

KSG

An Institute For **IAS** Exam...



CURRENT CONNECT

" Get your Mains Answers evaluated through this Copy"



KSG

An Institute For **IAS** Exam...

ONLINE LEARNING

Quality Of Physical Classes With Convenience Of Online

NEXT BATCH

3rd Aug 2020

5:00 PM- 8:00 PM

***Daily 3 hrs. Live Class Followed
by 30 mins Doubt Clearing Session**



LIVE
Classes

REGISTRATION OPEN

www.ksgindia.com/kol

NORTH DELHI
9717 380 832

CENTRAL DELHI
9811 293 743

JAIPUR
8290 800 441

BENGALURU
7619 166 663

BHOPAL
7509 975 361

INDORE
9893 772 941

PATNA
7463 950 774

RANCHI
9939 982 007

ABOUT CURRENT CONNECT

It gives us immense pleasure to present an innovative approach to master current affairs. Current is a passing wind and diverse issues happen at the same time. It is to an extent chaotic. Newspapers, magazines and various other sources report the chaos per se. With our experience of current **affairs we have tried to give “the current” a medium to travel. It is the syllabus of the UPSC with their components that are the medium through which the “Current is Passed” to the readers.** Ever since the new syllabus of the UPSC came into existence, current has been gaining significance both at prelims as well as mains examination. This book is meant to cover current affairs and related questions arising from those events. We have not only covered the current events for their factual contents but also presented it in such a way that any question asked from that topic gets covered. Moreover, topics are also “peppered” with the relevant facts/key concepts that are related to the theme. We have also given questions for practice both, subjective and objective, so that candidates are oriented to the examination mode. It is a collection covering myriad source yet in a manageable size. To use this book we recommend you to master the components of general studies (GS) syllabus as broken into rows and columns (provided in the beginning after preface). Each cell comprising of the portion of GS becomes the connect for the current and every news subsequently covered guides the reader to the address of the syllabus. It is logical to expect that same issue may be connected to more than one topic of the syllabus. Further, the news also has some additional vistas opened for the readers by adding a box **with a title “PEPPER IT WITH” where we expect the students to build further around the theme.**

We are also trying to reach the remotest part of the country with our **spirit and zeal of “Mains Answer Writing”, which has** been admired by students, CSE rankholders and other scholars. Continuing in line with the effort, we have started with programs like 7 Question (7Q) Challenge, Shell Points, Stock Points, Content Enrichment Booklet etc.

When it comes to evaluation, we are altogether at a different level. We are also reaching every nook and corner with this expertise for the aspirants of CSE. Now you can write a Mains Answer and get it evaluated from our Expert Team and can get Feedback. [Drop a mail at evaluation@ksgindia.com](mailto:evaluation@ksgindia.com) for registering yourself in our race to perfection. **Don't wait, it's your golden chance to crack this exam and fulfill your passionate dream.**

Team KSG

Contents

POLITY

Amendment to the Essential Commodities Act, 1955	5
Reservation and Fundamental Rights	6
PM CARES Fund.....	8
Secrecy of Ballot	10
Unmanned Aircraft System Rules	11
Banning of Chinese Mobile Applications	13
Rohini Commission on OBC Reservation	16

SOCIAL ISSUES, SCHEMES, REPORTS AND INDICES

TULIP (Urban Learning Internship Program)	18
SWADES: Skill Mapping Exercise for Returning Citizens.....	19
Rule of Law Index	20
Garib Kalyan Rojgar Abhiyaan	21
SahakarMitra Scheme.....	22
Mental Health Issues	23
World Bank's 'STARS' Project	25
PM SVANidhi Scheme	26
Global Vaccine Summit.....	27
Online Learning and Classroom Learning	29

Economy

Committee on Social Stock Exchanges	31
Payment Infrastructure Development Fund	33
Forex Reserves.....	35
Monetisation of deficit by RBI.....	36
GAFA Tax	38
International Comparison Program.....	39
Minimum Support Price	40
PM Formalization of Micro Food Processing Enterprises (PM FME)	42
Credit Guarantee Scheme for Sub-ordinate Debt (CGSSD)	43
Border Adjustment Tax	44
Indian Gas Exchange (IGX)	45
Real Time Market in Electricity.....	47
Animal Husbandry Infrastructure Development Fund (AHIDF)	48
Consolidated Notification For Classification And Registration Of Msmes	49
Moody's downgraded India's ratings	50
Co-operative Banks.....	52

INTERNATIONAL RELATION

Mutual Logistics Support Agreement (MLSA)	54
---	----

China Pakistan Economic Corridor (CPEC)	55
Russia, India, and China (RIC) Trilateral Grouping	56
Sikkim Tibet Convention of 1890.....	57
75 years of UN Charter and UN Security Council	58
Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)	60

ENVIRONMENT

Ozone Pollution	62
Electronic Incentive Scheme.....	64
Decarbonizing Transport in Emerging Economies (DTEE) Project	66
Nagar Van UdyanYojana	67
Environmental Performance Index.....	68
Organic Livestock Farming.....	70
Coal Production in India: Supply of Washed Coal	71
Lonar Lake	73
Gravel Geometry of the Indus River	73
Detection of Fluorine in Hot Extreme Helium Stars.....	74
Illegal Wildlife Trade: FATF Report.....	74
Oil Spill	76
Scheme for Promotion of Academic and Research Collaboration (SPARC)	78

SCIENCE AND TECHNOLOGY

Indian National Space Promotion and Authorization Centre	80
Solar and Lunar Eclipse.....	81
Important COVID-19 Terminologies.....	82
Global Partnership on Artificial Intelligence	84
Lightning Strikes and Issues	87

SECURITY

UN Arms Trade Treaty	88
THAAD Defence System	89
Maareech: Anti-Torpedo Decoy System	90

ART AND CULTURE

Talamaddale	91
Chaolung Sukapha	91
Raja Sankranti	92
Miscellaneous	93
Concept Clearing Assignment.....	97
P.T Oriented Question.....	101

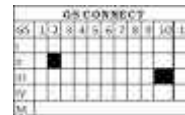
S. No.	1	2	3	4	5	6	7	8	9	10	11
GS - I	Culture-Art Forms, Literature and Architecture from ancient to modern times.	Indian history significant events, person	Post Independence issues, National boundary and disputes	Indian society features, issues, globalization and diversity	Women - issues and developments	Urbanization – problems and remedies	Distribution of industries and resources – India and world	Geophysical phenomena such as earthquakes, Tsunami, Volcanic			
GS - II	Indian constitution- Amendments, acts and bills.	Legislative, executive and judicial processes.	Constitutional, non-constitutional, judicial, quasi-judicial, administrative and other types of bodies.	Federal structure and local bodies. Their powers and functions.	Government policies and various governance issues like transparency, accountability and – governance	Committees and schemes.	Non-government issues, self-help groups and role of civil society	Vulnerability of our society and social sector issues and initiatives	International Relations -India and other countries, various Indian and international agreements, effects of other countries on		
GS - III	Various measures to boost Indian economy- planning, policies, management.	Government budgeting and issues related to budget.	Agriculture, animal husbandry and transport	Food security- measures to boost food security and food processing. Issues related to land- land reforms	Industries and infrastructure- re-their growth and investment model	Space and technology, IT space, robotics and computer	Disease, biotechnology and human welfare	Innovations, intellectual property, Awards, POI and other import and aspects of S&T	Environment: government initiatives, various judgments, pollution, degradation and conservation efforts	Disaster & Management	Challenges to internal security, Various Security forces and agencies and their mandate. Cybersecurity: moneylaundering and its prevention.
GS - IV	Ethical issues related to family society, education, Corruption etc.	Ethics in public and private administrative	Issues	Related laws and rules	Governance/e-Governance	Ethics in international issues	Personalities and their	Other important topics			
Mis.											

POLITY

Amendment to the Essential Commodities Act, 1955

News Excerpt

The Essential Commodities(Amendment) Ordinance, 2020 was promulgated in June, 2020 amidst COVID-19 outbreak. It amends the Essential Commodities Act, 1955.



Pre-Connect

- There is no specific definition of 'essential commodities' in the Essential Commodities Act. **Section 2(A) of the act states that an "essential commodity" means a commodity specified in the "Schedule" of this Act.**
- This Act empowers the central government to regulate, add or remove a commodity in the "Schedule."
- The Centre, if it is satisfied that it is necessary to do so in public interest, can notify an item as essential, in consultation with state governments.
- **At present, the "Schedule" contains 9 commodities** — drugs; fertilisers, whether inorganic, organic or mixed; foodstuffs, including edible oils; hank yarn made wholly from cotton; petroleum and petroleum products; raw jute and jute textiles; seeds of food-crops and seeds of fruits and vegetables, seeds of cattle fodder, jute seed, cotton seed; face masks; and hand sanitisers.
- The latest items added to this schedule are face masks and hand sanitisers, which were declared as essential commodities with effect from March in the wake of COVID-19 outbreak.
- In the first week of July, it was told by the government that Face masks and hand sanitisers are no more essential products as their supply is sufficient in the country and, therefore, are now kept out of the purview of the Essential Commodities Act, 1955.
- By declaring a commodity as essential, the government can control the production, supply, and distribution of that commodity, and impose a stock limit.

Need of Amendment

- The EC Act was legislated at a time when the country was facing scarcity of foodstuffs due to persistent abysmal levels of food grain production. The country was dependent on imports of food grains.
- In that scenario, to stop the hoarding and black marketing of foodstuffs, The Essential Commodities Act was enacted in 1955. But now the situation has changed, there is enough food grains like rice, wheat and pulses.
- In fact, India has now become an exporter of several agricultural products. With these developments, the EC Act has become anachronistic.

PEPPER IT WITH
The farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, PDS, TPDS, APMC acts, e-NAM

Highlights

- ✓ The central government may regulate or prohibit the production, supply, distribution, trade, stock and commerce of such essential commodities.
- ✓ The Ordinance provides that the central government may regulate the supply of certain food items including cereals, pulses, potato, onions, edible oilseeds, and oils, only under extraordinary circumstances.
- ✓ The extraordinary circumstances include: (i) war, (ii) famine, (iii) extraordinary price rise and (iv) natural calamity of grave nature.
- ✓ The Ordinance requires that imposition of any stock limit on certain specified items must be based on price rise. A stock limit may be imposed only if there is:
- ✓ 100% increase in retail price of horticultural produce; and
- ✓ 50% increase in the retail price of non-perishable agricultural food items.
- ✓ The Ordinance provides that any stock limit will not apply to a processor or value chain participant of agricultural produce if stock held by such person is less than the: (i) overall ceiling of installed capacity of processing, or (ii) demand for export in case of an exporter.

- ✓ A value chain participant means a person engaged in production, or in value addition at any stage of processing, packaging, storage, transport, and distribution of agricultural produce.
- ✓ The provisions of the Ordinance regarding the regulation of food items and the imposition of stock limits will not apply to any government order relating to the Public Distribution System or the Targeted Public Distribution System.
- ✓ Under the Public Distribution System or the Targeted Public Distribution System, food grains are distributed by the government to the eligible persons at subsidised prices.

Analytica

- The key changes seek to free agricultural markets from the limitations imposed by permits and mandis that were originally designed for an era of scarcity.
- The move provides more choices for farmers to trade their produce, but its success will depend on how the private sector leverages the opportunity.
- With this amendment, commodities like cereals, pulses, oilseeds, edible oils, onion and potatoes will be removed from list of essential commodities. This will remove fears of private investors of excessive regulatory interference.
- **In addition, the cabinet approved “The farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020” to ensure barrier free trade in agricultural produce.** This will help create an ecosystem where farmers and traders can enjoy freedom of choice of sale and purchase of Agri-produce.

Conclusion

While India has become surplus in most Agri-commodities, farmers have been unable to get better prices due to lack of investment in cold storage, processing and export as the entrepreneurial spirit gets dampened due to hanging sword of Essential Commodities Act.

For More on Essential Commodities act refer KSG Current Connect, March Page No-8

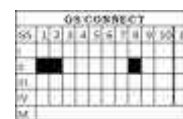
Reservation and Fundamental Rights

News Excerpt

Recently Supreme Court in a plea on OBC quotasaid that reservation is not a fundamental right.

Pre- Connect

- Several organisations had approached the SC arguing that the action of the Centre and the Medical Council of India to fill the NEET All India Quota seats reserved for Backward Classes from the open category is unconstitutional.
- Under the provisions of the NEET, the reservation details are as follows: –
 - State government and private medical and dental colleges must surrender 15% of the seats in diploma and undergraduate courses for an All India Quota.
 - Candidates from across the country can apply for this quota.
 - In post graduate courses, private and state government colleges must surrender.
- It has been cited in court that NTA is neither following the Tamil Nadu Backward Classes, Scheduled Castes and Scheduled Tribes (Reservation of Seats in Educational Institutions and of Appointments or Posts in the Services under the State) Act, 1993- To provide 50% reservation for OBC



National Eligibility Cum Entrance Test (NEET)

- ❖ The National Eligibility Cum Entrance Test (NEET) UG is conducted by the National Testing Agency from 2019 onwards. Earlier the similar test was conducted by the Central Board of Secondary Education (CBSE) till 2018.
- ❖ NEET UG is applicable for admission to MBBS/BDS Courses in India in Medical/Dental Colleges run with the approval of Medical Council of India/Dental Council of India under the Union Ministry of Health and Family Welfare, except for the institutions established through an Act of Parliament i.e. AIIMS and JIPMER, Puducherry.
- ❖ The responsibility of the NTA will be limited to the conduct of the entrance examination, declaration of result and providing All India Rank and counselling for 15% All India Quota Seats and for supplying the result to state/other Counselling Authorities.

candidates in All India Quota in undergraduate as well as postgraduate medical courses in Tamil Nadu nor providing 27% reservation for OBC candidates in All India Quota in undergraduate as well as postgraduate medical courses to other States.

- Further the provisions of the Central Educational Institutions (Reservation and Admission) Act, 2006 which grants reservation of 27% to OBC candidates only in central educational institutions is an anomaly -
 - As the institutions run by States and private parties are treated as a **“different class having a different rule of reservation”**.

National Testing Agency

- ✚ National Testing Agency (NTA) has been established as a premier, specialist, autonomous and self-sustained testing organization to conduct entrance examinations for admission/fellowship in higher educational institutions.
- ✚ National Testing Agency (NTA) is a registered society under the Societies Registration Act, 1860.

Reservation in Jobs and Educational Institutions

- Under Articles 15 and 16, it allows the government to set quotas to ensure any "socially and educationally backward classes of citizens" is properly represented in public life.
- It is intended to realise the promise of equality enshrined in the Preamble of our Constitution.
- Article 15(4) allows the state to make special provisions for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes.
- Article 16(4) allows the state to make special provisions for the reservation of appointments or posts in favor of any backward class of citizens which, in the opinion of the State, is not adequately represented in the services under the State.
- The Indira Sawhney Case recognized socially and economically backward classes as a category and recognized the validity of the 27 per cent reservation.

Current Reservation Provision under the Central Scheme -

- Scheduled Castes (SCs) - 15%
- Scheduled Tribes (STs) - 7.5%
- Other Backward Classes (OBCs) - 27%
- Economic Weaker Sections (EWS) - 10%

- It laid down a 50 per cent limit on reservations and observed that economic, social and educational criteria were needed to define backward classes.

- It is a system of affirmative action that provides representation for historically and currently disadvantaged groups in Indian society w.r.t to education, employment and politics.

Analytica

- ✓ Dr. B.R. Ambedkar observed during the debate in the Constituent Assembly on the equality clause, that any reservation normally ought to be for a minority of seats.
- ✓ Affirmative action loses its meaning if it does not leave the door slightly ajar for open competition.
- ✓ This is one of the points often urged in favour of the 50% cap imposed by the Court on total reservation, albeit with some allowance for relaxation in special circumstances.
- ✓ Such a debate should not divert attention from the fact that there is a continuing need for a significant quota for STs, especially those living in areas under the Fifth Schedule.
- ✓ While the power to amend the lists notified by the President is not in dispute, it is **somewhat uncharitable to say that the advanced and “affluent” sections within SCs and STs are cornering all benefits and do not permit any trickle-down.**
- ✓ Indian society is still some distant from reaching that point.
- ✓ Supreme Court ruling stresses that overzealous reservation tends to affect rights of other communities.

PEPPER IT WITH
Societies Registration Act, 1860,
Medical Council of India, Indira
Sawhney case Judgement, Central
Educational Institutions
(Reservation and Admission) Act,
2006, M Nagraj Case Judgement

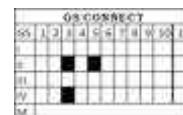
Conclusion

It is still a matter of debate whether the ceiling over the reservation has innate sanctity, but it is clear that wherever it is imperative that the cap be breached, a special case must be made for it.

PM CARES Fund

News Excerpt

A civil suit has been filed in a Pune court seeking to bring the PM Citizen Assistance and Relief in Emergency Situations (CARES) Fund under the purview of the Right to Information Act, 2005.



Pre-Connect

- With the surge in COVID-19 cases in India, Prime Minister had announced the creation of the PM CARES fund.
- PM CARES fund was created in spite of the fact that there **already was a Prime Minister's National Relief Fund (PMNRF)** to deal with emergencies, calamities and emerging medical expenses.
- **Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund):** Keeping in mind the need for having a dedicated national fund with the primary objective of dealing with any kind of emergency or distress situation, like posed by the COVID-19 pandemic, and to provide relief to the affected, a public charitable trust under **the name of 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)** has been set up.

Prime Minister's National Relief Fund (PMNRF)

- ❖ In pursuance of an appeal by the then Prime Minister, Pt. Jawaharlal Nehru in January, 1948, **the Prime Minister's National Relief Fund (PMNRF)** was established with public contributions to assist displaced persons from Pakistan.
- ❖ The resources of the PMNRF are now utilized primarily to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to the victims of the major accidents and riots.
- ❖ The fund consists entirely of public contributions and does not get any budgetary support.
- ❖ The corpus of the fund is invested in various forms with scheduled commercial banks and other agencies.
- ❖ Disbursements are made with the approval of the Prime Minister.
- ❖ PMNRF has not been constituted by the Parliament.
- ❖ The fund is recognized as a Trust under the Income Tax Act and the same is managed by Prime Minister or multiple delegates for national causes.
- ❖ **PMNRF operates from the Prime Minister's Office**, and does not pay any license fee.
- ❖ PMNRF is exempt under Income Tax Act, 1961 under Section 10 and 139 for return purposes.
- ❖ Contributions towards PMNRF are notified for 100% deduction from taxable income under section 80(G) of the Income Tax Act, 1961.
- ❖ Prime Minister is the Chairman of PMNRF and is assisted by Officers/ Staff on honorary basis.

Objectives of the PM CARES Fund

- To undertake and support relief or assistance of any kind relating to a public health emergency or any other kind of emergency, calamity or distress, either man-made or natural, including the creation or upgradation of healthcare or pharmaceutical facilities, other necessary infrastructure, funding relevant research or any other type of support.
- To render financial assistance, provide grants of payments of money or take such other steps as may be deemed necessary by the Board of Trustees to the affected population.
- To undertake any other activity, which is not inconsistent with the above objects.

Constitution of the Trust

- ✓ Prime Minister is the ex-officio Chairman of the PM CARES Fund and Minister of Defence, Minister of Home Affairs and Minister of Finance, Government of India are ex-officio Trustees of the Fund.
- ✓ The Chairperson of the Board of Trustees (Prime Minister) shall have the power to nominate three trustees to the Board of Trustees who shall be eminent persons in the field of research, health, science, social work, law, public administration and philanthropy.
- ✓ Any person appointed a Trustee shall act in a pro bono capacity.

PEPPER IT WITH
National Disaster Management Act, 2005; Mandamus, Certiorari, Prohibition, Habeas Corpus, Quo Warranto; Art. 112, Art. 226, Art. 265, Art. 266, Art. 267, Art. 268, Art. 269A.

Other details

- The fund consists entirely of voluntary contributions from individuals/organizations and does not get any budgetary support.
- Donations to PM CARES Fund would qualify for 80G benefits for 100% exemption under the Income Tax Act, 1961.
- Donations to PM CARES Fund will also qualify to be counted as Corporate Social Responsibility (CSR) expenditure under the Companies Act, 2013.
- PM CARES Fund has also got exemption under the FCRA and a separate account for receiving foreign donations has been opened.
- This enables PM CARES Fund to accept donations and contributions from individuals and organizations based in foreign countries.
- This is consistent with respect to **Prime Minister's National Relief Fund (PMNRF)**. PMNRF has also received foreign contributions as a public trust since 2011.

Article 32 in The Constitution of India 1949

Article 32. Remedies for the enforcement of rights conferred by Part III.

(1) The right to move the Supreme Court by appropriate proceedings for the enforcement of the rights conferred by Part III is guaranteed.

(2) The Supreme Court shall have power to issue directions or orders or writs, including writs in the nature of habeas corpus, mandamus, prohibition, quo warranto and certiorari, whichever may be appropriate, for the enforcement of any of the rights conferred by Part III.

(3) Without prejudice to the powers conferred on the Supreme Court by clause (1) and (2), Parliament may by law empower any other court to exercise within the local limits of its jurisdiction all or any of the powers exercisable by the Supreme Court under clause (2).

(4) The right guaranteed by this article shall not be suspended except as otherwise provided for by this Constitution.

Key Highlights

- The suit sought that the PM CARES Fund be declared “null and void” if the centre didn't bring it under the ambit of the RTI Act.
- The PMNRF was established more than 70 years ago. The PM CARES, which till date has not been subjected to any external audit despite repeated demands by the civil society.
- The Central government failed to provide adequate personal protective equipment kits, ventilators, beds and other materiel to combat the pandemic across the country, resulting in the deaths of many patients.
- In spite of creation of the PM CARES fund, the centre failed to provide any relief to migrant labourers stranded by the lockdown.
- The labourers were constrained to walk for thousands of kilometres to their home towns, resulting in several labourers losing their lives in the process.
- The PIL, filed by the Center for Public Interest Litigation in the apex court, had questioned why a separate opaque fund was created for contributions when the NDRF and the PM Relief Fund already exist.
- While the affidavit does not address the PM Fund or state relief funds, it has drawn a clear distinction between the NDRF as a budgetary provision and other funds that allow for private donations.

- The PM Cares Fund has got an independent auditor, the Prime Minister's office will be its "head office", and the two PMO officials will administer the fund on an honorary basis.
- This is the same independent auditor, who audits the PM National Relief Fund.
- In response to a PIL seeking better coordination of relief efforts, the Union Ministry of Home Affairs (MHA) affidavit defended the decision to create PM CARES fund as a separate entity.
- MHA states that NDRF accounts under the Disaster Management Act are a budgetary provision and have nothing to do with private contributions.
- PM CARES is one such fund with voluntary donations not have any budgetary provisions.
- The MHA's affidavit, says that "mere existence of a statutory fund would not prohibit the creation of a different fund".
- The Central government asserted in the apex court that funds received as voluntary donations in PM CARES fund cannot be shifted to the National Disaster Relief Fund (NDRF) accounts, as the funds have been created under different laws.

Section 46 in the Disaster Management Act, 2005 (Central Government Act)

Section 46: National Disaster Response Fund.

(1) The Central Government may, by notification in the Official Gazette, constitute a fund to be called the National Disaster Response Fund for meeting any threatening disaster situation or disaster and there shall be credited thereto—

(a) an amount which the Central Government may, after due appropriation made by Parliament by law in this behalf provide;

(b) any grants that may be made by any person or institution for the purpose of disaster management.

(2) The National Disaster Response Fund shall be made available to the National Executive Committee to be applied towards meeting the expenses for emergency response, relief and rehabilitation in accordance with the guidelines laid down by the Central Government in consultation with the National Authority.

Conclusion

The entire world has faced the phenomenon with differing intensity and a multi-pronged approach was necessary to tailor the response of the nation in tune with the evolving nature of the virus. It is highly inadvisable to prescribe a nationwide rigid model to approach the management of the outbreak in India.

Secrecy of Ballot

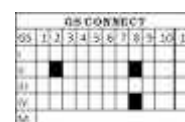
News Excerpt

The Supreme Court has observed that the principle of secret ballot is an important postulate of constitutional democracy.

Pre-Connect

- The judgment came on an appeal against the Allahabad High Court decision setting aside the voting of a no-confidence motion in a Zila Panchayat in Uttar Pradesh in 2018.
- The Allahabad High Court found that some of the panchayat members had violated the rule of secrecy of ballot.
- The Allahabad High Court relied on CCTV footage to conclude that they had either displayed the ballot papers or by their conduct revealed the manner in which they had voted.

Secret Ballot: A method of voting that ensures that all votes are cast in secret, so that the voter is not influenced by any other individual, and at the time of voting no one else knows who the voter chose. A secret ballot can be ensured in many different ways, primarily by using enclosed voting areas, or simply a place to record your answers that is far enough away from all other voters. Secret ballots are used in virtually all head of the state/government elections around the world, and can also be used in any other voting process where the voters may want to remain anonymous or free from the outside influence.



- Section 94 of the Representation of People Act, upholds the privilege of the voter to maintain confidentiality about her choice of vote.

Highlights

- A voter can also voluntarily waive the privilege of non-disclosure, However Secrecy of ballot is the cornerstone of free and fair elections.
- The choice of a voter should be free and the secret ballot system in a democracy ensures it.
- It is the policy of law to protect the right of voters to secrecy of the ballot.
- Even a remote or distinct possibility that a voter can be forced to disclose for whom she has voted would act as a positive constraint and a check on the freedom to exercise of franchise.
- Supreme Court further says that the principle of secrecy of ballots is an important postulate of constitutional democracy.
- The apex court observed that no one can prevent a voter from doing so. Nor can a complaint be entertained from any, including the person who wants to keep **the voter's mouth sealed as to why** he/she disclosed for whom he/she voted.
- The apex court referred to Section 28(8) of the Uttar Pradesh Kshettra Panchayat and Zila Panchayat Adhiniyam, 1961.
- This provision states that a motion of no confidence shall be put to vote in the prescribed manner by the secret ballot.
- Supreme Court further ordered the Allahabad District Judge or his nominee to act as the presiding officer.

What is postal ballot?

A restricted set of voters can exercise postal voting. Through this facility, a voter can cast her vote remotely by recording her preference on the ballot paper and sending it back to the election officer before counting. Members of the armed forces like the Army, Navy and Air Force, members of the armed police force of a state (serving outside the state), government employees posted outside India and their spouses are entitled to vote only by post. In other words, **they can't vote in person. Voters under preventive detention can also vote only by post.**

PEPPER IT WITH

Right to Vote, Adult Franchise,
First Past the Post Ballot System.
Art. 324, Art. 325, Art. 326

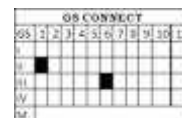
Conclusion

In the largest democracy of the globe, the credibility of the electoral process should not only be fair but should also be seen to be fair. The decision of Supreme Court is a welcome move as it stated free and fair election superior in democracy like India.

Unmanned Aircraft System Rules

News Excerpt

Recently, the Ministry of Civil Aviation has published the draft Unmanned Aircraft System Rules, 2020, and the rules set to allow beyond visual line of sight (BVLOS) operations and bring drone traders under its ambit.



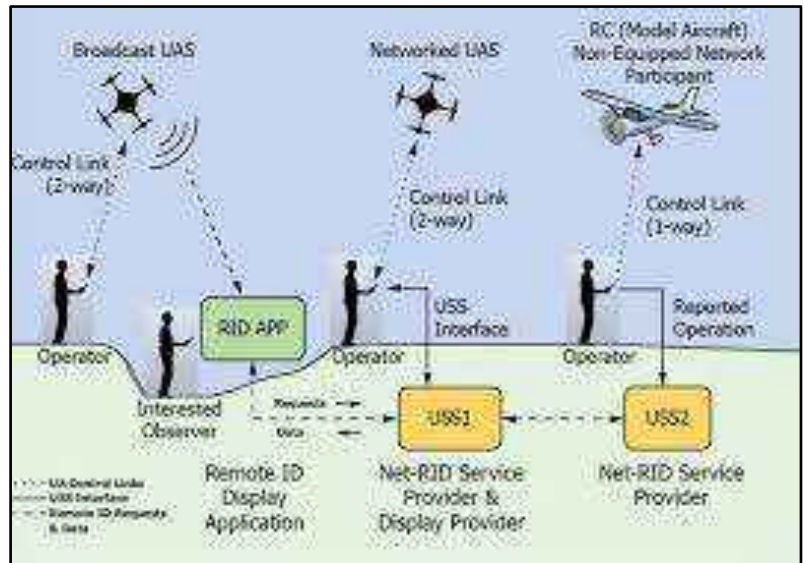
Pre-Connect

- The existing rules applicable to remotely piloted aircraft system (RPAS), a sub-set of unmanned aircraft system (UAS), are the Requirements for Operation of Civil RPAS (RoCR) issued in 2018.
- The RoCR inter alia stipulates terms and conditions relating to the issue of Unique Identification Number (UIN) and Unmanned Aircraft Operator Permit (UAOP), security/safety, remote pilot training, RPAS maintenance, equipment, operating and minimum manufacturing standards. Significantly, the RoCR restricts RPA operations to Beyond Visual Line of Sight (BVLOS).
- Subsequently, the government unveiled the draft Drone Policy 2.0 in January 2019. While a copy of the draft policy was not released in the public domain, the draft Drone Policy 2.0 hinted at permitting autonomous operations, development of drone ports and UAS Traffic Management, and extending operations BVLOS.

- The Director General of Civil Aviation (DGCA) released the draft UAS Rules and a Public Notice for voluntary disclosure of civil drones and drone operators in June 2020.

Salient features of the UAS Rules

- Prior authorisation required by importer, manufacturer, trader, owner, and operator of UAS from DGCA which is valid initially for five years.
- The authorisation may be renewed for a period of another five years at a time. If the authorisation request is granted, the DGCA will issue a Unique Authorisation Number (UAN).
- Eligibility Conditions for Authorisation– The substantial ownership and effective control in case of authorisation of an entity shall vest in Indian nationals.
- Import clearance & Certificate of Manufacture (CoM) required for import of UAS– An authorised UAS importer must apply for import clearance to the DGCA and obtain a CoM to import a UAS or its component.
- CoM for UAS– A CoM is required to import or manufacture a UAS in India. For this purpose, an applicant must submit the UAS and design documents to the testing laboratories or organisations allocated by the DGCA.
- Obligations on UAS manufacturing organisations– An organisation manufacturing a UAS or its component is subject to safety and inspection oversight by the DGCA and must comply with the **DGCA's requirements**.
- Obligations related to maintenance of UAS– Every manufacturer and importer of UAS in India must provide a maintenance manual as part of its mandatory sales documents and notify the DGCA if the manufacturer/importer establishes authorised maintenance centres.
- The owner and importer of UAS shall keep a record of maintenance as specified by DGCA.



PEPPER IT WITH
Aircraft Act, Third Party
Insurance, Permissible Payloads,
Abuse of technology

Classification of Drones

The draft rules propose to classify drones in five categories:

- ❖ Nano: Less than or equal to 250 grams.
- ❖ Micro: Greater than 250 gram and less than or equal to 2 kilograms.
- ❖ Small: Greater than 2 kilogram and less than or equal to 25 kilograms.
- ❖ Medium: Greater than 25 kilogram and less than or equal to 150 kilograms.
- ❖ Large: Greater than 150 kilograms.

Nano drones will be regarded in the next higher category if they exceed either of the following performance parameters:

- ❖ Maximum speed in level flight limited to 15 meters/second,
- ❖ Maximum attainable height limited to 15 meters and range limited to 100 meters from the remote pilot.

Analytica

- ✓ The UAS Rules have been a long time coming given that the draft Drone Policy 2.0 was released in January 2019. The UAS Rules allow UA to operate which will be a significant change from the existing RoCR and therefore, a step in the right direction.

- ✓ However, other recommendations of the draft Drone Policy 2.0 such as BVLOS operations and carriage of payload are not envisaged in the UAS Rules.
- ✓ The Indian government too understands the potential of drones in India given that Indian law enforcement agencies have deployed drones for enforcing social distancing measures for disinfection purposes during the COVID-19 pandemic.
- ✓ In fact, 13 companies in India which include online delivery companies such as Swiggy and Zomato have recently received approval from the DGCA to test BVLOS operations using drones.
- ✓ It is unclear whether such operations will be permitted under the UAS Rules once they are finalised. It is reported that separate rules for e-commerce operations or delivery of medical supplies by drones may take at least a year.
- ✓ The preliminary view is that under the UAS Rules, there are multiple authorisations which any person dealing in UAS will have to obtain, right from UAN to Certificate of Manufacture to UIN and UAS Operator Permit.

Conclusion

The draft rules are an effort to form dedicated regulation around drone usage, as they are currently regulated as per provisions under the Aircraft Act. It is a great step towards identifying the drone industry as an important part that will contribute to the Indian Economy. However, the regulators and the industry need to keep working together to operationalize these rules and regularise drone activity in India as soon as possible.

Banning of Chinese Mobile Applications

News Excerpt

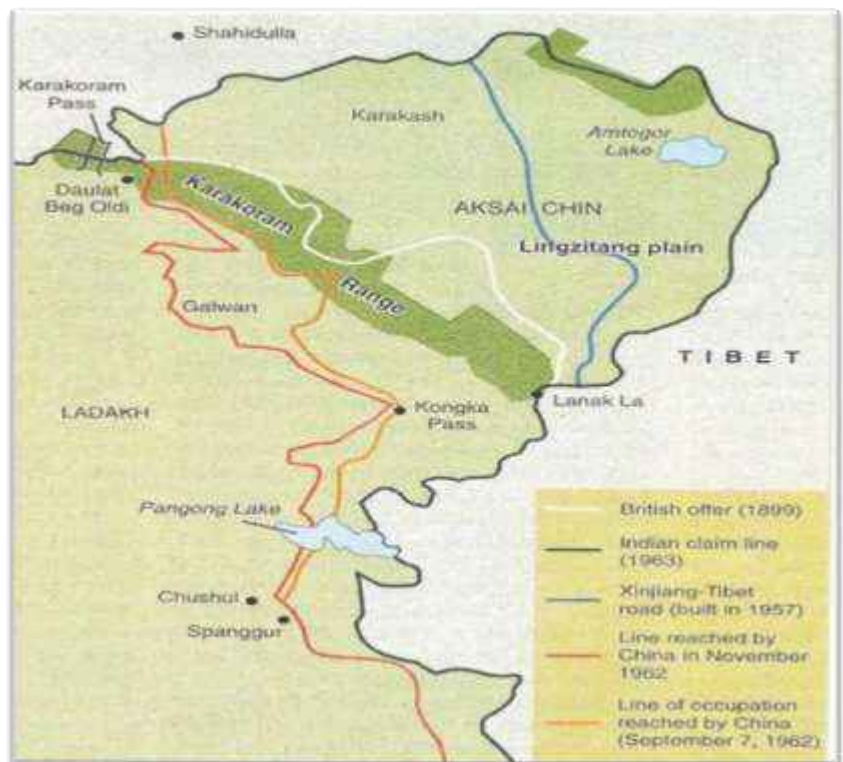
Recently, The Indian government outlawed dozens of Chinese apps, including ByteDance's popular video-sharing app TikTok, on the ground that these apps posed a "threat to the sovereignty and integrity of India".

Pre-Connect

In the wake of the face-off with Chinese forces on the India-China border in Ladakh, and a violent clash on June 15 that left 20 Indian soldiers dead, the Indian government on June 29 banned 59 apps of Chinese origin, citing data security and national sovereignty concerns.

Highlights

- The Government of India **invoking its power** under section 69A of the Information Technology Act read with the relevant provisions of the Information Technology (Procedure and Safeguards for Blocking of Access of Information by Public) Rules 2009 and in view of the emergent nature of threats has decided to block 59 apps, since in view of information available they are engaged in activities which are prejudicial to sovereignty and integrity of India, Defence of India, Security of state and public order.
- This move will safeguard the interests of crores of Indian mobile and internet users.
- This decision is a targeted move to ensure safety and sovereignty of Indian cyberspace.



