



SAMIKSHA

# સમિક્ષા

An Analysis of Current Affairs  
for Civil Services Examination 2015



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## **From the Chief Editor's Desk**

*The glory of mankind is the story of transition from unknown to known. The history of human civilization is replete with accumulation and assimilation of ideas, information, experiences, experiments and wider exposures. In the era of neoliberalism and global capitalism, the horizon of knowledge is expanding at a break necking pace. The greatest challenge of current affairs of the UPSC Main Examination is to know something about everything systematically instead of knowing everything about something.*

*In the era of information revolution we won't have time to waste time. The book "SAMIKSHA – An analysis of Current Affairs" is a genuine endeavour to cover different arenas of change of UPSC Civil Service Examination. Our learned team of authors and resource persons have taken at most care to cover the exhaustive Current Affair in a crispy format. Hope our relentless effort shall bear fruit by catering to the needs of aspirants.*

*I specially thank Mr. Chiranjeevi Gurana for his invaluable compilation, analysis and coverage of current events from 6<sup>th</sup> July 2015 to 10<sup>th</sup> November 2015.*

*Finally let me take this opportunity to thank my entire General Studies team for their continuous support.*

**-Srikanth Vinnakota**

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## **India's population crosses 127-crore mark**

According to National Population Stabilisation Fund (NPSF), on the World Population Day 11 July 2015, India recorded a population of 127, 42, 39,769, which is growing at a rate of 1.6 per cent a year and 17.25 per cent of the global population. National Population Stabilisation Fund (NPSF), an autonomous body under the Union Health Ministry.

Noting that India's population was growing at a faster rate than China, which is now the world's most populous country at around 1.39 billion, could make the country the most populous in the world by 2050. NPSF has raised concerns about over-population related problems, if the rate persists.

### **Decline in fertility rate**

According to data from NPSF, the total fertility rate (TFR) in India has seen a decline and stood at 2.3 in 2013 although the decline is not consistent. The data suggests that a high percentage of female (21-26 per cent) are married below 18 years of age in States like Rajasthan, Jharkhand and Bihar.

Age at marriage has a significant influence on TFR, particularly in countries where childbearing occurs within marriage. A country where age at marriage is high, fertility is generally observed to be low because of the reduced number of women at risk of childbearing.

The population of India, at 1.21 billion as per the 2011 Census, is almost equal to the combined population of the U.S., Indonesia, Brazil, Pakistan, Bangladesh and Japan put together. The population of several States match, and in some cases, exceeds that of several large countries. For example, the population of U.P. is almost that of Brazil, the fifth most populous country in the world.

## **Cabinet approves setting up of National Investment and Infrastructure Fund**

Union Cabinet on 29 July 2015 approved setting up of National Investment and Infrastructure Fund (NIIF) to back new and stressed projects may

help restart the investment cycle. The fund will have an initial corpus of 20000 crore rupees which can be leveraged by infrastructure companies. NIIF objective is to boost infrastructure development in the country and to provide equity support to non-banking financial companies and institutions set up to fund infrastructure projects across sectors.

NIIF is proposed to be set up as a Trust which would raise debt to invest in the equity of infrastructure finance companies such as Indian Rail Finance Corporation (IRFC) and National Housing Bank (NHB).

Government contribution would not exceed 49 per cent of the subscribed capital of NIIF, so that it can be seen as a sovereign fund and take independent decisions on its planned investments.

The mandate of the NIIF would include investment in commercially viable and stalled projects. It would also consider 'nationally important projects', especially in the manufacturing sector, if commercially viable. The fund was proposed by the Union Finance Minister Arun Jaitley in his Budget 2015-16.

## **Cabinet nod for Consumer Protection Bill 2015**

The Cabinet has approved the Consumer Protection Bill 2015; on 30 July 2015. The bill envisages a regulatory authority to curb unfair trade practices, along the lines of those in place in the U.S. and Europe for the fast-tracking of consumer grievances. The new bill will provide for a comprehensive framework for protection of consumer interest and will replace the Consumer Protection Act, 1986.

The decision comes against the backdrop of emergence of complex products and services in the era of growing tele-marketing, multi-level marketing, direct selling and e-commerce business in India that has rendered consumers vulnerable to new forms of unfair trade and unethical business practices such as misleading advertisements.

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## Key provisions

- The ‘Central Consumer Protection Authority’ (CCPA) will establish as an executive agency. The authority will intervene when necessary to prevent consumer detriment arising from unfair trade practices and to initiate class action including enforcing recall, refund and return of products.
- The bill has provisions for “*product liability*” if product/services cause personal injury, death or property damage and will take action against defaulting manufacturers or service providers.
- The bill proposes “mediation” as an alternative dispute resolution mechanism for speedy disposal of court cases. The mediation will be under the aegis of consumer courts.
- The bill also has several provisions aimed at simplifying the consumer dispute resolution process in the consumer fora. They include enhancing the pecuniary jurisdiction of the Consumer Grievance Redress Agencies, power to review their own records by the state and district commissions.
- The bill also has a provision for setting up of a ‘circuit bench’ to facilitate quicker disposal of complaints and there is an enabling provisions for consumers to file complaints electronically and file complaints in consumer courts that have jurisdiction over the place of residence of the complainant.
- The complaints will be deemed as admissible if the question of admissibility is not decided within 21 days.
- The Bill also provides for stringent penalty, including life imprisonment in certain cases.

## Centre inks peace accord with Naga insurgent outfit

Union Government and the National Socialist Council of Nagaland Isak-Muivah (NSCN (I-M))

signed a landmark peace accord on 3 August 2015. The signing of the pact is the end of over 80 rounds of negotiations that spanned 16 years with first breakthrough in 1997 when ceasefire agreement was sealed. However, NSCN-Khaplang (NSCN-K), the faction of the NSCN and Khole-Kitovi (KK) and Reformation (R).

Nationalist Socialist Council of Nagaland (NSCN-IM) is a Naga, one of the largest insurgent outfits, operating in Northeast India. The NSCN-IM has been demanding a unified Naga identity and a separate ‘Nagaland’ State for over six decades.

The details of the accord were not released by the government, and there is no clarity on the “sovereignty clause,” being demanded by the insurgent group. They have signed a ceasefire agreement with the government till April 27, 2016.

## Union Cabinet approved direct release of wages into bank accounts of MNREGA workers

The Union Cabinet on 5 August 2015 approved release of wages directly to the accounts of the workers engaged under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). The move is aimed at further streamlining the fund flow system and to empower state governments or grass-root implementation agencies to deliver entitlements as per the objectives of the Act.

As per the scheme, the wage component of MGNREGA will be released following the State Employment Guarantee Fund window directly to the worker’s accounts. The transfer will be based on a fund transfer order to be generated by states’ implementing agencies in accordance with procedures prescribed by Rural Development Ministry.

The proposed system would benefit all stakeholders and improve overall efficiency of implementation. The scheme will also ensure bring greater transparency in movement of funds and lesser levels of corruption in MNREGA. The gram panchayats would also be empowered

to take up work according to the agreed labour budget, without struggling for release of funds. After this scheme the state governments would be able to spend more time in planning and improving the process efficiency, without bothering to manage funds for implementation of scheme, while the Central government would gain by releasing what is actually expendable.

Despite implementation of the electronic fund management system (e-FMS), delays in payments have been increasing due to delays in release of funds by Central government, multi-level release system, continued parking of funds at various levels and inability of implementation agencies to get funds in time for payment.

The scheme, therefore, called for further steps to improve the system to assure timely availability of funds as per demand.

### **Telecom Ministry launches mobile app 'Disha' to promote digital literacy in Bihar**

Telecom Ministry launched a new mobile app named Disha to promote digital literacy in Bihar on 10 August 2015. The app aims to help people learn about computers and Internet through self learning modules and to offer digital literacy to tribal and Dalit women in the state.

#### **Disha Handbook**

The Ministry also launched Disha handbook that has pictographic lessons on computers operations. The Disha handbook is framed by the Common Service Centres (CSCs) for the purpose of digital literacy.

The book was composed to ensure that anyone with little or no digital literacy can also learn using this book. This initiative is aimed at spreading digital literacy in women from tribal and Dalit background in Bihar.

#### **Digital Saksharta Abhiyan (DISHA)**

The Digital Saksharta Abhiyan (DISHA) mission was launched on 21 August 2014 with an aim to provide digital literacy to non IT literate citizens. The scheme imparts IT training to 52.5 lakh persons that include Anganwadi and ASHA

workers and authorised ration dealers in all the States/UTs across the country.

#### **HIGH ON BENCH STRENGTH, LOW ON WORK**



The training is conducted in collaboration with Intel, which is working with the Common Service Centres (CSCs) for the purpose of digital literacy in India. So far Intel has trained over 200 Dalit women.

#### **Rural job scheme empowered women: NCAER**

The new research of National Council of Applied Economic Research (NCAER) has found that The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) reduced poverty by up to a third, gave a large number of women their first opportunity to earn income in cash, reduced reliance on moneylenders, and did not significantly affect rural wages.

The Ministry of Rural Development and the National Council of Applied Economic Research (NCAER) on Wednesday released a new report, which used data from two rounds of the India Human Development Survey (IHDS) — 2004-05 and 2011-12 — conducted by the NCAER and the University of Maryland. Over 26,000 rural households nationwide were interviewed both times.

#### **Poverty reduction**

Comparisons of the two rounds of the survey found that the programme reduced poverty overall by up to 32 per cent and prevented 14 million people from falling into poverty. Besides economic growth, the MGNREGS also played a

## NATIONAL

significant role to overall poverty reduction during this period.

The numbers show that the MGNREGS is likely to have had a much smaller impact on the rural job market and rural wages than is commonly believed. At an all-India level, the average days worked under the MGNREGS are fewer than four, pointing to the relatively small impact of the scheme on the overall rural job market.

Further, the report says that "On the surface, the MGNREGS has virtually no impact on rural employment patterns since it fails to add to the number of days that individuals work. But it seems to attract individuals who were previously employed in less productive work, thereby raising their incomes".

### **Wages unaffected**

Overall, the report noted that, while the period from 2004-05 to 2011-12 saw a sharp rise in rural wages, the MGNREGS played only a modest role in the increase of wages. The United Nations Development Programme also released a review on Wednesday of recent research studies on the MGNREGS. It found that the scheme's uptake was far greater in the lean season than in the peak agricultural season.

The part of the rural job market that the MGNREGS seemed to have a more significant impact on was female work. About 45 per cent of female workers were either not working or worked only on a family farm in 2004-05, indicating that the scheme "may well be the first opportunity many women got to earn cash income."

### **Women have better say**

There was a substantial increase in women's control over resources, including cash in hand and the likelihood of having a bank account, and improvement in women's ability to make independent decisions about their health.

What holds the MGNREGS back is "work rationing" — the inability of all interested households to get 100 days of work — as a result of mismanagement or pressures, and affects the poor the most, the report said.

### **Unmet demand**

"These findings clearly show that there is a large unmet demand for MGNREGS work" due to paucity of funds at the level of implementation and erratic fund flows, particularly in 2014-15, had affected both demand and supply.

### **Indian Railways signed 4 MoUs with Union Ministries of Power and New & Renewable Energy**

On 12 August 2015, the Indian Railways signed four Memorandum of Understandings (MOUs) with Union Ministry of Power and Union Ministry of New & Renewable Energy for Cooperation in areas of electricity transmission, energy conservation and promotion of renewable Energy in a time bound manner. These MoUs are following-

- MoU for co-operation in the area of Electricity and Energy Conservation between Ministry of Power and Ministry of Railways to share knowledge on various developments in the power sector to reduce the cost of power to Railways.
- MoU between Ministry of Railways and Ministry of New & Renewable Energy for co-operation in the Renewable Energy to bring in a change in the energy mix & Solarization of Railways.
- MOU between Ministry of Railways and Bureau of Energy Efficiency for co-operation in the area of Energy Conservation to identify technologies to further improve efficient utilization of Energy on Railways.
- MOU between Railway Energy Management Company Limited and Energy Efficiency Services Limited for implementation of Energy Conservation projects over Railways to implement energy efficient systems on Indian Railways.

**SALIENT FEATURES OF MOUs:**  
**MOU between MOR & MOP and between MOR and BEE**

- Implementation of Electricity & Energy Efficiency projects for Indian Railways including feasibility, study, construction, operation and maintenance of Electricity & Energy Efficiency projects in a phased manner by optimum utilization of resources of both Parties.
- Co-operation for construction, operation and maintenance of transmission lines for connection with Railway substation through the PSUS under the control of both parties and development of smart grids & online Load Monitoring Centers, in co-ordination with National load Dispatch Centers etc.
- Facilitating sharing of information, experiences, knowledge and training of staff and officers of Railways at their own cost on identified subjects or through organization of joint workshops, conferences and seminars etc.
- Exchange of Scientific and Technological information and data, training of scientific and technical personnel's, implementation of joint research or technical projects for achieving energy conservation on Indian Railways.
- Co-operation in implementation of energy conservation projects for targeted achievement of energy savings over Indian Railways and development of long term road map.
- Replacement with energy efficient equipments and technology innovation on non-commercial basis for encouragement to Zonal Railways on energy conservation measures.
- Finalization of concept of papers on present technologies and their usages in Railways.

**MOU between MOR and MNRE**

- Conceptualization, structuring, implementation, Operation and

Maintenance of Renewable Energy Projects in phased manner by optimum utilization of resources of both Parties.

- Implementation of Renewable Energy projects at different Indian Railways premises (Railway stations, yards, offices, workshops and residential complexes & other installations).
- Both parties may also recognize the importance of available Renewable Energy resource for industrial and thermal applications.

**MOU between REMCL and EESL**

- Under the MOU, EESL will undertake Energy Audits of Railway Building, assess potential of energy savings through technocommercially viable energy efficiency measures as may be mutually agreeable, finalisation of Technical Specifications of various energy efficient equipments such as LED Lights, Air Conditioners, Ceiling fans, Water pumps, Automatic Power Factor Correction panels, Compressors etc. to be deployed in the relevant projects & assist in procurement on competitive bidding basis as per public procurement norms ensuring the technical performance of newly installed equipments as per design specifications to provide the following services to Zonal Railways on remuneration basis.
- To spread awareness of LED bulbs, arrangements made by Electrical Energy Management Directorate, Railway Board with Energy Efficiency Services Limited for distribution of 7 watt LED bulb for Railway employees under their Demand Side Management based Efficient Lighting program (DELP).

**Highlights of the MoUs**

- Implementation of Electricity & Energy Efficiency projects for Indian Railways including feasibility, study, construction, operation and maintenance of Electricity & Energy Efficiency projects in a phased

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manner by optimum utilization of resources of both Parties.

- Co-operation for construction, operation and maintenance of transmission lines for connection with Railway substation through the PSUs.
- Facilitating sharing of information, experiences, knowledge and training of staff and officers of Railways at their own cost on identified subjects or through organization of joint workshops, conferences.
- Exchange of Scientific and Technological information and data, training of scientific and technical personnel's, implementation of joint research for achieving energy conservation on Indian Railways.

### **PM Narendra Modi launched a new campaign Start-up India, Stand up India**

The Prime Minister Narendra Modi on 15 August 2015 launched a new campaign **Start-up India, Stand up India** to promote bank financing for start-ups and offer incentives to boost entrepreneurship and job creation. The initiative is aimed at encouraging entrepreneurship among the youth of India.

As per the initiative, each of the 1.25 lakh bank branches should encourage at least one Dalit or tribal entrepreneur and at least one woman entrepreneur. Under this initiative, in addition to existing systems to facilitate start-ups, loans would also be given to help people. This initiative will give a new dimension to entrepreneurship and will help set up a network of start-ups in the country.

### **Union Government launched web portal Vidya Lakshmi for Students Seeking Educational Loans**

The Union Government on 15 August 2015 launched a web portal named Vidya Lakshmi ([www.vidyalakshmi.co.in](http://www.vidyalakshmi.co.in)) for the benefit of students seeking Educational Loans. It is the first portal of its kind that provides single window for students to access information and make

application for educational loans provided by banks as well as for government scholarships.

Vidya Lakshmi Portal is a first of its kind portal providing single window for Students to access information and make application for Educational Loans provided by Banks as also Government Scholarships. The Portal has the following features:

- It provides information about educational loan schemes of banks
- Common educational loan application form for students
- It has facility to apply to multiple banks for educational loans
- It allows banks to download students' loan applications and upload loan processing status
- It offers students to email grievances/queries relating to educational loans to banks
- It has dashboard facility for students to view status of their loan application
- It provides linkage to national scholarship portal for information and application for government scholarships.

This initiative aims to bring on board all Banks providing Educational Loans.

### **RGI released Census 2011 on Population by Religious Communities**

The Registrar General and Census Commissioner of India (RGI) on 25 August 2015 released the data on Census 2011 on Population by Religious Communities. The distribution is total population by six major religious communities namely, Hindu, Muslim, Christian, Sikh, Buddhist, Jain besides Other Religions and Persuasions and Religion not stated. The decadal growth rate of six main communities is at lowest it has ever been in India's history for all religions.

As per the Census 2011, the Total Population in 2011 was 121.09 crores. Here is the list of Population by Religious Communities based on Census 2011:

<b>Religion</b>	<b>Population</b>
Hindu	96.63 crores (79.8%)
Muslim	17.22 crores (14.2%)
Christian	2.78 crores (2.3%)
Sikh	2.08 crores (1.7%)
Buddhist	0.84 crores (0.7%)
Jain	0.45 crores (0.4%)
Other Religions & Persuasions	0.79 crores (0.7%)
Religion Not Stated	0.29 crores (0.2%)

**Proportion**

The proportion of Hindu population to total population in 2011 has declined by 0.7 percentage point (PP) while the proportion of Sikh population has declined by 0.2 PP and the Buddhist population declined by 0.1 PP during the decade 2001-2011.

The proportion of Muslim population to total population has increased by 0.8 PP. There has been no significant change in the proportion of Christians and Jains.

**Growth Rate**

The growth rate of population in the decade 2001-2011 was 17.7 percent. The growth rate of population of the different religious communities in the same period was- Hindus at 16.8 percent; Muslim at 24.6 percent; Christian at 15.5 percent; Sikh at 8.4 percent; Buddhist at 6.1 percent and Jain at 5.4 percent.

The Muslim population grew at a faster rate than the Hindu population, but the gap between the two growth rates is narrowing fast. The data shows that between 2001 and 2011, Hindu population grew by 16.76 percent, while population of Muslims grew by 24.6 percent. The population of both communities grew much faster during the 1991-2001 with Hindus at 19.92 percent and Muslims at 29.52 percent.

The Muslim community has registered a moderate 0.8 percent growth to touch 17.22 crore between 2001 and 2011, up from 13.8 crore between 1991-2001, while Hindu population showed a decline by 0.7 percent at 96.63 crore during the period.

Though there is the decadal increase in share of Muslim population, however, their growth rate is lower than the previous decade 1991-2001.

**Union Cabinet approved Amendments to the Arbitration and Conciliation Bill, 2015**

The Union Cabinet chaired by Prime Minister Narendra Modi on 26 August 2015 gave its nod for amendments to the Arbitration and Conciliation Bill, 2015. The amendments are based on the Law Commission's recommendations of 246th reports and suggestions received from stakeholders.

The Union Government has decided to amend the Arbitration and Conciliation Act, 1996 by introducing the Arbitration and Conciliation (Amendment) Bill, 2015 in the Parliament. These amendments will help India to become a hub of International Commercial Arbitration.

The salient features of the amendments are as under:

- In order to ensure neutrality of arbitrators, it is proposed to amend Section 12 to the effect that when a person is approached in connection with possible appointment of arbitrator, he shall disclose in writing about existence of any relationship or interest of any kind, which is likely to give rise to justifiable doubts. Further, if a person is having specified relationship, he shall be ineligible to be appointed as an arbitrator.
- Insertion of a new provision that the Arbitral Tribunal shall make its award within a period of 12 months. Parties may extend such period up to six months. Thereafter, it can only be extended by the Court, on sufficient cause. The Court while extending the period may also order reduction of fees of arbitrator(s) not exceeding five percent for each month of delay, if the court finds that the

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proceedings have been delayed for reasons attributable to the arbitral tribunal. If the award is made within a period of six months, arbitrator may get additional fees if the parties may agree.

- It is proposed to insert a provision for fast track procedure for conducting arbitration. Parties to the dispute may agree that their dispute be resolved through fast track procedure. Award in such cases shall be given in six months period.
- Amendment of Section 34 relating to grounds for challenge of an arbitral award, to restrict the term 'Public Policy of India' (as a ground for challenging the award) by explaining that only where making of award was induced or affected by fraud or corruption, or it is in contravention with the fundamental policy of Indian Law or is in conflict with the most basic notions of morality or justice, the award shall be treated as against the Public Policy of India.
- A new provision to provide that application to challenge the award is to be disposed of by the Court within one year.
- Amendment to Section 36 to the effect that mere filing of an application for challenging the award would not automatically stay execution of the award. Award can only be stayed where the Court passed any specific order on an application filed by the party.
- A new sub-section in Section 11 to be added to the effect that an application for appointment of an Arbitrator shall be disposed of by the High Court or Supreme Court as expeditiously as possible and an endeavour should be made to dispose of the matter within 60 days.
- A new Section 31A is to be added for providing comprehensive provisions for costs regime. It is applicable both to arbitrators as well as related litigation in Court. It will avoid frivolous and meritless litigation/arbitration.
- Section 17 is to be amended for empowering the Arbitral tribunal to grant all kinds of interim measures which the Court is

empowered to grant, under Section 9 and such order shall be 'enforceable in the same manner as if it is an order of Court.

### Background:

The Government of India has under its consideration proposals for making Arbitration a preferred mode for settlement of commercial disputes by making it more user-friendly and cost effective. This will lead to expeditious disposal of cases. The Govt. of India is committed to improve its legal framework relating to Arbitration. The Law Commission of India in its 246th Report has recommended various amendments in the Arbitration and Conciliation Act, 1996, so that India may become a hub of International Commercial Arbitration.

### Union Cabinet approves amendments in the Central List of Other Backward Classes

The Union Cabinet on 26 August 2015 approved the amendments in the Central List of Other Backward Classes (OBCs) in respect of two States Gujarat and Uttarakhand for making suitable amendments in the Central List of OBCs. The amendments were approved following the advices received from the National Commission for Backward Classes (NCBC). The commission has been included castes/ communities - Sipai, Patni Jamat or Turk Jamat (all Muslims) in Gujarat and Kahar, Tanwar Singhariya in Uttarakhand in the Central List of OBCs

The amendments will enable the persons belonging to these castes/ communities to avail the benefits of reservation in Government services and posts as well as in Central Educational Institutions as per the existing policy. They will also become eligible for benefit under various welfare schemes, scholarships being administered by the Union Government, which are at present available to persons belonging to the OBCs.

### Other Backward Class (OBC)

Other Backward Class (OBC) is a collective term used by the Government of India to

classify castes which are socially and educationally disadvantaged. It is one of several official classifications of the population of India, along with Scheduled Castes and Scheduled Tribes (SCs and STs).

In the Indian Constitution, OBCs are described as “socially and educationally backward classes”, and the Government of India is enjoined to ensure their social and educational development — for example, the OBCs are entitled to 27% reservations in public sector employment and higher education. The list of OBCs maintained by the Indian Ministry of Social Justice and Empowerment is dynamic, with castes and communities being added or removed depending on social, educational and economic factors.

### **National Commission for Backward Classes**

The NCBC was set up in pursuance to the Supreme Court judgement in the Indra Sawhney case as per the NCBC Act 1993. The Commission examines requests for inclusion of any class of citizens as a backward class in the lists and hears complaints of over-inclusion or under-inclusion of any backward class in such lists. It tenders advice to the Union Government as it deems appropriate; and the advice of the Commission is ordinarily bound upon the Union Government.

### **NITI Aayog launches second version of India Energy Security Scenarios 2047**

NITI Aayog on 27 August 2015 launched the second version of the India Energy Security Scenarios 2047 (IESS 2047). The open source web based tool aims to explore a range of potential future energy scenarios for India, for diverse energy demand and supply sectors leading up to 2047. It explores India's possible energy scenarios across energy supply sectors such as solar, wind, bio fuels, oil, gas, coal and nuclear and energy demand sectors such as transport, industry, agriculture, cooking and lighting appliances. The model allows users to

interactively make energy choices, and explore a range of outcomes for the country—from carbon dioxide emissions and import dependence to land use.

The purpose of the IESS tool is to engage various stakeholders in the country's energy planning and facilitate informed debates at different levels. This tool will enable policy makers and parliamentarians make a more secure and sustainable energy future for India. The tool allows the user develop a secure future pathway and suggest current policy interventions for the same. The tool has been developed in consultation with multiple stakeholders, such as think tanks, industry bodies and research organizations. The UK Department for Energy and Climate Change (DECC) is the initiative partner with NITI Aayog in this project. More than 20 countries have now developed their own energy/climate calculators, such as China, Bangladesh and South Africa

It will support the Government's vision of achieving power for all and 175 GW of renewables by 2022, rural electrification and reducing import dependency. It will enable policy makers and parliamentarians make a more secure and sustainable energy future for India.

### **Law Commission of India report on Early Childhood Development and Legal Entitlements**

The Law Commission of India on 27 August 2015 submitted the 259th report titled Early Childhood Development and Legal Entitlements to the Union Law Ministry. The report examined the present constitutional, legal and policy framework including international agreements and conventions related to early childhood and presented suggestions to improve conditions of children under age of 6 years.

The development of young children is increasingly being recognized as a development and human rights issue of critical national importance. Early Childhood Development (ECD), spanning from birth to the age of six years

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is the period that sees the most rapid growth and development of the entire life span. It is during this period that the foundations of cognitive, physical and socio-emotional development, language and personality are laid. It is also the phase of maximum vulnerability as deprivation can seriously impact a child's health and learning potential.

Recognizing the importance and relevance of ECD from the perspective of national and human resource development, the Commission has *suo-moto* undertaken the present study, 'Early Childhood Development and Legal Entitlements'.

It suggests that statutory backing should be given to the existing schemes and policies in order to create legal entitlements in favour of children. This should be coupled with an integrated and holistic approach to protecting the interests of the young child, keeping in mind the need for health, nutrition, care and education as the primary inputs for early childhood development. The following recommendations are intended to achieve these ends.

- A new Article 24A be inserted to Part III of the Constitution to ensure that the child's right to basic care and assistance becomes an enforceable right. The Article should read as follows: "24A. Every child shall have the right to care and assistance in basic needs and protection from all forms of neglect, harm and exploitation".
- In order to extend the right to education to children in the under-6 age group as well, Article 21A of the Constitution should be amended to read as follows: "The State shall provide free and compulsory education to all children in such a manner as the State may by law determine."
- The fundamental duty of the parent or guardian to provide education should not be applicable only to children between the ages of six and fourteen. Article 51 A (k) of the Constitution should be amended so that the

duty is placed on every citizen "who is a parent or guardian to provide opportunities for education to his/her child or, as the case may be, ward under his/her care."

- The Right to Education Act should be made mandatory and should read as follows: "with a view to prepare children above the age of three years for elementary education and to provide early childhood care and education for all children until they complete the age of six years, the appropriate Government shall make necessary arrangement for providing free pre-school education for such children."
- The Maternity Benefit Act to be amended in accordance with the forward looking provisions in the CCS Rules, whereby maternity benefits should be increased from twelve weeks to 180 days. Provision of maternity benefits should be made obligatory on the State and not left to the will of the employers and should cover all women, including women working in the unorganized sector.
- It is suggested that government formulates policy or guidelines laying down minimum specifications of paid maternity leave to women employed in private sector.
- In order to ensure proper emphasis on the promotion of early childhood development, it is suggested that a statutory authority or Council for Early Childhood Development should be created. The powers and responsibilities of the Council should be specified by law. Similar Councils should be established at State Level as well. The Council must be made responsible for laying down minimum universal standards for quality of services, facilities and infrastructure to be put in place across all schemes and provisions relating to early childhood.
- With regard to NFSA, there is need for evolving guidelines or some methods for identification of children suffering from malnutrition and for referring such

children to appropriate healthcare providers. It is suggested that some provision be brought so that the nutrition recommendations in Schedule II of the NFSA could be regularly revised in keeping with the latest scientific studies based on calorific value, age, sex and food items.

