcement of Fundamental duties and liberties of citizens.

Structure, Organization & Functioning of Judiciary And Related Issues

Language Of Courts In India

Recently Gujarat High Court has asked a journalist facing contempt of court proceedings to speak only in English. English is the language of higher judiciary.

Constitutional Provision

- Constitution recognises English as primary language of Courts.
- **Article 348 (1)(a)** says that unless Parliament by law provides otherwise, all proceedings before the Supreme Court and in every High Court shall be conducted in English.

- **Article 348 (2)** states that Governor of state may with the previous consent of the President, authorise the use of Hindi or any other Language used for any official purpose, in proceeding of the High Court. Uttar Pradesh, Bihar, Rajasthan and Madhya Pradesh have authorised the use of Hindi language in proceedings.

Reason for Use of English Language

- **Link Language:** As India is diverse country, Judges and lawyers come from different part of country. It will be impossible to discharge their duty for judges if they do not understand regional language. English has become link language in the integrated judiciary system
- **Uniformity:** At present, the judicial system in India is well developed, integrated and uniform throughout the country.
- **Easy Access:** Lawyers as well as the judges have the benefit of easy access to the views of other high courts on similar legislations and other matters of law and constitution.
- **Seamless Transfers:** Presently, the judges from one high court are transferred to other high courts seamlessly.
- **Unified Structure:** This has given a unified structure to the Indian judicial system. The hallmark of any robust legal system is that the law should be certain, precise and predictable.

Background Post-independence

- **Article 343** provides that official language of the **Union** shall be **Hindi in the Devanagari** script.
- However, it mandated that the English language will continue to be used for all **official purposes** of the **Union** for **15 years** from the commencement of the Constitution of India.
- It further provides that the **President** may, during the said period, by order authorise the use of the Hindi language for any official purpose of the Union, other than the English language.

Official Languages Act 1963

- It makes no mention of the Supreme Court, where **English is the only language** in which proceedings are conducted.
- It empowers the Governor of a state to, with previous consent of the President, authorise the use of **Hindi/official language of the state**, in addition to English, for the purpose of any judgement, decree or order passed by the High Court of that state.
- It further provides that where any judgement/decree/order is passed in any such language it shall be accompanied by a **translation of the same in English**.
- Read with the constitutional provisions, it is clear that **primacy is given to English** even by this Act.

Language of Subordinate Courts

- The state government has the power to declare any **regional language** as an alternative for the proceedings of the court.
- However, judgments, orders, and decree **may be** passed by the magistrate in **English**.
- The recording of the evidence shall be done in the prevailing language of the state.
- In case of a pleader being unacquainted with English, a translation into the language of the court shall be supplied to him on his request and the court shall bear such costs.

Rajya Sabha Passes Family Courts (Amendment) Bill

The Rajya Sabha has passed the Family Courts (Amendment) Bill, which seeks to extend statutory cover to family courts set up in Himachal Pradesh & Nagaland.

Family Courts (Amendment) Bill

- It was introduced and passed in Lok Sabha in July 2022. It amends the **Family Courts Act, 1984**.
- The Family Courts Act, 1984 allows state governments to establish Family Courts.
 - ✓ Central Government is empowered to notify dates for the Act to come into force in different states.
- The governments of Himachal Pradesh and Nagaland have set up Family Courts in their states under the Act.
- However, the central government had not extended the application of the Act to these states.

Family Courts Act, 1984

- According to the **59th Law Commission Report** (1974) and the **Committee on the Status of Women** (1975), it was recommended that family disputes should get handled differently from conventional civil proceedings.
- Subsequently, the Family Courts Act was passed in 1984 to allow state governments to establish family courts to promote conciliation and ensure that disputes related to family affairs and marriage are promptly settled.
- Under the Act, the setting up of family courts and their functioning comes under the purview of the state governments in consultation with their respective high courts.
- As per the Act, it is mandatory for the state government to set up a family court for every city or a town whose population exceeds one million.
- The state government appoints the family court judges with the approval of the high court.
- 716 Family Courts are functional across the country (February 2022).

What Was The Need For An Amendment And Why Does It Only Concern Two States

- Notably, the Central government has to notify a date for the Act to come into force in a State where such courts have been set up.
- If there is no government notification, it raises questions about the jurisdiction and statutory powers of these family courts.
- Himachal Pradesh set up family courts in Shimla, Dharamshala and Mandi
 - ✓ Nagaland established two such courts at Dimapur and Kohima.
- However; these courts were functioning without any legal authority since no central notification was issued in this regard.
- The issue came to light last year after a petition was filed in the Himachal Pradesh High Court (**Omkar Sharma vs. State of Himachal Pradesh**).

Application of Act in Himachal Pradesh and Nagaland

- The Family Courts (Amendment) Bill seeks to extend the application of the Act to the state of Himachal Pradesh, with effect from February 15, 2019, and to the state of Nagaland, with effect from September 12, 2008.
- The establishment of Family Courts in both the states will be retrospectively valid.
- All actions taken under the Act in both the states, including the appointment of judges, and orders and judgments passed by the Family Courts, will also be deemed to be valid from these dates retrospectively.

Challenges Faced By Family Courts In India

- **Term “Family” is not defined under the Act** – The family court only hears cases involving marriage, child support, and divorce. Thus, issues resulting from economic implications that affect the family in numerous ways are not addressed by the family court.
- **Lack of proper enforcement of the law** – Most state governments still have not effectively utilised the powers to create rules and set up family courts.

- **Complicated law** – Because the family court follows the **Code of Civil Procedure** principles in suits and proceedings, it is difficult for the average person to comprehend the complicated law.

Criminal Justice System – Problems and Solutions

The criminal justice system is a collective enterprise authorized and supported by the legitimacy and coercive power of the state to **create and administer law**. The purpose of criminal law is not only to deter criminal deviance and protect society from crime, but also to provide procedural safeguards to individuals and protect innocents from State persecution.

Need For Reform In Criminal Justice System In India

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

Way Forward

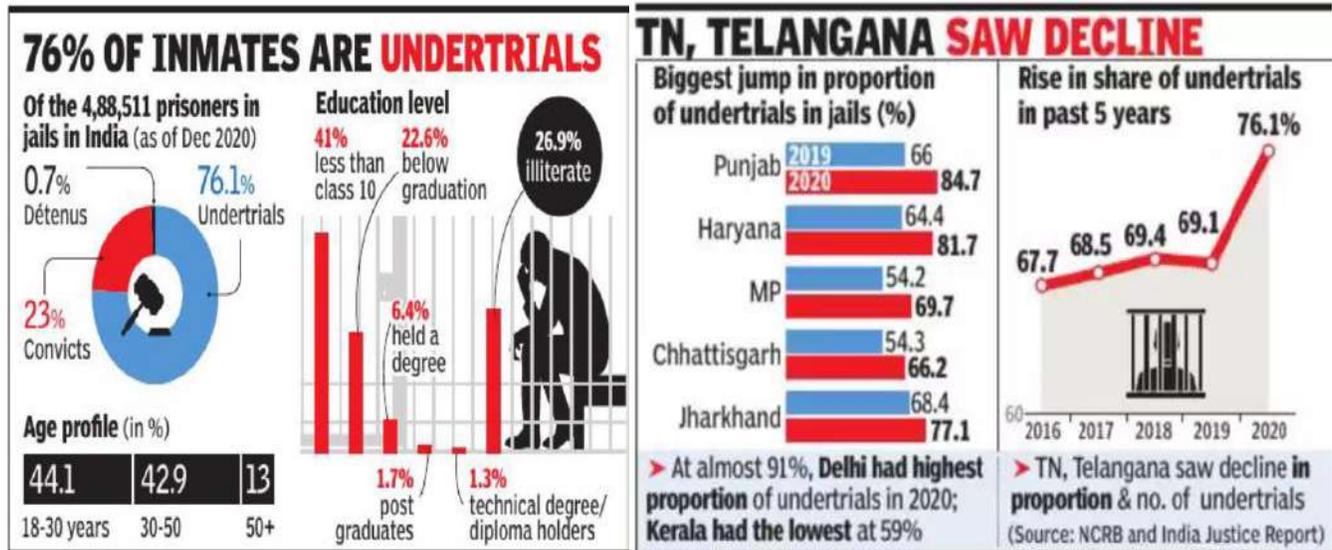
- **Rights of Crime Victims:** Victimological underpinnings ought to be given a major thrust in reforming laws to identify the rights of crime victims. The launch of victim and witness protection schemes, use of victim impact statements, advent of victim advocacy, increased victim participation in criminal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

Modernization of Prisons' Project

The Union home ministry has asked to states and Union Territories to implement 'Modernization of Prisons' Project. This project will provide five-year **grant-in-aid** (2021-26) to states/UTs for modernization of prisons with modern day security equipment for enhancing the security of jails.

Problems Associated With Prison In India

- Recently, speaking at the 11th Joint Conference of Chief Ministers (CMs) and Chief Justices (CJs) the Prime Minister (PM) of India pitched for the release of **3.5 lakh undertrial prisoners** who have been languishing in jails for years.



- According to NCRB data the number of prisoners was 118.5% of prison capacity across the country in 2019.
- Large number of unnatural deaths in jails.
- Lack of mental health professionals in jails.
- Unhindered access of prohibited items in jails due to collusion between jail authorities and inmates.
- Understaffing, underfunding and violent clashes

Significance of the Project

- Recently, the Criminal Procedure (Identification) Act, 2022 has been passed which accords powers to authorities to collect biometric and physical measurements of people who were convicted, arrested or detained. This project is significant for implementation of the Criminal Procedure (Identification) Act.
- Improving the security infrastructure of prisons with the help of modern-day security apparatus.
- Focus on correctional administration such as skill development, therapies etc.

Components of Project

- Video conferencing infrastructure
- Body worn cameras
- Door frame/metal detector/security poles etc. to strengthen the search procedure of inmates
- Baggage scanner/search/Jamming solutions etc. to prevent smuggling of prohibited items inside prisons.
- Correctional programs for inmates for reformation and rehabilitation

The 'modernization of prisons' project is in line with the recommendation regarding leveraging technologies of **Justice Amitava Roy committee** for prison reforms. The project should be implemented with necessary safeguard related to data security and right to privacy of inmates.

Issues & Challenges Pertaining to Federal Structure

SC Ruling on GST Council

The Supreme Court ruled in the UOI vs M/S Mohit Minerals Case, 2022, that GST council's recommendations are **not binding** on Union and States and it has persuasive value only.

Background of The Case

- Mohit Minerals had approached to the Gujrat HC challenging the levying of Integrated Goods and Services Tax (IGST) on the ground that custom duty is already levied on the component of ocean freight. Thus, it is a case of **double taxation**.
 - ✓ **IGST**: It is generally charged on the inter-state transactions of services and goods and is applied on exports and imports. Both State and Centre governments share this revenue.
 - ✓ The value of imported goods includes the Cost, Insurance and Freight components and Customs Duty and GST are levied on that value.
- The Union government argued that it is not unconstitutional to have two taxes if they cover the two different aspects of the transaction viz. the **supply of services** and **import of goods**.
- The Gujrat HC ordered of quashing the levy of IGST on importers for Ocean freight by ruling in favour of Mohit Minerals.
- The revenue department of the Union government challenged the ruling of Gujrat HC. The SC dismissed the Union government special leave petition.
- The Central Board of Indirect Taxes and Customs proposed levying GST at 5% on the value of imported products, with 10% of the value of imported goods regarded to be ocean freight.
- This meant a 0.5% GST on the value of imported products as services, in addition to Customs duty and GST, which is roughly 28% and charged as goods.

The Apex Court Ruling

- Union and State legislatures have **equal, simultaneous and unique powers** to make laws on GST.

Article 246A

- Treats Union and States as equal units, conferring a **simultaneous power** (on Union and States) for enacting laws on GST
- However, the Parliament of India is given the **exclusive power to make laws with respect to inter-state supplies (IGST)**

Article 279A

- (Constituting the GST Council) envisions that neither the Centre nor the states are actually dependent on the other

- The recommendations of GST Council are **product of a collaborative dialogue** involving Union and the States.
 - ✓ They are **recommendatory in nature** and only have a persuasive value.
 - ✓ To regard them as binding would **disrupt fiscal federalism**.
 - ✓ The decision also ended the government's long-running battle with companies to implement its IGST on ocean freight (cost of moving goods internationally to India) on a **reverse charge basis**.
- The importers had complained that the IGST was being levied on them twice on the very same transaction by segregating portions of it.
- **Giving relief to the importers**, the court held that since the Indian importer is liable to pay IGST on composite supply, a separate levy on Indian importers for the supply of services by the shipping line would be in violation of the Central GST Act.

Concerns About Ruling Of The SC

- The GST council is a constitutional and federal body. **Section 9** of the GST Act states that the tax rate decision of the GST council should be implemented by the states government.
- The non-implementation of the recommendations of GST council may pose several fiscal and federal challenges.

Art 246A gives simultaneous power to the **parliament** and **state legislatures** to make laws on 'GST' respectively imposed by each of them.

Article 269A - Levy and Collection of GST for Inter-State Supply

- While Article 246A gives the Parliament the exclusive power to make laws with respect to inter-state supplies, **the manner of distribution of revenue from such supplies** between the Centre and the State is covered in Article 269A.
- Import of goods or services will also be called inter-state supplies. This gives the Central Government the power to levy IGST on import transactions.

GST Council

- It is a constitutional body under **Art 279A** of the constitution. It was established through 101st Constitutional Amendment Act 2016.
- The GST Council is **an apex committee** to modify, reconcile or to make **recommendations** to the Union and the States on GST. It is headed by the Finance Minister of the Union government. The finance/revenue ministers of the states/UTs are its members.
- The decisions are taken on the basis of majority votes not less than **3/4th** of weighted votes of members present and voting. The Union government has **1/3rd** weightage of total votes. The remaining **2/3rd** of the votes belongs to the state governments.

The SC judgement sets the stage for a fundamental revision of GST implementation and functioning of GST council from the perspective of cooperative federalism.

Constitutional, Statutory, Regulatory & Quasi-Judicial Bodies

Competition Commission of India (CCI)

| About CCI | Issues Involved |
|---|--|
| <ul style="list-style-type: none"> • It is a statutory body responsible for enforcing the Competition Act, 2002 throughout India to ensure level playing field and uphold consumers'/public interests. • Given the need for specific regulation, several sector-specific regulators such as TRAI, | <ul style="list-style-type: none"> • Generalist v/s specialist – The sectoral regulators have domain expertise in their relevant sectors whereas the CCI has been constituted with a broad mandate to deal with promoting competition in all the economic sectors. • Proactive v/s reactive - Sector specific regulation identifies a problem ex ante, and builds an administrative machinery to address behavioral issues before the problem arises, while on the other hand, CCI would usually address the problem ex post in the backdrop of market conditions. • Overlapping jurisdictions results in parallelism and friction in areas such as: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Licensing Conditions</div> <div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Market Dominance</div> <div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Monopoly Pricing</div> <div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Restrictive Business Practices</div> <div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Merger Control</div> </div> • For Instance: Sectors witnessing face-offs: |

| | |
|--|--|
| SEBI, IRDA have been constituted over the years. The role of CCI and sector-specific regulators are required to be complementary | <ul style="list-style-type: none"> ➤ RBI and CCI regarding mergers in the banking sector. ➤ CCI and TRAI have had issues related to tariffs in telecom sector. ➤ CCI and SEBI overlap exists pertaining to merger or acquisition or amalgamation to fructify in India. ➤ CERC and CCI's jurisdiction overlaps on anticompetitive agreements in electricity sector. |
|--|--|

The realm of competition law enforcement ought to be left in the hands of the competition authority. As a matter of policy, formal and informal exchanges between various sectoral regulators and CCI should be encouraged (E.g. exchange of personnel on deputation/ internship). Learning from international best practices regarding a clear understanding on cooperation can be inculcated between competition regulator and sector specific regulator e.g. in Finland both the entities have signed MoU to eliminate overlap.

IRDAI Calls For Regulatory Powers Or New Body

With hospitals across the nation following different tariff structures, Insurance Regulatory and Development Authority of India (IRDAI) has proposed that either there must be a separate regulator for the healthcare segment or IRDAI must be allowed to regulate hospitals.

Issues Related

Varying Tariffs: Hospitals keep changing tariffs on a regular basis. There is no body to regulate them on tariff structure and grading.

- IRDAI does not allow insurance companies to raise premium each year; though there is a 10-15% inflation of hospital charges at present.
- Even as the General Insurance Council — the representative body of 34 general insurers in India — had proposed uniform charges for Covid treatment, hospitals were charging different rates.

Infrastructure to Regulate Hospitals: IRDAI currently doesn't have the infrastructure to regulate hospitals.

- As healthcare is a state subject, it's going to be a tough proposition for IRDAI to regulate hospitals.

Individual Hospital Empanelment Process for health care schemes and private insurance, which replicates various activities and contributes to inefficiency and duplication of processes.

- It is recommended to have common empanelment portal which can be utilised by all the schemes/insurance companies with standardised empanelment criteria and will be hugely beneficial with special focus on standard safety and quality parameters

Cost to Health Insurance Businesses: If insurers continue to pay whatever the hospitals are demanding, the health insurance business will be in poor health in the long run. Already, the industry is experiencing a high number of claims.

General and Medical Inflation: Even with increasing penetration, we will need to factor for general and medical inflation and given that medical inflation operates significantly higher than CPI inflation, a correction cycle from a pricing standpoint will be needed.

The joint working group of the **IRDAI and National Health Authority (NHA)** had proposed a unique common hospital registry, empanelment process, grading of hospitals and package cost harmonisation to promote the standardisation and effective utilisation of health care infrastructure under the insurance programme.

Local Bodies

Local Governments In A State Of Disrepair

India completed 75 years of Independence, a good time for examination and introspection of Local governments in India.

Constitutional Provisions Dealing With Local Governments

Art 40 of Directive Principles of state policy (DPSP): The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government

| 73 rd Constitutional Amendment Act (CAA) | 74 th Constitutional Amendment Act (CAA) |
|---|--|
| <ul style="list-style-type: none"> ➤ Accorded constitutional status to Panchayati Raj Institutions (PRIs) ➤ Inserted Part 9 with provisions from Articles 243–243O ➤ Added 11th schedule containing 29 functional items | <ul style="list-style-type: none"> ➤ Accorded Constitutional status to municipalities ➤ Inserted Part-9 A with provisions from Articles 243-P to 243-ZG ➤ Added 12th schedule containing 18 functional items |

Why Local Governments Are In A State Of Disrepair

- **Inadequate devolution** of funds, functions (under 11th and 12th schedules) and functionaries by state governments

Functional challenges

- Less than satisfactory devolution of functions by state governments ***affecting their efficiency and effectiveness***
- *Creation of parallel bodies* making inroads into domain of local governments. For example, State water boards, Special Purpose Vehicles (SPVs) under smart cities mission

Functionary challenges

- They are grossly under-staffed and under-skilled

Financial challenges

- Lack of adequate funds to carry out their responsibilities
- Local government expenditure as a percentage of GDP is only 2% which is extremely low
- Own sources of funds limited, heavy dependence on external sources (central and state governments)

- **Bureaucratic unwillingness** to empower Local governments for fear of losing their hegemonic role in governance thus leading to excessive control of bureaucrats over their functioning
- Turned into mere ***implementing agencies of Centrally Sponsored Schemes (CSS)***
 - ✓ Schemes like **MLALAD and MPLAD**, adoption of villages by MPs under **Adarsh Gram Yojana** have made PRIs powerless
- The **dominance of upper castes** and **patriarchy** has led to proxy rule. For example, the ‘Phenomenon of **Sarpanch Pati**’
- **Maladministration in local bodies**: Rampant corruption, nepotism and abuse of office got entrenched at the local level
- **Gram Sabhas** have remained disempowered
- Failure to constitute and adequately empower **State Finance commissions (SFCs)** and **District Planning Committees (DPCs)** as well **delay in conducting elections.**

Assessment Of Impact Of Local Self-Government Institutions So Far

| Achievements | Failures |
|--|--|
| <ul style="list-style-type: none"> • Deepening of representative democracy with increase in the number of public representatives: <ul style="list-style-type: none"> ✓ Nearly 3 million elected representatives at local bodies • Political Empowerment of marginalized sections: <ul style="list-style-type: none"> ✓ Over 1 million Women, Dalits and Tribals in proportion to their population got represented in various elected and leadership positions in local governance • Acting as schools of democracy, contributing to development of local leadership • People's participation in local governance bodies increased • Many studies pointed out that: <ul style="list-style-type: none"> ✓ Female leaders at local level are more likely to focus on issues pertinent to women (water, sanitation) ✓ SC Pradhan's are more likely to invest in public goods in SC hamlets • During Covid-19 lockdowns they played an important role in prevention, detection and management of infections and in delivery of public services | <ul style="list-style-type: none"> • Failed to provide better governance and deliver economic development and social Justice at the grass-roots level o Mani Shankar Aiyar Committee Report: PRIs failed to make meaningful contribution to income generation or employment • Had limited success in provision of basic public goods such as primary health care, access to drinking water supply, street lighting etc. • Dalits, Adivasis and women despite reservations in local bodies continue to be victims of atrocities and oppression rather than active agents of social change |

Suggestions To Strengthen Local Bodies

- Empowering them through **meaningful devolution of 3Fs-Funds, Functions and Functionaries**
- **National Commission to review the working of the constitution (NCRWC) 2002** suggested that:
 - ✓ Exclusive functions should be assigned to Panchayats
 - ✓ Local authorities be allowed to borrow from their state government and financial institutions
- The **second Administrative Reforms commission(2nd ARC)**: recommended setting up of an ombudsman for local bodies to investigate cases of corruption or maladministration against their functionaries
- **Mani Shankar Aiyer committee recommendations:**
 - ✓ Put Gram Sabhas in charge of all social sector schemes
 - ✓ Allow Panchayats to raise their own funds through taxes
 - ✓ Panchayats should have effective control of employees deputed to them by the State government
- RBI in its report titled "**State Finances: A study of Budgets**", called for more financial autonomy for the local bodies.
- Encouraging active citizen participation in affairs of local bodies
- Parallel bodies should not be allowed to undermine authority of local bodies
- **Changing the composition of Legislative council (where it exists)** so as to make it a 'council of local governments' at par with Rajya Sabha (council of states)
- **Global best practices:** As far as practicable all citizen services should converge at Local bodies for example as can be seen in countries like Germany
 - ✓ Call centers should be established for each city and cluster of local governments so that citizens can directly access the service provider

Initiatives That Were Undertaken To Strengthen Local Bodies

- Enactment of 73rd and 74th CAAs in 1993; Creation of separate 'Ministry of Panchayati Raj' in 2004 by central government

- Constitution of Expert committee headed by Mani Shankar Aiyar to examine their functioning
- 10th Finance Commission (FC) made a provision for supporting local bodies through grants
- Successive union finance commissions substantially increased funding to local bodies:
 - ✓ The 14th FC allocated 2.87 lakh crores to local governments
 - ✓ The 15th FC recommended 4.36 lakh crores to local governments for 2021-26
- Rashtriya Gram SWARAJ Abhiyan (RGSA)- umbrella scheme to develop and strengthen the capacities of Panchayati Raj Institutions (PRIs)
- e-governance initiatives: e-Gram SWARAJ, AuditOnline
- National Panchayat Awards- to incentivize best performing Panchayats every year
- Swachh Survekshan ranking to assess **urban local bodies** for their levels of cleanliness and sanitation

Elections and Representation of People's Act

Dispute Over Party's Symbol

Following the split led by Eknath Shinde, Uddhav Thackeray's Shiv Sena has urged the Election Commission to hear its side before deciding any claims to the party's bow & arrow symbol.

About Election Symbol

- It is a **standardised symbol allocated to a political party**.
- It is used by the parties during their campaigning and is shown on Electronic Voting Machines (EVMs). They were **introduced to facilitate voting by illiterate people**.

Disputes in Election Symbols

- The dispute regarding election symbols erupts **when there is a conflict within a political party which leads to the split of the party**, and both fight for the reserved symbol of the party.
- It was held in **Sadiq Ali and Another v. Election Commission of India**, that **symbol is not a property that can be simply divided between two owners**.
- So, the **dispute regarding electoral symbols is resolved by the EC of India**.
- The Supreme Court decided that the EC is a tribunal and its decision regarding derecognition of a party or allocation of symbols in **case of dispute could be challenged only by appealing to the Supreme Court under Special Leave Petition**.
- But later, it was decided that it can be **challenged in High Courts** too.

Powers of Election Commission on Election Symbol

- The **Election Symbols (Reservation and Allotment) Order, 1968 empowers the EC** to recognise political parties and allot symbols.
- **Allocation In Case of Split In Party:** Para 15 of the Symbols Order, 1968, specifies that the Commission has the power to recognise as the party, from splinter groups or rival sections, after taking into account all available facts and circumstances of the case and after hearing all the representatives.
- **Binding Decision:** The decision of the Commission shall be **binding** on all such rival classes/groups.
- **Applicability:** It applies to disputes between recognized national and state parties.

- ✓ For disputes within **registered but unrecognized parties**, the EC generally advises them to solve their disputes amicably or to approach the court.
- The EC is also the only authority to decide issues on a merger.

How To Resolve Dispute Over party Symbol

- EC will hear all available facts & circumstances of the case, and decide whether both factions have sufficient support to proceed with the proceedings. **If sufficient support does not exist, it will dismiss the petition.**
- **Strength of Elected Members:** Whenever the EC cannot test the strength of rival groups based on support within the party organisation, it may fall back on testing majority only among elected MPs and MLAs.
- **For immediate electoral purposes, the EC may freeze the party symbol** and advise factions to contest elections with different names and temporary symbols.
- **EC may ask the splinter group of party to register itself as separate party**, and could lay claim to national or state party status only on the basis of its performance in state or central elections after registration.

Same Symbol For Different Parties

- **Same constituency:** If the candidates of two parties having the same symbol are pitted against each other in the **same constituency** then, as per provisions of Para 12 of the Symbols Order, 1968, “**free symbols**” will be allotted to both the contestants.
- **Intra-state usage:** While national parties are free to use their 'reserved symbol' across India, the recognised state parties can use their symbols in their states. To use the symbol outside their state, they have to seek the EC's permission.
- **Examples:** In the 2015 Bihar Assembly election, Samajwadi Party, Panthers Party, Jharkhand Mukti Morcha and Shiv Sena decided to field their candidates. The EC allowed them to use their symbols **except** when the two parties having the **same symbol** chose to contest from the **same constituency**.

Authorisation To Issue Of Electoral Bonds

The Union govt approved authorised State Bank of India (SBI) to issue the 21st tranche of electoral bonds.

About Electoral Bonds

- Announced in 2017 Union Budget, the Electoral Bond Scheme (EBS) was notified by Central govt in **2018**.
- These bonds are sold in denominations of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh, and Rs 1 crore, without any maximum limit & can be **bought from authorised branches of State Bank of India**.
- A donor is required to pay the amount **via cheque or digital mechanism (cash is not allowed)**.
- The bonds that are **not encashed by a party within 15 days are deposited by the SBI into the Prime Minister's Relief Fund. Hence these are interest-free bearer instruments**
- The name of the **donor** is not mentioned on bond.
- The eligible party is allotted a verified account by the Election Commission of India (ECI) and the electoral bonds are transacted through this account only.
- It can be **purchased by any company incorporated in India or any citizen of India**, either singly or jointly with other individuals.
- In February 2017, the then finance minister said that the **donations would be tax deductible**. Hence, a donor will get a deduction and the recipient, or the political party, will get tax exemption, provided returns are filed by the political party.
- **Eligibility Criteria:** Any party that is **registered under section 29A of Representation of the Peoples Act, 1951** and has **got at least 1% of the votes** polled in the most recent General elections or Assembly elections can receive electoral bonds.

Advantages of Electoral Bonds

- It helps the political parties to operate in a more transparent manner.
- It can help to **hold back political parties who operate with the goal of simply collecting funds from the public.**
- It works with the government goal to make election funding entirely safe and digitized; Cash will not be encouraged.

Challenges Associated with Electoral Bonds

- Through an amendment to the Finance Act 2017, the Union government has exempted political parties from disclosing donations received through electoral bonds.
- Voters will have no idea of **how, and through whom, a political party has been funded.**
- By keeping this knowledge from citizens and voters, it is **compromising Right To information.**
- Since the identity of the donor is kept secret, it can **lead to inflow of black money.**
- It eliminates the 7.5% cap (average net profits made during three simultaneous preceding financial years) on company donations which means now **companies can make unlimited donations**

Way Forward

- The government may reconsider and amend certain provisions of the Electoral Bonds Scheme to **ensure full disclosure and transparency.**
- Bonds must ensure that funds being collected by political parties are **accounted for through proper channels for clean money**, without transactional liability.
- The SC (in its interim order) has asked political parties to **reveal details of the donations** they received through electoral bonds to the ECI. On the other hand, the ECI has been asked to keep all the details in a sealed cover until further orders of the top court

GOVERNANCE

Government Policies & Interventions for Development In Various Sectors

Government Withdrew Personal Data Protection (PDP) Bill, 2019

Government looks to come up with a **comprehensive legal framework** for regulating online space which will include:

- A separate legislation on data privacy, the overall internet ecosystem, cybersecurity, telecom regulations, and
- Harnessing non-personal data for boosting innovation in the country.

Background

- In *Puttaswamy Vs Union of India case* SC declared 'Right to Privacy' as a Fundamental Right and directed government to come up with a 'Data Protection Framework'.
- Government constituted '*Sri Krishna Committee*' submitted draft PDP bill in July 2018
- Subsequently in 2019 Government introduced '*PDP Bill, 2019*' in parliament which was then referred to Joint Parliamentary committee (JPC)
- Bill is now withdrawn from the Parliament

What The Bill Was All About?

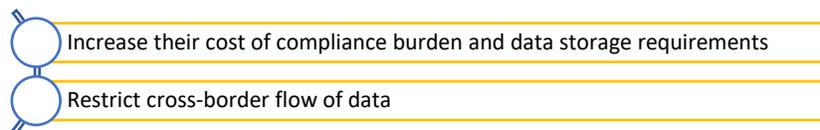
- It was primarily meant to safeguard the '*privacy of the individuals*' and '*ensure data protection*'
- It listed people's rights with respect to their personal information
- Placed certain obligations on Private entities on their data collection, processing and maintenance practices
- Proposed creation of 'Data Protection Authority' to hold companies and individuals responsible for any violations

Factors That Contributed To Withdrawal Of Bill By Government

- JPC proposed 12 recommendations & 81 amendments to the bill which practically meant rewriting the entire bill
- Objections to several provisions of bill from various stakeholders such as Tech companies, civil society groups
- To bring a comprehensive legal framework on Data protection
- The JCP's report also recommended changes on issues such as regulation of social media companies, and on using only "trusted hardware" in smartphones, etc.
- It proposed that social media companies that do not act as intermediaries should be treated as content publishers, making them liable for the content they host.

Issues With The Current Bill

- Tech companies both big tech companies like Amazon, Google, Meta and Start-ups were unhappy about *data localization* as it would:



- *Data Localization and restrictions on cross-border data flows* strained bilateral relationship between New Delhi and Washington
- **Clause 35** of the bill that enabled Union government to exempt any government agency from the application of the act, raised concerns of *surveillance* and *possible abuse* of data.
- Independent functioning of '*Data Protection Authority (DPA)*' was compromised, with the government retaining sole control over the selection of its chairman and members
- Lack of clarity over '*critical personal data*' category
- It didn't cover *non-personal data* within its ambit

Consequences Of Lack Of Data Protection Framework

- Citizens will be the ultimate sufferers as their data will be at risk. "The Internet Freedom Foundation has argued that the existing legal vacuum on data protection is an infringement of the fundamental right to privacy"
 - ✓ According to Dutch Cyber security firm 'Surfshark VPN' India had the second highest number of data breaches in the first half of 2022
- Private players can't be held accountable for *data protection and privacy violations*
- Indian outsourcing industry will face difficulties while serving Global clients

Conclusion

The bill has been in the making for a very long time. There is an urgent need to fast track this entire process with *clear timelines* given the rapid pace with which the digitization is happening in the country.

If India has to be seen as a serious player in the fourth Industrial revolution, then we must have a strong comprehensive data protection ecosystem as early as possible. The recommendations made in *Justice AP Shah Committee* and *BN Sri Krishna committee reports* as well as *EU's General Data Protection Regulations (GDPR)* can be an important guide for the government.

PMAY – Gramin Completes 6 years

- The Union Cabinet has approved the continuation of Pradhan Mantri Awaas Yojana Gramin (PMAY-G) till March 2024
- **Objective:** To provide **pucca house** to all who are houseless and living in dilapidated houses in rural areas by 2024.
- **Funding Pattern:** The cost of unit assistance is to be shared between Central and State Governments in the ratio 60:40 in plain areas and 90:10 for North Eastern and hilly states.
- **Beneficiaries:** People belonging to SCs/STs, freed bonded labourers and non-SC/ST categories, widows or next-of-kin of defence personnel killed in action, ex-servicemen and retired members of the paramilitary forces, disabled persons and minorities.
- **Selection of Beneficiaries:** Through a **three stage validation** - Socio Economic Caste Census 2011, Gram Sabha, and geo-tagging.
- **Other Features**
 - ✓ Minimum size of house has been increased to 25 sq.mt (from 20sq.mt) with a hygienic cooking space
 - ✓ The scheme would be implemented in rural areas throughout India **except Delhi and Chandigarh.**
 - ✓ The unit assistance given to beneficiaries under the programme is Rs 1,20,000 in plain areas and to Rs 1,30,000 in hilly states/difficult areas/Integrated Action Plan (IAP) for Selected Tribal and Backward Districts.
 - ✓ The beneficiary is entitled to **90 days of unskilled labour from MGNREGA.**
 - ✓ The beneficiary would be facilitated to avail **loan of up to Rs.70,000/-** for construction of the house which is optional.