Analytica

How popular are they in India?

The banned Chinese mobile applications include popular ones such as TikTok, SHAREIt, UC Browser, CamScanner, Helo, Weibo, WeChat, and Club Factory.

Why were the Chinese apps banned?

The Ministry of Electronics and Information Technology in a press release asserted that it had received **“many complaints from various sources, including several reports about misuse of some mobile apps available on Android and iOS platforms for stealing and surreptitiously transmitting users’ data in an unauthorised manner to servers which have locations outside India”**.

PEPPER IT WITH
MHA directives on the use of Zoom Application, Galwan Valley, Pangong Lake, Art. 19(1)(a), Weibo, Atmanirbhar Bharat app challenge, JioMeet

- o The government also said that several citizens had reportedly raised concerns in representations to the Indian Computer Emergency Response Team (CERT-In) regarding security of data and loss of privacy in using these apps.
- o In addition, the Ministry said it had also received **“exhaustive recommendations”** from the Home Ministry’s Indian Cyber Crime Coordination Centre.
- o The government did not name China openly in its action against the apps while asserted that the **‘digital strike’** was done **“for safety, security, defence, sovereignty & integrity of India and to protect data & privacy of people of India”**.

How large is the user base in India for these banned apps?



- o Estimates by Sensor Tower show the video-sharing social networking app, TikTok, for instance, has seen about 611 million downloads in India over the **app’s lifetime**, while estimates of active users vary with the highest pegged at 200 million.
- o According to media reports, file-sharing tool SHAREIt has about 400 million users.
- o Statcounter places the Alibaba-owned UC Browser second in India market share at 10.19%, after Google Chrome (78.2%). Other reports estimate UC Browser user base at 130 million.

Impact on Users

- o Installed apps may continue to exist on mobile devices.
- o **But now that the latest versions of the apps have been removed from Google’s Play Store and Apple’s App Store, users will not be able to access updated versions in future.**
- o If a notice goes out to internet service providers asking that data flow from these apps be halted, that could impact the functioning of existing, installed apps.

How does the ban affect Chinese app providers?

- o The potential loss of advertising revenue impacts app-makers.
- o **TikTok’s parent ByteDance Ltd. recorded a doubling of global revenue to \$17 billion in 2019, over the previous year, with \$3 billion in profit.**
- o Its India business may have yielded only \$5.8 million in revenue for the year ended March 2019, but with quicker user adoption more recently, the stakes seem to be getting higher.
- o According to a Reuters report, When TikTok was banned briefly in India last year on the grounds that it reportedly promoted pornography, the company had told a local court that it was losing roughly \$15 million a month due to the ban.

China's Response to Ban

- o China has said that it suspects India's actions could be in violation of the World Trade Organization (WTO) rules.
- o China asserted that "India's measure selectively and discriminatorily aims at certain Chinese apps on ambiguous and far-fetched grounds, runs against fair and transparent procedure requirements, abuses national security exceptions, and is suspected of violating the WTO rules.
- o It also goes against the general trend of international trade and e-commerce and is not **conducive to consumer interests and the market competition in India.**"
- o **The Chinese government's** comments indicate that it could file a formal complaint at the WTO.

Impact on Indian Economy

It could, in terms of investments and employment. Byte Dance Ltd. had talked of upcoming investments worth \$1 billion in India.

What legal options does the Indian government have?

- o In terms of process, there are two options available to the government under Section 69A of the IT Act to issue ban orders — normal and emergency.
- o **In the case of the ban on the 59 apps, based on the use of the phrase "interim order" in the statement issued by TikTok, it appears that the government may have adopted the emergency route.**
- o The emergency route allows content to be blocked on the directions of the Secretary, Department of IT, who must consider the impugned content and record his reasons for doing so.
- o In the normal course, an order to block content requires: (a) a decision to be made by a government committee (b) relevant intermediary to be given an opportunity to be heard by this committee.
- o These processes are not required when emergency provisions are used.
- o However, in the case of emergencies, the order of the Secretary, Department of IT, must be placed before the government committee within 48 hours.
- o Based on the recommendations of this committee, the order can then be finalised or vacated.

Does the government necessarily have to publish the order?

- o The legal order that empowers the designated authority to implement the ban is yet to be made public.
- o Rule 16 of the Blocking rules requires strict confidentiality to be maintained regarding blocking requests, complaints received, and actions taken.
- o However, policy experts, believes that this provision primarily applies to intermediaries (through whom blocking is implemented).

Can the order be challenged in an Indian court?

- o Though it is unlikely that the companies concerned may take such a step immediately, either they or any affected individual in India could challenge the blocking orders in court.
- o The courts will then decide whether the government has provided sufficient explanation as to the nexus between what these apps are alleged to be doing and the reasons adduced by the government such as protection of national security and strategic interests.
- o Courts will also consider if the ban is a proportionate and necessary step to be taken, given the facts at hand.
- o Another factor to be considered is whether the process for blocking under Section 69A of the IT Act contemplates blocking of content (or apps) on grounds of privacy violations.

Conclusion

The ban initiated by the Indian government for securing citizen's data is nothing new. China has taken similar moves by banning mobile apps like Whatsapp, Facebook, etc. However, the Chinese government was quick to provide the local alternative to its billions of users. Thus, the ban is a good opportunity for Indian entrepreneurs to quickly rise to fill market gaps. Thus, India must speed up indigenisation, research and development and frame-up a regulatory architecture to claim data sovereignty.

Rohini Commission on OBC Reservation

News Excerpt

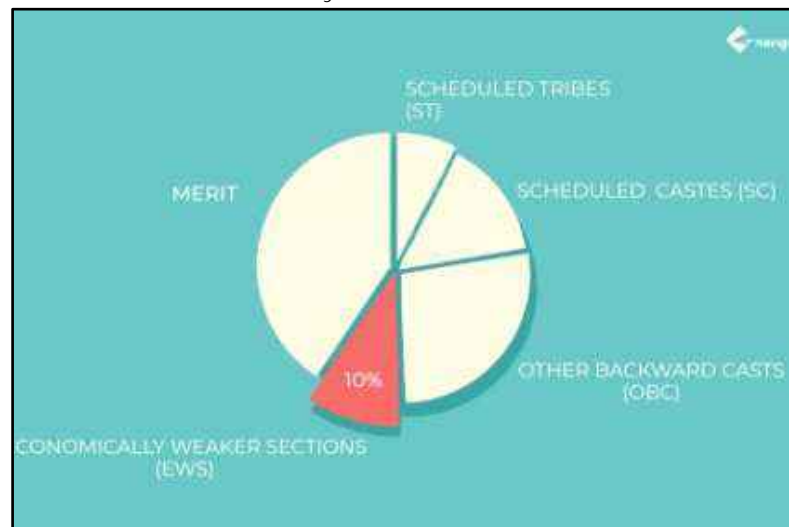
Recently, government has extended the tenure of the Justice Rohini Commission, which was set up to look into the issue of sub-categorisation within the Other Backward Classes (OBCs). The commission could not do any work for the last three months because of the Covid-19 outbreak.

[illegible]

Pre-Connect

- Article 340 of the Constitution of India provides for the appointment of commission to investigate the conditions of backward classes.
- The President may by order appoint a Commission consisting of such persons as he thinks fit to investigate the conditions of socially and educationally backward classes within the territory of India and the difficulties under which they labour.

- To make recommendations as to the steps that should be taken by the Union or any State to remove such difficulties and to improve their condition and as to the grants that should be made for the purpose by the Union or any State, the conditions subject to which such grants should be made, and the order appointing such Commission shall define the procedure to be followed by the Commission.



- After the formation of Kalekar Commission and Mandal Commission, the president of India, exercising the powers conferred under Article 340 of the Constitution of India appointed a five-member **commission headed by Delhi High Court's former Chief Justice G. Rohini** in order to examine the **sub-categorization of other backward classes (OBC's)**.
- The major objective of this set up on the birth anniversary of Mahatma Gandhi was to promote social justice and inclusion for all.

Highlights

- The 11 states where sub-categorization of OBC's have already been implemented are Maharashtra, Telangana, Karnataka, Jharkhand, Tamil Nadu, West Bengal, Bihar, Jammu region and Haryana, Andhra Pradesh, and the union territory of Puducherry.

- One of the significant results presented that the prime beneficiaries of 97% OBC reservations include Yadav, Kurmi, Jat, Saini, Thevar, Ezhava Vokkaliga castes.

➤ Following are the major recommendations of the Justice Rohini Commission:

- o As per the five-year data collected by the commission, the benefits of reservations such as Central Government jobs and Higher Education institutions, have not been availed by half of the 1900 castes and the remaining half have availed only 3 percent of the OBC quota.
- o It is being believed that the commission will recommend fixed quota, based upon the data of the total population of 1931 census.
- o **Sub-categorization of OBC's have already been done in the past in various forms** (Extremely Backward Classes-group A, More Backward Classes-group B, and Backward Classes-group C) and by various committees (Kalelkar Commission , Mandal Commission, National Commission) but Rohini commission clarified that "Sub-categorization of the OBCs need not imply establishing a further social hierarchy within the communities included in the central list on the basis of relative deprivation or

PEPPER IT WITH
Art. 15 and 16, Reservation Scheme
under the Central Scheme, Mandal
Commission, Art. 340, Caste based
Reservation Movements, National
Commission for Backward Classes

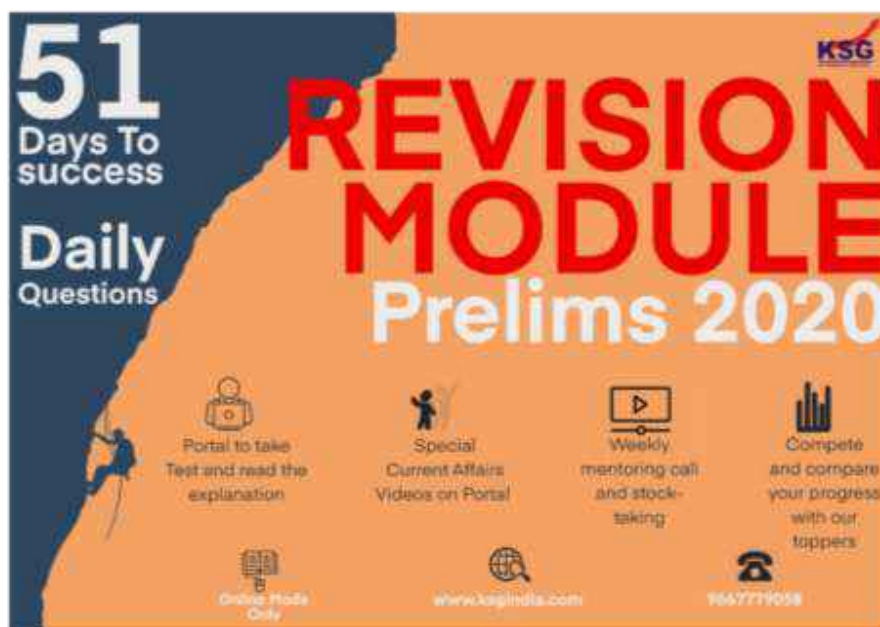
otherwise of their ascribed social status or traditional occupation. All communities included in the central list of OBCs are socially and educationally backward”.

The Justice Rohini Commission has a three-point mandate

- ✓ Examining the extent of inequitable distribution of benefits: The committee aims at checking the degree and extent of an unbalanced distribution of benefits of reservations among the communities that come under the central OBC list.
- ✓ To execute mandate: The committee aims at working out the mechanism, criteria, and parameters for actual sub-categorization.
- ✓ To take up the exercise of identifying the respective castes or communities or sub-castes or synonyms in the central list of Other Backward Classes and classifying them into their respective sub-categories.
- ✓ The creamy layer cap: **The Union Cabinet has expanded the “creamy layer” ceiling for the Other Backward Classes from the current Rs. 6 lakhs to Rs. 8 lakhs per annum for Central government jobs.**
- ✓ Thus, widening the umbrella of benefits of reservation for those earning up to Rs.8 lakh annually.

Conclusion

Five-year data on OBC quota implementation in central jobs and higher educational institutions showed that a very small section has cornered the lion's share. This is the first government-mandated exercise to quantify the skewed flow of benefits among different OBC communities and suggest steps to correct the imbalance.

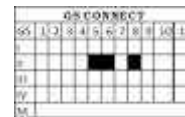


SOCIAL ISSUES, SCHEMES, REPORTS AND INDICES

TULIP (Urban Learning Internship Program)

News Excerpt

Recently, the Ministry of Human Resource Development, Ministry of Housing & Urban Affairs and All India Council for Technical Education (AICTE) have jointly launched an online portal for 'The Urban Learning Internship Program (TULIP)'.



About TULIP

- It is a program for providing internship opportunities to fresh graduates in all Urban Local Bodies (ULBs) and Smart Cities across the country for a period up to one year.
- TULIP has been conceived pursuant to the Budget 2020-21 announcement by the Finance Minister under the theme '**Aspirational India**'.

Objective:

- TULIP interns would get exposure to areas like urban planning, urban design, different branches of engineering, information and technology, mobility, finance, social sector issues and environmental issues.
- The program will provide insight into policy formulation and implementation. On a day-to-day basis, interns will interact with city officials/ members of the civil society.
- They will be oriented towards best practices, knowledge sharing and project implementation on ground.
- Eligibility Condition: Open to only Indian citizens, and not more than 18 months should have passed from the date of declaration of final year results to the date from which the internship is sought.

Analytica

Salient Features of TULIP:

Applicants are able to Share credentials, broadcast interests, showcase diverse skills, choose roles to be offered, decide stipend and logistics and decide terms of engagement.

Benefits

- Short-term exposure to fresh graduates to enhance their professional development through experiential learning with ULBs and Smart Cities.

Smart City Mission

The Smart Cities Mission is an innovative and new initiative by the Government of India to drive economic growth and improve the quality of life of people by enabling local development and harnessing technology as a means to create smart outcomes for citizens.

Objective

In the approach to the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions.

How many smart cities in Each State/UT?

The total number of 100 Smart Cities have been distributed among the States and UTs on the basis of an equitable criteria. The formula gives equal weightage (50:50) to urban population of the State/UT and the number of statutory towns in the State/UT.

Urban Local Bodies

Urban Local Bodies (ULBs) are small local bodies that administer or governs a city or a town of specified population. Urban Local Bodies are vested with a long list of functions delegated to them by the state governments. These functions broadly relate to public health, welfare, regulatory functions, public safety, public infrastructure works, and development activities.

There are several types of Urban Local bodies in India such as Municipal Corporation, Municipality, Notified Area Committee, Town Area Committee, Special Purpose Agency, Township, Port Trust, Cantonment Board etc.

- Harnessing fresh energy and ideas towards ULBs and smart cities endeavors to solve critical challenges.
- TULIP would help enhance the value-to-market of India's graduates and help create a potential talent pool in diverse fields like urban planning, transport engineering, environment, municipal finance etc.

Conclusion

Such a programme will help reap the benefits of India's demographic dividend as India is poised to have the largest working-age population in the world in the coming years. India has a substantial pool of technical graduates for whom exposure to real world project implementation and planning is essential for professional development. General education may not reflect the depth of productive knowledge present in society. Instead of approaching education as 'doing by learning,' our societies need to reimagine education as 'learning by doing'.

PEPPER IT WITH

Atal Mission for Rejuvenation and Urban Transformation – AMRUT, Source of revenues of UBLs and National Heritage City Development and Augmentation Yojana (HRIDAY)

SWADES: Skill Mapping Exercise for Returning Citizens

News Excerpt

Recently, Government of India has launched a new initiative SWADES (Skill Workers Arrival Database for Employment Support) to conduct a skill mapping

exercise of the returning citizens under the Vande Bharat Mission.

Pre-Connect

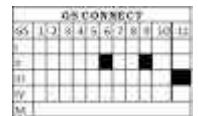
Vande Bharat Mission: The Government of India started this mission in May. It is the biggest evacuation exercise to help those stranded due to the coronavirus pandemic reaching their destinations via international repatriation flights.

About SWADES

- It is a joint initiative of the Ministry of Skill Development & Entrepreneurship, the Ministry of Civil Aviation and the Ministry of External Affairs.
- It aims to create a database of qualified citizens based on their skill sets and experience to tap into and fulfil demand of Indian and foreign companies.
- The collected information will be shared with the companies for suitable placement opportunities in the country.
- The returning citizens are required to fill up an online SWADES Skills Card. The card will facilitate a strategic framework to provide the returning citizens with suitable employment opportunities. MSDE's implementation arm National Skill Development Corporation (NSDC) is supporting the implementation of the project.

Analytica

Significance of the Mission:



National Skill Development Corporation

NSDC is a not-for-profit public limited company incorporated in 2008 under section 25 of the Companies Act, 1956 (corresponding to section 8 of the Companies Act, 2013).

The National Skill Development Corporation India (NSDC) was setup as a one of its kind, Public Private Partnership Company with the primary mandate of catalyzing the skills landscape in India.

Main Objective:

- ❖ Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance.
- ❖ Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector.
- ❖ Play the role of a "market-maker" by bringing finance, particularly in sectors where market mechanisms are ineffective or missing.
- ❖ Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

- The spread of COVID-19 across the globe has had a significant economic impact with thousands of workers losing their jobs and hundreds of companies shutting down globally.
- Many of our citizens returning to the country through the Vande Bharat Mission of the Government of India may be facing uncertainty regarding their future employment opportunities.

PEPPER IT WITH
Industry Associations and Employers,
MSDE's, Operation SamudraSetu,
SANKALP, STRIVE

Benefits of SWADESH:

- Such a database improves efficiency in the Indian markets and helps local companies who will now need more skilled people to find it easily through the government database.
- It also benefits workers to get desired jobs in his/her state.

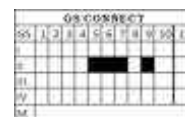
Conclusion

Government is taking steps to provide every possible support to citizens stranded abroad and the challenges they are facing due to job losses. The initiative will help in deployment of returning Indian workforce matching their skill sets.

Rule of Law Index

News Excerpt

Recently, the Supreme Court has asked the government to decide on the issue of **setting up expert panels to find ways of enhancing India's rank in the Rule of law Index.**



Pre-Connect

The cause of action for the petition is the announcement of the Rule of Law Index by the World Justice Project in which India ranked at 69th position.

Demand of Petition

A direction to the government to constitute expert committees to examine the best practices of the countries ranked among top 20 in Rule of Law Index-2020 and accordingly take steps to improve ranking of India.

Why have these demands been made?

- Indian ranked 69 in the rule of Law Index confirms poor performance across eight factors: constraints on government powers, absence of corruption, open government, fundamental rights, public order and security, regulatory enforcement, civil justice and criminal justice.
- India has never been ranked even among top 50 in the Index, but successive governments did nothing to improve the international ranking of India.
- Poor Rule of law has divesting effects on rights of life and liberty and also offends rights guaranteed under Article 14 and 21.

Analytica

Why does a country need to have an effective Rule of Law?

What is Rule of Law Index?

The Rule of Law Index 2020 is prepared by the World Justice Project (WJP). WJP is an independent, multi-disciplinary organisation working for promoting the Rule of Law (ROL) worldwide. It is a quantitative assessment tool designed to provide a detailed and comprehensive picture of the extent to which those who govern various countries are bound to act according to laws and regulations and prescribed procedures and adhere to the rule of law in practice.

How Rule of Law is defined?

WJP defines the Rule of Law as a system in which following four universal principles are ingrained — accountability of government and its officials and agents under the law; clear, publicized, stable and fair laws that protect fundamental rights including security of persons and property; accessible, efficient and fair process by which laws are enacted, administered, and enforced; and delivery of justice by competent, ethical, and independent representatives and neutrals in sufficient number and having adequate resources and reflecting the make-up of the communities they serve.

- Effective Rule of Law prevents arbitrary decisions, and can reduce corruption and protect people from injustices. Whether it can combat poverty as claimed by its advocates may be disputed by welfare theorists.
- But it is to be accepted as the foundation for justice, equal opportunity and peace underpinning development, and fundamental rights for all citizens. It guarantees an accountable government that holds law as supreme.

Global trend of Rule of Law

- On the whole, the global trend is found to be declining in the past three years.
- Last year, the fall was in fundamental rights, absence of corruption, and particularly on constraints on governmental power.
- Civil justice shows the most positive movement over the previous year. Regulatory enforcement has improved.

Rule of Law and COVID-19 pandemic

In the context of COVID-19 pandemic, nations undergo crisis after crisis not only in the health sphere, but in many human activities, necessitating quick decisions and prompt actions. Emergency situations do not wait for normal decision-making processes. The government may have to have powers to deal with extraordinary difficulties with extraordinary powers. But, the powers and exercise of the powers have to be consistent with the rule of law meaning without arbitrariness.

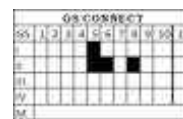
Conclusion

The rule of law is the most fundamental feature of modern constitutions and its success depends on how judiciaries across the world respond to emerging challenges.

Garib Kalyan Rojgar Abhiyaan

News Excerpt

The Government of India has recently launched an employment scheme for migrant workers called Garib Kalyan Rojgar Abhiyaan.



About Garib Kalyan Rojgar Abhiyaan

- It is a massive employment-cum-rural public works Campaign to empower and provide livelihood opportunities in areas/villages witnessing large numbers of returnee migrant workers affected by the devastating impact of COVID-19.
- An amount of Rs 50,000 Crores would be spent for building durable rural infrastructure under the Garib Kalyan Rojgar Abhiyaan.
- The Abhiyaan also provides modern facilities in rural areas like laying of fiber cable and provision of internet are also made a part of the Abhiyaan.
- The Ministry of Rural Development is the nodal Ministry for this campaign and the campaign will be implemented in close coordination with the State Governments.

The Abhiyaan will be a convergent effort between 12 different Ministries/Departments, namely; Rural Development, Panchayati Raj, Road Transport & Highways, Mines, Drinking Water & Sanitation, Environment, Railways, Petroleum & Natural Gas, New & Renewable Energy, Border Roads, Telecom and Agriculture, to expedite implementation of 25 public infrastructure works and works relating to augmentation of livelihood opportunities.

The major objectives of the initiative are

- Provide livelihood opportunities to returning migrants and similarly affected rural citizens.
- Saturate villages with public infrastructure and create livelihood opportunities viz. Roads, Housing, Anganwadis, Panchayat Bhavans, various livelihood assets and Community Complexes among others.
- The basket of a wide variety of works will ensure that each migrant worker is able to get an opportunity of employment according to his skill, in the coming 125 days.

This massive employment program launched by the government is crucial for many reasons. It is likely to have a multiplier effect.

- First, this program is targeted towards giving a head start to the government's ambitious Atmanirbhar Bharat Abhiyan. Twenty-five core works of the government which are **instrumental in realizing the "Atmanirbhar Bharat Abhiyan"** comprising projects like Jal Jeevan Yojana, Pradhan Mantri Gram Sadak Yojana, rural housing, railway works, community sanitation, fiber optics, Ganga cleansing, poultry farming etc. will employ returnee migrants in jobs of their expertise through skill mapping.
- Second, the program ensures 125 days of employment to 67 lakhs migrant workers in states of Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Odisha and Jharkhand which account for around two-third of the returnee migrant laborers.
- Third, the program encompassing an estimated budget of 50000 crores across 14 existing schemes will ensure the disbursed amount reaches the neediest and revive rural demand which saw a sharp decline post lockdown.

PEPPER IT WITH

Atmanirbhar Bharat Abhiyan,
JalJeevanYojana, PradhanMantri
Gram SadakYojana, Common
Service Centres and
KrishiVigyanKendras.

Analytica

- ✓ The schemes that were chosen to be the part of this initiative were carefully selected based on five broad criteria:
 - Ongoing Funded Scheme.
 - Potential to generate employment and livelihoods.
 - Potential to accelerate the implementation of rural public infrastructure.
 - Broadly implementable in 125 days.
 - Realistic trackable output indicators.
- ✓ The criteria mentioned above suggest that the government also realizes the urgency of the situation and the need to provide employment and cash in the hands of the poor along with strengthening the rural public infrastructure.
- ✓ The initiative will serve as the foundation to strengthening the rural economy by providing livelihood generation opportunities and public infrastructure in the villages eventually **leading to "self-reliant villages"**. This could take India one step closer to Mahatma **Gandhi's** grand vision of "Gram Swaraj".

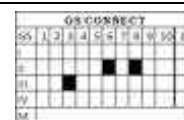
Conclusion

The intent behind the Garib Kalyan Rojgar Yojana seems noble and a much needed one. However, the success of the program depends upon whether its benefits reach the migrant laborers in time and is able to revive rural demand by the second quarter. The government in this particular scheme has also taken steps to ensure effective and timely implementation of the program.

SahakarMitra Scheme

News Excerpt

The Union Minister for Agriculture and Farmers welfare recently launched the Sahakar Mitra Scheme on Summer Internship Programme (SIP).



Pre-Connect

The Corporation had introduced Summer Internship Programme (SIP) in the year 2012-13 with an objective to provide work related learning experience in the core and special fields of functioning of National Cooperative Development Corporation (NCDC) to the students of professional courses and to project contribution and achievements of NCDC in the development of cooperatives.

About the Scheme

- It is an initiative by National Cooperative Development Corporation (NCDC).
- This scheme is one of the latest schemes by the government since the launching of the Atma Nirbharcampaign to achieve self-sustainability for the country.
- It also provides an opportunity to professionals from academic institutions to develop leadership and entrepreneurial roles through cooperatives as Farmers Producers Organizations (FPO).

Objectives

DELHI: VIJAY NAGAR 9717380832 & OLD RAJENDER NAGAR 9811293743 | JAIPUR: 8290800441
BENGALURU: KORMANGALA 7619166663 & CHANDRA LAYOUT 7619136662 | BHOPAL: 7509975361
PATNA: 7463950774 | INDORE: 7314977441 | RANCHI: 9939982007 | www.ksghindia.com

- To provide a deep immersion opportunity to professional graduates on the role, contribution and impact of NCDC and also cooperatives.
- To enable the professional graduates, learn the context and practical working of NCDC and cooperatives.
- To orient professional graduates to the cooperative business model and engage themselves in start-up cooperatives.
- To enable professional graduates, take up leadership and /or entrepreneur roles in FPO organized under Cooperative Acts.
- To assist needy cooperatives in preparation of business plans and projects.

PEPPER IT WITH
Farmers Producers Organizations (FPO), Cooperative Acts and AtmaNirbhar campaign

Eligibility

- ✓ The applicant must be a permanent resident of India.
- ✓ The applicants must have a graduate degree from any of the recognized colleges or universities.
- ✓ Other professional degree or course holders like MBA in Agribusiness, Cooperative Finance, International Trade, Forestry, Project Management will also be eligible to apply for this scheme.

Benefits of Sahakar Scheme 2020

- Only the youngsters will be eligible to get this benefit.
- The beneficiaries will get employment opportunities at cooperative institutions.
- The beneficiaries also get the opportunity to learn from the leading institutions.
- The applicants will also get a monthly salary from the institutions.
- This will increase the leadership quality to grow their own startup later.

National Cooperative Development Corporation (NCDC)

All-India Rural Credit Survey Committee submitted its report in 1954, recommended that the Government of India should set up a statutory Corporation with a mandate to spearhead development of rural economic activities, other than rural credit, in the cooperative sector. Thus, the National Cooperative Development and Warehousing Board (NCDWB) came into being in 1956. In 1963, the Warehousing activity was separated and in 1963 National Cooperative Development Corporation (NCDC) was established as a nodal organization for meeting the post-harvest requirements of farmers through cooperative societies.

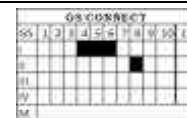
Mission of NCDC

To plan and promote programmes for production, processing, marketing, storage, export & import of agricultural produce, food stuff, industrial goods, livestock, certain other notified commodities and services on cooperative principles and for matters connected therewith or incidental thereto.

Mental Health Issues

News Excerpt

India's coronavirus crisis has pushed millions into forced isolation and unemployment. Health experts warn that anxiety, depression and suicide are on the rise and that mental health could be the country's next crisis.



Analytica

About Mental illness

- Mental illness, also called mental health disorders, refers to a wide range of mental health conditions — disorders that affect your mood, thinking and behaviour.
- Examples of mental illness include depression, anxiety disorders, schizophrenia, eating disorders and addictive behaviours.

Link between Mental Health and Suicide

Suicide is considered a preventable cause of death and does not always involve a history of mental illness. Societal and global issues can wear down on people and affect their mental and physical health.

A recent review of suicide data in India found some factors that put an individual more at risk — male unemployment, married female, physical illnesses and social isolation among the elderly, rate of agricultural employment in the state, minority community status, domestic violence, family problems, and alcoholism.

Mental Health Problem in India

- Mental health problems were already a major contributor to the burden of illness in India before the pandemic, with a third of all female and a quarter of all male suicide deaths in the world occurring in this country.
- Most of this illness and death goes unnoticed. It is the poor, dispossessed and marginalised who bear the greatest burden of mental health problems.

Cause of Mental Health Issues in India

- The first and foremost reason for people to lose their mental health is the lack of awareness and sensitivity about the issue. There is a big stigma around people suffering from any kind of mental health issues.
- There are no active policy interventions and resource allocation by the government. To reduce the stigma around mental health.
- Lack of funds, limited access to mental healthcare and lack of counselling is also a cause for the issue of mental health in India.

Fact Box

- ❖ The national mental health survey in 2016 conducted by National Institute of Mental Health and Neuroscience (NIMHANS) revealed **that 13.7% of India's Population is suffering** from a variety of mental illness and 10.6% of them required immediate treatment.
- ❖ Over 90 million Indians, or 7.5 percent of the **country's population of 1.3 billion, suffer from** some form of mental disorder, according to the World Health Organization (WHO).
- ❖ **42.5 percent of the employees in India's** corporate sector suffer from depression or an anxiety disorder i.e. almost every second employee.
- ❖ Suicide is the leading cause of death among those aged between 15 to 29 in India.
- ❖ India has 9,000 psychiatrists, or one doctor for every 100,000 people. The desirable number of psychiatrists is three for every 100,000 people. This means India has a shortage of 18,000 mental health doctors.
- ❖ The amount spent on mental health comes about to 33 paise (\$0.004) per mental health patient.
- ❖ Cases of mental illness have risen by 20% in India since the country went into lockdown.
- ❖ 61% Indians suffering from mental health issues during lockdown

What needs to be done?

- Mental health situation in India demands active policy interventions and resource allocation by the government. This can happen only when there will be a persistent nationwide effort to educate the society about mental diseases.
- People experiencing mental health problems should get the same access to safe and effective care as those with physical health problems.
- Mental illness must mandatorily be put under the ambit of life insurance. This will help people to see mental illness with the same lens as they use for physical diseases.
- There is a need for innovative models to deepen the penetration of services and staff. One such model is accredited social health activist (ASHA) by the ministry of health and family welfare, Government of India.
- There is a need for a constant stream of funds for educating and creating awareness about mental health and chronic issues.

The Chhattisgarh government recently **launched the 'Spandan Campaign'** which is aimed to contain incidents of suicide and fraticide involving police personnel, and instructions were issued to senior officers to strictly adhere to guidelines in this regard.

Conclusion

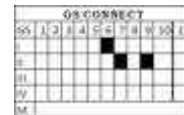
Timely intervention, awareness about the issue, availability of professional help and appropriate policies is the only way to improve the situation. It is also imperative to ensure that

people with mental illness deserve to live their lives with dignity and confidence. This requires a collaborative public-private-social partnership to change things considerably.

World Bank's 'STARS' Project

News Excerpt

The World Bank has approved a \$500 million Strengthening Teaching-Learning and Results for States Program (STARS) to improve the quality and governance of school education in six Indian states.



Pre-Connect

The program aims to strengthen public school education and support the country's goal of providing 'Education for All'. Prior to STARS, the Bank had provided a total assistance of more than \$3 billion towards this goal.

India has, over the years, made significant strides in improving access to education across the country. Between 2004-05 and 2018-19. The number of children going to school increased from 219 million to 248 million. However, the learning outcomes of students across all age groups continues to remain below par.

Following are some reform initiatives under STARS Program

- Focusing more directly on the delivery of education services at the state, district and sub district levels by providing customized local-level solutions towards school improvement.
- Addressing demands from stakeholders, especially parents, for greater accountability and inclusion by producing better data to assess the quality of learning; giving special attention to students from vulnerable sections.
- Equipping teachers to manage this transformation by recognizing that teachers are central to achieving better learning outcomes. The program will support individualized, needs-based training for teachers that will give them an opportunity to have a say in shaping training programs and making them relevant to their teaching needs.
- **Investing more in developing India's human capital needs by strengthening foundational learning for children in classes 1 to 3 and preparing them with the cognitive, socio-behavioral and language skills to meet future labor market needs.**

STARS and Right to Education

India recognizes the need to significantly improve its learning outcomes to fuel future growth and meet the demands of the labor market. STARS will support India's response to this challenge by strengthening implementation at the local level, investing in teacher capacity and ensuring that no child is excluded from the ambit of Right to Education.

Analytica

How STARS project works:

The STARS will help to improve learning assessment systems, strengthen classroom instruction and remediation, facilitate school-to-work transition, and strengthen governance and decentralized management. This will be done at the national level, through the Samagra Shiksha and in partnership with the states of Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Odisha, and Rajasthan.

PEPPER IT WITH
Samagra Shiksha, PISA,
International Bank for
Reconstruction and Development
(IBRD) AND DFTs

Benefits of this project:

- In line with the Sustainable Development Goal for education (SDG 4), the program will help produce better data on learning levels by improving the National Achievement Survey (NAS).
- **India's participation in PISA is a historic strategic decision by the Government of India to obtain data on how India's learning levels compare globally. STARS will assist India in this major step forward.**
- **STARS will support the Government of India's vision to provide greater flexibility to states for school education planning and budgeting.**

- This will help states' implement evidence-based planning to factor in the needs of the most deprived, strengthen accountability at all levels, and thereby adopt a holistic approach to improve education outcomes.

India's Success:

- India has successfully achieved gender parity in enrolment in primary education.
- However, for many children, secondary education is the stage when they leave school and enter the workforce.
- Under STARS, each state is expected to not only stabilize this downward trend but also improve the completion rate for secondary education.

Challenges

Why is the STARS approach to build state capacity flawed?

- First, it fails to address the basic capacity issues: major vacancies across the education system from District Institutes of Education and Training (DIETs), district and block education offices, to teachers in schools, remain unaddressed.
- Second, the Bank ignores that decentralising decision-making requires the devolution of funds and real decision-making power. Greater decentralisation can allow accountability to flow to the people rather than to supervising officers. It requires not just investment in the capacity of the front-line bureaucracy but also in increasing their discretionary powers while fostering social accountability.
- The third important element is enhancement of the states' capability. Trust, which implies listening and collaborating across different levels within the administration, is entirely ignored in the World Bank project. Instead, the Bank displays yet again an over-reliance on Information and Communications Technology (ICT) as a panacea that lacks any backing in evidence.
- Finally, **outsourcing basic governance functions by "expanding private initiatives" and "reducing government tasks" will not make education "more relevant to local needs" or "democratically promote people's participation by empowering local authorities" as stated in the project document.**

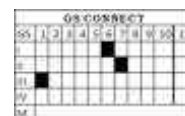
Way forward

- ✓ Administrative or governance reforms must give greater discretion to the front-line bureaucracy to address local issues and innovate if required.
- ✓ The administration must be equipped with adequate physical, financial and human resources. An overburdened bureaucracy with vacancies and without basic equipment cannot be expected to be effective.
- ✓ If we want DIETs, block and community resource centres, and schools to be Atmanirbhar, we need to enable them to develop their own capability to reform themselves. Outsourcing, an over-reliance on measurement by standardised assessments, and an excessive use of ICT will not get us closer to an Atmanirbhar Bharat.