- Provision should be made for the training of teachers to provide pre-school education, and there should be a budgetary allocation to fund training programs for the same to ensure quality standards and a proper implementation of the best methods of promoting play and learning.
- It is suggested that every child under six should have an unconditional right to crèche and day care provided, regulated and operated by the State. The provision of crèches should be made the responsibility of the State, not of the employer, especially in the unorganised sector.

As per the 2011 Census, India has 158.7 million children in the age group of 0-6 years, comprising about 16% of the total Indian population. In the period 2008-2013, 43% of India's children under 5 were underweight and 48% had stunted growth. According to a World Bank Report published in 2013, the mortality rate of children under 5 years of age is 53 per 1000 live births and according to a 2013 UNICEF Report, more than 60 million children under 5 are stunted. Sadly, India has ranked at 112th position in 2012 in the Child Development Index. However, the State's response to the problem has been slow so far. It was only as a response to rising voices demanding greater attention from the State on the issue of 'Early Childhood Development (ECD)' that the Government came out with the 'National Early Childhood Care and Education (ECCE) Policy, 2013'.

### **No death penalty except for terror crimes: Law Commission**

The 20th Law Commission of India, headed by former chief justice of the Delhi high court Ajit Prakash Shah, has recommended the abolition of death penalty for all crimes except terrorism-

related offences and "waging war" against India in its 262nd report submitted to the government.

The Law Commission's recommendations to phase out the death penalty are in stark contrast with its previous recommendations. In 1962, the commission, in its 35th report said "To allow such persons (convicts awarded capital punishment) to live would be like leaving wolves alive in a civilized country."

The commission explaining the reason for its recommendation, "Although there is no valid penological justification for treating terrorism differently from other crimes, concern is often raised that abolition of death penalty for terrorism related offences and waging war will affect national security".

The commission expressed the hope that its report would contribute to a more rational, principled and informed debate on the abolition of the death penalty for all crimes. It also hoped that the "movement towards absolute abolition will be swift and irreversible."

The law panel noted that numerous committee reports and Supreme Court judgments had acknowledged that the criminal justice system in the country "is in deep crisis." Lack of resources, outdated modes of investigation, over-stretched police force, ineffective prosecution and poor legal aid were some of the problems besetting the system. Death penalty operates within this context and therefore suffers from the same structural and systemic impediments. The administration of capital punishment thus remains fallible and vulnerable to misapplication.

It also explained "The vagaries of the system also operate disproportionately against the socially and economically marginalised who may lack the resources to effectively advocate their rights within an adversarial criminal justice system."

Further, the commission says the mercy power conferred on the President and the Governors under Articles 72 and 171, respectively, had failed to serve as the final

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safeguard against miscarriage of justice in the imposition of the death sentence. The SC had repeatedly pointed out gaps and illegalities in how the executive had discharged its mercy powers.

The commission has also taken into account various corollary issues, such as mercy petitions by death row convicts and inadvertent delays in the judicial process, to recommend abolition of death sentence.

Commission chairman Ajit Shah also noted that “The president of India, in considering a mercy petition, is constitutionally obligated to not deviate from the advice of the council of ministers. There have been occasions where the president has refrained from taking any decision altogether on the said mercy petition, thus keeping the matter pending. A death row convict’s fate in matters of life and death may not only depend on the ideology and views of the government of the day, but also on the personal views and belief systems of the president.”

Further the commission said, the continued administration of the death penalty raised issues of miscarriage of justice, errors as well as the plight of the poor and disenfranchised in the criminal justice system. “The idea of the death penalty has in its core taking of life as punishment. The opposition is to that idea and not to the idea of due and just punishment, including punishment of imprisonment for life”.

Deterrence was a myth, and retribution could not be reduced to vengeance, it observed, even as the restorative and rehabilitative aspects of justice were lost sight of.

In addition, the commission said to the principle of reformation for the convict, the report recommended greater rehabilitative and restorative justice for the victims of crime. “Victims should not be made to accept the idea of death penalty as the only measure of justice”. Commission chairperson A.P. Shah clarified that the recommendations are not for immediate action, but meant to start a dialogue with the legislature to move towards abolition.

In 1980, the apex court in Bachan Singh versus State of Punjab abolished the mandatory death penalty in cases of murder and said a death sentence cannot be awarded except in “rarest of rare” cases. In recent past Supreme Court adopts the “rarest of rare” doctrine in awarding the death penalty.

India has ratified the International Covenant on Civil and Political Rights, which requires parties to abolish the death penalty.

### **NITI Aayog workshop on “Transforming Urban India: Developing Smart and Sustainable Cities”**

NITI Aayog organised a workshop titled “Transforming Urban India: Developing Smart and Sustainable Cities” on September 2, 2015 at India International Centre in New Delhi. The Centre for Study of Science, Technology and Policy (CSTEP), Bengaluru was the knowledge partner for this event.

A report proposing a Reference Framework for Smart Cities, prepared by CSTEP, Bengaluru, was also released at this event. The Report proposes a reference framework for smart cities that offers directions for sustainable ways of city planning to both practitioners and theorists. The Framework is based on the following four guiding principles: 1) Well-being; 2) Equity; 3) Efficiency; and 4) Foresight. These guiding principles have been derived from the United Nation’s (UN’s) draft Sustainable Development Goals (SDGs). The Framework primarily aims to crystallise future pathways for smart city development in India.

The workshop was participated by various from various stakeholders *viz* State Governments, Union territories, Urban Local Bodies (ULBs), Central Government Ministries, experts, academia and industry in the workshop. The participants ideated on some of the critical aspects that enhance the quality of life in a city and make a city sustainable and therefore, smart. As the Smart Cities Mission and Atal Mission for Urban Rejuvenation and Transformation have been recently launched,

it was emphasised that the Centre and States will work together to take these forward. Ministry of Urban Development and NITI Aayog will facilitate the States in implementing these Missions.

### **21st Law Commission of India**

The Union Cabinet, chaired by the Prime Minister, has given its approval on the Constitution of the 21st Law Commission of India, for a period of three years from 1st September 2015 to 31st August, 2018. The 21st Law Commission will consist of - a full-time Chairperson; four full-time Members (including a Member-Secretary); Secretary, Department of Legal Affairs as ex officio Member; Secretary, Legislative Department as ex officio Member; and not more than five part-time Members.

The Law Commission shall, on a reference made to it by the Central Government or suo-motu, undertake research in law and review of existing laws in India for making reforms therein and enacting new legislations. It shall also undertake studies and research for bringing reforms in the justice delivery systems for elimination of delay in procedures, speedy disposal of cases, reduction in cost of litigation etc.

The other functions of the Law Commission shall, inter-alia, include:-

- a) Identification of laws which are no longer relevant and recommending for the repeal of obsolete and unnecessary enactments;
- b) Suggesting enactment of new legislations as may be necessary to implement the Directive Principles and to attain the objectives set out in the Preamble of the Constitution;
- c) Considering and conveying to the Government its views on any subject relating to law and judicial administration that may be specifically referred to it by the Government through Ministry of Law and Justice (Department of Legal Affairs);
- d) Considering the requests for providing research to any foreign countries as may be referred to it by the Government through

Ministry of Law & Justice (Department of Legal Affairs);

- e) Preparing and submitting to the Central Government, from time to time, reports on all issues, matters, studies and research undertaken by it and recommending in such reports for effective measures to be taken by the Union or any State; and
- f) Performing such other functions as may be assigned to it by the Central Government from time to time.

Before concretizing its recommendations, the Commission will consult the nodal Ministry/ Departments and such, other stakeholders as the Commission may deem necessary for the purpose.

### **Background**

The Law Commission of India is a non-statutory body constituted by the Government of India from time to time. The Commission was originally constituted in 1955 and is re-constituted every three years. The tenure of the 20th Law Commission was up to 31st August, 2015. The various Law Commissions have been able to make important contribution towards the progressive development and codification of laws of the country. Law Commissions have so far submitted 262 reports.

### **'Project Nilgiri': free Wi-Fi services at railway stations.**

Google and Indian Railways have partnered together to create 'Project Nilgiri' that will deliver Wi-fi access to around 400 railway stations across India. Google has collaborated with RailTel for the platform and infrastructure to get started with the project.

Under this initiative, in phase 1 free Wi-Fi services will be provided to passengers in 400 railway stations across the country. Users will be able to access high speed internet for the first 30 minutes by using One Time Password (OTP) generated for this purpose. After 30 minutes, the speed will drop and become slow. The project employs Google's Fiber technology under which the company provides internet services up to a speed of 1 Gbps. Google Fiber

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was launched in 2010 and the service is available only in the USA.

Currently, companies like MTS and Oxygen provide Wi-Fi connectivity at railway and metro stations in urban regions but this is sporadic and not uniform Pan India, the endeavour by Google will change this completely. At present, Indian railways provides Wi-Fi connectivity in moving trains for select routes like Rajdhani express using satellite communication technology. Google in phase 2 expansion plans to provide Wi-Fi on board moving trains Pan India using cutting edge technology.



### India behind in achieve U.N. Millennium Development Goals

According to the Statistical Year Book of the Ministry of Statistics and Programme Implementation (MoSPI) that is overseeing progress on the MDGs, shows that only six of the 18 targets adopted as part of the eight goals in 2000 have been fully met. Another report brought out by the U.N. Economic and Social Commission for Asia and the Pacific shows that India has met only four of the eight MDGs. India is not on track to meet the Millennium Development Goals, the deadline for which is 2015.

The key targets for the MDGs were halving poverty, ensuring universal primary school enrolment, attaining gender parity, cutting maternal mortality rates by three-fourths, cutting child mortality by two-thirds and reducing incidence of HIV/AIDS, among others.

As per the data, India has managed to halve poverty rates from the 1990 levels, ensure gender parity in primary school enrolment, reversed incidence of HIV/AIDS, and reduced malaria and TB deaths.

However, India continues to lag behind in checking maternal mortality and child mortality to expected levels. It has failed to address prevalence of hunger as well. As per the Census 2011 report, 89 million children in the age group 0-3 were malnourished, with 35.6 million among them underweight. The failure to improve access to sanitation, with half of the country's households lacking a latrine, remains a major concern as well.

Even in areas where India claims to be close to meeting its targets, such as reversing the incidence of malaria and TB, the disease burden continues to be high in terms of absolute numbers. As the year book shows, 1.8 million persons develop TB every year, and until recently, 3.7 lakh persons died annually, or 1,000 persons every day.

Another target was to achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020. But, the report shows that it is not "statistically discernible" if the target was met. As per the Census 2011, a 37.14 per cent decadal growth was observed in the number of slum households, making it a significant challenge for the country.

According to reports, regarding in other two targets of environmental sustainability and partnerships for development, India is on track with other countries.

### MDGs

The Millennium Summit in September 2000 the largest gathering of world leaders adopted the UN Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015, known as the Millennium Development Goals.

The Millennium Development Goals (MDGs) are the world's time-bound and

quantified targets for addressing- Eradicate Extreme Hunger and Poverty; Achieve Universal Primary Education; Promote Gender Equality and Empower Women; Reduce Child Mortality; Improve Maternal Health; Combat HIV/AIDS, Malaria and other diseases; Ensure Environmental Sustainability and Develop a Global Partnership for Development. They are also basic human rights-the rights of each person on the planet to health, education, shelter, and security.

### **Mihir Shah Panel formed to restructure water agencies**

The Ministry for Water Resources has constituted a seven-member committee led by former Planning Commission member Mihir Shah to restructure the Central Water Commission (CWC) and the Central Ground Water Board (CGWB) to encourage optimal development of water resources in the country. With most Indian rivers found to be polluted as per a Central Pollution Control Board assessment, the move holds the potential to help revive rivers in a big way. The committee is expected to submit its report in three months.

### **Mapping**

The new committee will work on water resource planning, augmenting and budgeting in an integrated manner. An elaborate mapping exercise will be undertaken as part of river basin planning, which will include mapping and characterising of aquifers. Besides, stocktaking of rainfall flows, rate of groundwater recharge, and exploitation or utilisation of water will also be undertaken.

### **Expert committee report on tackling cyber crimes**

An Expert Group on tackling cyber crimes submitted its report titled 'Roadmap for Effectively Tackling Cyber Crimes' in the Country after examining the global practices on cyber crime prevention to the Ministry of Home Affairs (MHA) on 15 September 2015. The Expert Group was set up with the main objective of:

1. Preparing a Road Map for effectively tackling the Cyber Crime in the country

and give suitable recommendations on all its facets.

2. Recommending possible partnerships with Public and Private Sector, NGOs, International Bodies and International NGOs.

The expert panel suggested to establishment of an Indian cyber crime coordination centre with following features-

- It will monitor, analyze and counter cyber crimes and facilitate online reporting of cyber offences.
- It will have real-time analytics of various categories of cyber crimes along with their place of origin and incidence of occurrence.
- It will facilitate India's cooperation from global internet giants like Google, Facebook, etc that having servers abroad in tackling crimes such as child pornography and fake identity.
- Besides a national coordination agency at the centre it will have branches in states and UTs.
- It will be synced with the national intelligence grid (NATGRID) and crime and criminal tracking network system (CCTNS) to pick up and gather information of cyber crimes and analyse and predict future trends.
- It will be set up under the Ministry of Home Affairs (MHA) with an estimated cost of 500 crore rupees.

### **Expert Committee**

As a fast growing economy, India is more susceptible to International and domestic Cyber attacks and almost 40 percent annual increase in cyber crimes registered in the country during the past 2-3 years. In order to ensure Cyber Crime free environment the five member group consisting of experts and professionals was set up by the Ministry of Home Affairs in December 24, 2014.

### **Hybrid Vacuum Toilets on Indian trains**

Indian Railways on 18 September 2015 announced that it has developed a prototype of

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Hybrid Vacuum Toilet. It is hybrid because the design is based on both vacuum toilets and biotoilets. It was installed in the Delhi-Dibrugarh Rajdhani train on trial basis. Minister of Railways has made a statement in the Budget Speech 2015 that Indian Railways shall fit Vacuum toilets on trains.

Development Cell of the Railway Board has come up with a design that combines the advantages of Vacuum toilets and those of Biotoilets to create a new design of "Hybrid Vacuum Toilet". A prototype has been made by modifying the standard flushing protocol of a vacuum toilet so as to create water seal and additional post flush cycles and this concept has been converted into a working prototype by Indian Railways as a first ever system of its kind to have been developed and built by any railway system in the world.

The prototype consists of a custom designed Vacuum toilet adapted from a commercially available vacuum toilet that is used in aircrafts which evacuates its discharge into a biodigester tank which is now successfully proven in the biotoilets of Indian Railways. The biodigester tank is fitted underneath the coach and contains anaerobic bacteria that converts human fecal matter into water and small amount of gases before discharging the same on the ground/track.

Typically, a conventional toilet or Biotoilet uses 10 – 15 liters of water per flush whereas the vacuum toilet consumes only appx. 500 ml of water for flushing. Water is a very precious natural resource therefore this innovation shall save water to the tune of at least 1/20th of the quantity that is used in the current design of biotoilets/conventional toilets. Further, in foreign countries where the train coaches that are fitted with Vacuum toilets, there is a "retention tank" underneath the coach that holds all the human waste that is flushed out by the toilet. These are very large tanks that need to be evacuated at the terminals stations.

Since Indian Railways trains traverse the length and breadth of the country with

journey times as long as 72 hours and generally over 50 passengers per coach, it is nearly impossible to hold the human waste in retention tanks on trains that travel such long distances. Also, the stationary facilities for evacuation of these holding tanks need to be maintained very carefully and meticulously or else their malfunction will render the entire train's toilets unusable. The Municipal Corporations at cities where these ground-handling facilities are to be created have to be taken into confidence to allow one-shot rapid discharge of human waste of an entire train into their sewer systems, which may not be possible at all stations due to constraints in existing sewer system that are already in place.

By transferring the discharge of the vacuum toilets into biodigester, the need to create separate ground handling installation and creating additional sewer load on the Municipal Corporation will be done away with.

## Trust Fund for Empowerment of Persons with Disabilities

The Trust Fund for Empowerment of Persons with Disabilities, under the Department of Empowerment of People with Disabilities (DEPwD), Ministry of Social Justice and Empowerment (MOSJ&E), signed a Memorandum of Understanding (MoU) with the New India Assurance Company Limited on 21 September 2015. The MoU aims at providing an affordable health insurance, Swavlamban Health Insurance Scheme, for the Persons with Disabilities (PwDs) and to improve the general health condition & quality of life of persons with disabilities.

The insurance scheme will provide comprehensive cover to the PwD beneficiary, spouse and two children. The insurance will have a single premium across age band. It can be availed by the beneficiary aged between 18 years and 65 years with family income of less than 300000 rupees per annum. The scheme will also provide health insurance cover of up to 200000 rupees per annum as family floater.

Under the MoU, the New India Assurance Company Limited will build a network of hospitals to provide cashless treatment to the insured. The scheme will be implemented through active participation of the National Institutes and Composite Regional Centres for Persons with Disabilities (CRC's) under the DEPwD, MOSJ&E.

### **Draft of revised Plan Scheme for Rehabilitation of Bonded Labour**

The Union Ministry of Labour and Employment on 22 September 2015 released the draft of Revised Centrally Sponsored Plan Scheme for Rehabilitation of Bonded Labour. The revised scheme seeks to address anomalies associated with the original scheme of 1978 like low rehabilitation package, lack of provisions for special category beneficiaries, lack of monitoring, etc.

### **Revised Features**

- It will be a Central Sector Scheme (CSS) unlike the original scheme which is a Central Sponsored Scheme (CSS). Hence, the Union Government will bear the entire expenditure under the scheme.
- The rehabilitation package will be 1 lakh rupees per adult male beneficiary. For special category beneficiaries such as young children including orphans, girl child rescued from beggar rings and forced prostitution the package will be of 2 lakh rupees. For disabled people the package will be 3 lakh rupees.
- The amount of assistance for survey of bonded laborers shall be 4.50 lakh rupees per sensitive district. The expenditure on awareness generation will be to the tune of maximum 10 lakh rupees per state.

### **Government issued new guidelines to foreign medical colleges to stick to norms**

Foreign medical colleges stand to lose recognition from the Medical Council of India (MCI) if Indian students admitted in them 'repeatedly' fail to clear the Foreign Medical Graduate Examination, popularly known as the

'screening test.' Clearing the FMGE is mandatory by all the foreign-educated Indian doctors if they wish to practice in India. The guidelines issued by the Government of India recently indicate that continuous recognition of the foreign medical colleges by the MCI will depend on the 'quality' of the graduates they produce.

As per the existing guidelines, Indian students opting to study medical education abroad have to choose the institutions recognised by the MCI and those joining the unrecognised institutions will not be eligible to appear for the FMGE, conducted by the National Board of Examination. Moreover, they have to obtain the Eligibility Certificate from the MCI before taking admission.

The guidelines have also suggested to the MCI that it obtain an undertaking from the candidates that they have been given full and correct information by the college or university concerned about the tuition fee, facilities, curriculum of the course, language of instruction, faculty, hostel facilities and monthly living expenses.

The onus is also put on the aspiring medicos to ensure they pass out from the same institution where they take admission. Further, the new norms also advise foreign medical universities to select Indian candidates themselves and not through agents.

### **Centre puts the brakes on JNNURM research projects, capacity-building**

The Urban Development Ministry has asked 36 States to terminate their research and capacity-building measures under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a move that will roll back the achievements of the scheme launched by the UPA government and render it defunct.

Under the JNNURM, the State governments established Reform and Performance Management Cells (RPMCs), a body of experts to guide municipal bodies in urban planning. The first outcome of the decision will be closing of RPMCs, though the Central

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government has invested Rs. 43 crore in them. And then the States will have to fire several hundred employees — researchers, municipal engineers, sanitary workers and computer operators — and abandon a big line of research projects.

In a circular released on August 14, the Ministry's message was blunt that "no structures of earlier missions will be supported." It also directed the States to wrap up "individual" training programmes. In the early 2013, the Congress-led government realised that it could implement an ambitious scheme like the JNNRUM only if the municipal bodies were efficient.

So the idea of capacity-building became a buzzword in the Ministry, which was quickly embraced by the BJP-led government, which included it in the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT).

Since urbanisation experts were always consistent in their demand for fixing the municipalities nationwide, the Congress-led government included RPMC in the JNNRUM to allow the States to hire experts in town planning, infrastructure development, solid waste management, procurement and information technology. Their main job was to conduct research, understand shortcomings of cities and help mayors and commissioners in planning and raise funds from private investors. JNNURM

JnNURM was a huge mission which relates primarily to development in the context of urban conglomerates focusing to the Indian cities. JnNURM aims at creating 'economically productive, efficient, equitable and responsive Cities' by a strategy of upgrading the social and economic infrastructure in cities, provision of Basic Services to Urban Poor (BSUP) and wide-ranging urban sector reforms to strengthen municipal governance in accordance with the 74th Constitutional Amendment Act, 1992.

### 'Green Fund' for transform 96,000 km NHs as 'Green Corridor'

The government is planning to create a "Green Highways Fund" under its ambitious policy to transform India's 96,000 km network of National Highways under which it will be mandatory to set aside 1 per cent of the total road project cost(TPC) for plantation and its maintenance. This fund will be transferred to NHAI to maintain a separate fund account called 'Green Highways Fund' only for this purpose. NHAI will act only as a Fund Manager for maintaining the account and releasing payments based on recommendation of concerned officials and agencies.

The Road Transport and Highways Ministry is formulating the "Green Highways (Plantation & Maintenance) Policy -2015" to develop eco-friendly NHs with the participation of community, farmers, NGOs, private sector, government agencies and the Forest Department. NHAI will act only as a Fund Manager for maintaining the account and releasing payments based on recommendation of concerned officials and agencies.

The government plans to create a brigade of 1,000 contractors to fulfill this ambitious task, the cost of road construction comes to around Rs 1 lakh crore, Rs 1,000 crore will go for plantation. Planting trees in any particular area will depend on the soil suitability there; besides climate and success stories like Alphanso can be planted in Konkan in Maharashtra. The new green policy will help create jobs and contribute to the economic growth.

The government has also laid down strict targets for the companies growing and maintaining trees. The minimum survival rate is 90 per cent. Only after reaching this level, a company will get the required money from the Ministry in the next year.

The government is concentrating on working with green contractors, separate from the brick and mortar ones. The projects will also be awarded on small stretches of 8-10 km.

Pilot projects, to be carried out in each State; will first take place where there has been a good response from the local community.

The Indian road network of 33 lakh kms is the second largest in the world and consists of about 96,000 kms of NHs, which constitute only 1.7 per cent of the road network but carry about 40 per cent of the total road traffic.

### **NITI Aayog constituted Expert Panel on Land Leasing**

Agriculture Division of National Institution for Transforming India (NITI) Aayog has constituted an Expert Group on Land Leasing, besides extending the task force on agriculture development up to October, 2015. The expert group will be headed by former Commission for Agricultural Costs and Prices (CACP) chairman T Haque.

The committee comprises of members from Andhra Pradesh, Uttarakhand, Punjab, Maharashtra, Assam, Rajasthan, Meghalaya and Joint Secretary HS Meena from the 10-member committee was formed in pursuance to decision taken in the meeting held under the chairmanship of Vice Chairman, NITI Aayog, on 24 August 2015 Department of Land Resources. While JP Mishra, the Adviser (Agriculture) in NITI Aayog will act as the member secretary.

#### **Terms and references**

- To review the existing agricultural tenancy laws of states, including hilly states and schedule areas.
- It will examine the distinctive features of land system in erstwhile zamindari, ryotwari and mahalwari areas.
- It would also suggest appropriate amendments, keeping in view the need to legalise and liberalise land leasing for much needed agricultural efficiency, equity, occupational diversification, and rapid rural transformation.
- It will also prepare a model agricultural land leasing act in consultation with states.

Besides, the Aayog also extended the tenure of the Task Force on Agriculture Development up to October 2015. It was formed to frame policy recommendations in areas such as land, national common market, crop prices, fertiliser use, seeds and genetically modified (GM) technology and agrarian distress. Task force, which was constituted in 16 March 2015 under the chairmanship of NITI Aayog Vice Chairman Arvind Panagariya, was supposed to finalise its report by 31 August 2015.

#### **Background**

The meeting held under the chairmanship of Vice Chairman, NITI Aayog, on 24 August 2015 agreed that land leasing, updating of land records and land titling would be key steps for all affected parties and expressed keen interest in making progress on them in the months to come.

Though many state governments had enacted land leasing laws post-independence, “these laws heavily discouraged leasing and sub-leasing of land”.

At present, the tenant lacks the security of tenure, which discourages him from making long-term investments in land. The land owner feels a sense of insecurity when leasing land so that they often choose to leave their land fallow rather than lease it. A transparent land-leasing law would allow the potential tenant or sharecropper to engage in enforceable contracts with the landowner, which would benefit both.

Some states have already moved in the direction of creating transparent land leasing laws while others have made substantial progress towards digitization of land records and their integration of registration system,” this work needed to be speeded up.

Similarly, land ownership in the country is “presumptive” and can “be challenged in the court any time”, several experts have argued that a move towards conclusive land titles would improve incentives for land improvements and farmers’ access to credit. To reach this point, however, it is necessary to computerize and

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integrate land records and registration, and update surveys and settlement records.

Some states, Telangana, Gujarat, Haryana, Punjab and Kerala, have already moved in the direction of creating transparent land-leasing laws while others have made substantial progress towards digitization of land records and their integration of registration system.

The NITI Aayog meeting comes after a parliamentary panel, constituted in May to iron out differences over the 2015 land acquisition bill that seeks to replace the 2013 land acquisition law, is struggling to forge a consensus. The panel—which was to have presented its report in 21 July, the first day of the monsoon session of Parliament—will now present its report in the winter session due in November-December.

The government is seeking to amend the 2013 law as it sees the legislation responsible for holding up economic growth. The 2013 law, which had replaced another dating back to 1894, has stringent provisions on gaining the consent of farmers. It also mandates a social impact assessment that industry says prolongs the process of acquisition

### **NSSO 68<sup>th</sup> round on education and vocational training**

National Sample Survey Office (NSSO) on 22 September 2015 released the data of 68th Round on Status of Education and Vocational Training in India. This report is based on the employment and unemployment survey conducted in the 68th round of NSS during July 2011 to June 2012. The survey was spread over 12737 FSUs (7469 villages and 5268 urban blocks) covering 101724 households (59700 in rural areas and 42024 in urban areas) and enumerating 456999 persons (280763 in rural areas and 176236 in urban areas).

#### **Literacy rates:**

- 18.2 percent of households in rural areas and 5.9 percent in urban areas do not have a single literate member in the age-group 15 years and above who could read and write a simple message with understanding.

- Literacy rate among persons of age 7 years and above was 74.7 percent in 2011-12 of which 70 percent were in rural areas and 86 percent in urban areas.
- The male and female literacy rate in rural areas was 79.1 percent and 60.6 percent respectively. In urban areas, the literacy rates were 91.1 percent for males and 80.3 percent for females.
- Among persons of age 15 years and above, only 2.4 percent had technical degrees or diplomas or certificates. The proportion was 1.1 percent in rural areas and 5.5 percent in urban areas.

#### **Current attendance in educational institution among persons of age 5-29 years**

- About 57.7 percent of people in the age group 5-29 years were estimated as ‘currently attending’ educational institutions. ➤ In rural areas, 57.4 percent of the persons of age 5-29 years currently attended educational institutions compared to 58.5 percent in urban areas.
- Among persons of age 5-29 years, about 64.5 percent were currently attending ‘Government and local body educational institutions’, 22.5 percent were currently attending private unaided institutions and 12.3 percent were currently attending private aided institutions.
- To supplement household income’ was the main reason for more than 70 percent of males for currently not attending any educational institution.
- ‘To attend domestic chores’ was the single reason for more than half of females not attending any educational institution.
- About 27 percent in rural areas and 26.4 percent in urban areas reported that they never attended any educational institution as ‘education not considered necessary’.
- About 3.6 percent in rural areas and 3.4 percent in urban areas reported that they

- never attended any educational institution as the schools were too far.
- In rural areas 24.7 percent of males and 28.4 per cent of females and in urban areas, 22.9 percent of males and 29 percent of females reported the reason ‘education not considered necessary’ for never attending educational institution.
  - Among males, nearly 25 per cent in rural areas and 33.2 per cent in urban areas reported the reason ‘to supplement household income’
  - Among females, nearly 29.3 percent in rural areas and 28.1 percent in urban areas reported the reason ‘to attend domestic chores’ for never attending educational institution.