Performance of The Scheme

- The extension of the scheme will help in the construction of the remaining **155.75 lakh houses**. It will help achieve the target of **2.95 crore 'pucca' houses**.
- Money has been sanctioned to almost 85% of beneficiaries.
- This scheme has helped in employment generation. Many states provided employment to their migrant labourers during lock down
- The assistance for construction of toilets shall be leveraged through convergence with Swachh Bharat Mission-Gramin (SBM-G), MGNREGS or any other dedicated source of funding.
- Convergence for piped drinking water, electricity connection, LPG gas connection etc. different Government programmers are also to be attempted
- The delays are also due to cases of the unwillingness of beneficiaries, migration, death of beneficiaries without a legal heir, delay in allotment of land to landless beneficiaries by the states/UTs.
- Implementation was also “affected at the ground level due to unavailability of construction materials, labour, delay in the inspection of stages of house construction etc.

Cooperatives Model

Union Cooperation Minister Amit Shah has called the cooperative model a 'middle path' of economic development. He termed Capitalism and communism as extreme models of economic development which have caused unbalanced development.

What Are Cooperatives

- Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.
- There are about **8.54 lakh cooperative societies**.
- They include 95,000 Primary Agricultural Cooperative Societies, **both credit and non-credit**. Currently, only **63,000 PACs are operational**.
- **Maharashtra has the highest number** of cooperative societies in the country.

Regulation of Cooperatives

- The item "Cooperative Societies" is in the State List (via entry 32).
- However, multistate cooperative societies are regulated by the Multi State Cooperative Societies (MSCS) Act, 2002.
 - No state government official can exercise any control on multistate cooperative societies.
- In 2002, the then govt. announced a National Policy on Cooperatives to support the promotion and development of cooperatives.
 - The central govt. is planning to bring a new cooperative policy soon.
- In July 2021, a new ministry of cooperation was created for cooperative societies in the country. It has been created with the vision of 'Sahakar se Samridhi' (prosperity through cooperatives).

97th Constitutional Amendment And Cooperatives

- The 97th constitutional amendment was passed by Parliament in December 2011.
 - It had amended Article 19(1)(c) to give protection to the cooperatives and inserted Article 43 B and Part IX B, relating to them.
- In July 2021, Supreme Court quashed part of the 97th amendment.
 - It held that the Parliament could not have introduced a law regulating cooperative societies within states, without first getting it ratified from half of the state legislatures.
- However, the SC stated that the act will remain valid with regard to multistate cooperative societies.

Key Highlights Of The Speech

- **Significance of cooperatives highlighted:**

| | | | | | | | |
|----------------------------|--------------------------------|------------------------------|-------------------------|---------------------------|--------------------------|--------------------------|------------------------|
| 19% of agricultural credit | 35% of fertiliser distribution | 25% of fertiliser production | 31% of sugar production | 10% of production of milk | 13% of wheat procurement | 20% of paddy procurement | 21% of fish production |
|----------------------------|--------------------------------|------------------------------|-------------------------|---------------------------|--------------------------|--------------------------|------------------------|

- **Cooperatives as a tool to promote inclusive development**

Challenges Associated

- **Non-accountability:** The government gave too many benefits to cooperatives, but then there was no further accountability which led to these cooperatives becoming lethargic and inefficient.

- **Vested interest of some people:** A lot of times people who are in position in control of cooperatives are actually people who have joined cooperatives for personal gains.
- **Lack of coordination:** Generally what happens in cooperatives is that different cooperatives at different level don't coordinate this makes the work of cooperatives difficult.
- **Internal Free Rider Problem:** New members who provide very little capital enjoy the same benefits as long-standing or founding members who have major investments in the cooperative
- **No Balanced Growth:** The cooperatives in northeast areas and in areas like West Bengal, Bihar, Orissa are not as well developed as the ones in Maharashtra and the ones in Gujarat.
- **Political Interference:** This is the biggest problem faced by Sugar cooperatives in Maharashtra.
- **Mismanagement and Manipulation:** A hugely large membership turns out to be mismanaged unless some secure methods are employed to manage such co-operatives.
- **Functional Weakness:** Co-operative Movement has suffered from inadequacy of trained personnel.
- **Instances when credit societies have launched ponzi schemes:** Fly-by-night operators get people to invest and, after a few installments, wind up their operations.
- **Excessive Cooperative Legislations:** Cooperatives in India function in different sectors. "Cooperatives" is a State subject and State cooperative laws and their implementation vastly differ.
- **Irresponsibility & Unaccountability:** Serious inadequacies in governance including that related to Boards' roles & responsibilities. The people on the board are not held accountable for many inconveniences.
- **Lack of Recognition:** A general lack of recognition of cooperatives as economic institutions both amongst the policy makers and public at large.
- Inability to attract and retain competent professionals.
- **Lack of efforts for Capital Formation** particularly that concern enhancing member equity & stake.
- **Lack of Awareness:** People are not well informed about the objectives of the Movement, rules and regulations of co-operative institutions

Key Suggestions on New Cooperative Policy

- **Foreign Direct Investment (FDI):** Allow FDI in the cooperative sector, particularly in PACS to improve infrastructure
- **Upper age limit:** Fix an upper age limit of 70 years for board members in cooperative societies.
- **Technology upgradation:** Creation of a technology upgradation fund
- **Land available with PACS** can be leveraged for expanding the resource base of cooperative societies. PACS have more land than the Railways.
- **Sahakar se Bajar:** PACS should be given better market linkages under the label "Sahakar se Bajar " (cooperative to market).
- **Electronic voting** to be implemented in cooperative societies.
- **Lease to private company:** Storage facilities available with PACS to be leased out to private e-commerce operators.

Foreign Contribution (Regulation) Amendment Rules, 2022

Ministry of Home Affairs notified the changes in Foreign Contribution (Regulation) Act (FCRA) and its rules. The law sought to regulate foreign donations to individuals and organizations so that they could act in accordance with the values of a sovereign democratic republic.

New Changes Made In FCRA

- **Remittances:** Now it **will allow Indians to receive up to ₹ 10 lakh in a year** from relatives staying abroad without informing the authorities. The earlier it was ₹ 1 lakh.
 - If the amount exceeds, the individuals will now have 90 days to inform the government instead of 30 days earlier.
 - Political parties, legislature members, election candidates, judges, government servants, journalists and media houses among others will **no longer be prosecuted** if they receive foreign contribution from relatives abroad and fail to intimate the government within 90 days
- **Offences:** Made five more offences under the FCRA “compoundable”, making 12 (Earlier 7), instead of directly prosecuting the organisations or individuals. The amount of penalty ranges from ₹ 10,000 to ₹ 1 lakh or 5% of foreign funds, whichever is higher.
- **Application of obtaining 'registration' or 'prior permission':** It **now gives NGOs 45 days** (instead of 30 days under the earlier rule), **to intimate the Union Home Ministry**
- **Bank account changes:** Time limit has now been increased from 15 days to 45 days, where NGOs were required to inform the ministry if there was a change in bank account, name, address, purpose, objectives or key members.
- **Transparency:** Anyone receiving foreign funds under the FCRA will now be required to comply with the existing provision of submitting an audited statement of accounts on receipts and utilisation of the foreign contribution for each fiscal year.
 - As a result, a provision requiring an NGO or individual receiving foreign funds to declare such contributions on its official **website every quarter has been repealed**.

Conclusion

- The purpose of **remittance discount is to stop the outflow of money** and on the other hand to increase inward remittances.
- The **increase in the remittance limit will increase the inflow of money into India** which will also stabilize the foreign exchange reserves and currency.
- Amendments in declaration timings, changes in bank account details, etc. are being done to **reduce the compliance burden**.

{For more about FCRA refer Part1 Topic: Regulation of NGOs}

Self Help Groups (SHGs)

- It is an informal association of people who choose to come together to find ways to improve their living conditions.
- It can be defined as self-governed, peer-controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose.
- SHG rely on the notion of “Self Help” to encourage self-employment and poverty alleviation
- NABARD defines Self-Help Groups as ‘a homogenous group of rural poor voluntarily formed to save whatever amount they can conveniently save out of their earnings and mutually agree to contribute’.

Some Successful SHGs

Kudumbashree in Kerala

- It was launched in Kerala in 1998 to wipe out absolute poverty through community action.
- It is the largest women empowering project in the country.

- It has three components i.e., microcredit, entrepreneurship and empowerment.

Mahila Arthik Vikas Mahamandal (MAVIM) in Maharashtra

- Community managed resource centre (CMRC) under MAVIM was launched to provide financial and livelihood services to SHGs.
- Earlier SHGs in Maharashtra were unable to cope with growing volume and financial transactions and needed professional help.

ASRLM

- ASRLM, in collaboration with Krishi Vikash Kendras and MGNREGA, is working to expand organic fertilizer capacity and pave the path for the production and use of Vermicompost

Baba Jaleswar SHG

- The ladies have jointly formed a SHG called Baba Jaleswar by raising good quality fish breeds and selling them. Women sell fish caught from the pond and this has helped them become financially independent.

Some other includes SEWA in Gujarat, MYRADA in Karnataka, TANWA in Tamil Nadu, Ramkrishna mission in Jharkhand, ADITHI in Bihar.

Origin of SHGs in India

- The origin of SHGs in India can be traced back to the establishment of the Self-Employed Women's Association (SEWA) in 1972.
- There were small efforts at self-organising even before. In 1954, the Textile Labour Association (TLA) of Ahmedabad formed its women's wing in order to train the women belonging to families of mill workers in skills such as sewing, knitting, etc.

Types of SHGs

| S.No | Types of Group | Age limit |
|------|--------------------------|----------------|
| 1. | Women Self Help Group | 18 – 60 |
| 2. | Youth Self Help Group | 18 - 35 |
| 3. | Disabled Self Help Group | Up to 60 years |
| 4. | Tribal Self Help Group | 18- 60 |

- Generally, a SHG will have 12 – 20 members, but disabled people and people living in tribal areas, where population is very low, groups can be formed with minimum 5 members
- In the special group for the disabled, the parents (or) guardian of those who are younger than 18 years of age can act as representatives of the group.

Objectives of SHGs

- To sensitize people of the target area for the need of SHG and its relevance in their empowerment process.
- To create group feeling among members.
- To enhance the confidence and capabilities of members.
- To develop collective decision making among members.
- To encourage the habit of saving among members and facilitate the accumulation of their own capital resource base.
- To motivate members taking up social responsibilities particularly related to development.

Government Initiative to Promote SHGs

- **Self Help Group-Bank Linkage Programme (SBLP)** - Under SBLP, SHGs are encouraged to take up livelihood activities, for which skill training is provided by certain NGOs.
- From 1993 onwards, NABARD, along with the RBI, allowed SHGs to open savings bank accounts in banks.
- **Swarn Jayanti Gram Swarajgaar Yojana (SGSY) 1999** - It seeks to form SHGs and develop the skills of its members to promote self-employment in rural areas.
- The programme evolved as a national movement in 2011 and became National Rural Livelihoods Mission (NRLM) – world’s largest poverty alleviation programme.
- **Self-Employment Programme** - interest subvention over and above 7% rate of interest is available to all SHGs accessing bank loans.
- An additional 3% interest subvention is also available to all women SHGs who repay their loan in time
- **Lakhpati SHG women** - Ministry of Rural Development launched an initiative to create Lakhpati SHG women to enable rural SHG women to earn at least Rs 1 lakh per annum.
- **EShakti** - It is a pilot project for digitisation of SHGs, launched by NABARD. It aims at digitisation of data of all SHGs for enhancing the ease of doing business with SHGs.

| Significance of SHGs | Challenges for SHGs |
|---|--|
| <ul style="list-style-type: none"> • Gender Equity – It empowers women and inculcates leadership skills among them. Empowered women participate more actively in gram sabha and elections. • Leadership development - It provides dynamic leadership as every person gets a chance to lead according to their skill sets. • Voice to marginalized section – Most of the beneficiaries of government schemes have been from weaker and marginalized communities and hence their participation through SHGs ensures social justice. • Financial Inclusion – Priority Sector Lending norms and assurance of returns incentivize banks to lend to SHGs. • Alternate source of employment – It eases dependency on agriculture by providing support in setting up micro-enterprises. • Changes In Consumption Pattern – It has enabled the participating households to spend more on education, food and health than non-client households. • Banking literacy – It encourages and motivates its members to save and act as a conduit for formal banking services to reach them. | <ul style="list-style-type: none"> • Patriarchal mindset – primitive thinking and social obligations discourages women from participating in SHGs thus limiting their economic avenues. • Lacks up-gradation of skills - Most SHGs are not making use of new technological innovations and skills. This is because there is limited awareness with regards to new technologies. • Politicization - Political affiliation and interference has become a serious problem with SHGs. • Weak Financial Management - The funds diverted for other personal and domestic purposes like marriage, construction of house etc. • Lack of Stability and Unity - In the case of SHGs dominated by women, married women are not in a position to associate with the group due to the shift of their place of residence. • Exploitation by Strong Members - Strong members try to earn a lion’s share of the profit of the group, by exploiting the ignorance and illiterate members. • No Security – The SHGs work on mutual trust and confidence of the members. The deposits of the SHGs are not secured or safe |

Way Forward

- **Promotion at grass-root level** - SHGs are seen as drivers of rural development. The government must take a pro-active role in the promotion of the SHGs at the grass-root level.

- **Constant monitoring** - A separate government body to monitor the functioning and the progress of the SHGs can make it more successful.
- **Finance Inclusion** - The private banks and NABARD in cooperation with the local governing bodies must ensure financial inclusion based on the diverse needs of rural India.

Important Aspects of Governance, Transparency & Accountability

e-Governance

E-bill System Launched

- The Ministry of Finance recently launched the **electronic bill (e-Bill) processing system**, on the occasion of 46th Civil Accounts Day.
- The e-Bill system has been **developed by the Public Financial Management System (PFMS) Division** in the office of the Controller General of Accounts in the Department of Expenditure, Ministry of Finance.
 - ✓ PFMS is a web-based **online software application** which started during 2009 as a **Central Sector Scheme** of the Planning Commission with the objective of tracking funds released under all Plan schemes of the Government of India, and real time reporting of expenditure at all levels of *Programme implementation*.
- It has been rolled out on a pilot basis in eight ministries and will be implemented in all ministries and departments in a phased manner in 2022-23.

Need For E-bill System

- Currently, the suppliers of various goods and services to the government have to submit physical copies of their bills to the respective ministries/departments/offices of the government.
- Similarly, government employees also need to submit hard copies of their claims. At the backend too, the processing of bills is done through a mixed system of physical and digital modes.
- So, the suppliers/vendors have to visit the offices to deliver bills. Moreover, they are unable to track the status of the processing of their bills.

E-bill System

- Under the e-Bill system, vendors/suppliers can upload their bills online from anywhere through digital signature.
- At the backend too, the electronic bill received will be processed digitally at every stage and finally, the payments will be credited digitally to the vendor.
- Moreover, the vendor/supplier would be able to track the status of bill processing online.

Benefits

- It will eliminate the physical interface between suppliers and government officers and stop any possible rent seeking in the clearance of dues.
- Since the bills will be processed by First-In-First-Out (FIFO) method, it will reduce the discretion in processing the bills.
- It will enhance transparency, efficiency and faceless-paperless payment system, trackable in a real time basis.
- This end-to-end digitization will strengthen the Digital India ecosystem and facilitate ease of doing business.



Dilution Of Lokayukta Power In Kerala

- Kerala Cabinet has recommended to the Governor to promulgate an ordinance amending Kerala Lok Ayukta Act, 1999.
- The amendment aims at giving powers to the government to either **accept or reject** the verdict of the Lokayukta, after **giving an opportunity of being heard**.

Concerns Regarding Proposed Amendment

- By this ordinance, the quasi-judicial institution will become **toothless**.
- It will reduce the power of the institution to only **recommendations or sending reports**.

Lokayukta

- **Section 3 of the Lokayuktas Act 2013** states that “Every state shall establish a body to be known as the Lokayukta for the State, if not so established, constituted or appointed by a law made by the State Legislature. It is statutory body and performs function of an **ombudsman**.”
- Given that states have autonomy to frame their own laws, the Lokayukta’s powers vary from state to state on various aspects, such as tenure, and need of sanction to prosecute officials.

The Lokpal and Lokayuktas Act, 2013

- It provides for establishing a Lokpal headed by a Chairperson, who is or has been a **Chief Justice of India**, or is or has been a **judge of Supreme Court**, or an **eminent person** who fulfills eligibility criteria as specified.
- Of its other members, not exceeding eight, **50% are to be judicial members**, provided that not less than **50% belong to the SCs, STs, OBCs, minorities, or are women**.
- The term of office for Lokpal Chairman and Members is **5 years or till the age of 70 years**.
- The members are appointed by the **President** on the recommendation of a **Selection Committee**, which comprises Prime Minister as its Chairperson; Speaker of Lok Sabha, Leader of Opposition in Lok Sabha, Chief Justice of India or a Judge nominated by him/her and One eminent jurist.
- **Lokpal jurisdiction**: To inquire into allegations of corruption against anyone who is or has been Prime Minister, or a Minister in the Union government, or a Member of Parliament, as well as officials of the Union government under **Groups A, B, C and D**.
 - Covers chairpersons, members, officers & directors of any board, corporation, society, trust or autonomous body either established by an **Act of Parliament** or **wholly or partly funded by Centre**.
 - Covers any society or trust or body that receives **foreign contributions above Rs10 lakh**.

In order to tackle corruption, the institution of the ombudsman should be strengthened both in terms of functional autonomy and availability. Lokayuktas should set up on the line of the Lokpal.

Lokpal And Challenges In Functioning

Lokpal is yet to get a director of inquiry. CVC (Central Vigilance Commission), in an answer to a RTI query, has revealed that though Director of Inquiry has not been appointed by Government of India, cases are being received in the commission for conducting preliminary inquiries.

Powers of Lokpal

- It has powers to superintendent and give direction to Central Bureau of Investigation (CBI).
- If it has referred a case to the CBI, the investigating officer in such a case cannot be transferred without

approval of Lokpal.

- Powers to authorize CBI for search and seizure operations connected to such cases.
- Lokpal has powers of confiscation of assets, proceeds, receipts and benefits arisen or procured by means of corruption in special circumstances
- It has power to recommend transfer or suspension of public servants connected with allegations of corruption.
- Lokpal has power to give directions to prevent destruction of records during preliminary inquiry

Director of Inquiry

- According to section 10(2) of Lokpal Act – “There shall be a **Director of Inquiry** and a **Director of Prosecution** not below the rank of Joint Secretary to the Government of India or equivalent, who shall be appointed by the Chairperson from a panel of names sent by the Central Government”.
- As per provisions contained under Section 20 (1) (b) of Lokpal and Lokayuktas Act, 2013, complaints in respect of public servants belonging to groups A, B, C or D are referred by the Lokpal to CVC for a preliminary inquiry.
- The director of inquiry shall conduct preliminary inquiry into graft complaints referred to CVC.
- The Inquiry wing of the Lokpal has been vested with powers of a civil court.
- 110 complaints were received by the Lokpal during 2020-21 which was a decline of over 92% from 1,427 complaints received in 2019-20.

Concerns Within Lokpal

- Lokpal is not free from political influence as the **appointing committee** itself consists of members from political parties. The appointment of Lokpal can be manipulated in a way as there is no criterion to decide who is an ‘eminent jurist’ or ‘a person of integrity’.
- The biggest lacuna is the exclusion of the judiciary from the ambit of the Lokpal.
- Lokpal is not given any constitutional backing & there is no adequate provision for appeal against the Lokpal.
- The complaint against corruption cannot be registered after a period of 7 years from the date on which the offence mentioned in such a complaint is alleged to have been committed.
- Lack of political will has been responsible for vacancies at the top level in Lokpal such as members and directors. Also, lack of workforce in Lokpal inhibits the functioning of Lokpal.
- Lokpal act does not provide complete protection to whistleblowers. The provision of counter, in case of accused found innocent discourages people from making complaints.
- India’s ranking is 85 out of 180 countries in the corruption perception index of Transparency international (TI) in 2022.

Way Forward

- There should be functional autonomy and availability of manpower to the institution of Lokpal. The political will is needed to ensure this.
- There should be multiple and decentralized accountability framework to address the issue of graft and corruption to avoid the concentration of power in one authority.

Lokpal is an important institution to deal with the corruption and mal administration. Its effective functioning will not only safeguard the erosion of very foundation of nation and constitutional commitment of the state to its people but will also strengthen the faith of citizens in the government.

Role of Civil Services in a Democracy

Bureaucracy @75 Years Of India's Independence

- The roots of the civil service go back to the **Government of India Act 1858** which established the Indian Civil Service (ICS). In **1950**, it was renamed the Indian Administrative Service. IAS is the permanent bureaucracy in India and forms a part of the **executive** branch.
- **Functions:** Broadly, the responsibilities of the Civil servants can be broken up into **six roles** as follows:

Regulatory role

Policy making

Programme
implementation

Improving ease
of living

Ease of doing

Business and
governance

Drivers Of Development

The following outcomes have come from an array of different national stakeholders where **civil service** is one of the **key orchestrator** of these developmental efforts.

- The average **life expectancy** was below 40 years in 1947 which today is about 70 years.
- The 1947 average **per capita national income** was INR. 265 which now has soared to INR 150,326.
- Pre-independence, **food security** was a huge challenge and almost all consumer items had to be imported. But today, poverty stands substantially reduced and India now exports food grains.
- The **literacy rate** has increased from 18.3% in 1947 to 77.7% today.
- In 1951-52, the forex stood at \$ 1.82 billion. By 2021-22 it has risen to \$607 billion, the fourth highest in the world.

Evidence-Based Assessments Of Efficient Bureaucracy

- **Cementing Indian democracy:** The civil service had been outstandingly effective in preserving *national unity and constitutional rule*. This is further illustrated in the exemplary manner in which free and fair elections are conducted in India by the **Election Commission**.
- **LPG reforms:** The 1991 economic reforms was an outcome of able bureaucracy who broke the cycle of low growth rates by opening up the economy and allowing private sector participation with ease.
 - ✓ The civil services has played a role in the regulatory infrastructure, monetary and fiscal policy formulation and in convincing the political masters to undertake liberal economic reforms, even at the cost of populism.
- **Poverty alleviation:** The pace of poverty reduction has been exemplified by the use of technology in **Public Distribution System** for identification and portability steered by civil servants.
 - ✓ Use of **Aadhaar linked DBT** and decline in leakages, success of pro poor public welfare, are all in large measure due to technology and the community led by able collectors.
 - ✓ The phenomenal success of the **vaccination drive** is owed to the young collectors and municipal commissioners who worked with frontline professionals and the community.
- **Deconstruct obsolete laws:** The World Bank identified areas of improvement for reducing the compliance burden and civil servants plays an important role in dismantling archaic laws.
- **Capacity building:** The empowerment of 130 million women through their collectives under the **Livelihood Mission** and the 31 lakh elected **Panchayat leaders** has been facilitated by young officers, which has paved way for social justice and inclusiveness.

Issues Still Plaguing The Bureaucracy

- **Lack professional integrity:** There is widespread criticism that the civil service is elitist, self-serving and slow to act and operates under a flawed system of incentives and penalties with officers working without pressure to perform.
- **Generalised skills:** The critics find the generalised civil service unsuited in a highly specialised world, fit to be replaced by a new **Indian Management Service**.
 - ✓ For example, new challenges due to technological evolution like cyber security put emphasis on higher demand of specialist officers for domain knowledge at policy level.
- **Ecosystem:** Like all bureaucracies, the system often prefers conformity (of political executives) over competence, conviction and willingness to take an evidence-based position.
- **Political culture:** Any attempt at transformational governance restructuring has to be initiated by the political executive, but that does not seem to be forthcoming.
 - ✓ One of the key causes of bureaucratic indifference, the reluctance to take decisions and lack of professionalism is on account of **frequent transfers, whimsical postings** and political pressure applied on civil servants in the process of decision-making.
- **Red tapism:** Bureaucracy follows a **defined set of rules** and regulations which leads to a lack of flexibility and, as a consequence, inefficiency. This rigidity often leads to the acceptance of programmed options at the cost of investigating other alternatives.
- **Insensitive to ordinary citizens:** People are afraid of approaching a government officer, though the institution of the District Collector has been endured as one of the most trusted institutions in the country.

Recent Reforms Attempted

- **Lateral entry:** The lateral entry at the level of the joint secretary is a significant step. It targets the disruption of the 'bureaucratic status quo monoculture' and the injection of a different management style, more adept at an out-of-the-box approach.
 - ✓ The **domain expertise** of the expert synthesised with the **multi-sectoral wisdom** of the civil service is likely to produce an **improved output**.
- **Mission Karmayogi:** The National Programme for Civil Services Capacity Building ('NPCSCB') was bought by the Government in 2020.
 - ✓ Its objective is transforming capacity-building in the bureaucracy through institutional and process reforms from **rules based to roles based** management.
 - ✓ It also emphasizes '**on-site**' learning to complement the '**off-site**' learning.

Way Forward

Following measures need to be taken to strengthen the bureaucracy by reforms:

- **Tackle corruption:** Ruthless **crackdown on the corrupt** officers alongside thrust for greater professionalism among civil servants is the need of the hour.
- **Evaluation:** Standards about professionalism, neutrality and integrity could be periodically reviewed.
 - ✓ Institute the online Smart Performance Appraisal Report Recording Online Window (SPARROW) template in all central & state cadres for online writing of Annual Performance Appraisal Report (APAR).
- **Training:** Mid-career exams and skill assessment can be undertaken to evaluate & decide on future postings.
- **Annual report:** The service could come out with its annual publication, providing its assessment of governance in the country.
- **Compartmentalisation:** The officers can be segregated in at least four-five groupings like education-culture, finance, infra development with natural resources, and social ministries like social justice, labour, women and children, etc.
 - ✓ This would bring greater domain knowledge to the table and empower officers for a more enlightened and insightful decision-making.

SOCIAL JUSTICE

Welfare Schemes, Laws, Mechanism, And Institutions For Vulnerable Sections

STs

Tribal Health

For the first time since independence, a tribal President has become a reality in India. On the occasion of International Day of the World's Indigenous Peoples on 9th August, the scholars have analysed the need for the launch of the National Tribal Health Mission for India.

- Over 104 million tribal people live in India. Spread across 705 tribes, they account for 8.6% of population.
- Tribal people have remained marginal geographically, socio-economically, politically, and therefore, in the national psyche.

Background: Tribal people in India have:

poorer health indicators

greater burden of morbidity and mortality

very limited access to healthcare services'

inequity in health and health care

Health Status Of Tribal Communities In India

- The *Lancet* in its study in 2016 titled '*Indigenous and Tribal People's Health*' found that:
 - ✓ India has 2nd highest Infant Mortality Rate (IMR) for tribal people, next only to Pakistan.
 - ✓ Life expectancy at birth is 63.9 years, as against 67 years for the general population
- The *Expert committee on Tribal Health headed by Dr Abhay Bang* in its report titled '*Tribal Health in India- Bridging the Gap and a Roadmap for the future*' had given the following findings:

Malnutrition

- 42% of Tribal children suffer from malnutrition which is 1.5 times higher than non-tribal children

Communicable diseases

- Malaria and Tuberculosis are 3 to 11 times more common among them
- They account for 30% of all cases of malaria & 50% of all malaria related deaths
- Incidence of Tuberculosis among them is significantly higher than rest of the country-703 against 256 per 10,000

Non-communicable diseases

- Hypertension: one out of every four tribal adults suffer from it

Causes For Poor Tribal Health

- **Underdeveloped Health Care Facilities:** As per *Abhay Bang committee report*, in more than half of the states with sizeable Tribal population, the health care infrastructure was 27 to 40% deficient in number compared to *National Rural Health Mission (NRHM)* norms
- **Scarcity Of Trained Health Care Personnel** in terms of doctors, nursing staff and frontline workers (ASHAS) at health centers in tribal areas
- **Lack Of Access To Basic Social Determinants Of Health** such clean water supply, sanitation, clean fuel, transport facilities etc.

- ✓ Only 10.7% of the Tribal population has access to tap water
- ✓ Three out of every four Tribal people (74%) continue to defecate in open
- Early marriages, low Body Mass Index (BMI) and high incidence of anemia are critical reasons for high maternal mortality
- **Harmful Social Beliefs And Cultural Practices:**
 - ✓ Magico-religious practices are frequently resorted to treat various illnesses
 - ✓ Our present health care delivery system is incompatible with tribal cultural and belief systems, *leading to low rate of acceptance*
- **Poor Economic Status:** Over 40% of Tribal population live below poverty line
- **High Prevalence of Addiction** to substances such as smoking, alcohol and drugs
- **Health Illiteracy:** Awareness about good health practices (personal hygiene, nutrition) remains poor
- **Political Disempowerment:** little or no inclusion of people in planning, priority setting and in execution of health services
- Insufficient allocation of funds

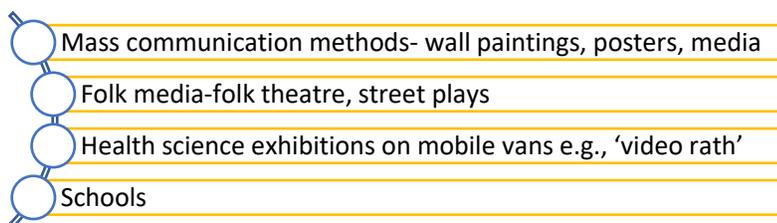
Suggestions To Improve Tribal Health

Abhay Bang committee in its report made a number of recommendations. These include:

- **Launch of National action plan** to bring Tribal Healthcare indicators on par with their respective state averages in next 10 years
- **Ensure adequate financing for Tribal health:** 2.5% GDP per capita must be allocated and spent
- Integrating Traditional Tribal Medicine into Primary Health Care
- A **Tribal Health Council** and **Directorate for Tribal health** must be constituted to focus solely on Tribal health including:



- **Imparting health literacy in a culturally sensitive manner** through use of:



- **Potential human resources at the local level** can be **trained** and **utilized** by health system to address the shortage of health personnel
- To attract **specialists, doctors** to Tribal areas and to ensure that they stay:
 - ✓ Increase salaries substantially
 - ✓ Provide well-equipped housing facilities
- **Empowering 'Gram Sabha'** under Panchayat Extension to Scheduled Areas (PESA) act, 1996 to guide health, healthcare related programmes and schemes
- Creation of **dedicated medical colleges** in Tribal districts
- **Improving data collection:** Creation of institutional mechanisms for collection and dissemination of data on Tribal Health status at regular intervals to make **evidence-based policy decisions and action.**

Implementation of these recommendations in addition to recommendations made by **Virginus Xaxa committee** will go a long way in improving the health of Tribals in the country.

Extra Mile: Few Important Schemes Related To STs

- **Eklavya Model Residential School (EMRS):** To provide high-quality middle and high-level education for ST students in remote areas, to allow them to take advantage of reservations in high-level and professional education courses and as public and private jobs
- **Vanbandhu Kalyan Yojana:** Holistic development and welfare of the tribal population.
- **Van Dhan Yojana:** Skills upgrading and capacity-building of tribals so as to promote enterprise and marketing skills in them.
- **Pradhan Mantri JI-VAN yojana:** To provide financial assistance to Integrated Bio-ethanol Projects using lignocellulosic biomass and other such renewable feedstock.



Sub-categorisation of OBCs

- Centre government extended the tenure of the **Commission to Examine Sub-categorisation of OBCs headed by Justice G Rohini** until January 31 2023, to submit its report.
- It was **set up by the President in October 2017 under Article 340** of the Constitution.

Terms Of Reference Of The Commission

- **To investigate the extent of inequitable distribution of “*reservation benefits*”** among castes or communities in the broad category of OBCs.
- **To develop the mechanism, criteria, norms and parameters** for sub-categorisation within such OBCs using a *scientific approach*.
- **To begin the process of identifying and classifying** the respective castes, communities, sub-castes in the Central List of OBCs.
- **To review the various entries in the Central List of OBCs** and recommend changes to any repetitions, ambiguities, inconsistencies, or spelling or transcription errors (added in 2020).

About Sub-Categorisation of OBCs

- OBCs are granted **27% reservation in jobs and education** under the central government.
- The sub-categorisation is being demanded **as a handful of total communities get a major chunk of the reserved jobs and seats in educational institutes.**
- 10 states/UT have already sub-categorised OBCs: Andhra Pradesh, Telangana, Puducherry, Karnataka, Haryana, Jharkhand, West Bengal, Bihar, Maharashtra, and Tamil Nadu

What Have Been Commission’s Findings So Far?

- According to 2018 data, **just 10 OBC communities have taken 25% of reserved central jobs and institutional seats.**
- Also, **97% of the reserved jobs and seats have gone to 25% of OBC sub-castes.**
- As many as 983(**37% of 2,600**) communities under the OBC category have zero representation in jobs and institutes.
- **994 OBC sub-castes have a total representation of only 2.68% in recruitment and admissions.**

History of OBC Reservations

- **Kalelkar Commission, set up in 1953,** was the 1st to identify backward classes other than the Scheduled Castes and Scheduled Tribes at the national level.

- **Mandal Commission report of 1980** estimated the OBC population at 52% and classified 1,257 communities as backward. It recommended increasing the existing quotas, which were only for SC/ST, from 22.5% to 49.5% to include the OBCs
- In **1991 a 10% quota was introduced** for the “economically backward sections” among the forward castes. Supreme Court struck this down in *Indra Sawhney vs Union of India case*, where it held that the Constitution recognised only social & educational & not economic backwardness.
- The **central government reserved 27% of seats in union civil posts and services** for OBCs [Article 16(4)]. The quotas were subsequently enforced in central government educational institutions [Article 15 (4)].
- In **2008, the Supreme Court directed the central government to exclude the creamy layer (advanced sections) among the OBCs.**
- In 2015, the **National Commission for Backward Classes (NCBC) recommended** that OBCs should be classified into extremely backward classes, more backward classes and backward classes.
 - ✓ The 102nd Constitution Amendment Act, 2018 provided constitutional status to NCBC, which was previously a statutory body under Ministry of Social Justice and Empowerment.