PM SVANidhi Scheme

News Excerpt

Recently, a MoU was signed between the Ministry of Housing & Urban Affairs and Small Industrial Development Bank of India (SIDBI) in order to engage **SIDBI as the Implementation Agency for PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi).**



Pre-Connect

This is for the first time in India's history that street vendors from peri- urban/ rural areas have become beneficiaries of an urban livelihood programme. It is pertinent to mention that PM SVANidhi was launched to provide affordable Working Capital loan to street vendors to resume their livelihoods that have been adversely affected due to Covid-19 lockdown.

PEPPER IT WITH
CGTMSE, ULBs, SCBS, NBFCs,
MGIs, RRBs and SFBs

About the Scheme

- This scheme targets to benefit over 50 lakh Street Vendors. Under the Scheme, the vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments with the tenure of one year.
- On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on quarterly basis. There will be no penalty on early repayment of loan.
- The scheme promotes digital transactions through cash back incentives.

Role of SIDBI

- SIDBI implements the PM SVANidhi Scheme under the guidance of MoHUA. It also manages the credit guarantee to the lending institutions through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).
- It develops and maintains a customized and integrated IT Platform providing end-to-end solutions, including documentation of all the processes and workflows for an end-to-end solution, through a Portal and a Mobile App, to ensure engagement and information flow between Urban Local Bodies (ULBs), Lending Institutions, Digital Payment Aggregators and other stakeholders.
- It will leverage the network of lending Institutions like Scheduled Commercial Banks (SCBs), Non-Bank Finance Companies (NBFCs), Micro Finance Institutions (MFIs), Co-operative Banks, Small Finance Banks (SFBs), Regional Rural Banks (RRBs), etc. for the Scheme implementation.

About SIDBI

Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities.

Vision

To emerge as a single window for meeting the financial and developmental needs of the MSME sector to make it strong, vibrant and globally competitive, to position SIDBI Brand as the preferred and customer - friendly institution and for enhancement of share - holder wealth and highest corporate values through modern technology platform.

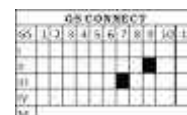
Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

- ❖ The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS) was launched by the Government of India (GoI) to make available collateral-free credit to the micro and small enterprise sector.
- ❖ Both the existing and the new enterprises are eligible to be covered under the scheme.
- ❖ The Ministry of Micro, Small and Medium Enterprises, GoI and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for Micro and Small Enterprises.

Global Vaccine Summit

News Excerpt

Recently, India pledged 15 Million US Dollar to GAVI, the international vaccine alliance in a virtual Global Vaccine Summit hosted by the UK. Business leaders, UN agencies, civil society, government ministers, Heads of State and country leaders from more than 50 countries participated in the summit.



Pre-Connect

The Global Vaccine Summit, hosted by the UK, raised more than US\$ 8.8 billion from 31 donor governments and 8 foundations, corporations and organisations.

Over US\$ 0.5 billion was also raised for a new innovative financing instrument to provide access to COVID-19 vaccines for low- and middle-income countries.

Why is the Global Vaccine Summit important?

Gavi, the World Health Organization (WHO) and UNICEF have warned that 80 million children under the age of one are at risk of disease due to disruptions to vital immunisation programmes because of COVID-19.

How will this funding help?

The funding will help immunise 300 million more children in the world's poorest countries against diseases like measles, polio and diphtheria by the end of 2025. It will also support health systems to withstand the impact of coronavirus and maintain the infrastructure necessary to roll out a future COVID-19 vaccine on a global scale.

Analytica

Status of Vaccination in India:

- India is the world's foremost producer of vaccines and that contributes to the immunization of about 60% of the World's children.
- In the Universal Immunisation Programme (UPI) India has added six vaccines to expand vaccination in the country.
- Digitised supply chain of vaccines with an electronic intelligence network helps India to monitor the integrity of the cold chain.

How has COVID-19 Affected routine immunisation programmes?

- Every year, India's routine immunisation programme reaches around 27 million infants and 29 million pregnant women. Around nine million sessions are held every year to deliver 12 preventive vaccines to the target population.
- The number of people reporting for routine immunisation is fewer than normal over fears surrounding COVID-19.

How can the Government ensure that immunisation programmes are continued amid lockdown?

The Ministry of Health and Family Welfare (MoHFW) has identified immunization as an essential health service. To support this service, Rotary is working closely with the Govt. of India to educate communities about COVID-19 to help mitigate fears that would prevent parents from ensuring their children receive routine immunisations and to help train high-risk frontline workers as routine immunisation efforts proceed.

Additionally, Rotary, along with its Global Polio Eradication Initiative (GPEI) partners, supports the MoHFW in conducting National Immunisation Days (NIDs) and National and Sub-National Immunisation Days (SNIDs) across the country every year to deliver the oral polio vaccine (OPV) to India's 174 million children.

Way Forward

- ✓ As the world battles against coronavirus, the UK-hosted Global Vaccine Summit has been a superb example of what we can achieve when we all take action together.
- ✓ One thing that has been made clear over the past few months is that this disease does not respect borders, hence this global problem requires a global solution.

About Gavi, the Vaccine Alliance

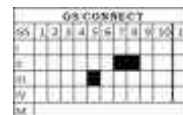
- ❖ Gavi, the Vaccine Alliance is a public-private partnership that helps vaccinate half the world's children against some of the world's deadliest diseases.
- ❖ Since its inception in 2000, Gavi has helped to immunize a whole generation – over 760 million children – and prevented more than 13 million deaths, helping to halve child mortality in 73 developing countries.
- ❖ Gavi also plays a key role in improving global health security by supporting health systems as well as funding global stockpiles for Ebola, cholera, meningitis and yellow fever vaccines.
- ❖ After two decades of progress, Gavi is now focused on protecting the next generation and reaching the unvaccinated children still being left behind, employing innovative finance and the latest technology – from drones to biometrics – to save millions more lives, prevent outbreaks before they can spread and help countries on the road to self-sufficiency.
- ❖ The Vaccine Alliance brings together developing countries and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry, technical agencies, civil society, the Bill & Melinda Gates Foundation and other private sector partners.

- ✓ It is necessary to ensure that the most vulnerable people in low- and middle-income countries – as well as those in high- and upper middle-income countries – have access to COVID-19 vaccines.

Online Learning and Classroom Learning

News Excerpt

The COVID-19 outbreak has disrupted the academic year and led to cancellation of classes and examinations across the country. To ensure that students do not miss out on their studies, schools moved classes online, forcing students to attend lectures online.



Can online education replace the school classroom in India?

The world today has become a classroom with the advent of technology creating educational platforms which sees millions of subscribers on a daily basis, some who use these platforms to complement their conventional classroom learning while others use such platforms to learn a new skill.

Analytica

How is offline learning better than online learning for students?

- Face-to-face interaction and group study: Irrespective of the technology available, classrooms are the clear winner here. No amount of virtual learning can match the environment that you will get in the classrooms. Studies suggest that children learn better through face-to-face interaction and a group study also helps in developing their communication skills.
- In a classroom, a student has the opportunity to clear out his/her doubts almost immediately. This requires the student to come out of his/her comfort zone and verbally communicate a question. In the virtual world, this process mainly involves typing in a comment, which may not improve your communication skills.
- At times, the absence of a proper deadline or a fixed time schedule can have adverse effects in the learning process and is not advisable for young pupils at all.
- Left to their own, children do not have the proper reasoning skill to analyse the importance of a course. Fixed timings of schools, routine in classrooms and deadlines for submitting homework actually help a young mind to grow.

The Global Education Monitoring Report

- ❖ The report, released by UNESCO said the COVID-19 pandemic has exacerbated inequalities in education systems across the world.
- ❖ According to UNESCO estimates, over 154 crore students are severely impacted by closure of educational institutions across the world amid the COVID-19 outbreak due to which girls will be the worst hit.
- ❖ About 40% of low- and lower-middle-income countries have not supported learners at risk of exclusion during this crisis, such as the poor, linguistic minorities and learners with disabilities.
- ❖ Report noted that efforts to maintain learning continuity during the pandemic may have actually worsened exclusion trends.
- ❖ In April 2020, almost 91% of students around the world were out of school.
- ❖ Education systems responded with distance learning solutions, all of which offered less or more imperfect substitutes for classroom instruction.
- ❖ While many poorer countries opted for radio and television lessons, 55% of low-income, 73% of lower-middle-income and 93% of upper-middle-income countries adopted for online learning platforms for primary and secondary education.

What it says about India?

India has used a mix of all three systems for **educational continuity**. “Even as governments increasingly rely on technology, the digital divide lays bare the limitations of this approach. Not all students and teachers have access to adequate internet connection, equipment, skills and working conditions to take advantage of available platforms.

- The top schools include all forms of extra-curricular activities along with the academics in their curriculum. This helps young students to get the required exposure and choose their career paths better. With virtual learning, the choice is entirely based on the experience of the lecturer and the decision process is somewhat difficult.

How is online learning better than offline learning for students?

- Virtual learning has the upper hand in this case. The main advantage of the internet is that you can access it anytime and from anywhere. You can watch a lecture on a particular topic multiple times or rewind to understand a certain portion. In classrooms, you will have to match the pace of the lecturer.
- In virtual learning, the lecture is generally available in the form of text or video transcript. In classrooms, you are required to note things down like dictations. There is a possibility of missing out on vital points or not understanding a topic at all.
- Students can take exams when they feel prepared. In short, both the discipline and deadline are in students hands and the success of the course is up to them.

Indian education structure compared to foreign system:

Western countries complement their teaching with a mix of classroom learning combined with using digital platforms for their students to better understand and not be restricted to learning only when physically present. India, however, still has a long way to go in the field of digital learning.

Importance of digital learning:

Online platforms can never substitute the conventional method of learning but act as a perfect fall back on option when things take a drastic turn such as the present crisis situation. We need to understand that digital platforms and technology is a tool which has made our life easier and has enabled us to communicate and demonstrate better.

Conclusion

Virtual learning may be well suited for adult students who have to take care of their expenses along with schooling, but for young pupils, there can be no other alternative to classroom learning. The optimum solution is to extract the advantages of both the form of learning, combine them together and grow with everything at your disposal.

For more Information about Online learning see Current Connect April 2020 Page 27

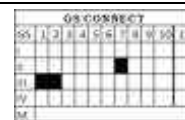


Economy

Committee on Social Stock Exchanges

News Excerpt

A working group constituted by the Securities and Exchange Board of India (SEBI) on social stock exchanges has recommended allowing non-profit organisations to directly list on such platforms while allowing certain tax incentives to encourage participation on the platform.



Pre-Connect

- The stock market refers to the collection of markets and exchanges where regular activities of buying, selling, and issuance of shares of publicly-held companies take place.
- Such financial activities are conducted through institutionalized formal exchanges or over-the-counter (OTC) marketplaces which operate under a defined set of regulations.
- There can be multiple stock trading venues in a country or a region which allow transactions in stocks and other forms of securities.
- A social stock exchange, broadly, is understood as a platform that allows investors to buy shares in a social enterprise that has been vetted by the exchange. There are only a few international examples and they follow different models. In London, it acts more as a directory connecting social enterprises with potential investors, while in Canada the SVX is an online platform where even retail investors can invest in funds or companies with social impact.
- In India, the finance minister said the exchange will come under the ambit of the Securities and Exchange Board of India. **She mentioned that it will be “an electronic fundraising platform”, but the precise nature of its functioning is unclear so far.**

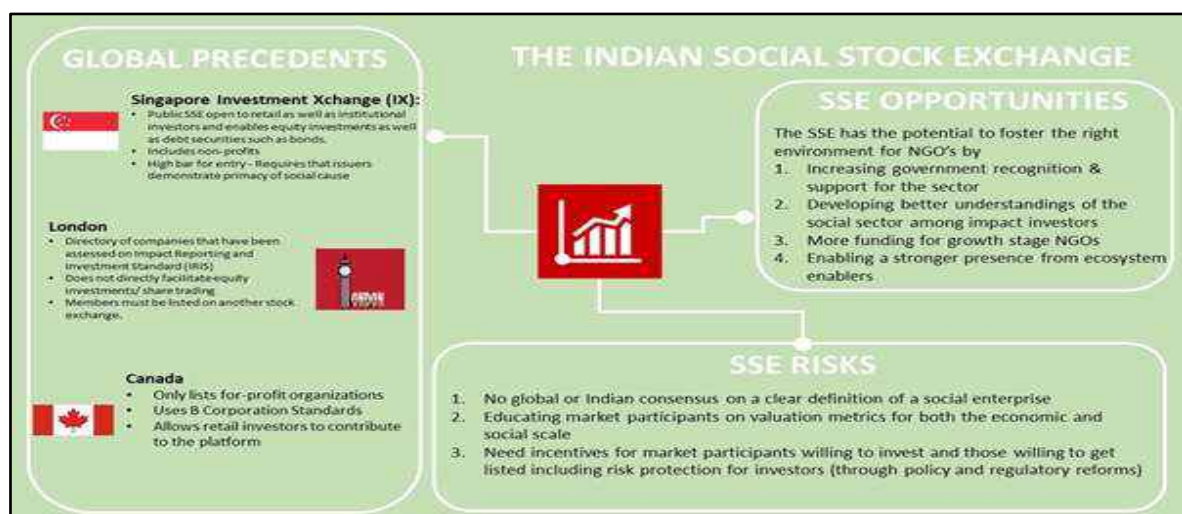
Highlights

- The idea of a social stock exchange (SSE) for listing of social enterprise and voluntary organisations was mooted by Finance Minister Nirmala Sitharaman while presenting the Union Budget 2019-20.
- Non-profit organisations:
 - The group has recommended allowing non-profit organisations to directly list through issuance of bonds while recommending a range of funding avenues, including some of the existing mechanisms such as Social Venture Funds (SVFs) under Alternative Investment Funds (AIFs).
 - The group has also suggested a new *minimum reporting standard* for organisations that raise funds on social stock exchanges.
- For-profit: It also suggested that for-profit social enterprises be allowed to list on the platform but with enhanced reporting requirements.
- The working group has also suggested that the social stock exchange can be housed within the existing national bourses like the Bombay Stock Exchange and the National Stock Exchange.
- This will help the SSE leverage existing infrastructure and client relationships of the exchanges to onboard investors, donors, and social enterprises.
- The panel or working group was set up by SEBI in September 2019 under the Chairmanship of *Ishaat Hussain* to suggest possible structures and regulations for creating SSE.
- The working group consists of representatives of the stakeholders active in the space of social welfare, social impact investing, representatives from the finance ministry, the stock exchanges and NGOs.

Analytica

- ✓ There is a great opportunity to unlock funds from donors, philanthropic foundations and CSR spenders, in the form of zero coupon zero principal bonds. These bonds will be listed on the SSE.
- ✓ India needs massive investments in the coming years to be able to meet the human development goals identified by global bodies like the United Nations. This can't be done through government expenditure alone.

- ✓ Private enterprises working in the social sector also need to step up their activities.
- ✓ Currently, social enterprises are very active in India. However, they face challenges in raising funds. One of the biggest hurdles they face is, apparently, the lack of trust from common investors.
- ✓ The working group had a series of consultation with various stakeholders including voluntary organizations, social enterprises and philanthropic organizations in order to assess the difficulties faced by them in raising funds or donating funds.
- ✓ It said that India will need a significant amount of patient capital to repair and rebuild those livelihoods, which are the bedrock of her economy. Conventional capital that prioritizes financial returns will not be able to carry such a burden all by itself.
- ✓ Social capital, on the other hand, is more suited for this role. It is not only patient but its goal is precisely to support and fortify social structures that are in danger of collapsing because of COVID-19.
- ✓ The SSE is envisioned as one of the possible solutions to this pressing problem as it will unlock large pools of social capital, and encourage blended finance structures so that conventional capital can partner with social capital to address the urgent challenges of COVID-19.



- ✓ The report suggested that COVID-19 aid fund can be set up by SSE to activate solutions such as pay-for- success bonds with philanthropic foundations, CSR spenders and impact investors as outcome funders and domestic banks, Non Banking Financial Corporations (NBFCs) and impact investors as lenders.

What is a Zero-Coupon Bond?

- ❖ A zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full-face value.
- ❖ Some bonds are issued as zero-coupon instruments from the start, while others bonds transform into zero-coupon instruments after a financial institution strips them of their coupons, and repackages them as zero-coupon bonds. Because they offer the entire payment at maturity, zero-coupon bonds tend to fluctuate in price, much more so than coupon bonds.
- ❖ The zero-coupon bond is also known as an accrual bond.

Social Stock Exchange is a platform which allows investors to buy shares in social enterprises vetted by an official exchange.

Social Venture: Currently a “social venture” is defined as a trust, society, company, venture capital undertaking or limited liability partnership formed with the purpose of promoting social welfare or solving social problems or providing social benefits.

Social Venture Fund (SVF) is an AIF that invests 75% or more of its corpus in unlisted securities or partnership interest of social ventures that satisfy social performance norms

defined by the fund.

Alternate Investment Fund (AIF): It means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors

Category I AIF:

- ❖ Venture capital funds (Including Angel Funds)
- ❖ SME Funds
- ❖ *Social Venture Funds*
- ❖ Infrastructure funds

P K Mohanty Committee

- ❖ The Reserve Bank proposed to review the guidelines on ownership, governance and corporate structure of private sector banks in the backdrop of key developments in the space in the recent years. The five-member internal working group to review the guidelines will be headed by RBI Central Board Director P K Mohanty.
- ❖ The committee shall submit its report by September 30, 2020.
- ❖ The panel has been asked to review the extant licensing guidelines and regulations relating to ownership and control in Indian private sector banks and suggest appropriate norms, keeping in mind the issue of excessive concentration of ownership and control, as well as international practices and domestic requirements.
- ❖ **It will also examine and review the “norms for promoter shareholding at the initial/licensing stage and subsequently, along with the timelines for dilution of the shareholding; and to identify any other issue germane to the subject matter and make recommendations thereon.”**
- ❖ The panel has also been asked to examine and review the eligibility criteria for individuals/ entities to apply for banking license and make recommendations on all related issues.
- ❖ It will study the current regulations on holding of financial subsidiaries through non-operative financial holding company (NOFHC) and suggest the manner of migrating all banks to a uniform regulation in the matter, including providing a transition path.

Conclusion

Social Stock Exchange is a novel concept in India and such a bourse is meant to serve private and non-profit sector providers by channeling greater capital to them.

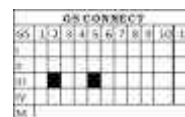
PEPPER IT WITH

MF's, SRO, Blue chip stocks, index funds, Masala bonds, BSE, NSE

Payment Infrastructure Development Fund

News Excerpt

RBI has announced the creation of a Rs. 500-crore Payments Infrastructure Development Fund (PIDF).



Highlights

- The RBI has created a Payments Infrastructure Development Fund (PIDF) to encourage acquirers to deploy Points of Sale (PoS) infrastructure — both physical and digital modes.
- It will be set up in tier-3 to tier-6 centres and north eastern states.
- RBI will make an initial contribution of ₹250 crore to the PIDF, covering half of the fund, while the remaining contribution will be from card-issuing banks and card networks operating in the country.
- The PIDF will be governed through an *Advisory Council* and managed and administered by RBI.

Analytica

- Over the years, the payments ecosystem in the country has evolved with a wide range of options such as bank accounts, mobile phones, cards, etc. To provide further fillip to digitisation of payment systems, it is necessary to give impetus to acceptance infrastructure across the country, more so in under-served areas.

- The PIDF will also receive recurring contributions to cover operational expenses from card-issuing banks and card networks.
- RBI will also contribute to yearly shortfalls, if necessary.
- Given the high cost of merchant acquisition and merchant terminalisation, most of the POS terminals in the country are concentrated in tier 1 and 2 cities and towns and other regions have been left out.

Nandan Nilekani committee recommendations: High Level Committee on Deepening of Digital Payments submitted its report to the RBI on May 17, 2019.

- ❖ Targets for digital payments: The Committee highlighted the growing trend of digital payments in the country. The number of digital payments per capita has **risen 10 fold from 2.4 in March'14 to 22.4 in March'19**. However, India is still behind many other nations in digital payments per capita (96.7 for China and 148.5 for Brazil). In this context, the Committee has set the following targets to be achieved in 3 years:
 - Ten-fold increase in per capita digital transactions (from 22.4 currently to 220)
 - doubling the value of digital transactions as a % of GDP (from 76.9% currently to 150%),
 - tripling the number of digital payment users (from estimated 10 crores currently to 30 crore).
- ❖ Specific payment mechanisms: The Committee recommended that the MDR should be subsidised by the government and interchange fee on card payments should be reduced by 15 basis points to incentivise digital payments. It also recommended that RBI setup a committee to review the MDR on a periodic basis.
- ❖ To improve the acceptance of digital payments, the Committee recommended removal of import duties from point-of-sale (POS) devices and waiving GST on Immediate Payment Service (for transaction charges upto Rs 5000).
- ❖ Government payments: The Committee recommended that the government departments must ensure that all pay-outs are through digital means, including payments for goods and services procured, Direct Benefit Transfer, salaries and pensions. A e-wallets can be issued for crediting small value payments, refunds, rebates or loyalty bonus for digital transactions.
- ❖ Direct Benefit Transfer (DBT): The Committee observed certain challenges with the DBT mechanism. These include lack of returns management i.e. DBT not being successfully credited to beneficiary, processing errors, connectivity and authentication failures in Aadhaar payment. Further, lack of a dedicated grievance redressal mechanism and lack of awareness remain major impediments.
- ❖ It recommended government agencies should ensure the use of validation services such as Public Financial Management System and National Payments Corporation of India to reduce the incidence of transaction failure because of wrong account / Aadhaar details.
- ❖ Financial Inclusion: The Committee recommended measures to promote financial inclusion in the country. The index should include parameters such as: (i) fraction of population that has a bank account, (ii) fraction of women owned accounts, and (iii) fraction of accounts which have enabled mobile banking. Regional Rural Banks should be brought under digital payment ecosystem to further inclusion
- ❖ Enabling and incentivising digital payments: The Committee recommended that existing rules need to be modified to recognise valid documents that are digitally signed by the customer to simplify KYC process. Users should be allowed to withdraw small amounts of cash at POS devices at a low, ad valorem cost. GST of amount upto Rs 10,000 can be received in cash currently, which should be brought down.

Conclusion

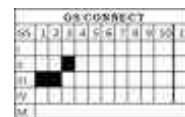
This move will make the economy more favour and will significantly increase the merchant base accepting digital payments.

PEPPER IT WITH
MDR, GST

Forex Reserves

News Excerpt

India becomes the 5th largest foreign exchange reserves holder in the world, with forex reserves topping \$500 billion for the first time ever. The Indian rupee may head north from here with the current capital outflows turning into inflows.



Pre-Connect

What are forex reserves?

- Forex reserves are external assets in the form gold, SDRs (special drawing rights of the IMF) and foreign currency assets (capital inflows to the capital markets, FDI and external commercial borrowings) accumulated by India and controlled by the Reserve Bank of India.
- The International Monetary Fund says official foreign exchange reserves are held in support of a range of objectives like supporting and maintaining confidence in the policies for monetary and exchange rate management including the capacity to intervene in support of the national or union currency.
- It will also limit external vulnerability by maintaining foreign currency liquidity to absorb shocks during times of crisis or when access to borrowing is curtailed.

Analytica

Why are forex reserves rising despite the slowdown in the economy?

- The major reason for the rise in forex reserves is the rise in investment in foreign portfolio investors in Indian stocks and foreign direct investments (FDIs).
- Forex inflows are set to rise further and cross the \$500 billion as Reliance Industries subsidiary, Jio Platforms, has witnessed a series of foreign investments totaling Rs 97,000 crore.
- The fall in crude oil prices has brought down the oil import bill, saving the precious foreign exchange.
- Similarly, overseas remittances and foreign travels have fallen steeply – down 61 per cent in April from \$12.87 billion. The months of May and June are expected to show further decline in dollar outflows.

What's the significance of rising forex reserves?

- The rising forex reserves give a lot of comfort to the government and the Reserve Bank of India in managing India's external and internal financial issues at a time when the economy doesn't do well.
- It's a big cushion in the event of any crisis on the economic front and enough to cover the import bill of the country for a year.
- The rising reserves have also helped the rupee to strengthen against the dollar.
- The foreign exchange reserves to GDP ratio is around 15 per cent. Reserves will provide a level of confidence to markets that a country can meet its external obligations, demonstrate the backing of domestic currency by external assets, assist the government in meeting its foreign exchange needs and external debt obligations and maintain a reserve for national disasters or emergencies.

What does the RBI do with the forex reserves?

- The Reserve Bank functions as the custodian and manager of forex reserves, and operates within the overall policy framework agreed upon with the government.
- The RBI allocates the dollars for specific purposes. For example, under the Liberalised Remittances Scheme, individuals are allowed to remit up to \$250,000 every year. The RBI uses its forex kitty for the orderly movement of the rupee.
- It sells the dollar when the rupee weakens and buys the dollar when the rupee strengthens.
- Of late, the RBI has been buying dollars from the market to shore up the forex reserves. When the RBI mops up dollars, it releases an equal amount in the rupees. This excess liquidity is sterilized through issue of bonds and securities and LAF operations.

Where are India's forex reserves kept?

- The RBI Act, 1934 provides the overarching legal framework for deployment of reserves in different foreign currency assets and gold within the broad parameters of currencies, instruments, issuers and counterparties.
- As much as 64 per cent of the foreign currency reserves is held in the securities like Treasury bills of foreign countries, mainly the US, 28 per cent is deposited in foreign central banks and 7.4 per cent is also deposited in commercial banks abroad.
- India also held 653.01 tonnes of gold as of March 2020, with 360.71 tonnes being held overseas in safe custody with the Bank of England and the Bank for International Settlements, while the remaining gold is held domestically. In value terms (USD), the share of gold in the total foreign exchange reserves increased from about 6.14 per cent as at end-September 2019 to about 6.40 per cent as at end-March 2020.

Is there a cost involved in maintaining forex reserves?

- **The return on India's forex reserves** kept in foreign central banks and commercial banks is negligible. While the RBI has not divulged the return on forex investment, analysts say it could be around one per cent, or even less than that, considering the fall in interest rates in the US and Euro zone.

Twin management: Value of rupee and Forex pile

A massive surge of \$8.2 billion in foreign currency assets (FCA), which is a major component of the **overall reserves, took India's forex reserves at a record high level of \$501.7 billion as on June 5, 2020.** RBI bought about \$8 billion worth **forex reserves.** RBI's dollar-buying intervention in significant quantum fulfills its twin objective of not allowing the pair to get strengthened past 75.00 **mark in order to support the country's sagging exports** as well as a strong forex kitty allows the bank to intervene in the market to cap any slide in rupee devaluations in offshore and onshore.

- There was a demand from some quarters that forex reserves should be used for infrastructure development in the country. However, the RBI had opposed the plan.
- Several analysts argue for giving greater weightage to return on forex assets than on liquidity thus reducing net costs if any, of holding reserves.
- Another issue is the high ratio of volatile flows (portfolio flows and short-term debt) to reserves which is around 80 per cent. This money can exit at a fast pace.

PEPPER IT WITH
Exchange Rate, Currency pair,
FII, BOP, Reserve Trench
Position

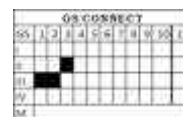
Conclusion

The surge in India's foreign exchange reserves means that during any financial crisis, India had to pledge its gold reserves to tide over the crisis, but now the country can depend on its **forex reserves.** India's **forex** reserves have risen from the abysmally low levels of \$5.8 billion in March 1991.

Monetisation of deficit by RBI

News Excerpt

The Indian government is keeping its options open on monetisation of the deficit by the Reserve Bank of India (RBI). How the government and the RBI **decide on this will have significant implications for India's economic prospects** in the short-term, and indeed in the long-term.



Pre-Connect

- In layman's language, monetisation of deficit means printing more money. In other words, monetisation of deficit happens when RBI buys government securities directly from the **primary market** to **fund government's expenses.**

Direct Monetization	Indirect monetization (Open market Operation)
<ul style="list-style-type: none"> • Monetisation of the deficit does not mean the government is getting free 	<ul style="list-style-type: none"> • RBI is not monetising the deficit directly but indirectly by buying government bonds in the

money from the RBI. • If one works through the combined balance sheet of the government and the RBI, it will turn out that the government does not get a free lunch, but it does get a heavily subsidised lunch.	secondary market through what are called open market operations (OMOs).
---	---

Note that both monetisation and OMOs involve printing of money by the RBI. But there are important differences between the two options that make shifting over to monetisation a non-trivial decision.

- **Till 1997, the RBI used to directly monetise the government's deficit almost automatically.** That practice ended with a landmark agreement between the government and the RBI.
- Two agreements were signed between the government and RBI in 1994 and 1997 to completely phase out funding through ad-hoc treasury bills. And later on, with the enactment of FRBM Act, 2003, RBI was completely barred from subscribing to the primary issuances of the government from April 1, 2006.
- It was agreed that henceforth, the RBI would operate only in the secondary market through the OMO route.
- The implied understanding also was that the RBI would use the OMO route not so much to support government borrowing but as a liquidity instrument to manage the balance between the policy objectives of supporting growth, checking inflation and preserving financial stability.

Analytica

Outcomes of the agreement

- Since the government started borrowing in the open market, interest rates went up which incentivised saving and thereby spurred investment and growth.
- Also, the interest rate that the government commanded in the open market acted as a critical market signal of fiscal sustainability.
- The agreement shifted control over money supply, and hence over inflation, from the **government's fiscal policy to the RBI's monetary policy.**
- The India growth story that unfolded in the years before the global financial crisis in 2008 when the economy clocked growth rates in the range of 9 per cent was at least in part a consequence of the high savings rate and low inflation which in turn were a consequence of this agreement.

Arguments for direct monetisation

- The Fiscal Responsibility and Budget Management Act as amended in 2017 contains an escape clause which permits monetisation of the deficit under special circumstances.
- What is the case for invoking this escape clause now even if it means potentially jeopardising the hard won gains of the government-RBI agreement?
 - **The case is made on the grounds that there just aren't enough savings in the economy** to finance government borrowing of such a large size.
 - Bond yields would spike so high that financial stability will be threatened.
 - The RBI must therefore step in and finance the government directly to prevent this from happening.

Arguments against direct monetisation

- There is no reason to believe that we are anywhere close to that situation.
 - Through its OMOs, the RBI has injected such an extraordinary amount of systemic liquidity that bond yields are still relatively soft.
 - In fact the yield on the benchmark 10 year bond which was ruling at 8 per cent in September last year has since dropped to just around 6 per cent.
 - Even on the day the government announced its additional borrowing to the extent of 2.1 per cent of GDP, the yield settled at 6.17 per cent. That should, if anything, be evidence

that the market feels quite comfortable about financing the enhanced government borrowing.

- Both monetisation and OMOs involve expansion of money supply which can potentially stoke inflation, although they are both potentially inflationary, the inflation risk they carry is different.
 - OMOs are a monetary policy tool with the RBI in the driver's seat, deciding on how much liquidity to inject and when.
 - In contrast, monetisation is, and is seen, as a way of financing the fiscal deficit with the quantum and timing of money supply determined by the government's borrowing rather than the RBI's monetary policy. If RBI is seen as losing control over monetary policy, it will raise concerns about inflation. That can be a more serious problem than it seems.

Way forward

If the government decides to cross the Rubicon, markets will fear that the constraints on fiscal policy are being abandoned and that the government is planning to solve its fiscal problems by inflating away its debt. If that occurs, yields on government bonds will shoot up, the opposite of what is sought to be achieved.

PEPPER IT WITH
Hyperinflation, Stagflation,
Repo/Reverse Repo

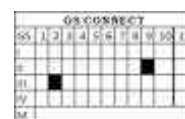
There are cases when monetisation despite its costs is inevitable.

- ✓ If the government cannot finance its deficit at reasonable rates, then it really doesn't have much choice.
- ✓ But right now, it is able to borrow at around the same rate as inflation, implying a real rate (at current inflation) of 0 per cent. If in fact bond yields shoot up in real terms, there might be a case for monetisation, strictly as a one-time measure.

GAFA Tax

News Excerpt

France and the U.S. locked horns over taxing digital giants such as Google and Facebook, after Washington said it was breaking off talks aimed at establishing a global framework for making the companies pay larger levies where they operate.



Pre-Connect

- GAFA is an acronym for Google, Apple, Facebook and Amazon. France first proposed to levy digital tax called as GAFA tax on these digital giants.
- France, Britain, Italy and Spain have already sent a reply expressing their desire to agree on a fair digital tax at the level of the OECD as quickly as possible.
- In January, 137 countries agreed to negotiate a deal on how to tax tech multinationals by 2020-end, under the auspices of the OECD.
- European countries in particular say the so-called GAFA are unfairly exploiting tax rules that let them declare profits in low-tax havens, depriving them of a fair share of their fiscal payments.
- Meanwhile, France as well as U.K., Spain, Italy and others have imposed taxes on the largest digital firms.
- U.S. has slammed the moves as discriminating against American firms, and say any new levies should come only as part of a broader overhaul of international tax rules.
- India introduces equalisation levy to tax on digital companies.

Analytica

- The rationale behind devising a separate framework to tax online service providers is that the existing tax norms that are framed envisaging brick and mortar business models are not suitable to regulate online services.
- Digital economy is characterized by a unique system of value creation resulting from a combination of factors such as sales functions, algorithms and personal information of users.
- Due to this anomaly, the GAFA tax and other proposals floated in the EU, UK and France impose an approximate digital tax of 3% on the revenue generated by entities that operate in the digital economy above a certain threshold.

Equalisation levy

- Equalisation Levy was introduced in India in 2016, with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India. It is aimed at taxing business to business transactions.
- It is a direct tax, which is withheld at the time of payment by the service recipient. The two conditions to be met to be liable to equalisation levy:
 - The payment should be made to a non-resident service provider;
 - The annual payment made to one service provider exceeds Rs. 1,00,000 in one financial year.
- The following services covered under the levy:
 - Online advertisement;
 - Any provision for digital advertising space or facilities/ service for the purpose of online advertisement;

PEPPER IT WITH
Countervailing duty, Anti-dumping duty

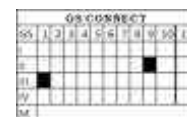
Conclusion

It is imperative that policymakers deliberate upon the possibility and feasibility of adopting a methodology to assess value creation objectively to tax digital players more effectively in the source country.

International Comparison Program

News Excerpt

The World Bank has released new Purchasing Power Parities (PPPs) for reference year 2017, under International Comparison Program (ICP), that adjust for differences in the cost of living across economies of the World. Globally 176 economies participated in 2017 cycle of ICP.



Pre-Connect

International Comparison Program (ICP)

- The International Comparison Program (ICP) is the largest worldwide data-collection initiative, under the guidance of UN Statistical Commission (UNSC), with the goal of producing Purchasing Power Parities (PPPs) which are vital for converting measures of economic activities to be comparable across economies.
- Along with the PPPs, the ICP also produces Price Level Indices (PLI) and other regionally comparable aggregates of GDP expenditure.

- India has participated in almost all ICP rounds since its inception in 1970.

- The Ministry of Statistics and Programme Implementation is National Implementing Agency (NIA) for India,

which has the responsibility of planning, coordinating and implementing national ICP activities.

- India is also proud to have been a co-Chair of the ICP Governing Board along with Statistics Austria for the ICP 2017 cycle.

Purchasing power parity (PPP)

- ❖ PPP is an economic theory that compares different countries' currencies through a "basket of goods" approach.
- ❖ According to this concept, two currencies are in equilibrium—known as the currencies being at par—when a basket of goods is priced the same in both countries, taking into account the exchange rates.
- ❖ It allows for economists to compare economic productivity and standards of living between countries.
- ❖ Some countries adjust their gross domestic product (GDP) figures to reflect PPP.