#### **Vocational Training among persons of age 15-59 years**

- Among persons of age 15-59 years, about 2.2 percent reported to have received formal vocational training and 8.6 percent reported to have received non-formal vocational training.
- In rural areas, nearly 1.6 percent of males compared to 0.9 percent of females and in urban areas, nearly 5 percent of males compared to 3.3 percent of females reported to have received formal vocational training.
- In rural areas, nearly 11.1 percent of males compared to 5.5 percent of females and in urban areas, nearly 13.7 percent of males compared to 4.3 percent of females reported to have received non-formal vocational training.
- Among rural males who received/were receiving formal vocational training, the share was the highest (22.3 percent) for field of training ‘driving and motor mechanic work’ while among urban males it was the highest for ‘computer trades’ (26.3 percent).
- Among rural females, who received/were receiving formal vocational training the share was the highest for ‘textile related

work’ (32.2 percent) while among the urban females it was the highest for computer trades’ (30.4 percent).

#### **Child Marriage Act applies on Muslims also: Gujarat HC**

The Gujarat High Court, on 25 September 2015, ruled that the Prohibition of Child Marriage Act, 2006, will apply on the Muslim persons too. The court also underlined that in cases of minor Muslim girls, provisions of the Child Marriage Act will prevail over the provisions listed in the Muslim personal laws. The ruling was pronounced by the High Court single-judge bench of Justice JB Pardiwala in its verdict of the case pertaining to a “marriage” involving a minor girl from the Muslim community.

Yunush Shaikh (28), a resident of Ahmedabad city, had moved High Court seeking to set aside an FIR registered against him for an alleged abduction and rape under the IPC and related offenses under the provisions of Protection of Children from Sexual Offences Act, 2012 (POCSO). 28 years old Shaik had eloped and married a 16 years old girl from his neighbourhood after which the girl’s father had lodged a complaint against him.

During the course of hearing, Shaikh had argued that Child Marriage Act won’t apply to him as he would be governed by the Muslim Personal Law. Rejecting his argument, the Gujarat High Court gave him partial relief by quashing the charges of abduction and rape and those under POCSO but directed the police to investigate and register a case under Prohibition of Child Marriage Act (PCMA). He was also charged with an offence under Section 18 of the **Prevention of Children from Sexual Offences Act, 2012**.

While quashing the FIR, Justice JB Pardiwala observed, “This, in my view, is nothing, but the lack of maturity, understanding and education on the part of the girl. Sixteen years is not an age for a girl to get married”. The High Court also observed that rigidity on part of Islamic authorities has not allowed to bringing in changes to the Muslim Personal Law.

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The High Court bench, however, also noted that with the changing social conditions, education and economic necessities, Muslims too "have realised evil consequences of getting a girl married at a tender age of 16 or 17 years."

### **The Prohibition of Child Marriage Act, 2006**

The Prohibition of Child Marriage Act, 2006 provides for the prohibition of solemnisation of child marriages and for matters connected therewith or incidental thereto. It extends to the whole of India except the State of Jammu and Kashmir.

This Act replaces the Child Marriage Restraint Act, 1929 by repealing it. As per the act, the age of marriage for boys is 21 and for girls, it is 18 and any marriage of people below this age will be considered as a child marriage which is illegal, an offence and is punishable under the law.

### **Government notifies 'Mid-Day Meal Rules, 2015' under National Food Security Act**

The Central Government notified 'Mid Day Meal Rules, 2015' on September 30<sup>th</sup>, 2015. The National Food Security Act, 2013 (NFSA, 2013) contains provisions related to welfare schemes including Mid Day Meal Scheme. In accordance with the provisions of the Act, the Ministry of HRD has finalized the MDM Rules after consultation with the States and other related Central Ministries. The Rules inter alia provide for temporary utilization of other funds available with the school for MDM in case school exhausts MDM funds for any reason; Food Security Allowance to be paid to beneficiaries in case of non-supply of meals for specified reasons; and monthly testing of meals on a random basis by accredited Labs to check its quality.

Further, the Rules also provide that concerned State Governments shall fix responsibility on the person or agency if meals are not provided on 3 consecutive school days or 5 days in a month. These rules and their effective compliance by implementing agencies in the States will ensure better regularity in serving mid day meals in schools and also

improve quality of the meals as well as overall implementation of the Mid Day Meal Scheme in the country.

The salient provisions of the rules are as under:

**Entitlements of children:** Every child within the age group of six to fourteen years studying in classes I to VIII who enroll and attend the school, shall be provided hot cooked meal having nutritional standards of 450 calories and 12 gm of protein for primary and 700 calories and 20 gm protein for upper primary free of charge every day except on school holidays. The place of serving meals to the children shall be school only.

**Implementation of the Scheme:** Every school shall have the facility for cooking meal in hygienic manner. Schools in urban area may use the facility of centralised kitchens for cooking meals wherever required in accordance with the guidelines issued by the Central Government and the meal shall be served to children at respective school only.

**Responsibility of School Management Committee:** The School Management Committee mandated under Right to Free and Compulsory Education Act, 2009 shall also monitor implementation of the Mid-day meal Scheme and shall oversee quality of meals provided to the children, cleanliness of the place of cooking and maintenance of hygiene in implementation of mid day meal scheme.

**Utilization of School Funds:** The Headmaster or Headmistress of the school shall be empowered to utilise any fund available in school for the purpose of continuation of Mid Day Meal Scheme in the school in case of temporary unavailability of food grains, cooking cost etc. in the school. The utilised fund shall be reimbursed to the school account immediately after receipt of mid day meal funds.

**Testing of the meals by Accredited Labs to ensure nutritional standards :** Hot cooked meal provided to children shall be evaluated and certified by the Government Food Research Laboratory or any laboratory accredited or

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recognized by law, so as to ensure that the meal meets with the nutritional standards and quality.

The Food and Drugs Administration Department of the State may collect samples to ensure the nutritive value and quality of the meals. The samples shall be collected at least once in a month **from randomly selected schools or centralised kitchens** and sent for examination to the accredited laboratories.

**Food Security Allowance:** If the Mid-Day Meal is not provided in school on any school day due to non-availability of food grains, cooking cost, fuel or absence of cook-cum-helper or any other reason, the State Government shall pay food security allowance by 15<sup>th</sup> of the succeeding month in the manner provided herein below:-

- (a) Quantity of Food grains as per entitlement of the child; and
  - (b) Cooking cost prevailing in the State.
- In case of non-supply of meal by the Centralised Kitchen, the Food Security Allowance shall be realised from the Centralised Kitchen as stated above.
  - Provided that in case a child has not taken food on offer for whatever reasons, no claim of food security allowance shall lie with the State Government or Centralised Kitchens:
  - Provided further that no claim shall lie with State Government or Centralised Kitchen for reasons of quality of food grains and meal:
  - The State Government shall take action to fix responsibility on the person or agency in accordance with the procedure lay down, if mid day meal is not provided in school on school days continuously for three days or at least for five days in a month.
  - Wherever an agency of Central Government is involved, the State Government shall take up the matter with Central Government which shall resolve the matter within a month.

### India unveils climate change plan

India on 2 October 2015 submitted its Intended Nationally Determined Contributions (INDCs) to the United Nations Framework Convention on Climate Change before international talks to reach a deal on tackling global warming Conference of Parties-21 (COP-21) in Paris, scheduled to meet in December 2015, to adopt an environmental new protocol for post-2020 (post Kyoto Protocol) scenario. These INDCs are for the period between 2015 and 2030.

India, the world's third biggest greenhouse gas emitter, has pledged to source 40% of its electricity from renewable and other low-carbon sources by 2030 with the help of transfer of technology and low cost international finance, including from Green Climate Fund. India commits to cut the "emissions intensity" of its economy – a ratio of carbon emissions per unit of GDP – by up to 33-35% by 2030- based on 2005 levels—building on its Copenhagen pledge of a 20-25% intensity reduction by 2020.

India's population of 1.2 billion, about 363 million of whom live in poverty, is projected to grow to 1.5 billion by 2030. "It is estimated that more than half of India of 2030 is yet to be built," India's submission claimed.

India's submission to the UN, known as its Intended Nationally Determined Contribution (INDC), focuses on clean energy, including solar power. It also promised to plant more forests by 2030 to absorb carbon emissions.

### Some of the salient provisions

- To put forward and further propagate a healthy and sustainable way of living based on traditions and values of conservation and moderation.
- To adopt a climate-friendly and a cleaner path than the one followed hitherto by others at corresponding level of economic development
- To create an **additional carbon sink of 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent** through additional forest and tree cover by 2030 that will translate into increase of

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- about 680 - 817 million tonne of carbon stock
- To better adapt to climate change by enhancing investments in development programmes in sectors vulnerable to climate change, particularly agriculture, water resources, Himalayan region, coastal regions, health and disaster management.
  - To mobilize domestic and new and additional funds from developed countries to implement the above mitigation and adaptation actions in view of the resource required and the resource gap
  - As per preliminary estimates, 2.5 trillion US dollars (at 2014-15 prices) required for meeting India's climate change actions between 2015 and 2030
  - To build capacities, create domestic framework and international architecture for quick diffusion of cutting edge climate technology in India and for joint collaborative R&D for such future technologies.
  - India also pledged to adopt a climate friendly and a cleaner path to development than the one followed hitherto by others at corresponding level of economic development

India has explained its attitude towards the environment through citing its long tradition of a harmonious relationship between man and nature. "Though India is not part of the problem, it wants to be part of the solution. Our historical cumulative emission as of today is below 3%." Mahatma Gandhi is invoked several times, including his comment that "Earth has enough resources to meet people's needs, but will never have enough to satisfy people's greed."

In addition to the above commitments, the submission also delineated India's ongoing eco-friendly programmes and schemes—Jawaharlal Nehru National Solar Mission, Swachh Bharat Mission, Cleaning of River projects including National Mission for Clean Ganga, etc.

## Cabinet nod for 3 more AIIMS-like institutions

The Union Cabinet on 7 October 2015 cleared proposals to set up three new All India Institutes of Medical Sciences (AIIMS) at Nagpur in Maharashtra, Mangalagiri in Andhra Pradesh and Kalyani in West Bengal under the Pradhan Mantri Swasthya Suraksha Yojna (PMSSY) at a cost of Rs 4,949 crore. These institutions will address regional imbalances in tertiary health care services.

The new AIIMS will be established as institutes of national importance for providing quality medical education, nursing education and also to provide tertiary healthcare facilities to the people of these locations. The proposed institution shall have a hospital with capacity of 960 beds. In addition, there shall be a teaching block, administrative block, AYUSH block, auditorium, nursing college, night shelter, hostel and residential facilities.

## Health Ministry issues draft Assisted Reproductive Technology (Regulation) Bill

The Union health ministry has issued the draft Assisted Reproductive Technology (Regulation) Bill, 2014 which aims at proper regulation and supervision of Assisted Reproductive Technology (ART) clinics and banks in the country, and for prevention of misuse of this technology, including surrogacy, and for safe and ethical practice of ART services in the country. The Bill has been drafted by the Indian Council of Medical Research (ICMR) and has been given final shape by the ministry after several years of inter-ministerial and government-public debates and discussions. The Bill, once it gets the Parliament nod, will provide for a national framework for the regulation and supervision of ART clinics (better known as infertility clinics) and matters connected therewith or incidental thereto. Apart from putting strict parameters for the establishment of an infertility clinic, the Bill also defines the

minimum requirement regarding staff in an infertility clinic and minimal physical requirements for a clinic. The Bill will establish the National Board for Assisted Reproductive Technology which will be headquartered at the department of health research, ministry of health and family welfare. The National Board shall consist of a chairperson and such members not exceeding 23 who shall be appointed by the central government on the recommendations of the selection committee constituted under section 5. The Board will have a nominee each from Indian professional society concerned primarily with assisted reproduction; National Commission for Woman; National Commission for Protection of Child Right; and a nominee from Medical Council of India. The National Board will take measures to develop new policies in the area of Assisted Reproductive Technology and to assist the State Boards in accreditation and regulation of services of Assisted Reproductive Technology clinics and banks in the country. The government felt the need for a Bill regulating the infertility clinics in the wake of mushrooming of infertility clinics in the country since the early 80s. In the Indian context where barrenness is looked down upon, infertile patients look up to ART as the last resort to parenthood. Many of these technologies require enormous technical expertise and infrastructure. But, in the absence of a regulation, many of these clinics do not have adequate trained manpower and infrastructure facilities to deliver these highly sophisticated technologies and even services provided by some of these clinics are highly questionable. In some cases, the infertile couples are being cheated by providing relatively simple procedure and charged for complicated and expensive procedures. By enacting a Bill, the government wanted to control these violations. The Bill was first drafted in 2010 which was revised in 2013.

The Health Ministry has now sought public opinion on the Bill before it could be finalised.

### **Ban likely on NRIs, PIOs having children through surrogacy**

A blanket ban may be imposed soon on NRIs, PIOs and foreigners having children through surrogacy in India with the Health Ministry and the National Commission for Women(NCW) on 15 October 2015 proposing it as part of a new legislation.

The Health Ministry, which drafted a Bill to deal with issues relating to surrogacy, has also agreed to suggestions by the NCW to make legal provisions to allow single women including divorcees and widows to become surrogate mothers, besides setting up of a regulatory body. At a national consultation on the Assisted Reproductive Technology (Regulation) Bill, the NCW and Health Ministry were in agreement that there should be a blanket ban on NRIs, PIOs (Persons of Indian Origins) and foreign nationals to have children through surrogacy in India. The Health Ministry has also agreed to suggestions by NCW to make legal provisions to allow single women including divorcees and widows to become surrogate mothers, besides setting up of a regulatory body. This is very unfair to single women whether they are widow or divorced. It is in a way restricting their reproductive rights.

The other recommendations by the Commission and experts include maintaining the anonymity of surrogate mothers and making provisions for intensive care and medical check-ups for surrogate mothers. Most of the surrogate mothers are poor women. They face several hardships during the process. These include ambiguous contracts, health concerns, exploitation by middle men or hospital authorities, lack of enforceability of contract by mothers due to their socio-economic vulnerability.

The Bill that stands says only 'Indians' will be allowed and not 'of Indian origin'. The Ministry of Home Affairs has clarified that they will make changes in the Bill and there is going to be a blanket ban on all foreign nationals and

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NRIs, Overseas Citizens of India or Persons of India Origin.

Noting that unregulated surrogacy is leading to human trafficking, to deal with the problem the NCW advises the Health Ministry to inclusion some provisions in the new law. As per NCW, around 30,000 illegal fertility clinics are operating in the country with majority of them being located in Gujarat, Maharashtra and Delhi. The commission noted that, India was emerging as a surrogacy hub across the world with a 17-20 per cent annual growth. This is a multi-billion dollar business in India and totally unlegislative field.

### Background

The advances in human reproductive sciences have made it possible for couples and others to have biologically their own children who otherwise cannot for a number of reasons. This has given rise to the concept of surrogate mothers. Surrogacy is a method of assisted reproduction. More common form is IVF/Gestational surrogacy in which the surrogate child biologically belongs completely to the social parents. The other type is gestational surrogacy where the surrogate child is genetically related to the male parent and the surrogate mother.

India has emerged as a favourable destination for surrogacy and its Assisted Reproductive Technology (ART) industry has evolved into a 25-billion rupee business annually, with Law Commission describing it as "a gold pot". The phenomenal rise in surrogacy in India has been due to it being cheap, socially accepted. Moreover, surrogacy has emerged as a preferred option because of complicated adoption procedures.

Foreigners including NRIs seeking surrogacy for various reasons, both medical and personal, have also contributed to the rise of the Indian surrogacy industry predominantly because of it being at least ten times cheaper than in their respective countries. No statistics exist on the number of foreign couples coming to India to have a child. But ART clinics say that their numbers have been appreciably growing.

In India surrogacy heralded with the delivery of its first surrogate baby on June 23rd, 1994, but it took eight more years to draw world attention to it when an Indian woman in 2004 delivered a surrogate child for her daughter in the U.K. Surrogacy as a medical process has matured over the years. India has become a booming centre of a fertility market, partly surreptitiously, and today there are an estimated 200,000 clinics across the country offering artificial insemination, IVF and surrogacy. They call it Assisted Reproductive Technology (ART).

There is at present no law governing surrogacy in India, eventually the activity including renting a womb (commercial surrogacy) is considered legitimate. In the absence of any law the Indian Council of Medical Research (ICMR) in 2005 issued guidelines for accreditation, supervision and regulation of ART clinics in India. But the need for legislation became pressing with ICMR guidelines being often violated and reportedly rampant exploitation of surrogate mothers and even cases of extortion.

At the instance of the Indian government an expert committee has drafted a legislation known as Assisted Reproductive Technology (Regulation) Bill, 2010 for legalizing surrogacy. The proposed legislation earlier floated in 2008 envisages legalizing commercial surrogacy as well. It defines a 'couple' as two persons living together and having a sexual relationship and as such, following Delhi High Court's verdict on homosexuality, gives gays besides the singles the legal right to have surrogate babies. It also stipulates the age of surrogate mother to be within 21-35 years and limits her deliveries to five including her own children. The surrogate mother will have to enter into a legally enforceable surrogacy agreement as per the proposed legislation.

Foreign couples including NRIs seeking surrogacy in India will have under the proposed law to submit certificates that their country recognizes surrogacy as legal and also that the

surrogate child after birth would get their country's citizenship. The Law Commission of India in its 228th Report on "Need for legislation to regulate assisted reproductive technology clinics as well as rights and obligations of parties to a surrogacy," has by and large supported surrogacy in India, but is not favourable towards commercial surrogacy. The Commission said, "It seems that wombs in India are on rent, which translates into babies for foreigners and dollars for Indian surrogate mothers."

There are worries too as to what impact it will have on the society in terms of commercialization. Poor illiterate Indian women with the lure of money could be forced into repeated surrogate pregnancies risking their lives. There are also ethical and moral issues as well as the human dignity involved besides questions about the rights of surrogate mother. As such the draft legislation on surrogacy needs to be debated threadbare in social, legal and political circles as well as by the civil society before it becomes a law.

#### **BATTING FOR AN INDEPENDENT JUDICIARY**

The Constitution Bench has rejected the NJAC Act and the 99th Constitution Amendment as "unconstitutional and void"



**POST-SCRIPT** With this verdict, the Collegium system as it existed before the NJAC Act was passed, will become operative again

**FAULTLINES** The SC Bench admitted that not everything was okay with the Collegium system of "judges appointing judges", and it was time to improve upon the 21-year-

old system of judicial appointments

**What the Amendment was about**

After receiving Presidential assent on Dec. 31, 2014, the collegium system of appointing judges to the Supreme Court and high courts was replaced by a new body called the National Judicial Appointments Commission

#### **SC Bench strikes down NJAC Act as 'unconstitutional and void'**

On 16 October 2015, the Bench five-judge Constitution of the Supreme Court in a majority of 4:1 rejected the National Judicial Appointments Commission (NJAC) Act and the 99th Constitutional Amendment as "unconstitutional and void." It held that the collegium system, as it existed before the NJAC, would again become "operative."

Declaring that the judiciary cannot risk being caught in a "web of indebtedness" towards

the government, the Supreme Court rejected the NJAC Act and the Amendment which sought to give politicians and civil society a final say in the appointment of judges to the highest courts.

The presiding judge of Bench, Justice J.S. Khehar, explained "It is difficult to hold that the wisdom of appointment of judges can be shared with the political-executive. In India, the organic development of civil society has not as yet sufficiently evolved. The expectation from the judiciary, to safeguard the rights of the citizens of this country, can only be ensured, by keeping it absolutely insulated and independent, from the other organs of governance".

But interestingly, the Bench admitted that all is not well even with the collegium system of "judges appointing judges", and that the time is ripe to improve the 21-year-old system of judicial appointments.

Justice Khehar told the government, "Help us improve and better the system. You see the mind is a wonderful instrument. The variance of opinions when different minds and interests meet or collide is wonderful".

Every judge on the Bench, comprising Justices J. Chelameswar, Madan B. Lokur, Kurian Joseph and A.K. Goel, has written separate judgments explaining the debate, reasonings and individual conclusions they arrived at about the NJAC and the Constitutional Amendment.

The Constitution (Ninety Ninth Amendment) Act, 2014 provides for the composition and the functions of the proposed NJAC. The Acts provide for a transparent and broad-based process of selection of Judges of the Supreme Court and High Courts by the National Judicial Appointments Commission (NJAC). The NJAC would be chaired by the Chief Justice of India as in the earlier collegium system. The NJAC membership would include two senior most Judges of the Supreme Court, the Union Minister of Law and Justice, two eminent persons to be nominated by a committee of the

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Prime Minister of India, the Chief Justice of India, and the Leader of the Opposition in the House of the People, or if there is no Leader of the Opposition, then the Leader of the single largest Opposition Party in the House of the People.

With a view to ensuring that the composition of the National Judicial Appointments Commission is inclusive, the Act provides that one of the eminent persons shall be nominated from amongst persons belonging to the Scheduled Caste, the Scheduled Tribes, Other Backward Classes, Minorities or Women. The NJAC will frame its own regulations.

### **Modifications in the National Blood Policy (NBP), 2002**

Union Ministry of Health & Family Welfare has made a major modification in the National Blood Policy (NBP), 2002 to allow blood banks to borrow units from one another in case of a shortage. This decision was taken as part of reforms for handling of blood units in the country based on the recommendation of the National Blood Transfusion Council (NBTC). The ministry also has made modification in the policy to fix an exchange value for surplus plasma available at some blood banks in the country. This move will help to curb the trading or selling of surplus plasma by the blood banks with proper regulatory framework.

Earlier, donated blood could not be transferred from one bank to another. The government has been encouraging voluntary donation ever since. Despite getting most of our requirements from donors, the inability of the banks to lend each other surplus units was a major hurdle.

According to the Central Drug Standard Control Organisation (CDSCO), India has 2,760 licensed blood banks. A 2012 World Health Organisation (WHO) report estimated nine million of 12 million blood units needed annually in India were collected through voluntary donation.

A shortage of blood units has been a recurring problem since the Supreme Court, on

January 1, 1998, banned paid donation; the government was mandated, under the National Blood Policy (2002), to phase out replacement donation in five years. However, since few people donate blood regularly, hospitals ask family members of patients to donate blood so as to pre-emptively replace the blood withdrawn from the blood bank.

The National and State Blood Transfusion Councils were established in the 1990s to promote voluntary donations. There are three kinds of blood banks — government, private and those run by NGOs.

Other than the non-governmental blood banks, the rest are linked to hospitals. On paper, you can donate at any bank, though only the NGOs or government-run banks are allowed to conduct donation camps. Ideally, hospitals should not ask for replacement donation at all. In India, NACO implements the National Blood Safety Programme.

Increase the availability of essential life saving medicines like immunoglobulin, human albumin and clotting factors which are all derived from plasma. Reduce the country's dependence on import of these products. It should be noted that, human blood is treated as a drug as per provisions of Drugs and Cosmetics Act, 1940.

### **Amendments of 2005 removed discrimination against women**

In a verdict that can have a cascading effect on matters related to partition of ancestral properties with regard to equal right for daughters, on 23 October 2015, the Supreme Court has declared that the coparcener rights are applicable to "living daughters of living coparceners as on September 9, 2005 irrespective of when such daughters are born". The apex court was dealing with various judgements of different High Courts, including the Karnataka High Court, differing in their views on the applicability of the Hindu Succession (Amendment) Act, 2005.

**WHAT VARIOUS HIGH COURTS HAD SAID**

- |  |   |
|--|---|
| Daughters born before September 9, 2005 were not entitled to equal share in the ancestral property | Right to equal share applied to all daughters from the date of enactment of the original law, the Hindu Succession Act, 1956 as amendments of 2005 substituted earlier provisions |
| Only those daughters who were born after enactment of 1956 Act were entitled to equal share        | Living daughters would be entitled to equal share even if father had died prior to September 9, 2005 but litigations over partition were pending in courts                        |

The amendments of 2005 gave equal right to daughters in coparcener properties by removing the discrimination that existed in the original enactment, the Hindu Succession Act, 1956 against Hindu women on rights over ancestral properties.

Also, the Supreme Court declared that provisions of the Hindu Succession (Amendment) Act, 2005, are applicable "prospectively" [on and from September 9, 2005, when the Act came into force], and not with "retrospective" effect as held by some High Courts in the country.

A bench of the apex court, comprising Justice Anil R. Dave and Justice A.K. Goel, in its October 16, 2015 order interpreted the succession law while setting aside the judgment of the Karnataka High Court (Prakash vs Phulavati of 2010). The Karnataka High Court had held that daughters would be entitled to equal share even if the father had died prior to September 9, 2005 when litigations over partition were pending in courts.

The text of the 2005 amendment itself clearly provides that the right conferred on a 'daughter of a coparcener' is 'on and from the commencement of Hindu Succession (Amendment) Act, 2005.

The Supreme Court also says "In view of plain language of the statute, there is no scope for a different interpretation than the one suggested by the text of the amendment. An amendment of a substantive provision is always prospective unless either expressly or by necessary intendment it is retrospective".

In the present amendment Act of 2005, the apex court said, "there is neither any express provision for giving retrospective effect to the amended provision nor necessary intendment to that effect."

Further SC held that "We are unable to find any reason to hold that birth of the daughter after the amendment was a necessary condition for its applicability. All that is required is that the daughter should be alive and her father should also be alive on the date of amendment". Contention that the amendment, being a social legislation enacted to remove discrimination against women, should be read as retrospective cannot be accepted as even a social legislation cannot be given retrospective effect unless so provided for or so intended by the legislature.

### **Lighthouses to be developed as tourism hubs via PPP mode**

The Ministry of Shipping on 29 October 2015 announced that the Directorate General of Lighthouses and Lightships has drawn up a plan to develop 78 of the country's 189 lighthouses as tourist-friendly destinations via the PPP model.

Lighthouses in Gujarat, Maharashtra, Goa, Karnataka, Kerala, Lakshadweep, Tamil Nadu, Puducherry, Andhra Pradesh, Odisha, West Bengal and Andaman and Nicobar Islands have so far been identified for development.

Four lighthouses, in Chennai and Mahabalipuram in Tamil Nadu and Alappuzha and Kannur in Kerala, have already been developed as tourist attractions and are seeing substantial footfalls.

While there is investor interest in the project, there have been some concerns expressed by investors, especially with respect to Coastal Regulation Zone clearance, security clearance, support from Ministry of Shipping in the form of subsidy, etc.

An Inter-Ministerial Group comprising representatives of the Ministries of Shipping, Tourism, and Environment, and also of the participating States will be set up to address these concerns and roadblocks.

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The development of these lighthouses as tourist attractions will involve the construction of hotels and resorts, thematic restaurants, viewing galleries, walk-in museums and other facilities.

### Revised Draft National Civil Aviation Policy-2105

The Ministry of Civil Aviation has released the Revised Draft National Civil Aviation Policy (NCAP 2015) on 30 October, to keep pace with the ever changing demands of the sector and bringing air travel within reach of the common man and facilitating regional air connectivity within the country.

Highlighting the salient features

#### Aim of the Policy

- To provide a conducive environment and a level playing field to various aviation sub-sectors, i.e Airlines, Airports, Cargo, Maintenance Repairs and Overhaul services, General Aviation, Aerospace manufacturing, Skill Development, etc
- To create an eco-system to enable 30 crore domestic ticketing by 2022 and 50 crore by 2027. Similarly, international ticketing to increase to 20 crore by 2027.

#### Draft Policy covers:-

##### Regional Connectivity Scheme (RCS)

- Scheme will come into effect from 1 April 2016
- Airfare about Rs 2500 for a one-hour flight in RCS

This will be implemented by way of:

- Revival of un-served or under-served airstrips. Only 75 out of 476 airstrips/ airports have scheduled operations. Revival of these depending on demand. Build ‘no-frills’ airports at a cost of Rs 50 crores.
- Viability Gap Funding (VGF) for scheduled commuter airlines. VGF indexed to ATF prices and inflation. VGF to be shared between Centre and State at 80:20. Creation of Regional Connectivity Fund (RCF) for VGF. Levy of 2% on all domestic and international tickets on all routes, other than CAT IIA and RCS.

- Concessions by different stakeholders:
- 1. State Government- Provide free land and multimodal hinterland connectivity, Concessional rates of power, water and other utilities.VAT on ATF 1% or less in RCS airports.
- 2. Central Govt- Service Tax on tickets under RCS will be exempted. ATF drawn by SCA's from RCS airports exempt from excise duty.SCA's to be treated at par with SOPs for customs duty.
- Cost-effective security solutions by BCAS and state government.