Challenges in Sub-categorisation

- At present it is a major challenge to identify the most disadvantaged among the population eligible for so called reservation. This is mainly because **there is a lack of reliable nationwide data on caste.**
- **The Socio-Economic Caste Census (SECC) of 2011** also does not give a true picture of the socio-economic disadvantages faced by different caste groups.
- **Political issue:** The regional parties championing the interests of dominant OBC castes are likely to oppose such sub-categorisation.

Way Forward

- We have to **do proper OBC enumeration** so we can sub-classify.
- It should be **practical and appropriate** so as to lead to beneficial results. Sub-categorization into different categories **should not hurt the sentiments of any group.**



Minority Status Of Religious, Linguistic Communities Is State-Dependent: SC

- The Supreme Court said that the religious and linguistic minority status of a community is to be decided on the basis of the state's population.
- As per the petition, followers of Judaism, Bahaim and Hinduism are the real minorities in various state. They cannot establish and administer educational institutions of their choice because of non-identification of 'minority' at State level.
- The petitioner challenged the provisions of the National Commission for Minorities (NCM) Act, 1992 and National Commission for Minorities Educational Institutions (NCMEI) Act, 2004.

About Minorities In India

- The term Minority is not defined in the Indian Constitution. However, the Constitution recognises only religious and linguistic minorities.

Religious Minorities

•The basic ground for a community to be nominated as a religious minority is the numerical strength of the community.

Linguistic Minorities

•Class or group of people whose mother tongue is different from that of the majority groups is known as the linguistic minorities

- As per Census 2011, the percentage of minorities in country is about 19.3% of the total population.
- The population of Muslims are 14.2%; Christians 2.3%; Sikhs 1.7%, Buddhists 0.7%, Jain 0.4% and Parsis 0.006%.
- As per 2011 census, Hindus have become a minority in Lakshadweep (2.5%), Mizoram (2.75%), Nagaland (8.75%), Meghalaya (11.53%), J&K (28.44%), Arunachal (29%), Manipur (31.39%), and Punjab (38.40%).

About Religious Minorities

- The **central government decides who gets the minority community status in India under the National Commission for Minorities Act, 1992**. Only those belonging to the communities notified under Section 2(c) of the 1992 law are regarded as minority citizens.
- The **central govt has notified only six communities** as having the minority status at the national level.
- **Five of them Muslims, Christians, Sikhs, Buddhists and Parsis were declared minority communities in October 1993. In January 2014, the Centre added Jains to the list.**
- **States generally don't have their separate lists of the minority communities.**
- But there are exceptions. For example, Maharashtra has notified Jews as a minority community in the state

Constitutional Provisions For Minorities

- The **subject of identification of the minority community is on the Concurrent List**.
 - **Article 246** of the constitution read with Entry 20, 'Economic planning and social planning', of the concurrent list of 7th schedule to enact laws to promote and protect the interests of minorities
- **Article 29** - It protects the interests of the minorities by making a provision that any citizen / section of citizens having a distinct language, script or culture have the right to conserve the same.
- **Article 30** - It says all minorities, whether based on religion or language, shall have the right to establish and administer educational institutions of their choice.
- **Article 350(B)** - There shall be a Special Officer for linguistic minorities to be appointed by the President.

Various SC Judgements Dealing With Minorities

- **DAV College vs State of Punjab 1971** -The court held that the Arya Samaj, who were Hindus, were a religious minority in the state of Punjab, even though they may not have been so in relation to the entire country.
- **TMA Pai Case 2003** - The 11-judge bench of the apex Court stated that for the purposes of Article 30, religious and linguistic minorities have to be considered state-wise.
- **Bal Patil 2005** - SC in this judgement referred to the TMA Pai ruling. In this judgement, the court said that henceforth the unit for determining status of both languishing and religious minorities would be state.
- **Inamdar Case 2005** - SC said that Minority whether linguistic or religious is to be determined by the demography of state.

Steps Taken by Government for Minorities

- **Ministry of Minority Affairs** - It was created in 2006 to ensure a more focused approach towards issues relating to the minorities.
- **Prime Minister's 15 Point Programme for the Welfare of Minorities** - Objective of the Programme is to ensure that an appropriate percentage of the priority sector lending should be targeted for the minority communities. It also provides that, wherever possible, 15% of targets and outlays under various schemes should be earmarked for minorities
- **Schemes** - Educational Empowerment Scholarship Schemes, Padho Pardesh Scheme of Interest Subsidy on Educational Loans for Overseas Studies for the Students Belonging to the Minority Communities, USTTAD, Nai Roshni - The Leadership Development of Minority Women.

Guardianship And Adoption Of Minors

The department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice tabled its report, in both Houses of Parliament on the ‘Review of Guardianship and Adoption Laws’.

Recommendations Of Parliamentary Panel On Guardianship And Child Custody

- **Urgent Need To Amend HMGA (Hindu Minority and Guardianship Act, 1956):**
 - ✓ The report said that there is an urgent need to amend the HMGA (Hindu Minority and Guardianship Act, 1956).
 - The existing law treats mothers as subordinates to their husband.
 - Hence, the law violated the right to equality and right against discrimination envisaged under Articles 14 and 15 of the Constitution.
 - ✓ It recommended to accord equal treatment to both mother and father as natural guardians.
- **Joint Custody Of Children During Marital Disputes**
 - ✓ In cases of marital dispute, the panel says there is a need to relook at child custody which is typically restricted to just one parent.
 - ✓ In such cases, mothers tend to get preference.
 - ✓ The panel recommended that courts should be empowered to:
 - grant joint custody to both parents when such a decision is conducive for the welfare of the child, or
 - award sole custody to one parent with visitation rights to the other.
- **On Adoption**
 - ✓ The Committee has said that there is a need for a new legislation that harmonises the Juvenile Justice (Care and Protection of Children) Act, 2015 and the Hindu Adoptions and Maintenance Act (HAMA), 1956.
 - ✓ It also said that such a law should cover the LGBTQI community as well.

Current Law On Guardianship

- **Legislative framework:** Indian laws accord superiority to father in case of guardianship of a minor.

| | |
|--|---|
| HMGA, 1956 | The <i>natural guardian</i> of a Hindu minor in respect of the minor’s person or property is the father, and after him, the mother. Provided the custody of a minor who has not completed the age of five years shall ordinarily be with the mother. ➤ However, HMGA does not contain any <i>independent, legal or procedural mechanism</i> for deciding custody rights or declaring court-appointed guardians . |
| Muslim Personal Law (Shariat) Application Act, 1937 | It says that the Shariat or the religious law will apply in case of guardianship according to which the father is the natural guardian, but custody vests with the mother until the son reaches the age of seven and the daughter reaches puberty though the father's right to general supervision and control exists. |

- **SC Judgment**
 - ✓ Githa Hariharan vs RBI in 1999 challenged the HMGA for violating the guarantee of equality of sexes under Article 14.
 - ✓ The court held that the term “after” should not be taken to mean “after the lifetime of the father”, but rather in the absence of the father.

- ✓ But the judgment failed to recognise both parents as equal guardians, subordinating a mother's role to that of the father.
- ✓ Though the judgment sets a precedent for courts, it has not led to an amendment to the HMGA.

Extra Mile

- The Law Commission of India Report in 2015, on Reforms in Guardianship and Custody Laws in India, also recommended joint custody and shared parenting.
- Report of Justice Bindal Committee, in 2018, also said that "best interests of the child" are of paramount importance in matters relating to child custody in view of UN Convention on Rights of the Child (UNCRC).
- In 2017, in Vivek Singh v. Romani Singh, SC highlighted the concept of Parental Alienation Syndrome underlining its "psychological destructive effects".
- In 2019, SC held in Lahari Sakhamuri v. Sobhan Kodali that the "best interests of the child" is wide in its connotation
- In 2022, SC in Vasudha Sethi v. Kiran V. Bhaskar held that Welfare of the child must get precedence over the parents' rights in a custody battle.

Can Queer And Transgender People Adopt Children In India

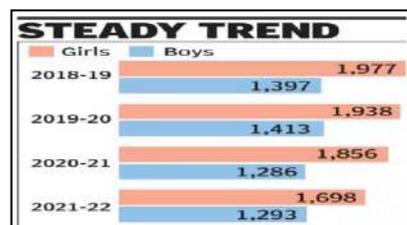
- The Adoption Regulations, 2017 is silent on adoption by LGBTQI people and neither bans nor allows them to adopt a child.
 - ✓ Its eligibility criteria for prospective adoptive parents says that they should be physically, mentally and emotionally stable, financially capable and should not have any life-threatening medical condition.
 - ✓ Single men can only adopt a boy while a woman can adopt a child of any gender.
 - ✓ A child can be given for adoption to a couple only if they have been in a marital relationship for at least two years.
- Activists say LGBTQI people who seek adoption face institutional discrimination because of stigma. Therefore, the law should be amended to include them as eligible candidates.

Other Recent Changes To Bring In Parity

- There has been change in rules regarding passport and Permanent Account Number (PAN) card that allows an applicant to furnish their mother's name if she is single parent. Ministry of external affairs liberalised its rule in 2016
 - ✓ The new passport application form also does not require the applicant to provide the name of her or his spouse when they are divorced and neither are they required to provide the divorce decree
- Central board of Direct taxes amended Income tax Rules, 1962 in 2018 to remove the compulsory mentioning of Father's name on documents when a mother was a single parent.
 - ✓ The new PAN application form also seeks the mother's name alongside the father's.
 - ✓ Applicants can also choose whether they want their father's name on the PAN card or their mother's name.
- But school certificates and lot of other documents insists father's name as guardian.

No. Of Girls Adopted In India Outstrips Boys

Of the 2,991 domestic 'in-country' adoptions made between 2021 and 2022, as many as 1,698 were girls. A closer look at the data from 2013-14 onwards, uploaded on the website of the **Central Adoption Resource Authority (CARA)**, confirms that more girls are given for adoption in India than boys.



- While this indicates that more couples are willingly adopting girls and shows a change in mindset, it also brings into focus the fact that often there are many more girls who are abandoned at birth than boys.

Legal Provisions

- In India, two legislations deal with the adoption of a child:
 - ✓ Hindu Adoption and Maintenance Act, 1956 (HAMA)
 - ✓ Juvenile Justice (Care and Protection of Children) Act, 2015
This includes Juvenile Justice (Care and Protection of Children) Model Rules, 2016 and Adoption Regulations, 2017.
- CARA functions as the nodal agency for adoption in India and inter-country adoptions.
- A database of children and registration of prospective parents is done on a centralised Child Adoption Resource Information and Guidance System (**CARINGS**), which is maintained by CARA.

Juvenile Justice (Care and Protection) Amendment Act 2021 provides that instead of the court, the district magistrate has the authority to issue adoption orders.

Central Adoption Resource Authority (CARA)

- It is a statutory body established under **Juvenile Justice Act, 2015**.
- CARA is designated as the Central Authority to deal with inter-country adoptions in accordance with the provisions of the **Hague Convention on Inter-country Adoption, 1993**.

Who can be adopted?

- An orphan, abandoned, or surrendered child who has been declared legally free for adoption by the Child Welfare Committee (CWC) can be adopted.
 - This only happens under the provisions of the JJ Act 2015.
- If someone has information about a child in need of care, then they must contact one of the agencies: Childline 1098, or the district Child Welfare Committee (CWC), District Child Protection Officer (DCPO). Following this, the CWC will assess the child and place him or her in the immediate care of a Specialised Adoption Agency. Prospective parents should register themselves with CARINGS of CARA. The parents take in the child for pre-adoption foster care and the SSA files the petition.
- A child of a relative — paternal uncle or aunt, a maternal uncle or aunt or paternal and maternal grandparents — can be adopted.
- According to CARA, children of the spouse from earlier marriage surrendered by the biological parent(s) can also be adopted by the step-parent.



Child Adoption During Covid-19 Pandemic

- According to UNICEF, India has 2.96 crore orphaned or abandoned children.
- In its annual report 2020-21, the Ministry of Women and Child Development noted that 2.56 lakh children were living in 7,164 child care institutions (CCIs) in the country.

Reasons Behind Low Level Adoption In India

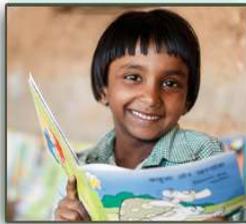
- **Long And Rigorous Adoption Process**
 - ✓ First, orphaned or abandoned children must be brought before the district child welfare committee and placed in a CCI under the Juvenile Justice Act of 2015.
 - ✓ An effort is then made to track their immediate or extended families and reunite them; if this fails, the child welfare committee, a quasi-judicial body, has to deem the child legally free for adoption.
 - ✓ The district child protection unit links them to an adoption agency and the child is registered with CARA.
 - ✓ A medical report is prepared and the child is then matched with a prospective parent after a home study is undertaken by CARA authorities.
- **Not Enough Children Available For Adoption**
 - ✓ While some 28,000 prospective parents have currently registered to adopt, less than a tenth the number of children (2,200) are legally free for adoption.

Suggestions

- Reforms are needed to bring in more children from CCIs into the adoption pool.
- For this, there is need to shorten the inordinate waiting time: some of these prospective parents had registered with CARA as early as 2018.
- There is need to develop processes to ensure that child welfare committees bring every possible child into the legal adoption pool and ensure that the kids are not stuck in CCIs.

New Guidelines For 'Mission Vatsalya'

The Ministry of Women and Child Development (MWCD) recently issued new guidelines for the 'Mission Vatsalya' Scheme in order to lay out a future roadmap for child protection.



About Mission Vatsalya Scheme

- ◆ It is an umbrella scheme of the MWCD, which aims to **provide a roadmap to achieve development and child protection priorities** aligned with the SDGs.
 - It lays emphasis on **child rights, advocacy and awareness** along with **strengthening of the juvenile justice care and protection system** with the motto to 'leave no child behind'.
- ◆ It is implemented as a centrally sponsored scheme.
- ◆ **Basic framework for implementation:** The provisions of the **Juvenile Justice (Care and Protection of Children) Act, 2015** and the **Protection of Children from Sexual Offences Act, 2012** form the basic framework for implementation of the Mission.
- ◆ **Components:** The Scheme includes statutory bodies, service delivery structures, institutional care or services, non-institutional community-based care, emergency outreach services, training and capacity building.
- ◆ **Vision of the Scheme:**
 - To ensure opportunities to enable them to discover their full potential and assist them in flourishing in all respects, in a sustained manner.
 - To promote family-based non-institutional care for children in difficult situations, based on the principle of institutionalization as a last resort measure.

Key Highlights Of The New Guidelines

- The guidelines elaborate on the vision for "Vatsalya Sadan," with a specific focus on "Juveniles in Conflict with the Law."
 - ✓ Vatsalya Sadan is an Integrated Home Complex of Child Care Institutions (Children Home, Observation Home, Special Home, Place of Safety).
 - ✓ Juvenile Justice Board and Child Welfare Committee are also located within the same premises.
- The new guidelines include promoting family-based non-institutional care for children in difficult situations, as well as the establishment of "Cradle Baby Reception Centres" for receiving abandoned babies vulnerable to trafficking.
 - ✓ Cradle Baby Reception Centres shall be fully equipped to care for infants in at least one specialised adoption agency (SAA) per district.
 - ✓ Their objective shall be to rescue the abandoned children and look after them till they are adopted.
- It makes no mention of the existing helpline number (1098-Childline) or its future. It, however, states that "Mission Vatsalya," in collaboration with states and districts, will implement a 24x7 helpline service for children.
 - ✓ This helpline service will be integrated with the Ministry of Home Affairs' Emergency Response Support System 112 (ERSS-112) helpline.
- **States will have to retain the official name**, as given by Centre to get benefits under this scheme.

- **Funds to states** will be approved through **Mission Vatsalya Project Approval Board (PAB)**, which will be chaired by the WCD Secretary.
- At state level, there will be a **committee headed by the Chief Secretary to monitor, review and promote convergence in the implementation of the scheme.**
- **States/UTs have also been directed to focus (through educators, therapists) on special needs children in child care institutions (CCI)**, as they are unable to attend school due to physical or mental disabilities.
- The new guidelines define the role of the District Magistrate, who will be responsible for ensuring execution of the mission at the district level.

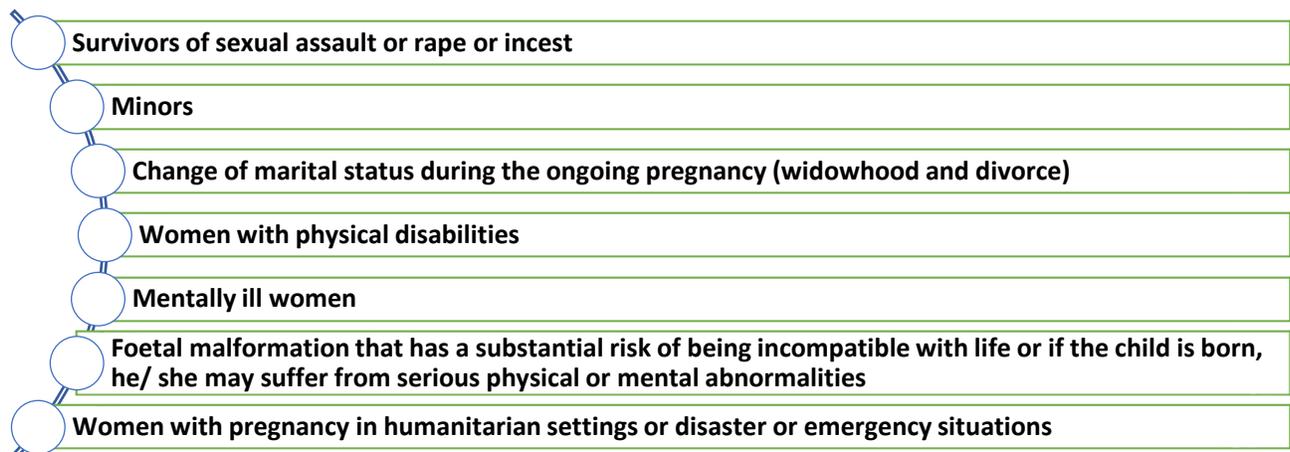


SC To Tweak MTP Act For Unmarried Women

- The Supreme Court said it would carry out an interpretational correction in the Medical Termination of Pregnancy (MTP) Act and the Rules thereunder.
- As per SC, it would be discriminatory to bar an **unmarried woman**, who could have been exploited in a relationship or is vulnerable, from terminating her 20-24-weeks-old unwanted pregnancy when other similarly situated women are permitted to do so.
 - ✓ While the law recognizes changes in a pregnant woman's relationship status with her spouse (in the case of divorce and widowhood), it does not address the situation for unmarried women between 20 - 24 weeks pregnant.
- **Observation Made By SC In The Above Case:**
 - ✓ Denying an unmarried woman the right to a safe abortion violates her personal autonomy and freedom.
 - ✓ A woman's right to reproductive choice is an inseparable part of her personal liberty under **Article 21** of the Indian Constitution.
 - ✓ By replacing the word "husband" with "partner" in Section 3(2) of the MTP (Amendment) Act, 2021, the Parliament of India intended to include unmarried women and single women within the Act's scope.
 - ✓ Excluding unmarried and single women from the statute's scope contradicts the legislation's intent.

MTP Act Amendments

- Last year Government **notified new rules** under which the gestational limit for Medical termination of pregnancy has been **increased from 20 to 24 weeks for certain categories** of women.
- The new rules come under the MTP Act, 2021. Under the new rules, **seven specific categories** will be eligible for termination of pregnancy up to 24 weeks:



- Medical Board will decide if a pregnancy may be terminated **after 24 weeks** due to **substantial foetal abnormalities**. All state and UT's will constitute a Medical Board consisting of a gynaecologist, paediatrician, radiologist/sonologist, and other members notified by the state government.
- **New Rules Regarding Medical Board**
 - ✓ The medical boards are to either accept or reject the proposal for medical termination of pregnancy within three days of receiving the request.
 - ✓ The abortion procedure has to be done within 5 days of the board receiving the request

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

Significance OF MTP (Amendment) Act 2021

- Despite a sustained government push over years, contraceptive use in India is not very popular. Data from NFHS 5 show that 56.5% of couples in the country use modern contraceptive methods
- According to a 2018 study by the Guttmacher Institute, 50% of pregnancies in six of the larger Indian states — Assam, Bihar, Gujarat, Madhya Pradesh, Tamil Nadu and Uttar Pradesh — are unintended.
- Estimation of unintended pregnancies is important because many of them result in abortions and the availability of cheap and safe abortion services is one of the indicators of a robust health system.
- Several petitions have been filed in the Courts seeking permission for aborting pregnancies at a gestational age beyond the present permissible limit on grounds of foetal abnormalities or pregnancies due to sexual violence faced by women.
- Current changes are a step towards safety & well-being of women and many women will be benefited by comprehensive abortion care, under strict conditions, without compromising service & quality of safe abortion.
- The amendments will increase the ambit and access of women to safe abortion services and will ensure dignity, autonomy, confidentiality and justice for women who need to terminate pregnancy.

Issues Still Unaddressed

- Formation of a state medical board raises additional concerns of their access, particularly to women from rural areas.
- The Act requires abortion to be performed only by doctors with specialisation in gynaecology or obstetrics. There is a 75% shortage of such doctors in community health centres in rural areas.

- Only 53% of abortions are performed by a **registered medical doctor** and the balance are conducted by a nurse, auxiliary nurse midwife, family member, or self.
- No clarity regarding transgender persons whether they will be covered or not.

Global Gender Gap Index for 2022

The Global Gender Gap Index for 2022 has been released by the World Economic Forum (WEF). The index ranks India at 135 out of 146 countries. In 2021, India was ranked 140 out of 156 countries.

- The report also includes Global Gender Gap Index. The index benchmarks the current state and evolution of gender parity across four key dimensions.



- It also tracks progress towards closing these gaps over time.

Key Highlights

- **Time to reach gender parity:** It will take another 132 years (compared to 136 years in 2021) to close the gender gap. This is due to continued disruption caused by Covid pandemic. South Asia will take the longest to reach gender parity, which is likely to be in 197 years.
- **Top performers:** Iceland (90.8%) is leading the global ranking. It was the only economy to have closed more than 90% of its gender gap. Iceland is followed by Finland, Norway, New Zealand
- **Performance of India's neighbours:** India also ranks poorly among its neighbours and is behind Bangladesh (71), Nepal (96), Sri Lanka (110), Maldives (117) and Bhutan (126).
 - ✓ Iran (143), Pakistan (145) and Afghanistan (146) perform worse than India in south Asia.

India's Performance

- India has approximately 66.2 crore women. In 2022, India's overall score has improved from 0.625 (in 2021) to 0.629.
- India's (135th) global gender gap score has oscillated between 0.593 and 0.683 since the index was first compiled.
- In 2022, India scored 0.629, which is its seventh-highest score in the last 16 years.

| Index/sub-index | 2022 (146 countries) | | 2021 (156 countries) | |
|--------------------------------------|----------------------|-------|----------------------|-------|
| | Rank | Score | Rank | Score |
| Global Gender Gap Index | 135 | 0.629 | 140 | 0.625 |
| Political empowerment | 48 | 0.267 | 51 | 0.276 |
| Economic participation & opportunity | 143 | 0.350 | 151 | 0.326 |
| Educational attainment | 107 | 0.961 | 114 | 0.962 |
| Health and survival | 146 | 0.937 | 155 | 0.937 |

Source: World Economic Forum

- **Political Empowerment**
 - ✓ This includes metrics such as the percentage of women in Parliament, the percentage of women in ministerial positions etc.
 - ✓ Of all the sub-indices, this is where India ranks the highest (48th out of 146).
 - ✓ However, notwithstanding its rank, its score is quite low at 0.267.
 - ✓ Some of the best ranking countries in this category score much better. E.g., Iceland is ranked 1 with a score of 0.874 and Bangladesh is ranked 9 with a score of 0.546.
- **Economic Participation and Opportunity:** This includes metrics such as the percentage of women who are part of the labour force, wage equality for similar work, earned income etc.
- **Educational Attainment:** This sub-index includes metrics such as literacy rate and the enrolment rates in primary, secondary and tertiary education.
- **Health and Survival:** This includes two metrics: the sex ratio at birth (in %) and healthy life expectancy (in years). In this metric, India is ranked the last (146) among all the countries. Its score hasn't changed from 2021 when it was ranked 155th out of 156 countries.

SC Order On Sex Trade

SC has ordered that no criminal action should be taken against consenting **adult sex workers** as they are entitled to fundamental rights of dignity and equal protection of law.

- According to National Aids Control Organisation, a division of the Ministry of Health & Family Welfare, there are approximately 9 lakh sex workers in India.

Background

- In 2011, SC appointed a panel on rehabilitation of sex workers headed by Pardeep Ghosh while hearing a case of Budhadev Karmaskar vs State of West Bengal. The panel has given 10 recommendations broadly. The panel submitted its report in the year 2016.
- In 2013, Justice Verma committee acknowledged the difference between trafficked women exploited for sexual harassment and consenting adult women sexual workers.
- In 2020, NHRC recognised sex workers as informal worker.

Previous Judgements

- In Kajal Mukesh Singh vs State of Maharashtra (2021), the Bombay High Court said “Prostitution is not an offence, a woman has a right to choose her vocation”.
- In Manoj Shaw vs State of West Bengal (2003), the Calcutta High Court observed that sex workers should be treated as victims of crime rather than the accused.
- In Budhadev Karmaskar vs State of West Bengal (2011), the High Court observed that sex workers are also entitled to live a dignified life as guaranteed under **Article 21** of the Constitution.

Ujjawala Scheme

- The Ujjawala scheme was launched in **2007** by the **Ministry of Women and Child Development**, to put an end to the trafficking of children and women.
- The objective of the scheme is to prevent, rescue, rehabilitate, reintegrate, and repatriate victims trafficked for commercial sexual exploitation.
- This scheme is helping the beneficiaries by making a change in their life.

Issues Related To Sex Workers

- Social stigmatisation due to criminalization of sex trade.
- Physical & psychological abuse from clients, members of law enforcement authorities and family members.
- Financial exploitation by middlemen, traffickers, police etc.
- Denial of access to public services (free ration, voting right etc.) due to lack of proof of residence & identity.
- Access to essential health services (treatment for HIV/AIDS & sexually transmitted diseases) are denied.
- Lack of access to clean and safe housing, as they are refused outrightly by owners or the society.
- With most entering the trade due to lack of money, they set up shop in dingy places, and at times what they earn is also taken away from them by the police as a bribe or stolen from them.

Highlights Of The Judgement

SC exercise power under **Article 142 of the constitution** (it enables SC to pass orders necessary to do complete justice) to give direction to ensure that Centre/States must implement and act in strict compliance of certain recommendations made by the SC appointed panel. The direction of the SC will hold the ground till a legislation is made by the Centre.

Guidelines Issued

- Provision for immediate medical assistance to any sex workers who is victim of sexual assault.
- Direction to states to do a survey of all protective homes under **Immoral Trafficking (Prevention) Act** so that cases of adult women who are detained against their will can be reviewed and processed for release in a time-bound manner.
- Sensitizing police and other law enforcement agencies about the rights of sex workers so that they should be prevented from abuse and treated with dignity.
- Press council of India must issue an appropriate guideline for the media to take utmost care not to reveal the identities of sex workers. It stated that the offence of voyeurism under Section 354C of IPC should be enforced if media publishes the pictures of sex workers with their clients.
- Anything that is adopted as preventive measures by sex workers for their health and safety e.g., Condom, must neither be considered as an offence nor to be seen as evidence of commission of an offence.
- Educating sex workers with the help of State and district Legal Service Authority about their legal rights as sex workers to protect them from any form of harassment.
- A child of a sex worker should not be separated from the mother merely on the ground that she is in the sex trade. if a minor is found living in a brothel or with sex workers, it should not be presumed that the child was trafficked.
- In case the sex worker claims that he/she is her son/daughter, tests can be done to determine if the claim is correct and if so, the minor should not be forcibly separated
- The court ordered the police to not discriminate against sex workers who lodge a criminal complaint, especially if the offence committed against them is of a sexual nature.
- Recommendations of the panel which remain pending due to reservation from the central government. These recommendations are:
 - ✓ No criminal action against consenting adult sex workers.
 - ✓ Arresting brothel owner only and not the sex workers during raid on brothel.
 - ✓ Involving sex workers in decision making process.
 - ✓ Children of sex workers should not be separated merely on the ground that she is in sex trade.

It is high time that the Immoral trafficking (prevention) Act, 1956 should be amended to make a distinction between trafficked women exploited for sexual harassment and consenting adult women sexual workers. The sex trade should be recognized from laborer's perspective so that adequate protection and rehabilitation could be provided to sex workers.

Issues Relating to Development & Management of Social Sector/Services

Mother Tongue As The Medium Of Instruction In Higher Education

Background

The Mother tongue in India never got the importance they deserve in the higher education system as most of the higher educational institutions offer courses only in English

| Issues with English education at higher educational institutions | Advantages of using mother tongue in higher education |
|--|---|
| It has been <i>creating many problems particularly for</i> | <ul style="list-style-type: none">• Will help in building an inclusive and equitable |

students who had their education in mother tongue till senior secondary level in the following way:

- It proved to be an **obstacle in realizing their full academic potential**:
 - a. students face difficulties in understanding concepts, expressing their opinions and feelings in the classroom and in examinations
 - b. Result of which is *poor learning outcomes* and development of *low self-esteem*
- Many students **stop pursuing higher education** for the fear of education in English thereby **affecting Gross Enrolment Ratio (GER)** in Higher education
- **Students particularly from weaker sections of society such as SCs, STs, minorities** and from rural background are at a stark disadvantage
- **Drop outs from colleges**: Such drop outs are higher among SCs, STs and minorities

higher education system: particularly for SC/ST/Minority communities

- Increase the availability of high-quality learning and print material in Indian languages including textbooks, workbooks, videos, plays, poems, novels and magazines
- Promotes Linguistic Diversity & help prevent language-based discrimination
- Increases **(GER)**, **Reduces drop-outs** & Helps Students in realizing their full academic potential.
- Quality of education imparted at higher educational institutions will also get enhanced. **UNESCO's 2003 guidelines** also supported instruction in mother tongue as a means of improving educational quality
- R&D will get a boost in the country
- Even the National Education Policy (NEP) 2020 had recommended that institutions of higher education should use mother tongue as medium of instruction and offer bilingual programmes

Issues With Introducing Regional Languages In Higher Education

- *Neglect of English completely can diminish career prospects* in today's world.
 - ✓ 2016 report of Cambridge university titled 'Findings of English at work: Global analysis of language skills in the workplace' highlighted that about 90% of employers in India say that English language skills are important for their organization.
 - ✓ According to India Skills report 2019, English figured among the top three skills along with learning agility and adaptability that employers look for in India
- Availability of *well qualified faculty* and *learning material* in regional languages particularly in fields such as Engineering, Medicine, Law and applied sciences is a challenge
- Insignificant for Institutions with Pan-India Admissions: A regional language focus is not meaningful in a scenario where the institutes like IITs see entrants from across the country.

Measures That Were Taken To Promote Mother Tongue In Higher Education

- *All India Council for Technical Education (AICTE)* had given approval to 19 engineering colleges in 10 states to introduce engineering courses in six Indian languages.
- It also developed "**AICTE Translation Automation AI Tool**" that translates English online courses in 11 Indian languages.
- **SWAYAM platform**- offering some popular courses in Indian languages
- NEP 2020 aims to increase the GER in higher education including vocational education from 26.3% (2018) to 50% by 2035. Around 3.5 Crore new seats will be added to Higher education institutions.

Conclusion

While it is important to promote regional languages in the higher education, at the same time it is necessary to ensure that the students who receive education in regional languages also gain good command over English language so that they will be able to seize the opportunities (local, regional and global) of 21st century as recommended by *NEP 2020*.

Drug, Medical Devices, and Cosmetics Bill-2022

The Union Health ministry has released the new draft 'Drug, Medical Devices, and Cosmetics Bill-2022'.

Medical Device Sector in India

- The current market size of the medical devices sector in India is estimated to be \$11 bn and its share in the global medical device market is estimated to be 1.5%.
- The medical device is a multi-product sector, with the following broad classifications:



- Both drugs & medical devices are now regulated by Central Drugs Standard Control Organisation (CDSCO).
 - ✓ CDSCO is the **Central Drug Authority** for discharging functions assigned to the Central Government under the Drugs and Cosmetics Act, 1940.

Recently, Department of Pharmaceutical (DoP) published the draft Uniform Code for Medical Device Marketing Practices (UCMDMP) to regulate fair **marketing practices** by the medical device industry

Key Provisions of Drug, Medical Devices, and Cosmetics Bill-2022

- It seeks to replace the **Drugs and Cosmetics (D&C) Act, 1940.**
- **Defining Medical Devices**
 - ✓ Currently, medical devices are treated as drugs and there is no separate definition
 - ✓ The draft Bill has separate definition for medical devices that bring under its ambit diagnostic equipment, its software, implants, devices for assistance with disabilities, life support, instruments used for disinfection.
- **Medical Technical Advisory Board (MTAB)**
 - ✓ The Bill proposes MTAB on the lines of existing Drugs Technical Advisory Board.
 - ✓ This board will not only include medical professionals, but also people with technical knowledge of the devices.
 - ✓ The board will include officials from various departments such as atomic energy, department of science and technology, ministry of Electronics, DRDO, etc.
 - ✓ The draft Bill also proposes medical device testing centres on the lines of drug laboratories in states and at the central level.
- **Mandatory Permission For Clinical Trials**
 - ✓ The new Bill also proposes compulsory permission of the central licensing authority for clinical trials or clinical investigation of drugs and medical devices.
 - ✓ Although companies at present also have to seek permission from the apex drug regulator to conduct trials, medical devices was never mentioned in the previous law.
 - ✓ Also, medical management and compensation to persons who are injured while participating in such trials.
- **E-Pharmacies:** Central government must come up with rules to regulate online sale of drugs and for online pharmacies to operate in accordance with a licence or permission issued.