PEPPER IT WITH
RPPP, Big MAC PPP, GDP

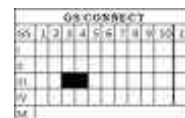
Highlights of the report

WORLDWIDE STATUS	REGIONAL STATUS: ASIA-PACIFIC REGION
<ul style="list-style-type: none"> The Purchasing Power Parities (PPPs) of Indian Rupee per US\$ at Gross Domestic Product (GDP) level was 20.65 in 2017 compared to 15.55 in 2011. The Exchange Rate of US Dollar to Indian Rupee was 65.12 from 46.67 during the same period. The Price Level Index (PLI), the ratio of a PPP to its corresponding market exchange rate used to compare the price levels of economies, of India was changed to 47.55 in 2017 from 42.99 in 2011. In 2017, India retained and consolidated its global position, as the third largest economy, accounted for 6.7 percent (\$8,051 billion out of World total of \$119,547 billion) of global Gross Domestic Product (GDP) in terms of PPPs as against China (16.4%) and United States (16.3%), respectively. India is also third largest economy in terms of its PPP-based share in global Actual Individual Consumption and Global Gross Capital Formation. 	<ul style="list-style-type: none"> In 2017, India retained its regional position, as the second largest economy, accounted for 20.83 % of Regional Gross Domestic Product (GDP) in terms of PPPs where China was at 50.76% (first) and Indonesia at 7.49% (third). India is also second largest economy in terms of its PPP-based share in regional Actual Individual Consumption and regional Gross Capital Formation. Among 22 participating economies in Asia-Pacific region, the Purchasing Power Parities (PPPs) of Indian Rupee per Hong Kong Dollar (HK\$) at Gross Domestic Product (GDP) level is now at 3.43 in 2017 from 2.97 in 2011. The Exchange Rate of Hong Kong Dollar to Indian Rupee was at 8.36 from 6.00 during same period. The Price Level Index (PLI) of India has been at 64.00 in 2017 from 71.00 in 2011.

Minimum Support Price

News Excerpt

The Cabinet Committee on Economic Affairs (CCEA) approved an increase in the minimum support prices (MSPs) for all mandated kharif crops, including paddy, pulses and cotton, for the 2020-21 marketing season.



Pre-Connect

Minimum Support Price (MSP)

- MSP is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices.
- The minimum support prices are announced by the Government of India at the beginning of the sowing season for certain crops.
- It is the price at which government purchases crops from the farmers, whatever may be the **price for the crops. Minimum Support Price is an important part of India's agricultural price policy.**

Who declares and who prepares it?

The Cabinet Committee on Economic Affairs (CCEA), Government of India, determines the Minimum Support Prices (MSP) of various agricultural commodities in India based on the recommendations of the Commission for Agricultural Cost and Prices (CACP).

How is it calculated?

According to the formula prescribed by the Swaminathan Committee, there are three variables that determine production cost: A2, A2+FL, and C2.

- ❖ A2- Includes out-of-pocket expenses borne by farmers, such as term loans for machinery, fertilizers, fuel, irrigation, cost of hired labour and leasing land.
- ❖ A2+FL, takes into account the imputed value of unpaid labour on the part of family members, in addition to the paid-out cost.

- ❖ (C2) -The Comprehensive Cost (C2) is more reflective of the actual cost of production since it takes it accounts for rent and interest foregone on owned land and machinery, over and above the A2+FL rate.

The ideal formula according the Committee would be: $MSP = C2 + 50\% \text{ of } C2$.

Highlights

- The Union Cabinet extended the repayment date for standard short-term loans upto ₹3 lakh for agriculture and allied activities, till August 31, 2020.
- The increase in MSP for kharif crops is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times
- The highest increase in MSP is proposed for nigerseed (₹755 per quintal), followed by sesamum (₹370 per quintal) and urad (₹300 per quintal).
- It added that the expected returns to farmers over their cost of production are estimated to be highest in case of bajra (83%) followed by urad (64%), tur (58%) and maize (53%).
- For the rest of the crops, return to farmers over their cost of production is estimated to be at least 50%.

Analytica

- ✓ The demand of farmers, based on the Swaminathan committee recommendations, was MSP at 1.5 times of the C2 cost (total cost including imputed cost).
- ✓ But what has been announced is 1.5 times the A2+FL cost (paid out cost plus family labour cost).
- ✓ The MSP announced barely covers 1.5 times the A2+FL cost and will give a return of only 12% over C2 as against the demand of 50% over C2 cost.
- ✓ The announced MSP is also significantly lower than the average wholesale price of paddy at ₹ 1,950 per quintal in April 2018, which is lower than ₹ 1,980 per quintal in April of last year.
- ✓ Since the announced MSPs are still 20-25% lower than prevailing wholesale prices for **many crops, their impact on farmers' income is uncertain.**
- ✓ Despite these concerns, the announcement of MSP increase is not just timely but also a much-needed respite at the time of rural distress.
- ✓ If properly followed through by adequate procurement, it can certainly raise agricultural commodity prices and also inject much-needed demand if this also materializes in higher income for a large majority of farmers.
- ✓ But it would also require the government to loosen its purse strings beyond what was promised in the budget this year.
- ✓ With rise in input costs such as diesel and electricity, it may not contribute to any real increase in returns in the short run. While it will take time for these to translate into real gains for farmers and rural workers, these will definitely contribute to some upward pressure on inflation and wages even though their extent is not clear.
- ✓ The rise in MSP is unlikely to be the remedy of all the ills that plague the rural sector or the agricultural sector.
- ✓ It certainly does not substitute for the decline in real investment at more than 3% per annum in agriculture during this government's **tenure. Nor does it compensate for the decline in credit availability for farmers beset with rising farm loans.**
- ✓ It does not compensate for the cartelization and corruption in the local markets which contribute to price fluctuations. It also does not compensate for the export-import policy ad hocism which has contributed to price uncertainty.

Commission for Agricultural Costs & Prices (CACP)

- ❖ It is an attached office of the Ministry of Agriculture and Farmers Welfare, Government of India.
- ❖ It came into existence in January 1965. Currently, the Commission comprises a Chairman, Member Secretary, one Member (Official) and two Members (Non-Official).
- ❖ The non-official members are representatives of the farming community and usually have an active association with the farming community.
- ❖ It is mandated to recommend minimum support prices (MSPs)

- ❖ CACP recommends MSPs of 23 commodities, which comprise 7 cereals (paddy, wheat, maize, sorghum, pearl millet, barley and ragi), 5 pulses (gram, tur, moong, urad, lentil), 7 oilseeds (groundnut, rapeseed-mustard, soyabean, seasmum, sunflower, safflower, nigerseed), and 4 commercial crops (copra, sugarcane, cotton and raw jute).
- ❖ CACP submits its recommendations to the government in the form of Price Policy Reports every year, separately for five groups of commodities namely Kharif crops, Rabi crops, Sugarcane, Raw Jute and Copra.
- ❖ The Commission also makes visits to states for on-the-spot assessment of the various constraints that farmers face in marketing their produce, or even raising the productivity levels of their crops.
- ❖ The Commission then finalizes its recommendations/reports, which are then submitted to the government.
- ❖ The government, in turn, circulates the CACP reports to state governments and concerned central Ministries for their comments.
- ❖ After receiving the feed-back from them, the Cabinet Committee on Economic Affairs (CCEA) of the Union government takes a final decision on the level of MSPs and other recommendations made by CACP.

Conclusion

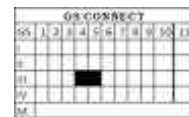
The decision to hike the MSP for kharif crops is welcome relief for the farming community reeling under severe distress due to the collapse of agricultural commodity prices and a general collapse of demand in the economy. But increasing the MSP alone will not solve the problem of agriculture sector.

PEPPER IT WITH
Price Support Scheme,
MIS

PM Formalization of Micro Food Processing Enterprises (PM FME)

News Excerpt

Minister for Food Processing Industries launched the PM Formalization of Micro Food Processing Enterprises (PM FME) scheme as a part of "Atmanirbhar Bharat Abhiyan."



Pre-Connect

NEED For the Scheme

About Unorganized food processing sector	Challenges
<ul style="list-style-type: none"> Unorganized food processing sector comprising nearly 25 lakh units contribute to 74% of employment in food processing sector. Nearly 66% of these units are located in rural areas and about 80% of them are family-based enterprises supporting livelihood rural household and minimizing their migration to urban areas. 	<ul style="list-style-type: none"> Lack of access to modern technology & equipment Training, access institutional credit, lack of basic awareness on quality control of products; Lack of branding & marketing skills etc.

Analytica

Details of the PM FME scheme

- The Scheme would need a total investment of Rs 35,000 crore and generate 9 lakh skilled and semi-skilled employment and benefit 8 lakh units through access to information, training, better exposure and formalization.
- Duration
 - It will be implemented over a period of five years from 2020-21 to 2024-25.
- Funding
 - It is a centrally sponsored scheme with an outlay of Rs 10,000 crore.
 - The expenditure under the scheme would to be shared in 60:40 ratio between Central and State Governments, in 90:10 ratio with North Eastern and

Himalayan States, 60:40 ratio with UTs with legislature and 100% by Centre for other UTs.

- One District One Product (ODOP) approach
 - The States would identify food product for a district keeping in view the existing clusters and availability of raw material.
 - The ODOP product could be a perishable product or cereal based products or a food product widely produced in a district and their allied sectors.
 - Illustrative list of such products includes mango, potato, litchi, tomato, tapioca, kinnu, bhujia, petha, papad, pickle, millet-based products, fisheries, poultry, meat as well as animal feed among others.
 - However, units producing other products would also be supported.
 - Support for common infrastructure and branding & marketing would be for ODOP products.
 - The Scheme also place focus on waste to wealth products, minor forest products and Aspirational Districts.
- Financial support
 - Existing Individual micro food processing units desirous of upgradation of their unit can avail credit-linked capital subsidy at 35% of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit.
 - Seed capital @ Rs. 40,000/- per SHG member would be provided for working capital and purchase of small tools.
 - FPOs/ SHGs/ producer cooperatives would be provided credit linked grant of 35% for capital investment along the value chain.
 - Support would be provided for development of common infrastructure including common processing facility, lab, warehouse, cold storage, packaging and incubation center through FPOs/SHGs/cooperatives or state owned agencies or private enterprise to use by micro units in the cluster.
 - Support for marketing & branding would be provided to develop brands for micro units and groups with 50% grant at State or regional level which could benefit large number of micro units in clusters
- Capacity building and research.
 - NIFTEM and IIFPT, two academic and research institutions under MOFPI along with State Level Technical Institutions selected by the States would be provided support for training of units, product development, appropriate
 - packaging and machinery for micro units.
- All the processes of the Scheme would take place on an MIS including applications by entrepreneurs, their processing, approval of various projects by the States and MoFPI, release of grant and other funds and monitoring of the project.

PEPPER IT WITH
SAMPADA, Agro Processing
Cluster Scheme

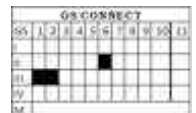
Conclusion

The scheme is a good initiative to achieve the plan of vocal for local and make India 'Aatmanirbhar'. It will provide employment and boost the rural economy which is the need of the time.

Credit Guarantee Scheme for Sub-ordinate Debt (CGSSD)

News Excerpt

Minister of MSME, Shri Nitin Gadkari launched the Credit Guarantee Scheme for Sub-ordinate Debt (CGSSD) which is also called "Distressed Assets Fund-Sub-ordinate Debt for MSMEs".



Pre-Connect

- As part of Atmanirbhar Bharat package, on 13th May, 2020, Finance Minister had announced this scheme of sub-ordinate Debt to the promoters of operational but stressed MSMEs.
- The guarantee cover worth Rs. 20,000 crores will be provided to the promoters who can take debt from the banks to further invest in their stressed MSMEs as equity.

- It was being felt that the biggest challenge for stressed MSMEs was in getting capital either in the form of debt or equity.
- The latest classification with effect from July 1 for MSMEs are-
 - Micro enterprises- investments not exceeding Rs 1 crore and turnover of Rs 5 crore,
 - Small enterprises - investment up to Rs 10 crore and turnover of up to Rs 50 crore
 - Medium enterprises- investments not exceeding Rs 50 crore and turnover of Rs 250 crore.

Existing and Revised Definition of MSMEs			
Existing MSME Classification			
Criteria : Investment in Plant & Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment < Rs. 25 lac	Investment < Rs. 5 cr.	Investment < Rs. 10 cr.
Services Enterprise	Investment < Rs. 10 lac	Investment < Rs. 2 cr.	Investment < Rs. 5 cr.
Revised MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 cr. and Turnover < Rs. 5 cr.	Investment < Rs. 10 cr. and Turnover < Rs. 50 cr.	Investment < Rs. 20 cr. and Turnover < Rs. 100 cr.

Analytica

Highlights of the scheme

- This Scheme seeks to extend support to the promoter(s) of the operational MSMEs which are stressed and have become NPA as on 30th April, 2020.
- Promoter(s) of the MSMEs will be given credit equal to 15% of their stake (equity plus debt) or Rs. 75 lakh whichever is lower.
- Promoter(s) in turn will infuse this amount in the MSME unit as equity and thereby enhance the liquidity and maintain debt-equity ratio.
- 90% guarantee coverage for this sub-debt will be given under the Scheme and 10% would come from the concerned promoters.
- There will be a moratorium of 7 years on payment of principal whereas maximum tenor for repayment will be 10 years.
- Promoter(s) of MSMEs meeting the eligibility criteria may approach any scheduled commercial banks to avail benefit under the scheme.
- The scheme will be operationalised through Credit Guarantee Fund Trust for MSEs (CGTMSE).

Benefits

- It is expected that this scheme would provide much required support to around 2 lakh MSMEs and will help in reviving the economic activity.
- It will also help in protecting the livelihoods and jobs of millions of people who depend on them.

PEPPER IT WITH
MUDRA, CGS, RBI

Conclusion

The scheme would provide much needed relief to the MSME sector which are facing the double wrath, earlier economic slowdown and now the impact of pandemic.

Border Adjustment Tax

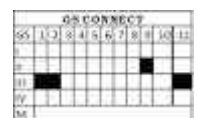
News Excerpt

NITI Aayog favored imposing a border adjustment tax (BAT) on imports to provide a level-playing field to domestic industries.

Pre-Connect

What is Border Adjustment Tax?

- Border adjustment tax is a short name for a proposed destination-based cash flow tax (DBCFT).



- It is a value-added tax on imported goods and is also referred to as a border-adjusted tax, destination tax or border tax adjustment.
- Exported goods are exempt from tax while imported goods sold are subject to the tax.
- BAT levies a tax depending on where a good is consumed rather than where it is produced.
- The concept was first introduced in 1997 by economist Alan J. Auerbach, who believed that the tax system would be in line with business goals and the national interest.

Analytica

US-China trade tensions are currently at historic high levels. In the post COVID world, it is expected to rise further so border adjustment tax will provide the domestic industry a level-playing field vis-a-vis imports.

- BAT is a duty in addition to the customs levy that gets charged at the port of entry.
- Various taxes like electricity duty, mandi tax, clean energy cess, royalty etc. lead to escalation of price.
- Such taxes which are imposed on domestic goods, give imported goods a price advantage in India.
- The Indian industry has been complaining to the government about domestic taxes like electricity duty, duties on fuel, clean energy cess, mandi tax, royalties, biodiversity fees that get charged on domestically produced goods as these duties get embedded into the product.
- But many imported goods do not get loaded with such levies in their respective country of origin and this gives such products price advantage in the Indian market.

PEPPER IT WITH
Basic Customs Duty (BCD),
Countervailing Duty (CVD),
Anti-dumping Duty

WTO rules

- The tax must be applied equally to imports and "like" domestic products.
- A permitted border tax adjustment must not subsidize exports.

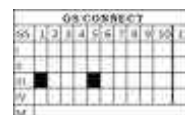
Conclusion

Prime Minister Narendra Modi's Atmanirbhar Bharat vision which helps in advocating self-reliance should not imply that India will embrace isolationist policies. We have to be global but we have to have a supply chain which is more local.

Indian Gas Exchange (IGX)

News Excerpt

Indian Gas Exchange (IGX) is the India's first gas exchange. The exchange is expected to facilitate transparent price discovery in natural gas, and facilitate the growth of the share of natural gas in India's energy basket.



Pre-Connect

How will this exchange work?	Benefits
<ul style="list-style-type: none"> • The IGX is a digital trading platform that will allow buyers and sellers of natural gas to trade both in the spot market and in the forward market for imported natural gas across three hubs Dahej and Hazira in Gujarat, and Kakinada in Andhra Pradesh. 	<ul style="list-style-type: none"> • Imported Liquefied Natural Gas (LNG) will be regassified and sold to buyers through the exchange, removing the requirement for buyers and sellers to find each other. • This will mean that buyers do not have to contact multiple dealers to ensure they find a fair price. • The exchange also allows much shorter contracts – for delivery on the next day, and up to a month – while ordinarily contracts for natural gas supply are as long as six months to a year. This will allow buyers and sellers greater flexibility.

Analytica

Will domestically produce natural gas also be bought and sold on the exchange?

- No. The price of domestically produced natural gas is decided by the government. It will not be sold on the gas exchange.

- However, following appeals by domestic producers that the prices set by the government are not viable given the cost of exploration and production in India, the Petroleum Minister has indicated that a new gas policy will include reforms in domestic gas pricing, and will move towards more market-oriented pricing.

Will this make India more import dependent?

- Domestic production of gas has been falling over the past two fiscals as current sources of natural gas have become less productive.
- **Domestically produced natural gas currently accounts for less than half the country's natural gas consumption; imported LNG accounts for the other half.**
- LNG imports are set to become a larger proportion of domestic gas consumption as India moves to increase the proportion of natural gas in the energy basket from 6.2% in 2018 to 15% by 2030.

What regulatory change is required?

- Currently, the pipeline infrastructure necessary for the transportation of natural gas is controlled by the companies that own the network.
- **State-owned GAIL owns and operates India's largest gas pipeline network, spanning over 12,000 km.**
- Experts have also called for natural gas to be included in the Goods and Services Tax (GST) regime to avoid buyers having to deal with different levies such as VAT across states, when purchasing natural gas from the exchange.

Government Initiatives

- Indian gas market has multiple price bands for assets including pre-NELP, NELP, High Temperature and High pressure (HTHP) and Deepwater and Ultra Deep Water blocks.
- The country will soon have 50 MMT LNG terminal capacity. The country has long-term gas contracts with many countries like Qatar, Australia, Russia and the US, and has made investments abroad in strategic assets in Mozambique, Russia and other countries.

DIFFERENCES BETWEEN NELP & HELP		
Parameter	HELP	NELP
Fiscal Model	Revenue sharing	Profit sharing
Cost recovery	Not applicable	Yes
Cost efficiency	Encouraged	Neutral
Royalty	Low rates for offshore	Standard rates
Exploration Period	Onland and Shallow Water- 8 years Deepwater- 10 years	Onland and Shallow Water- 7 years Deepwater & Ultra-deepwater - 8 years
Management Committee	More focus on reservoir monitoring; no micro-management	Technical & financials examination
Revenue to Government	On production	After cost recovery i.e. from profit petroleum
Exploration in Mining Lease areas	Allowed	Not allowed
E&P activity for all hydrocarbons	Allowed	Not allowed

Conclusion

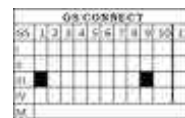
An independent system operator for natural gas pipelines would help ensure transparent allocation of pipeline usage, and build confidence in the minds of buyers and sellers about neutrality in the allocation of pipeline capacity.

PEPPER IT WITH
Urja Ganga, Indradhanush
project, Dhamra-Dahej
pipeline, CBM policy.

Real Time Market in Electricity

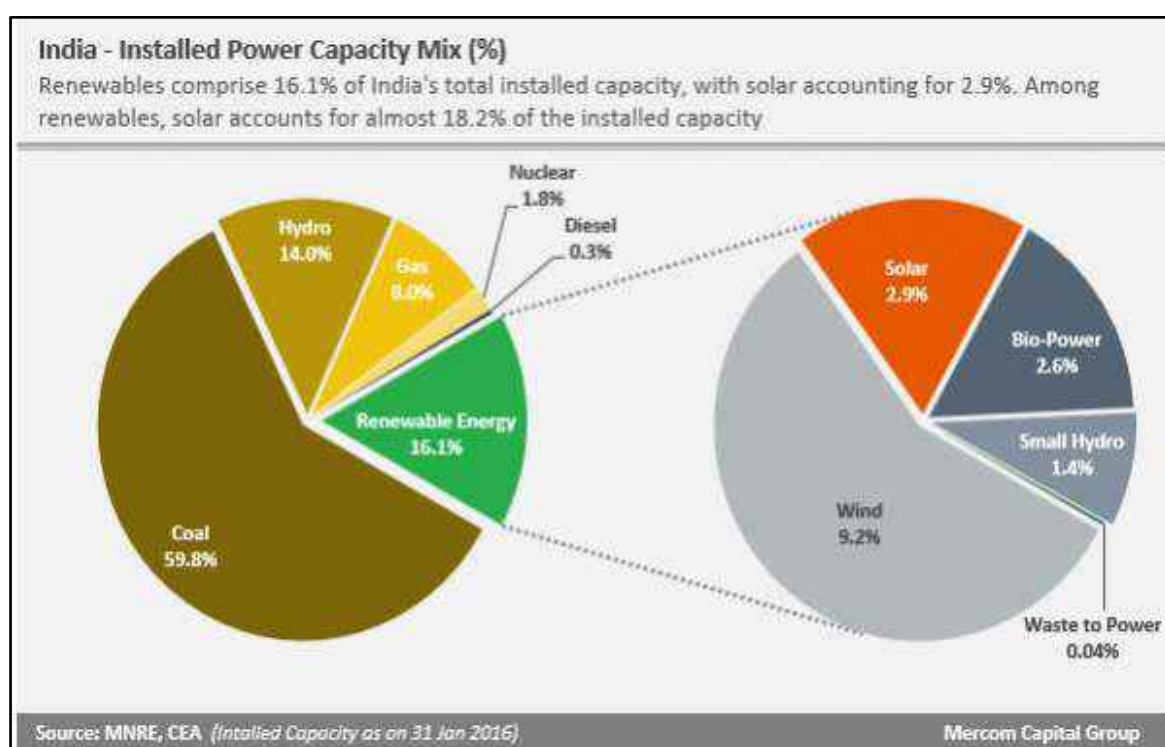
News Excerpt

Recently government has launched pan-India Real Time Market in electricity. This has placed Indian electricity market amongst a league of few electricity markets in the world, which have real time market.



Pre-Connect

- Real time market is an organized market platform to enable the buyers and sellers pan-India to meet their energy requirement closer to real time of operation.
- It will bring required flexibility in the market to provide real time balance while ensuring optimal utilization of the available surplus capacity in the system.
- It will also help manage diversity in the demand pattern in the country with an organized market at national level.
- It would lead to better portfolio management by the utilities with efficient power procurement planning, scheduling, dispatch, and imbalance handling.



Analytica

- Real time market would be for every 30 minutes in a day based on double sided closed auction with uniform price.
- **The concept of “Gate Closure” has been introduced for bringing in the desired firmness in schedules during the hours of market operation.**
- Buyers/sellers shall have the option of placing buy/sell bids for each 15-minute time block.
- A mechanism has been provided for generators having long-term contract and participating in this market to share the net gains with the DISCOMS.
- National Load Dispatch Centre-POSOCO is facilitating necessary automation in coordination with power exchanges to ensure faster transactions and settlements in the real time market framework.
- It is expected that shorter bidding time, faster scheduling, and defined processes (e.g. gate closure) are expected to enable the participants to access resources throughout the all India grid, promoting competition.

Benefits

DISCOMS/Generators	Consumers	Penetration of Renewable Energy
<ul style="list-style-type: none"> The proposed real time market would provide an alternate mechanism for DISCOMS to access larger market at competitive price. On the other hand, generators would also benefit by participating in the real time market with their un-requisitioned capacity. The distribution companies would be able to manage their power purchase portfolio optimally and need not tie up excess capacity. 	<ul style="list-style-type: none"> It would lead to cost optimization of power purchase and serving the consumers with reliable supply as any last minute requirement of power can easily be bought from the Real Time market. 	<ul style="list-style-type: none"> Government of India's target of 175 GW RE Capacity by 2022 is driving accelerated renewable penetration pan-India. The real time market would help to mitigate challenges to the grid management due to intermittent and variable nature of renewable energy generation and therefore, help to integrate higher quantum of renewable energy resources into the grid.

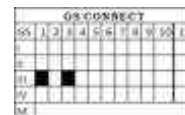
Conclusion

Earlier regime of managing the grid by load shedding due last minute changes can be easily avoided. Thus, it is a win-win for all the stakeholders generators having opportunity to sale their surpluses, better management of variability of RE generation, better utilization of transmission systems, DISCOMS opportunity to buy or sell power and finally consumer getting reliable power supply.

PEPPER IT WITH
KUSUM, RPSSGP

Animal Husbandry Infrastructure Development Fund (AHIDF)News Excerpt

In pursuance of recently announced Atma-Nirbhar Bharat Abhiyan stimulus package for ensuring growth in several sectors, the Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has approved setting up of Animal Husbandry Infrastructure Development Fund (AHIDF).

Pre-Connect

- Government has been implementing several schemes for incentivizing the investment made by dairy cooperative sector for development of dairy infrastructure.
- However, government realizes that even MSMEs and Private companies also need to be promoted and incentivized for their involvement in processing and value addition infrastructure.
- AHIDF would facilitate much needed incentivisation of investments in establishment of such infrastructure for dairy and meat processing and value addition infrastructure and establishment of animal feed plant in the private sector.

Eligible beneficiaries	Funding
<ul style="list-style-type: none"> ✓ Farmer Producer Organizations (FPOs) ✓ MSMEs ✓ Section 8 Companies ✓ Private Companies and individual entrepreneur 	<ul style="list-style-type: none"> ✓ Minimum 10% margin money should be contribution by them. ✓ The balance 90% would be the loan component to be made available by scheduled banks. ✓ Government of India will provide 3% interest subvention to eligible beneficiaries.

Analytica

Project Cost

- The project outlay is worth Rs. 15000 crore.
- Government of India would also set up Credit Guarantee Fund of Rs. 750 crore to be managed by NABARD. Credit guarantee would be provided to those sanctioned projects which are covered under MSME defined ceilings. Guarantee Coverage would be upto 25% of Credit facility of borrower.

Time period

There will be 2 years moratorium period for principal loan amount and 6 years repayment period thereafter.

Potential of the sector

- There is huge potential waiting to be unlocked in investment through private sector. The INR 15,000 cr. AHIDF and the interest subvention scheme for private investors will ensure availability of capital to meet upfront investment required for these projects and also help enhance overall returns/ pay back for investors.
- Such investments in processing and value addition infrastructure by eligible beneficiaries would also promote export of these processed and value added commodities.
- Since, almost 50-60% of final value of dairy output in India flows back to farmers, **therefore, growth in this sector can have significant direct impact on farmer's income.**
- **Size of dairy market and farmers' realization from milk sales is closely linked with** development of organized off-take by cooperative and private dairies.
- The measures approved today through AHIDF would also help in direct and indirect livelihood creation for 35 lakh.

PEPPER IT WITH
DEDS, DIDF,
NPCBB

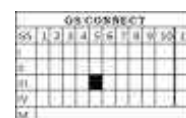
Conclusion

Investment incentivization in AHIDF would not only leverage 7 times private investment but would also motivate farmers to invest more on inputs thereby driving higher productivity leading to increase in farmers income.

Consolidated Notification For Classification And Registration Of Msme

News Excerpt

The Micro Small and Medium Enterprises (MSME) Ministry has issued consolidated notification for classification and registration of MSMEs to be effected from July 1.



Highlights

Issued after detailed consultation with various stakeholders including advisory committee, officials of Income Tax and GST, State Governments and associations, this notification would supersede all earlier notifications with regard to classification or registration of MSMEs

Registration Process	Criteria
<ul style="list-style-type: none"> MSME would hereafter been referred to as Udyam and the registration process as Udyam Registration. The Registration can be filed online based on self-declaration. Uploading of documents, papers or certificate as proof would not be necessary henceforth. The process has been integrated with the income tax and GST systems. It would be a paper-less exercise in a true sense 	<ul style="list-style-type: none"> The basic criteria for MSME classification would be on investment in plant, machinery and equipment and turnover. As per the latest classification, <ul style="list-style-type: none"> ✓ Micro enterprises-investments not exceeding Rs 1crore and turnover of Rs 5 crore ✓ Small enterprises - investment up to Rs 10 crore and turnover of up to Rs 50 crore ✓ Mediumenterprises- investments not exceeding Rs 50 crore and turnover of Rs 250 crore.

Analytica

- The notification clarifies that export of goods or services or both would be excluded while calculating the turnover of any enterprise, whether micro, small or medium; and investment calculation linked to the ITR return of the previous year.
- For new enterprises (where no prior ITR is available), self-declaration of the promoter would suffice till the tax returns are filed.
- Establishment of a facilitation mechanism, a Single Window System at the district and regional level, would ease the Udyam Registration process.
- At the district level, the DICs (District Industries Centres) would help entrepreneurs.
- Champions Control Room across the country have been made legally responsible for facilitating such entrepreneurs in registration and thereafter.
- Registering an enterprise on the basis of Aadhar number is another plus, considering that there would not be any need to upload any paper document; this would encourage enterprising youth to join and steer the economy through this crucial.

PEPPER IT WITH
CGTMSE, ASPIRE,,
MSE-CDP

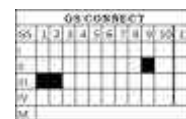
Conclusion

MSMEs are the backbone of the economy in terms of GDP, exports and job creation. With the stimulus, these enterprises will be in a position to lead to a fast V-shaped recovery the moment the pandemic is brought under control.

Moody's downgraded India's ratings

News Excerpt

Moody's Investors Service downgraded India's sovereign (foreign currency and local currency long-term issuer) ratings by a notch from Baa2 to Baa3, the lowest rating in investment grade, and maintained a negative outlook it had assigned last year.



Analytica

Reasons

- **Moody's said the action was taken in the context of the coronavirus pandemic, but was not driven by the pandemic's impact. The pandemic amplifies vulnerabilities in India's credit profile that were present and building prior to the shock.**
- The ratings agency cited Reasons:
 - slow reform momentum
 - constrained policy effectiveness
 - slower growth compared to India's potential
- **The decision reflects the agency's view that the government would be challenged in enacting policies that mitigate the risks of sustained lower growth, sharp worsening of government finances, and stress in the financial sector.**
- **Since Moody's rating for India was one notch higher than S&P and Fitch Ratings, the market was expecting that it would be the first agency to lower its rating on India, bringing it at par with that of other agencies.**
- **Moody's said its upgrade of India's ratings to Baa2 from Baa3 in November 2017 was based on the expectation that effective implementation of key reforms would strengthen the sovereign's credit profile through a gradual but persistent improvement in economic, institutional and fiscal strength.**

What is a Credit Rating?

- ❖ A credit rating is a quantified assessment of the creditworthiness of a borrower in general terms or with respect to a particular debt or financial obligation.
- ❖ A credit rating can be assigned to any entity that seeks to borrow money—an individual, corporation, state or provincial authority, or sovereign government.
 - Individual credit is scored from by credit bureaus such as Experian and TransUnion on a three-digit numerical scale using a form of Fair Isaac (FICO) credit scoring.
 - Companies and governments: Credit assessment and evaluation for companies and governments is generally done by a credit rating agency such as Standard & Poor's (S&P), Moody's, or Fitch.
- ❖ These rating agencies are paid by the entity that is seeking a credit rating for itself or for one of its debt issues.

- However, implementation of these reforms since then has been “relatively weak” and has not resulted in material credit improvements, indicating limited policy effectiveness.

Growth Forecast	Government Response
<ul style="list-style-type: none"> • Moody’s expects India’s real GDP growth rate to contract by 4 per cent in 2020-21 due to the shock from the coronavirus pandemic and related lockdown measures. • It expects the economy to grow 8.7 per cent next financial year and closer to 6 per cent in the subsequent year. 	<ul style="list-style-type: none"> • Government officials said India’s debt sustainability metrics remained stable and internal estimates based on the country’s expected nominal rate of growth and borrowing costs suggested that “there is no worry” on that front. • As growth returns from FY21 onwards, our debt to GDP ratio should improve further.

Current Indices

- **India’s GDP growth slipped to an 11-year low of 4.2 per cent in 2019-20**, while the fiscal deficit expanded to 4.6 per cent of the GDP as against the revised estimate of 3.8 per cent of GDP in the previous financial year.
- Thereafter and over the longer term, growth rates are likely to be materially lower than in the past, due to persistent weak private sector investment, tepid job creation and an impaired financial system.
- In turn, a prolonged period of slower growth may dampen the pace of improvements in living standards that would help support sustained higher investment growth and consumption.
- The ratings agency said while the government responded to the growth slowdown prior to the coronavirus outbreak with a series of domestic demand stimulating measures as well as the recent support package for vulnerable households and small businesses, it does not expect that these measures will durably restore real GDP growth to rates around 8 per cent.

Other Economic issue

Credit Crunch	Higher debt burden	Low tax revenue
Stress in banking sector and non-bank financial institutions (NBFIs) weighs on growth dynamics through constrained supply of credit for consumption and investment, Moody’s said adding it did not expect the credit crunch in the country’s under-capitalised financial sector to be resolved quickly.	Also, fiscal constraints point to a higher debt burden for longer period of time as lower real and nominal GDP growth over the medium term will diminish the government’s ability to reduce its debt burden after a significant rise due to the coronavirus economic shock.	India’s large low-income population will limit the government’s tax revenue base as earlier prospects of a broadening of the tax base have not materialized

- **Among other emerging markets, Moody’s has downgraded sovereign credit ratings of Mexico and South Africa and maintained a negative outlook for these two countries**, while it changed its outlook on Saudi Arabia to negative from stable. In case of Mexico and South Africa, **Moody’s cited deteriorating fiscal strength and structurally very weak growth.**

Conclusion

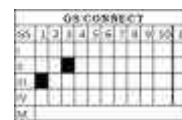
As per Moody’s ratings scale, obligations rated Baa are termed to be medium-grade and subject to moderate credit risk and may possess certain speculative characteristics. Both Fitch Ratings and Standard & Poor’s have the lowest investment grade rating and stable outlook for India and any downgrade will now lead to junk status.

PEPPER IT WITH CRISIL, ICRA, CARE, SMERA, Fitch India and Brickwork Ratings.

Co-operative Banks

News Excerpt

The Union Cabinet approved a slew of proposals, including an ordinance bringing cooperative banks under supervisory powers of the Reserve Bank of India.



Pre-Connect

- Co-operative banks are financial entities established on a co-operative basis and belonging to their members. This means that the customers of a co-operative bank are also its owners. These banks provide a wide range of regular banking and financial services.
- The problem of rural credit was the key reason behind the advent of the co-operative movement in India.
- In India, co-operative banks are registered under the States Cooperative Societies Act. They also come under the regulatory ambit of the Reserve Bank of India (RBI) under two laws, namely, the Banking Regulations Act, 1949, and the Banking Laws (Co-operative Societies) Act, 1955.
- Co-operative banks differ from stockholder banks by their organization, their goals, their values, and their governance.
- Co-operative banking institutions take deposits and lend money in most parts of the India.
- Co-operative banking, includes retail banking, as carried out by credit unions, mutual savings and loan associations, building societies and co-operatives, as well as commercial banking services provided by manual organizations (such as co-operative federations) to co-operative businesses.

Types of Co-operative Bank

Broadly, co-operative banks in India are divided into two categories - urban and rural.

- Rural cooperative credit institutions could either be short-term or long-term in nature. Further, short-term cooperative credit institutions are further sub-divided into State Co-operative Banks, District Central Co-operative Banks, and Primary Agricultural Credit Societies.
- The long-term institutions are either State Cooperative Agriculture and Rural Development Banks (SCARDBs) or Primary Cooperative Agriculture and Rural Development Banks (PCARDBs).
- On the other hand, Urban Co-operative Banks (UBBs) are either scheduled or non-scheduled. Scheduled and non-scheduled UCBs are again of two kinds- multi-state and those operating in single state.