#### Scheduled Commuter Airlines (SCA)

- Eligibility criteria in terms of paid-up capital to be kept at Rs 2 crore.
- Aircraft with capacity of 100 seats or less.
- No restrictions on number of aircrafts.
- Minimum movements per week to RCS destinations as prescribed.
- SCA can enter into code share with other airlines
- Will be allowed self-handling.
- No airport charges on SCA for their operations under RCS. Rationalise in other non-RCS airports

#### Maintenance, Repair and Overhaul (MRO)

- Develop India as an MRO hub in Asia.
- Service Tax on output services of MRO will be zero-rated.
- Aircraft maintenance tools and tool-kits will be exempt from Customs Duty.
- Tax-free storage period of spare parts imported by MRO's extended for 3 years.
- To allow import of unserviceable parts by MROs by providing advance exchange.
- Procedures for custom clearance to be simplified.
- Clearance of the parts by allowing for self-attestation by the MROs.
- Foreign aircraft brought to India for MRO work will be allowed to stay for 6 months. Beyond this, with DGCA permission .
- Persuade State Govt to make VAT zero-rated

- Airport royalty and additional levies to be rationalised in consultations with Airport Operators.

#### **Fiscal incentives**

- MRO, ground handling, cargo and ATF infrastructure co-located at an airport will also get the benefit of 'infrastructure' sector, with benefits under Section 80-IA of Income Tax Act.

#### **Rule 5/20**

- The government invites suggestions on three possible policy options: 5/20 Rule may continue as it is, OR 5/20 Rule will be abolished with immediate effect, OR :
- Domestic airlines will need to accumulate 300 DFC before commencing flights to SAARC countries and countries beyond 5000 km radius from New Delhi.
- They will need to accumulate 600 DFC before starting flights to the remaining parts of the world.
- The DFC earned will be equal to the Available Seat Kilometer (ASKM) deployed by the airline on domestic routes divided by 1 crore.
- All domestic airlines will required to earn at least 300 DFC per annum in order to maintain their international flying rights.
- Free to re-deploy their excess capacity (above 300) between domestic and foreign operations and also trade them.

#### **Bilateral Traffic Rights**

- Liberalise regime of bilateral rights.
- Open sky on reciprocal basis with SAARC countries and countries beyond a 5000 km radius from New Delhi.
- For countries within 5,000 kms where domestic airlines have not fully utilised their quota, additional seats above existing rights would be allotted by bidding for a three year period, proceeds of which will go to RCF.
- Open skies for countries within 5000 kms will be considered with effect from 1 April 2020.

- Increase in FDI in airlines from 49% to above 50% if the government decides to go in for open skies

#### **Code Share**

- Indian carriers will be free to enter into code-share agreements with foreign carriers for any destination within India on a reciprocal basis.
- International code share between Indian and foreign carriers will be completely liberalised, subject to ASA between India and the country.
- No prior approvals from MoCA will be required. Indian carriers need to simply inform MoCA 30 days prior to starting the code-share flights.
- A review will be carried out after 5 years to consider the requirement of further liberalisation in code-share agreements and to drop the requirement of reciprocity.

#### **Route Dispersal Guidelines (RDG)**

- Category I will be rationalized by adding more routes based on transparent criteria, i.e., flying distance of more than 700 km, average seat factor of 70% and annual traffic of 5 lakh passengers.
- The percentage of Category I traffic to be deployed on Category II, IIA and III will remain the same.
- Revised categorization will apply 12 months after date of notification.
- Review of routes under different categories will be done by Ministry of Civil Aviation (MoCA) once every 5 years.
- Airlines may change routes in Category II and III with a 30 days prior intimation to MoCA and DGCA.
- Prior permission of MoCA required for withdrawal of existing operations to and within N.E region, Islands and Ladakh.

#### **Airports**

- MoCA will continue to encourage development of airports by the State Government or the private sector or in PPP mode.

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- MoCA will endeavour to provide regulatory certainty.
- The capital expenditure of all future greenfield and brownfield airport projects promoted by AAI in PPP mode will be monitored closely by AAI.
- Tariff at all future airports will be calculated on a 'hybrid till' basis.
- MoCA will explore ways to unlock the potential land use by liberalising the end-use restrictions for existing (excluding PPP) and future airports of AAI and future airport projects under PPP.

### Airport Authority of India

- AAI will continue to modernize airports and upgrade quality of services.
- AAI will maintain an ASQ rating of 4.5 or more across all airports with throughput above 1.5 mppa and ASQ rating of 4.0 or more for the rest.
- AAI may be suitably compensated in case a new greenfield airport is approved in future within a 150 km radius of an existing operational AAI airport (not applicable to civil enclaves). Alternatively, give option to have the right of first refusal or equity participation up to 49% in the new airport at its discretion.
- AAI will continue to provide necessary financial support and facilitate technological upgradation of ANS to keep pace with the global best practices.

### Ground handling

- There will be at least three Ground Handling Agencies (GHA) including Air India's subsidiary/JV at an airport.
- Domestic airlines and charter operators will be free to carry out self-handling themselves or through their subsidiaries or to outsource the same to other airlines or to a GHA.
- Ground handling staff will have to be on the rolls of the airlines or their subsidiaries or the GHA. Domestic airlines (including subsidiaries) and GHAs will be permitted to take contract employees on their rolls.

Such employment contracts will be for a period of at least one year.

### Aviation Security

- Ministry will develop 'service delivery modules' for aviation security, Immigration, Customs, quarantine officers etc in consultations with respective Ministries/Departments.
- The Government will encourage use of private security agencies at airports for non-core security functions which will be decided in consultation with MHA.
- Private security agencies will comprise retired personnel from military and para-military forces. BCAS will provide scope of work and norms.
- Security auditors of BCAS will carry out regular and surprise audits with the power to penalize and blacklist the errant agencies

### Helicopters

- Government will support growth of helicopters for remote area connectivity, intra-city movement, tourism, law enforcement, disaster relief, medical evacuation, etc.
- Separate regulations for helicopters will be notified by DGCA by 1 April 2016, after due stakeholder consultation.
- The government will facilitate the development of four heli-hubs initially.
- Helicopters will be free to fly from point to point without prior Air Traffic Control (ATC) clearance in airspace below 5000 feet and outside ATC control areas and areas other than prohibited and restricted ones, after filing the flight plan with the nearest ATC office.

### Cargo

- The Air Cargo Logistics Promotion Board (ACLPB) will submit a detailed action plan with the objective of reducing dwell time of air cargo from 'aircraft to truck' which should also ensure shift to paperless processing.

- ACLPB will develop ‘service delivery modules’ for all elements of air cargo value chain.
- Advanced Cargo Information system to be implemented by 1<sup>st</sup> April 2016.
- ACLPB to propose specific action steps to promote transhipment.
- ACLPB will work with AERA and AAI to ensure are competitive vis-à-vis competing aviation hubs.
- ACLPB will lay down norms for time slots and parking for freighter aircraft.
- Optimum use of 24x7 Customs operations to spread out cargo handling.
- AAI to provide space on 10 year lease for express cargo and freighters.

#### **Aeronautical ‘Make in India’**

- MoCA will be nodal agency for developing commercial aero-related manufacturing and its eco-system in India.
- MoCA and MoD will work together to ensure that commercial aero-manufacturing is covered under defence offsets requirements.
- Area where aero-manufacturing takes place will be notified as SEZ.

#### **Other policy reforms**

- Greater de-regulation, transparency and e-governance
- Aviation education and skill building
- Promotion of sustainable aviation practices

#### **Domestic air traffic threefold to 218 million by 2025: ‘Maximising the contribution of aviation to the economy’ Report**

According to the report ‘Maximising the contribution of aviation to the economy’ – commissioned by Vistara airline and conducted by industry body CAPA (Centre for Asia Pacific Aviation), the number of air travellers in the country is slated to rise more than threefold to 218 million by 2025 from 70 million in 2015 and each metro requires a second greenfield airport to handle the traffic. Aviation industry can contribute 5 per cent to the country’s GDP or \$250 billion by 2025. This would mean the

existing airports in the metros would not be able to meet the rising demand.

By the turn of 2015, international traffic to the country would be 120 million, up from 51 million, the report said, adding that this would further jump to 254 million by 2035, while the domestic load would stand at 527 million by 2035. Similarly, the report pegs the fleet strength to rise more than threefold to 1,084 by 2025 from 394 in 2015 and further to 2,564 by 2035.

The report called for increasing investment in airport infrastructure, airspace management and skill development as the sector is going to witness massive demand by 2025, which would necessitate that each of the major metros would have to have a new second airport. It said the incremental domestic traffic handled in the past 10 years was almost three times greater than in the previous 50 years.

The report projected employment generation of over 2.3 million (both direct and indirect) by 2050. While the aviation sector today contributes just \$23 billion to the GDP of the country, which is a tad over \$2 trillion, it is close to 6 per cent of GDP in the U.S. and over 27 per cent of Dubai’s GDP.

The country is headed for an air traffic logjam with most of the existing metro airport infrastructure getting saturated in the next five years. Report called for setting up of an airports approval commission to determine what kind of airports the country requires, when and where they are required, how much capacity is necessary and the level of capital expenditure that should be invested.

#### **T.S.R. Subramanian panel on new education policy**

The Human Resource Development Ministry has set up a five-member committee, under chairperson of former Cabinet secretary T.S.R. Subramanian, which will be entrusted with the responsibility of drafting the country’s third National Education Policy (NEP) since Independence. The committee has been mandated to submit the draft of the new policy by December 31, 2015. The National University

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of Educational Planning and Administration (NUEPA), New Delhi, will act as its Secretariat.

The first Education Policy was introduced in 1968 under the Indira Gandhi government following recommendations of the Kothari Commission. In 1986, Rajiv Gandhi announced the second policy on education which resulted in Operation Blackboard, a centrally-sponsored programme to supply the bare minimum crucial facilities to all primary schools. In 1992, this policy was modified under the prime ministership of P V Narsimha Rao.

The Subramanian panel will assess the status of the present education scenario, review the impact of the 1986 policy and the amended education policy of 1992, assimilate the feedback based on grassroot-level consultations and draft a new one keeping in mind the changed social, economic and technological context.

The HRD Ministry had earlier this year launched nation-wide consultations, at gram panchayat, block, district and state level, to collect feedback and suggestions for the new policy. This feedback will be provided to the drafting committee.

### **Government forms inter-ministerial committee to review drug pricing policy**

The government has formed an inter-ministerial committee to review the Drug Price Control Order (DPCO) 2013, following the Supreme Court verdict this year that termed the drug pricing policy as irrational and unreasonable. The committee will look into the drug pricing mechanism specifically in the market based pricing formula which is being used at present under DPCO 2013.

An inter-ministerial committee comprising representatives from DIPP, Ministry of Health, National Pharmaceutical Pricing Authority (NPPA) and Department of Pharmaceuticals have been formed following the Supreme Court orders to look into the pricing of drugs as there have been complaints

that the companies are making significant profits which go up to few thousand per cent. Earlier in July, the Supreme Court had observed that the centre was fixing maximum price of a medicine above the retail price of the leading company, after hearing the NGO All India Drug Action Network petition. According to the NGO's petition one of the five issues to be considered by the government includes that MBP (Market Based Pricing) was never used for any price regulatory purposes and this was making medicines costlier. Besides, the NGO had also sought inclusion of more life-saving medicines of diseases like diabetes and tuberculosis in the list of drugs whose prices would be regulated by the government.

Additionally, as per the NGO petition, under the new policy simple average ceiling prices were, in many cases, higher than the market leader price. Till date, the authority has fixed the ceiling price of 530 formulations from the list As set under DPCO 2013, drug price regulator NPPA fixes the ceiling price of essential medicines of schedule-I. And no one is authorised to sell any scheduled medicine to a consumer at a price higher than the one notified by NPPA under the order. While fixing the ceiling price, 16 per cent margin is allowed for retailers. For non-scheduled formulations, there is no control over the launch price. In respect of medicines not under price control, manufacturers are allowed to increase the maximum retail price (MRP) by 10 per cent annually.

### **Bankruptcy Law Reforms Committee report**

The Bankruptcy Law Reforms Committee (BLRC) headed by Dr T K Viswanathan on 4 November 2015 submitted its report to the Union Ministry of Finance. The Report of the BLRC is in two parts- one is Rationale and Design/Recommendations; second one is a comprehensive draft Insolvency and Bankruptcy Bill covering all entities.

The draft Bill has consolidated the existing laws relating to insolvency of

companies, limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals which are presently scattered in a number of legislations, into a single legislation.

The committee has observed that the enactment of the proposed Bill will provide greater clarity in the law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt and will address the challenges being faced at present for swift and effective bankruptcy resolution. The Bill seeks to improve the handling of conflicts between creditors and debtors, avoid destruction of value, distinguish malfeasance vis-a-vis business failure and clearly allocate losses in macroeconomic downturns.

**Major recommendations** of the Report:

**Insolvency Regulator:** The Bill proposes to establish an Insolvency Regulator to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and informational utilities.

**Insolvency Adjudicating Authority:** The Adjudicating Authority will have the jurisdiction to hear and dispose of cases by or against the debtor.

- The Debt Recovery Tribunal (“DRT”) shall be the Adjudicating Authority with jurisdiction over individuals and unlimited liability partnership firms. Appeals from the order of DRT shall lie to the Debt Recovery Appellate Tribunal (“DRAT”).
- The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, limited liability entities. Appeals from the order of NCLT shall lie to the National Company Law Appellate Tribunal (“NCLAT”).
- NCLAT shall be the appellate authority to hear appeals arising out of the orders passed by the Regulator in respect of

insolvency professionals or information utilities.

**Insolvency Professionals:** The draft Bill proposes to regulate insolvency professionals and insolvency professional agencies. Under Regulator’s oversight, these agencies will develop professional standards, codes of ethics and exercise a disciplinary role over errant members leading to the development of a competitive industry for insolvency professionals.

**Insolvency Information Utilities:** The draft Bill proposes for information utilities which would collect, collate, authenticate and disseminate financial information from listed companies and financial and operational creditors of companies. An individual insolvency database is also proposed to be set up with the goal of providing information on insolvency status of individuals.

**Bankruptcy and Insolvency Processes for Companies and Limited Liability Entities:**

The draft Bill proposes to revamp the revival/re-organisation regime applicable to financially distressed companies and limited liability entities; and the insolvency related liquidation regime applicable to companies and limited liability entities.

- The draft Bill lays down a clear, coherent and speedy process for early identification of financial distress and revival of the companies and limited liability entities if the underlying business is found to be viable.
- The draft Bill prescribes a swift process and timeline of 180 days for dealing with applications for insolvency resolution. This can be extended for 90 days by the Adjudicating Authority only in exceptional cases. During insolvency resolution period (of 180/270 days), the management of the debtor is placed in the hands of an interim resolution professional/resolution professional.
- An insolvency resolution plan prepared by the resolution professional has to be

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approved by a majority of 75% of voting share of the financial creditors. Once the plan is approved, it would require sanction of the Adjudicating Authority. If an insolvency resolution plan is rejected, the Adjudicating Authority will make an order for the liquidation.

- The draft Bill also provides for a **fast track insolvency resolution process** which may be applicable to certain categories of entities. In such a case, the insolvency resolution process has to be completed within a period of 90 days from the trigger date. However, on request from the resolution professional based on the resolution passed by the committee of creditors, a one-time extension of 45 days can be granted by the Adjudicating Authority. The **order of priorities** [waterfall] in which the proceeds from the realisation of the assets of the entity are to be distributed to its creditors is also provided for.

### **Bankruptcy and Insolvency Processes for Individuals and Unlimited Liability Partnerships:**

The draft Bill also proposes an insolvency regime for individuals and unlimited liability partnerships also. As a precursor to a bankruptcy process, the draft Bill envisages two distinct processes under this Part, namely, Fresh Start and Insolvency Resolution.

- **In the Fresh Start process**, indigent individuals with income and assets lesser than specified thresholds (annual gross income does not exceed Rs. 60,000 and aggregate value of assets does not exceed Rs.20,000) shall be eligible to apply for a discharge from their “qualifying debts” (i.e. debts which are liquidated, unsecured and not excluded debts and up to Rs.35,000). The resolution professional will investigate and prepare a final list of all qualifying debts within 180 days from the date of application. On the expiry of this period, the Adjudicating Authority will pass an order on discharging of the debtor from the

qualifying debts and accord an opportunity to the debtor to start afresh, financially.

- **In the Insolvency Resolution Process**, the creditors and the debtor will engage in negotiations to arrive at an agreeable repayment plan for composition of the debts and affairs of the debtor, supervised by a resolution professional.
- The bankruptcy of an individual can be initiated only after the failure of the resolution process. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on the basis of the priority.

**Transition Provision:** The draft Bill lays down a transition provision during which the Central Government shall exercise all the powers of the Regulator till the time the Regulator is established. This transition provision will enable quick starting of the process on the ground without waiting for the proposed institutional structure to develop.

**Transfer of proceedings:** Any proceeding pending before the AAIFR or the BIFR under the SICA, 1985, immediately before the commencement of this law shall stand abated. However, a company in respect of which such proceeding stands abated may make a reference to Adjudicating Authority within 180 days from the commencement of this law

### **T K Viswanathan Committee**

The committee was appointed on 20 October 2014 by the Union Government to provide Bankruptcy Code for firms with focus on small and medium enterprises (SMEs).

The formation of the committee is in tune with government’s commitment to introduce an entrepreneur-friendly legal bankruptcy framework and improve ease of doing business.

### **Government set up Empowered Committee to approve schemes under the Nirbhaya**

The Union Government on 4 November 2015 constituted an Empowered Committee to approve schemes proposed under the Nirbhaya Fund. The Committee comprises officials from

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various ministries, including Women and Child Development, Home Affairs, Road Transport and Railways. The Secretary of the Women and Child Development Ministry will be the chairperson of the committee.

The Members of the Empowered Committee may nominate an officer not below the rank of Joint Secretary as representative to the Empowered Committee of Officers. The Empowered Committee of Officers will take decision on the sanction of schemes/projects from Nirbhaya Fund within 15 days of the date of receipt of the proposal by the Ministry of Women & Child Development.

Earlier in April 2015, the Union Government made the Women and Child Development (WCD) Ministry as the nodal agency for the Nirbhaya Fund in place of Union Home Ministry.

The Nirbhaya Fund has a total of 3000 crore rupees fund as 1000 crore each was allocated to it in 2014-15 and 2015-16 on top of 1000 crore rupees initial corpus.

### 0.5 percent Swachh Bharat Cess on all services

The Centre has decided to impose from November 15 a Swachh Bharat Cess of 0.5 percent on all services, which come under the purview of Service Tax, and will result into a tax of 50 paisa only on every one hundred rupees worth of taxable services. The cess will create funds for financing and promoting Swachh Bharat initiatives. The Cess is not just another tax, but a step towards involving each and every citizen in making contribution to Swachh Bharat.

A provision was made in current financial year's Budget for levying a Swachh Bharat Cess on all or any of the services for the purposes of financing and promoting Swachh Bharat initiatives.

Increased allocation for the Swachh Bharat Abhiyan can prevent many of diseases including malaria, dengue, diarrhea and jaundice with consequential benefit to one and all. According to the Government estimates,

expenditure on health adds up to 6,700 crore rupees annually or Rs 60 per capita on medical treatment

As per an estimate, the SBC is expected to fetch additional 4000 crore rupees per annum in tax revenues to the government. The Union Government under the Swachh Bharat Mission (SBM) is planning to spend around 134000 crore rupees by 2019 to construct 11 crore 11 lakh toilets in the country.

## GOVERNMENT SCHEMES AND INITIATIVES

### Rashtriya Avishkar Abhiyan

In pursuance of the focus on connecting school based knowledge to life outside the school and making learning of Science Mathematics a joyful and meaningful activity, to bring focus on innovation and use of technology, the Ministry of Human Resource Development launches the Rashtriya Avishkar Abhiyan (RAA) on 9 July 2015.

Rashtriya Avishkar Abhiyan is a unique concept developed by the Ministry of Human Resource Development that primary aim of RAA is to inculcate a spirit of inquiry, creativity and love for science and mathematics in school children to encourage students to learn sciences beyond the classrooms.

'Rashtriya Avishkar Abhiyan (RAA)' is planned to provide nourishing and nurturing support to and a platform for schools in a dual track approach to make Science, Mathematics and Technology exciting to children and encourage them to have an enduring interest both inside classroom and outside classroom activities.

Rashtriya Avishkar Abhiyan will target students in the age group of 6 - 18 years and in turn the execution of RAA will span across MHRD's schematic interventions of Sarva Shiksha Abhiyan, Rashtriya Madhyamik Shiksha Abhiyan in the Department of School Education & Literacy and programmes and schemes of Department of Higher Education to encourage Science, Mathematics & Technology.

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## Objectives

- To enable children to become motivated and engaged in Science, Mathematics and Technology (SMT) through observation, experimentation, inference drawing, model building, rational reasoning, testability etc.
- To create curiosity, excitement and exploration among school children in Science, Mathematics and Technology.
- To create a culture of thinking, inventing, tinkering and doing to promote enquiry based learning in Schools.
- To achieve learning levels appropriate to the class of study in Science and Mathematics.
- To encourage and nurture schools to be incubators of Innovation.

## PM launches Deendayal Upadhyay Gram Jyoti Yojana

The Prime Minister (PM) Narendra Modi on 25 July 2015 launched Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY) in Patna on 25 July 2015. The DeenDayal Upadhyaya Gram Jyoti Yojana for rural areas was launched to fulfill the objectives of- to provide electrification to all villages; Feeder separation to ensure sufficient power to farmers and regular supply to other consumers; Improvement of Sub-transmission and distribution network to improve the quality and reliability of the supply and Metering to reduce the losses

Benefits of the scheme will be:

- All villages and households shall be electrified
- Increase in agriculture yield
- Business of Small and household enterprises shall grow resulting into new avenues for employment
- Improvement in Health, Education, Banking (ATM) services
- Improvement in accessibility to radio, telephone, television, internet and mobile
- Betterment in social security due to availability of electricity
- Accessibility of electricity to schools, panchayats, hospitals and police stations

- Rural areas shall get increased opportunities for comprehensive development.

The Scheme has an outlay of 76000 crore rupees for implementation of the projects under which Union Government shall provide Grant of 63000 crore rupees.

## Government launches 'SAMANVAY' for Gram Panchayats

Union Ministry of Rural Development has launched 'SAMANVAY' web portal to monitor progress and implementation of the Sansad Adarsh Gram Yojana (SAGY) for development of Gram Panchayats on 4 August 2015. SAMANVAY web portal consist a compilation of all Government schemes of both Centra and State governments for Gram Panchayats. More than 1800 state schemes from across all states have been documented in SAMANVAY.

SAMANVAY was launched with an aim to help MPs in utilising relevant schemes in the planning and implementation of Saansad Adarsh Gram Yojana (SAGY). It will also act as a database for mapped and compiled information on various gram panchayat activities through schemes undertaken by the Centre and State Governments.

Apart from this, minister also launched a magazine Panchayat Darpan to monitor the progress of the SAGY. The magazine will act as a mirror of all the development activities by identifying 35 indicators undertaken in the village panchayats under SAGY.

## Union Ministry for Minority Affairs launches Nai Manzil Scheme in Patna

The Union Ministry of Minority Affairs has launched a new Central Sector Scheme Nai Manzil in Patna on 8 August 2015. The scheme will address educational and livelihood needs of minority communities in general and muslims in particular as it lags behind other minority communities in terms of educational attainments.

It is a new direction and a new goal for the all out of school/dropped out students and

those studying in Madrasas. It is so because they will not be getting formal Class XII and Class X Certificates rendering them largely unemployed in organised sector. The Nai Manzil scheme is aimed at this target group as an integrated intervention in terms of providing education as well as skill development.

The scheme aims at providing educational intervention by giving the bridge courses to the trainees and getting them Certificates for Class XII and X from distance medium educational system and at the same time also provide them trade basis skill training in 4 courses : Manufacturing; Engineering; Services; and Soft skills.

The scheme is intended to cover people in between 17 to 35 age group from all minority communities as well as Madarsa students. This scheme will provide avenues for continuing higher education and also open up employment opportunities in the organised sector.

### **Union Government launches School Nursery Yojana**

Union Government on 10 August 2015 launched the School Nursery Yojana, an initiative to bring students closer to nature. The Yojana seeks to engage class VI to IX in raising of saplings in nurseries created in schools.

The underlying theme of the Yojana is to plant a tree for sustainable future and to make the nation clean and green. Under the Yojana, students will sow the seeds, grow saplings in the school nursery, as part of practical exercise for Biology classes and extra-curricular activities for students of other streams. The students will also carry out a tree census in their school and the locality. The main objective of the School Nursery Yojana is to create an everlasting bond between the young students and plants and trees.

Some of the other objectives of the Yojana include - providing an opportunity to the students to learn about nature and work with soil, develop among the students an organic

linkage and positive emotions for the environment, keep the schools and the neighbourhood green, enable schools to distribute saplings to students to plant in their homes and surroundings and create an army of young, green warriors. Through the School Nursery Yojana, the Ministry will support schools to provide all the essential facilities for rising of saplings for use of students and schools.

#### **School Nursery Yojana**

- The Yojana in its first phase would cover 1000 schools and would be extended to 5000 schools in 2016 and 10000 schools 2017.
- The schools will have eco clubs and school principals will maintain the nursery for at least five years.
- Each school will initially receive first time financial grant of 25000 rupees for creation of the nursery with essential facilities.
- The state forest departments will guide and provide technical support to schools under the scheme.

### **50 additional working days in drought affected areas under MGNREGA**

The Union Cabinet chaired by the Prime Minister has given its ex-post facto approval to provide an additional 50 days of unskilled manual work in the financial year over and above the 100 days assured to job card holders, in such rural areas where drought or natural calamities have been notified. This will enable States to provide additional wage employment to the rural poor in drought affected areas. The poorest rural households will benefit from this, as it will help in immediate absorption of rural seasonal unemployment, and reduce rural distress.

To provide immediate relief to farmers, in view of the deficit monsoon during Kharif 2015, the Government of India has already taken a number of decisions. Orders on these measures have already been issued to all State Governments, which will implement them on

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the basis of assessed need. The various decisions are:

### **Diesel Subsidy Scheme for farmers in affected areas:**

**It has been decided to provide diesel subsidy to farmers to enable them to provide life saving irrigation through diesel pump sets in drought and deficit rainfall areas to protect standing crops (allocation of Rs.100 crore).** Farmers in the affected regions will be covered during the current South-West monsoon period till 30<sup>th</sup> September, 2015.

The scheme on Diesel Subsidy will be implemented with the participation of the State Governments/UT Administration, with a view to offset the cost of diesel used for pumping water for providing supplementary irrigation/protective irrigation.

The scheme will be applicable to such districts/talukas/areas where the rainfall deficit is more than 50 percent as on 15th July, 2015. It is proposed to provide 50 percent subsidy on the cost of diesel (Rs 2000 per hectare) to affected farmers, limited to a maximum of two hectares per farmer. The cost of assistance provided shall be shared between the Government of India and the State Government/UT Administration concerned on 50:50 basis.

**Enhancement of ceiling on Seed subsidy:** Enhancement of ceiling on Seed subsidy. In order to compensate farmers in drought affected districts for the additional expenditure incurred in the sowing and /or purchasing appropriate varieties of drought resistant seeds, it has been decided to raise the extant ceiling on seed subsidy by 50 percent over existing levels for distribution in drought notified districts.

### **Interventions for saving perennial horticulture crops:**

Appropriate input support measures will be provided to rejuvenate water stressed horticulture crops, with an additional allocation of Rs.150 crore. The scheme is to be implemented in all drought affected districts / blocks in the country which are covered under Mission for Integrated Development of Horticulture (MIDH), being implemented by Dept. of Agriculture, Cooperation & Farmers

Welfare. Farmers in drought affected districts/ blocks will be provided assistance at the rate of Rs.6000/- per hectare as per cost norms for a maximum area of two ha per beneficiary, for taking up appropriate combination of interventions. Assistance so provided through subsidy shall be shared between the Government of India and the State Government/UT Administration concerned on 50:50 basis.