INTERNATIONAL RELATIONS

India's Evaluation As A 'Developed' Country @100 Years Of Independence

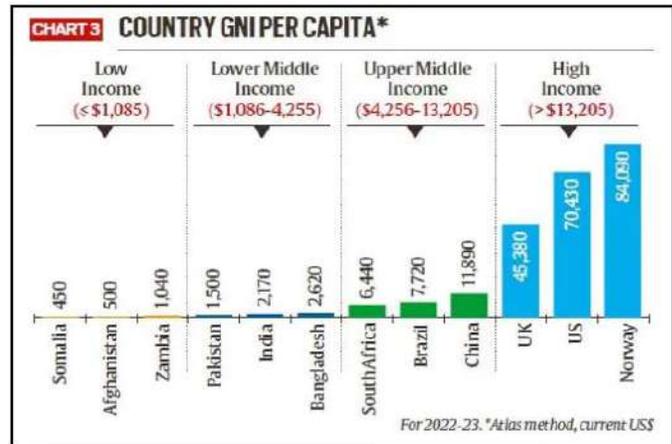
PM Modi has urged citizens to focus on five resolutions ('Panchpran') to make India a developed nation in the next 25 years i.e. by 2047 when the country celebrates 100 years of independence.

About Panchpran', Or Five Promises

- To move forward with bigger resolves and the resolve of a developed India
- To erase all traces of servitude(enslavement)
- To be proud of India's legacy
- To focus on India's unity, which is its strength
- To fulfill the duties of citizens with honesty

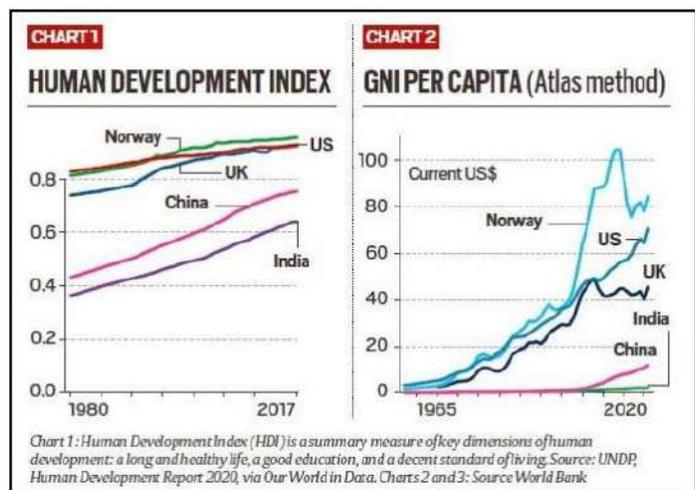
"Developed" Country Classification

- To categorise countries by economic conditions, the UN uses the **World Bank's categorisation** based on Gross National Income (GNI) per capita (in current US dollars).
- The UN's nomenclature of "developed" and "developing" is often **contested** owing to following reasons:
 - ✓ There are **31 developed countries** according to the UN in all and categorisation of **China** as a "developing" country is disputed.
 - ✓ All the rest, except **17 "economies in transition"** are designated as "developing" countries.
 - ✓ China's per capita income is closer to Norway's than Somalia's. China's per capita income is 26 times that of Somalia's while Norway's is just about 7 times that of China's.
 - ✓ Countries such as **Ukraine**, with a per capita GNI of \$4,120 (a **third of China's**) are designated as "economies in transition".



India's Standing

- **Absolute level of GDP:** On this metric, India is one of the biggest economies of the world, even though the **US** and **China** remain **far ahead**.
- **Per capita income:** In 2021, India's per capita income, calculated in international dollars based on **purchasing power parity (PPP)** was 7,333.5 dollars
 - ✓ India is behind even Bangladesh. China's per capita income is 5.5 times that of India, and the UK's is almost 33 times.
 - ✓ It was also **1/7th** of Organisation for Economic Co-operation and Development (**OECD**) countries per capita income of 48,482.1 dollars. OECD is a group of developed economies.
 - ✓ While India's per capita income **grew at double the rate of OECD** nations in the last **25 years**, it would need to grow at 12.4% consistently to catch up to OECD countries within the next 25 years.



- **Social indicators:** The **infant mortality rate** reduced from 76 in 1996 to **27 in 2020**, but it was still **over four times the OECD average** of 6. At the current pace, India will only be able to achieve an infant mortality rate of 10.
 - ✓ **Life expectancy at birth** in India has gone from around 40 years in 1947 to around 70 years now.
- **Human development:** India's current HDI score (0.64) is much lower than what any of the developed countries had even in 1980.
 - ✓ China reached the 0.64 level in 2004, and took another 13 year to reach the 0.75 level which was, incidentally the level at which the UK was in 1980.
- **Gender mainstreaming: Female Labour Force Participation Ratio** has dropped sharply from 32% in 2005 to just 19.2% in 2021, although the latest data is a small recovery from 18.6%, the lowest in 32 years in the first pandemic year of 2020.

Distance Left To Cover

- As per 2018 diagnostic report on India by the World Bank, though India is the **world's third-largest economy** in **PPP terms**, but only **10%** of Indians, at most, have consumption levels above the commonly used **threshold of \$10 (PPP) per day** expenditures for the global middle class.
- Other metrics, such as the **food share of consumption**, suggest that even rich households in India need a substantial expansion of their total consumption to reach levels of poor households in rich countries.

How Much Can India Achieve By 2047?

- **Learning from others journey:** To make assessment of quantifiable achievements in next 25 years, India needs to look at how long other countries took to get there.
 - ✓ For instance, in per capita income terms, Norway was at India's current level 56 years ago, in the year 1966.
- **Comparison with China:** China reached India's current per capita income mark in 2007. If India were to grow as fast as China did between 2007 and 2022, then, it will take India another 15 years to be where China is now.
 - ✓ Also, China's current per capita income was achieved by the developed countries several decades earlier like the UK in 1987, US and Norway in 1979.
- **World Bank estimates:** As per World Bank's 2018 report, by 2047, at least half Indian citizens could join the ranks of the global middle class which means that households have access to better education, health care, clean water, improved sanitation, reliable electricity, affordable housing, and enough **discretionary income** to spend on leisure pursuits.
- **Pre-conditions:** The World Bank laid out certain preconditions for this to happen like income well above the extreme poverty line and vastly improved public service delivery.

Bilateral Relations

Pelosi's Visit to Taiwan

- Pelosi, the Speaker of the House of Representatives and second in line to the White House, visited Taiwan's capital Taipei despite warnings from Beijing that such a trip would be disastrous for US-China ties.
- Her visit to Taiwan is the highest-level visit by an elected American official to the island country in over 25 years.

Why China Opposed This Visit

- China has said that this visit is a serious violation of the one-China principle and the provisions of the China-US three joint communiqués.
- As per China, this visit sends a seriously wrong signal to the separatist forces for Taiwan independence. Hence, it seriously **infringes upon China's sovereignty and territorial integrity**.

Key Highlights

Response of China Following Pelosi's Visit

- As an immediate reaction, China **imposed sanction on the US House Speaker** visit to Taiwan.
- It also cancelled or suspended eight key dialogue mechanisms with the US.
- The Chinese military started its live fire-drills in six regions surrounding Taiwan and fired conventional missiles over the island of Taiwan into waters to the east.
- In addition to the military measures, China has so far put in place modest economic curbs such as barring more than 100 Taiwanese exporters.

Stand of US

- US has reiterated that **there was no change in US policy on Taiwan**. It argued that Pelosi is not the first American lawmaker, nor her delegation the first US legislative team to visit Taipei.
 - ✓ US has maintained a '**One China**' policy since 1979, under which it recognises Taiwan as a part of China. Under this policy, the US does not have formal diplomatic relations with Taiwan.
 - ✓ However, it has unofficial ties with Taiwan as well — a strategy that is known as strategic or deliberate ambiguity.
- It has also made clear that the US opposes any unilateral changes to the status quo from either side and does not support Taiwan independence.

India's Response

- Initially, India chose not to comment on these developments as it seeks to avoid controversy on a sensitive issue between U.S. and China.
- Later, it indirectly called upon China to not alter the status quo around Taiwan. However, it refrained from spelling out India's clear position on the 'One China' policy.
 - ✓ India has followed the one China policy since 1949, indicating it does not recognise any government other than the PRC in Beijing.
 - ✓ However, New Delhi stopped mentioning the policy in official statements and joint declarations after 2008. This decision was taken after:

- A series of Chinese statements claiming Arunachal Pradesh as a part of the Chinese territory, renaming Arunachal towns with Mandarin names
- China started issuing stapled visas to Indian citizens who were residents of Jammu and Kashmir and Arunachal Pradesh

China-Taiwan Dispute

- The island seems to have first appeared in Chinese records in AD239, when an emperor sent an expeditionary force to explore the area. This evidence is used by Beijing to back its territorial claim.
- Taiwan was administered by **China's Qing dynasty** from 1683 to 1895.

- In 1895, Japan won the First Sino-Japanese War, and the Qing government had to cede Taiwan to Japan. After World War II, Japan surrendered and relinquished control of territory.

Civil war

- When Japan surrendered, The Chinese Nationalist Party (also known as the Kuomintang (KMT)) began ruling Taiwan. **Chiang Kai-shek** was the ruler of this party.
- However, almost immediately following Japan's surrender, the Chinese Civil War broke out between the KMT and the Chinese Communist Party (CPC).
- Chiang and the remnants of his Kuomintang government fled to Taiwan in 1949.

Disagreement and Confusion about Taiwan

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

Who Recognises Taiwan

- Chiang Kai-shek's Republic of China (ROC) government held **China's seat** on the United Nations Security Council. It was recognised by many Western nations as the only Chinese government.
- However, in 1971 the UN switched diplomatic recognition to Beijing and the ROC government was forced out. Since then, the number of countries that recognise the ROC government diplomatically has fallen drastically to about 15.
 - ✓ India does not have formal diplomatic ties with Taiwan. Like most countries, it maintains commercial ties with Taiwan

India, Maldives Ink 6 Pacts

President of Maldives, Ibrahim Mohamed Solih, paid an Official visit to India.

Key Outcomes

Groundbreaking/Review of Projects

- Pouring of first concrete of Greater Male Connectivity Project- an USD 500 mn, India funded project. The project includes a 6.74 km bridge and the causeway linking capital Male with the neighbouring islands.
- Review of the progress on the construction of 4,000 social housing units in Hulhumale
- Overview of India Maldives development cooperation including Addu roads and reclamation, water and sanitation in 34 islands and Friday Mosque restoration projects

Agreements/MoUs Exchanged on

- Capacity building of women development committees & local government authorities of Maldives
- Cooperation in the areas of cyber security, disaster management
- Collaboration on potential fishing zone forecast capacity building
- USD 41 Mn Buyer's Credit Agreement to construct police infrastructure
- Letter of Intent for Buyer's Credit financing of 2,000 social housing units

Announcements

- Extension of USD 100 Mn new Line of Credit to finance infrastructure projects in Maldives
- Gifting of 24 utility vehicles to Maldives National Defence Force(MNDF)
- Supply of the second Landing Craft Assault (LCA) to MNDF
- Supply of a replacement ship for the earlier provided ship-CGS Huravee -to MNDF
- Facilitation of duty-free tuna exports to India from Maldives

Significance Of This Visit

1. Rise of anti-India Sentiments in Maldives

- Opposition parties and a section of the media in Maldives are engaged in renewed efforts to whip up anti-India sentiments. In this regard, **India Out campaign** was launched.
- This campaign alleged that the cooperation between the governments of the two countries is undermining the national security and sovereignty of the Maldives.

2. The Yoga Day attack

On 21 June 2022, an angry mob stormed the Maldives national football stadium and attacked participants at the Yoga Day. The event was organised by the Indian High Commission.

3. A bitter row among Maldivian Speaker, former President and party colleagues

- President Solih and Speaker Mohamed Nasheed are from the same party—MDP and both are considered as sympathiser of India.
- However, the members of the ruling MDP are planning a no-confidence motion against Parliament Speaker Md. Nasheed.
- India fears that this internal fighting will give ground to the former President Yameen, who is perceived to be closely aligned with China. It was under his tenure, that the Maldives developed closed relations with Beijing, especially on the investment front.

India's Interest in Maldives

| | |
|--|---|
| Strategic Importance | <ul style="list-style-type: none">•Maldives is barely 70 nautical miles away from Minicoy and 300 nautical miles away from India's West coast. It is situated at the hub of commercial sea-lanes running through Indian Ocean (particularly the 8° N and 1 ½° N channels). |
| Geo-political interest | <ul style="list-style-type: none">•Securing sea lanes of communication; Fighting piracy and sea-based terrorism;•Making Indian Ocean a conflict free zone and restoring its status as sea of tranquil;•Exploring blue economy & Enhancing trade; Security of Indian expatriates working there. |
| China Angle | <ul style="list-style-type: none">•Maldives has emerged as an important 'pearl' in China's "String of Pearls" construct in South Asia |
| Internal security angle: Radicalisation | <ul style="list-style-type: none">•In the past, the number of Maldivians drawn towards terrorist groups like the Islamic State (IS) had increased. The Maldives has become the country with the highest rate of foreign fighters per capita in the world. This has been revealed by a 2020 report by European Foundation for South Asian Studies.•Political instability and socio-economic uncertainty are further fuelling the rise of Islamist radicalism in the island nation.•This gives rise to the possibility of remote Maldivian islands being used as a launch pad for terror attacks against India and Indian interests. |

India and Maldives Bilateral Relation

A. Political Relation

- PM Modi, on his first overseas visit after taking oath of the office for his second term, visited Maldives in

June 2019. During this visit, he addressed a session of the newly constituted People's Majlis.

- He was **only the second foreign Head of State or Government** to address the People's Majlis in its 86-year history.

B. Trade and Economic Cooperation

- For 2021 (January to August), bilateral trade between these two countries stood at \$202.71 million which is heavily favoured towards India. India emerged as Maldives' 2nd largest trade partner in 2020.

C. Cooperation During the COVID -19 Pandemic

- Operation Sanjeevani –India, in April 2020, supplied 6.2 tonnes of essential medicines to Maldives.
- Indian Government has also evacuated nine Maldives nationals from Wuhan, China
- In January 2021, India delivered 1 lakh doses of Made in India COVID-19 Vaccines to Maldives under the "Vaccine Maitri" initiative.

D. Security & Defence Cooperation

- Other than the projects mentioned above, India provides the largest number of training opportunities for MNDF, meeting around 70% of their defence training requirements.
- Composite Training Centre for MNDF, Coastal Radar System (CRS) and construction of new Ministry of Defence Headquarters.

Challenges In Relationship

India out campaign

Radicalisation in Maldives

Presence of China

Conclusion

- The Maldives relationship with India has habitually oscillated between support and opposition. India Out campaign being run in Maldives is an example of this.
- However, it should be remembered that India plays a critical role in economic, defense, and humanitarian sectors in the Maldives and will continue to do so despite the campaign.

Visit of PM Modi to Nepal

PM Modi paid an official visit to Lumbini in May 2022. This was his **fifth visit to Nepal since 2014**.

Recent Developments in India- Nepal Relations

- PM Modi launched the construction of **India International Centre for Buddhist Culture and Heritage** during his visit to Lumbini in Nepal. It was focused on **bringing soft power to the centre stage**.
- MoUs Signed:** Indian Council for Cultural Relations (ICCR) signed 2 MOUs with authorities in Nepal:
 - ✓ One on setting up the Dr B R Ambedkar Chair for Studies on Buddhism at Lumbini University and
 - ✓ Another on a Chair Professor at Kathmandu University.
- Agreed to establish **Sister City Relations Between Lumbini and Kushinagar**

Trans-national Buddhist Tourist Circuit

- India's Ministry of Tourism has collaborated with Nepal to **build a trans-national Buddhist Tourist Circuit** to trace the footsteps of Buddha starting from *Lumbini* and concluding at *Kushinagar*.
- This circuit will be in addition to the **Ramayana circuit** linking various sites in the two countries.

D. New Projects Launched

- ✓ 35 km long cross border **rail link from Jaynagar to Kurtha**.

- ✓ Inauguration of the 90 km long 132 KV **Solu Corridor transmission line** built with Indian Line of Credit at a cost of INR 200 crore. The line will help bring electricity to several remote districts in northeastern Nepal by connecting them to the country's national grid.
- ✓ Launch of **RuPay Card in Nepal** will help promote the flow of Indian tourists to Nepal.

E. Resolving bottlenecks for time-bound completion of India-assisted projects including:

National Police Academy at Kavrepalan chowk, the Integrated Check Posts at Nepalgunj and Bhairahawa and the projects under the 'Ramayana Circuit'.

F. Joint Vision Statement on Power Sector cooperation: This document calls for mutually beneficial bilateral cooperation in the power sector including

- ✓ joint development of power generation projects in Nepal,
- ✓ development of cross-border transmission infrastructure,
- ✓ bi-directional power trade with appropriate access to electricity markets in both countries,
- ✓ coordinated operation of the national grids and
- ✓ Institutional cooperation in sharing latest operational information, technology and know-how.

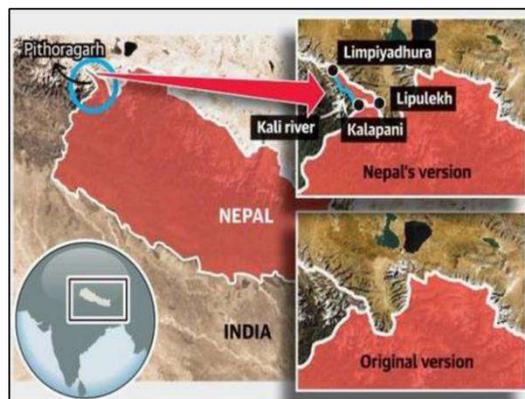
It makes renewable energy production, hydropower in particular, a cornerstone of their energy partnership.

Border Dispute Between India and Nepal

It was discussed briefly; however, no progress was made on the matter. PM of Nepal agreed not to politicise the border issue. Nepal had in the last 2-3 years highly politicized the dispute over the Kalapani area.

Recent Events Highlighting The Border Dispute

- In June 2020, Nepal's Lower House has unanimously passed the **Constitution of Nepal (Second Amendment) Bill 2077**. The bill contained proposal to a new map of the country that includes Indian areas of Kalapani, Limpiadhura and Lipulekh.
- In May 2020, India inaugurated the **Darchula-Lipulekh** pass link road, cutting across the disputed Kalapani area which is used by Indian pilgrims to Kailash Mansarovar. This was protested by Nepal.
- In November 2019, India published a revised political map showing the newly created UT of Jammu and Kashmir and Ladakh. The map showed Kalapani as part of Pithoragarh district which was immediately protested by Nepal.



Genesis of Current Border Dispute

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

Other Disputed Area: Susta Region

Area of Susta currently lies in West Champaran district, Bihar. Susta is located on the bank of the Gandak river. The change in course by Gandak river has created a dispute in this region.

Significance of Kalapani Territory

- Lipulekh Pass, situated at an altitude of 5,000 meters, has **geo-strategic value** as Tibet is on its northern side.
- Lowest point is 11,980 ft, the highest is 20,280 ft. It helps India track Chinese movements in the region.
- Lipulekh is **strategically located as it is nearest to the heart of the Indian state** or the National Capital Region and can be of particular concern in case of an armed conflict with China.
- It was an ancient route for traders and pilgrims transiting between Nepal and Tibet.

| Previous Efforts To Solve The Issue | Current Status |
|---|--|
| <ul style="list-style-type: none">• In the 1980s, the two sides set up the Joint Technical Level Boundary Working Group to delineate the boundary, which demarcated everything except Kalapani and the other problem area in Susta.• When it was discussed at the prime ministerial level in 2000, between Atal Bihari Vajpayee and B P Koirala, both sides agreed to demarcate the outstanding areas by 2002. That has not happened. | <ul style="list-style-type: none">• At present, Kalapani, a 372 sq km area, is controlled by Indo-Tibetan Border Police (ITBP), which has a post there since 1962.• The entire India-Nepal border is 1,758 km long. It is a porous open border.• India claims Kalapani as part of Uttarakhand's Pithoragarh district while Nepal says it is part of its Dharchula district.• Lipulekh has always been on the Indian map and Nepal hasn't protested until now. India had closed Lipulekh from 1962 to 1991 due to the 1962 Sino-Indian war. |

Chinese Stand On This Issue

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

India Assisted Projects in Mauritius

PM Modi and his Mauritius counterpart Pravind Kumar Jugnauth virtually inaugurated multiple projects.

Key Highlights

- They jointly inaugurated a \$45-million **social housing project** with 956 units.
- They also laid foundation stone of **8 MW solar power plant** and a **civil service college** to be built with Indian aid of more than \$500 million.
- The two countries also concluded following agreements --
 - ✓ India is to provide about \$190 million as assistance for a **metro rail** and \$10 million for other infrastructure projects in Mauritius.
 - ✓ India will also provide assistance for **small but high-impact development projects** in fields such as education, healthcare and disaster risk reduction.
- In coming days, both countries will begin work on several important projects such as renal transplant unit, Forensic Science Laboratory, National Library and Archives, Mauritius Police Academy.

Previous Cooperation

- In May 2016, India had extended a grant of \$353 million to Mauritius as Special Economic Package (SEP) to execute **5 priority projects**. These included: Metro Express Project, Supreme Court Building, New ENT Hospital, Supply of Digital Tablets to Primary School Children, and the Social Housing Project.
- Dornier aircraft was leased in Sept. 2021 & free refit of Coast Guard vessel was completed in October 2021.

India-Mauritius Bilateral Relations

Background

- Foundation lies in strong social- cultural bonds, historical traditions and our shared rich heritage.
- From the 1820s, Indian workers started coming to Mauritius to work on **sugar plantations**.
- From 1834, when **slavery was abolished** by the British Parliament, large numbers of Indian workers began to be brought to Mauritius as indentured labourers.
 - The people who went to Mauritius from India took their language, customs, traditions, religious beliefs with them to their new abode.
- November 2, 1834, marks the day when the **ship 'Atlas'** docked in Mauritius carrying the first batch of Indian indentured labourers.
 - This day is now observed in Mauritius as 'Aapravasi Day'.
- As a tribute to Gandhiji and the Indian freedom struggle, the National Day of Mauritius is celebrated on March 12 (the date of launch of Dandi Salt March).

Political Relation

- After independence in March, 1968, the first PM and the Father of Mauritian Nation, Seewoosagur Ramgoolam accorded *centrality to India* in Mauritius' foreign policy.
- PM Modi visited Mauritius in **2015**, as Chief Guest at the Mauritian National Day celebrations.
 - ✓ During his visit, he commissioned the *Offshore Patrol Vessel Barracuda* (financed by a Gol Line of Credit) into the Mauritian Coast Guard.
 - ✓ He also launched the construction works of the *World Hindi Secretariat*.
 - ✓ He also outlined India's *maritime cooperation* vision of **SAGAR – Security & Growth for All in the Region**.
- In **March 2018**, President of India visited Mauritius as a Chief Guest to the commemorative events marking the 50th anniversary of the independence of Mauritius.
- In **February 2021**, during the visit of Indian Foreign Minister to Mauritius, India offered a USD 100 million line of credit to Mauritius to facilitate procurement of defence assets. During this visit, the two countries also signed a *Comprehensive Economic Cooperation Partnership Agreement* (CECPA). This was India's first such agreement with an African country.

Economic Relations

- India is Mauritius' largest trading partner & the **largest exporter** of goods & services to Mauritius since 2007.
- In 2020, India represented 10% share of Mauritian total imports and ranked **3rd** in their countries of **import**.
 - ✓ The volume of exports from India to Mauritius was USD 396 million in 2020. Value of Mauritian exports to India was USD 32 million in 2020. **Trade balance is in favour of India**.
- The signing of **CECPA** will further improve trade relation.
- Mauritius was the **3rd largest source of FDI** into India during the financial year 2020-21, with FDI equity inflows amounting to USD 5.63 billion.
- **Geo-Economic**
 - ✓ As a member of the African Union, Indian Ocean Rim Association and the Indian Ocean Commission, Mauritius is a stepping stone to multiple geographies.
 - ✓ It is also a founding-member of the 'Small Island Developing States' (SIDS)

Development and Security Relations

- India and Mauritius signed an MoU in March 2015. The main focus of the pact was the development of **island of Agalega**, some 1,122 km north of Mauritius. India is planning to invest funds to the tune of \$ 18 million in all these developmental projects on Agalega Island.
- India is currently assisting Mauritius in constructing a **dedicated dockyard** to cater for a large number of vessels being inducted into the Mauritius Coast Guard.

- India, in March 2015 (during PM Modi visit), exported the first ever warship as an **Offshore Patrol Vessel 'CGS Barracuda'** to Mauritius, under a Government of India line of credit. India also handed over **10 Fast Interceptor Boats** to the National Coast Guard (NCG) of Mauritius under a line of credit agreement.

India's Assistance During Pandemic

- India launched **Mission Sagar** in May 2020, as part of the India's outreach initiative towards five Island nations in Indian Ocean, which included Mauritius, amidst the ongoing COVID-19 pandemic. Under it, India provided food items, COVID related Medicines with Medical Assistance Teams to these nations.
- In January 2021, India delivered the Made-in-India COVID-19 Vaccines (**Vaccine Maitri Initiative**).
- In August 2020, Mauritius had declared a national emergency over an oil spill near its coast. India promptly provided assistance to Mauritius in dealing with the situation.

Cultural Relations

- Out of Mauritian population of 1.3 million, **68% are of Indian descent** and with nearly 11,000 Indian currently residing in Mauritius.
- India ranks 4th in terms of Mauritian students studying in overseas tertiary education institutions.
- At **14th Pravasi Bhartiya Divas** in January 2017, Mauritius was granted a special carve-out for issuance of OCI Cards to its nationals of Indian origin. Under it, restriction on the number of generations was waived off.
- Mauritius introduced a **visa-free regime for Indian tourists** in October 2004, whereby Indian tourists visiting Mauritius for a period up to 30 days do not require a visa.

First Russian Train Carrying India-Bound Cargo Via INSTC Arrives In Iran

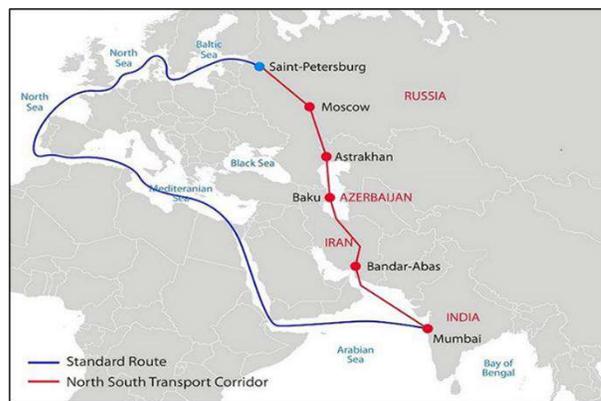
- An India-bound Russian cargo, sent by train for the **first time using the ambitious International North-South Transport Corridor (INSTC)**, has reached Iran after travelling around 3,800 km through Kazakhstan and Turkmenistan. From Iran, the cargo will be shipped to India by sea.
- Turkmenistan currently is not a formal member but is likely to have road connectivity to the corridor

International North-South Transport Corridor (INSTC)

- It is a 7,200-km-long multi-mode transport project for moving freight among **India, Iran, Afghanistan, Armenia, Azerbaijan, Russia, Central Asia and Europe**.
- Objective: To facilitate transportation between the member countries.

Potential Benefits of INSTC

- Response to Chinese BRI:** The INSTC is seen as a response to China's Belt and Road Initiative.
- Increased Connectivity & Trade:** The goods sent from Russia to India will take less than 25 days to reach. Earlier it used to take 40 days for the arrival of goods between India and Russia.
 - ✓ The route will also reduce the cost of trade between India and Russia by about 30%.
- Potential to Supplement India's Act East Policy:** From India, if this corridor were linked with South East Asian Countries, its potential would increase manifold and will further supplement India's Act East policy.
- Help Overcome Geo-Political Challenges:** It is an easiest option among the current geo-political challenges.
 - ✓ It would help India to bypass Pakistan and yet reach out to Central Asia and Russia.



- **Potential To Promote Regional Cooperation And Economic Integration** of the countries in Eurasian region with Indian ocean and Persian Gulf.
 - ✓ Already **existing rail route between Turkey – Iran** can help Indian goods to reach Turkey and beyond.

Challenges

- **Lack of full-fledged Private sector participation** from the time of its very conceptualisation.
 - ✓ The sanctions did play a role in preventing some Western multilateral companies from entering the Iranian market.
- **Lack of application of digital technologies:** Private sector shows lackluster attitude when it comes to participating in developing the corridor, and the accompanying lack in the application of digital technologies.
- **Limitations in structural design:** The present design of the INSTC is limited in terms of territorial reach and scope of scaling up businesses.
- Furthermore, there is no joint work-plan/strategic roadmap for developing the corridor and its surrounding business ecosystem.

Conclusion

- Compared to China’s Belt and Road Initiative (BRI), the INSTC is still in its nascent stages of operationalization. Nevertheless, it offers a geostrategic counter to the sprawling network of the ‘New Silk Road’.
- It also assumes special significance:
 - ✓ for India in terms of exploring diversification of energy import destinations;
 - ✓ for Iran as the main transit hub on the North-South and East-West corridors;
 - ✓ for Russia taking the lead in Eurasian trade and connectivity.

11th India–Oman Joint Military Cooperation Committee Meeting

- The 11th India–Oman **Joint Military Cooperation Committee (JMCC)** Meeting on bilateral defence cooperation was held in New Delhi
- The JMCC is the apex body between the Defence Ministries of India and Oman to comprehensively review & guide all aspects of bilateral defence cooperation.



Importance of Oman

Defence & Security

- Defence cooperation has emerged as a key pillar for robust India-Oman **strategic partnership**. Diplomatic relations were established in 1955 and the relationship was upgraded to Strategic partnership in 2008.
- Defence exchanges are guided by a Framework MOU which was recently renewed in 2021.
 - ✓ Oman is the **only country in the Gulf region** with which all three services of the Indian armed forces conduct regular bilateral exercises and staff talks. Oman also provides critical **operational support to Indian naval deployments** in the Arabian sea for anti-piracy missions.
- Bilateral **training cooperation** between the two sides is also robust. Oman forces regularly subscribe to training courses in India both at professional as well as higher command level.
- Oman also actively participates in the **Indian Ocean Naval Symposium (IONS)**.

Economic & Commercial Relations

- Institutional mechanisms like Joint Commission Meeting (JCM) and Joint Business Council (JBC) oversee economic cooperation. India is among Oman’s top trading partners.

- For Oman, India was the 3rd largest (after UAE and China) source for its imports and 3rd largest market (after UAE and Saudi Arabia) for its non-oil exports. While India's exports to Oman were valued at USD 2.26 billion, India's imports from Oman amounted USD 3.67 billion in 2019-2020.
- India-Oman Joint Investment Fund (OIJIF), a JV between State Bank of India and State General Reserve Fund (SGRF) of Oman, a special purpose vehicle to invest in India, has been operational.

Strategic Importance of Oman for India

- In order to *expand its footprint in the Indian Ocean region*, India has secured access to the key **Port of Duqm** in Oman for military use and logistical support.
- This was one of the key takeaways of PM Modi's visit to Oman in February 2018. Following this pact, the services of Duqm port and dry dock will be available for maintenance of Indian military vessels.
- This is part of **India's maritime strategy to counter Chinese influence** and activities in the region.

Importance of Duqm Port

- The Port of Duqm is situated on the southeastern seaboard of Oman, overlooking the Arabian Sea and the Indian Ocean. It is strategically located, in close proximity to the Chabahar port in Iran.
- With the India's involvement in the development of **Assumption Island in Seychelles** and **Agalega in Mauritius**, Duqm fits into its proactive maritime security roadmap.
- Importance of this port can be gauged from the fact that, in August 2017, Oman signed an **MoU with United Kingdom** that allowed the Royal Navy to use this Port.
- The agreement allows UK access to facilities at Duqm, and among the vessels that will be allowed to dock at the port is the **HMS Queen Elizabeth aircraft carrier**, the largest ship in the British Navy.

Indian Activities At Duqm Port

Defence activities

- In recent years, India had deployed an attack submarine to this port. A **Shishumar-class** submarine entered Duqm along with naval ship INS Mumbai and two P-8I long-range maritime patrol aircraft.
- The naval units were on a month-long deployment with the aim of enhancing surveillance and cooperation.

Economic activities

- The Port of Duqm also has a special economic zone, where about \$1.8 billion investments are being made by some Indian companies.
- The Adani group had signed an MoU with Duqm port authorities in recent years.
- In the context of strategic oil reserves near Duqm, India had extended an invitation to Oman to participate in building strategic oil reserves in India.

Effect of Policies & Politics of Developed & Developing Countries on India's Interests

Ranil Wickremesinghe Elected President Of Crisis-Hit Sri Lanka

Six-time Prime Minister & Acting President Ranil Wickremesinghe has been elected as President of Sri Lanka. His victory means he will serve out the rest of the presidential term until November 2024.

Why The Present Presidential Election Was Conducted

- In 2019 Sri Lankan Presidential election, Gotabaya Rajapaksa was elected as President.
- Later, the newly-elected President Gotabaya Rajapaksa named his brother, Mahinda Rajapaksa (a two-term president himself), as prime minister.

- ✓ Mahinda Rajapaksa had resigned in May 2022 amid mass protests at the government's handling of a deepening economic crisis.
- ✓ Following his resignation, Ranil Wickremesinghe was appointed as PM by Gotabaya.
- The unprecedented economic crisis in the country and subsequent widespread protests had also forced the Gotabaya Rajapaksa to resign. He left the country in disgrace, after thousands of protesters stormed his official residence.
- The procedure in such scenario is governed by the Constitution of Sri Lanka and the Presidential Elections (Special Provisions) 1981 Act.

Government Structure

- Similar to French model, Sri Lanka follows the semi-presidential system wherein both the PM and President enjoy executive power.
- Though the President of Sri Lanka is directly elected at the end of the term of five years, the process is different when a vacancy arises.

Electing A President When The Office Of President Is Vacant

- Before the succeeding President occupies office, the constitution mandates that the sitting PM (or Speaker of Parliament if the office of PM is vacant) shall become the acting President.
- New President shall be elected by the Parliament and voting for this will be conducted using a secret ballot.
 - ✓ Member of Parliament can also give their second and third preferences in their ballot paper.
- If a candidate receives more than one-half of the valid votes cast, such candidate will be declared president.
- The new President, thus elected, shall occupy office only upto the unexpired term of the resigned President.