Differences Between Commercial Bank and Co-operative Bank

Parameter	Commercial Bank	Co-operative Bank
Target Customers	General Public and Business owners are the target customers.	It mainly supports the agriculturists and also helps rural industries with financial help.
Governing Act	Banking Regulation Act, 1949	Cooperative Societies Act, 1965
Area and motive of operation	Operates on a large scale with profit as the base	Operates on a small scale with service as the base.
Borrowers	Account-holders are the	Member shareholders are the

	borrowers	borrowers
The interest rate on deposits	It is less compared to the cooperative banks	It is higher compared to commercial banks.

Analytica

- ✓ Following the cabinet decision, 1,482 urban cooperative banks and 58 multi-state **cooperative banks will come under the central bank's oversight, which would mean tighter supervision.**
- ✓ **RBI's powers** on scheduled banks would be applicable on cooperative banks as well.
- ✓ The decision to bring 1,540 cooperative banks under RBI's supervision will give an assurance to more than 8.6 crore depositors in these banks that their money amounting to Rs 4.84 lakh crore will stay safe.
- ✓ **The banks will come under RBI supervision with immediate effect from date of President's approval on the ordinance.**
- ✓ Cooperative banks had for a long been a weak link in the financial system because of lack of adequate oversight.
- ✓ While RBI has been regulating and supervising banking functions, primary oversight has been with the registrar of societies. The Union cabinet had in February this year approved amendment to the Banking Regulation Act to bring cooperative banks under the RBI.
- ✓ The immediate trigger is the trouble that the Punjab and Maharashtra Cooperative Bank (PMC) got into last year which led to its board being superseded and a moratorium on withdrawals imposed.
- ✓ Harshad Mehta and Hiten Dalal sank the Mumbai-based Mercantile Cooperative Bank in 1991 and Ketan Parekh did the same with the Ahmedabad-based Madhavpura Cooperative Bank in 2001. In the PMC Bank, over 70 per cent of the loans went to a single borrower, HDIL, which defaulted.
- ✓ **The government's action puts these cooperative banks on a par with the scheduled commercial banks, that is regular banks whose branches can be seen everywhere.**
- ✓ The main problem with ensuring that cooperative banks of any size were run in a responsible manner was that they till now came under dual control: the Registrar of Cooperative Societies in the states and the Centre and the RBI.
- ✓ In the case of scheduled commercial banks, the RBI has been faulted for stepping in too late, as with Yes Bank.
- ✓ The RBI has been found not to have had its ear to the ground sufficiently when it comes to **the operatives in the country's main financial centres so that it can spot dark clouds before they are fully visible to all.**
- ✓ Now, it will have to be tuned into the financial space across the country since as many as 1,540 cooperative banks will come under its supervision — in contrast, there are 32 scheduled commercial banks, with 12 belonging to the public sector.

PEPPER IT WITH
Regional Rural Bank, E-Kuber,
PSL, RBI, Land Development Bank

Conclusion

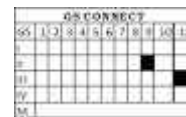
The decision to bring all urban and multi-state cooperative banks under the direct supervision of the Reserve Bank of India (RBI) was long pending and a welcome step. It will secure the interests of depositors who currently number around 86 million. But the question is whether the RBI has the time or the human resources to take on this additional burden of overseeing a large number of institutions spread across the country.

INTERNATIONAL RELATION

Mutual Logistics Support Agreement (MLSA)

News Excerpt

India and Australia have signed the Mutual Logistics Support Agreement (MLSA) and issued a **joint declaration on a “Shared Vision for Maritime Cooperation in the Indo-Pacific” in a ‘virtual’ summit raising their relationship to a “Comprehensive Strategic Partnership”.**



Pre-Connect

- The MLSA will allow militaries of the two countries to use each other's bases for repair and replenishment of supplies besides facilitating scaling up of overall defence cooperation.
- India also concluded nine agreements including the MLSA. Both the countries have agreed to increase the frequency of meetings between the two **Prime Ministers and took the “2+2”** format of bilateral meetings to the level of Foreign and Defence Ministers.
- The other pacts will provide for bilateral cooperation in areas of cyber and cyber-enabled critical technology, mining and minerals, military technology, vocational education, and water resources management.
- Both the countries also called for early adoption of a Comprehensive Convention on International Terrorism (CCIT) and decided to re-engage on a bilateral Comprehensive Economic Cooperation Agreement (CECA).

Analytica

- MLSA will facilitate reciprocal access to military logistics facilities, allow more complex joint military exercise and improve interoperability between the armed forces.
- MLSA allows reciprocal access to military facilities in terms of logistics support which generally include food, water, petroleum (fuel), spare parts and other components.
- The agreement will be useful during joint military exercises, peacekeeping operations, Humanitarian Assistance and Disaster Relief Operations, scheduled deployments of military platforms, and any other exigent situations that may arise.
- It will help in improving interoperability between the armed forces of India and Australia.

PEPPER IT WITH
LEMOA, BECA, COMCASA,
the QUAD, AUSIDEX,
Malabar Naval Exercise, NSG

Significance of MLSA

- Both India and Australia have island territories in the Indian Ocean at vantage locations. **India's Andaman and Nicobar Island chain straddles the Malacca Strait**, one of the primary choke points across a key maritime highway.
- **Likewise, Australia's** Coco Islands are located near Southeast Asia and have significant strategic value.
- Australia has a long Indian Ocean coastline along with one of the largest Exclusive Economic Zone and largest search and rescue zone in the world. Australia is heavily dependent upon the Indian Ocean for its trade and energy security.
- India has legitimate interests in the wider Indo-Pacific with its ever-increasing trade with the countries in the region.
- It faces occasional challenges in the distant waters of South China Sea, the latest **being China's deployment of a survey vessel escorted by coast guard ships, close to** waters where state-owned ONGC Videsh is engaged in oil and gas.
- MLSA will help improve the capabilities of both nations to operate in distant waters.
- **The ongoing negotiations over MLSA are in consonance with India's recent maritime foreign policy maneuvers.** In the recent past, the country has concluded several logistics agreements with various countries including France, Oman, the Philippines, Singapore and South Korea.
- **The MLSA assumes greater importance in light of India and Australia's limited naval capabilities. Normally, a scarcity of resources puts severe limitations on a country's ability to project power in the distant waters, leaving its far-off assets at the mercy of other actors.**

- In the case of India and Australia, such a limitation does not match their ambitions in the region; it also puts them at a disadvantage vis-à-vis a belligerent China. For this reason, the MLSA holds considerable significance.

Conclusion

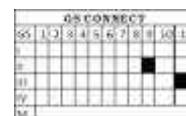
When it comes to defence, India and Australia share a common concern over China; it is that aspect which informs a lot of the bilateral transactions between the two countries. While Australia is **worried about China's presence in the Pacific, India is worried about China's** increasing activities and influence in the Indian Ocean.

The bilateral and multilateral military exercises alone illustrate that the two countries are working to increase interoperability to maintain favourable order in the region. The MLSA will add enormously to the endeavour.

China Pakistan Economic Corridor (CPEC)

News Excerpt

According to the Centre for Strategic and International Studies, a leading policy research organization, the China Pakistan Economic Corridor (CPEC) which is a part of China's Belt and Road Initiative, is set to become a "*trillion-dollar blunder*" project.



Pre-Connect

- The CPEC is a collection of infrastructure projects that are currently under construction throughout Pakistan.
- The CPEC was originally valued at \$46 billion and the estimate of CPEC projects is now \$87b, and only a quarter of which have been completed.
- CPEC was intended to rapidly modernize Pakistani infrastructure and strengthen its economy by the construction of modern transportation networks, numerous energy projects and special economic zones (SEZs).
- These SEZs have remained largely empty today and the longstanding challenges have only become more exacerbated.
- There is a lack of interest from investors for these projects as there is uncertainty of investment return.

China Pakistan Economic Corridor (CPEC)

- ❖ The CPEC is a clutch of major infrastructure works currently under way in Pakistan.
- ❖ **It links Kashgar in China's Xinjiang province to Gwadar deep sea port close to Pakistan's border with Iran.**
- ❖ Several other road, rail and power projects are associated with the corridor, and the project seeks to expand and upgrade infrastructure across the length and breadth of Pakistan.
- ❖ As per the original estimates the Chinese firms would have invested just under \$ 46 billion in the project over six years — including \$ 33.8 bn in energy projects and \$ 11.8 bn in infrastructure.
- ❖ **The CPEC is part of China's larger regional transnational 'One Belt One Road' (OBOR) initiative.**

Analytica

- The debt quotient of this corridor is about \$80b., 90% of which will be paid for by Pakistan in the form of national debt.
- These projects do not appear to have the potential to be profitable or successful and will not prove to be a good economic investment for China.
- Pakistan may not be able to pay China back and might slowly lose sovereignty of its own land.
- There are a number of criticisms of CPEC namely, finances, trade imbalances, opposition from Baloch nationalists, concerns of residents near Gwadar Port and the resistance of local actors whom the CPEC may directly impact.
- Another setback to the project is the resolution passed against CPEC by the Provincial Assembly of Khyber Pakhtunkhwa in which the projects are to be constructed.

CPEC and India

- The CPEC passes through parts of the Union Territories of Jammu & Kashmir and Ladakh which are under illegal occupation of Pakistan and India considers it an illegal project.
- CPEC which is a part of the One Belt One Road (OBOR) initiative of China, encroaches on sovereignty and territorial integrity of India. This is the main reason that India has refused to join the Belt and Road Initiative of China.
- According to international law, China will not be able to build anything in Pakistan-occupied Kashmir, as it is legitimate part of the Indian state. Even the United Nations accepts that this is Indian land, as per its 1948 resolution on Kashmir.
- **From China's perspective, any Indian attempt to take over Gilgit-Baltistan, would wreck CPEC — the flagship of the Belt and Road Initiative (BRI).** According to experts this was one of the reasons for the recent standoff in Ladakh between India and China.



Conclusion

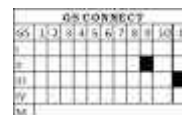
According to the experts, the CPEC will soon be known as the "*trillion-dollar blunder*" as here China sets the price, Pakistan gets the bill and ends up with substandard infrastructure which may not be able to service. It remains to be seen how the future of CPEC will significantly affect the interests of India.

PEPPER IT WITH
Belt and Road Initiative (BRI), Gwadar Port, Chabahar Port, Strait of Malacca, String of Pearls vs Iron Curtain

Russia, India, and China (RIC) Trilateral Grouping

News Excerpt

Russia hosted the Russia-India-China (RIC) trilateral foreign ministers' virtual meeting.



Pre-Connect

- The RIC meeting was organised at Russia. It was Moscow's initiative to mark the 75th anniversary of the end of WW-II and the foundation of the UN.
- In a thinly veiled dig at China, India urged that the world's "leading voices" should act in an exemplary manner by respecting international law and recognising the interests of partners.
- India also made a strong case for a greater role in the decision-making of international organisations such as the UN and in what India has been describing as are formed multilateral world order.
- This meeting comes at the backdrop of the violent face-off between Indian and Chinese troops in Galwan Valley.
- These were India's first fatalities in a confrontation along the contested Line of Actual Control (LAC) in 45 years.
- India asserted in the meeting that the international affairs must come to terms with contemporary reality.

PEPPER IT WITH
The QUAD, Japan-USA-India (JAI), IBSA, BASIC, Shanghai Cooperation Organization (SCO), INSTC,

Analytica

- Since India and China are both strategic partners, Russia has been following a very cautious approach toward their border crisis.

- There is a strong partnership between China and Russia. While India has a time-tested strong relationship with Russia.
- So, in a sense, Russia becomes the bridge between India and China since it enjoys strong ties with both.
- The RIC forms the core of both the Shanghai Cooperation Organisation (SCO) and the BRICS.
- For China, the RIC provides a platform where it can push its interests in Eurasia.
- The RIC could also contribute to creating a new economic structure for the world. They could work together on disaster relief and humanitarian assistance.
- The RIC has a common interest in ensuring that the Northern Sea Route is not left to the West and Russia alone and that India and China make the transition from rule followers to rule makers by helping formulate some of the rules governing the Arctic route.
- **The RIC summit is a continuation of the turnaround in India's foreign policy after summit in Wuhan and Mamallapuram.**

Russia India China (RIC) grouping

- ❖ RIC is a strategic grouping that was founded in the late 1990s under the leadership of Yevgeny Primakov, a Russian politician as a counterbalance to the Western alliance.
- ❖ **It aimed to end Russia's subservient foreign policy** guided by the USA and renew old ties with India and foster the newly discovered friendship with China.
- ❖ RIC countries occupy over 19% of the global landmass and contribute to over 33% of global GDP.
- ❖ All the three countries are nuclear powers and the two countries namely Russia and China are permanent members of the UN Security Council, while India aspires to be one.

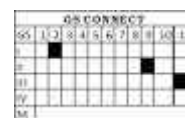
Way Forward

- ✓ Any holistic, stable security architecture on the Eurasian landmass cannot develop without having Beijing, Delhi and Moscow on board and the RIC offers the ideal forum for this.
- ✓ The drawback of India focusing only on groupings like the Quad and the JAI (Japan-USA-India) is that these groupings essentially revolve around the Indo Pacific and will confine India to being only a maritime power when it is actually both a maritime and continental power.
- ✓ It is important for India as an aspiring power to **be able to thwart China's aspirations of being a hegemon in both the maritime and continental spheres.**
- ✓ India cannot cede geostrategic space in the Eurasian supercontinent to China if it wants to be a great power and it understands that Russia alone will not be able to prevent the emergence of China as a hegemon in Eurasia.

Sikkim Tibet Convention of 1890

News Excerpt

The Sikkim-Tibet Convention of 1890 assumes importance in the backdrop of recent skirmishes between Indian and Chinese troops at Naku La sector in Sikkim.



Pre-Connect

- The Sikkim-Tibet border was defined in 1890 through the Anglo-Chinese Convention that was signed at Kolkata in March 1890.
- Under Article 1, the boundary of Sikkim and Tibet was defined as the crest of the mountain range separating the waters flowing into the Teesta River in Sikkim and its tributaries from the waters flowing into the Tibetan Mochu River and northwards into other rivers of Tibet.
- The line commenced at Mount Gipmochi on the Bhutan frontier, and followed the above watershed to the point where it met Nepali territory.
- Of the entire 3,488kms Sino-Indian border, the only section on which both countries agree is that there is no dispute is the 220km Sikkim-Tibet section of the boundary.

PEPPER IT WITH
Doklam Standoff, Wuhan
Spirit, McMahon Line, Aksai
Chin, Gilgit-Baltistan,
Shaksgam Valley, LAC

- Under the Anglo-Chinese Convention of 1890, the Sikkim-Tibet border was agreed upon and in 1895 it was jointly demarcated on the ground.
- Also, the new government of People's Republic of China, which took power in 1949, confirmed this position in a formal note to the government of India in 1959.

Highlights

- The Sikkim – Tibet boundary has long formally been delimited and there is neither any discrepancy between the maps nor any dispute in practice.
- **Prior to Sikkim's merger with India in 1975**, the Chinese side accepted the Watershed based alignment of the International Border (IB).
- **India's stance is that the geographic alignment of the features was so prominent that it could easily be identified and recognized.**
- There exists no ambiguity with respect to the location of the pass since geographic realities cannot be altered.
- The orchestrated actions on an otherwise dormant area masks a hidden agenda, which is far removed from Naku La.
- Diplomatic experts point out that China may also be opening a front in Sikkim due to the ambiguous official position of the boundary.



Conclusion

With a perceptible shift in their stand and incidents of more intrusive patrols by the PLA, experts surmise that not only will the two sides need to negotiate to resolve the stand-off at Naku La, but India should also have more diplomatic focus on laying down the line firmly to Beijing on the boundary in Sikkim.

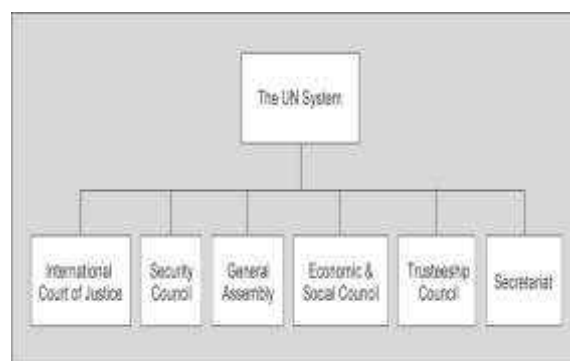
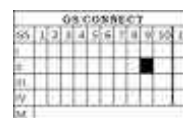
75 years of UN Charter and UN Security Council

News Excerpt

The year 2020 commemorates the 75th anniversary of the United Nations.

Highlights

- The Five Eyes (FVEY)— Australia, Canada, New Zealand, the United Kingdom, and the United States— along with India, objected to the use of a phrase “*shared vision of a common future*”, which is associated with China.
- The Five Eyes (FVEY) network is an intelligence sharing alliance between these five countries.
- Later, the UN Member States arrived at consensus on the text of the declaration for the commemoration of the UN's 75th anniversary (UN75).
- The silence procedure was used to finalize the declaration. The ‘*silence process*’ is a procedure by which a resolution passes if no formal objections are raised within a stipulated time.



Pre-Connect

- The Charter was signed in June 1945, at San Francisco, at the conclusion of the UN Conference.
- The UN is an international organization founded in 1945. It is currently made up of 193 Member States.

- The mission and work of the United Nations are guided by the purposes and principles contained in its founding Charter.
- Due to the powers vested in its Charter and its unique international character, the UN can take action on the issues confronting humanity in the 21st century. Such as peace and security, climate change, sustainable development, human rights, disarmament, terrorism, humanitarian and health emergencies, gender equality, governance, food production, and more.
- The UN also provides a forum for its members to express their views in the General Assembly, the Security Council, the Economic and Social Council other bodies and committees.
- By enabling dialogue between its members, and by hosting negotiations, the Organization has become a mechanism for governments to find areas of agreement and solve problems together.

Analytica

Is the Security Council still relevant in its current form?

- ✓ **Created 75 years ago, aftermath of the WW II, the UN's primary purpose is to maintain international peace and security.**
- ✓ The Security Council was originally conceived on a basis of responsibility and capacity, rather than on a principle of representation.
- ✓ It was composed of five permanent members – the victors of the WW II, China, France, Russia, the United Kingdom and the United States – and six non-permanent members elected by the General Assembly for two-year terms.
- ✓ The major issue with the UNSC is that the membership of the Security Council has changed very little since its inception in 1945, even though the number of UN member states has almost quadrupled since then and the relative power of member states has changed significantly.
- ✓ Most importantly, the performance of the Security Council in maintaining international peace and security has been poor. It failed in its actions in Somalia, Bosnia and Rwanda. Recently, the Security Council has failed to act to resolve crises in Crimea, Syria and Yemen.
- ✓ **The five permanent members accounted for more than 50% of the world's population in 1945, but today they constitute 26% of the global population, with more than two-thirds in China alone.**
- ✓ Without China, the other four permanent member states account for just 7.8% of the world's population.
- ✓ **The geographical distribution adopted in the early 1960's today gives 47% of the seats to the 52 member states of groups comprising Western and Eastern Europe, plus Australia, Canada, Israel, New Zealand, Turkey and the United States, while they account for about 17.1% of the world's population.**
- ✓ The 53 countries in the Asia-Pacific Group, which represent 58.6% of the global population, have 20% of the seats. As well, the 54 states from the African Group, which represent 15.8% of the planet's population, hold 20% of the seats.

Proposals for Reform

- ✓ Reform of the UNSC encompasses five key issues:
 - (i) categories of membership,
 - (ii) the question of the veto held by the five permanent members,
 - (iii) regional representation,
 - (iv) the size of an enlarged Council and its working methods, and the
 - (v) Security Council-General Assembly relationship.
- ✓ Several proposals are on the table. The most significant is that put forward by the Group of Four – G4- Brazil, Germany, India, and Japan.
- ✓ The members of that group wish to enlarge the membership of the Council so that they, together with two states from the African Group including South Africa, can have a permanent seat with the same privileges as the current members.
- ✓ In a counterproposal, members of the Uniting for Consensus Group, created in the mid-1990s and formerly known as the Coffee Club, favours a simple increase in the number of seats occupied by non-permanent members from 10 to 20.

- ✓ Few countries are also juggling the idea of creating a new category of semi-permanent members and limiting the veto power of permanent members on a case-by-case basis.
- ✓ All these proposals suggest that there is a consensus among member states on the need for Security Council reform.
- ✓ None of the proposals has the unanimous support of the permanent members and would not be able to garner the support of two-thirds of member states.
- ✓ The impasse contributes weakening the authority, legitimacy and effectiveness.

Conclusion

The road ahead is not easy. Russia, China, and the U.S. — are opposed to any major restructuring of the Council. While Russia and the U.S. have said they would support India's UNSC bid, when it comes to proceedings at the UN, their positions represent a far away from the promises.

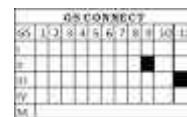
PEPPER IT WITH
75th Anniversary of World War II

- The permanent members should realise that a more democratic and representative Council would be better equipped to address global concerns, and that there are more pressing issues to be tackled at the global level than merely preserving their prerogatives.
- The champions of reforms — India, Japan, Germany, and Brazil — should continue their multilateral diplomacy for a democratically evolved global consensus on restructuring the UNSC.

Eurasian Group on Combating Money Laundering and Financing of Terrorism (EAG)

News Excerpt

India took part in a virtual meet of a Special Eurasian Group, under the aegis of the Financial Action Task Force on Combating Money Laundering and Financing of Terrorism.



Analytica

- Pakistan, which continues to remain on the “grey list” of FATF, had earlier been given the deadline till June plenary session to ensure compliance with the 27-point action plan against terror funding networks and money laundering syndicates, or will have to face “black listing”.
- However, owing to the COVID-19, the deadline has been shifted to October plenary session, scheduled to be held in Paris.
- Ahead of the crucial meet, India plans to share more evidence with the key FATF members on the narco-terror cases linked to Pakistan-based syndicates, through which funds are allegedly being supplied to the terrorists operating in J&K.
- The global watchdog, which is actively monitoring the impact of the pandemic on measures to combat illicit financing, released a paper on “COVID-19-related Money Laundering and Terrorist Financing Risks and Policy Responses”.

PEPPER IT WITH
FATF, AML/CFT, Grey List, Black List, Comprehensive Convention on International Terrorism

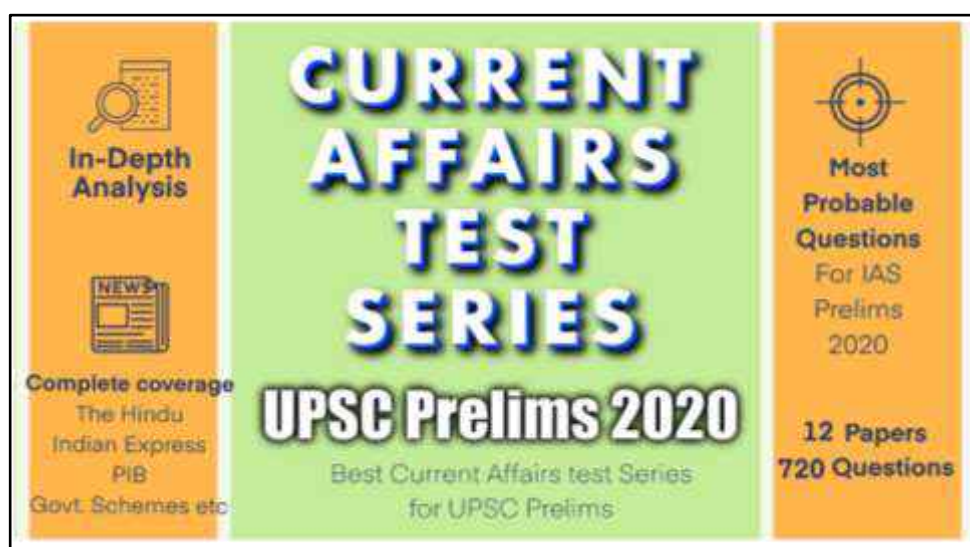
Conclusion: EAG observed an increase in crime during the COVID-19 related crisis, including fraud, cyber-crime, misdirection or exploitation of government funds or international finance assistance.

Eurasian Group on Combating Money Laundering and Financing of Terrorism

- ❖ The EAG is a regional body comprising nine countries: India, Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Belarus.
- ❖ The founding conference was held in Moscow October, 2004 and was attended by six founding countries: Belarus, Kazakhstan, China, Kyrgyzstan, Russia and Tajikistan.
- ❖ The group was expanded to include Uzbekistan (2005), Turkmenistan (2010) and India (2010) which previously had observer status.
- ❖ Now, Observer status has been granted to 15 countries and 23 international organizations.
- ❖ The Agreement on the Eurasian Group on Combating Money Laundering and Financing of Terrorism was signed in Moscow, granting the EAG the status of a regional intergovernmental organization.
- ❖ The Eurasian Group on Combating Money Laundering and financing of terrorism is an FATF-style regional body. The EAG is currently an associate member of the FATF.
- ❖ The EAG plays an important role in reducing the threat of international terrorism and ensure the transparency, reliability, and security of the financial systems.

Objectives

- ❖ Assisting member-states in implementing the 40 FATF anti-money laundering recommendations and the 9 Special FATF recommendations on combating terrorist financing.
- ❖ Developing and conducting joint activities aimed at combating money laundering and terrorist financing.
- ❖ Implementing a program of mutual evaluations of member-states based on the FATF Recommendations. Coordinating international cooperation and technical assistance programs with specialized international organizations, bodies, and interested states.
- ❖ Analysing money laundering and terrorist financing trends (typologies) and exchanging best practices of combating such crimes considering regional specifics.

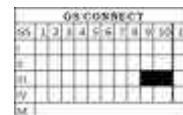


ENVIRONMENT

Ozone Pollution

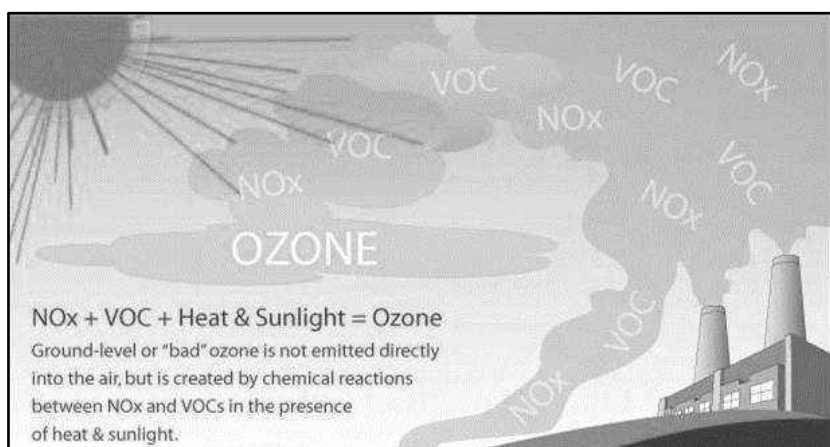
News Excerpt

An analysis by the Centre for Science and Environment (CSE) has revealed upsurge in Ozone pollution amidst nationwide lockdown. It has increased in 22 metropolitan cities and even breached threshold in several cities.



Pre-Connect

- Ozone occurs both in the Earth's upper atmosphere in Stratosphere and in the lower layer or the Troposphere.
- Stratospheric ozone is "good" because it defends living things from UV radiation.** Ground-level ozone is **"bad" because it can** trigger a variety of respirational and health problems.
- Ozone at ground level is a harmful, secondary air pollutant, and it is the main ingredient in smog. It is highly reactive gas.
- When emitted pollutants chemically react in the presence of sunlight Ozone is formed in the troposphere.
- Ozone is most likely to reach unhealthy levels on hot sunny days in urban environments but can still reach high levels during colder months.
- Ozone can also be transported long distances by wind, so even rural areas can experience high ozone levels.



The Study of CSE

- The analysis was based on Central Pollution Control Board (CPCB) data from 22 cities in 15 States amidst lockdown during March.
- The level of particulate matter (PM) and nitrous oxide levels plummeted during the lockdown, but ozone —a harmful pollutant has increased beyond threshold.
- PM 2.5 levels during the lockdown for all cities were found to be lower than the average for the same period in 2019.
- But when lockdown relaxed, pollution started to increase. The average NO₂ levels increased rapidly from the cleanest lockdown phase.
- The pandemic-led change in air quality had helped to understand seasonal & distinct Ozone pollution trends-

Season	Associated factors
It is winter Ozone that draws attention every year.	1. Temperature Inversion 2. Lower mixing height of Air 3. Cold and Calm condition These all factors trap the air and pollutants near the earth surface.
The summer Ozone pollution is different than winter.	1. High Winds 2. Intermittent Rains 3. High temperature and Heatwave

Possible Reasons

- ✓ Ozone is a secondary pollutant that is not directly emitted by any source but is formed by photochemical reactions between oxides of nitrogen (NO_x) and other volatile organic

compounds (VOCs) and gases in the air under the influence of sunlight and heat. In India, as the lockdown was enforced during the summer months, this effect appears to have compounded, with lower than usual NO_x levels at already high temperatures. Ozone is primarily a sunny weather problem in India.

- ✓ A high NO_x level can again react with ozone and mop it up. The ozone that escapes to cleaner areas has no NO_x to further cannibalise it – and as a result, ozone concentration builds up in these areas.
- ✓ As nitrogen oxides reduce, photochemical production may become more efficient and can lead to higher ozone concentrations in the summer as higher temperatures increase emissions of biogenic hydrocarbon from natural sources such as trees, significantly affecting urban ozone levels.
- ✓ Photochemical production of ozone may become more important in urban areas during summers in the low concentration of oxides of nitrogen.

PEPPER IT WITH
SAFAR, Ambient Air Quality

Impacts of Ground level Ozone

Health Effects:

- Short-term exposure of around an hour is dangerous for those suffering from respiratory problems.
- Breathing ozone can trigger a variety of health problems including chest pain, coughing, throat irritation, and airway inflammation. It also can reduce lung function and harm lung tissue.
- Ozone can worsen bronchitis, emphysema, and asthma, leading to increased medical care.
- In addition, people with certain genetic characteristics, and people with reduced intake of certain nutrients, such as vitamins C and E, are at greater risk from ozone exposure.

Environmental Effects:

- Ozone affects sensitive vegetation and ecosystems, including forests, parks, wildlife refuges and wilderness areas.
- It can reduce photosynthesis and slow the plant's growth.
- Rural satellites around cities generally experience high level of Ozone and their agriculture production is known to be adversely affected by high ozone concentrations.

Way forward

- **There is a need for an agenda for a 'blue sky and clear lungs' for the post-pandemic period to sustain the gains.** This action must also ensure the co-benefit of reducing both particulate and gaseous emissions, including ozone.
- Ozone is not emitted directly. It is a secondary pollutant. There is need to control the emission of primary pollutant associated with formation of ozone, that would attribute to the decreasing of ground level Ozone formation. The ways to minimize the primary pollutant are-
 - Mitigate pollution, NO_x vehicular emission by executing BS VI norms.
 - Increase electric mobility and develop electric infrastructure in order to replace emission.
 - Increase public transport and control Industrial pollutant and emission.

Monitoring of Ozone levels In India-

National Air Quality Monitoring Program (NAMP) is a nationwide program executed by Central Pollution Control Board (CPCB) to monitor the ambient air quality across the country.

- ❖ Under NAMP, only four air pollutants namely Sulphur dioxide (SO₂), Oxides of Nitrogen, Suspended Particulate Matter (SPM) and Respirable Suspended Particulate Matter (RSPM) are regularly monitored.
- ❖ Surface ozone is regularly monitored by the CPCB through automatic monitoring stations.
- ❖ The levels are maximum during summer and minimum in monsoon seasons.
- ❖ The levels are maximum during daytime and minimum during night or early morning.
- ❖ In India, surface ozone levels are above the recommended threshold of 8 hour average of 100 µg/m³.

Electronic Incentive Scheme

News Excerpt

Government of India has launched Electronics Incentive Scheme to boost manufacturing of domestic mobiles and electronics component in India.

GS CONNECT												
SS	1	2	3	4	5	6	7	8	9	10	11	12
I												
II												
III												
IV												
V												
VI												

Pre-Connect

- Electronics manufacturing in India has grown rapidly with domestic production of electronics hardware touching \$70 bn in 2018-19.
- From just 2 mobile phone factories in 2014, India now has become the 2nd largest mobile phone producer in the world. The exports of electronics have increased from Rs. 38,263 crores in 2014-15 to Rs. 61,908 crores in 2018-19. **India's share** in global electronics production has reached 3% in 2018 from just 1.3% in 2012.
- The electronics manufacturing industry currently provides employment for over 20, 00,000 people in India, of which mobile manufacturing alone accounts for over 6, 00,000 jobs.
- FAME 2 Scheme: It is intended to provide incentives for setting up charging stations, electric vehicles and for auto industry in India. The government will offer the incentives for electric buses, three-wheelers, and four-wheelers to be used for commercial purposes.
- Promotion of domestic electronics manufacturing is key component of Make in India program. With efforts such as the National Policy on Electronics, 2019, Modified Special Incentive Scheme (MSIPS), Electronics Manufacturing Clusters and Electronics Development Fund etc.

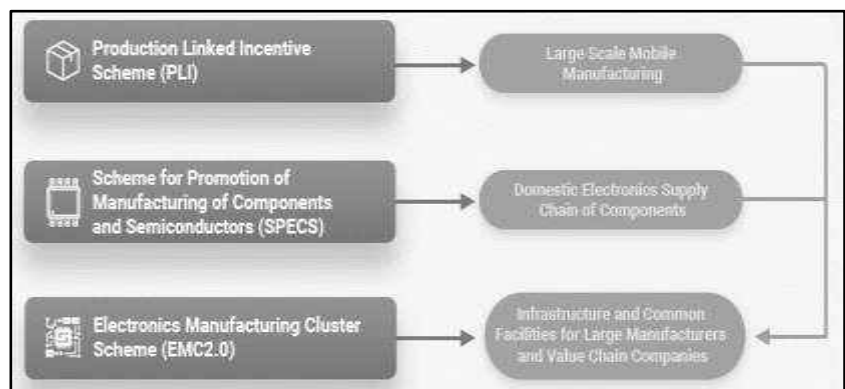


Key Highlights of Schemes

Central Government has proposed 3 schemes viz-

1. Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing-

- It proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including mobile phones, electronic components.



- Production Linked Incentives of up to INR 40,951 crores will be awarded over a period of 5 years.

2. Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)-

- o It aims to strengthen the manufacturing ecosystem for electronic components and semiconductors.
- o Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition and promote employment opportunities in this sector.
- o Incentives of up to INR 3,285 crores will be awarded under the Scheme over a period of 8 years.

3. Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)-

- o It seeks to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India.
- o The development of industry-specific facilities like Common Facility Centres, Ready Built Factory, Sheds/Plug and Play facilities will not only strengthen supply chain responsiveness and promote the consolidation of suppliers but also decrease time-to-market and lower logistics costs.
- o EMC 2.0, therefore, provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to INR 3,762 Crores will be disbursed over a period of 8 years.

Challenges of Electronics Manufacturing

- Shrinking Operating Margins: Global competition and new innovations are driving prices down. To remain a cost-efficient and profitable for a company is big challenge.
- Complex Global Supply-Chain: More and more, companies have to juggle internal and external resources while staying within international standards. Issues such as traceability and compliance are increasing operational burdens. It is not unusual for components and sub-components to embark on a journey that touches three or more continents before reaching the end-consumer.
- Service and Warranty Management: Leveraging the global supply-chain is putting more focus on supplier quality management. Lack of assisted services and deficiency of warranty management may lead to the long-term uncertainty.
- Short Product Lifecycles: With quickly changing consumer tastes and preferences, companies and contract manufacturers need to have effective New Product Introduction (NPI) processes in place. Closed-loop communication between sales, manufacturing, and engineering is vital to ensure product launches hit time, volume, and quality targets.
- Uncertain Demand: Electronics products are aggregately economically volatile and cyclical demand cause fluctuations in production. On a more granular level, consumer preference can cause spikes in demand for an individual product or company. Efficient lean capabilities must be in place to keep inventory aligned with demand.
- Sustainability & Durability: Emerging regulations and standards are forcing companies to account more and more for Corporate Social Responsibility (CSR) in decisions. E-Waste, a popular topic today, is driving conversations about the disposal of products and their impact on the environment. Companies must now consider of the complete product lifecycle in decisions.