### **Implementation of additional fodder development programme:**

Assistance will be provided for additional interventions for production of fodder for mitigating adverse impact of drought on livestock (allocation of Rs.50 crore). Farmers in drought affected districts/ blocks will be provided assistance at the rate of Rs.3200/- per hectare as per cost norms for a maximum area of two ha per beneficiary for taking up additional production of fodder in these districts/blocks. Assistance so provided through subsidy shall be shared between the Government of India and the State Government/UT Administration concerned on 50:50 basis.

**Flexible allocation under RKVY and other centrally sponsored schemes:** States have been advised to keep aside about 5 to 10 percent of fund allocated under the Rashtriya Krishi Vikas Yojana (RKVY) for undertaking appropriate interventions, if the situation so warrants, to minimize the advance impact of an aberrant monsoon on the agriculture sector. 10 percent of the allocation under Centrally Sponsored Scheme may be utilized in flexible manner by States to meet contingent requirement arising out of deficient rains.

**Crop contingency plan:** Ministry of Agriculture, through ICAR-Central Research Institute for Dryland Agriculture (CRIDA), Hyderabad has prepared detailed crop Contingency Plans for 600 districts. States have been advised to prepare Contingency Plans for each district in consultation with CRIDA-ICAR and State Agriculture Universities and to prepare location specific remedial measures based on these

**Shyama Prasad Mukherji Rurban Mission for transform rural areas as sustainable spaces**

contingency plans in the event of late arrival of Monsoon/long dry spells/scanty rainfall/drought conditions e.g. tying up availability of seeds and other inputs for implementing Contingency Plans.

**Advisories to the states:** State Governments have already been advised to initiate advance remedial action e.g. constructing water harvesting structures under MGNREGA and other such schemes, promoting agronomic practices for moisture conservation, promoting cultivation of less water consuming crops and restoring irrigation infrastructure by desilting canals, energizing tube-wells, replacing/ repairing faulty pumps. States have also been requested to carry out periodic assessment of preparation for Kharif crops, particularly contingency crops and also investment made in water conservation structure under various schemes like Integrated Watershed Management Programme (IWWP) to verify their utility in harvesting the rainfall.

**Availability of seeds and other inputs for Kharif, 2015:** Availability of seeds and other inputs is being monitored / reviewed on a continuous basis in the weekly Crop Weather Watch Group (CWWG) meetings being held in the Department of Agriculture. Weekly video conference with States is also being held to get first-hand information about State's preparedness and to advise States appropriately whenever needed.

**SDRF/NDRF funds - First Installment of SDRF released:** The State Government is primarily responsible for providing necessary relief in the wake of natural calamities. Government of India supplements the efforts of state Governments with financial assistance from National Disaster Response Fund (NDRF). The first installment of SDRF has already been released to State Governments. SDRF funds, besides others, can also be used for emergency supply of drinking water in rural and urban areas, as per the approved guidelines.

In an ambitious bid to transform rural areas to economically, socially and physically sustainable spaces, the Union Cabinet chaired by Prime Minister, on 16 September 2015, approved the Shyama Prasad Mukherji Rurban Mission (SPRM) with an outlay of Rs. 5142.08 crores.

The Mission aims at development of rural growth clusters which have latent potential for growth, in all States and UTs, which would trigger overall development in the region. These clusters would be developed by provisioning of economic activities, developing skills & local entrepreneurship and providing infrastructure amenities. **The Rurban Mission will thus develop a cluster of Smart Villages.**

These clusters would be well delineated areas with planned layouts prepared following the planning norms (as laid down in the State Town and Country Planning Acts/similar Central or State statutes as may be applicable), which would be duly notified by the State/UTs. These plans would be finally integrated with the District Plans/Master Plans as the case may be.

The State Governments would identify the clusters in accordance with the Framework for Implementation prepared by the Ministry of Rural Development. The clusters will be geographically contiguous Gram Panchayats with a population of about 25000 to 50000 in plain and coastal areas and a population of 5000 to 15000 in desert, hilly or tribal areas. There would be a separate approach for selection of clusters in Tribal and Non-Tribal Districts. As far as practicable, clusters of village would follow administrative convergence units of Gram Panchayats.

For the selection of clusters, the Ministry of Rural Development is adopting a scientific process of cluster selection which involves an objective analysis at the District,

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Sub District and Village level, of the **demography, economy, tourism and pilgrimage significance** and **transportation corridor** impact. While the Ministry, following this analysis, would provide a suggestive list of sub districts to the State, the State Governments would then select the clusters following a set of indicated principles included in the Framework for Implementation.

The mission aims to create 300 such Rurban growth clusters over the next 3 years, across the country. The funding for Rurban Clusters will be through various schemes of the Government converged into the cluster. The SPMRM will provide an additional funding support of upto 30 percent of the project cost per cluster as Critical Gap Funding (CGF) as Central Share to enable development of such Rurban clusters.

To ensure an optimum level of development, fourteen components have been suggested as desirable for the cluster, which would include; Skill development training linked to economic activities, Agro Processing/ Agri Services/Storage and Warehousing, Digital Literacy, Sanitation, Provision of piped water supply, Solid and liquid waste management, Village streets and drains, Street lights, Fully equipped mobile health unit, Upgrading school /higher education facilities, Inter-village road connectivity, Citizen Service Centres- for electronic delivery of citizen centric services/ e-gram connectivity, Public transport., LPG gas connections.

The States would prepare Integrated Cluster Action Plans for Rurban Clusters, which would be comprehensive plan documents detailing out the strategy for the cluster, desired outcomes for the cluster under the mission, along with the resources to be converged under various Central Sector, Centrally Sponsored and State Sector schemes, and the Critical Gap Funding (CGF) required for the cluster.

In addition to the Critical Gap Funding, proactive steps have been taken to ensure the success of the mission with adequate budget

provisions for supporting the State Government towards project development, capacity building and other institutional arrangements at the state level.

The Mission envisages institutional arrangements both at the State and Center to ensure smooth implementation of the Mission. The Mission also has an Innovation budget towards facilitating research, development and capacity building.

The scheme through development of rurban growth clusters aimed at catalyzing overall regional growth, would thus simultaneously benefit the rural as well as urban areas of the country, by achieving twin objectives of strengthening rural areas and de burdening the urban areas hence leading to balanced regional development and growth of the country.

### **Pradhan Mantri Khanij Kshetra Kalyan Yojana**

The Union Government has announced to launch a new programme called 'Pradhan Mantri Khanij Kshetra Kalyan Yojana' (PMKKKY) to provide for the welfare of people living in areas which are affected directly or indirectly by mining related operations, using the funds generated by District Mineral Foundations (DMFs).

The objective of PMKKKY scheme will be-

- (a)** To implement various developmental and welfare projects/programs in mining affected areas that complement the existing ongoing schemes/projects of State and Central Government;
- (b)** To minimize/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economics of people in mining districts; and
- (c)** To ensure long-term sustainable livelihoods for the affected people in mining areas.

Care has been taken to include all aspects of living, to ensure substantial improvement in the quality of life. High priority areas like drinking water supply, health care, sanitation,

education, skill development, women and child care, welfare of aged and disabled people, skill development and environment conservation will get at least 60% share of the funds.

For creating a supportive and conducive living environment, balance 40 % funds will be spent on making roads, bridges, railways, waterways projects, irrigation and alternative energy sources.

The Mines and Minerals (Development & Regulation) Amendment Act, 2015, mandated the setting up of District Mineral Foundations (DMFs) in all districts in the country affected by mining related operations. The Central Government today notified the rates of contribution payable by miners to the DMFs. In case of all mining leases executed before 12th January, 2015 miners will have to contribute an amount equal to 30% of the royalty payable by them to the DMFs. Where mining leases are granted after 12.01.2015, the rate of contribution would be 10% of the royalty payable.

The Central Government has issued a directive to the State Governments, under Section 20A of the MMDR Act, 1957, laying down the guidelines for implementation of PMKKKY and directing the States to incorporate the same in the rules framed by them for the DMFs. The DMFs have also been directed to maintain the utmost transparency in their functioning and provide periodic reports on the various projects and schemes taken up by them.

### **Government launches KISAN Project**

Ministry of Agriculture and Farmers' Welfare, on 5 October 2015, **has** launched KISAN Project [Crop Insurance using Space technology And geoInformatics] of Department of Agriculture, Cooperation and Farmers' Welfare. The project envisages use of Space Technology and geoinformatics (GIS, GPS and Smartphone) technology along with high resolution data from UAV/Drone based imaging for improvement in yield estimation and better planning of Crop

Cutting Experiments (CCEs), needed for crop insurance programme.

The project will use satellite and drone-based imaging and other geospatial technology to get timely and precise data on crop yields. The pilot study will be carried out in one district each of Haryana, Karnataka, Madhya Pradesh and Maharashtra during Kharif season of 2015 and two districts each of these states during Rabi season of 2015-2016.

The programme will be jointly implemented by Mahalanobis National Crop Forecast Centre (MNCFC), an attached Office of Department of Agriculture, Cooperation & FW, ISRO Centres (Space Applications Centre, Ahmedabad & National Remote Sensing Centre, Hyderabad), India Meteorological Department, CCAFS, State Agriculture Departments and State Remote Sensing Centres.

In addition, the government also launched an Android-based app, developed by ISRO, for collection of data of hailstorm to access large-scale damage to standing crops. The data collected by the app will greatly help the Union Agriculture Ministry in making quick assessment of damage to crops because of hailstorm.

### **Government clears first batch of AMRUT projects for 89 cities in AP, Gujarat and Rajasthan**

The Ministry of Urban Development, on 22 October 2015, has approved the first batch of state level Action Plans under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) aimed at enabling water supply as per the norm and providing water supply and sewerage connections to all urban households. An inter-ministerial Apex Committee of AMRUT cleared plans worth Rs.2, 786.28 cr in this regard for 143 projects in 89 AMRUT cities in Andhra Pradesh, Gujarat and Rajasthan.

These include 47 schemes relating to ensuring water supply connections and augmenting water supply and 31 projects for expanding sewerage network services in

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identified cities and towns. The rest pertain to storm water drains, urban transport and green spaces and parks. Sewerage projects got a lion share of Rs.1, 471.07cr followed by Rs.1, 225 cr for water supply related schemes.

The Apex Committee of AMRUT approved State Annual Action Plans (SAAP) for the three states for 2015-16. Gujarat proposed SAAP entailing an investment of Rs.1,204.42cr followed by Rajasthan -Rs.919 cr and Andhra Pradesh proposing an investment of Rs.662.86 cr.

Under the SAAP approved, Gujarat will take up sewerage projects in 25 AMRUT cities at a cost of Rs.916 cr and water supply schemes in 11 cities with an investment of Rs.233.65 cr.

Rajasthan will take up sewerage schemes in 6 cities at a cost of Rs.555 cr and water supply projects in 10 cities at a cost of Rs.344 cr.

Andhra Pradesh will focus on water supply in 26 AMRUT cities at a cost of Rs.646.29 cr and provision of green spaces and parks in 30 cities at a cost of Rs.16.57 cr.

Under AMRUT, Central Government will provide an assistance of 50% of project cost for cities with a population of up to 10 lakhs each and one third of project cost for cities with a population of above 10 lakhs each. Rest of the project cost has to be borne by the states and urban local bodies. As per these norms, central assistance for the approved projects in three states comes to Rs.1, 356.23 cr.

SAAP of each state is an integration of all city level Service Level Improvement Plans (SLIP) of all Atal Mission cities in respective states. City level SLIP is formulated based on detailed assessment of gaps in the availability of infrastructure pertaining to water supply, sewerage network services, storm water drains, urban transport etc.

Ensuring water supply of 135litres per capita per day in urban areas besides providing water supply and sewerage connections to all urban households is the national priority, which Atal Mission seeks to achieve.

The Ministry has urged all the states to ensure water meters for all consumers in urban areas for efficient management of water supply and reducing supply of water without collecting fee (Non-Revenue Water). States have been asked to focus on this from next year onwards.

First installment of central assistance of Rs.118.03 cr for Gujarat, Rs.91.90 for Rajasthan and Rs.66.29 for Andhra Pradesh under Atal Mission will be released shortly.

The states made a detailed presentation on implementation of a set of 11 reforms including time lines for the same. Andhra Pradesh, Gujarat and Rajasthan will also undertake capacity building of urban local bodies at a cost of Rs.22.23 cr.

This is for the first time that the Urban Development Ministry approved state level plans unlike the past practice of appraising and approving individual projects.

### CMS' Sub-Group of NITI Aayog report on rationalization of CSS

Sub-Group of Chief Ministers on rationalization of CSS on 27 October 2015 submitted its report to the NITI Aayog Chairperson and Prime Minister.

#### Guiding Principles

- The formation of the Sub-Group is testimony to the resolve of the Union and the States /UTs to work as Team India in the spirit of Cooperative Federalism towards realisation of the goals of VISION 2022 when we will celebrate the 75<sup>th</sup> year of Independence. The objectives of the VISION are broadly: (a) providing basic amenities to all citizens in an equitable and just manner for ensuring a life with self-respect and dignity, and (b) providing appropriate opportunities to every citizen to realize her potential.
- For realising VISION 2022, the Governing Council of NITI Aayog is engaged in developing the contours of the National Development Agenda. CSS are key instruments for meeting the objectives

- outlined in the National Development Agenda.
- The sectors covered under the National Development Agenda are critical to the transformation of India and the outcomes will transcend State boundaries. Since a significant amount of Plan Transfers to States/UTs are routed through CSS, and since many CSS interventions are in the social sectors, it is imperative that they are designed to be effective and outcome-oriented. Moreover, they should be adequately funded and their implementation should be sufficiently flexible to enable the States to efficiently implement them according to local requirements and conditions.

#### **Rationalisation of CSS: Perspectives of Centre, State and UTs:**

- Only Schemes/Programmes in CSS in key identified sectors will comprise the National Development Agenda.
- The number of Schemes/Programmes should be reduced for improving their visibility and impact.
- Investment in Core Schemes/Programmes should be maintained at least at their current level.
- While deciding the funding pattern, special dispensation needs to be given for North Eastern and Himalayan States and UTs.
- States should be given flexibility in the implementation of the Schemes. Given their critical role in successful implementation of Schemes, the support from the Centre for remuneration of grass-root workers like ASHA, Aanganwadis, Contract Teachers etc. should be maintained at present levels for at least two years.
- The processes and procedures for release of Central Assistance (CA) to the States under these Schemes should be simplified.
- There should be a degree of certainty regarding the availability of funds and

Central Assistance likely to be available under these Schemes in the medium term.

- Projects/activities that are already sanctioned earlier under these schemes should be completed for which adequate provisions should be made.
- NITI Aayog should emerge as a platform for addressing problems in implementation of Schemes/Programmes under the National Development Agenda.

#### **Major Recommendations at a glance:**

- Focus of CSS should be on the Schemes that comprise the National Development Agenda where the Centre and the States will work together in the spirit of Team India.
- Sectors/ tasks/objectives like Poverty Elimination including MGNREGA and Schemes for social inclusion; Drinking water and Swachh Bharat Mission; Rural Connectivity including Electrification; Access Roads and Communications; Agriculture including Animal Husbandry, Fisheries and Irrigation; Education including Mid Day Meal; Health, Nutrition, Women and Children; Housing for All; Urban Transformation and Law and Order and Justice Delivery System would be Core Sectors as they constitute important elements of the National Development Agenda. MGNREGA and Schemes for Social inclusion would be accorded highest priority.

Accordingly, existing CSS should be divided into: Core and Optional schemes.

**Amongst the Core Schemes**, those for social protection and social inclusion should form the Core of the Core and be the first charge on available funds for the National Development Agenda.

Ordinarily, in any sector there should be one Umbrella scheme having the same funding pattern for all its sub-components.

Investment levels in Core Schemes should be maintained so as to ensure that the optimum size of the programme does not shrink.

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**Funds for Optional Schemes** would be allocated to States by the Ministry of Finance as a lump sum and States would be free to choose which Optional Schemes they wish to implement. Additionally, the States have been given the flexibility of portability of funds from optional schemes ( should it choose not to utilize to utilize its entire allocation under that head) to any other CSS component within the overall allocation for the state under CASP.

- From now onwards, the sharing pattern should be:

For Core Schemes

- a) For 8 NE and 3 Himalayan States: Centre: State: 90:10
- b) For other States: Centre: State: 60:40
- c) For Union Territories: Centre: 100%

**For Optional Schemes**

- a) For 8 NE and 3 Himalayan States: Centre: State: 80:20
- b) For other States: Centre: State: 50:50
- c) For Union Territories: Centre: 100%
- Existing funding pattern for schemes classified as Core of the Core should continue.
- Remuneration for ASHAs, Aanganwadi and Contract Teachers to be protected. However, Central Assistance (CA) may be capped at existing level for the next 2 years in this regard.

Provision for incomplete projects: all works begun in projects in existence in 2014-15 in which work has been awarded till 31 March 2015 should be funded on the existing pattern for the next 2 years.

- Flexibility in Schemes and Institutional mechanism: 25% allocation in a Scheme should be flexi-fund, to be spent in accordance with Ministry of Finance guidelines.
- Design of CSS should be broadly like Rashtriya Krishi Vikas Yojana (RKVY) with a large number of admissible components in a scheme, and the States being free to choose components to suit their local needs.

- Cost norms in construction component of schemes should be decided by States subject to capping of allocation by the Centre.
- Releases of funds should be simplified, based on yearly authorization. Actual release of cash would be on quarterly basis..
- Releases should be based on Utilization Certificates of the installment prior to the last installment to a State/UT.
- The Ministry of Finance would make Scheme-wise allocations for Core Schemes. In each Core Schemes, there would be transparent criteria for State allocation of funds. There would also be transparent criteria for the lump sum allocation to States for Optional Schemes. These criteria to be evolved by NITI Aayog in consultation with State Governments and central Ministries.
- NITI Aayog to have concurrent jurisdiction in monitoring of Centrally Sponsored Schemes in the States and Central Ministries.
- Third-party evaluation by NITI Aayog.

### Provision for CSS in Union Budget of 2015-16.

- In the Union Budget for 2015-16, CSS are classified as Central Assistance to State Plan (CASP). In 2014-15, budgetary provisions were made for 66 CSS of which 17 large schemes were designated as 'flagship' programmes.
- With effect from BE 2015-16, following the acceptance of the recommendations of the 14<sup>th</sup> Finance Commission (FFC) by Government of India, the devolution to States has increased from 32% to 42% of the net Union Tax Receipts. In absolute terms, it is estimated that this entails additional devolution of Rs. 1.78 lakh cr to the States. As a result, the fiscal space available with the Union Government to fund CSS has shrunk.

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### Cabinet clears Ujwal DISCOM Assurance Yojana

- The 14<sup>th</sup> FC has recommended that sector-specific transfers from the Union to the States/UTs should be confined to sectors like education, health, drinking water and sanitation. However, in view of the preponderance of CSS being interventions in key sectors of national importance, the Government of India has retained 50 of the 66 ongoing CSS in Budget 2015-16. The balance are being either taken into the Central sector, or reformulated as new Umbrella Schemes or have been transferred to the States.
- Hence, post-14<sup>th</sup>FC devolution, the BE for Central Assistance to State Plan (CASP) has been reduced from Rs. 3.38 lakh cr in 2014-15, to Rs. 2.05 lakh cr in 2015-16. The BE for CSS has reduced from Rs. 2.52 lakh cr to about Rs. 1.69 lakh cr (excluding provision for CSS for UTs).

The Sub-Group was appointed by the National Institution for Transforming India (NITI) Aayog in March 2015 to examine **the current Centrally Sponsored Schemes (CSS)** and recommend their suitable rationalisation.

#### Differences between Centrally Sponsored and Central Sector Schemes

**Centrally Sponsored Schemes:** A certain percentage of the funding is borne by the States in the ratio of 50:50, 70:30, 75:25 or 90:10 and the implementation is by the State Governments. The schemes are formulated in subjects from the State List to encourage States to prioritise in areas that require more attention.

**Central Sector Schemes:** They are 100 percent funded by the Union government and implemented by the Central Government machinery. The schemes are mainly formulated on subjects from the Union list and resources under these Schemes are not generally transferred to States.

Union Cabinet chaired by Prime Minister has given its nod Ujwal DISCOM Assurance Yojana (UDAY) for financial restructuring of debt of power distribution companies. The Scheme aims for financial turnaround and revival of Power Distribution companies (DISCOMs) and also ensures a sustainable permanent solution to the problem.

UDAY scheme Allows power DISCOMs in selected states to convert their debt into state bonds as well as roll out number of measures to improve efficiency at power plants and seeks to ensure that struggling DISCOMs can shake off years of losses and start on a path to profitability.

Assures the rise of vibrant and efficient DISCOMs through four initiatives- 1)Improve operational efficiencies of DISCOMs; 2)Reduce of cost of power; 3)Reduce interest cost of DISCOMs 4) Enforce financial discipline on DISCOMs through alignment with State finances.

#### Debt Burden:

- States shall take over 75 per cent of discom debt as on September 30, 2015 over two years — 50 per cent of discom debt shall be taken over in 2015-16 and 25 per cent in 2016-17. This step would result in interest cost savings to the tune of 3-5 per cent.
- State Power Bonds or loans: Selected states would be able to sell the balance 25 per cent as state-backed power bonds or loans which will carry interest rates of g-sec plus 50 basis points.
- Improve operational efficiency: by implementing steps like (i) swapping of coal linkages (ii) monitoring aggregate technical and commercial (AT&C) losses (iii) Focus on smart metering and feeder separation in states.

To encourage states to take the road to reforms, the Centre will give them additional funding on a priority basis through schemes such as

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the Deen Dayal Upadhyaya Gram Jyoti Yojna and Integrated Power Sector Development Fund. They will also get additional coal at notified prices and if possible cheaper power from state firms. The government expects these measures to permanently revive discoms. Their debt has swelled to Rs 4.3 crore, while accumulated losses have risen to Rs 3.8 lakh crore.

The scheme, named Ujwal Discom Assurance Yojana (UDAY), will be optional for States. The electricity distribution firms in the states of Rajasthan, Uttar Pradesh, Tamil Nadu and Haryana are among the most stressed and have run up the maximum losses.

Thus with nod to UDAY Scheme, Union Government seeks to accelerate the process of reform across the entire power sector in order to ensure affordable and accessible 24x7 Power for All. The scheme has been framed by Union Power Ministry as power DISCOMs in several states have been severely mismanaged, resulting in a debt burden upward of 4 lakh crore rupees. This has taken a toll on the power as well as bank sectors.

### **President launches IIT-IISc joint initiative 'IMPRINT India' on research**

President of India Pranab Mukherjee, on 5 November 2015, launch an initiative - 'Impacting Research Innovation and Technology (IMPRINT) India'- to develop a road map for research and pave the way for solutions to major engineering and technology challenges. The initiative is a pan-IIT and IISc joint collaboration to develop a blueprint for research of immediate relevance to society requiring innovation, direct scientific research into identified areas, ensure higher funding support for research into these areas and measure outcomes of the research efforts with reference to the impact on the standard of living in rural/urban areas.

IMPRINT India initiative seeks to develop a roadmap for research in order to solve major engineering and technology challenges in 10 identified technology domains. These 10 domains are: Health Care, Computer Science and ICT, Advance Materials, Water Resources

and River systems, Sustainable Urban Design, Defence, Nano-technology Hardware, Environmental Science and Climate Change and Energy Security. These domains are distributed among IIT Kharagpur, IIT Kanpur, IIT Bombay, IIT Roorkee, IIT Madras and IISc, Bengaluru.

A memorandum of understanding was exchanged between the academia and the industry. This is the first of its kind agreement between the two sectors.

**Objectives of this initiative:** (i) identify areas of immediate relevance that requires innovation in the society. (ii) Direct scientific research in the identified areas. (iii) Ensure support and higher funding for research for identified areas (iv) Measure the outcomes of innovation and research efforts and its impact on the standard of living in the urban and rural areas.

The idea of launching 'IMPRINT India' originated during the conference of chairmen, Board of Governors and Directors of Indian Institutes of Technology convened by Mr. Mukherjee at the Rashtrapati Bhavan in August 2014.

### **Prime Minister launches gold monetisation schemes**

On 5 November 2015, Prime Minister Narendra Modi launched three gold related scheme viz Gold Monetization Scheme (GMS), Sovereign Gold Bond Scheme (SGBS) and Indian Gold Coins (IGC). These ambitious schemes were launched to reduce the physical demand for gold and fish out 20,000 tonnes of the precious metal lying idle with households and institutions.

#### **Gold Monetisation Scheme**

Gold Monetisation Scheme (GMS) 2015 will offer option to resident Indians to deposit their precious metal and earn an interest on it and will replace the existing Gold Deposit Scheme (GDS) 1999. All residents can invest in this scheme but are subjected to Know Your Customer (KYC) Scheme. There is no maximum limit for deposit under the scheme

and the metal will be accepted at the Collection and Purity Testing Centres (CPTC) certified by the Bureau of Indian Standards. Scheme tagline 'Earn, while you secure'.

- Implementation- As per Reserve Bank of India (RBI) directives all Scheduled Commercial Banks (excluding Regional Rural Banks) will implement GMS 2015.
- Deposit limit- Minimum deposit at any one time of raw gold in the forms of bars, coins, jewellery excluding stones and other metals is 30 grams with 995 fineness. There is no maximum limit for the deposit.
- Tenure Banks will accept gold deposits under the Short Term of Bank Deposit (STBD) of 1-3 years, Medium (5-7 years) and Long (12-15 years).
- Principal and Interest of the deposit- Banks are free to fix the interest rates and it will be denominated in gold.
- Reserve Bank of India will maintain the Gold Deposit Accounts denominated in gold in the name of the designated banks that will in turn hold sub-accounts of individual depositors

#### **Sovereign Gold Bond Scheme**

Sovereign Gold Bond Scheme (SGBS) 2015 Seeks to shift part of physical gold in form of bars and coins for investment into Demat (Dematerialised) gold bonds in order to reduce the demand for physical gold. These gold bonds are interest bearing and will be payable in terms of grams of gold. Scheme tagline is 'Invest wisely- Earn Safely'. Minimum investment is 2 grams of physical gold, maximum investment is 500 grams.

- Issuing Bonds- RBI on behalf of Union Government will issue the Gold bonds in the denominations of one gram and its multiples. Tenure of Gold bonds- 8 years is maximum tenure. But there is exit option from 5th year can be exercised on interest payments dates.
- Tradable and Exchangeable- These bonds are available in DEMAT and paper form. It

can be tradable in stock exchange and can be used as collateral for loans.

#### **Indian Gold Coin**

Indian Gold Coin 2015 It is Indian's first ever Indian gold coin and bullion to be officially issued by Union Government. The gold coins will bear national emblem Ashok Chakra on one side and Mahatma Gandhi's engraved image on the other side.

The coins will be available in denominations of 5 and 10 grams and a 20 gram bar or bullion at 125 Metals and Minerals Trading Corporation (MMTC) of India outlets across the country. These coins and bullion are easily liquidated.

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# INDIA AND WORLD

## India and Asia & Oceania PM Modi visit to Uzbekistan

On his first visit to Central Asian countries, Prime Minister Narendra Modi on 7 July 2015 held talks with Uzbekistan President Islam Karimov on key bilateral and regional issues to enhance strategic, economic and energy ties including the situation in Afghanistan. The two countries inked three pacts to boost cooperation between their foreign offices and in the field of culture and tourism.

### Joint Working Group on Counter Terrorism

Both the nations agreed to intensify security cooperation and exchanges and strengthen cooperation in defence and cyber security. For this purpose, bilateral Joint Working Group on Counter Terrorism will meet later this year. The two countries have built a strategic partnership includes expanding economic cooperation, combating terrorism, advancing stability in the region and promoting regional integration.

The two leaders also discussed ways to implement the contract for supply of uranium from mineral-rich Uzbekistan signed last year. The pact was signed for supply of 2,000 metric tonnes of the yellow cake.

They also explored various initiatives to further enhance connectivity between the two countries including International North South Transport Corridor. The Prime Minister also sought Uzbek President's support for India joining the Ashgabat Agreement.

### Ashgabat Agreement

The International North-South Transport Corridor is a ship, rail and road route for moving freight between India, Russia, Iran, Europe and Central Asia while the Ashgabat Agreement is a transit pact established in 2011 between Uzbekistan, Iran, Turkmenistan and Oman.

### Highlights in Joint statement

President Karimov and Prime Minister Modi reached understanding on a wide range of issues to further deepen Uzbekistan-India

strategic relations, mutually beneficial bilateral cooperation in various fields, as well as international and regional issues of mutual interest.