Extra Mile

Sri Lankan Cabinet approved the **21st Amendment to the Constitution** aimed at empowering Parliament over the executive President.

Key Highlights of 21st Amendment

A. Likely To Reduce The Presidency To A Ceremonial Position

- It will retain the powers of the President on all three-armed forces.
- Almost all other key powers pertaining to governance and cabinet ministers will be handed over to the Prime Minister.
- In essence, the bill seeks to abolish the presidential system of governance. The presidential system of governance is in existence in Sri Lanka since 1978.

B. No Personal Discretion Of President in appointing or dismissing the Prime Minister.

C. Seeks To Annul The 20th Amendment And Restore The 19th Amendment

Previous Constitutional Amendments in Sri Lanka

19th amendment

- It was introduced in 2015 which curtailed the powers of the President and strengthened the role of Parliament.
- **Changes made by 19th Amendment**
 - Reduced the terms of President and Parliament from six years to five years.
 - Re-introduced a two-term limit for a person as President.
 - Ensured revival of Constitutional Council and the establishment of independent commissions.
 - Power of President to dissolve Parliament only after four and a half years
 - Prevented dual citizens from contesting elections

20th Amendment to Sri Lanka's Constitution

- The 20th amendment (20A), which replaced the 19th Amendment (19A) had again enhanced the executive powers of the President in an unprecedented way.
- The 20th amendment:
 - Abolished the independent constitutional council for a Parliamentary Council.
 - Gave electoral rights to dual citizens.
 - Reduced the Prime Minister's role to a ceremonial one.
 - Abolishes the binding limitations on presidential powers in relation to key appointments to independent institutions through the Constitutional Council.
 - It gave sweeping powers to the President to appoint individuals to key institutions.



Background of Economic Crisis in Sri Lanka

- Sri Lanka is facing the double whammy of rising prices and high debt, and its people are bearing the brunt of it as the domestic situation turns increasingly grim.
- In September 2021, Sri Lanka declared a state of **Economic Emergency** for the Supply of Essential Foods.
- ✓ It allowed the government to take control of the supply of basic food items, and set prices to control rising inflation, which spiked to 14.2% in January.
- The country is struggling under a severe foreign exchange shortage that has limited essential imports of fuel, food and medicine. As a result, Sri Lanka has plunged into the worst economic crisis since independence in 1948.

Factors Responsible for Economic Crisis of Sri Lanka

Covid 19 Pandemic

- Tourism industry which represents over **10% of the country's GDP** and **brings foreign exchange** reserve was severely hit
- It also led to production shortages and logistical bottlenecks.

Increase in foreign exchange rate

- With the supply of **foreign exchange drying up**, the value of the Sri Lankan rupee started **depreciating** which made the imports costlier
- The island nation imports a large part of its food supplies. So, the **price of food items has risen** in tandem with the depreciating rupee.

Push for Organic Agri-Products

- Sri Lanka wants to become the **first country in the world with an agriculture sector that is 100% organic**. Govt has banned the use of chemical fertilisers in farming. This has further aggravated the crisis by **dampening agricultural production**.

Role of Speculators

- Speculators are causing rise in food prices by hoarding essential supplies.

Support Extended By India

- As first responder, India's recent economic aid stands at USD 3.5 billion.
- India sent a shipment of 11000 MT of rice ahead of the New Year celebration by the people of Sri Lanka.
- In March 2022 India extended a \$1 billion credit facility to Sri Lanka, which will ensure that the government can procure food, medicines, and other essential commodities.
- This was following a previous \$500 million line of credit in February 2022 to help it purchase petroleum products. In addition to this, India has already supplied 270000 MT fuel to Sri Lanka.
- In November 2021, India had given 100 tonnes of nano nitrogen liquid fertilizers to Sri Lanka.
- RBI has extended a currency swap of \$400 million and deferred payments owed by the central bank of Sri Lanka worth several hundred million dollars.

India's Response On Current Development

- **India Treading With Caution:** India has decided to monitor how the current Lankan political and military leadership handles the crisis.
- **Trade Transactions With Lanka To Be Settled Outside ACU**
 - ✓ RBI has announced that all eligible current account transactions including trade transactions with Sri Lanka may be settled in any permitted currency outside the Asian Clearing Union (ACU) mechanism. Earlier in May 2022, RBI allowed trade with Sri Lanka to be settled in rupees outside the ACU mechanism.

- ✓ It will help Sri Lanka in saving its depleting foreign exchange reserves which stood at a mere \$1.89 billion at the end of May 2022.

US-Led Critical Minerals Alliance - Minerals Security Partnership

- India is concerned that it is not finding a place in the Minerals Security Partnership.
- The Finance Ministry have communicated with the Ministry of External Affairs to explore the possibility of how New Delhi can join the 11-member group.

Minerals Security Partnership (MSP)

- It is an ambitious new US-led partnership to secure supply chains of critical minerals, aimed at reducing dependency on China.
 - ✓ There is no global definition of critical minerals, but essentially, they are mineral deposits with high economic vulnerability and high global supply chain risk.
- The partnership was announced at the world's largest mining event, held in Toronto.
- MSP partner countries include Canada, Australia, Finland, Germany, France, Japan, Republic of Korea, Sweden, UK, US, and European Commission.
- **Goal of the MSP** is to ensure that critical minerals are produced, processed, and recycled in a manner that supports the ability of countries to realize the full economic development benefit of their geological endowments. It will help catalyse investment from governments and the private sector for strategic opportunities —across the full value chain.

Why India Has Not Been Included In The Partnership So Far

- It is because the **country does not bring much expertise to the table**.
- In the group, countries like Australia and Canada have reserves and also technology to extract them and countries like Japan have the technology to process.

Why India Wants To Join The Partnership

1. Critical Minerals Are Necessary For India's Growth

- India's growth strategy is powered by an ambitious shift in the mobility space through the conversion of a large part of public and private transport to electric vehicles (EVs).
- This, alongside a coordinated electronics manufacturing push, underlines the need to secure the supply of critical minerals.

2. MSP Has Potential To Revamp Supply Chain Of Critical Minerals

The new grouping could focus on the supply chains of minerals such as Cobalt, Nickel, Lithium and also the 17 rare earth (RE) minerals.

- ✓ Cobalt, Nickel and Lithium are required for batteries used in EVs
- ✓ Rare earth minerals are critical, in trace amounts, in the semiconductors and high-end electronics manufacturing.

3. MSP as an Alternative to China

- Currently, China has created processing infrastructure in rare earth minerals and has acquired mines in Africa for elements such as cobalt.
- The partnership is also seen as a part of a global '**China-plus-one**' strategy adopted post the Covid-19 pandemic that caused massive supply-chain disruptions.
 - ✓ The strategy also known as Plus One, is the business strategy to avoid investing only in China and diversify business into other countries.

India and Rare Earth (RE) Metals

- Rare earth comprises 17 elements and are classified as **light RE elements (LREE)** and **heavy RE elements (HREE)**.
- Some RE are available in India such as Lanthanum, Cerium, Neodymium, Praseodymium and Samarium.
 - ✓ India has the world's 5th-largest reserves of rare earth elements, nearly twice as much as Australia
- Others such as Dysprosium, Terbium, Europium that are classified as HREE are not available in Indian deposits in extractable quantity.
- Hence, there is a dependence on countries such as China for HREE, which is one of the leading producers of RE with an estimated 70% of the global production.
- In mid-2020, India, through a newly floated state-owned company, had signed an agreement with an Argentinian firm to jointly prospect lithium.
 - ✓ The State-owned company, **Khanij Bidesh India Ltd**, was incorporated in August 2019.
 - ✓ Its mandate is to acquire strategic mineral assets such as lithium and cobalt abroad.

CAATSA Sanctions Waiver To India

- US House of Representatives approved legislation recommending an **India-specific waiver** for the **Countering America's Adversaries Through Sanctions Act (CAATSA)**.
- The amendment urges the Biden administration to use its authority to provide India with a CAATSA waiver to help deter aggressors like China.
- The President does not need legislative approval for a waiver. He has the executive authority to do so. However, Congressional support helps in keeping with the spirit of one president who once sought legislative cover for action.

Countering America's Adversaries Through Sanctions Act (CAATSA)

- In August 2017, President Donald Trump signed into law **which specifically targets Russia, Iran, and North Korea**, known as CAATSA.
- Title II of the Act primarily deals with sanctions on Russian interests such as its **oil and gas industry, defence and security sector, and financial institutions**, in the backdrop of its military intervention in Ukraine and its alleged meddling in the 2016 US Presidential elections.
- The act empowers the US President to impose at least five of 12 listed sanctions on persons engaged in a "**significant transaction**" with the Russian defence and intelligence sectors.
- Basically, this law was meant to punish countries having deep engagements with Russia, North Korea, and Iran using economic sanctions.



Waivers Under CAATSA

- The act said countries having a "**significant transaction**" with Russian intelligence and military agents will be subject to at least five kinds of sanctions.
- Hence, ordinary transactions will not invite sanctions and the imposition of sanctions comes down to the interpretation of significant transaction. **This leaves the scope of waiver.**
- Other exemptions mentioned include the transaction not affecting US strategic interests, not endangering the alliances it is a part of, etc.

CAATSA and India

- In 2018, India purchased S-400 missile system from Russia and in November 2021 the delivery of this missile system began.
 - ✓ India had signed a \$5 billion deal with Russia to buy **five units** of S-400 defence missile systems.

- In July 2018, the US communicated that it was ready to grant India (along with Indonesia and Vietnam) a waiver on the CAATSA sanctions.
 - ✓ Moments after India and Russia signed the deal, the US embassy in India said that the US sanctions were aimed to punish Russia, not to damage military capabilities of 'our allies'.
- However, off late, US seems to have changed its stand as Washington told India it was unlikely to get a waiver from CAATSA.
 - ✓ Last year, US sanctions were imposed on Turkey and China over the procurement of S-400 missiles systems. Hence, there were renewed apprehensions that US may impose similar punitive measures on India.
- So far, **US had never categorically stated whether CAATSA would apply to India.**
 - ✓ Also, citing the strategic defence partnership between the two countries, India was confident of getting a waiver from CAATSA.

Why India Need This

- India must have the capability to thwart missile attacks from the two likeliest quarters, Pakistan and China.
- Beijing signed a deal with Moscow in 2015 to buy six battalions of the S-400 system, and deliveries began in January 2018.
- While the Chinese acquisition has been seen as a “gamechanger” in the region, the concern for India is limited because of the system’s range.
- However, the S-400 can play a crucial role in case of a two-front war.
- While the 36 Rafales armed with Meteor and Scalp missiles being inducted by IAF are primarily meant for an offensive role, the S-400 systems are defensive in nature.

Regional & Global Groupings/Agreements

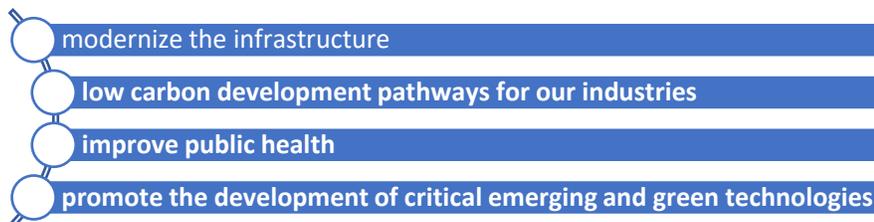
First Leaders’ Summit of I2U2

The **first** Leaders’ Summit of I2U2 (India-Israel-UAE-USA) was held virtually in July 2022. PM Modi, along with PM of Israel, President of the UAE and President of USA, participated in the Summit. The grouping is termed as “new Quad” or “middle eastern quad”

Key Highlights Of The Summit

1. Objective Of The Summit

To encourage joint investments in **6 mutually identified areas** such as water, energy, transportation, space, health, and food security. It intends to mobilize private sector capital and expertise to help:



2. Focused On Food Security Crisis And Clean Energy

- The UAE will invest \$2 billion USD to develop a series of integrated food parks across India. India will provide appropriate land. U.S. and Israeli to lend their expertise and offer innovative solutions. These parks will

incorporate state-of-the-art climate-smart technologies to reduce food waste and spoilage, conserve fresh water, and employ renewable energy sources.

- I2U2 Group will advance a hybrid renewable energy project in India's Gujarat State. The project is consisting of 300 MW of wind and solar capacity complemented by a battery energy storage system.

3. **AIM For Climate**

- The participating leaders welcomed India's interest in joining the United States, UAE, and Israel in the **Agriculture Innovation Mission for Climate initiative** (AIM for Climate).
- The **AIM for Climate/ AIM4C** is a joint initiative by US and UAE. It was launched in November 2021, on the sidelines of CoP26.
- It seeks to address climate change and global hunger by uniting participants to significantly increase investment in climate-smart agriculture and food systems innovation over five years (2021 – 2025).

Factors Responsible for New Grouping

Abraham Accord

- The new grouping was possible only after the resumption of formal diplomatic relations between **Israel and the UAE**, through the Abraham Accord.
- Under the Abrahamic accords promoted by the Trump Administration, the **UAE, Bahrain, Sudan and Morocco** set up formal ties with **Israel in 2020.**

Tackling Turkey's Regional Dominance

- The new Quad can be termed as a result of converging interests between India, UAE, and Israel amidst Turkey's assertive claims for the leadership of the Islamic world.

US Pivot to Asia

- The summit comes at a time when US is seeking to lessen its footprint in the Middle East as part of its **pivot to East Asia to tackle China's rise**

Benefits for India

- I. **More Flexibility To India In The Region:** India has always supported peace and stability in West Asia which is considered as India's extended neighbourhood. The new "Quad" will give India the flexibility to engage more freely with Israel and India's partners in the Gulf region. This grouping is also a strong manifestation of the changes in West Asian geopolitics.
- II. **Diplomacy Shifts From Bilateral To Regional Mechanism**
 - This platform strengthens India's strategic desire to adopt a regional foreign policy strategy towards West Asia, transcending its bilateralism.
 - Earlier, there were three pillars to India's West Asia policy:

```
graph LR; A[Sunni Gulf monarchies] --- B[Israel]; A --- C[Iran]; B --- C;
```
 - However, with Abraham Accord, the gulf between Sunni kingdoms and Israel is being narrowed.
 - As a result, India faces fewer challenges to a regionalist approach.
- III. **Strategic Interests**
 - While Israel is a trusted defence partner of India, UAE is amongst the top oil exporters to India.
 - With India undertaking an overhaul in its defence infrastructure and the critical energy scenario prevailing in the world, this engagement is quite significant
- IV. **Technological Hubs:** Each of these countries is a technological hub. Biotechnology is prominent in each of these countries as well.

Conclusion

- India's participation in the West Asian Quad brings Delhi in line with other major powers including Europe, China, and Russia to try and engage all parties in the region.
- However, India should also maintain its strong relations with **Iran** to keep a check on the Afghan Taliban and needs a careful balancing act in the Middle East to secure its long-term strategic interests.
- The I2U2 sets the stage for a new and dynamic phase in India's relations with the Middle East.

Bangladesh, India, Nepal To Move Ahead On MVA Pact

India, Bangladesh and Nepal have finalised an enabling MoU for implementing Bangladesh-Bhutan-India-Nepal Motor Vehicles Agreement (**BBIN-MVA**).

Key Highlights

- The enabling MoU was finalised at a meeting held in New Delhi recently. **Bhutan participated in the meeting as an observer.**
- Since Bhutan has not ratified the agreement, the implementing MoU was finalised pending ratification of MVA by Bhutan. The enabling MOU is to be signed by India, Bangladesh and Nepal for implementation of the BBIN MVA.
- The meeting also finalised the wording of **two separate protocols on passenger and cargo movement.**
- Operationalising the MVA by concluding *the Passenger and the Cargo Protocol* will help realise the full potential of trade and people to people connectivity.

About BBIN-MVA

- To boost sub-regional connectivity, BBIN-MVA was signed during Transport Ministers' meeting in **Thimpu in 2015**.
- This agreement was signed for seamless transit of passenger and cargo vehicles among the four countries.
- As per the agreement, member countries would allow vehicles registered in the other countries to enter their territory under certain terms and conditions.

Benefits

| | |
|---|--|
| Efficient Land Transport Connectivity | <ul style="list-style-type: none">•The agreement will lead to creation of transportation infrastructure, which would permit unhindered movement of passenger and cargo vehicles among the implementing members. |
| People to People Contact | <ul style="list-style-type: none">•This will help in increasing people to people contact |
| Economic Integration | <ul style="list-style-type: none">•Cargo vehicles do not have to be changed at the border. This will reduce the cost of transportation & will make the goods more competitive.•It is expected that ties will be strengthened between Bhutan with Nepal, Bangladesh and India. Trade ties with Bangladesh will be intensified, with India allowing transit to Bangladesh for trade with Bhutan.•World Bank that has estimated that the implementation of MVA will potentially see increase in traffic-regional trade within South Asia by nearly 60%. |
| Larger Objectives of Act East Initiative | <ul style="list-style-type: none">•The BBIN MVA would also fulfil the larger objectives of India's 'Act East' initiative, with the northeast becoming the springboard for India's connectivity with Southeast Asia. |

Challenges

- **Bhutan has not yet ratified** the agreement.

- At present, the roads connecting the BBIN countries are in a **poor state**. Moreover, there needs to be *multi-modal connectivity*, specifically, the use of rail connectivity in conjunction with road connectivity.
- The **procedural issues** around the MVA include infrastructural facilities, issues related to customs and tariffs, passenger volumes, e-visa and visa-on-arrival schemes.
- There also needs to be **sufficient infrastructural arrangements** such as integrated check-posts.
- **Environmental and social challenges**: In the construction of roads, there are certain costs that will likely be borne by surrounding communities who will need to be relocated.
- **Cross-border connectivity** also poses security challenges. The borders between BBIN countries are porous, especially those that India shares with Bangladesh, Bhutan and Nepal.

Role of Asian Development Bank (ADB)

- ADB has been providing technical, advisory, and financial support to the BBIN MVA.
- This is being done as part of its assistance to the South Asia Sub regional Economic Cooperation (SASEC) program.

Bhutan's Position

- The original BBIN MVA was signed by all four countries in June 2015. Later, it was ratified by Bangladesh, India and Nepal.
- However, after objections in Bhutan over sustainability and environmental concerns, the Bhutanese parliament decided **not to endorse the plan**.

- **Bhutanese suspicion has been that the pact will overwhelm the smallest country in South Asia with traffic, tourists and pollution.**
- **Bhutan's top priority is to remaining a carbon-negative country.**
- **Bhutan's current infrastructure will not be able to sustain the heavy vehicular movement.**

- Former PM Tobgay Tshering's government agreed to allow the other three countries to go ahead with the project for vehicular movement (BIN-MVA) in 2017.
- Until Bhutan ratifies, it attends the BBIN meeting in an observer capacity.

Progress On BBIN-MVA So Far

- Several trial runs being held along the Bangladesh-India-Nepal road route for passenger buses and cargo trucks. However, progress on the 7-year old project has been slow.
- There are still some agreements holding up the final protocols. This includes issues like Insurance and bank guarantees, size and frequency of freight carriers into each country.
- This is expected to be finalised this year before operationalizing bus and truck movements.

Indian Diaspora

India Tops in Remittance

The first WHO "World report on the health of refugees and migrants" was released.

Key Findings

- In 2021, India was the top remittance recipient (\$87 billion nearly 2. 75% of GDP) among low- and middle-income countries.

- ✓ It recorded a marginal decline of 0.2% in 2020 and a growth of 8% in 2021.
- ✓ For India, remittances peaked at 4% of GDP in 2009.
- Remittances in India were way ahead of China and Mexico's 53 billion\$, the Philippines (36 billion\$) and Egypt (33 billion\$) - the other four countries in top five.
- The **United States** was the **largest source country** for remittances, followed by United Arab Emirates, Saudi Arabia and Switzerland.
- In many low- and middle-income countries, migrants stepped up their support to families back home, especially to countries affected by the spread of the COVID-19 Delta variant.
- In most other areas, remittances have also recovered strongly, registering growth of 5-10% in Europe and Central Asia, the Middle East and northern Africa, southern Asia and sub-Saharan Africa.
- The key contributing factors are the willingness of migrants to support their families in times of need, together with the fiscal stimuli and employment support programmes implemented in the United States and European destination countries.
- In the Gulf Cooperation Council countries and the Russian Federation, the recovery of outward remittances was also facilitated by stronger oil prices and the resulting pickup in economic activity.

As per an **RBI article** remittances from the US (23% of total inward remittances in 2020-21) have surpassed that of UAE (17-18%)

State-wise share

- The share of the traditional remittance recipient states of Kerala, Tamil Nadu and Karnataka, has almost halved in 2020-21. These states had strong dominance in the Gulf countries.
- These states accounted for only 25% of total remittances in 2020-21 compared to over 42% in 2016-17.
- Now, Maharashtra has emerged as the top recipient state surpassing Kerala. Maharashtra now accounts for almost 35% of the total remittances in 2020-21.

Significance of Remittance

- It is a sum of money sent to another party, usually in another country.
- It is an important and positive economic result of migration for migrants themselves and for family and friends remaining in their home countries.
- It accounts for a large fraction of the global movement of funds. Despite predictions that remittances would fall due to COVID-19, remittances proved to be resilient.
- It now stands at more than threefold above official development assistance and are more than 50% higher than FDI, excluding in China.

Extra Mile

Total Outward Remittances

- Total outward remittances under the RBI's Liberalised Remittance Scheme (LRS) shot up to an all-time high of \$19.610 billion in the year ended March 2022 due to more spending on international travel and overseas education and gifts .
- It was \$12.684 billion in the year ended March 2021.
- Investments in overseas equity and debt by Indians also shot up to \$746.5 million in FY22 as against \$471.80 million in the previous year.

Liberalised Remittance Scheme (LRS)

- Brought out by the RBI in **2004**, it allows resident individuals to remit a certain amount of money during a financial year to another country for investment and expenditure.

- According to prevailing regulations, resident individuals may remit up to \$250,000 per financial year.

Restrictions Under LRS

- Buying and selling of foreign exchange abroad, or purchase of lottery tickets or sweep stakes, proscribed magazines and so on,
 - ✓ Any items that is restricted under Schedule II of Foreign Exchange Management (Current Account Transactions) Rules, 2000.
- Also, one cannot make remittances directly or indirectly to countries identified by the **Financial Action Task Force** as non-co-operative countries and territories.

PAPER 3

ECONOMIC GROWTH AND DEVELOPMENT

Indian Economy & Issues Relating to Planning, Mobilization of Resources, Growth, Development & Employment

Mobilisation Of Resources

Direct Tax Collections Grow By 45%

- The figures of Direct Tax collections for the Financial Year 2022-23, show that net collections are at Rs 3,39,225 crore, compared to Rs 2,33,651 crore in FY 2021-22 – an increase of 45%.
- The Net Direct Tax collection mainly includes Corporation Tax (CIT) at Rs. 1,70,583 crores and Personal Income Tax (PIT) including Security Transaction Tax (STT) at Rs. 1,67,960 crores.

Significance of Direct tax

- **Equity:** Direct taxes are based on the principle of ability to pay, so the equity or justice in the allocation of tax burden is well secured
- **Progressive:** Since direct taxes can be designed with fine gradation and progressiveness, they can serve as an important fiscal instrument of reducing the *gap of inequalities* in income and wealth thereby maintaining social equality.
- **Productive:** Revenue from direct taxes increases or decreases automatically with the change in the national income or wealth of the country.
- **Certainty:** Compared to indirect taxes, direct taxes are more exact and precise in estimating the revenue. Further, in direct taxes, the taxpayer knows how much he has to pay and the State can estimate the yields correctly.
- **Economy:** Being collected annually in lump-sum, the administrative cost of such collection will be minimum as compared to the indirect taxes, which are collected at short intervals (usually, quarterly), and which involve a high cost of collection. Further, chances of tax evasion are also minimised when they are collected at source (TDS/TCS).
- **Educative** It creates a civic sense among the taxpayers and because of the direct burden of taxes they become conscious and keep vigil on how the public income is spent by the government.
- **Anti-inflationary:** The excessive purchasing power during inflation can be mopped up from the community through increased direct taxes.

Virtual Digital Assets: Norms Laid Out For Tax Deduction

- The Central Board of Direct Taxes (CBDT) has recently issued detailed guidelines on the tax deducted at source (TDS) rule for virtual digital assets (VDAs) such as crypto-currencies.
- It lays out the various scenarios on how the tax will be applicable and who will bear the onus to deduct it.
- With the addition of **Section 194S** to the Income-tax Act via the Finance Act of 2022, **1% TDS will be levied on transfers of VDAs** beginning July 1, if the value of transactions exceeds Rs 10,000 in a year.
- The government (in the Budget 2022-23) has proposed to issue a Digital Rupee or **Central Bank Digital**

Currency (CBDC), in the fiscal year 2022-23.

Guidelines Laid Down By CBDT

- In various cases, the CBDT has defined who is responsible for deducting the tax.
 - ✓ **For example**, if a VDA transfer occurs on or through an exchange and the VDA being transferred is not owned by the exchange, tax may be deducted by the exchange when it pays the seller.
 - ✓ This mainly deals with situations where the transfer of a VDA is being made against money.
- The CBDT has also provided examples of cases in which a VDA is transferred in exchange for another VDA.
 - ✓ **For example**, if two different cryptocurrencies, such as Bitcoin and Ether, are exchanged, both parties are considered buyers and sellers.
 - ✓ As a result, both will have to pay tax on the cryptocurrency transfer.
 - ✓ In these cases, the guidelines also allow exchanges that facilitate such transactions to deduct tax.
- Additionally, the CBDT has defined **four primary VDAs** - Bitcoin, Ether, USD Tether and USD Coin, for the purpose of tax deduction on lesser-known cryptocurrencies.

First Impression On These Guidelines

- In general, the responsibility for deducting TDS has been placed on the exchanges, which will increase their regulatory and compliance burden.
 - ✓ The exchanges must also disclose these transactions in their tax returns and keep a proper trail.
- However, both buyers and sellers would benefit from this. Because they can enter into contracts with the exchange for passing the responsibility to deduct tax on their behalf in VDA-to-VDA transfers or otherwise.
- However, several of the CBDT's recommendations, particularly those concerning the documents required (agreements, challans, undertakings, etc.) to be maintained between the transacting parties, may be impractical.

HOW WILL DIGITAL/VIRTUAL ASSETS BE TAXED

- Any income from transfer of such assets will be taxed at 30%
- No deduction permitted while calculating income, except cost of acquisition
- Loss from such transfer can't be set off against any other income
- 1% TDS applicable on payment for such transfer (on amount above a specified threshold)
- Gift of these assets taxable in the hands of recipient



Measures To Boost Foreign Exchange Inflows

The RBI recently announced a series of steps to prevent the rupee's slide against the dollar and boost foreign exchange inflows.

Measures

Exemption from CRR & SLR on Incremental Foreign Currency Non-Resident (Bank) FCNR(B) and Non-Resident (External) Rupee (NRE) Term Deposits

- Currently, banks are required to include all FCNR (B) and NRE deposit liabilities to calculate the Net Demand and Time Liabilities (NDTL) for maintenance of statutory requirements such as cash reserve ratio (CRR) and statutory liquidity ratio (SLR).
 - ✓ FCNR(B) are **foreign currency non-resident deposits** (denominated in foreign currency), while NRE deposits are **non-resident external deposits** (rupee denominated)
- Incremental FCNR(B) and NRE deposits raised between 1 July and 4 November 2022, will be exempt from the maintenance of CRR and SLR.

Interest Rates on FCNR(B) and NRE Deposits

- RBI also removed the ceiling on interest rates on FCNR(B) & NRE Deposits between 7 July -31 October.

- These relaxations will allow non-residents to get better returns, attracting foreign funds to the domestic banking system.

External Commercial Borrowings (ECBs)

- The RBI has decided to temporarily increase the limit under the automatic route for external commercial borrowing (ECB) from US\$ 750 million per financial year to US\$ 1.5 billion.

FPI Investment In Debt

- Currently, all central government securities (G-Secs) with 5-year, 10-year and 30-year tenors are categorized as “specified securities” under the Fully Accessible Route (FAR).
- To increase the choice of G-Secs available for investment by non-resident investors under the FAR, the RBI has been decided that all new issuances of G-Secs of 7-year and 14-year tenors, will be designated as specified securities under the FAR.
- At present, FPI investment in government and corporate debt under the MTF (Medium Term Framework) is subject to a macro prudential short-term limit.
 - ✓ That is, not more than 30% of investments each in government securities and corporate bonds can have a maturity of less than one year.
- It has been decided that investments by FPIs in government securities and corporate debt made till October 31, 2022 will be exempted from this short-term limit.

Foreign Currency Lending

- Further, category-1 banks can utilise overseas foreign currency borrowing (OFCBs) for lending in foreign currency to entities for a wider set of end-use purposes, except the negative list set out for ECBs.
- The measure is expected to facilitate foreign currency borrowing by a larger set of borrowers who may find it difficult to directly access overseas markets.

Surety Bonds

To boost private sector capital expenditure in infrastructure, the Budget has allowed the use of surety bonds as a substitute for bank guarantee in government procurements.

Need For Surety Bonds

- A contract requires the developer to provide various bonds during the life cycle of a project, which together may account for up to 20% of the total project cost.
- Currently, 100% of the guarantee requirements for infrastructure sector are catered to by banks. These guarantees are an inefficient way of doing business as they block a lot of working capital from a contractor.

Surety Bond

- It is a **legally binding tripartite agreement** signed between the **principal, obligee and the surety**.
- Simply put, the surety is provided by an insurance company on behalf of a principal or contractor to the obligee or government entity awarding the project.
- When a principal breaks a bond’s terms, the harmed party can make a claim on the bond to recover losses.
- Surety bonds are a favoured financial instrument in several developed western economies.

| Advantages | Issues With Surety Bonds |
|---|--|
| <ul style="list-style-type: none"> • Since contractors do not have to offer collateral money in surety bonds, it will <u>help to reduce indirect cost for suppliers and work contractors</u> which can help them to participate in | <ul style="list-style-type: none"> • According to insurance experts, surety bonds are risky and <u>insurance companies in India are yet to achieve expertise in risk assessment</u> in such |

other projects at the same time.

- It can reduce the initial project cost and improve the overall project viability by reducing the risks due to cost overrun, project delays and poor contract performance.
- Surety bonds tend to be in force for the life of the project, while bank guarantees have to be renewed periodically.
- More importantly, bank guarantees are unconditional and payable on demand, while surety bonds can be reimbursed like an insurance policy if the claim is valid.
- Adoption of surety bonds will result in enhanced participation by contractors in project bids resulting in more efficient price discovery.
- There is no clarity on pricing, the options available against defaulting contractors and whether surety bonds will get the required reinsurance support.
- Thus, the use of surety bonds as a substitute for bank guarantees is likely to take time for implementation by the insurance industry.

IRDAI Guidelines

- The IRDAI (Surety Insurance Contracts) Guidelines, 2022 has come into effect from April 1, 2022.
- The insurers is required to have a board-approved underwriting philosophy for surety insurance business.
- Surety Insurance Contracts may be offered to infrastructure projects of government/private in all modes.
- The surety contracts will include advance payment bond, bid bond, contract bonds, customs and court bond, performance bonds and retention money.
- Surety insurance contracts shall be issued only to specific projects and **not clubbed** for multiple projects. Also, the limit of guarantee should not exceed 30% of the contract value.
- Premium charged for all surety Insurance policies underwritten in a financial year, including all instalments due in subsequent years for those policies, should **not exceed 10% of the total gross written premium** of that fiscal, subject to a maximum of **₹500 crore**.

Further, the contracts should not be issued where the underlying assets or commitment are outside the country.

Banking Sector & NBFCs

RBI Issues Guidelines To Regulate Digital Lending

- RBI issued the first set of guidelines for digital lending in order to combat illegal activities by certain players.
- This is in response to the recommendation of the Working Group on Digital Lending (WGDL) constituted in 2021, which recently submitted its report.

Digital Lending

Digital lending (DL) is the process of availing credit online. It involves lending through web platforms or mobile apps, utilising technology in customer acquisition, credit assessment, loan approval, disbursement, recovery and associated customer service.

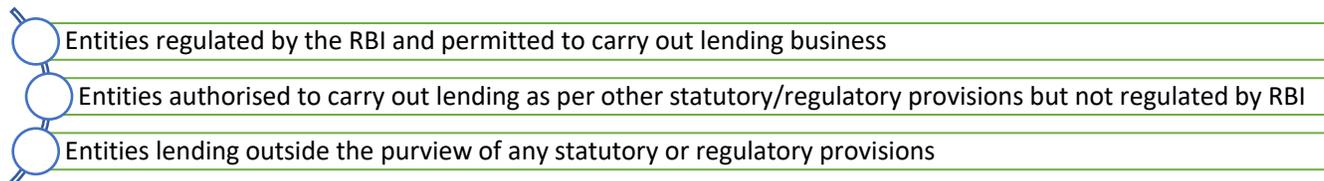
Need Of New Guidelines

- DL's increased popularity amongst new-age lenders can be attributed to expanding smartphone penetration, credit range flexibility and speedy online transactions.
- It includes products like Buy Now, Pay Later (BNPL), which is a financing option (or simply a short-term loan product).
- There are many gaps that are existent in this model of lending. **For example,**

- ✓ There have been instances of unethical behaviour, such as unauthorised lenders providing credit to customers without any collateral, charging exorbitant interest rates and unethical recovery practices.
- ✓ Unrestricted engagement of third parties, mis-selling, breach of data privacy, unfair business conduct.