PEPPER IT WITH
National Electronics
Manufacturing Policy,
FAME, Hybrid Vehicle,
National Mobility plan

Analytica

- ✓ Globally, few companies control 80% of the mobile market. This scheme will give fillip to the indigenous **mobile manufacturing which will have significant impact on India's Economy.**
- ✓ This scheme would give impetus to robust manufacturing ecosystem in India. To further facilitate large-scale manufacturing, development of a supply chain ecosystem and building of new manufacturing clusters in the country, each electronic manufacturing scheme has been carefully constructed to incentivize the electronics manufacturing industry.
- ✓ This move is likely to reduce electronic import bill and generating employment for more than 10 lakh people in next five years.

- ✓ Data security compliance including other privacy concerns can effectively be implemented and monitored in case of indigenous companies led electronics production.

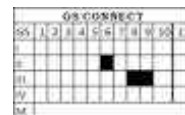
Conclusion

A self-reliant India is not an India of isolation & not an act of global trade impositions and protectionism. It is one which enhances its capacity and develops an ecosystem as an asset to the global economy. Make in India is only for a self-reliant, resurgent and robust India.

Decarbonizing Transport in Emerging Economies (DTEE) Project

News Excerpt

NITI Aayog and the International Transport Forum (ITF) of OECD jointly launched the Decarbonizing Transport in Emerging Economies project. It is aimed to foster low-carbon transport system for India.



Pre-Connect

1. Transport is a major enabler of economic development. But it is also a major contributor to greenhouse gas emissions.
2. Transport accounted for 30% of CO₂ emissions in OECD countries in 2016. In non-OECD countries it contributed only 16%. But transport emissions in the OECD are expected to decrease by 1% annually through to 2030, according to ITF estimates. In non-OECD countries they will grow by 2%.
3. This is mostly because transport demand there grows significantly faster.
4. Transport volumes in non-OECD countries grow more than twice as fast as in the OECD with 4% annual growth for passenger and 5% for freight transport.

About Project

- The ITF's De-carbonizing Transport in Emerging Economies (DTEE) project helps emerging economies to reduce transport CO₂ emissions.
- The DTEE project supports transport de-carbonisation in Argentina, Azerbaijan, India and Morocco. This project is part of the International Climate Initiative (ICI).
- It is designing a common assessment framework for transport emissions that will cover several transport sub-sectors and transport modes.
- Country-specific modelling tools and policy scenarios will help the participating governments to implement ambitious CO₂-reduction initiatives for their transport sectors.

ITF-OECD

- ❖ The International Transport Forum at the OECD is an intergovernmental organisation with 60 member countries.
- ❖ It acts as a think tank for transport policy and organises the Annual Summit of transport ministers.
- ❖ ITF is the only global body that covers all transport modes.
- ❖ The ITF works for transport policies **that improve peoples' lives. It aims to** foster a deeper understanding of the role of transport in economic growth, environmental sustainability and social inclusion and to raise the public profile of transport policy.
- ❖ India is the member of ITF.

Analytica

- The DTEE project will certainly help governments of emerging countries to establish pathways to reduce transport CO₂ emissions and meet CO₂ reduction pledges under the Paris Agreement. Hence realize the climate change aspirant without affecting economic growth.
- **Emerging economies wouldn't curb their economic development, lifting people out of poverty and stop improving living standards at the price for limiting climate change.** The challenge is therefore to accommodate the growing transport demand that neither put hurdle in economic development nor deteriorate environment.
- The four participating countries represent a wide range of challenges for the de-carbonisation of transport in emerging economies.
- They differ about world region, economic specificities and infrastructure characteristics. They share similarities in that all four have lower transport CO₂ emissions per capita than the OECD average, but higher growth rates of transport activity. In all of them, meeting

increasing transport demand while reducing CO₂ emissions is a critical challenge for policy makers.

Conclusion

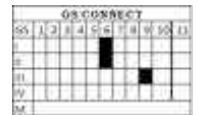
- ✓ The “Decarbonizing Transport in India” project will design a tailor-made transport emissions assessment framework for India. It will provide the government with a detailed understanding of current and future transport activity and the related CO₂ emissions as a basis for their decision-making.
- ✓ India’s diverse demographics across socio-economic factors such as population, age, income, etc., it would be important to first estimate the demand for transportation in India and then do a detailed modelling to compute the CO₂ emissions.
- ✓ The DTEE project would help India translate its climate ambitions. The modelling tool and assessment framework would provide a targeted analytical assistance to identify these climate actions and help us draw policies rooted in data analysis and advanced modelling.

PEPPER IT WITH
FAME, Paris Agreement, Kyoto
Protocol, BharatmalaProject

Nagar Van UdyanYojana

News Excerpt

On World Environment Day, the Ministry of Environment, Forest and Climate Change has announced implementation of the Nagar Van Udyan Scheme to develop 200 Urban Forests across the country in next five years with the active people participation.



Pre-Connect

- **Urban Forestry:** Urban forestry is an integrated concept, defined as the art, science, and technology of managing trees and forest resources in and around community ecosystems for the psychological, sociological, aesthetic economic, and environmental benefits.
- **CAMPA:** According to the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Act, 2016, a company diverting forest land must provide alternative land to take up compensatory afforestation and pay to plant new trees in this alternative land provided to the state. The loss of forest ecosystem must also be compensated for by paying its net present value (NPV).

Key highlights of the Scheme

- To revive the age-old tradition of village forest in cities, Government has launched the scheme to develop green cover in urban pockets by way of tree plantation.
- It is a collaborative approach that includes multiple stakeholders’ like-NGO, People participation, Industries participation etc.
- It will be a public private partnership (PPP) initiative where fencing will be done by the government but planting, public convenience infrastructure, walkways can be done by private companies as part of their corporate social responsibility.

PEPPER IT WITH
Social Forestry, NAPCC,
Vertical farming, INDC

Analytica

Benefits of Green Cover in Urban Regions-

- ✓ **Carbon Sequestering:** Urban regions are economic hubs and generate pollutant and Green House Gases (GHG) as well. Urban forest will likely facilitate long-term storage of carbon dioxide or other forms of carbon to mitigate global warming and minimize the adversities of climate change. It has been proposed to slow the atmospheric and marine accumulation of greenhouse gases, which are released by burning fossil fuels.
- ✓ **Combat Climate Change:** Urban trees facilitate more rapid absorption, reduced runoff, and capture of water in the soil, thus conserve water and improving the microclimate of the area. India has vowed to create an additional carbon sink (a natural or artificially created environment that absorbs CO from the atmosphere) of 2.5 to 3.0 billion tonnes of CO equivalent through additional forest and tree cover by 2030 and urban forestry will have an important contribution towards achieving it.

- ✓ **Ecological Benefits:** Urban Forestry has innumerable benefits ranging from economic to ecological. Its ecological benefits include reduction in temperature rise in urban areas, reduction in CO emissions through photosynthesis, removal of other air pollutants, prevention of soil erosion, recharge of groundwater, and stabilization of soil. They act as home to many animals and birds and hence help in conservation of biodiversity. Several studies have evaluated the potential of urban forests to mitigate air pollution, purify water, and provide landscape amenities as well as recreational opportunities.
- ✓ People can benefit from green-space accessibility in terms of reduced mortality and improved general health. Furthermore, urban trees can yield out various economic benefits through tangible economic items like Firewood, timber, fruits, medicinal products, etc.

Key Concern

There is no policy led clarity on urban trees like-which areas will be earmarked for the development of urban forests. Forests within cities are not empty spaces; they are used for multiple purposes by people. For instance- Aarey forest in Mumbai. As per scheme trees are to be planted in vacant spaces. However, the terms need to be clarified. This runs the risk of enclosing open spaces where rights of admission may be reserved.

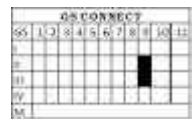
Conclusion

The uncontrolled urbanization resulted in deterioration of natural resources and environment. Rising population has adversely affected the green cover. Due to this, a gap between inhabitants and nature is increasing. Such initiatives will bridge the gap and connect the human with nature.

Environmental Performance Index

News Excerpt

The biennial Environment Performance Index (EPI) was released by the Yale University. It measures the environmental performance of 180 countries.



Pre-Connect

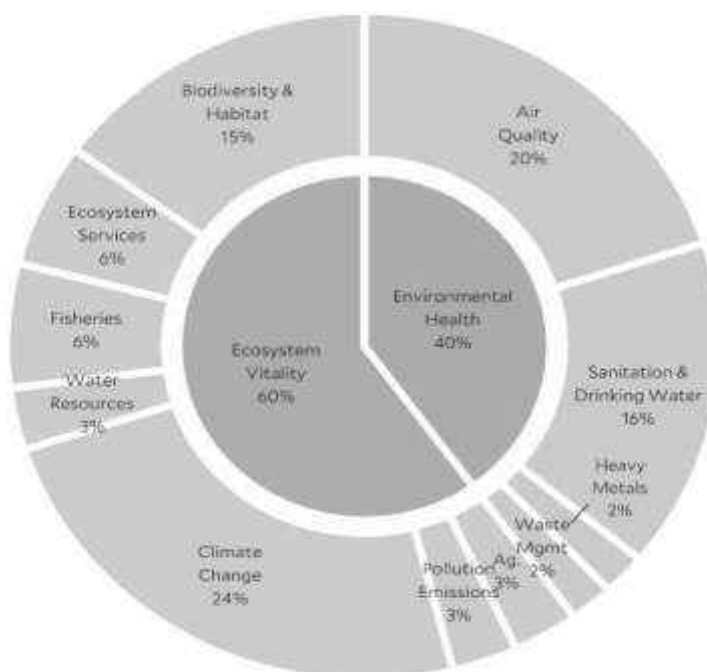
- Denmark has ranked first in the world, followed by Luxembourg, Switzerland, and the United Kingdom. Japan has ranked 12th, the United States of America ranks 24th, and China stands at 120th.
- The EPI 2020 provides a data-driven summary of the state of sustainability around the world.
- It uses 32 performance indicators across 11 issue categories.

India and EPI

- India secured 168 rank in the 12th edition of EPI. The country scored 27.6 out of 100 in the **2020 index**. **India's rank was 177 (with a score of 30.57 out of 100) in 2018.**
- India scored below the regional average (South Asia) score on all five key parameters on environmental health, including air quality, sanitation and drinking water, heavy metals and waste management.
- India has also scored below the regional average on parameters related to biodiversity and ecosystem services too.
- Ten years ago, these same metrics would have given India a rank of 163rd in the world. The EPI finds essentially no overall improvement in India's environmental performance over the past decade, though there are gains and losses on individual issues.

Reason for India's Low Ranking

- ✓ India is the significant emitters of greenhouse gases which deteriorate environment; though there are recent gains in renewable energy investments but remain shortfall to compensate overall GHG. Additionally, the data show India is not on track to decarbonize quickly enough to avoid the worst impacts of climate change.
- ✓ Low EPI scores for India suggest a need for national sustainability efforts on a number of fronts, including air and water pollution, biodiversity protection, and the transition to a clean energy future.
- ✓ India has already taken several steps in order to cope with environment sustainability Few of them are-



EPI Parameter	Environmental Conservation Programmes in India
Climate Change	1. National Action Plan on Climate Change 2. National Action Programme to Combat Desertification
Pollution Control	1. National Clean Air Program
Biodiversity and habitat	1. Project Elephant, Project Tiger 2. National Parks etc.
Forest Protection	1. National Afforestation Programme 2. CAMPA

Analytica

- EPI indicators provide a way to spot problems, set targets, track trends, understand outcomes, and identify best policy practices. Good data and fact-based analysis can also help government officials refine their policy agendas, facilitate communications with key stakeholders, and maximize the return on environmental investments.
- The EPI offers a powerful policy tool in support of efforts to meet the targets of the UN Sustainable Development Goals and to move society toward a sustainable future.
- The EPI offers a scorecard that highlights leaders and laggards in environmental performance and provides practical guidance for countries that aspire to move toward a sustainable future.

PEPPER IT WITH
GGEI, ESI, UNEP, IPCC

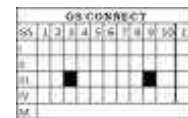
Way Ahead for India

- India needs to re-double national sustainability efforts on all fronts. There is dire need to focus on a wide spectrum of sustainability issues ranging in India, with a high priority to critical issues such as air and water quality, biodiversity, and climate change.
- India should take a leap in reducing the overall GHG emission, over-reliance on fossil-based power generation, Non-compliance of pollutant related norms and many others.

Organic Livestock Farming

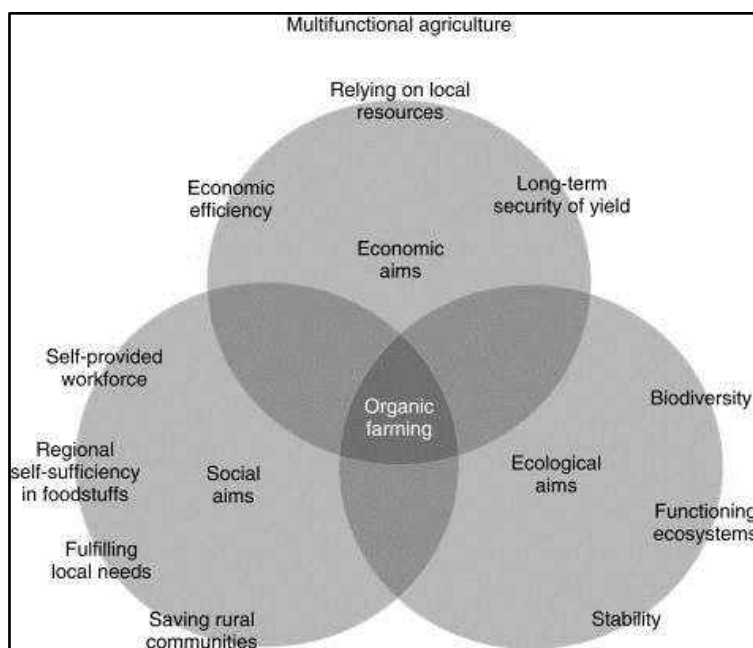
News Excerpt

According to a report by organic giants FiBL and IFOAM-Organic Internationals, Organic farmland now covers an area of 71.5 million hectares (~appx.) and more than 186 countries are involved in organic activities.



Livestock Organic Farming

- Organic livestock management is aimed at use of natural breeding methods, minimize stress, prevent disease, progressively eliminate the use of chemical allopathic veterinary drugs, and maintain animal health and welfare.
- Waste products like the faecal matter of livestock are utilised as manures and pesticides. Cow urine can be used as a pest repellent as well as growth promoter.
- Efficient utilisation of waste matter from the livestock farm allows farmers to reduce their dependence on synthetic soil amendments from outside and thus, curb other extravagances.
- Organic manure and organic matter: Livestock waste can be utilised as simply as manure on the farm. Organic manure helps in improving soil structure and leads to increase water infiltration, better water-holding capacity, good nutrient retention and improves microbial diversity. Cation exchange capacity and soil pH get influenced positively.
- Organic Livestock Farming and Animal Production is characterized by-
 - o Integrated production - with plants and soil. Harmony with the ecosystem in maintaining the balance between different resources. Organic farming works most successfully where a diversity of livestock species and a diversity of crops are produced. Circulation of nutrients between plants, animals and soil.
 - o Safer products - More transparent trade and a lower risk of food contamination (free from residues of chemicals, pesticides, antibiotics, hormones etc.)
 - o Nutritious & Natural Naturalness in following the natural methods of feeding, rearing, breeding, health care etc. Nutritious products as grown on natural resources.
 - o Species Preservation- according to organic farming no species should be extinct from the planet. It emphasizes the maintenance of local and native breeds.
 - o Biodiversity- at gene level in terms of traditional and adaptability, at species level in terms of diverse combinations of plants and animals, at ecosystem level maintenance of natural areas within and around organic fields. Organic farming works most successfully where a diversity of livestock species and diversity of crops are produced, for reasons related to livestock health, agronomy and environment.
 - o Principle of Precaution- for sustainability of life on the planet for the present and the future.
 - o High Quality products - as it assures a lower level of drugs and pesticides used in the process, so organic products must be free from genetically modified organisms and food poisoning in general.
 - o Eco Friendly - as free from pollution and maintains sustainability.



- On farm inputs - as it emphasizes the use of home-grown feed and recycling of organic farming nutrients.
- Certification of products- Origin of animal to marketing of its product.

Organic Livestock Production v. Conventional Livestock Production

- Organic livestock farming is welfare concerned and is strongly related to the environment in which it operates, whereas, conventional system is production oriented.
- Organic farming differs from conventional farming in many ways. Organic farming is primarily knowledge intensive, whereas, conventional farming is more chemical and capital intensive.
- Organic production involves fewer intensive livestock farming practices than conventional ones. Synthetic fertilizers and pesticide sprays are prohibited in animal feed and fodder production and animals are kept at lower stocking rates, which in turn decrease the pollution risk.
- Differ in aspects relating to natural/ biological and economic, but primarily on the support of natural processes in their production systems. Therefore, sustainability, diversity, renewability, and integrity are important aspects.
- Organic agriculture has clear benefits in reducing environmental pollution in comparison to conventional agriculture.
- The basic standards of organic farming provide suitable tools to minimize environmental pollution and nutrient losses on the farm level, which seem to be more effective measures than conventional production.
- Regulations concerning housing conditions serve as preventive measures against conflict behaviour and the incidence of injuries and claw disorders.
- Certification of organic production system assures the consumer the quality of the products.

PEPPER IT WITH
NPOF, NHM, RKVY, NPMSH&F

Organic Livestock Farming in India

Paramparagat Krishi Vikas Yojana (PKVY): It is a sub-component of Soil Health Management (SHM) scheme under National Mission of Sustainable Agriculture (NMSA) which aims at development of models of excellence in organic farming through a mix of traditional wisdom and modern science in value chain mode to install sustainability, ensure long term soil fertility build-up, resource conservation and to offer safe and healthy food grown through organic practices without the use of agro- chemicals.

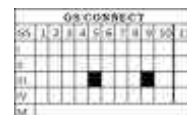
Conclusion

- ✓ According to the basic principles of organic agriculture, livestock are kept as a part of the farming system and their nutrition must be based on home-grown feeds. Therefore, sustainability and productivity of farming system depend on the internal flow of nutrients produced by livestock.
- ✓ The agricultural cycle is incomplete without the input of domesticated animals that play a predominant part under the organic management of livestock.
- ✓ Animal husbandry is vital for organic agriculture since it stabilizes the agro-ecological system and makes this more productive.

Coal Production in India: Supply of Washed Coal

News Excerpt

Ministry of Environment, Forest and Climate Change had dropped the requirement of supply washed coal to thermal units over 500 km from mine.



Pre-Connect

- The “washing coal” requirement was introduced in 1997 and promised the use of cleaner coal in power production. It was India’s only legitimate justification to extend the life of coal as a development fuel despite the climate crisis.
- In 2014 only coal with less than 34 % ash content could use in Thermal Power Plants (TPP) above 100 MW beyond 500 km of coal mine or if they are in urban areas.

- In 2014, as part of its climate change commitments, the government had made coal washing mandatory for supply to all thermal units beyond 500 kms from the coal mine. This was done in line with India's stand in climate change negotiations – not to reduce coal consumption and rather focus on emission control.
- NITI Aayog has stated that all new coal plants need to use super critical technology and washed coal.

Highlights

- This move pushes the burden of pollution reduction to TPPs when they have shown no intention to comply with existing environmental laws so far.
- **Between the government's** permissiveness on coal use and TPPs impunity to flout pollution norms, coal washeries were the only bridge to address coal efficiency and air, land, and water pollution by coal power.
- Fly ash is the worst form of waste generated by dirty coal in TPPs. It is produced and collected in towering, open landfills called ash ponds.
- Besides the creation of poisonous landfills in the ground, the burning of poor-quality coal increases carbon emissions and resulted into air pollution, a danger for public health.
- There is enough evidence to show that fly ash management by TPPs has failed.
- Jharkhand, Chhattisgarh and Odisha that have large agglomerations of coal mines and power plants will become inhabitable after burning of bad coal. While more casualties and diseases is a not so distinct possibility.
- The spread of unmanaged fly ash will turn these rice growing regions into wastelands.

Coal Washing

- Indian coal is known to contain 30-50% ash, meaning that for every two units of coal burned, one unit of ash could be produced.
- So, a manufacturing or power producing unit has to burn more coal and in turn generate not only ash but also noxious gases, particulate matter and carbon emissions.
- Coal washeries are units that reduce the ash content in coal through a mix of segregation, blending and washing techniques.
- These technologies are meant to allow the conservation and optimal use of coal reserves by improving the quality and efficiency of low grade, high ash Indian coal.

Analytica

- ✓ **The ministry's justification for allowing the use of high-ash coal** is two-fold. The economic debacle caused by the COVID-19 lockdown is its first pretext. In its interest to generate new private investments in coal, the government would like to liberate the coal mining and thermal power sectors from the costs of washing and transporting washed coal. But experts state that the cost of washed coal does not add even 10% to the cost of electricity.
- ✓ The ministry also states that coal washeries cause pollution. However, this problem is not **unique to washeries alone and applies to the entire supply chain that supports India's economy**. In the latest notification, the government makes coal washeries the only culprit of the problems that plague coal use and shifts the burden of managing pollution from the use of coal to TPPs.
- ✓ These coal and pollution management policies that fail by design is an attack on the right **to food, work, and life of people in the coal regions. India's entire coal network is ultimately** set up to meet the expectations of a growing consumeristic society addicted to cheap power.

Conclusion

While economic reforms at this crucial time should have focused on reducing coal and extractive minerals in the power sector and in the economy altogether, the government has shown that it continues to support mining and coal use. **The new notification's permission to use low grade coal in power generation is dangerous and discriminatory.** By denying the rogue coal power plants to bypass washeries, the environment ministry has put on the line the lives of the poorest people **residing in the country's coal enclaves**. But after all this acknowledges of the importance of coal washeries.

Lonar Lake

News Excerpt

Bombay High Court seeks report on change in colour of the Lonar lake water. The water of lake abruptly turned pink.

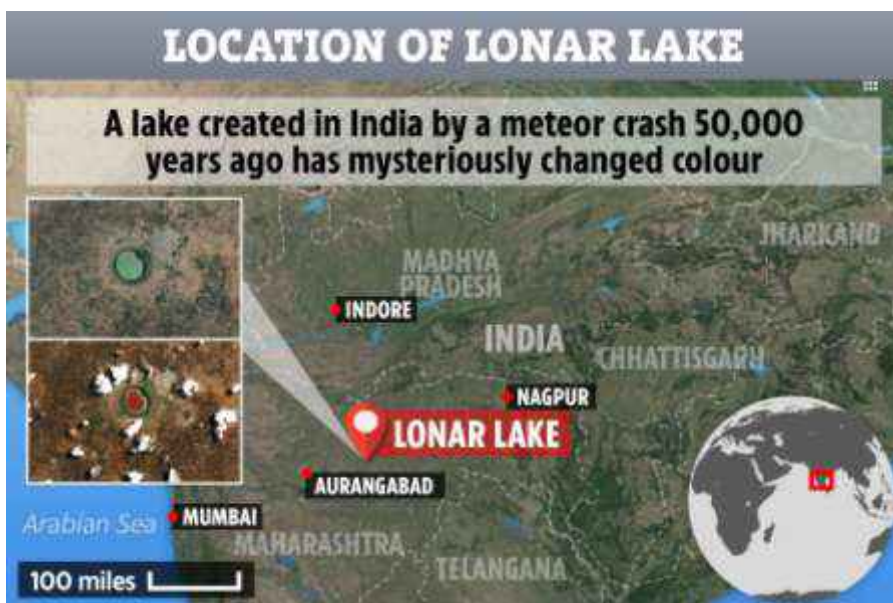
OS CONNECT											
SS	1	2	3	4	5	6	7	8	9	10	11
I											
II											
IV											
M											

Pre-Connect

- The oval-shaped, crater lake formed after a meteorite hit the Earth some 50,000 years ago. **It is a popular tourist hub located in Maharashtra's Buldhana district.**
- It is Located 500 km from Mumbai and over 90 km from Buldhana city,
- The Lake was declared a notified National Geo-heritage Monument in 1979. The lake is a part of the Lonar Wildlife Sanctuary declared in 2000.

Issue Involved

- The Lake had turned reddish-pink due to high salinity, acidity (pH) and an algal bloom.
- This is not the first time the colour change has happened, although it is more evident this time.
- In case of a natural phenomenon, there are fungi which generally give a greenish colour to water most of the times. The current colour change seems to be a biological change in the Lonar crater.
- During the lockdown phase, there may not have been disturbance to water which led to this change.
- Two issues of immediate concern highlighted for this situation are open defecation by Lonar citizens at the lake and discharge of sewage water from Lonar city freely entering the lake.
- There is an example of a lake in Iran, where water becomes reddish due to an increase in salinity.



Gravel Geometry of the Indus River

News Excerpt

Researchers from Wadia Institute of Himalayan Geology (WIHG) have traced the Paleo-climatic history of Indus River.

OS CONNECT											
SS	1	2	3	4	5	6	7	8	9	10	11
I											
II											
IV											
M											

Key Highlights

- The researchers studied the discharge during periods in which the river experienced an increase in land elevation, due to the deposition of sediment and its incision.
- There is use of geometric data from overlapping gravels which fills the channel to calculate paleo-discharges during net river aggradations at 47–23 ka (thousand years), and preserved slack water deposits (SWDs) at 14–10 ka to constrain paleo-discharges that occurred during net river incision.
- They observed that the aggradation in the Himalayan rivers occurred in glacial-interglacial transient warm climatic conditions (33–21 ka and 17–14 ka) when the sediment budget in the rivers increased just after the glacial events.

Significance

- River Terraces are ubiquitous in mountains that nourish and help sustain past, present, and future of human societies. These terraces are part of valley-wide aggradations, which

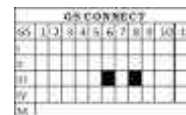
has been studied extensively in Himalaya to understand the processes driving such a periodic increase in river valley land elevation and incision.

- Scientists are still debating whether wetter climate intervals with increased rainfall and glacial melting promote river aggradation through increased discharge and enhanced sediment load, or instead, is it during drier conditions when aggradation occurs through increased sediment to water ratio.

Detection of Fluorine in Hot Extreme Helium Stars

News Excerpt

A study led by Indian Institute of Astrophysics (IIA) which detected the **presence of singly ionised fluorine for the first time in the atmospheres of hot Extreme Helium Stars** makes a strong case that the main formation of these objects involves a merger of a carbon-oxygen (CO) and a Helium (He) white dwarf.



Pre-Connect

- An extreme helium star or EHe is a low-mass supergiant that is almost devoid of hydrogen, the most common chemical element of the universe.
- There are 21 of them detected so far in our galaxy.
- The origin and evolution of these Hydrogen deficient objects have been shrouded in mystery. Their severe chemical peculiarities challenge the theory of well-accepted stellar evolution as the observed chemical composition of these stars do not match with that predicted for low mass evolved stars.

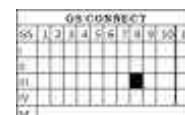
Highlights

- The research, which showed fluorine abundances, determined from singly ionized fluorine (F II) lines suggest a very high enrichment of fluorine, about a factor of 100 to 10000 times higher than normal stars.
- Clues to evolution of extreme helium stars require accurate determinations of their chemical composition, and the peculiarities, if any, become very important.
- Fluorine plays a very crucial role in this regard to determine the actual evolutionary sequence of these hydrogen deficient objects.
- The scientists explored the relationship of hot EHes (EHes having effective temperature $\geq 14000\text{K}$), with the cooler EHes, based on their fluorine abundance and spotted it in the former, thus establishing an evolutionary connection across a wide range of effective temperature.
- The detection of enhanced fluorine abundances in the atmospheres of hot EHes solves a decade-old mystery about their formation. It firmly places hot EHes in an evolutionary sequence with cool EHes and other hydrogen-deficient stars and zeros in the evolutionary scenario, which involves the merger of two double degenerate white dwarfs (WDs).

Illegal Wildlife Trade: FATF Report

News Excerpt

The Financial Action Task Force (FATF) released its first-ever report on illegal wildlife trade. The report comes amid global concern that the wildlife crime could lead to more zoonotic diseases in the future.



Pre-Connect

- According to the 2016 UN World Wildlife Crime report, criminals are illegally trading products derived from over 7,000 species of wild animals and plants across the world.
- TRAFFIC: It is the wildlife trade monitoring network and it works to ensure that trade in wild plants and animals is not a threat to the conservation of nature. TRAFFIC also works in close co-operation with the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- CITES: Its Parties take decisions to ensure that international trade of valuable wild species of plants and animals does not endanger their survival in the wild.
- The Wildlife (Protection) Act, 1972: It provides for protection to listed species of flora and fauna and establishes a network of ecologically important protected areas. This Act lays down restrictions on hunting wildlife animal species.

Key Highlights of the Report

- The illegal trade is estimated to generate revenues of up to \$23 billion a year.
- The Financial Action Task Force (FATF) has described illegal Wildlife trade (IWT) as a Global Threat. IWT has cascading links with other organised crimes like modern slavery, drug trafficking and arms trade.
- Criminals are frequently misusing the legitimate wildlife trade, as well as other import-export type businesses, as a front to move and hide illegal proceeds from wildlife crimes. Criminals rely regularly on corruption, complex fraud, and tax evasion.
- The growing role of online marketplaces and mobile and social media-based payments are further escalating and facilitating the wildlife trade. Monitoring of such financial flow is very difficult and requires coordinated response from government bodies, the private sector, and the civil society.
- Lack of focus on the financial aspects: Criminal syndicates are misusing formal financial sector to launder the proceeds. Funds are laundered through cash deposits, under the guise of loans or payments, e-banking platforms, licensed money value transfer systems, and third-party wire transfers via banks. Accounts of innocent victims are also used, and high-value payments avoided evading detection.
- Misuse of front companies: Front companies, often linked to import-export industries, and shell firms are used for the movement of goods and trans-border money transfers. Another common trend is the misuse of front companies with links to the legal wildlife trade.

New Guidelines for import of Exotic Species

Purpose:

- ❖ These guidelines are issued as an advisory to streamline and formalize the process of import of exotic species including animals.
- ❖ Many of the exotic species are imported in India for recreational and commercial purposes bypassing the law. Additionally, no system exists in India which provides information on import of exotic species.

New Procedure:

- ❖ A person trying to import a live exotic animal will have to submit an application for grant of a licence to the Director General of Foreign Trade (DGFT), under the provisions of the advisory.
- ❖ The importer will also have to attach a No Objection Certificate (NOC) of the chief wildlife warden of the state concerned along with the application.
- ❖ For those people who have already imported exotic animals, a declaration will have to be made within six months, which wouldn't require submissions on the provenance of the animal. However, if the declaration is made after six months, documents will have to be submitted.

Reason:

- ❖ The major reason to do this is to regulate the trade because the issue of zoonotic diseases is also linked to wildlife.

Concern:

- ❖ The species covered under CITES only are incorporate under the guidelines. According to the advisory, the **phrase “exotic live species” includes “animals named under the Appendices I, II and III of the Convention of International Trade in Endangered Species of Wild Fauna and Flora” and “does not include species from the Schedules of the Wildlife (Protection) Act 1972.**

Wildlife Trade in India

- ✓ In 2012, India amended the Prevention of Money Laundering Act removing a value threshold — of ₹30 lakh and above — that was earlier applicable to the wildlife trade predicates.

- ✓ India has a strong legal and policy framework to regulate and restrict wildlife trade. Trade in over 1800 species of wild animals, plants and their derivative are prohibited under the Wildlife (Protection) Act, 1972.
- ✓ Poaching and trade in golden jackals may be widespread in India. Other industries that may be more vulnerable to misuse include traditional medicine, décor and jewellery and fashion.
- ✓ Absence of legislative regime concerned with anti-money laundering laws to illegal wildlife trade will lead to thriving of wildlife crime.

Step for India

- Focusing on Financial probe is key to dismantling the syndicates involved, which can in turn significantly impact the associated criminal activities.
- Legislative changes were necessary to increase the applicability of anti-money laundering laws to the illegal wildlife trade-linked offences.
- India should effectively work on New Guidelines for import of exotic species to curb illegal wildlife trade.

Analytica

Impact of Illegal Wildlife Trade:

- Illegal wildlife trade has many negative consequences for human well-being and species conservation. Illegal trade in endangered species weakens the entire ecosystems and threaten essential links of the world's biological diversity. Biodiversity loss is one of the greatest global threats in present time, and it also means a narrower genetic pool and therefore less resilience to resist diseases of any kind.
- Criminal wildlife trafficking networks also undermine states abilities to tackle outbreaks of disease, because they force governments to divert human and financial resources that could be allotted to other needs.
- Illegal wildlife trade contributes to habitat destruction, which removes necessary buffer zones between humans and wild fauna, making it more likely that animal pathogens meet people.
- Many emerging infectious diseases in recent times have originated in wild animals. Many of them were not considered illegally traded CITES-listed species. However, illegal wildlife trade flows will only make these episodes worse, by degrading or bringing people too close to animal habitats, and therefore contributing to the spread of diseases.

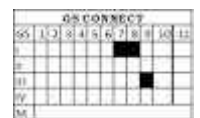
Way Forward

- There is dire need to regulate all the aspect dealing with international wildlife trade including the financial aspect that should be fully regulated. Also, there is need to adopt national wildlife legislation and regulations be fully enforced.
- The livelihoods of millions of people around the world rely on wildlife as a source of income and protein. Governments must rebuild post COVID-19 by investing in nature, in the compliance and enforcement of biodiversity-related conventions, in reducing the destruction and degradation of habitats and in the conservation and sustainable use of wild species to reduce the likelihood of future pandemics resulting from zoonotic diseases.
- There is a need to have a better balance between human and nature. This means stopping the destruction and degradation of habitats, deforestation and undesirable land conversion.

Oil Spill

News Excerpt

Russia declared a state of emergency after a massive oil spill in the Arctic region.



Reason: Oil Spill in Russia

- Climate Change: The thermoelectric power plant at Norilsk is built on permafrost, which has weakened over the years due to the adverse impact of climate change.
- **This caused the pillars that supported the plant's fuel tank to sink, leading to a loss of containment.**

- Around 20,000 tonnes of diesel oil were released into the Ambarnaya river, which has since drifted 12 km on its surface.

Causes for Accidental Oil Spills

Natural causes – Generally Oil comes from the bottom of oceans which enters the marine environment. Crude oil is formed during long periods of time through natural processes involving organic matter from dead organisms. Thus, oil exists in many environments and may be naturally spilled due to various factors (including climatic conditions, disturbance, etc.). Such natural oil spills may occur in oceans, due to eroding of sedimentary rocks from the bottom of the ocean.

Storage - Oil and oil products may be stored in a variety of ways including underground and aboveground storage tanks; such containers may leak over time.

Handling - during transfer operations and various uses, leak could occur.

Transportation –Leakages in transportation led to the large oil spills on water or land through accidental rupture of big transporting vessels (e.g., tanker ships or tanker trucks), pipelines which affects environment.

Offshore marine drilling –During exploration of oil and gas the probability of oil leakages is very high and it affects the marine environment adversely.

Through drains or in the sewer system: This includes any regular activities such as changing car oil if the replaced oil is simply discharged into a drain or sewer system.