The two sides reaffirmed their interest in expanding and further strengthening long-term bilateral cooperation covering diverse sectors such as political ties, security, counter-terrorism, trade and investment, science and technology as well as cultural linkages.

The sides agreed to maintain regular bilateral consultations and political dialogue through exchange of official visits at the leadership and other levels to promote mutual understanding on bilateral as well as regional and international issues.

Noting the importance of adequate and timely responses to threats and challenges to national as well as regional security, the two sides expressed their intention to strengthen coordination between the law enforcement agencies and special services, including under the framework of the Uzbekistan-India Joint Working Group on Counter-Terrorism.

### Delegation-level talks

During the delegation-level talks, the two countries also agreed to explore various options to enhance surface connectivity between them.

The two sides recognised tourism as an important area of bilateral cooperation and agreed to implement practical measures under the framework of the bilateral agreement on cooperation in tourism signed during the visit. India and Uzbekistan reaffirmed that the United Nations must play a central role in maintaining global peace and security, assisting common development and advancing international cooperation.

The two countries called for comprehensive reforms of the UN structures, first of all, its Security Council, including expansion in both categories of membership. Uzbekistan reaffirmed its support to India's candidature for permanent membership of the UN Security Council, the statement said.

### Expand cooperation in promote investment

They also agreed to expand cooperation in the fields of defence and cyber-security.

The two sides also called for further promotion of investment cooperation between the two countries. They called for partnership in creating favourable conditions for investment by Indian companies in Uzbekistan, including in the framework of the Special Economic Zones "Navoi", "Angren" and "Jizzakh". They noted prospects for joint investment projects in sectors such as pharmaceuticals, light industry, IT and communications.

Prime Minister Modi presented President Karimov with a specially commissioned reproduction of 'Khamsa-i-Khusrau' written in Persian by the great 13th century sufi poet Amir Khusrau who was born in Uttar Pradesh and whose father hailed from Uzbekistan.

### PM Modi visit to Kazakhstan

The prime minister of India Narendra Modi on his official bilateral meet visits Kazakstan on 8 July 2015. During the visit India and Kazakhstan signed five agreements on defence, railways, uranium supply, sports & transfer of sentenced prisoners. The other pacts included human resources, cultural exchanges and capacity building.

#### Highlights

- Both nations noted that the defence and security cooperation was an important dimension of strategic partnership between the two countries, both nations inks new Memorandum of Understanding on defence cooperation. It would further widen the scope of bilateral defence cooperation including regular exchange of visits, consultations, training of military personnel, military- technical cooperation, joint exercises, Special Forces exchanges and cooperation in UN peacekeeping operations.
- An agreement signed for the purchase of uranium by India for the next five years, five thousand tonnes of uranium. This is in continuation of an earlier agreement in

which we have already taken 2,100 tonnes of uranium from Kazakhstan. A contract signed between NC "KazAtomProm" JSC and NPCIL for a renewed long term supply of natural uranium to India to meet its energy requirements.

- Kazakhstan was one of the first countries with which we launched civil nuclear cooperation through a uranium purchase contract. Kazakhstan will emerge as the biggest source of uranium for India besides Canada and Australia. This is the second such agreement between Astana and Delhi since 2009.
- Both sides agreed to enhance cooperation in space and information technology and also boost connectivity, including through the International North-South Transport Corridor, the Iran-Turkmenistan-Kazakhstan rail link and Chabahar port in Iran.
- They also agreed to work closely to expand bilateral trade by addressing structural impediments between India and hydrocarbon-rich Kazakhstan.
- They agreed to continue their active engagement in the fight against terrorism and extremism including exchange of information. In this context, they highlighted the importance of regular inter-agency consultations and meetings of the Joint Working Group on Counter-Terrorism. The Leaders also called for early conclusion of the UN Comprehensive Convention on International Terrorism.
- Expressing concern at the slow progress on the UN Security Council reform, the leaders called for concrete outcomes to be achieved in the 70th anniversary year of the UN and reaffirmed their commitment to Intergovernmental Negotiations (IGN) to comprehensively reform the Security Council including expansion in both categories of membership.

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- The Prime Minister also gifted Kazak president Nazarbayev a set of books relating to religions born in India which included an English translation of Guru Granth Sahib One of Jainism's most revered texts, Bhadrabahu's Kalpasutra (15th century AD) in Prakrit; one of Buddhism's most important scriptures Ashtasahasrika Prajnaparamita (12th century AD) in Sanskrit; and a Persian translation of Valmiki's Ramayana (18th century AD) in nastaliq script were also part of the reproductions.

### PM Modi visit to Turkmenistan

The Prime Minister of the Republic of India, Narendra Modi paid an official visit to Turkmenistan from 10-11 July, 2015. During the visit India and Turkmenistan signed several MoUs in sectors ranging from defence to sports.

#### List of Agreements/ MOUs:

1. Memorandum of Understanding on Supply of Chemical Products between the Indian Public Sector Undertaking 'Rashtriya Chemicals and Fertilizers Limited' and the Turkmen State concern 'Turkmenhimiya'
2. Memorandum Of Understanding between the Foreign Service Institute of the Ministry of External Affairs of the Republic of India and the Institute of International Relations of the Ministry of Foreign Affairs of Turkmenistan.
3. Agreement for Sport of Turkmenistan On Cooperation In The Field Of Sports
4. Programme of Cooperation In Science And Technology for The Period Of 2015-2017
5. Memorandum of Understanding on Cooperation in Yoga and Traditional Medicine
6. Memorandum of Understanding on Cooperation In The Field Of Tourism
7. Agreement on Cooperation in the field of Defence

#### Joint Statement

The two Leaders expressed satisfaction at the continued development of bilateral relations

based on deep-rooted civilizational, historical and cultural linkages and a shared interest in international as well as regional peace and stability. The joint statement document contains the following features.

#### Political and Diplomatic engagement

The Leaders noted with satisfaction the increase in high-level exchanges between the two countries in recent years and reiterated the significance of regular bilateral interactions in reinforcing the momentum for cooperation between the two countries through existing mechanisms such as Foreign Office Consultations, Consular Consultations, Joint Working Group on Energy as well as establishment of additional mechanisms on mutually agreed issues.

#### Defence and Security Cooperation

The Leaders resolved to deepen ongoing cooperation in countering various security threats, they agreed to step up efforts against cross-border threats such as terrorism, organized crime and illegal drug-trafficking.

The nations signed the Defence Cooperation Agreement, which would provide a framework for intensifying bilateral defence and security cooperation through exchanges of high and mid-level visits, training and dialogue. It would also enable capacity building and technical cooperation in the defence sector.

#### Economic Engagement

Two countries agreed to actively work towards rapid enhancement in the levels of bilateral trade, investment and economic cooperation. The Leaders resolved to increase cooperation in various sectors and identified energy, petrochemicals, transport, communications, information and technology, textile industry, chemical and pharmaceutical industry, construction and agro-processing as potential areas for cooperation between the two countries.

The Leaders further agreed to create favourable conditions and promote participation of private companies of both countries, including through joint ventures in various

infrastructural and investment projects in the two countries.

### **Energy and Petrochemicals**

Two countries noted that cooperation in energy sector, especially the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project, forms a key pillar of economic engagement between the two countries. They welcomed establishment of 'TAPI Ltd' as a Special Purpose Vehicle (SPV) in November 2014 in Ashgabat and acknowledged that it was a milestone in implementation of this strategic project.

They welcomed the enhanced bilateral cooperation in the field of chemicals and petrochemicals as well as the opening of "ONGC Videsh Ltd (OVL)" representative office in Turkmenistan and signing of a Memorandum of Understanding between the State Concern "Turkmenhimiya" and Indian PSU Rashtriya Chemicals and Fertilizers Limited to provide a framework for long-term sourcing of urea from Turkmenistan.

### **Transport and Connectivity**

They reaffirmed their intention to work together in exploring alternative transport corridors for additional connectivity options between the two countries. The President of Turkmenistan welcomed India's intention to join the Ashgabat Agreement. They recognised the significance of Turkmenistan as a gateway to other Central Asian countries and the Caspian region and agreed to support each other's initiatives in enhancing transport corridors and infrastructure to facilitate movement of goods. Prime Minister of the Republic of India Narendra Modi noted that the recently inaugurated Kazakhstan-Turkmenistan- Iran railway line could be a linked corridor of the International North South Transport Corridor (INSTC) to streamline movement of goods and commodities between India and Turkmenistan and beyond.

### **Capacity Building and Science and Technology**

The Leaders appreciated the role of Indian Technical and Economic Cooperation (ITEC)

programme in capacity building and human resource development of Turkmen nationals and in creating a talented pool of professionals. In this regard both the nations signed a MoU on Programme of Cooperation in Science and Technology.

### **Cultural Cooperation**

The Leaders called for finalizing of the Programme of Cooperation on Culture between the two countries. The Leaders also acknowledged the contribution made by the scholarships offered by Indian Centre for Cultural Relations (ICCR) to Turkmen students in forging stronger bonds at a popular level.

The Centre of Yoga and Traditional Medicine was inaugurated in Ashgabat, which would help combine traditional medical knowledge and practices of India and Turkmenistan, which would benefit the people.

### **International Cooperation**

The Leaders reiterated their commitment to strengthen regional as well as multilateral cooperation, including through enhanced interaction in the United Nations and other regional and international organizations of which they are members. They called for reform of the United Nations Security Council in the context of strengthening and expanding the role of the United Nations in addressing the pressing contemporary challenges.

### **PM Modi visit to Kyrgyzstan**

The prime minister of India Narendra Modi is in Kyrgyzstan on his official state visit on 12 July 2015. During the visit bilateral talks held between the Prime Minister Narendra Modi and President of Kyrgyzstan Almazbek Atambayev. India and Kyrgyzstan inked four agreements, including in defence cooperation and between their election commissions etc. and issued a joint statement on bilateral cooperation during the meet.

#### **List of agreements:**

Agreement on Defence Cooperation  
To deepen cooperation between India and Kyrgyzstan in matters relating to defence, security, military education and training,

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conduct of joint military exercises, exchange of experience and information, exchange of military instructors and observers etc.

### Memorandum of Mutual Understanding and Cooperation in the field of Elections

To deepen cooperation in matters relating to legislation on elections and referendums, modern systems and technologies, rights of elections process stakeholders as well as other issues of election administration. Signing of this MoU would build technical assistance and capacity support for the election commissions in electoral management and administration leading to a further strengthening of bilateral ties between India and Kyrgyzstan.

### MoU on technical cooperation

The purpose of this MoU is to strengthen and enhance technical cooperation in the fields of standardization, conformity assessment and sharing of expertise on mutual trade with the aim of exchanging necessary information and expertise between the two parties, which would be mutually beneficial and also lead to a strengthening of bilateral ties between India and Kyrgyz Republic.

### Agreement on Cooperation in Culture

To deepen cultural cooperation between India and Kyrgyzstan in areas such as preservation of cultural heritage, organisation of folk arts, theatre, youth festivals and cooperation in publishing and translation of literature, sports and physical culture, exchange of archival materials, history, geography etc.

### Joint Statement-Highlights

### Cooperation at regional and global level

Both nations noted the common positions on many current international issues, stressed the importance of deepening interaction between the two countries in the international arena including in for UN reforms to strengthen the role of UN. Kyrgyz reaffirmed its support to the rightful claim of India for permanent membership in an expanded UN Security Council. India reaffirmed support of the

candidacy of the Kyrgyz Republic for the UN Human Rights Council for 2016-2018.

They expressed satisfaction at their cooperation on regional issues, including in the framework of the Conference on Interaction and Confidence Building Measures in Asia (CICA) and the Shanghai Cooperation Organization (SCO).

Both expressed grave concern at the rising trend of extremism, radicalism and terrorism in the region and whole world. They agreed to expeditiously consider signing an agreement on "combating international terrorism and other crimes".

### Defence cooperation

Both signed an agreement on Cooperation in the Defence Sector. It was decided to hold joint exercises on an annual basis.

### Economic cooperation

Two countries notices that present bilateral trade below potential, they called for concerted efforts to enhance the economic content of the bilateral partnership. They agreed to work together for early conclusion of a Free Trade Agreement between the Member States of Eurasia Economic Union and the Republic of India.

The commencement of direct flights between Bishkek and Delhi and agreed to encourage greater connectivity in order to enhance trade and tourism between the two countries.

They decide to the establishment of direct business contacts, and positively noted events in the field of pharmaceutical, agriculture, trade and investment, including a specialized pharmaceuticals exhibition by PHARMEXCIL of India in Bishkek in March 2015 as well as the participation of representatives of Agrarian Platform from Kyrgyzstan in Aahar 2015 trade fair in New Delhi in March 2015.

### Scientific and Technical Cooperation

Both nations expressed satisfaction over their developing cooperation in sectors such as education and health. Kyrgyzstan remains one of the popular destinations for the Indian

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medical students. Students from Kyrgyzstan study in India as well and over 1000 working professionals from a cross section of the Kyrgyz society have utilized the Indian Technical and Economic Cooperation (ITEC) programme. India offered to establish an AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy) Center in Kyrgyz Republic to share India's knowledge in traditional medicine.

### Cultural and humanitarian cooperation

Both are expressed intension to enhance cultural and humanitarian cooperation, including scientific-technical cooperation between researchers and students in Universities, research and analytical centers and private sector. They welcomed the signing of Agreement on Cultural Cooperation during the visit and stressed the need to enhance cooperation between the peoples of the two countries in different forms of art, music, dance, theatre, cinema and other cultural manifestations. Stressed importance of organizing further mutual cultural events in Kyrgyzstan and India and expressed interest in joint study of common historical and cultural heritage.

### PM Modi visit to Tajikistan

The Prime Minister of the Republic of India, Narendra Modi paid a State visit to the Republic of Tajikistan from 12 to 13 July 2015 Tajikistan. During visit wide-ranging talks on bilateral, regional and international issues held between the Leaders and signed two MoUs in the field of culture and human resource development.

#### Agreements/MoUs:

- Programme of Cooperation (POC) in the field of Culture for the years 2016-18. The POC envisages cooperation in the field of culture through exchange of expertise in protection, preservation and promotion of cultural heritage in both countries, exchange of information and experts and organization of cultural days in each other's countries for greater cultural understanding between the countries.

- Exchange of Note Verbale (NV) on setting up of Computer Labs in 37 Schools in Tajikistan for supporting Government of Tajikistan's human resource and skill development efforts.

### Joint Statement -highlights

The two leaders reaffirmed their commitment to take all necessary steps to transform bilateral relations into a multi-faceted strategic partnership for the mutual benefit of the people of both their countries.

- Both sides emphasized the need for adoption of the "Comprehensive Convention on International Terrorism" by the UN General Assembly. The Leaders decided to reinvigorate official-level interactions in the framework of the Joint Working Group (JWG) on Counter Terrorism for strengthening cooperation in the fight against terrorism
- The Leaders underscored the importance of improving connectivity in the region to realize the full potential of trade and commerce. Tajikistan reiterated its support to the International North South Transport Corridor (INSTC) which will considerably reduce transit time and cost for transportation of goods between India and Central Asia and beyond.
- Both Leaders recognized that the proposed Pakistan, Afghanistan and Tajikistan Trilateral Transit Trade Agreement (PATTTA) would facilitate trade between Tajikistan and the countries of the South Asian region. They decided that further consultations would be held on the inclusion of India to this arrangement.
- The Leaders stressed the importance of enhanced air connectivity between the two countries to facilitate trade and economic linkages as well as tourism and greater people-to-people interactions.
- Highlighting the vast untapped hydropower potential, the President of Tajikistan sought greater Indian engagement in the

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- field of hydropower generation in Tajikistan.
- The Leaders noted that health sector is an important area of bilateral cooperation. India proposed to implement a tele-medicine project in Tajikistan by connecting reputed multi-speciality hospitals in India with hospitals in Dushanbe and other regions of Tajikistan for offering medical consultation and education.
  - The Leaders identified cooperation in food processing, mining, pharmaceuticals, textiles, skill development, science & technology, Information Technology, culture and tourism as promising areas for further cooperation..
  - Underlining the importance of liberalization of the existing visa regime for greater cooperation and more people-to-people interaction.

### Cabinet approves utilization of India's capital contribution to the SAARC Development Fund for Economic and Infrastructure Windows

The Union Cabinet chaired by the Prime Minister, on 14 July 2015, gave its approval for the proposal to permit utilization of India's capital contribution to the SAARC Development Fund (SDF) for its Economic and Infrastructure Windows, in addition to the existing approval for utilizing India's capital contribution for the Social Window of SDF.

The approval will help in promoting projects such as cross border infrastructure. Such projects will help improve intra-SAARC trade and growth potential of the SAARC region, and also in promoting financial inclusion and social security to disadvantaged/vulnerable sections of society in the region. There are no additional financial implications for India, as it only entails a restructuring of India's capital contribution to the SDF.

The SDF was set up in 2008 to improve the livelihood of the people and to accelerate

economic growth, social progress and poverty alleviation in the region. The SDF Charter provides for utilization of the Fund, for projects in three windows:

- (i) Social Window;
- (ii) Economic Window;
- (iii) Infrastructure Window.

At the 18th SAARC Summit held in November 2014 in Kathmandu, leaders agreed to operationalize the SDF's Economic Window and Infrastructure Window at the earliest, for effective implementation of regional and sub-regional projects. In light of the pressing need to address infrastructure bottlenecks for improved growth of the SAARC region, it is pertinent to use India's capital contribution to SDF for its Economic and Infrastructure Windows in addition to the Social Window.

#### Background:

In 1996, a first funding mechanism was created in SAARC, 'South Asian Development Fund (SADF), merging the SAARC Fund for Regional Projects (SFRP) and the SAARC Regional Fund. SADF objectives were to support industrial development, poverty alleviation, protection of environment, institutional/human resource development and promotion of social and infrastructure development projects in the SAARC region. SADF started with a resource base of US\$5 million (contributed on pro-rata basis by SAARC Member States).

### First India-Myanmar Joint Consultative Commission meet: New Delhi

The first meeting of the India-Myanmar Joint Consultative Commission (JCC) was held, on 16 July 2015, in New Delhi. The JCC meeting was co-chaired by the External Affairs Minister Sushma Swaraj and the Foreign Minister of Myanmar U Wunna Maung Lwin. India and Myanmar issued a joint statement on bilateral cooperation during the meet.

#### Highlights joint statement

- Both the leaders agreed that negotiations should be conducted to enable early conclusion of the bilateral MoU on

- Movement of People across the Land Border.
- First meeting of the India -Myanmar Joint Boundary Working Group, with a mandate to address all outstanding boundary issues, would be held in New Delhi at the earliest.
- A joint survey by officers of the two Foreign Ministries is expected to be undertaken to inspect the earth blockage site on Ti-Ho (Tizu) river on India-Myanmar border to inspect the efforts made by local authorities of Mizoram to remove the debris and restore the normal course of river.
- Investments by Indian companies in areas like ports, power, agro-industries, forest products, mining, construction industry, consumer goods, highways, oil & gas, plantation, manufacturing, hospitality and ICT would be specifically encouraged.
- Trial runs of Imphal-Mandalay Bus Service will be held at the earliest.

### **Union Cabinet approves MoU of India, Nepal for construction petroleum pipeline**

The Union Cabinet chaired by the Prime Minister gave its approval for the signing of a Memorandum of Understanding (MoU) between the India and Nepal for the construction of a petroleum products pipeline from Raxaul (India) to Amlekhgunj (Nepal) on 12 August 2015. The MoU is a key agreement that will ensure unhindered supply of oil and gas to the landlocked Himalayan nation.

The MoU also includes re-engineering of Amlekhgunj Depot of Nepal and allied facilities. The MoU will promote bilateral cooperation in the oil and gas sector and secure long term supply of petroleum products to Nepal. It will also help preserve the environment along the route and decongest the international border at Raxaul.

The Government of Nepal had requested the Government of India, during the visit of the Prime Minister to Nepal on 3-4th August, 2014 for the construction of this petroleum products pipeline. Bearing in mind the close and friendly relations between the two countries and their

people, this was agreed to by the Indian Government.

On behalf of Indian Government, the Indian Oil Corporation has been entrusted with the job of construction of the pipeline and re-engineering of the Amlekhgunj Depot and allied facilities. The project will be completed in two phases. In the first phase, a petroleum products pipeline from Raxaul in India to Amlekhgunj in Nepal would be constructed. The Indian Oil Corporation will bear a cost of Rs. 200 crore for the first phase of the project. There will be a long term contract of 15 years (initial contract for five years extendable for two terms of five years each) between the Indian Oil Corporation and the Nepal Oil Corporation.

### **India, Bangladesh signed MoU to tackle the menace of fake Indian currency notes**

India and Bangladesh on 13 August 2015 signed a Memorandum of Understanding (MoU) to tackle the menace of fake Indian currency notes (FICN) smuggling, during a maiden meeting of the Joint Task Force on Fake Currency Notes (JTFFC) in Dhaka.

#### **Highlights of the MoU**

- Both countries will share intelligence inputs on operatives engaged in circulating FICN on real time basis.
- India will provide Advance note sorting machines to Bangladesh to detect FICN circulation at international airports, immigration points, integrated crossing points, banks and financial institutions in Bangladesh.
- India will help Bangladesh to set up Forensic Science laboratory for examination of fake notes and maintaining a digital depository of forensic reports.
- Both the countries in future will organise capacity building training programmes.

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### India, Australia signed MoU on cooperation in fields of education, training and research

India and Australia on 24 August 2015 signed a Memorandum of Understanding (MoU) on cooperation in the fields of education, training and research. The MoU will help intensify existing partnerships between India and Australia in higher education & research, including technical and professional education, schools, vocational education and training and will open up new and innovative areas of cooperation. The MoU was signed during the meeting of the Australia-India Education Council (AIEC) in New Delhi.

The costs of the cooperative activities under this MoU will be funded on mutually agreed terms and will be subject to availability of funds. The MoU will help intensify existing partnerships between India and Australia in higher education & research, including technical and professional education, schools, vocational education and training and will open up new and innovative areas of cooperation.

#### Main objectives of this MoU:

- Consideration of expansion of the Australia India Education Council membership from time to time to ensure appropriate representation from academia, policy makers and industry as required and agreed;
- Strengthening the policy dialogue and exchange in areas of mutual benefit, including qualification and quality frameworks and standards for education, research and training;
- Supporting mobility of students and faculty members through formal exchange programs, internships and other modalities;
- Improving credit transfer arrangements and work towards qualifications recognition between Australia and India;
- Supporting and organizing professional development programmes for subject

experts, educational administrators, faculty members and teachers;

- Encouraging twinning arrangements between institutions of higher learning and organisation of joint research programmes and publications;
- Encouraging research collaboration between institutions of higher learning to enlarge the scope for joint research, joint Ph. D. programmes and joint degrees;
- Sharing best practice education materials including research materials, publications, and educational literature;
- Supporting skills development through joint conferences, seminars, policy dialogue and technical cooperation in national standards development;
- Strengthening communication for exchange of information on new policy initiatives and opportunities for development of education, training and research activities of both countries;
- Further develop bilateral programmes between institutions of educational excellence in technical, vocational, schools and higher education, subject to availability of funds.

#### Joint Communique between India and Australia

In spite of the MoU, a Joint Communique was also issued at the end of the AIEC meeting.

The Communique commended the significant progress made by the Working Groups across the key areas of skills, higher education and research, student mobility and welfare, quality assurance and qualifications recognition.

The Communique emphasized that the Global Initiative for Academic Networks (GIAN), launched by the Union Government, would enable academic interaction to mutual benefit. Both countries agreed for a total joint financial commitment of up to 1.0 million US dollars for various activities under Educational Cooperation.

### About Australia-India Education Council (AIEC)

The AIEC is a bi-national body established in 2011 as a commitment by the Education Ministers of India and Australia to guide the strategic direction of the education, training and research partnership.

The AIEC, which is co-chaired by Education Ministers on both sides, consists of academia, industry and government and meets in conjunction with the annual Australia-India Ministerial Dialogue on Education Cooperation.

### Australian panel gives conditional nod for N-deal with India

The Australian parliamentary committee has “in principle” approved the nuclear deal and has recommended more safeguards to India’s nuclear programme before the government can approve uranium sales to India. The parliamentary committee recommended that India be encouraged to sign the Nuclear Non-Proliferation Treaty (NPT), to separate its civilian and military nuclear facilities further, and appoint an “independent national regulator” to oversee the movement of the uranium, also called Australia-Obligated Nuclear Material (AONM). The report was released by the Joint Standing Committee on Treaties (JSCOT) that has been studying the Indo-Australian nuclear deal.

The recommendations of the treaty committee are not binding on the Abbott government, but could be used by the opposition Green Party to put further obstacles in the way of uranium sales to India. In August this year, Green party activists were instrumental in overturning environmental clearances to the \$16 b Carmichael coal mine project proposed by the Adani group.

The committee report was a “partial victory,” given that it has in principle ‘green-lighted’ the nuclear deal. However, according to analysts, India cannot accept the additional safeguards proposed by the Australian committee. India has consistently opposed the NPT, braving sanctions for 4 decades rather than

agree to a moratorium on nuclear testing. The recommendations on a national regulator may also exceed what India is prepared to do. They also pointed out that unlike in the past; India now is not dependent on Australian uranium. Recent nuclear deals that have been renewed with Canada and Kazakhstan have also bolstered this view

### Background

In a major step towards realising its nuclear energy ambitions, India signed a civil nuclear cooperation agreement with Australia in September 2014. The two nations have held five rounds of negotiations on the deal since 2012, when Australia reversed its policy on nuclear sales to India. The policy was based on India’s refusal to sign the Nuclear Non-Proliferation Treaty.

India runs 20 atomic reactors at six sites, generating 4,780 MW of electricity — a mere two per cent of the country’s total power output. But the government has ambitious plans to generate 63,000 MW of nuclear power by 2032. The Indo-U.S. nuclear deal has paved the way for countries like Australia, a major ally of the United States, to emerge as India’s nuclear supplier, despite New Delhi’s refusal to sign the Nuclear Non-Proliferation Treaty (NPT).

### Ausindex15: first bilateral maritime exercise of India and Australia

India and Australia have successfully completed the first bilateral maritime exercise, Ausindex15, at Visakhapatnam, on the East Coast of India, which aimed to strengthen the defence co-operation between the countries. The nine-day exercise was concluded in 19 September 2015. The latest exercise is part of the *framework for security cooperation* announced by the Australian and Indian Prime Ministers in 2014. India remains one of Australia’s key security partners in the Indian Ocean and Asia-Pacific.

Further, the exercise will also help strengthen professional interaction, both in harbour and at sea and would be a start for attaining interoperability between the two navies. It will

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also strengthen the ability to undertake regional joint and/or combined operations such as Humanitarian Assistance and Disaster Relief. Ausindex15 exercise saw the participation of three RAN ships, HMA Ships Sirius, Arunta and Sheehan, and a Royal Australian Air Force AP-3C aircraft. It also involved the Indian Navy warships, including Shivalik, Ranvijayi and Shakti, as well as its P-8I maritime patrol aircraft.

The exercise started with briefings and practical demonstrations ashore and later progressed to sea for surface and anti-submarine warfare, as well as coordinated anti-submarine exercises.

### **EKUVRIN: Sixth India-Maldives joint military exercise**

The Sixth Joint Military Training Exercise between the Indian Army and the Maldives National Defence Forces (EXERCISE EKUVRIN – VI) was conducted at Pangode Military Station, Trivandrum, Kerala from 31 Aug to 13 Sep 2015. It was the first joint exercise involving an international contingent to be conducted at Thiruvananthapuram, which is being developed as a Training Node by the Indian Army.

A number of training activities and exercise were conducted during the joint training. The officers and soldiers of Maldivian National Defence Forces appreciated the high standards of training, motivation and operational capability of the Indian Army. The exercise provided an excellent opportunity for fostering jointmanship and interoperability between the defence forces of both countries. The bilateral annual exercise, which commenced in 2009 in Belgaum, India, is alternately held in India and Maldives with the aim of enhancing military cooperation and interoperability between the two countries and increased understanding between both armies.

### **Cabinet clears sign of Mutual Legal Assistance Treaty between India and Maldives**

The Union Cabinet, chaired by the Prime Minister, has given its approval for signing of a Mutual Legal Assistance Treaty (MLAT) in

Criminal Matters between India and the Maldives.