Key Highlights Of The New Digital Lending Norms

The RBI has classified the universe of digital lenders into three groups:



- The latest regulatory framework is focussed on the digital lending ecosystem of RBI's regulated entities (REs) and the Lending Service Providers (LSPs) **engaged by them** to extend credit facilitation services.
 - ✓ REs are entities regulated by RBI, such as a bank or a NBFC.
 - ✓ LSP is an agent of a balance sheet lender who carries out one or more of the lender's functions in customer acquisition, pricing support, etc.
 - Balance sheet lender undertakes balance sheet lending/portfolio lending - where the platform entity provides a loan directly to a consumer or business borrower.
 - It is different from peer-to-peer (P2P) lending in which the **platform does not lend** to the borrower. The platform links borrowers with investors.
 - On the other hand, in balance sheet lending, the balance sheet lender assumes the risk itself.
 - ✓ The majority of LSPs are non-recognized and thus unregulated by the RBI or others, resulting in the majority of digital loans emanating from them.
- However, the lenders in the other categories do not come under the new guidelines and can consider formulating appropriate rules and regulations on digital lending based on the recommendations of the working group
- According to new rules, all loan disbursements & repayments must be made between the borrower's bank account & the REs, with no pass-through or pool account of the LSPs or any third party.
- The new rules require that any fees or charges owed to LSPs during the credit intermediation process be paid directly by the bank or NBFC rather than the borrower.
- A standardised Key Fact Statement (KFS) must be provided to the borrower before executing the loan contract.
 - ✓ It also includes a cooling-off period in the loan contract, during which borrowers can exit digital loans by paying the principal and the proportionate annual percentage rate without penalty.
- All-inclusive cost of digital loans in the form of Annual Percentage Rate is required to be disclosed to the borrowers.
- The new norm prohibits any automatic increase in credit limit without the explicit consent of the borrower.
- To protect **data privacy**, the data collected by digital lending apps has to be need-based, with the customer's prior consent, and can be audited, if required.
- Banks must ensure that they, as well as the LSPs they employ, have a **suitable nodal grievance redressal officer** to deal with digital lending-related complaints.
 - ✓ Current guidelines allow borrowers to file a complaint with the RBI's Integrated Ombudsman Scheme if their complaint is not resolved by the bank within 30 days.
- **Reporting of Loans:** REs are required to ensure that **any lending done through Digital lending apps (DLAs) has to be reported to** Credit Information Companies (CIC), irrespective of its nature or tenor.
 - ✓ More importantly, lending through the Buy Now Pay Later (BNPL) model also needs to be reported to CICs.

Co-lending Model (CLM)

The State Bank of India (SBI) recently signed an agreement with Adani Capital, a Non-Banking Financial Company (NBFC) to form a **Co-Lending partnership**. Similar such Co-lending partnerships between banks and NBFCs have been struck over the past year.

Background

- In 2018, the RBI had announced 'co-origination of loans' by banks and NBFCs for lending to the priority sector. The arrangement required **joint contribution of credit** by both the lenders and sharing of risks and rewards.
- Subsequently, to better utilize the respective advantages of the banks and NBFCs, the RBI launched the **Co-Lending Model (CLM) scheme in November 2020**.
- CLM was an improvement over the co-origination model as it provided greater operational flexibility to the lending institutions.
- CLM's primary aim is to improve the flow of credit to the **unserved and underserved** segment of the economy at an affordable cost. This happens as banks have lower cost of funds and NBFCs have greater reach beyond tier-2 centres.

Details of CLM

- Under CLM, banks are permitted to co-lend with all registered NBFCs (including **Housing Finance Companies**) based on a **prior agreement**.
- NBFCs have to retain at least 20% share of the individual loans on their books. The remaining loan is maintained on the books of the bank involved.
- NBFCs act as the single point of interface for the customers and a tripartite agreement is done between the customers, banks and NBFCs.
- All transactions (disbursements/ repayments) between the banks and NBFCs have to be routed through an **escrow account** maintained with the banks, in order to avoid inter-mingling of funds.

Issues With The Model

- Some of the main hurdles have been **IT integration of systems** as both banks and NBFCs operate on different systems, different underwriting processes and parameters.
- Most of these arrangements are with NBFCs that have **sizeable distribution** but are low on capital. Most of the mid-sized well-rated NBFCs still opt for term loans over entering into CLMs, to avoid complexities around integration and processes.

While the RBI has referred to "the greater reach of the NBFCs", the **small NBFCs with 100-branch networks** will fall short in serving underserved and unserved segments.

- Beyond technology challenges, the **sustainability of the model** is also not yet clear. Entering into an agreement is one thing, but to emerge as a functional model it will have to prove its sustainability over a longer period.
- As NBFCs act as the single point of interface for customers this leads to a scenario where the bank funds the major part of the loan but the NBFC decides the borrower. Moreover, as banks have to bear 80% of the risk, it can worsen the problem of NPAs in case of defaults.
- While the RBI hasn't officially allowed the entry of big corporate houses into the banking space, NBFCs — mostly floated by corporate houses — were already accepting public deposits.
 - ✓ Now, the CLM model provides them more opportunities for lending.
- This has come at a time when four big finance firms — IL&FS, DHFL, SREI and Reliance Capital — which collected public funds, have collapsed in the last three years despite tight monitoring by the RBI.

Way Ahead

- The real gap of credit exists with the segments such as small and medium businesses, credit to lower and middle-income groups, rural areas, etc.
- By addressing challenges around tech integrations and ground-level executions, CLM will be able to improve lending to these sections and lead to greater financial inclusion.

Employment

Global Employment Trends for Youth 2022 Report

Recently, the International Labour Organisation (ILO) has released the *Global Employment Trends for Youth 2022 report*. It provides an update on key youth labour market indicators and trends.

Key Highlights of the Report

| | |
|---|---|
| Impact of COVID-19 Pandemic | <ul style="list-style-type: none"> ○ The pandemic has exacerbated the numerous labour market challenges facing those aged 15-24 years, who have experienced a much higher percentage loss in employment than adults ○ The <u>total global number of unemployed youths is estimated to reach 73 million in 2022</u>, a slight improvement from 2021 (75 million) but still 6 million above pre-pandemic level |
| Gender Gap | <ul style="list-style-type: none"> ○ Young women are worse off than young men, exhibiting a much lower employment-to-population ratio (EPR). ○ <u>In 2022, 27.4% of young women globally are projected to be in employment, compared to 40.3% of young men.</u> ○ This means that young men are almost 1.5 times more likely than young women to be employed. |
| Regional Differences | <ul style="list-style-type: none"> ○ High income countries are the only ones expected to achieve youth unemployment rates close to those of 2019 by the end of 2022. ○ Meanwhile, in between low- and middle-income countries, the unemployment rates are projected to remain more than 1% point above their pre-crisis values. |
| Green and Blue Future | <ul style="list-style-type: none"> ○ On the positive side, young people were well-placed to benefit from the expansion of the so-called green and blue economies, centred around the environment and sustainable ocean resources respectively. ○ The study said an additional 8.4 million jobs could be created for young people by 2030 through green and blue investments, notably in clean and renewable energies, sustainable agriculture, recycling and waste management. |
| Broadband Coverage & Healthcare Sector | <ul style="list-style-type: none"> ○ The report estimates that achieving universal broadband coverage by 2030 could lead to a net increase in employment of 24 million new jobs worldwide, of which 6.4 million would be taken by young people. ○ The report also estimates that investments in care sectors would create 17.9 million more jobs for young people by 2030. |

Key Findings w.r.t. India

- In India, the youth employment participation rate declined by 0.9% points over the first nine months of 2021 relative to its value in 2020. The situation is particularly severe for very young people aged 15-20 years.
- In India, the school closures lasted 18 months and among the 24 crore school-going children, only 8% of such children in rural areas and 23% in urban areas had adequate access to online education.

- India has very low youth female labour market participation and they experienced larger relative employment losses than young men in 2021 and 2022.
- It added that domestic work is a highly informal sector in India, and wages are extremely low and young women and girls are vulnerable to abuse.

Initiatives By The Government

- **UNICEF's Initiative (YuWaah):** The India chapter of Generation Unlimited (GenU) – YuWaah aims to ensure, the following by 2030:
 - ✓ Build pathways for 100 million young people to aspirational economic opportunities.
 - ✓ Facilitate 200 million young people to gain relevant skills for productive lives and the future of work.
 - ✓ Partner with 300 million young people as changemakers and create spaces for developing their leadership
- **National Youth Policy-2014** provides a holistic Vision for the youth of India which is “to empower the youth to achieve their full potential
- **Prime Minister's Employment Generation Programme (PMEGP), 2008:** For generation of employment opportunities through establishment of micro enterprises in rural & urban areas.
- **Pradhan Mantri Mudra Yojana (PMMY):** Launched in 2015 for providing loans up to Rs. 10 lakh to the non-corporate, non-farm small/micro-enterprises.
- **Pradhan Mantri Rojgar Protsahan Yojana (PMRPY):** It has been launched by the Ministry of Labour and Employment for incentivising employers for promoting employment generation. The Government is paying the entire employer's contribution towards EPF and EPS for all eligible new employees for all sectors for 3 years.
- Increased public expenditure on schemes like MGNREGA, Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (DAY-NULM)
- Other Flagship Programmes: Make in India, Digital India, Industrial corridors, etc.

How To Further Enhance Youth Employability In India

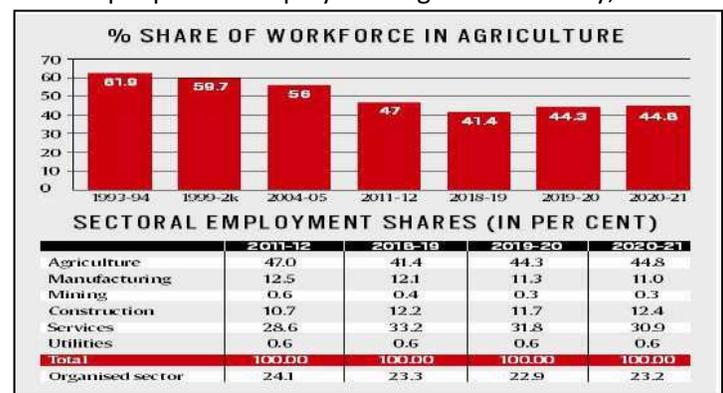
- Upskilling of young people on new era skills including life skills, financial skills, digital skills, vocations skills etc.
- Strengthening National Career Service (NCS).
- Support in Job forecasting by exploring the gaps.
- Supporting direct dialogue and feedback mechanism among youth, policy stakeholders and industrial establishments

India's Unique Jobs Crisis

- India is currently facing a unique job crisis because, while fewer people are employed in agriculture today, the transformation has been slow.
- Those who leave farms, work on construction sites and in the informal sector rather than in industries.

Analysis Of India's Job Crisis

- **Population engaged in agriculture has fallen quite significantly during the last three decades**
 - ✓ According to the National Statistical Office's Periodic Labour Force Surveys (PLFS), agriculture's share of India's workforce fell from 61.9% to 41.4% between 1993-94 and 2018-19.



- Because of the Covid-induced economic disruptions and reverse migration, the proportion of farm workers increased to 44-45%.
- However, this increase should be a brief deviation and the latest survey confirms a return to the long-term trend.
- ✓ Given the current share of agriculture in GDP of India and comparing with the countries in the same income bracket, **India's farm sector should employ 33-34% of the entire workforce.**
 - 41.4% may not represent a significant difference.
- **Weak & Deficient Structural Transformation**
 - ✓ The movement of workforce from agriculture over the past decades does not qualify as what economists call “structural transformation”.
 - ✓ Such transformation (also known as **Kuznets Process**) would entail shifting labour from agriculture to sectors with better productivity, value addition and higher average incomes, such as manufacturing and modern services (IT, business process outsourcing, finance, healthcare, education, etc).
 - ✓ The share of manufacturing (and mining) in total employment has actually fallen along with that of agriculture.
 - This is because, the surplus labour pulled out from the farms is being largely absorbed in construction, services (petty retailing, small eateries, domestic help etc.) and similar other low-productivity informal economic activities.
 - This is also reflected in the low share of employment in organised enterprises (those employing 10 or more workers).
- **IT Industry Adding Jobs**
 - ✓ The IT industry (a high-productivity industry that is able to pay reasonably good salaries) is clearly an isolated island of the Indian economy that added jobs during the pandemic and is continuing to do so.
 - ✓ Exports have contributed significantly to IT sector's recent success. India's net software service exports increased from \$84.64 billion (2019-20) to \$109.54 billion (2021-22).

Why Is India's Job Crisis Unique

- The manufacturing sector is potentially best placed to absorb agricultural labourers. However, there is a lack of jobs in the manufacturing sector.
- The somewhat more educated are not qualified to be programmers or develop software programs which are essential for the IT industry.
- They aim to join the armed forces or to sit for the Railway Recruitment Board's NTPC (non-technical popular categories) exams. However, there is not much recruitment in these sectors.
- So, the Indian workforce possesses skill sets for the sectors where there is a lack of job opportunities. And sectors that generate excess jobs require particular skill sets that the majority of the Indian workforce lacks.
- As a result, the Indian economy is unable to absorb excess labour.

What Could Be Done To Curb Unemployment?

- Schemes for upskilling the workforce involved in the agriculture sector should be prioritized thereby enhancing the knowledge for efficient farming and also, in case the labour wants to switch careers, they can look for other superior areas of employment.
- Promoting Labour Intensive manufacturing Industries such as food processing, leather and footwear, wood manufacturers/ furniture, textiles , apparel and garments through Special packages.
- Decentralisation of Industrial activities so that people of every region get employment.
- Development of the rural areas will help mitigate the migration of the rural people to the urban areas thus decreasing the pressure on the urban area jobs.

Open Acreage Licensing Programme

- The Ministry of Petroleum and Natural Gas recently launched the **eighth round** of bids under the Open Acreage Licensing Programme (OALP), offering 10 blocks for international competitive bidding.
- Bid Round-VIII would add a further 36,316 sq. km of Exploration Acreage and cumulative exploration acreage under OALP regime will increase to 2,44,007 sq. km.

Hydrocarbon Exploration and Licensing Policy (HELP)

- HELP was launched in **2016**. HELP replaced the New Exploration Licensing Policy (NELP) of 1997-1998. HELP had **2 key drivers**, both were launched in 2017:

Open Acreage Licensing Programme (OALP)

National Data Repository (NDR)

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

Provisions under HELP

- **Single license** that covers exploration and production of all types of hydrocarbon viz. conventional & unconventional resources eg oil and gas, coal-bed methane, shale oil, gas hydrates, etc.
- **Open Acreage Licensing Programme (OALP)**
 - ✓ Under NELP, the bidders could choose only from the blocks offered by the government and had to wait for the government to undertake bidding for blocks which were of interest to the bidders.
 - To address this issue, the government introduced **OALP under HELP**.
 - ✓ OALP gives investors the freedom to carve out blocks of their choice after assessing Exploration & Production data available at **National Data Repository** and submit an **Expression of Interest (Eoi)**. Eoi can be submitted *thrice a year* without waiting for a formal bid round from the government.
 - ✓ These blocks are later offered through a biannual (twice a year) formal bidding process. The entity offering the maximum share of oil and gas to the government is awarded the block.

| Benefits of OALP | Concerns Related to OALP |
|---|---|
| <ul style="list-style-type: none"> • <u>Removing red-tapism</u>: It has reduced multiple licences for extracting different hydrocarbons even from the same well. • <u>Brought in a quantum jump in the Exploration & Production</u> sector by the successful roll-out of the HELP regime, followed by OALP Bid Rounds | <ul style="list-style-type: none"> • <u>Lesser involvement of Private Players</u>: Public Sector Companies like ONGC and Oil India (OIL) are the major winners of the bidding rounds. • <u>Less Participation of Foreign Companies</u>: Indian attempts to attract Foreign Energy Giants are not yielding expected results. |

- **Revenue Sharing Model**

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

- ✓ This model is **simpler and easy to monitor**, as the government has to monitor only two parameters, revenue and production of the contractor.
- **Financial Incentives under HELP**
 - ✓ To encourage exploration in deep water and ultra-deep water areas, **royalty rates have been reduced** and a **graded system of royalty** has been introduced, in which royalty rates decrease from shallow water to deep water and ultra-deep water.
 - ✓ Exemptions: The royalty is **exempted for the first seven years** and subsequently royalty of 5% and 2% is applicable in deep water and ultra-deep water areas.
 - ✓ Exemption of custom duty applicable on equipment/ services for exploration and production activities.
 - ✓ Marketing and pricing freedom for crude oil and natural gas produced from these blocks.

Schemes on Strengthening Pharmaceuticals Industry

- **The Ministry of Chemicals & Fertilizers recently** launched three schemes to strengthen Micro, Small and Medium Enterprises (MSMEs) in the pharmaceutical sector.
- These have been rolled out under the Scheme of '**Strengthening Pharmaceuticals Industry**' (SPI).
- **Objective:** The aim is to further enhance India's capabilities in the pharmaceuticals sector with an objective to make it more competitive in terms of both quality and cost and also make Indian pharma MSMEs, a part of global supply chain.
- The schemes envisage technology upgradation, setting up of common research centres and effluent treatment plants (ETPs) in clusters for the pharma MSMEs.
- **SIDBI** will be the project management consultant for implementing the scheme.

Pharmaceutical Technology Upgradation Assistance Scheme (PTUAS)

- It would facilitate pharmaceutical MSMEs with proven track record to **upgrade their technology**.
- It has provisions for a capital subsidy of 10% on loans up to a maximum limit of Rs 10 crore with a minimum repayment period of 3 years; or
- Interest subvention of up to 5% (6% in case of units owned by SC/ST) on reducing balance basis.

Assistance to Pharma Industries for Common Facilities Scheme (API-CF)

- It would **strengthen the existing pharmaceutical clusters' capacity** for sustained growth, with the focus on R&D labs, testing laboratories, ETPs, logistic centres and training centres.
- It provides for an assistance of up to 70% of the approved project cost or Rs 20 crore, whichever is less.
- In case of Himalayan and north-east region, the grant-in-aid would be Rs 20 crore per cluster or 90% of the project cost, whichever is less.

Pharmaceutical and Medical Devices Promotion and Development Scheme (PMPDS)

- Under PMPDS, **knowledge and awareness** about the pharma and medical device industry will be promoted.
- It would involve undertaking studies, building databases and bringing industry leaders, academia and policy makers together to share their knowledge and experience for overall development of the sector.

Benefits

- The schemes would strengthen the existing infrastructure facilities to make India a global leader in the pharma sector.
- They will increase investment, encourage research and innovation and enable the industry to develop futuristic products and ideas.
- They will go a long way in making the Indian pharmaceutical industry AtmaNirbhar, more resilient and future-ready.

Kerala Opposes Changes To MMDR Act

The Kerala government has expressed its opposition to a new set of proposed amendments to the Mines and Minerals (Development and Regulation) Act.

The Mines and Minerals (Development and Regulation) Act (MMDR Act), 1957:

- It forms the basic framework of regulating mining sector in India and mandates the requirement for granting leases for mining operations.
- The Ministry of Mines is responsible for the administration of the Act.
- It describes the procedure and terms for obtaining a mining or prospecting licence in India.
 - Prior approval from the Ministry of Environment, Forest and Climate Change (MoEFCC) is required for mining on forest land.
- This act is applicable to all minerals except minor minerals (such as river sand, which is under the purview of state governments) and atomic minerals.

Recent Amendments In Past Few Years

- **Prior to 2015**, mineral resources were granted on a "first-come, first-served" basis, which was discretionary and decision making was opaque.
- The process of renewing mining leases was proving to be an impediment to attracting large-scale investment in the mining sector.
- **The MMDR Amendment Act, 2015:** The Act was comprehensively amended in 2015 to bring several reforms in the mineral sector, notably:
 - ✓ Mandating auction of mineral concessions to improve transparency.
 - ✓ Establishing District Mineral Foundation and National Mineral Exploration Trust.
 - ✓ Stringent penalty for illegal mining.
- The Act was further amended in 2016 and 2020 to allow lease transfers for non-auctioned captive mines and to address the emerging issue of lease expiry.
- Furthermore, the MMDR Amendment Act, 2021, has been adopted **for**
 - ✓ Revitalising the mineral sector and by giving immediate boost to mineral production.
 - ✓ Promoting ease of doing business.
 - ✓ Other structural reforms.

Proposed Amendment

- **To Separate 8 Groups Of Minerals**
 - ✓ As per the proposal, 8 out of 12 groups of minerals will be removed from **Part B** of the **1st Schedule** (critical & strategic minerals) of MMDR Act.
 - ✓ They include lithium-bearing minerals, minerals of the 'rare earths' group containing uranium and thorium, beach sand minerals, etc.
 - ✓ It has been proposed to create a new part (part D) in the 1st Schedule and place the 8 minerals along with others like indium, gallium, graphite, nickel, cobalt and tin.
- **Concurrent Powers To Union Government:** The amendments will empower the Union government, along with the State governments, to sanction mining rights of minerals listed under Part D of the 1st schedule.

Criticism Of The Proposed Amendment

- As per MMDR Act and Mineral Concessions Rules, mining and the manufacture of value-added products should remain in the public sector.
 - ✓ According to the critics, some among the 8 minerals had great strategic importance, alleging that the proposal is an attempt to privatise the critical sector.

- ✓ The proposals may lead to improper handling of strategically important minerals such as uranium by select private companies and is against the national interest.
- Under Entry 23 of List II (State List) and Article 246(3) of the Indian Constitution, State Assemblies can make laws on such minerals.
 - ✓ According to the Kerala government, the amendments are a breach of States' rights as minerals come under the purview of States.
 - ✓ Kerala is endowed with rich resources of Beach Sand Minerals (Monazite - primary source of thorium) and some of them are significant for their economy and have strategic importance too.
- Because the mines and minerals sector employ a large number of people in rural areas and supplies raw materials to Indian industries, it is critical for both Aatmanirbhar Bharat and the Indian economy to reach the USD 5-trillion mark.

Infrastructure

Energy Conservation (Amendment) Bill, 2022

- The Lok Sabha has passed the Energy Conservation (Amendment) Bill, 2022.
- The bill is aimed at putting in place provisions to make the use of clean energy mandatory and paving the way for the setting of carbon markets in the country.
- The Bill seeks to amend the **Energy Conservation Act, 2001**, last amended in 2010.
- The Act promotes energy efficiency and conservation. It provides for the regulation of energy consumption by equipment, appliances, buildings, and industries.

Key Proposals Under The Bill

- **Obligation to use non-fossil sources of energy including Green hydrogen, green ammonia, biomass, and Ethanol.**
 - ✓ The 2001 Act empowers the central government to specify energy consumption standards.
 - ✓ The Bill adds that the government may require the designated consumers to meet a minimum share of energy consumption from non-fossil sources
 - ✓ Designated consumers include:
 - industries such as mining, steel, cement, textile, chemicals, and petrochemicals,
 - transport sector including Railways, and
 - commercial buildings, as specified in the schedule.
 - ✓ This consumption may be done **directly from a renewable energy source or indirectly via the power grid**
 - ✓ Failure to meet the obligation for use of energy from non-fossil sources will be punishable with a penalty of up to Rs 10 lakh.
- **Carbon Trading**
 - ✓ The Bill empowers the central government to specify a carbon credit trading scheme.
 - ✓ The central government or any authorized agency may issue carbon credit certificates to entities registered under and compliant with the scheme.
 - ✓ The entities will be entitled to purchase or sell the certificate.
- **Energy Conservation Code For Buildings**
 - ✓ The 2001 Act empowers the central government to specify energy conservation code for buildings. The code prescribes energy consumption standards in terms of area.

- ✓ The Bill amends this to provide for an 'energy conservation and sustainable building code'.
- ✓ This new code will provide norms for energy efficiency and conservation, use of renewable energy, and other requirements for green buildings.
- **Applicability to Residential Buildings**
 - ✓ Under the 2001 Act, the energy conservation code applies to commercial buildings:
 - erected after the notification of the code, and
 - having a minimum connected load of 100 kilo watts (kW) or contract load of 120 kilo volt ampere (kVA).
 - ✓ Under the Bill, the new energy conservation and sustainable building code will also apply to the office and residential buildings meeting the above criteria.
 - ✓ The Bill also empowers the state governments to lower the load thresholds.
- **Standards for vehicles and vessels:**
 - ✓ Under the 2001 Act, the energy consumption standards are specified for equipment and appliances which consume, generate, transmit, or supply energy.
 - ✓ The Bill expands the scope to include vehicles and vessels (includes ships and boats).
 - ✓ Vehicle manufacturers in violation of fuel consumption norms will be liable to pay a penalty of up to Rs 50,000 per unit of vehicles sold.
- **Regulatory powers of SERCs:**
 - ✓ The 2001 Act empowers the State Electricity Regulatory Commissions (SERCs) to adjudge penalties under the Act.
 - ✓ The Bill adds that SERCs can also make regulations for discharging their functions.
- **Composition of the BEE governing council:**
 - ✓ Under the 2001 Act, the governing council of the Bureau of Energy Efficiency (BEE) has members between 20 and 26 in number.
 - ✓ The Bill instead provides that the number of members will be between 31 and 37.
 - ✓ It also provides for up to 7 members representing industries and consumers.

Electricity (Amendment) Bill 2022

The All-India Power Engineers Federation called for a strike in protest of the government's intention to introduce the Electricity (Amendment) Bill 2022. The bill, which amends the Electricity Act of 2003, aims to bring competition and accountability to electricity distribution.

➤ Amid stiff opposition, bill was referred to the Parliamentary Standing Committee on Energy

Need For The Bill

- To improve the financial health of Distribution Companies (DISCOMS), the weakest link in the entire power value chain
- Distress in DISCOMS:
 - ✓ Accumulated debt: Rs 5.5 lakh crores
 - ✓ Debt to Power Generation Companies (GENCOS): Rs 1 lakh crores
 - ✓ Arrears from state governments: Rs 76,000 crores

Key Provisions Of The Bill

- Allow **private sector participation** in distribution of electricity post license
- **Non-discriminatory open access** to the use of existing distribution network for all licensees on payment of certain charges
- Appropriate Electricity Regulatory commission to fix **minimum and maximum tariff ceilings** for supply of electricity

- Load dispatch centers(LDC) **to stop supply of electricity to distribution utilities** if payment is not made as agreed in the contract
- State governments shall set up **Cross-subsidy balancing fund** if multiple distribution licenses are granted in the same area
- Provisions relating to State regulatory commissions:
 - ✓ **Decide on grant of distribution license within 90 days** or else application will be considered to have been approved
 - ✓ **Initiate graded tariff revision proceedings Suo moto** if DISCOMS or GENCOS fail to file tariff revision petitions before them
 - ✓ Removal of members in case of any neglect of rules or willful violation of the provisions of the act
 - ✓ Central government nominee will be a member of the selection committee to recommend appointments to SERCs
- Central Electricity Regulatory Commission (CERC) will grant license for multi-state distribution companies
- It also aims at increasing the share of green energy in the context of global climate change concerns and India's commitments at COP 26.

| Benefits With The Bill | Concerns Expressed |
|--|---|
| <ul style="list-style-type: none"> • Consumer Empowerment: Increase in choices available for consumers of electricity • Entry of more players inject competition among DISCOMS boosting their efficiency • Timely revision of tariffs: <ul style="list-style-type: none"> ✓ Address the issue of poor financial health of DISCOMS and GENCOS ✓ Quality of supply of electricity will get improved • Minimum and Maximum tariff ceilings will: <ul style="list-style-type: none"> ✓ Prevent setting of unrealistically low prices by DISCOMS to drive out rivals ✓ protect the interests of the consumers • Empowerment of load dispatch centers will address the recurrent problem of default in payments by DISCOMS to GENCOS | <ul style="list-style-type: none"> • Against the spirit of federalism: <ul style="list-style-type: none"> ✓ Central government intervention in the 'Power Distribution Sector' which is mostly the domain of State governments ✓ Electricity is on the Concurrent List • Providing a choice of <u>multiple service providers</u> to <i>power consumers</i>: <ul style="list-style-type: none"> ✓ Further <i>weaken finances of state-run DISCOMS</i> • Private companies will cater to <u>profit making areas</u> (industrial and commercial consumers) with burden falling on State-owned DISCOMS to meet power requirements of the rest (low-income groups) causing heavy burden on state exchequer • <i>Might lead to ending of subsidies</i> for farmers and poor consumers • <i>Fear of job losses</i> among the workers in the state-owned DISCOMS |

Conclusion

With various stakeholders expressing concerns over the bill the need of the hour is to have wider consultations with state governments, farmers unions and employee unions. Referring the bill to parliamentary standing committee for wider consultations is a step in the right direction.

Main Features of The Electricity Act, 2003

- Generation is being de-licensed and captive generation freely permitted.
- Metering of electricity supplied is made mandatory.
- Provisions related to thefts of electricity were made more stringent.
- Trading as a distinct activity recognised with the safeguard of Regulatory commissions being authorised to fix ceiling on trading margins.
- For rural and remote areas, stand-alone systems for generation and distribution are permitted.

- The state governments are required to unbundle State Electricity Boards.
 - ✓ Before 2003, the generation, distribution and transmission of electricity were carried out mainly by the State Electricity Boards in various States. Due to the politico-economic situation, the cross-subsidies reached an unsustainable level.
- Setting up the Central Electricity Regulatory Commission (CERC) and the State Electricity Regulatory Commission (SERC) has been made mandatory.
- An appellate tribunal to hear appeals against the decision of CERC and SERC.
- Central government to prepare National Electricity Policy and Tariff Policy.
- Central Electricity Authority (CEA) to prepare the National Electricity Plan.
- The act also recognised the **role of renewable energy** in the country's National Electricity Policy and in stand-alone systems.

Bharat NCAP

Ministry of Road Transport and Highways (MoRT&H) seeks comments on a proposal to introduce the Bharat New Car Assessment Program (Bharat-NCAP). India's present **Central Motor Vehicle Rules (CMVR)** mandate a safety and performance assessment. However, this does not involve a crash test rating.

About Bharat NCAP

- **Description:** It is a new car safety assessment programme which proposes a mechanism of awarding 'Star Ratings' to automobiles based upon their performance in crash tests. The proposed assessment will allocate Star Ratings from 1 to 5 stars.
- **Meeting global standards:** BNCAP standard is aligned with global benchmarks and it is beyond minimum regulatory requirements.
- **Implementation:** BNCAP will be rolled out from April 1, 2023.
- **Applicability:** It will be applicable on type-approved motor vehicles of category M1 with gross vehicle weight less than 3.5 tonnes, manufactured or imported in the country.
 - M1 category motor vehicles are used for the carriage of passengers, comprising eight seats, in addition to driver's seat.
- **Responsibility:** The testing of vehicles for this programme will be carried out at testing agencies, with the necessary infrastructure.
- **Significance:** It is intended to increase the **export-worthiness** of vehicles and **competition** on safety parameters among manufacturers, as well as instill **consumer confidence** in their safety.

Vehicle Evaluation under BNCAP

- **Parameters:** The **voluntary** Bharat NCAP would assign vehicles star ratings on parameters such as Adult Occupant Protection (AOP), Child Occupant Protection (COP) and Safety Assist Technologies (SAT).
- **Assessment:** It would study frontal impact, side impact & possibility of a door opening after a crash.
- Cars must have manual switches to disable airbags which should not be within the child's reach.
- **Mechanism:** The car is crashed into an aluminium deformable barrier impersonating an opposing force of the same magnitude of a crash-like situation, with a 40% overlap.
- Also, Bharat NCAP would conduct its **frontal offset crash testing** at 64 kmph instead of the prevailing 56 kmph norm.
- **Incentives:** Vehicles that can accommodate a broad variety of child seats available in the domestic market would be rewarded.
- Higher ratings would be accorded to vehicles with a permanent warning label on frontal airbags.

NHAI To Offer Projects On BoT Model

The National Highways Authority of India (NHAI) is in the process of offering at least two highway upgradation projects to private players, using the build-operate-transfer (BOT) model.

Background

- The current decision comes after funding highway projects through public money for a good part of the last decade.
- The BOT (toll) model was the preferred model for road projects, accounting for 96% of all projects awarded in 2011-12, but this progressively reduced to zero.
- When the interest in BOT projects started to reduce, road construction shifted to the traditional engineering, procurement and construction (EPC) mode.
- Over the last few years, especially since the onset of the pandemic, the NHAI resorted to offering projects under the Hybrid Annuity Model (HAM).

Public-Private partnership (PPP) Model

- These are agreements between public and private entities, in which the private entity is hired by the public body and is remunerated on a performance basis.
- They are typically long-term arrangements (for a 20-30 years term), whose rationale is to combine the capabilities of the public and private sector to achieve optimal results.
- Some of the important types of PPP contracts are BOT, Build-Own-Operate (BOO), Build-Operate-Own-Transfer (BOOT), Buy-Build-Operate (BBO).

Build-Operate-Transfer (BOT) Model

- A BOT contract is a model used to finance large projects, typically infrastructure projects developed through **PPP**.
- Under it, a private player is granted a contract to finance, build and operate a project for a specified period of time (20 or 30 year concession period).
- During this period, the developer can recover its investments through user charges or tolls charged from customers using the facility.
- After the said period, the project is returned to the government or the relevant authority.
- Thus, there is an element of financial risk on the part of the developer to invest through the BOT model.
- The last time NHAI tried to assign road projects through BOT was in 2020.
- As part of the incentives, the government decided to assess the revenue potential of a project every five years during the concession period as against every 10 years earlier.
- This would mean that the concession period (or period till which road developers can collect toll) is extended early in the tenure of the contract, ensuring surety of revenue for the private company.

Engineering, Procurement and Construction (EPC) Model

- EPC is a PPP model for the development of infrastructure projects especially highways. Under EPC, the **government bears the entire cost of the project**.
- Government invites bids for engineering knowledge from the private players. The **private sector's participation** is minimum and is limited to the provision of engineering expertise.
- Procurement of raw material and construction costs are met by the government.

- Although, the contractor is completely insulated from the financial risk, the difficulty of the model is the high financial burden for the government.