Indirectly through the burning of fuels, including vehicle emissions; they release various individual components of oils and oil products, such as a variety of hydrocarbons (out of which benzene and PAHs could pose serious health risks).

Permafrost

- Permafrost is ground that remains completely frozen at 0°C or below for at least two years. It is defined solely based on temperature and duration.
- The permanently frozen ground, consisting of soil, sand, and rock held together by ice, is believed to have formed during glacial periods dating several millennia.
- These grounds are known to be below 22 % of the land surface on Earth, mostly in polar zones and regions with high mountains.
- They are spread across 55 % of the landmass in Russia and Canada, 85 per cent in the US state of Alaska, and possibly the entirety of Antarctica.
- In northern Siberia, it forms a layer that is 1,500 m thick; 740 m in northern Alaska. At lower latitudes, permafrost is found at high altitude locations such as the Alps and the Tibetan plateau.
- **While permafrost itself is always frozen, the surface layer that covers it (called the “active layer”) need not be. In Canada and Russia, for example, colourful tundra vegetation carpet over permafrost for thousands of kilometres.**
- Its thickness reduces progressively towards the south, and is affected by a number of other factors, including the Earth’s interior heat, snow and vegetation cover, presence of water bodies, and topography.

Impact of Oil Spill

- ✓ Oil spills have a number of effects on the environment and economy. Oil spill damages waterways, marine life and plants and animals on the land.
- ✓ The impact of oil spills can also ruin the infrastructure and economy of a particular area with long-term effects being felt for decades.
- ✓ The effects of oil spills on wildlife can in turn adversely affect humans. For instance-the contamination of local ecosystems can impact communities who rely on said ecosystems to survive, with crops and food sources becoming poisonous or disappearing altogether as a result of food chains being de-stabilised.

- ✓ Oil spills can affect the air quality in surrounding areas, releasing toxic chemicals into the atmosphere.

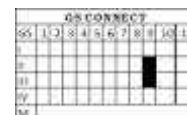
Way forward

In case of accidental oil leakages, in-situ bioremediation to clean up hazardous compounds present in the environment can be used. The optimization and control of microbial transformations of organic contaminants requires the integration of many scientific and engineering disciplines.

Scheme for Promotion of Academic and Research Collaboration (SPARC)

News Excerpt

Recently, Indian Institute of Technology Madras Researchers have collaborated with German Researchers to develop new materials for project Green Energy Solutions.



More about the project

- The project aims to develop alternative technologies to produce Green Hydrogen as the world is expected to eventually transit to a hydrogen-based economy.
- This research project was taken up under the Scheme for Promotion of Academic and Research Collaboration or 'SPARC,' an initiative of the Ministry of Human Resource Development, Government of India.
- Conventional methods of generating hydrogen (H₂) such as 'water-gas conversion' and 'partial oxidation of hydrocarbons' generate a large quantity of carbon dioxide (CO₂), a notorious greenhouse gas that imposes serious environmental concerns.
- In contrast, electrochemical splitting of water termed as 'Water Electrolysis' (WE) is a clean, facile, and highly efficient technology for large-scale production of high-purity H₂.
- This international collaboration aims to develop novel low cost electro catalysts for hydrogen evolution reactions.

Aim of SPARC and Green Energy Solutions

- ❖ SPARC aims at improving the research ecosystem of India's Higher Educational Institutions by facilitating academic and research collaborations between Indian Institutions and the best institutions in the world from 28 selected nations to jointly solve problems of national and/or international relevance.
- ❖ In order to facilitate fundamental and socially relevant research in India, a lot of emphasis is being laid to strengthen collaboration between Indian Research groups with Top research groups in the world so that Indian scientists and students can interact with the finest minds in the world.

Why is this project necessary?

The depletion of conventional fossil fuels and natural gases combined with increasing demand for alternative sources of energy necessitates prioritizing research on producing and storing non-polluting energy forms or 'Green Energy.' In this context, the hydrogen-based economy is a promising area to invest scientific interest in the humanitarian quest to reduce carbon footprint.

Analytica

Need Green Energy Solutions:

- o Hydrogen-based energy transition is a central pillar in the decarbonisation of energy technologies.
- o Current hydrogen production technologies need new materials and hydrogen-production pathways involving earth-abundant resources such as water, solar energy, and light absorbing pigments.

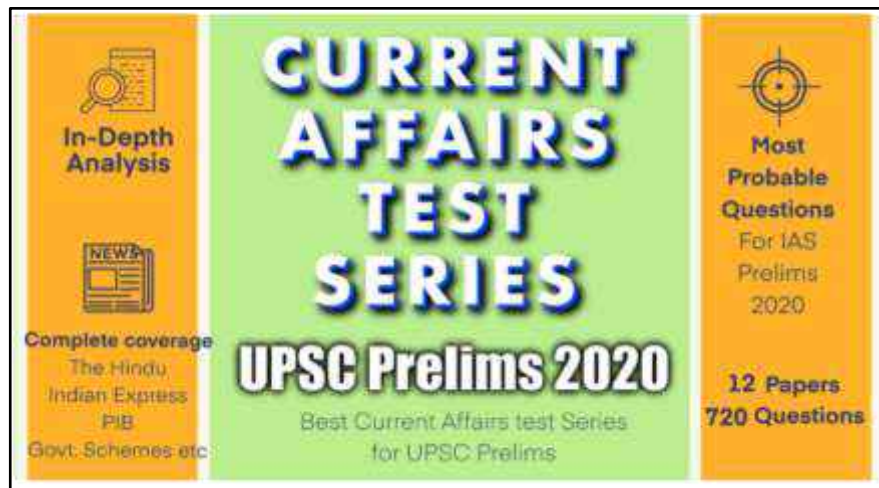
How does this project provide a Green Energy solution?

The aim of this SPARC project is to develop a holistic approach for identifying next-generation photo-electrocatalysts by considering inputs from first principle calculations and through

phase diagram calculations which is a unique and unexplored approach in the field of photo-electrocatalysis.

Conclusion

The project can be an additional area of collaboration between India and Germany. It is expected that the India-German relationship in education and research will continue to grow, diversify, and bring immense benefits to both countries.



CURRENT AFFAIRS TEST SERIES
UPSC Prelims 2020
Best Current Affairs test Series for UPSC Prelims

In-Depth Analysis
Complete coverage
The Hindu
Indian Express
PIB
Govt. Schemes etc.

Most Probable Questions For IAS Prelims 2020
12 Papers
720 Questions



KSG
for IAS & UPSC

ANSWER WRITING SKILL DEVELOPMENT

Evaluation Process

How is it different?

- 1. Focus on individual
- 2. Monitoring by experts
- 3. Content development

Free 7 Days Trial

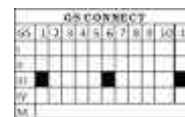
What to Expect

SCIENCE AND TECHNOLOGY

Indian National Space Promotion and Authorization Centre

News Excerpt

The Centre has created an Indian National Space Promotion and Authorization Centre (IN-SPACe) to provide private players to use Indian space infrastructure.



Pre-Connect

- **The space research activities were initiated in India during the early 1960's.** Dr. Vikram Sarabhai was the founding father of Indian space programme.
- As a first step, the Department of Atomic Energy formed the INCOSPAR (Indian National Committee for Space Research) under the leadership of Dr. Sarabhai and Dr. Ramanathan in 1962. The Indian Space Research Organisation (ISRO) was later formed in August 1969.
- The prime objective of ISRO is to develop space technology and its application to various national needs.
- ISRO is one of the six largest space agencies in the world. The Department of Space (DOS) and the Space Commission were set up in 1972 and ISRO was brought under DOS on June 1972.
- Since inception, the Indian space programme has been orchestrated well and had three distinct elements such as, satellites for communication and remote sensing, the space transportation system and application programmes.
- Two major operational systems have been established – the Indian National Satellite (INSAT) for telecommunication, television broadcasting, and meteorological services and the Indian Remote Sensing Satellite (IRS) for monitoring and management of natural resources and Disaster Management Support.
- ISRO took the Indian space programme to new height with a successful low cost MOM (Mars Orbiter Mission).

Analytica

- **IN-SPACe's outlook for now appears to be that of a 'regulator' functioning as an independent body under the Department of Space.**
- Upstream space activities involve the use of communication frequencies, selling potentially dual-use products (both locally and internationally), and setting up devices to link space and ground assets. Further downstream, important activities include distributing images and other imagery-based services and communication-based services.
- Both sets of activities require consultations with, inspections from and approvals by several government departments and ministries. So, IN-SPACe will solve an important problem if it includes members representing all the relevant departments and ministries that may wish to participate in regulating space activities.
- The requirements of companies involved in upstream activities are often different from those involved in downstream activities. So, **IN-SPACe needs to steer clear of a 'one size fits all' approach to dealing with them.**
- IN-SPACe should strongly consider additional roles to fill gaps **in India's space activities ecosystem to benefit Indian space products' and services' competitiveness.** The body could do this with directorates that monitor the competitiveness of the local industry and find ways to improve it.
- Apart from IN-SPACe's **regulatory** role, it should review the current demand and supply mechanisms to streamline procurement, taxation and investment-related matters. For example, it could review space products and services that foreign vendors are currently procuring and list them, together with local companies in the process of creating capacity to match the offering.

- Such initiatives can help catalyse the growth as well as competitiveness of India's local industry. The body can then install a mechanism to systematically support local development as well, to further localise these capabilities within India.
- IN-SPACe could also review, and resolve, other important bottlenecks. For example, local companies that wish to have a payload launched onboard ISRO's Polar Satellite Launch Vehicle (PSLV) rocket need to pay 18% GST but foreign companies don't. That is, IN-SPACe's offerings for India's private space sector should include incentives as well as a level playing field.
- If IN-SPACe does a good job, the government may not need to go through the long process of legislating a Space Bill, as it has been doing for at least three years now.

Advantages

- IN-SPACe will be an independent body under Department of space. Space sector can play a major catalytic role in the technological advancement and expansion of our Industrial base. The proposed reforms will enhance the socio-economic use of space assets and activities, including through improved access to space assets, data and facilities.
- The newly created Indian National Space Promotion and Authorization Centre (IN-SPACe) will provide a level playing field for private companies to use Indian space infrastructure. It will also handhold, promote and guide the private industries in space activities through encouraging policies and a friendly regulatory environment.
- The Public Sector Enterprise 'New Space India Limited (NSIL)' will endeavour to re-orient space activities from a 'supply driven' model to a 'demand driven' model, thereby ensuring optimum utilization of our space assets.
- These reforms will allow ISRO to focus more on research and development activities, new technologies, exploration missions and human spaceflight programme. Some of the planetary exploration missions will also be opened up to private sector through an 'announcement of opportunity' mechanism.

PEPPER IT WITH
ISRO, India Space Programme,
Department of Space

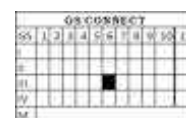
Conclusion

India is among a handful of countries with advanced capabilities in the space exploration. With these reforms, the sector will receive new energy and dynamism, to help the country leapfrog to the next stages of space activities. This will not only result in the accelerated growth but will enable Indian Industry to be an important player in space economy. There is an opportunity for large-scale employment in the space technology.

Solar and Lunar Eclipse

News Excerpt

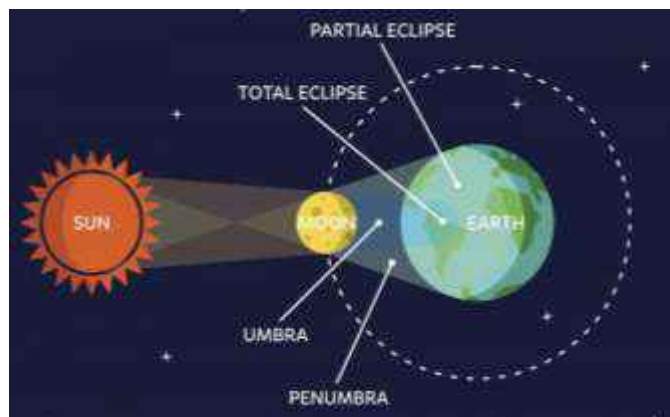
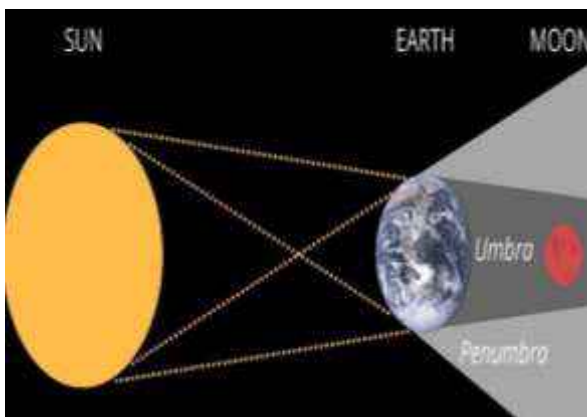
The year 2020 is a treat for all astronomy enthusiasts and sky-gazers as we are set to witness a total of 6 eclipses – 4 Lunar and 2 Solar.



Highlights

- Solar and Lunar eclipses are caused when the alignment of the Sun, Moon, and the Earth is in a straight line.
- The alignment of three or more celestial bodies in a gravitational system is known as a syzygy.
- In the case of a solar eclipse, the Earth's view of the sun is blocked by the moon and during a lunar eclipse, the Earth casts its shadow directly on the full moon, preventing the sun's rays from reaching moon.

PEPPER IT WITH
Syzygy, Apogee, Perigee,
Perihelion, Aphelion



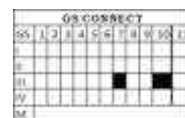
- However, the distance between the Earth and the moon at the moment of the eclipse can dictate the type of eclipse that spectators will see. As a result, the moon does not always block out the entire sun.
- **The distance between the Earth and the moon is always changing due to the moon's elliptical, egg-shaped orbit.**
- This bright ring of sunlight around the moon at the height of the annular solar eclipse is how it earned the nickname the "ring of fire" eclipse.

A Blue Moon is when two full moons happen in the same calendar month; lunar eclipses occur when the moon passes into Earth's shadow; and supermoons happen when the moon's perigee — its closest approach to Earth in a single orbit — coincides with a full moon. In this case, the supermoon also happens to be the day of the lunar eclipse.

Important COVID-19 Terminologies

Terminologies attached with COVID-19

COVID-19 — A term coined by the World Health Organization (WHO) to denote the disease that has led to a pandemic. WHO announced a name for the mysterious disease originating in China, caused by a new corona virus. It called it coronavirus disease 2019, abbreviated as COVID-19, where CO stands for corona, VI for virus, and D for disease, while the numerals – 19 refer to the year in which the first case was detected.



The International Committee on Taxonomy of Viruses (ICTV) announced “severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)” as the name of the new virus. This name was chosen because the virus is genetically related to the coronavirus responsible for the Severe Acute Respiratory Syndrome (SARS) outbreak of 2003.

Epidemic — When the incidence of a disease rises above the expected level in a particular community or geographic area, it is called an epidemic. The outbreak started in Wuhan city in Hubei province in China, with what seemed then as a cluster of pneumonia-like cases.

Pandemic — A global epidemic. When the epidemic spreads over several countries or continents, it is termed a pandemic. On January 30, WHO announced that COVID-19 was a Public Health Emergency of International Concern. On March 11, WHO decided to announce COVID-19 as a pandemic.

R0 — R-Naught is the basic reproduction number. This is the number of new infections caused by one infected individual in an entirely susceptible population. It helps determine whether an epidemic can occur, the rate of growth of the epidemic, the size of the epidemic and the level of effort needed to control the infection. If R0 is 2, then one individual will infect two others. As of end May, India's R0 value was in the range of 1.22.

Co-morbidities — Several health conditions including uncontrolled diabetes and hypertension, cancer, morbid obesity, lung diseases, compromised immune systems put patients at greater risk for contracting the infection, and also have poor clinical outcomes. Special attention to prevent the disease and prevent mortality in these groups is the concern of health managers.

Transmission — The method by which the disease spreads. In COVID-19 it is through respiratory droplets, expelled while talking, laughing, coughing and sneezing. This makes mask wearing and physical distancing the main tools for protection against the virus. Washing hands with soap and water is an effective way to kill the virus.

Community transmission — When an individual can no longer able to tell how someone contracted the disease, or who the source of infection was. As numbers climb, this tracing becomes next to impossible.

Contact tracing — Identifying and monitoring people who may have come into contact with an infectious person. In the case of COVID-19, monitoring usually involves self-quarantine as an effort to control the spread of disease.

Super spreader — Some individuals seem to have the capacity to cause more infections in a disproportionately large number of people, than others. The current pandemic has recorded some super spreaders who have had a huge role in the transmission.

Positivity Rate — The percentage of people who test positive among all those who are tested. If positivity rate is high, it is possible that only high-risk groups are being tested. A low positivity rate can also indicate that not enough testing is being done.

Infection Fatality Rate — It is the number of deaths occurring in all infected people in a particular population. This includes those who might have the COVID-19 infection, but have not been tested for it. Given that the number of tests is not high, experts have clarified that this is not a useful metric to have in this pandemic.

Case Fatality Rate — This is the number of deaths occurring among confirmed cases of COVID-19. Since these two figures are available with a certain amount of reliability, it is actually CFR that is being referred to when there is a loose reference to fatality rate.

Severe Acute Respiratory Infection (SARI) — A respiratory disease also caused by a coronavirus, and spread through the same transmission method, i.e. respiratory droplets. The symptoms (fever, cough, body ache, difficulty in breathing) are also similar. The government has begun surveillance of SARI patients as also patients with Influenza-like Illness (ILI) admitted in hospitals too.

Cytokine storm — An immune reaction triggered by the body to fight an infection is known as a cytokine storm when it turns severe. The body releases too many cytokines, proteins that are involved in immunomodulation, into the blood too quickly. While normally they regulate immune responses, in this case they cause harm and can even cause death. Experts have noticed a violent cytokine storm in several individuals who are critical with COVID infection. These cytokines dilate blood vessels, increase the temperature and heartbeat, besides throwing blood clots in the system, and suppressing oxygen utilisation. If the cytokine flow is high and **continues without cessation, the body's own immune response will lead to hypoxia, insufficient oxygen to the body, multi-organ failure and death.** Experts say it is not the virus that kills; rather, the cytokine storm.

RT- PCR (Reverse Transcription-Polymerase Chain Reaction) — It is the primary test to detect COVID-19 infection across the globe. It is a sensitive test that uses swab samples drawn from the nasal/oral cavity to test for the presence of viral RNA (ribonucleic acid). It has got better sensitivity (ability to correctly identify those with the disease) and specificity (ability to correctly identify those without the disease) rates in current diagnostic tests for COVID.

Antibody tests — these tests check blood by looking for antibodies, and that means an individual had a past infection of SARS-CoV-2. Antibodies are proteins that help fight off

infections, and are specific to every disease, granting immunity against getting that particular disease again. An antibody test, with poor specificity, is not believed to be effective in detecting new infections. States have been asked to commence testing seroprevalence in the community, using antibody tests, that are blood tests.

Convalescent plasma therapy — Researchers are examining the efficacy of using convalescent plasma, that is, using neutralising antibodies from the blood of people who have recovered from the COVID-19 infection to treat patients with COVID-19.

Hydroxychloroquine (HCQ) — An antimalarial oral drug that is being repurposed for treatment in COVID-19. It has also been used successfully in the treatment of some autoimmune conditions. Its value in COVID-19 has not been resolved entirely.

Flattening the curve — Reducing the number of new COVID-19 cases, day on day. The idea of flattening the curve is to ensure that the health infrastructure is not overwhelmed by a large number of cases.

Herd immunity — this is also known as community immunity, and constitutes the reduction in risk of infection within a population, often because of previous exposure to the virus or vaccination.

Rapid Antigen test- Antigen tests seek out specific proteins only found in the virus, which the **body's immune response recognises as 'foreign'**. Most COVID-19 antigen tests target the 'spike protein' that studs the surface of the coronavirus.

RT-PCR Test- A PCR test is a widely-used, highly sensitive test that seeks out traces of genetic material from a specific pathogen, if the pathogen is present in the body. The version of PCR testing used to detect viruses like the COVID-19-causing SARS-CoV-2 is called RT-PCR (reverse-transcription PCR). An RT-PCR test is considered very reliable because it can detect even a single virus particle in swabs taken from inside the mouth or nose, where the virus particles are most prevalent.

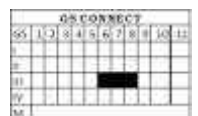
Vaccine Nationalism- It occurs when a country manages to secure doses of vaccine for its own citizens or residents before they are made available in other countries. This is done through pre-purchase agreements between a government and a vaccine manufacturer.

Covidiot: Someone who ignores the warnings regarding public health or safety or a person who hoards goods.

Global Partnership on Artificial Intelligence

News Excerpt

India has joined international and multi-stakeholder initiative of Global Partnership for Artificial Intelligence (GPAI) as its founder member.



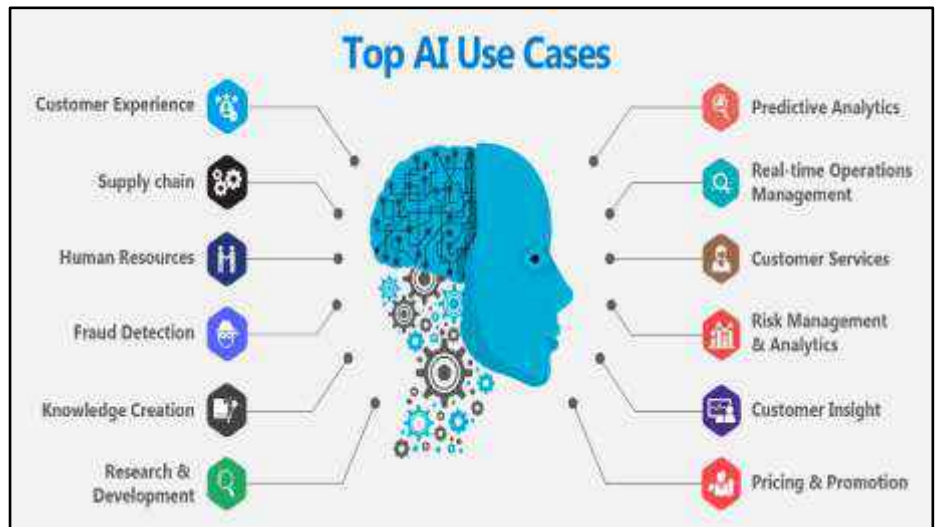
What is Artificial intelligence (AI)?

- John McCarthy coined the term in 1956.
- It is wide-ranging branch of computer science concerned with building smart machines capable of performing tasks that typically require human intelligence.
- AI is an interdisciplinary science with multiple approaches, but advancements in machine learning and deep learning are creating a paradigm shift in virtually every sector of the tech industry.
- From SIRI to self-driving cars, AI is progressing rapidly. While science fiction often portrays AI as robots with human-like characteristics, **AI can encompass anything from Google's search algorithms to IBM's Watson to autonomous weapons.**

Advantages of Artificial Intelligence

- Machine take decision based on previous data records. With algorithms, the chances of errors are reduced. This is an achievement, as solving complex problems require difficult calculation that can be done without any error.

- Business organizations use digital assistants to interact with their users, this helps them to save an ample amount of time.
- Artificial Intelligence and the science of robotics is used in mining and other fuel exploration processes. These complex machines help to explore the ocean floor and overcome human limitations. Due to the programming of the robots, they can perform a more laborious task with extra hard work and with greater responsibility. Moreover, they do not wear out easily.



- With humans, emotions come along but in case of AI-driven robots and machine they don't **distraction at all. They don't have an emotional side, and that makes robots think logically.** Emotions are not associated with machines and therefore the **mood doesn't hamper** the efficiency. Thus, they are always productive.
- Repetitive jobs are monotonous in nature and can be carried out with the help of machine intelligence. Machines think faster than humans and can perform various functions at the same time. It can be employed to carry out dangerous tasks and its **parameters are adjusted. This is not possible with humans as their speed and time can't be calculated on the basis of parameters.**
- It has a wide scope application in medical science. Doctors assess patients and their health risks with the help of artificial machine intelligence. The applications help to educate the machine about the side effects of various medicines. Nowadays, medical professionals are trained with artificial surgery simulators. It uses application which helps in detecting and monitoring neurological disorders and stimulate the brain functions.
- This also helps in the radiosurgery. Radiosurgery is used in operating tumors and help in the operation without damaging the surrounding tissues.
- AI are programmed for long hours and can continuously perform without getting bored or distracted. This is a major benefit over humans, who need a rest from time to time to be efficient.

Disadvantages of Artificial Intelligence

- ✓ AI requires huge costs as it is a complex machine. Apart from the installation cost, its repair and maintenance also require huge costs. The software programs need frequent upgradation and cater to the needs of the changing environment.
- ✓ No matter how smart a machine becomes, it can never replicate a human. Machines are **rational but, very inhuman as they don't possess emotions and moral values. They don't know what is ethical and what's legal and because of this, don't have their own judgment making skills.** If they encounter a situation that is unfamiliar to them then they perform incorrectly or else break down in such situations.
- ✓ Artificial intelligence cannot be improved with experience, they can perform the same function again if no different command is given to them. With time, it can lead to wear and tear. It stores a lot of data but the way it can be accessed and used is very different from human intelligence.
- ✓ In AI, there is no sense of belonging or togetherness or a human touch. They fail to distinguish between a hardworking individual and an inefficient individual.

- ✓ **Machines can't be creative. They can only do what they are being taught or commanded.** Though they help in designing and creating, **they can't** match the power of a human brain.
- ✓ With capital intensive technologies, human-intensive requirements have decreased in some industries. If in **the future, human beings don't add to their skills, then** these AI machine can definitely replace the human.

PEPPER IT WITH
Machine Learning, Block
chain Technology,
Industry 4.0, 5G

Highlights

- Recognising the need for cooperation at international level to tap the full potential of AI and ensure that it is of benefit to all citizens while respecting democratic values and the primacy of human beings, the founding members of the Global Partnership on Artificial Intelligence (GPAI) mean to encourage and guide responsible development of AI based on human rights, inclusion and diversity while fostering innovation and economic growth.
- The Global Partnership on AI (GPAI) is an international initiative created by France and Canada along with Australia, the European Union, Germany, India, Italy, Japan, Mexico, New Zealand, the Republic of Korea, Singapore, Slovenia, the United Kingdom and the United States of America.
- This multi-stakeholder international partnership will promote responsible and human centric development and use of AI.
- This is also a first initiative of its type for evolving better understanding of the challenges and opportunities around AI using the experience and diversity of participating countries.
- In order to achieve this goal, the initiative will look to bridge the gap between theory and practice on AI by supporting cutting-edge research and applied activities on AI-related priorities.
- GPAI will bring together experts from the industry, civil society, governments, academia to collaborate, and to promote responsible evolution of AI, and will also evolve methodologies to show how it can be leveraged to better respond to the present global crisis around Covid-19.
- By joining GPAI as a founding member, India will actively participate in the global development of Artificial Intelligence, leveraging upon its experience around use of digital technologies for inclusive growth.
- This body is supported by Organization for Economic Cooperation and Development (OECD), Paris.

Analytica

- India has been very active in boosting National AI Strategy by putting in action committees and National AI Portal to bring the impact of the technology across various economic sectors like agriculture, healthcare, education, manufacturing, finance and telecommunication.
- India is a founding member of GPAI and is expected to play a critical role in expanding the responsible utilisation of artificial intelligence for the world.
- In the past, the Indian Government has come forward with an AI policy draft and stated its willingness to build an ecosystem in the nation that focuses on a fast shift from the research and development (R&D) phase to the deployment and operation phase for AI systems that are trustworthy and all-inclusive. By working with other global nations, India will be a beneficiary of AI innovation and standardisation that are needed for this technology.
- The Government has also evaluated how investments in open datasets can be used to spur AI innovation and research and development that is free of issues like bias and to improve interoperability and use of standards.

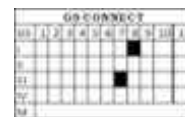
Conclusion

India, being among the world's youngest nation, having an edge on software technology and one of the largest growing economy, can lead the fourth Industrial revolution with proper investment and focus on the AI.

Lightning Strikes and Issues

News Excerpt

Lightning strikes killed 147 people in the north Indian state of Bihar, warning of more extreme weather conditions to come, driven by climate change.



About Lightning

- Lightning strikes during the monsoon that runs from June to September and fairly common in India.
- The lightning and thunder were caused by large-scale instability in the atmosphere, fuelled by temperature rises and excessive moisture.
- Lightning is an electrical discharge caused by imbalances between storm clouds and the ground, or within the clouds themselves. Most lightning occurs within the clouds.
- "Sheet lightning" describes a distant bolt that lights up an entire cloud base. Other visible bolts may appear as bead, ribbon, or rocket lightning.
- During a storm, colliding particles of rain, ice, or snow inside storm clouds increase the imbalance between storm clouds and the ground, and often negatively charge the lower reaches of storm clouds. Objects on the ground, like steeples, trees, and the Earth itself, become positively charged—creating an imbalance that nature seeks to remedy by passing current between the two charges.
- Lightning is extremely hot—a flash can heat the air around it to temperatures five times **hotter than the sun's surface. This heat causes surrounding air to rapidly expand and vibrate**, which creates the pealing thunder we hear a short time after seeing a lightning flash.
- Cloud-to-ground lightning bolts are a common phenomenon—about 100 strike Earth's surface every single second—yet their power is extraordinary. Each bolt can contain up to one billion volts of electricity.
- Some types of lightning, including the most common types, never leave the clouds but travel between differently charged areas within or between clouds.
- Other rare forms can be sparked by extreme forest fires, volcanic eruptions, and snowstorms. Ball lightning, a small, charged sphere that floats, glows, and bounces along oblivious to the laws of gravity or physics, still puzzles scientists.

Impact

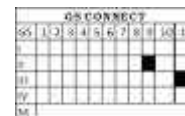
- **Lightning is not only spectacular, it's dangerous. About 2,000 people are killed worldwide by lightning each year.**
- Hundreds more survive strikes but suffer from a variety of lasting symptoms, including memory loss, dizziness, weakness, numbness, and other life-altering ailments.
- Strikes can cause cardiac arrest and severe burns, but 9 of every 10 people survive. The average American has about a 1 in 5,000 chance of being struck by lightning during a lifetime.
- Lightning's extreme heat will vaporize the water inside a tree, creating steam that may blow the tree apart.
- Many houses are grounded by rods and other protection that conduct a lightning bolt's electricity harmlessly to the ground. Homes may also be inadvertently grounded by plumbing, gutters, or other materials.
- Grounded buildings offer protection, but occupants who touch running water or use a landline phone may be shocked by conducted electricity.
- More than 2,300 people were killed by lightning in India. In 2018 according to the National Crime Records Bureau.
- According to a new study, that number could be set to dramatically increase if the current rate of global warming continues.

SECURITY

UN Arms Trade Treaty

News Excerpt

China will join a global pact to regulate arms sales that has been rejected by the United States, while Beijing reiterated that it is committed for “*global peace and stability*.”



Pre-Connect

- The Arms Trade Treaty is a multilateral treaty, regulating international trade in conventional arms. It entered into force in 2014.
- The treaty requires member countries to keep records of international transfers of weapons and to prohibit cross-border shipments that could be used in human rights violations or attacks on civilians.
- It was envisioned as a tool to prevent conflict and human rights violations fuelled by poorly regulated trade in arms, which could not conceivably be controlled via national legislation alone.
- US had announced last year that it was withdrawing the country from the Arms Trade Treaty (ATT).
- Only 130 of the 193 members of the UN have signed the treaty, out of them only 101 ratified it putting it just over the threshold of 100 to come into effect.
- China is now the second largest arms producer in the world, after the US.

Benefits of ATT

- Implementation of the treaty comprehensively may help defence cooperation, technology development and assist development. Countries would be able to spend more on welfare rather than defence.
- There is tremendous human and economic costs countries (especially those in Africa) are bearing due to illicit arms trade. Only a universal ATT including as many countries as possible would be an effective tool to **stop the suffering and implement the UN MDG's** as it would plug vulnerable points in the global arms control system.

India's concerns with ATT

- ✓ India had been a vigorous participant in the Treaty's negotiating process. However, the final draft did not meet its expectations and it chose to abstain when the treaty was put to vote at the UNGA in April, 2013.
- ✓ There were two key issues at the heart of India's concerns:
 - The skewed approach of the treaty.
 - its failure to include non-state actors in its purview.
- ✓ According to the Stockholm International Peace Research Institute (SIPRI), India was the **world's largest arms importer, accounting for around 13% of total global arms import** between 2012 and 2016. As an importing state, it expected that the treaty would ensure a **“balance of obligations” between exporting and importing states**. However, India was disappointed with the outcome text which was allegedly tilted in favour of the exporting states.
- ✓ India is also a state plagued by terrorism, and therefore one of its major expectations from the treaty was that it would be tough on terrorism. However, the treaty does not include non-state actors in its purview, and therefore does not address the pressing concern of illicit trafficking and use of conventional arms by non-state actors. This is a major lacuna which may serve to make the treaty ineffective.

Pros and cons of India joining ATT

- The single most significant benefit of India joining the Treaty would be reputational dividend. India values the ethical core of its foreign policy and endorses the objective of ATT - the prevention of crimes against humanity.
- **India's abstention fuels critique that India is ill-prepared to shoulder the responsibility of a UNSC permanent seat** as it is unable to put the needs of the international community above its own. By joining the ATT, India would silence its critics and demonstrate moral initiative in line with its percept's.

- India faces a gun problem, with illegal weapons responsible for a high number of gun deaths especially in the Indian hinterlands. Therefore, India needs international community cooperation to counter this internal security threat and the ATT would be a solution.
- However, India is the largest arms importer in the world, and the Arms Trade Treaty is skewed in favour of exporting states. Therefore, India risks being vulnerable and subject to “**unilateral force majeure measures**” by exporting states. There is a real risk that India may be denied arms transfers by states, using the ATT as a justification.

Analytica

- The ATT began with a frenzy of participation, but in the past couple of years, there has been a **slowdown**. Doubts have emerged from many quarters about the Treaty’s efficacy and pronounced it a failure.
- For the ATT to work, it needs to first be universalized. However, currently certain key stakeholders in the arms trade such as Russia are not the part of Treaty, and the US has withdrawn from the treaty.
- Another crucial aspect of the treaty is its recommendatory and non-binding nature. The ATT’s text is largely suggestive, not obligatory and therefore binds its members to very little.
- Arms transfers to non-state actors remains unregulated and is a huge lacuna in the treaty. **The black market in arms also remains outside the Treaty’s scope** – which is a fundamental flaw.

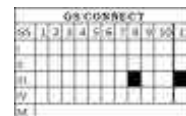
Conclusion

The Arms Trade Treaty was hailed as a massive step in the right direction for arms control. Where there were no standards at all, there is now a global consensus on minimum standards. However, treaty may be weak but after all it is a starting point. Its effects may be felt in the long-term as more countries accede to the treaty and it becomes difficult for states to remain outside as arms trade is very interdependent. However, as of now, joining the treaty in its present state would not be in India’s best interest.

THAAD Defence System

News Excerpt

China has issued a statement reiterating its long-standing objections to the presence of the US THAAD missile defence system in South Korea.



Pre-Connect

- THAAD is an acronym for Terminal High Altitude Area Defense, a transportable, ground-based missile defense system.
- This anti-ballistic missile defense system has been designed and manufactured by the US company Lockheed Martin.

TAKING THE HIGH GROUND

The THAAD system provides the critical capability to defend against short and medium ranged ballistic missiles.

ABILITY TO INTERCEPT MISSILES INSIDE AND OUTSIDE THE ATMOSPHERE



DEFENDS POPULATION CENTERS AND HIGH VALUE INFRASTRUCTURES



INTEROPERABLE WITH OTHER BALLISTIC MISSILE DEFENSE SYSTEMS



HIGHLY MOBILE AND DEPLOYABLE WORLDWIDE



DELHI: VIJAY NAGAR 9717380832 & OLD RAJENDER NAGAR 9811293743 | JAIPUR: 8290800441
 BENGALURU: KORMANGALA 7619166663 & CHANDRA LAYOUT 7619136662 | BHOPAL: 7509975361
 PATNA: 7463950774 | INDORE: 7314977441 | RANCHI: 9939982007 | www.ksgindia.com

Page 89

- South Korea is not the only country with the THAAD missile defense system. It has been previously deployed in the UAE, Guam, Israel and Romania.