The Treaty aims to enhance effectiveness of both countries in investigation and prosecution of crime, through cooperation and mutual legal assistance in criminal matters. In the context of transnational crime and its linkages to terrorism, the proposed Treaty will provide a broad legal framework for bilateral cooperation with Maldives in investigation and prosecution of crime as well as in tracing, restraint and confiscation of proceeds, and instruments of crime as well as funds meant to finance terrorist act

MLAT is an agreement signed between two or more countries for the purpose of exchanging and gathering information to enforce criminal laws or public laws. Under the MLAT a mechanisms has been developed among countries for obtaining an evidence to solve the criminal investigations and further use it for prosecutions

### **Sri Lankan Prime Minister visit to India**

Prime Minister of The Democratic Socialist Republic of Sri Lanka Ranil Wickremesinghe visits India from September 14-16, 2015. He held talks with Prime Minister Narendra Modi on issues including fishermen issue, security matters etc.

They discussed the fishermen issue and it was agreed that fishermen associations on both sides should continue their efforts to find a solution to the problem which is a humanitarian issue affecting livelihood and steps are being taken to encourage Indian fishermen to take up deep sea fishing.

Deeper discussions in regard to security matters of combating terrorism and our ensuring security in the maritime area of the Indian Ocean, our armed forces and the police could work together. Peace and stability in the region is the key to our success.

The two countries signed four pacts. These MoUs are as follows-

- Bilateral Agreement between India and Sri Lanka on Orbit Frequency Coordination of Satellite for SAARC Region
- Renewal of MoU regarding Indian grant assistance for implementation of Small Developmental Projects (SDP) through local bodies, non-governmental organizations, charitable trusts and education and vocational institutions.
- MoU regarding supply of Medical Equipment to 200 bed ward complex at District General Hospital, Vavuniya
- Exchange of Letters on Establishment of Emergency Ambulance Services in Sri Lanka.

### **Fourth edition of Sri Lanka-India Exercise (SLINEX):2015**

Indian Navy and Sri Lankan Navy on 27 October 2015 began the 4th edition of Sri Lanka-India Exercise (SLINEX) at Trincomalee, Sri Lanka has concluded successfully on 01st November 2015 in Trincomalee. The joint naval exercise enabled both Navies to rehearse and improve own capabilities and enhance operational effectiveness required to maintain maritime security in the region by integrating forces.

The 6-day exercise commenced with a *Harbour Phase* during which the participants were engaged in professional cultural and social interactions. It was followed by a *Sea phase* that included anti-piracy exercises, main armament firing exercises, replenishment at sea, Search and Rescue (SAR) operations, towing, cross-deck helicopter operations and anti-surface exercises. Sri Lanka Navy's Offshore Patrol Vessels Sayura, Samudra and Sagara, Fast Missile Vessel, Nandimitra, Fast Gun Boats, Ranajaya, Ranarisi and six Fast Attack Craft including two Super Dvora MK IIIs and Indian Navy's missile corvettes, INS Kora and Kirpan, Offshore Patrol Vessel, Savitri along with a maritime reconnaissance helicopter taking part in the multi-dimensional exercise.

### **Sri Lanka-India Exercise (SLINEX)**

SLINEX series of bilateral maritime exercises was initiated in 2005 and since then three

successful engagements have been conducted. SLINEX aims to promote mutual understanding and provide exposure to both the Navies to each others' operating procedures, communication procedures and best practices.

### **India and Cambodia inks on MoUs on tourism and Mekong-Ganga initiative**

During the three-day visit of Indian Vice-President Hamid Ansari to Cambodia from 15 September to 17 September 2015, India and Cambodia has signed two MoUs on Tourism and Mekong-Ganga Cooperation Initiative in Phnom Penh. Besides, both sides also discussed possibilities of shoring up of trade and investment, and agreed that the bilateral investment protection agreement must be signed as soon as possible.

MoU on tourism is aimed at boosting tourist movement between the two countries. On the other hand, the MoU on Mekong-Ganga relates to five 'quick impact projects' undertaken by India. These projects are: a grant of US\$50000 for the upgradation of an Entrepreneurship Development Centre in existence since 2004; two projects in healthcare, especially to do with malaria; one project on agriculture and one on women's empowerment.

### **Mekong-Ganga Cooperation Initiative**

The Mekong-Ganga Cooperation (MGC) was established in the year 2000 at Vientiane, Laos, at the first MGC Ministerial Meeting. It comprises six member countries, namely India, Thailand, Myanmar, Cambodia, Laos and Vietnam. MGC takes its name from two rivers Ganga and Mekong.

### **India and Laos inks two MoUs on air services and agriculture sector**

India and Laos on 18 September 2015 signed two Memoranda of Understanding (MoUs) to strengthen bilateral ties between the two nations. The MoUs were signed during the visit of Indian Vice President Hamid Ansari to Laos.

The MoUs cover Air Services Agreement to start direct flights between two countries and

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another agreement for three Quick Impact Projects (under the Mekong-Ganga Cooperation programme) in the agriculture sector.

### India-Laos Bilateral Relations

India has enjoyed longstanding, friendly and mutually supportive relations with Lao People's Democratic Republic (PDR). The diplomatic relations between Indian Government and the Government of Laos were established in February 1956.

There exist excellent political relations between India and Lao PDR. On account of this, the Lao PDR has been supportive of major issues of regional and international concerns to India. In 2010, Laos supported India's candidatures for a non-permanent seat on the UN Security Council for the term 2011-2013.

Lao PDR and India have signed several agreements over the past few years. These agreements lay down the essential framework for bilateral cooperation in matters relating to science, technology, economic cooperation and trade, as well as in defence and consular matters.

### President of India state Visit to Jordan

The President of India, Shri Pranab Mukherjee, paid a State visit to Jordan from 10-12 October 2015. The President will be accompanied by Shri Thaawar Chand Gehlot, Union Minister of Social Justice and Empowerment, Members of Parliament and the learned members of the academic community, apart from official delegation. The visit underscores the desire of the two countries to strengthen their bilateral relations.

In the first leg of his "historic" six-day tri-nation tour to West Asia, President Pranab Mukherjee held talks with Jordanian King Abdullah II in Amman on various bilateral issues including trade and investment, counter-terrorism and United Nations Security Council reforms.

Both nations explored the possibilities of opening up new synergies in different areas of mutual interest including counter terrorism, defence, IT, and energy. HM King Abdullah II

expressed his keen desire to encourage Indian companies to work with the Jordanian ICT companies. 16 MoUs and Agreements, including between academic institutions were finalised. Jordan offers its full support to India's bid for a permanent membership in a reformed United Nations Security Council. It has also offered long-term contracts for enhancing exports to India, and "an arrangement" would be created within the royal court to look into problems faced by Indian workers.

### With regard to trade

India, on its part, offered a \$100-million line of credit to expand trade and investment relations between the two countries. The projects that would get funds from this loan would be worked out later.

India is the largest importer of Jordanian phosphate. In this regard, India indicates that Jordan can play an enhanced role in India's food and energy security. At present, around 20 Indian companies are operating in Jordan with \$300 million investments. Both nations are planning to increase bilateral trade to \$5 billion a year, from \$2 billion now.

On the Jordan side, Jordan says it has become a hub of financial services. Jordan also wants to enhance exports. The financial climate in the country is in favour of investments. Jordan already has free trade agreements with the E.U. and the U.S. There's a favourable atmosphere for Indian companies to come in and invest in Jordan.

Indian president Pranab Mukherjee and Jordan King Abdullah also inaugurated a \$860-million Indo-Jordanian joint venture fertilizer plant which will mainly manufacture sulphuric acid- and phosphoric acid-based plant nutrients. Jordan India Fertilizer Company (JIFCO) is 53 per cent owned by the Indian Farmers and Fertiliser Cooperative (IFFCO) and its affiliates.

### Tackling terror

Both leaders have reiterated the need for greater cooperation in counter-terrorism. The President noted that Jordan is in the forefront of fighting terrorism in West Asia.

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After detailed talks both countries have signed six MoUs. These are:

1. Agreement on Maritime Transport - Conscious of the existing friendly relations, desirous of establishing effective co-operation on the basis of shared commitment, and convinced on strengthening and development of relations in merchant shipping and maritime transport.
2. MOU between the Foreign Service Institute [FSI] of India and & the Jordan Institute of Diplomacy - Exchange of information on structure and content of training programmes for diplomats, Identification of experts in mutually agreed areas, Promotion of contacts and exchange of trainees, students, faculty members and experts.
3. MOU between the Ministry of Communications and Information Technology of the Republic of India and the Ministry of Information and Communications Technology of the Hashemite Kingdom of Jordan on Cooperation in the field of IT & Electronics - Examining ways and means to promote and strengthen bilateral cooperation; Considering the developmental partnership established; Recognising the mutual benefits, potential and the need to leverage capabilities; Implementing Institutional and Capacity Building cooperation programme.
4. Cultural Exchange Programme for 2015-17 - Desirous of further development and promotion of cultural, scientific and technical relations; Recalling the Cultural Agreement signed on 15 February 1976; Agreement on the Executive Programme in the fields of Art & culture, Mass media etc.
5. MOU between the Bureau of Indian Standards [BIS] and the Jordan Standards and Metrology Organization [JSMO] for Cooperation in the fields of Standardization and Conformity Assessment- Desiring, in

a spirit of co-operation and mutual interest, to enhance and strengthen technical co-operation in the fields of standardization, and conformity assessment with the aim of exchanging necessary information and expertise between the Parties.

6. Cooperation Agreement between Jordan News Agency [Petra] and Press Trust of India [PTI] - Establishing regular exchange of content on the developments; Promoting mutual cooperation and professional interaction, Agreement on exchange of news through the Internet; Accepting the right to use the said news for distribution to their subscribers.

This is the first time an Indian President is visiting the Hashemite Kingdom of Jordan. Former Prime Minister Rajiv Gandhi had visited the country in 1988. Mr. Mukherjee's visit comes at a time when India is seeking to strengthen ties with West Asian countries, both Arab nations and Israel, and the region is grappling with increasing terror threats. Parts of Jordan's neighbouring country, Syria, have been occupied by the Islamic State terror group which is attracting extremists from around the world, including India, to join its "Caliphate".

### **President Pranab Mukherjee state visit to Palestine**

The President of India, Dr. Pranab Mukherjee paid the first ever State visit to Palestine from October 12-13, 2015. The President was accompanied by a high level delegation including Union Minister of Social Justice and Empowerment; Members of Parliament; senior officials; senior representatives of our educational and academic institutions.

During the visit, the President held meetings and interactions with Palestinian President Abbas, Prime Minister H.E. Mr. Rami Hamdallah, and the leaders of major political parties in Palestine. They had delegation-level talks also held. They discussed various issues including issue of clashes between Israel and Palestine, the way forward in the Middle East peace process and issue of terrorism and the

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terrorist groups which are there in the region. Besides that they also discussed the bilateral issues.

India has conveyed full support for the Palestinian cause, reiterated that support, which is based on the principles put forward by the Quartet and also the relevant United Nations Security Council resolutions, namely that India believe in an independent, united, viable state of Palestine living side by side in peace with Israel with East Jerusalem as its capital.

President Mahmoud Abbas conveyed also the position with regard to the Palestinian territories, stated that what Palestine was asking for was a settlement on the basis of the 1967 borders, not according to the current situation where its territory had been taken up due to settlements. This was actually agreed upon and recognised in the peace processes in the late 90s.

With respect to this, President Mahmoud Abbas mentioned that in 2002 it was agreed by the 57 Arab and Muslim countries that if Israel were to withdraw from Palestinian territories, then all of them would recognise the State of Israel, and that is something which still remains valid and it should form the basis of the future of the peace process taking this very important facet into account.

Both sides finally agreed that there was no difference in the solution which was being put forward by them and that the only way forward was a negotiated settlement based on peaceful negotiations and settlement of conflict as per the established principles.

With regarding terrorism, they discussed about ISIS, Al Qaeda and Jabhat al-Nusra which we are active in the region, both nations states that they do not believe in these organisations then the best thing is to solve the conflict as quickly as possible and to reach a negotiated settlement.

They also mentioned the fact that Syria should have a peaceful negotiated settlement, a peaceful solution to Syria would be in

everybody's interest, and otherwise the developments could spread on to Lebanon and other places.

Both sides finally agreed that there was no difference in the solution which was being put forward by them and that the only way forward was a negotiated settlement based on peaceful negotiations and settlement of conflict as per the established principles.

### **Cooperation in capacity building**

India, affirmed that it would always support Palestine in capacity building efforts, and whatever is feasible or whatever is required by the Palestinian side that India would be ready to come forward with help. India announced a grant of USD 5 million to Palestine. It is to be used by Palestine for budgetary support. President conveyed that India had decided to double the number of ITEC slots to 100 from the current 50 and also increase the general scholarships for Palestine from 10 to 25.

In addition, there were a number of projects that were announced, in total of USD 17.79 million. The first was setting up of a techno park in Ramallah which will cost about USD 12 million; second is setting up of the Palestinian Institute of Diplomacy at a cost of USD 4.5 million; the India-Palestine Centre for Excellence in ICT and Innovation in Gaza which will cost USD 1 million; cooperation between Birzeit University in the West Bank and Jawaharlal Nehru University at a cost of USD 21,670 for a Ph.D. programme, this was a support for five years; and then India Studies Chair at Al-Quds University which will amount to USD 268,000. So, that is another about Rs. 35 lakh for five years.

### **Cooperation in Education**

Palestine wants Indian academia to be a part of its efforts in charting out a peace plan for the conflict-hit region. When Indian professors and educators arrive in Palestine as part of a bilateral agreement to foster educational ties, officials are hopeful that they will have a deeper understanding of the raging conflict between

Palestine and Israel and come up with a resolution.

An agreement for strengthening cooperation in the field of education has signed for the first time between the two sides. There are six MoUs signed between educational institutions of both the nations in this regard -

1. MOU between Indian Council for Cultural Relations (ICCR) and Ministry of Culture, State of Palestine
2. MOU between Jawaharlal Nehru University (JNU) and Birzeit University
3. MOU between JNU and Al Najah National University JNU and Al Najah National University
4. MOU between Jamia Millia Islamia and Al Quds University Jamia Millia Islamia and Al Quds University
5. MOU between Jamia Millia Islamia and Al Istiklal University Jamia Millia Islamia and Al Istiklal University
6. MOU between Jamia Millia Islamia and Hebron University Jamia Millia Islamia and Hebron University

The President addresses the Al Quds University and inaugurates Jawaharlal Nehru Secondary School at Abu Dees.

Palestine and India share a cordial and friendly relationship. India has been extending bilateral and multilateral support to Palestine in addition to developmental and budgetary support. This visit further strengthens the bonds of friendship and renews the strong and unwavering commitment of India towards the Palestinian cause.

### **President Pranab Mukherjee state visit to Israel**

The President of India, Shri Pranab Mukherjee will pay first State visit to Israel from October 13-15, 2015. The President was accompanied by a high level delegation including Union Minister of Social Justice and Empowerment; Members of Parliament; senior officials; senior representatives of our educational and academic institutions. During the visit, the

President held talks with the President Rivlin and Prime Minister Mr. Benjamin Netanyahu as well as the speaker of the Israeli Parliament, Knesset and also addresses the Knesset.

India described Israel as "one of the most important countries for India, need is to reinvigorate bilateral ties in all areas of our engagement. Israel has provided defence equipment, platforms and systems at a time when India needed them the most. Both nations recognised the need to expand cooperation in solar energy, dairy development, water management, horticulture, animal husbandry and agriculture as well as cooperation between Indian Space Research Organization and Israeli Space Agency and new possibilities and synergies to diversify the trade as well as mutual investments.

The two sides signed a number of MoUs in the fields of culture, education, science and technology. Eight MoUs exchanged between the educational institutions of India and Israel. These will promote cooperation in the field of higher education between the two countries and provide for joint research, exchange of scholars, etc.

### **List of Agreements/MoUs signed**

- Protocol amending the Convention and the Protocol between the Republic of India and the State of Israel for the Avoidance of Double Taxation and for the Prevention of Fiscal Evasion with respect to taxes on income and on capital. The agreement is in connection with the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital
- Cultural Exchange Programme between the Government of the Republic of India and the Government of the State of Israel for the years 2015-2018. The programme has signed is in connection with exchange of culture and art experts, Performing arts festivals, Plastic Arts, photography and design, Architecture Museums and Exhibitions

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- Music, Cultural Heritage and Archaeology etc.
- MOU between Jawaharlal Nehru University, India and Ben-Gurion University of the Negev. This agreement is in connection with academic objectives of each institution and to promote better understanding between the faculty and students of JNU and the faculty and students of BGU
  - Agreement of Cooperation between the Hebrew University of Jerusalem and Indian Institute of Technology, Kharagpur, for program offered at either university which is felt to be desirable and reasonable for the development of cooperation between the two institutions.
  - MOU for Institutional Collaboration between Indian Institute of Technology, Kharagpur (IITKGP) and Ben-Gurion University of the Negev, (BGU to promote interaction and collaboration between faculty, staff and students of the two institutions through visits and exchange programs, carry out joint academic and research programs, joint supervision of doctoral and masters students, on a reciprocal basis.
  - MOU between Jawaharlal Nehru University, India and Hebrew University of Jerusalem, Israel to promote better understanding between the faculty and students of JNU and the faculty and students of HUJI.
  - Framework for Academic Collaboration between the Indian Institute of Technology Kharagpur Kharagpur, India and the University of Haifa Haifa, Israel in order to promote, facilitate and consolidate international cooperation in education and research, based on the principles of reciprocity and mutual benefit.
  - MOU between the University of Delhi, Delhi, India and Ben-Gurion University of the Negev, (BGU), Beer Sheva, Israel to exchange of information and academic materials that are of mutual interest between the two institutions relating to : academic faculty and administrative staff, research staff, visiting scholars , students and other staff mutually. A provision of briefing/orientation services by each institution for visitors from the other institution and other forms of co-operation which the two institutions may jointly arrange.
  - Agreement of Cooperation between the Hebrew University of Jerusalem, Israel and the University of Delhi, India for the exchange of faculty members, students, Joint research projects, Joint conferences and research materials.
  - MOU between the University of Delhi, India and IDC, Herzilya, Israel to promote, facilitate and consolidate international cooperation in education and research, based on the principles of reciprocity and mutual benefit.
- India established diplomatic relations with Israel in 1992 and since then the relationship has evolved into a multi-dimensional partnership. The two countries are engaged in a range of issues of bilateral interest including cooperation in agriculture, science & technology, education, etc. The visit further strengthened bonds of cooperation between the two sides and enhance mutual understanding.
- Fifth India- China ‘Hand in Hand’ counter-terrorism exercises**
- The fifth round of India-China joint military exercises ‘Hand-in-Hand’ depicting as counter-terror operations were held in Kunming and Bay of Bengal from 12-22 October 2015 with an aim to develop joint operating capability, share useful experience in counter-terrorism operations and to promote friendly exchanges between the armies of India and China. India’s attempt to keep China engaged in a military-cooperation cycle while it bolsters defence ties with the United States and Japan is becoming strikingly illustrated with the joint

counter-terror drills in Kunming, as well as the Malabar-2015 naval exercises in the Bay of Bengal.

An exercise featuring troops from both sides at the border was regarded significant considering recent tensions between the two militaries in the Ladakh region, where Indian troops objected to attempts by their Chinese counterparts to claim areas on the Indian side of the Line of Actual Control (LAC).

Such issues were discussed at the periodic meetings of Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC). Referring to the Kunming exercises, the joint press release said that the joint exercise has "met its stated objectives; to exchange experience on counter-terrorist training and conducting counter-terrorist operations, enhance mutual trust and understanding and promote healthy military relations between the two armies." The significant feature of this exercise is that both sides designed special drills, pooling up their anti-terrorism experiences.

While India has been confronting infiltration by militants in Kashmir, China is battling terrorists from East Turkestan Islamic Movement (ETIM) in Xinjiang for the past few years. India and China have pressed in different contingents each time so that personnel from various commands are exposed to each other.

The troops had trained together and learned from each other in mixed groups on Basic Individual Skills (combat boxing, basic mountaineering and shooting), Comprehensive Combat Skills (obstacle crossing, combat shooting, demolition, high-intensity physical training) and unit/sub-unit tactics, especially in a counter-terrorism scenario. The next round of exercises will be held in India in 2016.

### **Beijing's concerns**

In view of the growing tensions with Japan, the Chinese are focusing on the format of this exercise to gauge whether the joint India-U.S. exercises are morphing into a trilateral framework with Tokyo as a permanent

participant. If that happens, it will re-open the question whether Indian foreign policy is now shifting gears towards an active support for the U.S.-led "Asia- Pivot."

The Chinese perceive President Barack Obama's "Asia Pivot" or "rebalance" doctrine as a thinly veiled attempt aimed at China's containment. Japan, South Korea and Australia are firm allies in this enterprise, but New Delhi has so far carefully avoided in bracketing itself with the coalition, notwithstanding the adoption of higher amplitude in expressing its concerns in the South China Sea.

### **Monitoring Malabar 2015**

Analysts say that China's sharper focus on the Malabar 2015 can be attributed to the first meeting of the Foreign Ministers of India, U.S., and Japan in New York where the exercise was discussed. The statement of U.S. State Department also noted the "growing convergence" of the three countries in the Indo-Pacific region, referring to the sea-space on either side of the strategic Strait of Malacca, which is the lifeline of East-West trade.

### **'Asian century'**

China and India have agreed to enhance their military cooperation, and to boost people-to-people exchanges. New Delhi has also proposed joint forays in counter-terrorism, along with combating smuggling by sea and anti-piracy operations. This has been signalled that India and China's shared interest in what has been described as an emerging new world order centred around the Brazil-Russia-India-China-South Africa (BRICS) grouping.

Further analysts also noted that "a grander mission is that as representatives of emerging economies and members of the BRICS countries, both Beijing and New Delhi should boost their cooperation while improving themselves, in order to jointly create an Asian century, make breakthroughs in the current financial order, and forge a new global economic order that is more in line with emerging markets' interests".

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### India and Africa

#### India, Egypt signed two MoUs on bilateral cooperation

During the visit of External affairs minister Sushma Swaraj to Egypt, India and Egypt on 24 August 2015 signed Memorandum of Understandings (MoUs) in fields of tourism and scientific and technical to enhance bilateral cooperation. These MoUs are-

##### **MoU on Cooperation in the field of Tourism**

Aimed at enhancing bilateral cooperation in Tourism, Hospitality and Human Resource Development; Draw up a road map for enhancing cooperation; establish a Joint Working Group (JWG) on tourism cooperation.

##### **MoU on scientific and technical Cooperation**

It was signed between the Council of Scientific and Industrial Research (CSIR) and the National Research Center (NRC) of Egypt. It will support promotion and extension of cooperation in Scientific Research and Technology Development in fields of mutual interest; Cooperate on common intellectual property rights; Develop Working Program to review the implementation of MoU; Establish Joint Committee; Exchange of scientists, scholars, information; Joint Research Programmes in water desalination, solar energy, medicine and affordable health care, setting up joint laboratories, etc.

#### Third India-Africa forum summit: New Delhi

The third India-Africa forum summit (IAFS) began in New Delhi on 26 October 2015. The four day summit (from 26 October to 30 October 2015) is one of the largest gatherings of African countries outside Africa as all 54 nations of the continent have participated. The summit addresses the key challenges faced by African nations which include food, health and environmental security etc. The architecture of the India-Africa engagement is evolving, with the two sides relating at three levels, namely bilateral, Regional Economic Communities (RECs) and the African Union.

It provides India an opportunity to forge a constructive and deeper alliance with the resource-rich continent to stimulate trade and investment flows between India and African countries. Both sides affirmed that to reinforce their partnership on the global platform and deepen security cooperation including on countering terrorism and maritime security.



#### Logo of Third IAFS:

It depicts a Lion with one half of an Indian lion and another half of African lion. In the background of logo, an African map is overlapped with Indian map as a reference to ancient Gondwanaland depicting Indian subcontinent was part of today's Africa's continental landmass. Officially the logo means "Proud, Courageous, Bold and on the Prowl, ready to take on the future and seize every opportunity".

#### Delhi Declaration 2015

The Third India and Africa Forum Summit (IAFS) has adopted a Delhi Declaration 2015 and India-Africa Framework for Strategic Cooperation. Delhi Declaration-2015 Calls for continued collaboration in the fields of peace and security between India and Africa. Provide a concrete foundation for the consolidation of our strategic partnership between both sides. Enhance cooperation for strengthening of UN counter terrorism mechanism. Enhance cooperation and coordination to combat terrorism in all its forms and manifestations.

#### Framework for Strategic Partnership Cooperation - Reshaping World Order

Home to around one-third of the world's humanity, India and Africa are central to reshaping an emerging world order to reflect

priorities and aspirations of the emerging Global South. The third India-Africa Forum Summit saw a striking convergence of positions between India and 54 African countries to address a host of cross-cutting global issues, ranging from the UN Security Council reforms, piracy/maritime security and terrorism to multilateral trade negotiations, climate change and sustainable development.

India- Africa Framework for Strategic Cooperation reaffirmed strong commitment to work together for comprehensive reforms of the United Nations system, including its UN Security Council. Make these world governing institutions more regionally representative, democratic, accountable and effective. The summit agreed to establish Small and Medium Enterprises and Medium and Small Industries to promote income generation and employment creation for people of both sides. Ensure access to affordable and quality treatment and medicines, particularly generic medicines to people of both sides

### **Development Partnership**

Mutual development is the heart of the burgeoning India-Africa partnership. The multifarious development partnership, pivoted on concessional finance, capacity building, training, and nurturing of the human capital, saw a marked upswing at IAFS-III, with Prime Minister Narendra Modi unveiling \$10 billion in additional Lines of Credit and a grant assistance of USD 600 million to Africa for a host of development projects in Africa over the next five years.

The grant will include an India-Africa Development Fund of \$100 million and an India-Africa Health Fund of \$10 million. It will also include 50,000 scholarships in India over the next five years and support the expansion of the Pan Africa E-Network and institutions of skilling, training and learning across Africa. The \$10.6 billion financial pledge for Africa till 2020 is more than the combined amount in concessional finance and grant committed by India over the last two summits, signalling New

Delhi's unflinching resolve to take the India-Africa partnership to new heights, qualitatively and quantitatively.

The Indian Technical and Economic Cooperation (ITEC) programme exemplifies the transformative power of knowledge-sharing and has acted as a sturdy bridge connecting young Indians and Africans. In the last three years alone, nearly 25,000 young Africans have been trained and educated at different institutions in India, forging lasting links between the two emerging regions of the world.

The development partnership, envisaged in the broader framework of South-South cooperation and solidarity, has been crafted to dovetail India's growing prowess in knowledge sector with 'Africa's Vision 2063' to nourish and sustain growth, stability and prosperity of these emergent poles of the world.

### **Trade Ministers' Meeting: Co-scripting Economic Renaissance**

Moving up the value chain, creating jobs, bolstering infrastructure, food security and congruence on multilateral trade issues – these were the key themes that framed the Fourth India-Africa Trade Ministers' Meeting held in New Delhi on October 23, ahead of IAFS-III. Trade ministers of various African countries and eight Regional Economic Communities (RECs) are to firm up a multi-layered strategy to scale up bilateral trade and investment between the two resurgent growth poles of the world.

The two sides agreed to intensify economic partnership across the spectrum and unveiled plans to ramp up cooperation in key sectors, including infrastructure, agriculture, healthcare, energy, engineering, agro-processing, textiles, leather and pharmaceuticals.

### **Bilateral Trade and Investment**

India's growing synergy with Africa is evident from the recent trends in trade. The total trade was less than \$1 billion in 1990-1991 and has grown to \$71 billion in 2014-15. South Africa, remains the leading destination for India's exports to

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Africa in 2014-15. Other major export destinations include Kenya, Egypt, Nigeria, Tanzania, Mozambique and Mauritius. Important items of export include transport equipment, machinery and instruments, pharmaceuticals, non-basmati rice, cotton yarn fabrics, semi-finished iron and steel. In the case of India's imports from Africa, around 51 percent of them were sourced from Nigeria in 2014-15, South Africa is the second largest source of import followed by Angola, Egypt, Ghana and Tanzania. While petroleum crude accounted for a significant 67 percent of India's total imports from Africa during 2014-15, other major items imported from Africa include gold, inorganic chemicals, metal ores and metal scrap and cashew nuts.

Significantly, India's private sector has played a pivotal role in the expansion of trade relations. The chambers of industry such as the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI) have, through regular trade conclaves, provided a platform for the corporate sectors of India and Africa to interact and forge business ties. As a result Indian investments in Africa have multiplied and are currently pegged at around \$ 35 billion dollars. They are spread across sectors such as telecommunications, information technology, hydrocarbons and agriculture.