EPC vs PPP

| In the PPP model | In an EPC model |
|---|--|
| <ul style="list-style-type: none"> • While implementing the project, if there is a delay in the project, the private entity will have to fix the problem, which will incur expenditures. • It will now have to submit a new offer to be compensated for the costs incurred and have to deal with the government's slow machinery in order to get the new proposal approved. | <ul style="list-style-type: none"> • Private party can concentrate on project planning and design, boosting the project's efficiency and significantly reducing the time (avoiding cost overrun) required for completion. • As a result, the EPC is more appealing to the private sector |

Hybrid Annuity Model (HAM)

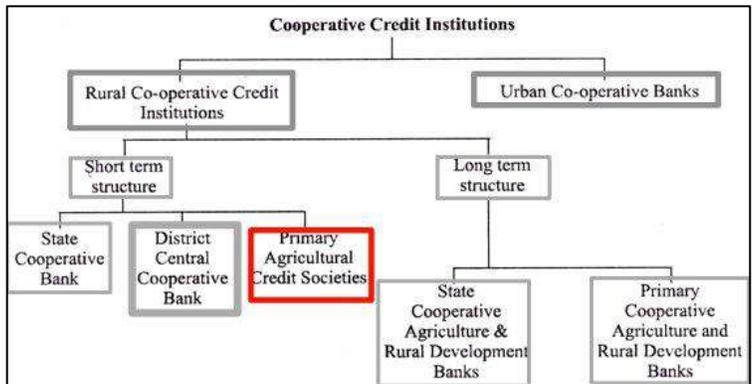
- The Hybrid Annuity Model is a **mix of BOT and EPC models**.
- The government contributes 40% of the project cost in the first five years through annual payments (annuity). The remaining payment is made on the basis of the assets created and the performance of the developer.
- As the government pays only 40%, during the construction stage, the developer has to find money for the remaining amount in the form of equity or loans.
- There is no toll right for the developer. Under HAM, revenue collection is the responsibility of the NHA.
- As per the government's policy HAM is used in stalled projects where other models are not applicable.
- **Importance**
 - ✓ The BOT model hit roadblocks when NPA-ridden banks were suspicious of lending to these projects.
 - ✓ HAM is a good trade-off because it spreads risk among developers and the government which reduces overall debt and improves project returns.

AGRICULTURE

Storage, Transport & Marketing of Agricultural Produce, Issues & Related Constraints

Digitization of Primary Agricultural Credit Societies

- Cabinet Committee on Economic Affairs (CCEA) recently approved a proposal to digitize around 63,000 Primary Agricultural Credit Societies (PACS).
- PACS will be digitized at a cost of ₹2,516 crore. Each PACS will get around ₹4 lakh to upgrade its capacity and even old accounting records will be digitized and linked to a cloud-based software.



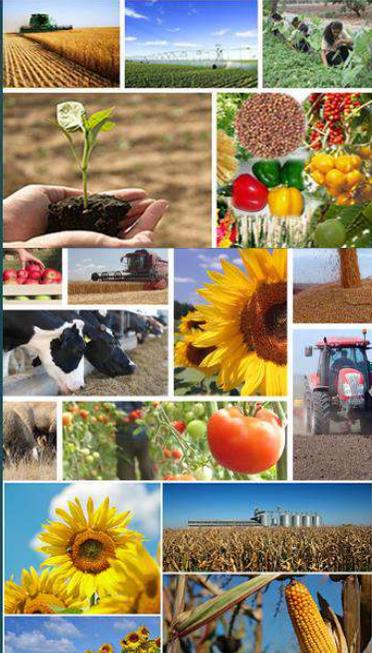
- This software will be in vernacular language having flexibility of customisation as per the needs of the states.

PACS

- PACS are the smallest unit in the cooperative sector and constitute the **lowest tier (village level) of the three-tier short-term cooperative credit (STCC)** in the country comprising of around **13 crore farmers as its members**.
- The other two tiers are - State Cooperative Banks (StCBs) at state level and District Central Cooperative Banks (DCCBs) at district level.
- **PACS account for 41% (3.01 crore farmers) of the kisan credit card (KCC)** loans given by all entities in the country and 95% of these KCC loans (2.95 crore farmers) through PACS are to the small and marginal farmers.
- PACS are outside the purview of the Banking Regulation Act, 1949 and hence not regulated by the RBI.

Functions of PACS

- The main function of the PACS is to **provide short and medium-term purpose loans** to its members.
- Borrowing an adequate amount of funds from central financial agencies in order to help its members in a timely manner.
- It also **supplies agricultural inputs** like seeds, fertilizers etc. to members.
- It helps its members by **providing marketing facilities** that could enhance the sale of their agricultural products in the market at proper prices.



| Advantages of PAC | Challenges of PAC |
|---|--|
| <ul style="list-style-type: none"> • It helps the farmers to get credit for agricultural purpose at their place. • It helps in promoting <i>savings habits</i> among its members. • It helps in implementing any government schemes which are related to farmers at their level and also to observe whether these schemes are attaining their intended purpose or not. | <ul style="list-style-type: none"> • Organizational weakness: Though PACS covers the major portion of the villages, still villages in the northeastern states are not covered. • Over dues: The larger overdues come from landowners rather than small cultivators, implying that a few farmers who are relatively stronger in the village took unfair advantage of these PACS. • Lack of resources: The PACS's resources are far too limited in relation to the rural economy's short- and medium-term credit needs. This is largely due to insufficient funds provided by higher-level funding agencies. |

Need for Digitization of PACS

- The other two tiers -- StCBs and DCCBs have already been automated by the NABARD and brought on Common Banking Software (CBS).
- However, majority of PACS have not been computerized and still function manually resulting in inefficiency and trust deficit.
- In some of the states, standalone and partial computerization of PACS has been done. There is no uniformity in the software being used by them and they are not interconnected with the DCCBs and StCBs.

Benefits of Digitization

- Computerization of PACS will increase their transparency, reliability and efficiency, and will also facilitate the accounting of multipurpose PACS.
- It will help PACS to become a nodal centre for providing various services such as Direct Benefit Transfer (DBT), Interest Subvention Scheme (ISS), Crop Insurance Scheme (PMFBY), and inputs like fertilizers & seeds. The move will also help to generate around 10 jobs in each centre.

PDS, Buffer Stocks & Food Security

Essential Commodities Act Invoked

- With tur dal prices rising since mid-July and reports of some traders creating artificial supply squeeze by restricting sales, the Centre has invoked the **Essential Commodities Act, 1955**.
- States & UTs have been asked to direct stockholder entities to upload the data of stocks held by them on an online monitoring portal of the Department of Consumer Affairs, on a weekly basis.

Background

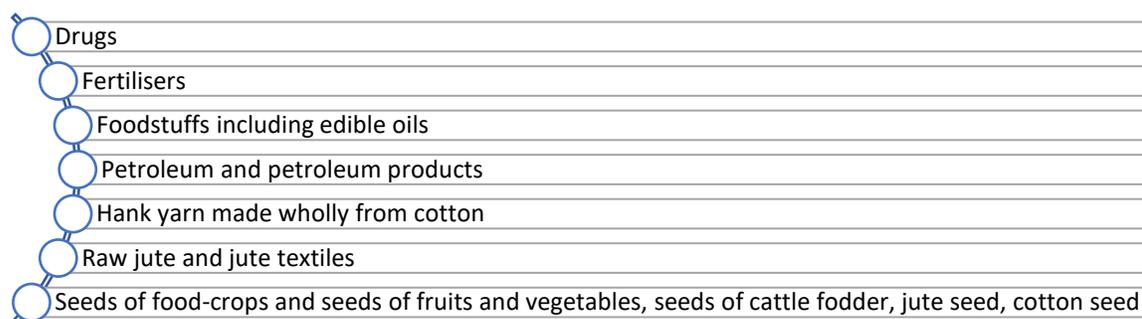
- The Essential Commodities Act (ECA), 1955 was enacted at a time when India was facing food scarcity due to low levels of food grains production.
- The country was dependent on imports and assistance (wheat imports from the US under PL-480) to feed the population.
- ECA was enacted, to stop hoarding and black marketing of food and gives consumers protection against irrational spikes in prices of essential commodities.

Essential Commodity

- There is no specific definition of essential commodities in ECA, 1955. It states that an “essential commodity” means a commodity specified in the Schedule of the Act.
- The Act gives powers to the **central government** to add or remove a commodity in the Schedule.
- By declaring a commodity as essential, the government can control the production, supply, and distribution of that commodity, and impose a stock limit.

Essential Commodities Included Under The Act

The Schedule at present contains the following **seven commodities**:



Issues with ECA

- The Act has created **market distortions** that have prevented the efficient development of agricultural markets.
- As almost all crops are seasonal, ensuring round-the-clock supply requires adequate build-up of stocks during the season. So, it may not always be possible to differentiate between genuine stock build-up and speculative hoarding.
- Also, there can be genuine shortages due to **weather-related disruptions** in which case prices will move up. So, if prices are always monitored, farmers may have no incentive to farm.
- Further, the Act does not distinguish between hoarders and firms that genuinely need to hold on to these stocks due to the nature of their operations.

- ✓ For example, **food processing industries** need to maintain large stocks to run their operations smoothly. Stock limits curtail their operations.
- In such a situation, large scale private investments are unlikely to flow into food processing and cold storage facilities.
- The Act has also reduced the effectiveness of **free trade and flow of commodities** from areas with surplus stock to markets with higher demand.
- Despite, 76,000 raids conducted under the ECA in 2019, the conviction rate was very low. This shows that the ECA only seems to **enable rent-seeking and harassment**.
 - ✓ Rent-seeking is a practice of manipulating public policy or economic conditions as a strategy for increasing profits.

State Ranking Index for Implementation of NFSA 2013

- Recently, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India, released the **first** State Ranking Index for implementation of the National Food Security Act, 2013.
- Among the 20 big states and Union Territories (UTs), Odisha topped the list while Goa came last.

1st Edition State Ranking Index for Implementation of NFSA

- It was launched by the Ministry of Consumer Affairs, Food & Public Distribution.
- It highlights the reforms undertaken by States and UTs and creates a cross-learning environment and scale-up reform measures by all states and UTs.

Key Features

- It largely focused on NFSA distribution and will include procurement, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) distribution in future.
- It is built on 3 key pillars which covers the end-to-end implementation of NFSA through TPDS.
 - **Coverage of NFSA**, rightful targeting, and implementation of all provisions under NFSA.
 - **Delivery platform** while considering the allocation of food grains, their movement, and last-mile delivery to Fair Price Shops (FPS).
 - **Nutrition initiatives** of the department.

Benefits

- The index has been developed to create an environment of competition, cooperation and learning among states while addressing matters of food security and hunger.
- Increase transparency in system by publishing reliable and standard data in the public domain.
- It can also be utilised by the global and Indian agencies for research and analysis.

Ranking

- Overall, Odisha, Uttar Pradesh and Andhra Pradesh Secured the top three positions in the Index.
- Among the special category states (northeastern, Himalayan and Island states), Tripura, Himachal Pradesh and Sikkim obtained the top positions.
- Jharkhand, Uttar Pradesh, Dadra and Nagar Haveli and Daman and Diu scored the highest in terms of coverage, targeting and implementing provisions of NFSA.
- Bihar, Andhra & Telangana had the best delivery platform displaying the efficiency of the TPDS supply chain.

How Did Odisha Come In First Place?

- Robust end-to-end computerization of TPDS operations. A digitised beneficiaries database has been hosted in the public domain and updated in Ration Card Management System (RCMS) Centres.

- All the food storage depots of the Food Supplies & Consumer Welfare Department have been fully automated.
- Real-time electronic recording of doorstep delivery at FPSs across the State.
- All the Fair Price Shops are equipped with electronic Point of Sale (e-POS) devices which ensure distribution through automated mode.
- One Nation One Ration Card (ONORC) Programme has been implemented across the state from 2021. PDS beneficiaries are now availing of intra-state/inter-state portability of ration cards.
- Odisha has implemented the pilot scheme of 'Supply of Fortified Rice under Public Distribution in Malkangiri district' from 2021.

Economics of Animal-Rearing

Report On Country's Livestock

- The report, which is based on **20th Livestock Census** conducted during **2018-19**, was released by the government.
- It was **released by the Department of Animal Husbandry & Dairying, Ministry of Fisheries, Animal Husbandry and Dairying.**
- The Livestock Census has been **conducted in the country periodically since 1919-20**. It takes place once **every five years**.

Key Findings of the 20th Livestock Census

- The **total Livestock population is 535.78 million**, showing an **increase of 4.6% over Livestock Census 2012**.
- Total **Bovine population (Cattle, Buffalo, Mithun, and Yak) is 302.79 million in 2019**, which shows an **increase of 1.0%** over the previous census.
- Total number of **cattle in the country is 192.49 million in 2019**, showing an **increase of 0.8 %**.
 - ✓ The **Female Cattle (Cows population) is 145.12 million, increased by 18.0%**.
 - ✓ The **total milch animals in cows and buffaloes is 125.34 million, an increase of 6.0 %**.
- The Exotic/Crossbred and Indigenous/Non-descript Cattle population in the country is 50.42 million and 142.11 million, respectively.
 - ✓ Indigenous/Non-descript female cattle population has increased by 10% in 2019.
 - ✓ The population of the total Exotic/Crossbred Cattle has increased by 26.9 % in 2019 (3.9 crore).
- There is a **decline of 6 % in the total Indigenous (both descript and non-descript) Cattle population over the previous census**. However, the pace of decline of Indigenous Cattle population during 2012-2019 is much lesser as compared to 2007-12 which was about 9%.
- The **total Poultry in the country is 851.81 million in 2019, increased by 16.8%**.

Why Is Livestock Census Crucial For India

- India leads the world in livestock population at 125.5 crore.
- Livestock is not only an **integral part of the agriculture economy supporting the rural livelihood**; it is also a **fundamental element of the socio-cultural system of India**.
- India's cultural heritage attaches immense importance to livestock ownership and rearing as an inseparable part of an inclusive universe.

- Any government initiative that works for the development of the livestock, livestock census makes a note to formulate, implement, monitor and evaluate such schemes.

Some Government Schemes for Livestock

- **Animal Husbandry Infrastructure Development Fund (AHIDF):** This is the first major fund (outlay of Rs.15,000 crore) launched in June 2020 by the government that includes a diverse set of stakeholders such as Farmer Producer Organizations (FPO), private dairy players, individual entrepreneurs, and non-profits within its ambit.
 - ✓ Aim: To support private investment in Dairy Processing, value addition and cattle feed infrastructure. Incentives will be given for establishing plants for export of niche products.
 - ✓ It will also support the establishment of **animal feed plants** of varying capacities and animal feed testing laboratory.
- **Rashtriya Kamdhenu Aayog** - It has been constituted for the conservation, preservation, protection and development of cows and their progenies and for giving directions for the cattle development programmes.
- **National Livestock Mission** – The mission aims to achieve the employment generation through entrepreneurship development in small ruminant, poultry and piggery sector & fodder sector and increase of per animal productivity through breed improvement.
- **Rashtriya Gokul Mission** – It is an initiative to develop and conserve the indigenous bovine breeds for improving the milk production and productivity in a *scientific manner* which includes superior nutrition and farm management.
- **National Artificial Insemination Programme** - It aims to suggest novel methods of bringing about impregnation in female breeds and also to prevent the spread of certain diseases which are genital in nature, thereby enhancing the efficiency of the breed.
- **Livestock Health and Disease Control Scheme** - It provides support for prevention and control of animal diseases like foot and mouth disease (FMD) and Brucellosis.

SCIENCE & TECHNOLOGY

Indigenization of Technology & Developing New Technology

Samudrayaan Mission

- It is **India's 1st manned ocean mission** that aims to send 3 persons in an indigenous **submarine vehicle called MATSYA 6000** to a depth of 6000 metres for deep underwater studies.
 - ✓ **Submarines go only about 200 metres.**
- India joined the elite club of nations such as US, Russia, France, Japan, and China to have niche technology and vehicles to carry out subsea activities
- It will help in the exploration of resources like gas hydrates, polymetallic manganese nodules, hydro-thermal sulphides and cobalt crust, which are found at depths of the ocean.
- It is a **project of Ministry of Earth Sciences (MoES) under Deep Ocean Mission**.
- The projected timeline is five years for the period 2020-2021 to 2025-2026.
- **National Institute of Ocean Technology (NIOT), an autonomous institute under MoES, is entrusted with the responsibility to develop various technologies** related to the mission.

| Significance Of This Mission | Concerns |
|--|---|
| <ul style="list-style-type: none"> The Mission will open up greater opportunities for growth in the areas of clean energy, drinking water, and the blue economy. It will also develop deep-sea technology for long-term ocean resource management. The mission boosts the scientific capacity along with providing a sense of esteem. | <ul style="list-style-type: none"> Mining in the deep ocean can lead to a disrupted ecological balance for these species or even extinction if done unregulated. Another cause of concern is the sediment plumes that may have formed after the mining practice and the oil spills which may be caused. There are threats of oil and chemical spills from the vessels operating at the site. |

India appears to be positive with research as big disclosures can be made after the research starts. Though strict guidelines have been framed, they need better and stricter enforcement.

Cochin Shipyard Delivers Aircraft Carrier To Navy

- Indian Navy took delivery of *Indigenous Aircraft Carrier, IAC-1*, nation's 1st indigenously built aircraft carrier from its manufacturer, Cochin Shipyard Ltd.
 - ✓ An aircraft carrier is a large ship that carries military aircraft and has a long, flat surface where they take off and land.
- The carrier, after commissioning, will be called 'Vikrant. It is named after India's first aircraft carrier – INS Vikrant. The original Vikrant, which was acquired from the UK in 1961, played a stellar role in the 1971 War with Pakistan.
- The ship would be capable of operating an air wing consisting of 30 aircraft.

Significance of IAC for India

A. Enable Transition from Brown Water Navy to Blue Water Navy to carry out air operations

- A blue water navy is a navy that has capacity to project a nation's strength and power across the high seas.
- A brown water navy is capable of military operations in littoral zone waters.

B. Strategic Significance making India a significant maritime power

- India's area of responsibility ranges from the east coast of Africa to the Western Pacific.
- High percentage of India's trade passing through the South China Sea.
- Also, India is a dominant force in Indo-Pacific region.
- To counter China in the region more effectively as China has two operational aircraft carriers and the third one was launched recently in June 2022.

C. India Joined Elite Club: So far, only 5 or 6 nations have the capability of manufacturing an aircraft carrier.

D. Aatma Nirbhar Bharat

- With an overall indigenous content of 76%, the aircraft carrier is a perfect example of the quest for Aatma Nirbhar Bharat. Over 100 MSMEs were also involved in the production of this ship.

India's Earlier Aircraft Carriers

| | |
|------------------|---|
| INS Vikramaditya | •Navy's only aircraft carrier in service currently (Russian built, commissioned in 2013) |
| INS Vikrant | •It was British-built HMS Hercules; Commissioned in Indian Navy in 1961. |
| INS Viraat | •It was British-built HMS Hermes; Commissioned in Indian Navy in 1987 |

Achievements of Indians in Science & Technology

CSIR Gets First Woman Director General

N Kalaiselvi, an electrochemical scientist, has become the first woman director general of the Council of Scientific & Industrial Research (CSIR), breaking yet another glass ceiling in the country's scientific bodies.

Council of Scientific & Industrial Research (CSIR)

- It was set up in 1942 as an autonomous body (under Societies Registration Act, 1860).
- CSIR is now the largest government funded multi-disciplinary industrial R&D organisation, controlling a number of state-run institutions across the country.
- It comes under the administrative supervision of Ministry of Science and Technology.
- The R&D activities of CSIR include aerospace engineering, structural engineering, ocean sciences, life sciences, metallurgy, chemicals, mining, food, petroleum, leather and environmental science.
- CSIR is headquartered in New Delhi.
- **CSIR@80: Vision and Strategy 2022 - New CSIR for New India:** Under this, CSIR's vision is to pursue -
 - ✓ Science which strives for global impact,
 - ✓ The technology that enables innovation-driven industry,
 - ✓ The technology that fosters multidisciplinary leadership, catalysing inclusive economic development for the people of India.

Some Major Achievements Of CSIR

- Designed India's first ever parallel processing computer, **Flosolver**.
- Developed a versatile portable PC-based software '**Bio-Suite**' for bioinformatics.
- Design of 14-seater plane '**SARAS**'.
- Established first ever in the world '**Traditional Knowledge Digital Library**' accessible in five international languages, English, German, French, Japanese and Spanish.
- In 2009, completed the sequencing of the **Human Genome**.
- In 2011, successfully tested India's 1st indigenous civilian aircraft, **NAL NM5** made in association with National Aerospace Laboratories and Mahindra Aerospace.
- In 2020, initiated clinical trials to evaluate Sepsivac's efficacy to reduce mortality rate in COVID-19 patients.
- Head-Up-Display (HUD): It developed indigenous HUD for Indian Light Combat Aircraft, Tejas. HUD aids the pilot in flying the aircraft and in critical flight maneuvers including weapon aiming.
- **Agriculture:** Samba Mahsuri Rice Variety (Bacterial Blight Resistant Rice), White-fly resistant Cotton variety
- **Energy & Environment:** Solar Tree which occupies minimum space to produce clean power.
 - ✓ Lithium Ion Battery: India's first lithium ion battery fabrication facility based on indigenous novel materials for making 4.0 V/14 h standard cells has been established.
- **Food & Nutrition:** Ksheer-scanner detects milk adulterants in 45 seconds at the cost of 10 paise.
 - ✓ Double-Fortified Salt: Salt fortified with iodine and iron having improved properties developed and tested for addressing anaemia in people

Financial Challenges

- The Union Ministry of Science and Technology has been granted Rs 14,217 crore in the 2022-2023 Union Budget — a drop of 3.9 % from last year. It is simply not enough

- The government outlay is of less help and support in previous budgets too. Instead several scientists had to change their mindset and produce value from R&D in keeping with the CSIR mandate.
- But ironically the fund crunch was said to be an opportunity & part of a CSIR effort to establish itself. The crisis has helped to explore an array of technical underpinnings in a more strategized manner.
- This financial incident also improved accountability of public funding.

Extra Mile: Other Notable Women Scientists Of India

- Renu Swarup served as secretary, Department of Biotechnology, Ministry of Science and Technology.
- Muthayya Vanitha and RituKaridhal headed ISRO's Chandrayaan-2 mission as its project director and mission director, respectively.
- V R Lalithambika was in 2018 picked as the director of the directorate of human space programme to oversee the Gaganyaan project (India's maiden human spaceflight mission).
- Mangala Mani, known as the 'polar woman of ISRO', was the space agency's first woman scientist to spend more than a year in Antarctica in 2016.

Reasons For Gender Gap In STEM-Related Fields

- **Mindset:** Women are still considered less efficient to men when it comes to STEM related fields is a major misconception.
- **Fewer female role models:** Our textbooks too rarely talk about these role models.
- **Less women specific science institutes:** Only 11% colleges in India which are exclusively for women, majority of which offer arts and commerce rather than science.
- **Patriarchy:** There are patriarchal attitudes in hiring practices or awarding fellowships and grants etc. A male-dominated work environment and gender insensitivity are additional burdens
- **Economic factors:** Even for families with greater resources, economic considerations affect the pursuit of science degree which is generally more expensive than an arts or a commerce degree.
- **Considered as Burden:** Many families think that a daughter's education would primarily benefit her in-laws rather than her natal family. Such families traditionally view boys' education differently from girls'

Initiatives to Promote Women in Science

- **Vigyan Jyoti Scheme:** It is intended to create a level-playing field for the meritorious girls in high school to pursue Science, Technology, Engineering, and Mathematics (STEM) in their higher education.
 - ✓ It also offers exposure for girl students from the rural background to help to plan their journey from school to a job of their choice in the field of science.
- **GATI Scheme:** The Gender Advancement for Transforming Institutions (GATI) will develop a comprehensive Charter and a framework for assessing Gender Equality in STEM
- **KIRAN Scheme:** Knowledge Involvement in Research Advancement through Nurturing (KIRAN) Scheme is aimed to bring gender parity in the Science & Technology sector by inducting more women talent in the research & development domain.
- **Beti Bachao Beti Padhao (BBBP) Scheme:** It is the joint initiative of the Ministry of Women and Child Development, Ministry of Health and Family Welfare and Ministry of Human Resource Development to ensure survival, protection, and empowerment of the girl child.
- Initiatives like **She-box** are ensuring workplace safety and boost better participation of women in all areas of economy.

Human-Animal Conflict

The Standing Committee on Science, Technology, Environment and Climate Change suggested that Environment Ministry must constitute an advisory body of experts to tackle growing instances of human-animal conflict (HAC).

Key Points of Suggestion

- An HAC Advisory Committee to be headed by the **Chief Wildlife Warden**, who can consult the committee to act appropriately.
- Advisory body would be packed with official members, exercise all powers of the State Board for Wildlife (SBWL) and take decisions independent of the SBWL itself for faster clearances of projects.
- **Standing Committee** of State Board for Wild Life (**SBWL**): One of the clauses proposed by the Ministry was to have a SBWL to make the functioning of advisory body “more purposive”.
 - ✓ A **wildlife standing committee** is usually a subset of members that reports to a wider **Wildlife Board**, in the case of States headed by the Chief Minister, and in charge of executing day-to-day matters.

About Human-Animal Conflict

- It occurred when human beings take negative actions on wildlife and vice-versa.
- Such conflicts have been recorded throughout the world in terrestrial, aquatic, and aerial environments.

Cause of Human-Animal Conflict

- **Population overload:** Global civilization and rapid population growth contributes for the destructions of wildlife habitat that leads to competition for survival.
- **Minimum Food in Jungle:** The easier availability or greater abundance of palatable food and other resources to a given species outside a protected area than inside increase conflict.
- **Infra structure:** Animals have been killed or injured in accidents on roads or railway tracks as a result of the expansion of road and rail networks through forest ranges.
- **Small area for Animals:** As the population increases, the demand for land also increases, people start cutting down the forest and sometimes animals move out of that small area. Wildlife experts estimate that 29% of the tigers in India are outside the protected areas.

Impact of Human-Animal Conflict

- **On Food Security:** Huge amounts of crops were lost by wildlife in different countries.
- **Health and disease:** Conflict arises due to human perception of public health risks from zoonotic pathogens transmissible to humans and consequently lower tolerance for wildlife presence.
- **Livestock depredation:** Carnivores are attacking domestic livestock due to declining number of herbivorous in the wild due to prolonged droughts and habitat degradation.
- **On Tourism:** Nature and wildlife tourism provides essential revenue to a country or region and tourists refuse to visit the region if conflict escalates. For example, puma populations flourished in Torres del Paine National Park. They became less shy, and increasingly accustomed to humans, soon they began attacking tourists.
- **On Conservation efforts:** Human wildlife conflict is hindering the implementation of conservation initiatives. People have disliked wild animals because animals are a threat to their property and contribute to food insecurity and poverty.

Measures

- **Legal measure:** Wildlife management in India is carried out under the Wildlife Protection Act of 1972, which is strongly preservationist in its thrust. The Act makes it virtually illegal to kill or capture wild animals even when problem animals are involved in severe conflict situations.
- **Technology:** Increased vigilance and security of identified locations using high-tech surveillance equipment such as sensors can help in tracking animal movement and alerting the local population.
- **Biological measures:** We can build barriers and fences, separate wildlife corridors and put up beehive fencing around farms to deter elephants. For example, in Mozambique, communities began growing chili pepper plants after discovering that elephants disliked and avoided plants containing capsaicin.
- **Infrastructure Measure:** Wildlife bridges, corridors and underpass provide wildlife with a safe pathway as they travel between larger areas of intact habitat. Some of the major wildlife corridors in India are the Kanha-Pench Corridor and the Kaziranga-Karbi Anglong Corridor.
- **Relocation of human settlements:** Relocation of human settlements is a proactive strategy that tries to alter the ecological setting, and thus prevent conflict. This strategy has been implemented under the Indian government's wildlife conservation schemes since the early 1970s.
- **Awareness:** To create awareness among the people and make them aware about the dos and don'ts in forest areas so that the conflict between man and animal can be reduced.
- **Crop insurance** should be provided in the event of destruction by wild animals.
- **Part of CSR:** Safeguarding Tiger corridors, building eco-bridges and such conservation measures can be part of corporate social responsibility.
- **Re-locating of animal habitats** away from residential and commercial centres
- **Improvement of habitat:** In-situ and ex-situ habitat conservation measures will help in securing animals their survival

Way Forward

- Wildlife **standing committee** with few members and in-depth technical knowledge for evolving **site-specific plans/ mitigation strategies** including recommendations on **changing cropping patterns** and for taking critical decisions at short notice, empowered under the law, is necessary.
- A body should be constituted having at least **one-third of the non-official members of the SBWL**, at least **three institutional members** and the **Director of the Wildlife Institute of India or his/ her nominee**.
- The controversial clause in the Wild Life (Protection) Amendment Bill, 2021 that allows the **“transfer and transport”** of live elephants while recommending that the government could bring in additional checks to allow sale and purchase by religious institutions, should be amended.

Wildlife (Protection) Amendment Bill, 2021

Lok Sabha passed the Wildlife (Protection) Amendment Bill, 2021. It amends the Wild Life (Protection) Act, 1972 which regulated the protection of wild animals, birds and plants. The bill seeks to implement the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

- ✓ Although CITES is legally binding on the Parties, it does not replace national legislation.
- ✓ Rather, it establishes a framework (on which domestic law of each Party must be enacted) that must be followed by each Party.

Key Features Of The Bill

- **Rationalising Schedules:** The Bill reduces the total number of schedules to 4 [from six earlier - specially protected plants (1), specially protected animals (4) and vermin species (1)] by:

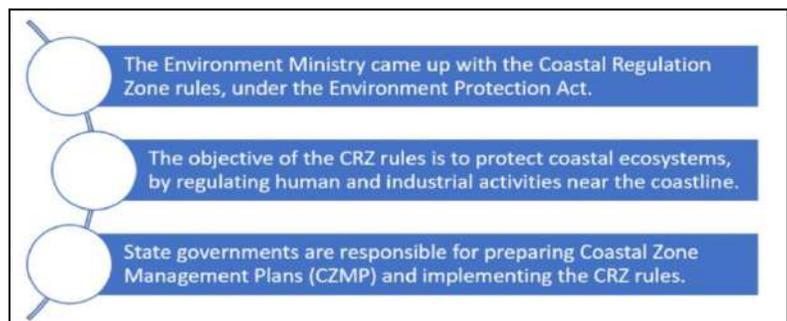
- ✓ Reducing the number of schedules for specially protected animals to 2. (Schedule 1&2)
- ✓ Schedule III that covers plants.
- ✓ Removes the schedule for vermin species.
- ✓ Inserts a new schedule IV for specimens listed in the Appendices under CITES.
- **To Designate Authorities Under CITES Obligations:** The Bill provides for the central government to designate a:
 - ✓ **Management Authority**, which grants export or import permits for trade of specimens.
 - ✓ **Scientific Authority**, which gives advice on aspects related to impact on the survival of the specimens being traded.
- **Invasive Alien Species:** The Bill empowers the central government to regulate or prohibit the import, trade, possession or proliferation of invasive alien species.
- **Control Of Sanctuaries**
 - ✓ The 1972 Act entrusts the Chief Wildlife Warden (appointed by the state government) to control, manage and maintain all sanctuaries in a state.
 - ✓ The Bill specifies that actions of the Chief Warden must be in accordance with the management plans (to be prepared as per guidelines of the central government and as approved by the Chief Warden) for the sanctuary.
 - ✓ For sanctuaries falling under special areas (Scheduled Area or areas where the Forest Rights Act, 2006 is applicable), the management plan must be prepared after due consultation with the concerned Gram Sabha.
- **Conservation Reserves**
 - ✓ Under the 1972 Act, state governments may declare areas adjacent to national parks and sanctuaries as a conservation reserve, for protecting flora and fauna, and their habitat.
 - ✓ The Bill also empowers the central government to notify a conservation reserve.
- **Surrender Of Captive Animals:** The Bill provides for any person to voluntarily surrender any captive animals or animal products to the Chief Wildlife Warden.
- **Penalties:** The 1972 Act prescribes imprisonment terms and fines for violating the provisions of the Act. The Bill increases these fines.

Have Coastal Ecosystem Norms Been Violated?

- Comptroller and Auditor General (CAG) of India tabled a report in Parliament on whether steps taken by the Union Environment Ministry to conserve India's coastal ecosystems have been successful.
- This latest report contains the observations from an audit of **Conservation of Coastal Ecosystems from 2015-20**.

Coastal Zone Regulation

- The Union government has issued notifications under the **Environment Protection Act (1986)**, to regulate activities along India's coasts particularly regarding construction.
- The **Coastal Regulation Zone Notification (CRZ) 2019** classifies the coastal area into different zones to manage infrastructure activities and regulate them. These are:



| | |
|----------------|---|
| CRZ-I | <ul style="list-style-type: none"> ▪ CRZ-I constitutes ecologically-sensitive areas, such as mangroves, corals/coral reefs, sand dunes, national parks, marine parks, sanctuaries, reserve forests, wildlife habitats, etc. ▪ The coastal regulation zone areas in CRZ-I are situated between high tide lines and low tide lines. |
| CRZ-II | <ul style="list-style-type: none"> ▪ It constitutes the developed areas up to the shoreline, which fall within the existing municipal limits. ▪ The development of unauthorised structures is not allowed in this zone. |
| CRZ-III | <ul style="list-style-type: none"> ▪ Localities, such as rural areas that are relatively undisturbed and do not fall under the above categories, are included in this zone. ▪ Only specific activities related to agriculture or certain public facilities are permitted under this zone. |
| CRZ-IV | <ul style="list-style-type: none"> ▪ The zone constitutes water areas from the low tide line up to territorial limits, including areas of the tidal-influenced water bodies. ▪ Activities such as fishing and other allied services are permitted in this zone. |

Implementing Agencies

The three institutions responsible for the implementation of the CRZ are –

- National Coastal Zone Management Authority (NCZMA) at the Centre,
- State/Union Territory Coastal Zone Management Authorities (SCZMA/UTCZMA) in every coastal State and UT.
- District Level Committees (DLCs) in every district that has a coastal stretch.

Why Did The CAG Undertake This Audit?