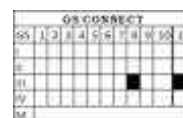
Key Highlights

- China's opposition has little to do with the missiles itself and is more about the system's inbuilt advanced radar systems that could track China's actions.
- The controversy also has much to do with the geo-politics and complex conflicts in East Asia, with the US having a presence in the region particularly through its many military bases in Japan and South Korea.
- China believes the US exerts influence over South Korea and Japan and may interfere with Beijing's long-term military, diplomatic and economic interests in the region.

Maareech: Anti-Torpedo Decoy System

News Excerpt

The Indian Navy has inducted an advanced Anti-Torpedo Decoy System called 'Maareech'.



Highlights

- 'Maareech' has been designed and developed indigenously by the Defence Research and Development Organization (DRDO) and it is capable of detecting, locating and neutralizing incoming torpedo.
- This induction not only stands testimony to the joint resolve of the Indian Navy and DRDO towards indigenous development of defence technology, but has also given a major fillip to the government's 'Make in India' initiative and the country's resolve to become 'Atmanirbhar' (self-reliant) in niche technology.
- Bharat Electronics Limited, a defence PSU, would undertake the production of this decoy system.
- Anti - Submarine warfare capability of the Indian Navy has received a major boost with the advanced torpedo decoy system. Maareech is capable of being fired from all frontline warships.

How Maareech functions?

- 'Maareech' means 'Illusion.' — and that's exactly how it works.
- It creates the illusion of being a much larger target, so that an incoming torpedo's seeker is lured away from its actual target.
- The anti-torpedo system, which is equipped with sonars and expandable decoys, is capable of detecting, confusing, diverting and decoying the incoming torpedoes.
- The decoy helps in exhausting the energy of the torpedo by running the later through long and ineffective course and prevents them from homing in to the targeted platform with its advanced counter-measure capabilities.

Operation "SamudraSetu"

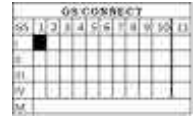
- Indian Navy has launched Operation "SamudraSetu" - meaning "Sea Bridge", as a part of national effort to repatriate Indian citizens from overseas.
- This operation was launched on May 7, as part of national effort to repatriate Indian citizens from overseas and has been proactively instituting measures to ensure preparedness to face the challenges posed by the global pandemic of COVID-19.
- So far the Indian Navy ships have repatriated Indian citizens from the neighbouring countries including Maldives, Sri Lanka and Iran on Indian Navy Ships — INS Jalashwa, INS Maan & INS

ART AND CULTURE

Talamaddale

News Excerpt

The traditional art of ‘*Talamaddale*’, a variant of Yakshagana theatre, has gone virtual in times of COVID-19. Performances were streamed live on social media.



Pre-Connect

- Talamaddale is a variation of Yakshagana theatre.
- It is not well-known art-form outside coastal Karnataka.
- It was basically a singing tradition with the spoken word added to it later.

YakshaganavsTalamadalle

- Unlike the Yakshagana performance, in the conventional ‘*talamaddale*,’ the artists sit across in a place without any costumes and engage in testing their oratory skills based on the episode chosen.

Yakshagana

- ❖ Yakshagana, traditional theatre form of Karnataka, is based on mythological stories and Puranas.
- ❖ The most popular episodes are from the Mahabharata i.e. Draupadiswayamvar, Subhadravivah, Abhimanyuvadh, Karna-Arjunyuddh and from Ramayana i.e. Raajyaabhishek, Lav-kushYuddh, Baali-Sugreevayuddha and Panchavati.

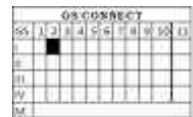


- If music is common for both Yakshagana performance and ‘*talamaddale*,’ the latter has only spoken words without any dance or costumes. Hence it is an art form minus dance, costumes and stage conventions.

Chaolung Sukapha

News excerpt

Assam Chief Minister ordered the arrest of a Kolkata-based political commentator who had described Chaolung Sukapha as a “Chinese invader”.



Pre-Connect

- Sukapha was a 13th-century ruler who founded the Ahom kingdom, which ruled Assam for six centuries.
- Sukapha was a leader of the Ahoms. He reached Brahmaputra valley in Assam from upper Burma in the 13th century.
- **Sukapha’s significance lies in his successful efforts towards assimilation of different communities and tribes. He is widely referred to as the architect of “BorAsom” or “greater Assam.”**

Ahoms

- Most of those who came with Sukapha were men. The men later married women from communities living in Assam. Today, the Ahom community is estimated to number between 4 million and 5 million.
- The founders of the Ahom kingdom had their own language and followed their own religion. Over the centuries, the Ahoms accepted the Hindu religion and the Assamese language.

Raja Sankranti

News Excerpt

Prime Minister greeted Odisha on the auspicious occasion of Raja Sankranti, which got off to a quiet start without the usual enthusiasm due to the COVID-19 crisis.

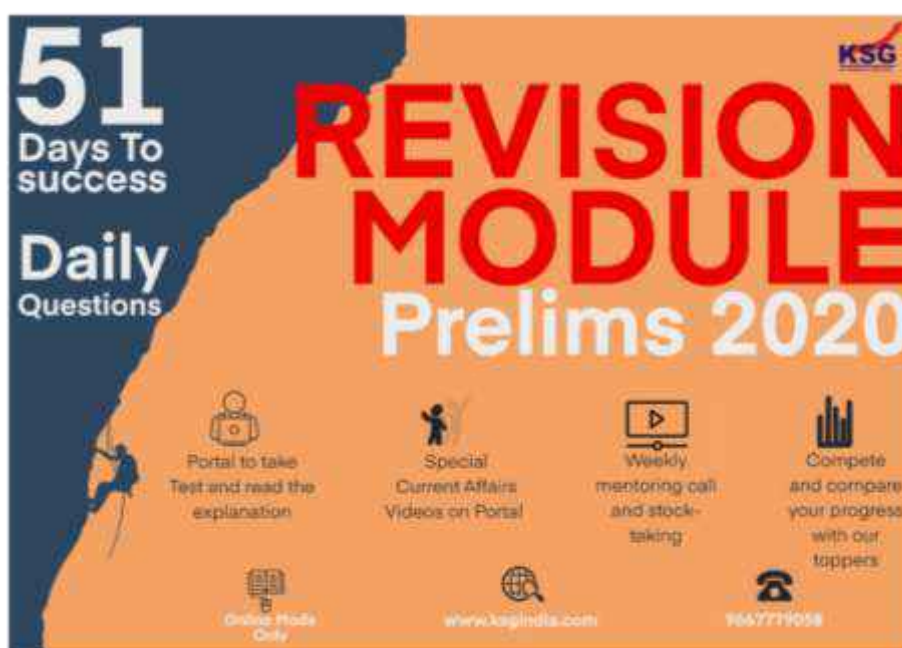
OS CONNECT											
S	S	1	2	3	4	5	6	7	8	9	10
M											
T											
W											
T											
F											
S											

Pre-Connect

- Apart from the world-famous RathaYatra, which takes place in June, Odia people also celebrate a unique festival called Raja Sankranti.
- This is a three-day-long festival dedicated to Mother Earth (Bhuma Devi) and womanhood at large.
- The word 'Raja' in Odia means menstruation, and it is derived from *Rajaswala*, meaning a menstruating woman. Surprisingly, it is a festival that celebrates this aspect of womanhood which makes the feminine entity unique.
- This festival is also associated with the end of the summer season and the arrival of the monsoon. And therefore, it is also associated with agriculture and cultivation related communities and activities.

Highlights

- The festivities begin a day before MithunaSankranti and conclude after two days.
- The first day of the festival is called Pahili Raja, the second is MithunaSankranti and the third Bhudaha or Basi Raja.
- The preparation begins one day before Pahili Raja, and it is called Sajabaja. Primarily, it is a time for the unmarried girls to prepare for their matrimony.
- They follow various customs related to the festival by consuming nutritious food like Podapitha, not walking barefoot, taking a bath on the first day, and merrily swinging on ropes attached to a tree.
- During the festival, Odia people do not undertake any construction works or tilling that requires the earth to be dug. And by not doing such activities, they pay ode to the Mother Earth which needs a break from routine work.
- The festival concludes with a custom called *VasumatiSnana* or the bathing of Bhuma Devi. Women worship a stone that symbolises the Mother Earth.



51 Days To success
Daily Questions

REVISION MODULE
Prelims 2020

Portal to take Test and read the explanation
Special Current Affairs Videos on Portal
Weekly mentoring call and stock-taking
Compete and compare your progress with our toppers

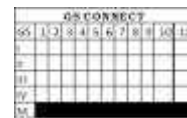
Online Mode Only
www.ksgindia.com
9667719058

MISCELLANEOUS

Miscellaneous

CHAMPIONS platform

Prime Minister recently launched the technology platform CHAMPIONS which **stands for** “*Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength*”. The portal is basically for making the smaller units big by solving their grievances, encouraging, supporting, helping and handholding. It is a real one-stop-shop solution of MSME Ministry. This ICT based system is set up to help the MSMEs in present difficult situation and also to handhold them to become national and international champions.



Detailed objectives of CHAMPIONS:

- i. Grievance Redressal: To resolve the problems of MSMEs including those of finance, raw materials, labor, regulatory permissions etc particularly in the Covid created difficult situation;
- ii. To help them capture new opportunities: including manufacturing of medical equipments and accessories like PPEs, masks, etc and supply them in National and International markets;
- iii. To identify and encourage the sparks: i.e. the potential MSMEs who are able to withstand the current situation and can become national and international champions.

National Productivity Council (NPC)

The National Productivity Council (NPC) celebrates the *National Productivity Week* from 12 February to 18 February, 2020. The main objective of the celebration is to encourage stakeholders in implementing productivity tools and techniques.

NPC is a national-level organisation that promotes production in India. It is established in 1958 by the Ministry of Industry, Government of India. It is an autonomous, multipartite, non-profit organisation and has been registered under the Societies Registration Act XXI of 1860. Also, NPC is a constituent of the Tokyo-based Asian Productivity Organisation (APO) that is an Inter-Governmental Body, of which the Government of India is a founder member.

National Productivity Council not only provides a solution but also increases productivity, competitiveness, profits, augments safety and ensures better quality.

National Crisis Management Committee

Cabinet Secretary chaired the third meeting of the National Crisis Management Committee (NCMC) to review the preparedness of States and Central Ministries/Agencies to deal with the **Cyclonic Storm ‘AMPHAN’**.

A NCMC has been constituted in the Cabinet Secretariat. The Committee works under the chairmanship of cabinet Secretary with members as Secretary to Prime Minister, Secretary (MHA), Secretary (MCD), Director (IB) and Secretary (R&AW). Secretary (Agriculture & Cooperation) act as Co-opted Member and an officer of Cabinet Secretariat is Convener of Committee.

When a situation is to be handled by the NCMC, it will give such directions to the Crisis Management Group of the Ministry as deemed necessary. The Secretary(A&C) will be responsible for ensuring that all developments are brought to the notice of the NCMC promptly.

Depsang (LAC)

The LAC is the demarcation that separates Indian-controlled territory from Chinese-controlled territory. India considers the LAC to be 3,488 km long, while the Chinese consider it to be only around 2,000 km. It is divided into three sectors: the eastern sector which spans Arunachal Pradesh and Sikkim, the middle sector in Uttarakhand and Himachal Pradesh, and the western sector in Ladakh.

The alignment of the LAC in the eastern sector is along the 1914 McMahon Line, and there are minor disputes about the positions on the ground as per the principle of the high Himalayan watershed. This pertains to India's international boundary as well, but for certain areas such as Longju and Asaphila. The line in the middle sector is the least controversial but for the precise alignment to be followed in the Barahoti plains.



The Dopsang Plains are located at the Line of Actual Control. The Chinese Army occupied most of the plains in 1962. India controls the western portion of the plains as part of Ladakh, whereas the eastern portion is part of the Aksai Chin region, which is controlled by China and claimed by India.

Annual TB Report

Union Minister for Health and Family Welfare has released the annual TB Report 2020. They also released a Joint Monitoring Mission (JMM) report, a manual on Direct Benefit Transfer (DBT) to TB patients under NIKSHAY system, a Training Module, and the quarterly newsletter NIKSHAY Patrika. The key achievements listed in the Report include:

- Around 24.04 Lakh TB patients have been notified in 2019. This amounts to a 14% increase in TB notification as compared to the year 2018.
- Achieving near-complete on-line notification of TB patients through the NIKSHAY system.
- Reduction in the number of missing cases to 2.9 lakh cases as against more than 10 lakhs in 2017.
- Private sector notifications increased by 35% with 6.78 lakh TB patients notified.
- Due to easy availability of molecular diagnostics, the proportion of children diagnosed with TB increased to 8% in 2019 compared to 6% in 2018.
- Provision of HIV testing for all notified TB patients increased from 67% in 2018 to 81% in 2019.
- Expansion of treatment services has resulted in a 12% improvement in the treatment success rate of notified patients. For 2019 it is 81% compared to 69% in 2018.
- More than 4.5 lakh DOT Centers provide treatment covering almost every village across the country.
- NIKSHAY also expanded the provision of four Direct Benefit Transfers (DBT) schemes of the programme –
 - NikshayPoshanYojana (NPY) to TB patients
 - The incentive to Treatment Supporters
 - Incentive to Private Providers and
 - Transport incentive to TB patients in the notified tribal areas

NashaMukt Bharat Annual Action Plan

“NashaMukt Bharat: Annual Action Plan (2020-21) for 272 Most Affected Districts’ was recently e-launched by Minister of State for Social Justice and Empowerment on the occasion of “International Day against Drug Abuse and Illicit Trafficking”.

NashaMukt Bharat Annual Action Plan for 2020-21 would focus on 272 most affected districts and launch a three-pronged attack combining efforts of Narcotics Bureau, Outreach/Awareness by Social Justice and Treatment through the Health Department. The Action Plan has the following components-

Awareness generation programmes; Focus on Higher Educational institutions, University Campuses and Schools; Community outreach and identification of dependent population; Focus on Treatment facilities in Hospital settings; and Capacity Building Programmes for Service Provider.

The Ministry will provide community based services for the identification, treatment and rehabilitation of addicts through Voluntary Organizations. It provides financial assistance

to NGOs across the country for running de-addiction centres. The Ministry has also set up a 24x7 National Toll Free drug de-addiction helpline number 1800110031 to help the victims of drug abuse, their family and society at large.

38th Parallel

38th parallel is a popular name given to latitude 38° N that in East Asia roughly demarcates North Korea and South Korea. The line was chosen by U.S. military planners at the Potsdam Conference (July 1945) near the end of World War II as an army boundary, north of which the U.S.S.R. was to accept the surrender of the Japanese forces in Korea and south of which the Americans were to accept the Japanese surrender.

The line was intended as a temporary division of the country, but the onset of the Cold War led to the establishment of a separate U.S. oriented regime in South Korea under Syngman Rhee and a communist regime in North Korea under Kim Il-sung.



Jaya Jaitly Task Force

The Government of India under the chairmanship of Ms. Jaya Jaitly has set up a Task Force to examine matters pertaining to age of motherhood, imperatives of lowering MMR, improvement of nutritional levels and related issues. The Task Force will examine the correlation of age of marriage and motherhood with:

- Health, medical well-being and nutritional status of mother and neonate/infant/child, during pregnancy, birth and thereafter,
- Key parameters like Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), Total Fertility Rate (TFR), Sex Ratio at Birth (SRB), Child Sex Ratio (CSR) etc. and
- Any other relevant points pertaining to health and nutrition in this context.

It will be provided secretarial assistance by the NITI Aayog and will submit its report by July, 2020. It will suggest suitable legislations and amendments in existing laws to support its recommendations; and also work out a detailed roll-out plan with timelines to implement these recommendations. It will also suggest the measures for promoting higher education among women.

IFLOWS

IFLOWS is Integrated Flood Warning System that provides all information related to flood prone areas. The goals of the IFLOWS Program are to substantially reduce the annual loss of life from flash floods, reduce property damage, and reduce disruption of commerce and human activities. IFLOWS-Mumbai is developed as a state of art Integrated Flood Warning system for Mumbai to enhance the resilience of the city of Mumbai by providing early warning for flooding specially during high rainfall events and cyclones.

I-FLOWS is built on a modular structure and comprises of seven modules, namely Data Assimilation, Flood, Inundation, Vulnerability, Risk, Dissemination Module and Decision Support System. The system incorporates weather models from National Centre for medium Range Weather Forecasting (NCMRWF), India Meteorological Department (IMD), field data from the rain gauge network stations setup by Indian Institute of Tropical Meteorology (IITM), Municipal Corporation of Greater Mumbai (MCGM) and IMD, thematic layers on land use, infrastructure etc provided by MCGM. Based on inputs from weather models, Hydrologic

models are used to transform rainfall into runoff and provide inflow inputs into the river systems. Hydraulic models are used to solve equations of fluid motion to replicate the movement of water to assess flooding in the study area.

Malathion (pesticide)

Recently, State-owned insecticide manufacturer HIL (India) Ltd has supplied about 25 tonnes of Malathion 95 per cent ULV (ultra-low volume) to Iran to help the country control the locust menace. Malathion is an insecticide in the chemical family known as organophosphates. Products containing malathion are used outdoors to control a wide variety of insects in agricultural settings and around people's homes. Malathion has also been used in public health mosquito control and fruit fly eradication programs. Malathion may also be found in some special shampoos for treating lice.

Malathion kills insects by preventing their nervous system from working properly. When healthy nerves send signals to each other, a special chemical messenger travels from one nerve to another to continue the message. The nerve signal stops when an enzyme is released into the space between the nerves. Malathion binds to the enzyme and prevents the nerve signal from stopping. This causes the nerves to signal each other without stopping. The constant nerve signals make it so the insects can't move or breathe normally and they die.

ADIP Scheme

- Ministry of Social Justice and Empowerment recently has done the First ever distribution of assistive aids & devices to divyangjan through virtual platform under ADIP Scheme.
- Amidst the prevailing unprecedented situation faced by the society due to Pandemic COVID-19, special measures have been taken by Government of India so that the benefits of welfare scheme for Persons with Disabilities (Divyangjan) continue uninterrupted.
- In this endeavor adopting all the preventive measures, a Virtual ADIP Camp for free distribution of assistive aids and devices at Block level for Divyangjans under the ADIP scheme of Government of India was organized at TalwandiBhai Block of Firozpur District in Punjab.

For more Information See KSG Current Connect Feb 2020 page no. 29 and 30



Concept Clearing Assignment

1. There is a rural-urban component to the digital divide. The schools are shifting to online classes due to pandemic outbreak. Can online education replace the school classroom in India? Critically Analyse.
2. Universal Immunization Programme (UIP) is one of the largest public health programmes targeting newborns and pregnant women annually. How can the Government ensure that immunisation programmes are continued amid lockdown?
3. Unemployment and Forced isolation leads to anxiety, depression and suicide. Is Suicide related to Mental illness? What are the Causes of Mental Health Issues and how is India responding to it?
4. China is joining a global pact to regulate arms sales that has been rejected by the **United States. What are India's concerns and the Pros and cons of India joining UN Arms Trade Treaty?** Discuss.
5. The Centre has recently created an Indian National Space Promotion and Authorization Centre (IN-SPACe). What are the key advantages of this and the bottleneck areas where Centre needs to steer safely to make it a success?
6. What is lightning and how does it occur? Discuss the impacts of lightning.
7. What is Essential commodity Act? Bring out the features and the significance of the Act and suggest any reform if need.
8. It is still a matter of debate whether the ceiling over the reservation has innate sanctity, but it is clear that wherever it is imperative that the cap be breached. Should reservation policy be relooked?
9. **Centre's stand on PM CARES fund in Supreme Court, saying the existence of statutory funds for relief work do not prohibit other funds which accept voluntary donations and considers it as Not A 'Public Authority' Under RTI Act. Critically analyse the implications of this verdict. Do you think the verdict needs reconsideration?**
10. Supreme Court has observed that the choice of a voter should be free and the secret ballot system in a constitutional democracy ensures it. What is secrecy of ballot? How is Secrecy of ballot a cornerstone of free and fair election?
11. Banning of Chinese Mobile Applications marks the largest sweep against the Chinese technology companies. How will users be affected and are there any alternatives to it? How will the move affect India-China Relationship?
12. There is an upsurge in Ozone pollution amidst nationwide lockdown. What are the possible reasons for it? Bring out the impact of ground level ozone on health and environment.
13. India becomes the 5th largest foreign exchange reserves holder with forex reserves topping \$500 billion for the first time ever. Why are forex reserves rising despite the **slowdown in the economy? What's the significance of rising forex reserves? Discuss.**
14. The Indian government is keeping its options open on monetisation of the deficit by the **RBI. What will be its significant implications for India's economic prospects in the short-term, and indeed in the long-term?**
15. In the light of recently launched PM Formalization of Micro Food Processing Enterprises (PM FME) **scheme as a part of "Atmanirbhar Bharat Abhiyan" evaluate the need of the scheme and how will it be a game changer for food processing units?**



P.T Oriented Question

- | | |
|---|---|
| <p>1. Consider the following statements in the context of recent study on Ozone pollution Center for Science and Environment (CSE):</p> <ol style="list-style-type: none"> 1. According to the analysis the level of particulate matter (PM) and nitrous oxide levels plummeted. 2. Ozone, a harmful pollutant has maintained its threshold value. <p>Which of the statements given above is/are correct?</p> <p>(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor</p> <p>2. Which of the following schemes are a component of the Electronic Incentive Scheme launched recently by the government?</p> <ol style="list-style-type: none"> 1. Modified Special Incentive Package Scheme(M-SIPS) 2. Production Linked Incentive Scheme (PLI) 3. Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES) 4. Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) <p>Select the correct answer using the codes given below:</p> <p>(a) 1, 2 and 3 only
(b) 2, 3 and 4 only
(c) 1, 3 and 4 only
(d) 1, 2, 3 and 4</p> <p>3. Consider the following statements regarding the Decarbonizing Transport in Emerging Economies' (DTEE) project:</p> <ol style="list-style-type: none"> 1. This project provides a generic modelling tool and policy scenarios to countries to meet their climate goal. 2. This project is part of the International Climate Initiative (IKI). <p>Which of the statements given above is/are correct?</p> <p>(a) 1 only</p> | <p>(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2</p> <p>4. With reference to the biennial Environment Performance Index (EPI), consider the following statements:</p> <ol style="list-style-type: none"> 1. India's rank worsened as compared to the previous EPI rank. 2. India scored below the regional average score (South Asia score). 3. India has scored above the regional average on parameters related to biodiversity and ecosystem services. <p>Which of the statements given above is/are correct?</p> <p>(a) 1 and 2 only
(b) 2 only
(c) 2 and 3 only
(d) 1, 2 and 3</p> <p>5. Consider the following statements regarding the Organic livestock production and conventional livestock production:</p> <ol style="list-style-type: none"> 1. Organic farming is primarily knowledge intensive whereas conventional farming is more capital intensive. 2. Conventional production involves less intensive livestock farming practice than organic production. <p>Which of the statements given above is/are correct?</p> <p>(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2</p> <p>6. Recently the color of Lonar lake water turned pink. Which of the following are the main reasons for the colour change?</p> <ol style="list-style-type: none"> 1. High salinity. 2. Acidity 3. Algal bloom 4. Presence of fungi <p>Select the correct answer using the codes given below:</p> <p>(a) 1 and 2 only</p> |
|---|---|

- (b) 2, 3 and 4 only
(c) 1, 2 and 3 only
(d) 1, 2, 3 and 4
7. Recently, Russia declared a state of emergency after a massive oil spill in the Arctic region, which of the following best describe the impact of the oil spill?
1. It can damage waterways and marine life.
 2. Crops and food sources become poisonous or disappearing.
 3. Leads to releasing toxic chemicals into the atmosphere.
- Select the correct answer using the code given below:
- (a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3
8. Consider the following statements regarding to the TULIP (Urban Learning Internship Program):
1. It is launched by All India Council for Technical Education (AICTE) and Ministry of Science and Technology.
 2. It provides internship opportunities to fresh graduates in all Urban Local Bodies (UBLs).
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
9. With reference to SWADESH, consider the following statements:
1. It conducts a skill mapping exercise of the returning citizens under Operation SamudraSetu.
 2. The database provided by this initiative benefits workers to get their desired job in his/her state.
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
10. Recently, the Supreme Court has asked the government to set up expert panels to find ways to enhance India's rank in the Rule of law Index. Which of the following statements best describe the reasons for this?
1. India confirms poor performance across all the eight sectors in the Rule of Law Index.
 2. India has never been ranked e among the top 50 in the Index.
- Select the correct answer using the codes given below:
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
11. With reference to Garib Kalyan Rojgar Abhiyaan, consider the following statements:
1. This Abiyaan provides modern facilities in rural areas like laying of fiber cable.
 2. This program is targeted towards giving a head start to the government's ambitious Atmanirbhar Bharat Abhiyan.
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
12. Recently, Indian Institute of Technology Madras Researchers have collaborated with German Researchers. In this context consider the following statements:
1. The collaboration is done to develop new material for project Green Energy Solution.
 2. This project was taken under the Scheme for Promotion of Academic and Research Collaboration.
 3. This project provides a Green energy solution by developing a holistic approach for identifying next-generation photo-electrocatalysts.
- Which of the statements given above are correct?
- (a) 1 and 2 only (b) 2 and 3 only
(c) 1 and 3 only (d) 1, 2 and 3

13. Consider the following statements regarding the **World Bank's 'STARS' Project**:

1. The program helps to produce better data on learning levels by improving the National Achievement Survey (NAS).
2. This project assists India to improve its performance in PISA.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

14. Recently, a MoU was signed between the Ministry of Housing & Urban Affairs and Small Industrial Development Bank of India (SIDBI) for **PM Street Vendor's AtmaNirbharNidhi** (PM SVANidhi). What is the role of SIDBI?

1. It develops and maintains a customized and integrated IT Platform providing end-to-end solutions.
2. SIDBI provides capital loans to street vendors without any interest rate.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

15. The First ever distribution of assistive aids & devices to divyangjan through virtual platforms under ADIP Scheme is done in which of the following states?

- (a) Haryana
- (b) Punjab
- (c) Himachal Pradesh
- (d) Jammu and Kashmir

16. Consider the following statements regarding the Solar and Lunar Eclipse recently seen in news:

1. The alignment of three or more celestial bodies in the gravitational system is known as Solar and Lunar Eclipse.

2. The **Earth's view of the sun** is blocked by the moon in case of solar eclipse.

3. Due to the moon's elliptical orbit shape the distance between earth and moon is always changing.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

17. Consider the following statements regarding the Global Partnership on AI (GPAI):

1. This body is supported by the Organization for Economic Cooperation and Development (OECD), Paris.
2. GPAI is an international initiative created by France alone.
3. Recently India joined GPAI as its founder member.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

18. Recently Lightning strikes killed 147 people in which of the following state:

- (a) Kerala
- (b) Tamil Nadu
- (c) Karnataka
- (d) Bihar

19. Recently, The Indian Navy has inducted an advanced anti-torpedo **decoy system called 'Maareech'**. In this context consider the following statements:

1. It has been designed by the Bharat Electronic Limited, a defence PSU.
2. It is capable of detecting, locating and neutralizing incoming torpedoes.
3. It creates the illusion of being a much larger target, so that an **incoming torpedo's** seeker is lured away from its actual target.

Which of the statements given above are correct?

- (a) 1 and 2 only

- (b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3
20. With reference China Pakistan Economic Corridor (CPEC), consider the following statements:
1. **It links Kashgar in China's Xinjiang province to Gwadar deep sea port close to Pakistan's border with Iran.**
 2. **The CPEC is part of China's larger regional transnational 'One Belt One Road' (OBOR) initiative.**
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
21. Through which of the following areas of India the China Pakistan Economic Corridor (CPEC) passes?
1. Jammu & Kashmir
 2. Ladakh
 3. Leh
 4. Uttarakhand
- Select the correct answer using the codes given below:
- (a) 1 and 2 only
(b) 1, 3 and 4 only
(c) 2 and 3 only
(d) 1, 2, and 3 only
22. Recently, the Indian government last month outlawed dozens of Chinese apps. Which of the following statements best describe the reasons for that?
1. These Apps engaged in activities prejudicial to sovereignty and integrity of India.
 2. These Apps were involved in cybercrime means they were stealing money from user banks.
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
23. Consider the following statements regarding the cooperative banks:
1. These banks are governed by the Banking Regulation Act, 1949 only.
 2. Interest rate on deposits is higher as compared to commercial banks.
 3. Recently the Cabinet approved an ordinance bringing cooperative banks under supervisory powers of the Reserve Bank of India.
- Which of the statements given above are correct?
- (a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3
24. Recently the Prime Minister greeted the people of which of the following states for the Raja Parba Festival?
- (a) Kerala
(b) Tamil Nadu
(c) Odisha
(d) Karnataka
25. With reference to Yakshagana theatre art, consider the following statements:
1. It is not a well known art-form outside coastal Kerala.
 2. It is based on mythological stories and Puranas.
- Which of the statements given above is/are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2
26. Which of the following statements best describes the term Scheme for Sustainable Structuring of Stressed Assets (S4A), recently seen in the news? (UPSC CSE 2017)
- (a) It is a procedure for considering ecological costs of developmental schemes formulated by the Government.
 - (b) It is a scheme of RBI for reworking the financial structure of big corporate entities facing genuine difficulties.
 - (c) It is a disinvestment plan of the Government regarding Central Public Sector Undertakings.

- (d) It is an important provision in **'The Insolvency and Bankruptcy Code'** recently implemented by the Government.
27. In India Judicial Review implies: (UPSC CSE 2017)
- The power of the Judiciary to pronounce upon the constitutionality of law and executive orders.
 - The power of the Judiciary to question the wisdom of the law enacted by the Legislatures.
 - The power of the Judiciary to review all the legislative enactments before they are assented to by the President.
 - The power of the Judiciary to review its own judgements given earlier in similar or different cases.
28. Consider the following countries: (UPSC CSE 2018)
- Australia
 - Canada
 - China
 - India
 - Japan
 - USA
- Which of the above are among the 'free trade partners' of ASEAN?
- 1, 2, 4 and 5
 - 3, 4, 5 and 6
 - 1, 3, 4 and 5
 - 2, 3, 4 and 6
29. With reference to an initiative called **'The Economics of Ecosystems and Biodiversity (TEEB)'**, which of the following statements is/are correct? (UPSC CSE 2016)
- It is an initiative hosted by UNEP, IMF and World Economic Forum.
 - It is a global initiative that focuses on drawing attention to the economic benefits of biodiversity.
 - It presents an approach that can help decision-makers recognize, demonstrate and capture the value of ecosystems and biodiversity.
- Select the correct answer using the codes given below.
- 1 and 2 only
 - 3 only
 - 2 and 3 only
 - 1, 2 and 3
30. H1N2 virus is sometimes mentioned in the news with reference to which one of the following diseases? (UPSC CSE 2015)
- ADIS
 - Bird Flu
 - Dengue
 - Swine Flu

Answer Key

- | | | |
|-------|-------|-------|
| 1. A | 11. C | 21. A |
| 2. B | 12. D | 22. A |
| 3. B | 13. C | 23. B |
| 4. B | 14. A | 24. C |
| 5. A | 15. B | 25. B |
| 6. C | 16. B | 26. B |
| 7. D | 17. C | 27. A |
| 8. B | 18. D | 28. C |
| 9. B | 19. B | 29. C |
| 10. C | 20. C | 30. D |



KSG

An Institute For **IAS** Exam...

CURRENT AFFAIRS CLASSES

Starting

AUGUST

16



More than 40 hours of classes


OUR TOPPERS

KSG

For Institute For IAS Exam


KANISHAK KATARIA

(AIR - 1)



TESTIMONIAL

I am highly indebted to Khan Sir and KSG for their guidance and feedback, specially for the interviews. Khan Sir was very motivating and available for one to one interactions. His critical analysis and pinpoint identification of my strengths and weaknesses helped me a lot. I also followed his videos on Youtube which were quite beneficial. Thank You Sir for your support & guidance.


Signature: 

KSG

For Institute For IAS Exam

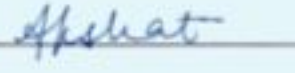
AKSHAT JAIN

(AIR - 2)



TESTIMONIAL

I would like to thank KSG and Khan Sir for their guidance and motivation. The mock interview at KSG was particularly helpful in understanding the intricacies of the interview / personality test. It helped me identify my strengths and weaknesses in a timely manner, and work upon them accordingly.


Signature: 

KSG

For Institute For IAS Exam

SRUSHTI JAYANT DESHMUKH


(AIR - 5)



TESTIMONIAL

Thank you so much to the entire team of Khan Study Group! KSG's foundation course has been my starting point. It has helped me a lot. The focus on answer writing from Day-1 really contributed a lot.

A special thanks to Khan Sir, for his motivating aura and good words.


Signature: 

KSG

For Institute For IAS Exam

SHUBHAM GUPTA

(AIR - 6)




TESTIMONIAL

Khan Sir,

Thank you so much for always being encouraging and keeping a positive mindset. Your guidance for the personality test has helped me significantly in attaining the success that I have been able to. Your personal interaction with me has always motivated me to keep an inquisitive mindset and optimistic attitude.

Thanks again to you Sir and the entire KSG team.


Signature: 

KSG

For Institute For IAS Exam

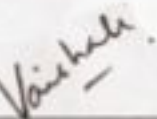
VAISHALI SINGH

(AIR - 8)



TESTIMONIAL

I cannot thank KSG & Khan Sir enough for their guidance throughout the interview process. It was much needed and, it were his words which inspired me to perform well. Thank you so much!


Signature: 

KSG

For Institute For IAS Exam


GUNJAN DWIVEDI

(AIR - 9)



TESTIMONIAL

KSG played a very important role in my preparation. The excellent guidance I received from Khan Sir helped me achieve my childhood dream. Thankyou for all the support.

Signature: 

DELHI NORTH 2521, 1 st Floor Hudson Lane, Vijay Nagar Chowk, Near GTB Nagar Metro Station Delhi- 110009 9717 380 832	DELHI CENTRAL 56/4, Bada Bazar Marg, Old Rajender Nagar Market, Near Salwan Public School Gate No- 2, Delhi- 110060 9811 293 743	JAIPUR TONK ROAD 403-404, 4 th floor Apex Tower, Lal Kothi, Tonk Road Jaipur- 302015 8290 800 441	BHOPAL M.P NAGAR, ZONE II Plot No. 48, 1 st & 2 nd Floor, Behind Sargam Talkies, Zone II, M.P Nagar Bhopal- 462011 7509 975 361	PATNA EXHIBITION ROAD Above Toyota Showroom, CEAT Compound, Exhibition Road, Near Gandhi Maidan, Patna- 800001 7463 950 774	INDORE BHAWAR KUAN 232-233, 2 nd Floor, Veda Building, Near Apple Hospital, Bhawar Kuan Square Indore- 452001 9893 772 941	BENGALURU KORAMANGALA 116/C-1, 3 rd Floor, behind Airtel office 2nd Cross Road, KHB Colony, 5 th Block, Koramangala Bengaluru- 560095 7619 166 663	BENGALURU CHANDRA LAYOUT 94, 2 nd floor, Kasabha Hobli, Above Domino's Pizza, 4 th Main Rd., Maruthi Nagar, Chandra Layout, Bengaluru, Karnataka-560040 7619 136 662	RANCHI SIRAM TOLI CHOWK 3 rd floor strawberry Hill New garden Siram Toli Chowk Ranchi - 834001 7463 950 774
--	---	--	---	--	---	--	---	--