- The CAG has a constitutional mandate, under Article 151, to investigate and report on publicly funded programmes.
- The CAG conducted “pre-audit studies” and found that there were large-scale CRZ violations in the coastal stretches.
- Incidences of illegal construction activities (reducing coastal space) and effluent discharges from local bodies, industries and aquaculture farms had been reported by the media and this prompted it to undertake a detailed investigation.

Key Findings Of The Audit Report

- For one, the Ministry of Environment, Forest and Climate Change hadn't notified NCZMA as a permanent body and it was being reconstituted every few years.
 - ✓ In the absence of defined membership, it was functioning as an ad-hoc body.
- There were instances of the Expert Appraisal Committees (EACs) not being present during project deliberations.
 - ✓ EAC is a committee of scientific experts and senior bureaucrats who evaluate the feasibility of an infrastructure project and its environmental consequences.
- There were also instances of the members of the EAC being fewer than half of the total strength during the deliberations.
- The SCZMA had not been reconstituted in Karnataka and there was delayed reconstitution in the States of Goa, Odisha and West Bengal.
- The DLCs of Tamil Nadu lacked participation from local traditional communities. In Andhra Pradesh, DLCs were not even established.
- Also, there were instances of projects being approved despite inadequacies in the Environment Impact Assessment (EIA) reports.

Forest (Conservation) Rules, 2022

Ministry of Environment Forests and Climate Change (MoEFCC) notified the Forest (Conservation) Rules, 2022, under the Forest Conservation Act, 1980. It had, thus, replaced the Forest (Conservation) Rules, 2003.

The Forest (Conservation) Act (FCA), 1980

Need for FCA: Though the Indian Forests Act is in effect since 1927, it was designed not to preserve forests or combat deforestation, but to allow the Colonial British authority to control timber extraction.

About FCA

- The FCA is the principal legislation that regulates deforestation in the country. It prohibits the felling of forests for any “non-forestry” use without prior clearance by the central government.
- Thus, it creates an institutional mechanism, prescribing procedures for the orderly approval and handing over of forest land to user agencies for diversion for non-forestry purposes.
- These result in deforestation, ranging from “clear felling” to “selective felling” as required by the user agency.
- It is a brief legislation with only five sections -
 - ✓ **Section 1** defines the extent of coverage of the law.
 - ✓ **Section 2** restricts activities in forest areas
 - ✓ The rest deals with the creation of advisory committees, powers of rule-making and penalties.
- The clearance process includes seeking consent from local forest rights-holders and from wildlife authorities. The Centre is empowered to reject such requests or allow it with legally binding conditions.

Forest (Conservation) Rules, 2003

It had provisions of “clear felling” to “selective felling”

Environment Ministry’s regional office or the state would process all proposals to use forest land, depending on the extent of forest area to be diverted.

- The Ministry would then consider the advice of a committee set up for this purpose and decide on the proposal.

No such provision

Ministry used to receive forest diversion proposals from agencies together with a submission under the Forest Rights Act (FRA), 2006.

- The FRA overrides the FCA and Rules can’t override or abrogate a law

Forest (Conservation) Rules, 2022

These affirm that “clear felling” is indeed the **removal of all-natural vegetation** from land of size 1 hectare (ha and) above, by felling, burning or uprooting.

- It excludes “selection felling” which was there in the 2003 Rules.

Earlier, workflow was deemed cumbersome and the Ministry has now replaced it with a machinery consisting of a project screening committee, an integrated regional office, a few designated officers and an advisory committee at the Ministry.

- And they are all under the control of the forest bureaucracy.

Tree plantation, dubbed “surrogate forests” in the new Rules, now comes under the section of “compensatory afforestation.”

Compliance with the Forest Rights Act (FRA), 2006, is not at all required for the final approval for forest diversion, given by the Ministry.

Scheduled Tribes and Other Traditional Forest Dwellers (Recognition Of Forest Rights) Act, 2006 or the Forest Rights Act (FRA), 2006

- It recognizes the rights of forest dwelling tribal communities and other traditional forest dwellers to forest resources on which these communities rely for a variety of needs such as livelihood, habitation, and other socio-cultural needs.
- The Act encompasses -
 - ✓ **Individual rights:** Rights of Self-cultivation & Habitation
 - ✓ **Community Rights** as Grazing, Fishing and access to Water bodies in forests;
 - ✓ **Habitat Rights** for Particularly Vulnerable Tribal Groups (PVTGs),
 - ✓ Recognition of **traditional customary rights and right to protect**, regenerate or conserve or manage any community forest resource for sustainable use, etc.
 - ✓ **Right to allocation of forest land for developmental purposes** to fulfil basic infrastructural needs of the community.
 - ✓ In conjunction with the **Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Settlement Act, 2013**, *FRA protects the tribal population from eviction without rehabilitation and settlement.*
- The Act further enjoins upon the **Gram Sabha and rights holders** the responsibility of conservation and protection of biodiversity as well as to stop any destructive practices affecting these resources or cultural and natural heritage of the tribals.

Objections About The New Rules

- The latest version of rule, allows forest land to be diverted to industry without settling questions of the rights of forest dwellers and tribals.
- The FRA makes it mandatory to seek free, prior and informed consent of families who would be affected by such diversion of forest land.
 - ✓ The new rules destroyed the very purpose of the FRA as once a forest clearance was granted (in this case by a Centre-constituted Forest Advisory Committee), no claims by forest dwellers and tribals would be recognised and settled.
- The State governments will be under even greater pressure from the Centre to accelerate the process of diversion of forest land.
 - ✓ Under the FRA, states are in charge of diverting forests for non-forestry uses and the Union Tribal Affairs Ministry regularly reviewed the implementation of the Act.
- Though permission from the Gram Sabha was not required to divert forest land in the past, its verdict had significant persuasive power.
 - ✓ As a result, the new rules **undermined the role of Gram Sabha**, whose approval was required for any large-scale diversion that did not involve linear projects (linear projects are construction of roads, highways, railways and are exempt from Gram Sabha approvals).

MoEFCC Proposes Amendments In Environment Protection Act, 1986

The Ministry of Environment, Forests and Climate Change (MoEFCC) *proposes* amendments in Environment Protection Act (EPA), 1986, to decriminalize provisions.

Amendments Proposed In The Act

- The ministry **has proposed to replace imprisonment with monetary penalty** for the less severe contraventions under the EPA, which will also be decriminalized.
- Serious violations of EPA which lead to grievous injury or loss of life shall be covered under the provision of IPC.

- The amendments also **propose the creation of an “Environmental Protection Fund”** in which the amount of penalty will be remitted.

About Environment Protection Act, 1986

- It was enacted under **Article 253** of the Indian Constitution **to implement the decisions made at the Stockholm Conference 1972.**
 - ✓ **Article 253** empowers the Parliament to make any law for the whole or any part of the territory of India for implementing any treaty, agreement or convention with any other country or countries or any decision made at any international conference, association or other body.
- It lays down a system of speedy and adequate response to situations threatening the environment.
- This Act’s major **goal is to provide for the conservation and improvement of the environment and all matters related to it.**
- It is an umbrella legislation designed to provide a framework for *the coordination of central and state authorities established under the Water Act, 1974 and the Air Act, 1981.*

Main Provisions of the Act

- **Powers Of The Central Government** - To establish authorities charged with the mandate of preventing environmental pollution in all its forms and to tackle specific environmental problems that are peculiar to different parts of the country.
- **Appointment of officers and their powers and functions** - The Central Government may appoint officers with such designations and may entrust to them such of the powers and functions as it may deem fit.
- **Restriction on pollutant discharge** - No individual or organization shall discharge/emit or permit to discharge/emit any environmental pollutant in excess of the prescribed standards.
- **Cognizance of offences** - No court shall take cognizance of any offence except on a complaint made by the Central Government or any authority or officer authorized in this behalf by that Government.
- **Powers of entry and inspection** - Any person empowered by the Central Government shall have the right to enter any place for inspection or compliance with any order, notification and direction given under the Act.
- **Establishment of environmental laboratories** - The Central Government is entitled to establish or recognize any laboratory/institute as environmental laboratories to carry out the functions entrusted to such a laboratory.
- **Penalties for offences** - Non-compliance or Contravention to any of the provisions of the Act is considered as an offence. Any offences under the EPA are punishable with the imprisonment of up to 5 years or a fine up to 1 lakh rupees or both.

Drawbacks Of The Act

- **Protection of action taken in good faith** - **No suit, prosecution or other legal proceeding shall lie against the Government** or any officer or other employee of the Government or any authority constituted under this Act.
- **Complete Centralization** - **Wide powers are provided to the center** and no power is given to the State Governments. It can be liable to arbitrariness and misuse.
- **Absence of Public Participation** - It also **says nothing about public participation** as regards environmental protection.

2022 UN Ocean Conference (UNOC)

- United Nations Ocean Conference was held at Lisbon, Portugal. This conference was co-hosted by the Governments of Portugal and Kenya.

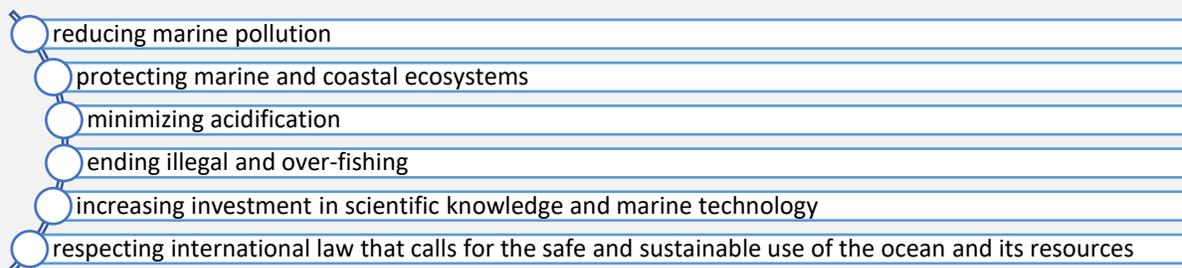
- This summit pursued the objective of scaling up solutions to reverse the decline in ocean health and build the sustainable future. The conference was held to **Support the Implementation of SDG 14**.
- **Theme of the conference** - “Scaling up ocean action based on science and innovation for the implementation of Goal 14: stocktaking, partnerships and solutions”.

How Man has Impacted Oceanic Ecosystem



Sustainable Development Goal 14: Life Below Water

- Advancement of Goal 14 is guided by specific targets that focus on an array of ocean issues, including:



UN Decade of Ocean Science for Sustainable Development 2021 – 2030

The Decade provides a common framework to ensure that ocean science can fully support countries’ actions to sustainably manage the ocean and more particularly to achieve the 2030 Agenda for Sustainable Development.

Key Outcome

A. Lisbon Declaration – A Suite Of Science-Based And Innovative Actions

- The Conference adopted the Lisbon Declaration titled - **Our ocean, our future, our responsibility**. It is a *legally non-binding* document.
- The declaration sends strong signal of *urgently* improving the health, resilience and sustainable use of the ocean. Member countries regretted for their failure in achieving targets set for 2020.

B. Enhancing the management, protection and restoration of marine ecosystems and biodiversity in territorial and extraterritorial seas

- Since 1870s, almost half of global coral reefs have been lost; and nearly 87% of the global wetlands have disappeared over the past 300 years.
- To address this decline, it was decided to **protect at least 30% of ocean by 2030 (30×30 target)**.
- While, several states have committed to extend *Marine Protected Areas* coverage in their territorial sea, the **protection of the high seas remains a critical gap to reach the 30×30 target**.
- In this respect, the conference called for the rapid adoption of a *new legally binding agreement* on the conservation and sustainable use of marine biodiversity areas beyond national jurisdiction - **BBNJ Treaty**.
 - ✓ BBNJ treaty is currently under negotiation at United Nations.

C. Preventing, Reducing And Controlling Marine Pollution Which Includes:

Nutrient pollution; Untreated wastewater; Solid waste discharges; Hazardous substances; Emissions from the maritime sector, including shipping, shipwrecks; Anthropogenic underwater noise.

D. Creation Of Sustainable Ocean-Based Economies

Participating members pledged to **develop and promote innovative financing** solutions to help create sustainable ocean-based economies. They also decided to *expand nature-based solutions* to help conserve and preserve coastal communities.

E. Empowerment of Women and Girls

Member nations recognized that their participation is crucial to building a sustainable ocean-based economy and achieving the UN-mandated SDG 14.

F. Improving Fishing Practices & Aquatic Food Production Compliance With Environmental Standards

- FAO's State of **World Fisheries and Aquaculture 2022 (SOFIA)** was released during conference.
- It pointed out a decrease to 64.6% of fishery stocks within biologically sustainable levels in 2019.
- The summit called on the development of sustainable fishing practices & aquatic animal production.
- Also, there was an announcement from Canada, United-States and UK to launch an international alliance to drive collective action to eradicate illegal, unreported and unregulated (IUU) fishing.

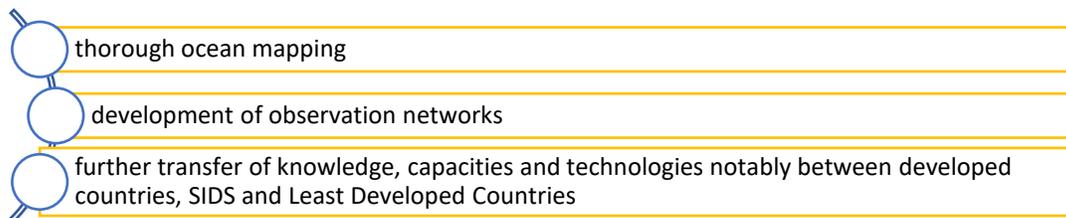
G. Towards Commitments For Deep-Sea Protection

- The conference raised the alarm about the risks of deep seabed exploitation.
- It encouraged the creation of a "legal framework to stop high seas mining and not to allow new activities that endanger ecosystems".

H. Accelerating The Transition Of Blue Economy of Small Island Developing States (SIDS) emphasized.

I. Encouraging and sharing "science" and "innovation": This is evident from its theme - "Scaling up Ocean Action Based on Science and Innovation for the Implementation of Goal 14".

To improve our understanding of the ocean and its future evolution, several recommendations have been formulated, including:



India's Response

At the summit, India committed to a Coastal Clean Seas Campaign and will work toward a ban on single-used plastics (SUPs). SUPs are banned in India since July 1.

Other Conventions Related to Ocean Conservation

- **London Convention, 1972** - The "Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter" is one of the 1st international agreements for the protection of the marine environment from human activities. It has been in force since 1975
- **MARPOL 73/78** - MARPOL refers to marine pollution. It is the International Convention for the Prevention of Pollution from Ships. India is a party to MARPOL 73/78.
 - ✓ Came into force in 1973 and later revised by the protocol in 1978
- **ACCOBAMS** - This refers to the "Agreement on the Protection of Cetaceans in the Black Sea, the Mediterranean Sea and the Contiguous Atlantic Region".

Cabinet Oks Enhanced Climate Action Goals Under Paris Agreement

The Union Cabinet recently approved India's revised climate pledge - Nationally Determined Contribution (NDC) - to the Paris Agreement.

- The pledge will outline India's clean energy transition roadmap from now until 2030 and will be shared with the United Nations Framework Convention on Climate Change (UNFCCC).

India's Intended Nationally Determined Contribution

- Countries from all over the world had pledged to arrive at **Paris Agreement** at UNFCCC Conference of the Parties (**COP21**) in 2015.
 - ✓ The accord aims to keep global warming far below 2°C, preferably 1.5°C, when compared to pre-industry levels.
- Countries have agreed to publicly outline their **Intended Nationally Determined Contributions** (INDCs) for post-2020 climate action to meet Paris Agreement targets.
 - ✓ INDC is a non-binding national plan highlighting climate change mitigation, including climate-related targets for greenhouse gas emission reductions.
- In 2015, India submitted its INDC to the UNFCCC.
- According to the Paris Agreement, countries must 'update' their pledges every 5 years to make larger commitments to reduce GHG emissions

| India's First Pledge | Revised INDC |
|---|--|
| <p>India's first pledge had 3 primary targets.</p> <ul style="list-style-type: none"> ➤ To <u>reduce emissions intensity of the economy (emission per unit of GDP) by 33-35% below 2005 levels.</u> ➤ To have <u>40% of installed electric power from non-fossil-based</u> energy resources by 2030. ➤ To create an <u>additional carbon sink of 2.5-3 gigatonnes of carbon dioxide equivalent (GtCO₂e)</u> by 2030 through additional forest and tree cover. | <p>India at the COP26 to UNFCCC held in Glasgow, UK in 2021, expressed to intensify its climate action by presenting 5-set of new targets (Panchamrit) of India's climate action. These were -</p> <ul style="list-style-type: none"> ➤ India will increase its non-fossil fuel energy capacity to 500 gigawatts (GW) by 2030. ➤ The total projected carbon emissions will be reduced by 1 billion tonnes from now through 2030. ➤ <i>It will meet 50% of its energy requirements from renewable sources by 2030.</i> ➤ <i>Reduce emissions intensity by 45% by 2030 from the 2005 level.</i> ➤ <i>India will achieve its target of net zero by 2070.</i> |

Key Highlights

- The Union Cabinet recently approved last three of the five targets.
- The NDC also highlights India's goal of "sustainable lifestyles" and "climate justice" to protect the poor and vulnerable from the detrimental effects of climate change.
- It also emphasizes on the need for a mass movement for 'LIFE' (Lifestyle for Environment) as a cornerstone to combating climate change.
- India's updated NDC, soon to be communicated to the UNFCCC, will be **implemented by 2030** through programmes and schemes of relevant ministries and departments and with due support from states and UTs.
- However, India has said clearly that it would meet its aim of 50% cumulative electric power from non-fossil-fuel-based energy resources through technology transfer and low-cost international finance, notably from Green Climate Fund (GCF) established within the framework of UNFCCC.

Harnessing Green Hydrogen: Opportunities for Deep Decarbonization in India

NITI Aayog released a report titled **Harnessing Green Hydrogen: Opportunities for Deep Decarbonization in India.**

Major Highlights of The Report

- Indian government should focus on enabling a cost reduction pathway for green hydrogen production
- Hydrogen **demand in India could grow more than fourfold by 2050**, representing almost 10% of global demand.
- Decarbonisation: Green hydrogen is crucial for sectors such as fertilizers, refining, methanol, maritime shipping etc.
- In the longer term, steel and heavy-duty trucking are likely to drive the majority of demand growth, accounting for almost 52% of total demand by 2050.
- **Three hydrogen corridors should be developed** across the country based on state grand challenges.
- The governments **can provide grants to projects, support entrepreneurs** through incubators and investor networks, and put in place regulations that manage first-mover risks.
- Promote export of green hydrogen and green hydrogen-embedded products through a **global hydrogen alliance**.
- Make green hydrogen competitive vis-à-vis grey hydrogen
- Encourage market development using the industrial cluster, and viability gap funding.
- Initiate Green Hydrogen standards and a **labelling programme**

About Green Hydrogen

- It is hydrogen that is **produced by splitting water into hydrogen and oxygen using an electrolyser** powered by renewable energy sources such as wind and solar.
- **Certified green hydrogen requires an emission reduction of >60-70%** below the benchmark emissions intensity threshold.

| Significance of Green Hydrogen | Challenges with the Green Hydrogen |
|---|---|
| <ul style="list-style-type: none">• It can potentially provide a replacement of fossil fuels in industrial processes.• It can help India significantly reduce its dependence on imported fuel.• It can be produced from excess renewable energy and stored in large amounts for a long time.• It can also be used with fuel cells to power anything that uses electricity, such as electric vehicles and electronic devices.• It can be produced wherever there is water and electricity to generate more electricity or heat. | <ul style="list-style-type: none">• We need high energy requirement in compressed hydrogen storage, due to low specific gravity.• Only a handful of Indian companies manufacture electrolysers.• According to The Energy and Resources Institute (TERI), the cost of green hydrogen production is \$5-\$6 per kg. At this rate, it is not easy for industries like steel, fertilizer and long-range shipping to adopt this fuel.• Unwillingness of Industries: Industrial sectors such as chemicals, fertilisers, steel and refineries are unlikely to transition to low carbon alternatives because of the higher associated costs |

Way forward

- The government **could bring a Production-Linked Incentive (PLI) scheme** for manufacturing electrolysers to bring **down the production cost of green hydrogen**
- To promote clean fuels, India **should consider making it mandatory for fertilizer plants and oil refineries to purchase green hydrogen**.

Green Hydrogen Policy/ Green Ammonia Policy

- It aimed at boosting the domestic production of green hydrogen to 5 million Tonnes by 2030 and making India an export hub for the clean fuel.
- It offers 25 years of free power transmission for any new renewable energy plants set up to supply power for green hydrogen production before July 2025.
 - ✓ This means that a green hydrogen producer will be able to set up a solar power plant in Rajasthan to supply renewable energy to a green hydrogen plant in Assam and would not be required to pay any inter-state transmission charges.
 - ✓ Besides, producers will be allowed to set up bunkers near ports for storage of green ammonia for export by shipping.
- The policy also states that energy plants set up to produce green hydrogen/ammonia would be given connectivity to the ISTS (Inter-State Transmission System) on a priority basis.
- Manufacturers of Green hydrogen and ammonia are allowed to purchase renewable power from the power exchange or set up Renewable Energy (RE) capacity themselves or through any other developer, anywhere.
- It provides facility for producers to bank any surplus renewable energy generated with discoms (power distribution companies) for upto 30 days and use it as required

Challenges

- **Monopoly:** Many public sector electricity utilities are unwilling to let go of their monopoly in power distribution.
- **Reluctance of States:** The RE-rich states are either moving away from allowing RE banking or introducing regulations to restrict this facility.
- **Lesser Margins:** The GHP omits to mention any waiver of ISTS losses for green hydrogen and ammonia projects. Also, it provides for discoms to procure and supply RE to makers of green hydrogen/ammonia at the cost of procurement with only a small margin determined by the SERCs. This margin may not be enough incentive for discoms for long-term basis.

EIA Rules Amended

The Ministry of Environment, Forests and Climate Change has notified amendments to the Environment Impact Assessment (EIA) Rules.

Amendments in EIA Rule

- **Strategic and Defence Projects** - Exempted strategic and defence-related highway projects, including those located 100 km from the Line of Control, from the need for an environmental review before construction.
- **Power Plants** – Thermal power plants up to 15 MW based on biomass or non-hazardous municipal solid waste using auxiliary fuel such as coal, lignite or petroleum products up to 15%, have also been given an exemption as long as the fuel mix is eco-friendly.
- **Ports and Harbour dealing in Fish** with less pollution potential compared to others, and caters to small fishermen, are exempted from environmental clearance.
- **Toll plazas** – Toll Plaza that need more width for installation of toll collection booths to cater to a large number of vehicles are exempted
- **Airport** - Expansion activities in existing airports related to terminal building expansion without increase in the airport's existing area, rather than expansion of runways also exempted.

Significance Of The Amendments

- It will improve the investment climate in these sectors.

- It will create jobs and support livelihood especially poor fishermen.
- It will ease the traffic flow on congested highways.
- It will faster the infrastructure development in strategic areas like border areas. Now Char Dham road widening Project in the Bhagirathi eco-sensitive zone stretch will not need EIA clarification.

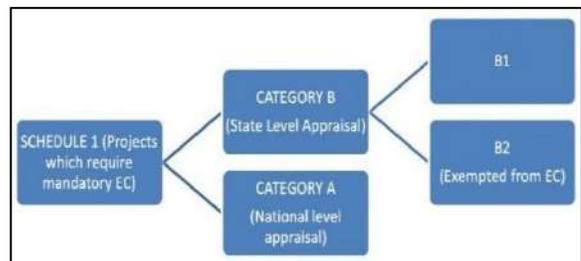
About EIA: It can be defined as the study to predict the effect of a proposed activity/project on the environment. EIA in India is statutorily backed by the Environment Protection Act, 1986.

Different Stages EIA Process

- **Screening** - Which projects need a full or partial assessment (EIA) is decided in this stage.
- **Scoping** - This stage identifies the key issues and impacts that should be further investigated. This stage also defines the boundary and time limit of the study.
- **Impact analysis** - This stage of EIA identifies and predicts the likely environmental and social impact of the proposed project and evaluates the significance.
- **Mitigation** - This step in EIA recommends the actions to reduce and avoid the potential adverse environmental consequences of development activities.
- **Reporting** - This stage presents the result of EIA in the form of a report to the decision-making body and other interested parties.
- **Public hearing** - On completion of the EIA report, public and environmental groups living close to the project site may be informed and consulted at this stage.
- The fate of the project is decided. Whether the project is to be given approval or not and if it is to be given, under what conditions. Appraisal means the detailed scrutiny by the Expert Appraisal Committee or State Level Expert Appraisal Committee of the application & other documents for grant of environmental clearance
 - ✓ Based on the recommendations of the Expert Appraisal Committee, environmental clearance is accorded or rejected to the project by MoEF&CC.
- **Monitoring and implementation of environmental management plan** - The various phases of implementation of the project are monitored in this stage.

EIA Category A/B:

- To decentralize the process of project clearance, the EIA Notification, 2006 has categorized the projects into two categories namely;
- Category 'A' and Category 'B' based on their impact potential.
 - ✓ Category 'A' projects will be appraised at the Central level while Category 'B' project at the State level.
 - ✓ **Category A** projects requires mandatory environmental clearance and thus they do not have to undergo the screening process.
 - ✓ **Category B** projects undergo a screening process and are further classified into B1 (Mandatorily requiring EIA) and B2 (Not requiring EIA).



| Significance of EIA | Drawbacks of EIA |
|--|--|
| <ul style="list-style-type: none"> • It links the environment with development for <u>environmentally safe and sustainable development</u>. • It provides a <u>cost-effective way to eliminate or reduce the adverse impact</u> of developmental | <ul style="list-style-type: none"> • It is a <u>time-consuming process</u> that may be depicted as withholding the pace of developmental activities. • There is <u>little public participation</u> in actual implementation. |

projects.

- It enables decision makers to analyse the impact of developmental activities on the environment before the implementation of the developmental project.
- It sometimes focuses too much on the scientific analysis and the real-time impact is neglected.
- Impact assessment processes are in place and applied in many countries, yet biodiversity is often inadequately addressed.

Way Forward

- **Sector wide EIA is needed** - There is a need to conduct policy-level and sector-wide EIAs in the form of strategic impact assessments for various sectors including mining, power.
- **Improve quality of EIA reports** -The checklist needs to include agricultural biodiversity, traditional knowledge related to biodiversity and impact on livelihoods.
- **Public Hearings** - Public hearings should be held for all projects that are likely to have environmental and social impact. This should be strictly implemented.

DEFENCE AND SECURITY

First Meeting of Multi-Agency Maritime Security Group

National Security Adviser (NSA) Ajit Doval participated in the **first meeting of the Multi-Agency Maritime Security Group (MAMSG)**. The meeting was chaired by Vice Admiral G Ashok Kumar (retd), the country's first National Maritime Security Coordinator.

Background

- MAMSG was formed in November 2021 with an aim to develop better coordination between different maritime security agencies and ministries of the country.
- It works directly under the **National Security Council secretariat (NSCS)**.
- The MAMSG is envisaged to
 - ✓ Provide a standing and effective mechanism to ensure coordination of all aspects of maritime security including coastal and offshore security, and
 - ✓ Fill the institutional, policy, technological and operational gaps in meeting present and future security challenges.
- The group will also address maritime contingencies requiring an urgent and coordinated response

Importance of Maritime Security

1. Maritime Security Of Vast Coastlines

- India has along 7,516-km coastline, including island territories, and a 2 million sq km Exclusive Economic Zone (EEZ).
- The importance of maritime security was evident following the 26/11 Mumbai terror attack.
- In the changing geopolitical scenario, the Indian Ocean which has been an ocean of peace is gradually becoming competitive. The region has the potential to witness clash of interests.

2. Economic And Energy Security

- 90% of India's trade by volume and 70% by value transit through the seas.
- The Indian government is set to clear the Deep Ocean Mission for the blue water economy.
- Security at the high seas and economic wellbeing is inextricably linked and all stakeholders must work unitedly.

3. Geostrategic Need

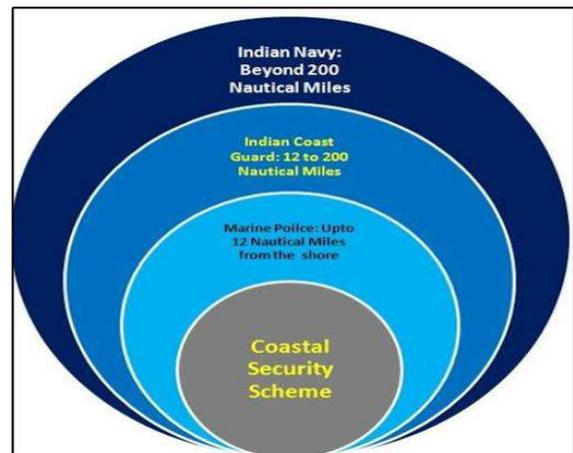
- China is penetrating into the Indian Ocean through Pakistan and Myanmar.
- Enhanced maritime security will give a boost to India's **SAGAR** (Security and Growth of All in the Region) doctrine. Under this doctrine, India has envisioned a role of net security provider in the IOR.

4. Maritime borders are different from land borders

- One cannot fence the maritime borders, and disputes in seas are resolved through international norms and laws, while land disputes are bilateral in nature.

Mechanism

- **Coastal border management** was institutionalized in 2004 with the establishment of the Department of Border Management in the MHA.
- However, after the '26/11' attacks, coastal and maritime security underwent a paradigm shift. These included:
 - ✓ A **three-tier security grid** the Indian Navy, the coast guard, and the marine police;
 - ✓ **Increased electronic surveillance** using Coastal radar chain, Automatic identification system (AIS), Vessel traffic management and information system
 - ✓ Establishment of the National Command Control Communication and Intelligence (NC3I) Network;
 - ✓ **Sagar Prahari Bal** for protecting naval bases has been raised by Navy;
 - ✓ Establishment of **Information Fusion Centre – Indian Ocean Region (IFC-IOR)**.



Associated Issues

- There are **no formal or commonly accepted definitions** of concepts like 'maritime security', 'coastal security' and 'coastal defence'. Sometimes, it leads to vagueness.
- **Multiple institutions** are involved and there is lack of coordination.
- **Turf war** between MHA and Ministry of Defence (MoD). Demands are being made to bring Coast Guard under the control of MHA.
- Fishermen are considered as the eyes and ears for coastal security. However, **discontent among fishermen community**, involvement of politics in fishermen issues etc. are further complicating the security architecture.
- Inadequate infrastructure, acute shortage of manpower is posing challenges in providing maritime security in India.

Conclusion

- India is determined to strengthen its maritime security that would protect and support legitimate maritime activities while countering traditional and non-traditional threats in the maritime domain.
- It is evident from the fact that, during India's presidency of UNSC, **maritime security was deliberated for the first time** in a holistic manner as an exclusive agenda item in a high-level global forum.

Extra Mile

UNSC also **adopted** the first-ever presidential statement on maritime security in August 2021.

Key Highlights Of Open Debate On Maritime Security Held By UNSC

A. **Five-point Agenda** forwarded by PM to enhance maritime cooperation are -

- Removal of barriers to legitimate maritime TRADE
- Promoting responsible maritime CONNECTIVITY
- Conservation of marine RESOURCES
- Fight THREATS from natural disasters, non-state actors
- Resolution of maritime DISPUTES peacefully in accordance with international law

B. Primacy of the UNCLOS (United Nations Convention on the Law of the Sea)

An **outcome document**, in this regard, was adopted.

C. India’s Role as the Net Security Provider for the Indian Ocean region.

He referred to Indian Navy’s anti-piracy patrolling, India’s support to other nations under **SAGAR Doctrine**, hydrographic survey conducted by India & enhancing maritime domain awareness.

India To Set Up Joint Theatre Commands Of Tri-Services

Defence Minister Rajnath Singh has said that a joint theatre commands of tri-services would be set up to enhance coordination among armed forces.

Theaterisation of Armed Forces

- Theaterisation is a concept which seeks to integrate the capabilities/assets of the three services - army, air force and navy – in order to optimally utilise their resources for wars and operations.
- Theatre commands will have units of the Army, the Navy and the Air Force. All of them will work as a single entity looking after security challenges in a specified geographical territory.
- It will create a military structure in which specific theatre commands/units will be placed under the Theatre Commander.
- The Theatre Commander will be a three-star general, drawn from any of the three services, depending on the function assigned.

Theaterisation Model Under Consideration

It talks about setting up of six theatre commands. These are:

- **Air Defence Theatre Command**
 - ✓ It will control air defence resources of all three services. It will be tasked with protecting military assets from airborne enemies.
 - ✓ It will be headed by a top three-star Indian Air Force officer based in **Prayagraj**.
- **Maritime Theatre Command**
 - ✓ This will be responsible for securing India from seaborne threats.
 - ✓ Headed by a top three-star Indian Navy officer and will be based in **Karwar, Karnataka**.
- **Other Commands - Northern Command** (Comprising Jammu & Kashmir and Ladakh); **Western Command; Eastern Command; Logistics command**.
- The 1st phase involves the creation of Air Defence Command and Maritime Theatre Command.

Present Model In India

- At present, India has 17 single service commands and only two tri-service commands.
- The 17 single service commands are divided as:

| | | |
|-------------------|-----------------------|-------------------|
| Army – 7 commands | Airforce – 7 commands | Navy – 3 commands |
|-------------------|-----------------------|-------------------|

- **Two tri-service commands** are: Andaman and Nicobar Command (ANC), and The Strategic Force Command (handles the nuclear weapons).

- Creating Theatres would involve merging existing commands. After restructuring, the ANC command will come under the proposed Maritime Theatre Command and SFC will be under **National Security Council**.

Challenges

1. **Apprehensions of Air force:** It has reservations regarding the asset division. The organization fears that it will lose control over its assets and operations. IAF has also raised apprehension regarding the nomenclature of commands, the leadership of theatre commands and dilution of powers of chiefs.
2. **Apprehensions Raised by MHA:** The Ministry of Home Affairs (MHA) is worried about the operational command of the Central Armed Police Forces (CAPF). It fears that the control of CAPF would go to the Ministry of Defence.