Over the years there has been a similar interest in engaging with Africa among the Chinese, the Americans and the Europeans. Despite more than doubling since 2007 to \$72 billion in fiscal 2014-15, India's two-way trade with Africa is still comparatively small. India's economic presence in Africa is dwarfed by China, whose bilateral trade with the continent topped \$210 billion 2013-14 more than the GDP of the 30 smallest African economies combined while that with the United States was \$ 85 billion. But it is gaining ground, dominated by the energy sector and led by private entrepreneurs. However recent decline

in oil imports from the United States and sluggishness in the Chinese economy may push the Africans closer to India.

### **Blue Revolution: Driver of Prosperity**

Amid the growing salience of ocean economy, IAfs-III mapped out a blueprint for enhanced cooperation in developing blue economy and to promote what Prime Minister Narendra Modi called "the blue revolution." Blue Economy aims at sustainable development of marine resources, which will drive growth and prosperity of India, Africa and other littoral states blessed with long coastlines.

The Delhi Declaration 2015 charts out a detailed plan for development of blue economy, which includes combating illegal and unregulated fishing, managing marine resources, exploring non-marine resources, conducting hydrography surveys, promoting eco-tourism, developing renewable energy, disaster risk reduction through modern early warning tools, pollution control and other coastal and ocean studies.

### **Climate Change: Clean & Green**

Clean and Green is poised to be the new mantra of the new phase of the India-Africa partnership, with the two sides collaborating closely to secure a balanced and comprehensive global climate deal at Paris COP21 and planning to upscale the share of renewables in their energy calculus.

#### **Partners in Peace-Investing in Stability**

Peacekeeping and peace-building are critical to sustain the ongoing resurgence of the African continent. In sync with its civilizational philosophy of non-violence and promoting peace across the globe, India has played a crucial role in the UN peacekeeping missions across the continent

India is currently involved actively in four major peacekeeping missions in Africa, which includes Democratic Republic of Congo (MONUSCO), South Sudan (UNMISS), Ivory Coast (UNOCI) and Liberia (UNMIL). Put together, India has deployed about 4,500 soldiers on the ground, including the only fully formed female police unit in Liberia. At the IAfs-III, India and

Africa decided to bolster their cooperation in enhancing capacity to contribute to peacekeeping and peace-building efforts including support to the African Standby Force (ASF).

India plans to conduct a new training course at the Centre for UN Peacekeeping (CUNPK) in New Delhi and at other Peacekeeping Training Centers in Africa dedicated for Training of Trainers from upcoming Troop Contributing Countries from Africa. They also agreed on jointly promoting greater involvement of the Troop Contributing Countries in the decision-making process.

The IAfs-III envisages an enhanced role of women in peace keeping and propagating the culture of peace.

### **Building Knowledge Bridge**

Bridging knowledge deficit and widening the arc of understanding between India and Africa – this was the shared master-theme of an academic conference and the India-Africa Editors' Forum, which were organized ahead of the IAfs-III. The two conferences focused on intensifying dialogue between academics, scholars, journalists, thought leaders and civil societies to firm up an emerging template of India-Africa partnership, which will be underpinned by three Cs: Connectivity (physical and mental), Complementarity and Cooperation. Knowledge-sharing

The academics' conference entitled "India-Africa Partnership: Scale and Scope of Comprehensive Partnership" was organised by Indian Council of World Affairs (ICWA). The conference suggested closer interaction between think tanks, universities and civil society organisations of India and Africa.

### **Power 55**

Call it as the power of 55. Home to over two billion people (around one-third of the world's humanity), India and the 54-nation African continent are scripting a new chapter of renewal and resurgence. India and Africa are central to reshaping an emerging world order to reflect priorities and aspirations of the emerging Global

South. The third India-Africa Forum Summit saw a striking convergence of positions between India and 54 African countries to address a host of cross-cutting global issues, ranging from the UN Security Council reforms, piracy/maritime security and terrorism to multilateral trade negotiations, climate change and sustainable development.

It's a winning combination of mutual empowerment, blending the rich resources and energy of Africa with technical expertise and capacity of India, one of the world's fastest growing economies and an emerging knowledge power.

### **Significance of IAfs-III**

The India-Africa Forum Summit (IAfs) ended with a globally relevant declaration. Though India and African countries meet often in international platforms, IAfs 2015 will remain unique because it was the first time that India appeared before Africa speaking the language of pure economic development and finance capital, in a departure from the ideology-dominant days of Jawaharlal Nehru in the 1950s.

The economic diplomacy of India is sending the indication that like India, which has reached out to engage Africa in a robust manner; Africa too is unafraid of antagonising China as it explores India's seriousness on reaching out to Africa.

However, a casualty of pure economic diplomacy has been ideological commitment to democracy and freedom that India refused to project into Africa during the summit.

### **India-Africa Forum Summit**

The **India-Africa Forum Summit** (IAfs) is the official platform for the African-Indian relations. IAfs will be held once in every three years. It was first held from April 4 to April 8, 2008 in New Delhi, India. It was the first such meeting between the heads of state and government of India and 14 countries of Africa chosen by the African Union. The second summit was held at the Ethiopian capital Addis Ababa in 2011,

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with India and 15 African Countries participated.

### India and North & South America

#### India and U.S signs MoU on Cooperation to Establish the PACE Setter Fund

India and the United States of America signed a Memorandum of Understanding (MoU) on Cooperation to Establish the PACE Setter Fund on 30 June, 2015 in New Delhi. The fund is to support the Promoting Energy Access Through Clean Energy (PEACE) track of the U.S.-India Partnership to Advance Clean Energy (PACE) to accelerate the commercialization of off-grid clean energy through early-stage grant funding grants to develop and test innovative products, systems, and business models

The Government of India and the United States of America have announced the launch of a new initiative "Promoting Energy Access through Clean Energy (PEACE)". This ambitious cooperation is a new tract under the U.S.-India Partnership to Advance Clean Energy (PACE), a flagship initiative on Clean Energy that combines the resources of several U.S. agencies and GOI Ministries. India-U.S. corpus of about Rs.500 Million (\$8 Million U.S. Dollars) have been drawn on 50:50 sharing basis.

Under this, a Steering Committee comprising the Secretary of the Ministry of New and Renewable Energy and the United States Ambassador to India, and three representatives from each side has been constituted. It was agreed to cooperate through technical and commercial innovation and the advancement of clean energy in off-grid space.

#### First U.S.-India Strategic and Commercial Dialogue

The first U.S.-India Strategic and Commercial Dialogue held in Washington DC on 22 September 2015. On United States' side, Secretary of State John Kerry and Secretary of Commerce Penny Pritzker and Indian counterparts External Affairs Minister Sushma Swaraj and Minister of State for Commerce and Industry Nirmala Sitharaman are participated.

The Sides appreciated the intense engagement between India and the United States under various institutional bilateral dialogue mechanisms and people-to-people contacts and welcomed India's announcement to hold a regional Pravasi Bhartiya Divas (PBD) in Los Angeles in November 2015 towards this direction.

Both sides assessed that ties between the United States and India have never been stronger – as reflected by unprecedented strategic cooperation, record levels of bilateral trade and investment, and more than 2 million annual visits between their citizens, students, and entrepreneurs.

#### Strategic Cooperation in Global Issues

- The Sides recognized that the India-U.S. partnership was a significant contributor to the peace, stability and prosperity in the Indian Ocean and Asia-Pacific regions and around the globe. They welcomed continued cooperation under the Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region agreed by President Obama and Prime Minister Modi.
- The U.S. Side commended India's leadership in evacuating foreign nationals including U.S. citizens, from conflict in Yemen, as well as cooperation between the United States and India on providing earthquake relief in Nepal. They resolved both nations would work as partners in responding to the needs of civilians in global crises.
- Recognizing the centrality of peacekeeping to the UN's efforts for maintenance of international peace and security, the Sides committed to enhance cooperation in peacekeeping capacity building in third countries with a focus on training aspects for UN peacekeepers, especially in identified African countries.
- They welcomed Japan's participation in the MALABAR 2015 naval exercise later this year.

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- The U.S. affirms its support for India's membership in the Missile Technology Control Regime at its upcoming plenary, the Nuclear Suppliers Group, and in the other global nonproliferation export control regimes.
- Reflecting shared objectives in advancing **nuclear nonproliferation**, the two sides expressed support for the Joint Comprehensive Plan of Action (JCPOA) reached among the P5+1, the European Union, and Iran. They called for Iran's timely and thorough implementation of the JCPOA.
- They pledged to continue high level consultations on Afghanistan, making clear the enduring commitment of India and United States to the Afghan people and agreed that a sovereign, independent and prosperous Afghanistan is in the interest of peace and security in the region, and will contribute to the global efforts to combat terrorism and extremism.
- In order to strengthen **institutional cooperation** between ministries, both nations announced a new Diplomacy Partnership between the Department of State and the Ministry of External Affairs which will include a new Policy Planning Dialogue and coordination on the training of their diplomats through collaboration between respective Foreign Service Institutes. They expressed satisfaction at the convening of the first meeting of an upgraded UN and Multilateral Dialogue in February 2015, the first meeting of the Space Security Dialogue in March 2015, and the first India-U.S. consultations on Africa in April 2015.
- The U.S. reaffirmed its support for a reformed UN Security Council with India as a permanent member. Both sides are committed to continued engagement on **Security Council reform** in the UN Intergovernmental Negotiations (IGN) on Security Council Reform.
- Committed to strengthening their bilateral cooperation, they pledged to work together to promote the responsible management and rules-based resolution of conflicts in shared maritime and space domains, and cyberspace.
- They agreed for peaceful use of the oceans, freedom of navigation, and **protection of the ocean ecosystem** and to explore a new Oceans Dialogue to promote sustainable development of the blue economy.
- In **outer space cooperation**, they noted the launch of a new Space Security Dialogue in March 2015, the exchange of technical data from both countries' national Mars orbiters, and upcoming Civil Space Joint Working Group in Bangalore. The U.S. side applauded India's proposal to launch a satellite for the South Asian Association for Regional Cooperation (SAARC) in order to expand information sharing and connectivity within the SAARC region. In this spirit, they renewed the U.S.-India Technology Safeguards Agreement to facilitate the launch of U.S. satellite components on Indian space launch vehicles.
- On **cyber issues**, they supported an open, inclusive, transparent, and multi-stakeholder system of internet governance and planned to work together to promote cyber security, combat cyber crime, and advance norms of responsible state behavior in cyberspace. They agreed to improve cooperation among technical, law enforcement, cyber R&D, and capacity building. The Sides commended the resumption of the U.S.-India Cyber Dialogue. The Sides welcomed the decision to convene a Track 1.5 program to further cooperation on internet and cyber issues and contribute to the goals of Digital India initiative.

### Economic Growth

- Emphasizing the importance of building commercial ties to drive the U.S.-India

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partnership forward, reviewed the outcomes of the first meeting of the reconstituted and expanded U.S.-India CEO Forum held on September 21, 2015.

- **Innovation and Entrepreneurship** as an area for cooperation, They agreed to facilitate an innovation forum in 2016, a platform for U.S. and Indian entrepreneurs to share best practices in promoting a culture of innovation and the creation of sister innovation hubs.
- They launched a joint work stream **on Ease of Doing Business**. They agreed to continue exchanges of information and best practices on cross- border trade, and to continue commercial law-related initiatives on issues like insolvency and contract enforcement, and transparency.
- They acknowledged the discussions on Totalisation held in August 2015 in Baltimore and welcomed the exchange of information on their respective social security systems. They looked forward to further engagement.
- They welcomed efforts **toward the removal of barriers** that impact their participation in global supply chains and sustained implementation of trade facilitation measures. They endorsed continued discussions on Standards, in consultation with industry in both countries that will identify priority sectors where cooperation could lead to positive outcomes for bilateral trade.
- They announced a private sector-led collaboration to maintain and update a portal containing standards information for the use of industry, including small- and medium-sized enterprises and agreed to explore opportunities for cooperation in the development of reference materials between the National Physical Laboratory (NPL) in India and the National Institute of Standards and Technologies (NIST) in the United States. They committed to exchanges between certain regulators with a view to minimizing regulatory barriers to bilateral trade.
- Facilitate exchanges on Technical Textiles between centres of excellence in India and U.S. universities. They will encourage industry to participate in trade exhibitions focused on Technical Textiles in their respective countries. Both sides agreed to address concerns regarding barriers to technical textile exports in the relevant work stream.
- Responding to India's request for support in developing evaluation techniques for **Massive Open Online Courses and Distance Education Courses**, the United States agreed to facilitate discussions with U.S. industry experts specializing in this subject.
- **Regarding the health**, the Sides reviewed progress from the first meeting of the U.S.- Health Dialogue, welcoming recent cooperative agreements to enhance cooperation in the field of cancer research, prevention, control and management; environmental and occupational health and injuries prevention and control; and LOI on research on antimicrobial resistance. They agreed will work together to consider signing a MoU in the field of Mental Health and a MoU between the Ministry of AYUSH and HHS on collaboration in various aspects of Traditional Medicine, including regulatory and capacity building. AYUSH will be organizing a joint workshop with NIH in early 2016 in India to discuss research collaboration on traditional medicine.
- U.S. affirmed that it stands to assist in India's ambitious goal of providing **skills training** to 400 million people over the next decade. They also noted the need to continue efforts to implement the decisions taken during previous summits including the knowledge partnership for supporting the IIT Gandhinagar through USAID and

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- in India's Global initiative for Academic Network (GIAN).
- They expressed satisfaction at the progress made on Science, Technology and Innovation collaboration. Under 'Discovery Science' India's Department of Atomic Energy and U.S. Department of Energy are working together to develop a High Intensity Superconducting Proton Accelerator (HISPA). Under the U.S.-India Endowment Fund, prototypes of several innovative technologies have been jointly developed with potential for societal use and commercial application.

### **Defence and Security Cooperation**

Building on the conclusion of their 10-year **Defense Framework Agreement**, both sides expressed satisfaction with progress on Defense Technology and Trade Initiative pathfinder projects, including the establishment of the Working Groups on Aircraft Carrier Technology and Jet Engine, and the growing cooperation between U.S. and Indian defense industries through the "Make in India" initiative. They looked forward to deepen discussions on military exercises, defense trade and technology, and areas of cooperation.

### **Energy and Environment**

- Recognizing the profound threat of global **climate change**, they stressed the importance of working together and with other countries to conclude an ambitious climate agreement in Paris in December 2015, understanding that meeting this goal will require concerted action by all countries and the international community.
- They looked forward to the early signing of a new five year Memorandum of Understanding on **Energy Security, Clean Energy and Climate Change**. In particular, the two sides welcomed significant progress in implementing President Obama and Prime Minister Modi's commitment to strengthen and expand the highly

successful U.S.-India Partnership to Advance Clean Energy (PACE), including:

- a. Greening the Grid, a U.S. \$30 million, 5-year initiative to scale up renewable energy integration into India's power grid.
  - b. Two activities to promote off-grid clean energy access: the PACEsetter Fund, a joint U.S. \$7.9 million fund for innovative off-grid clean energy projects and a new public-private partnership that will work to mobilize U.S. \$41 million in finance for clean energy entrepreneurs.
  - c. Research on smart grids and energy storage for grid application as the fourth stream under PACE – R.
- Drawing **on the academic and scientific cooperation** that underpins the U.S.-India partnership, they looked forward to launch a new Fulbright-India Climate Fellowship for capacity building in climate research between India's Department of Science and Technology and the U.S. Department of State.
- Noting the importance of preserving the environment and sustaining diverse ecosystems, and acknowledging the rise of international criminal networks engaged in wildlife trafficking, finalize an MOU to enhance their **cooperation on conservation and combat wildlife trafficking**. The U.S. offered support to India's Project Tiger designed to protect the population of Bengal tigers in their natural habitats.

Rooted in shared democratic values and sustained by the ties between Indians and Americans that have strengthened and enriched both nations, both sides affirmed at the close of the dialogue that together the United States and India would continue to expand and deepen their engagement, to build a defining partnership for the 21st century.

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### U.S., India sign \$3-bn defence deal for Apache, Chinook helicopters

India and U.S., on 28 September 2015, has signed final agreements for the procurement of the most advanced American helicopters - 22 AH-64E Apache attack helicopters and 15 CH-47F Chinook heavy-lift helicopters - in a deal estimated to be worth \$3 billion and would be completed in four years.

For the Chinook helicopters, the agreement was signed between representatives of Ministry of Defence(MoD) and Boeing. The procurement of the weapon systems of the Apache attack helicopter – including 812 AGM-114L-3 Hellfire Longbow missiles, 542 AGM-114R-3 Hellfire-II missiles, 245 Stinger Block I-92H missiles – as well as the aircraft's radar equipment (e.g., the AN/APG-78 fire-control radar) was signed under a separate “foreign military sale” agreement. The FMS [foreign military sale] portion of the sale includes munitions, training, aircraft certification, and components like engines, electro-optical sensors and the radar

India's Cabinet Committee of Security (CCS), responsible for military procurements, has approved the purchase in 22 September 2015, after more than ten American price validity extensions, which stipulate that the American defense contractor Boeing would sell the military hardware at the price agreed upon in 2013.

Final approval of the purchase had been stalled since that time due to differences over U.S. offset obligations – under India's Defense Procurement Procedure (DPP) any foreign company has to invest part of the total purchasing price back into the country. The current contract will have a 30 percent offset clause.

The contracts mark yet another significant step in rapidly expanding military ties between the two sides that would be discomforting to China, while drawing the contours of a broader coalition emerging in the region. Unlike the previous UPA government,

which was reluctant to be seen to be doing U.S. bidding in the region, the Modi government has been receptive to U.S. deals and joint exercises. In a first, the latest Malabar exercise between the U.S. and India has been expanded to include Japan.

After holding extensive field trials, the Indian Air Force opted for the Apache gunship and the Chinook helicopter– first flown during the Vietnam War – already six years ago. India's Air Force had been badly looking to replace its aging fleet of 15 Russian-made Mi-35 attack helicopters with a new attack helicopter. The Chinooks are set to replace the Indian military's four Mi-26 heavy-lift helicopters, only two of two of which are still operational.

The latest deal would ensure that the U.S. remains the one of India's biggest military suppliers for some years to come. The U.S. has signed over \$10 billion worth of defence deals with India in the past decade or so. This includes P-8I maritime surveillance planes, C-130J Super Hercules and C-17 Globemaster-III transport aircraft.

### India and Europe PM Modi visit to Ireland

The Prime Minister of India Narendra Modi visited Ireland on 23 September 2015. He is the first Prime Minister of India to visit Ireland in 59 years. Last Prime Minister to visit Ireland was Jawahar Lal Nehru in 1956. During the visit, Modi held discussions with Prime Minister Enda Kenny of Ireland and both nations agreed cooperation in following areas:

- To develop closer partnership and cooperation.
- To chart out a roadmap for collaboration in the digital world and for this they agreed to held talks between Joint Working Group on Information Technology soon.
- To help the professionals from the two countries they displayed interest in concluding social security agreement.
- Agreed to have direct air services by airlines of both countries. The stance

- would help in promoting business links along with tourism ties, which is growing at 14 percent per year.
- India sought Ireland's support for the reforms of the UN Security Council within a fixed time frame, particularly for successful conclusion of inter-governmental negotiations in the 70th year of the United Nations. India sought Ireland's support for India's permanent membership of the reformed Security Council.
  - India also sought Ireland's support for India's membership of the NSG and other international export control regimes.
- During his visit to Ireland, Modi presented reproductions of a selection of manuscripts and papers available in the National Archives of India pertaining to two Irish officials, Thomas Oldham (1816-1878) and Sir George Abraham Grierson (1851-1941), in recognition of their contributions in India to the Prime Minister of Ireland Enda Kenny.
- India and Germany signed 18 MoUs and two loan agreements**
- India and Germany on 5 October 2015 signed 18 MoUs in various sector including renewable energy, skill development and culture, during the state visit of Germany chancellor Angela Merkel. The MoUs were signed at the end of third Indo-German Inter-governmental Consultations in New Delhi.
- List of Agreements/MoUs**
- 1) Promotion of Languages: Joint Declaration of Intent signed between Ministry of Human Resource Development and the Federal Foreign Office of Germany. The agreement seeks to promote German as a foreign language in India and the promote Modern Indian Languages in Germany.
  - 2) Indo-German Solar Energy Partnership: MoU between the Federal Ministry for Economic Cooperation and Development of Germany and the Ministry of New and Renewable Energy on Indo-German Development Cooperation Regarding the Indo-German Solar Energy Partnership.
  - 3) Security Cooperation: MoU was inked between the Ministry of Home Affairs and the Federal Ministry of the Interior, Germany.
  - 4) Aviation Security: MoU was inked between the Ministry of Civil Aviation and the Federal Ministry of the Interior of the Federal Republic of Germany.
  - 5) Cooperation in the Field of Skill Development and Vocational Education and Training: A Joint MoU was inked between the Ministry of Skill Development and Entrepreneurship, on one hand, and the Federal Ministry of Education and Research and the Federal Ministry for Economic Cooperation and Development of Germany, on the other hand.
  - 6) Cooperation in the Field of Disaster Management: The Joint Declaration of Intent was inked by the Ministry of Home Affairs and the Federal Ministry of the Interior, Germany.
  - 7) For extension of tenure of Indo-German Science and Technology Centre (IGSTC): Announced as a Joint Declaration by the Ministry of Science and Technology and the Federal Ministry of Education and Research of Germany.
  - 8) Indo-German Partnerships in Higher Education (IGP): MoU was inked between University Grants Commission (UGC) and German Academic Exchange Service (DAAD), Germany.
  - 9) Plant Protection Products: Joint Declaration of Intent was inked by the Ministry of Agriculture and Farmers' Welfare, and the Federal Office of Consumer Protection and Food Safety (BVL), Germany.
  - 10) Cooperation in the Field of Railways: to further develop the cooperation in the field of railways a Joint Declaration of Intent was inked between the Federal Ministry of Transport and Digital Infrastructure, Germany and the Ministry of Railways.

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- 11) Cooperation in the Field of Manufacturing: MoU was inked between the Department of Heavy Industries & Public Enterprises of India and Fraunhofer Society of Germany.
- 12) Fast-Track system for German companies in India: Joint Announcement was made.
- 13) Cooperation in the Field of Advanced Training of Corporate Executives and Junior Executives from India: Joint Declaration to continue the cooperation was inked between the two nations.
- 14) Cooperation in Food Safety: Joint Statement of Intent was inked between the Federal Institute for Risk Assessment (BfR) and the Food Safety and Standards Authority of India (FSSAI).
- 15) Cooperation in Food Safety: Joint Statement of Intent was inked between the Food Safety and Standards Authority of India (FSSAI) and the Federal Office of Consumer Protection and Food Safety (BVL).
- 16) Cooperation in Agricultural Studies: MoU inked between German Agribusiness Alliance and Agriculture Skill Council of India (ASCI).
- 17) Supporting participation of Indian Young Scientists in Natural Sciences for the Lindau Nobel Laureate Meetings: Letter of Intent was inked between the Department of Science and Technology (DST) of India, the Council for the Lindau Nobel Laureate Meetings (Council), and the Foundation Lindau Nobel Laureate Meetings (Foundation).
- 18) Summary Record of the Negotiations on Development Cooperation.

In addition to that, both the nations also have signed two loan agreements worth 125 million Euros for financing two projects under the Green Energy Corridor programme. These two projects are in Himachal Pradesh and Andhra Pradesh. Germany will fund 57 million Euros for projects in Himachal Pradesh and 68 million Euros for Andhra Pradesh.

### Green Energy Corridor programme

Green Energy Corridor programme seeks to facilitate the flow of renewable energy into the national grid. In other words, it is aimed at synchronising electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid. This comprehensive transmission plan was prepared by POWERGRID Corporation of India Limited in 2012 and it entails a total cost of 43000 crore rupees. Renewable Energy is one of the key areas of India-German partnership. It was mentioned in the Joint Statement of Hannover in April 2015.

In April 2013 during the second Indo-German Government Consultations in Berlin, Germany committed developmental and technical assistance of 1 billion euro for the project.

The first Indo-German Inter-governmental Consultations took place in India in 2011 and in 2013, Germany hosted the second round.

### India and World Bank

#### India & World Bank signed agreement of US\$ 308.40 Million for NCRMP-II

Union Government and World Bank have signed US\$308.40 million credit agreement in support of the second phase of the National Cyclone Risk Mitigation Program (NCRMP-II) on 11 August 2015. The agreement was also signed by the state Governments of Goa, Gujarat, Karnataka, Kerala, Maharashtra, and West Bengal.

#### Objective of NCRMP-II

- To reduce vulnerability to cyclone and other hydro-meteorological hazards of coastal communities in the states of Goa, Gujarat, Karnataka, Kerala, Maharashtra and West Bengal
- It aims at increasing the capacity of the State entities to effectively plan for and respond to disasters.
- The project will also finance technical assistance for strengthening of multi-hazard risk management at the national level and improving the quality of available

information on multi-hazard risks for decision making across the country.

### NCRMP-II has four components –

- a) Early Warning Dissemination Systems
- b) Cyclone Risk Mitigation Infrastructure
- c) Technical Assistance for Multi-Hazard Risk Management
- d) Project Management and Implementation Support

The primary beneficiaries of NCRMP-II will be coastal communities in the target states benefitting from cyclone risk mitigation infrastructure and early warning systems.

The project will be implemented by the Ministry of Home Affairs through National Disaster Management Authority (NDMA) and at the state level, it will be executed by the respective State Disaster Management Authorities.

### India and Asian Development Bank

#### India signed a loan agreement with ADB for National Urban Health Mission

India signed a loan agreement of \$300 million with Asian Development Bank (ADB) for its flagship programme National Urban Health Mission (NUHM) on 28 July 2015. The loan agreement is seeks to reinforce ongoing government efforts under the NUHM to develop health systems in urban areas that can deliver quality health services to the urban poor and vulnerable.

Further, it will focus on strengthening primary health care and also promote better coordination between health and urban sectors and opportunities for public-private partnerships. Besides, the two parties also signed the accompanying capacity building technical assistance of 2 million US dollars financed by the Japan Fund for Poverty Reduction.

#### National Urban Health Mission

The National Urban Health Mission (NUHM) as a sub-mission of National Health Mission (NHM) for the period of 2013 to 2017. The main objective of the mission is to improve the health status of the country's urban population. It is implemented by the Union Ministries of Urban Development, Housing & Urban Poverty

Alleviation, Human Resource Development and Women & Child Development.

### NUHM objectives

- It seeks to cover all 779 cities with a population of above 50000 and all the district and state headquarters (irrespective of the population size).
- It provides for Mahila Arogya Samitis for promotion of access to improved health care at household level on the lines of Mahila Bachat Gat scheme in Maharashtra
- It seeks to reduce Infant Mortality Rate (IMR) by 40 percent (in urban areas) and National Urban IMR down to 20 per 1000 live births by 2017
- It also aims to reduce Maternal Mortality Rate (MMR) by 50 percent by 2017
- Achieve universal access to reproductive health including 100 percent institutional delivery
- Achieve replacement level fertility of 2.1 by 2017

### India and ADB loan agreement for upgrade tourism infrastructure and services in Punjab, Uttarakhand and Himachal Pradesh

The Government of India signed a loan with Asian Development Bank (ADB), on 28 September 2015, for US \$ 123.51 million for tranche 3 of the Infrastructure Development Investment Program for Tourism to continue upgrading tourism infrastructure and services in Punjab, Uttarakhand and Himachal Pradesh.

The loan will be used for development and conservation of places of tourist attractions. It will also be used to improve basic tourism facilities, and to build the capacity of sector agencies and local communities in the States of Himachal Pradesh, Uttarakhand and Punjab. The third tranche loan is part of the \$250 million multi-tranche financing facility that ADB approved in 2010.

The loan will support conservation of important heritage structures, including some century-old structures, new facilities including

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centers for arts and crafts in the three states. Eco-parks and eco-tourism will also be developed to help the states attract more tourists.

To upgraded tourism infrastructure like provisioning of drinking water, drainage, street lighting, solid waste management and improvements to approach roads at selected tourist destinations will enhance tourism environment in the States of Himachal Pradesh, Punjab and Uttarakhand. Further, the involvement of local communities in the management of natural and cultural heritage sites will create employment for poor and vulnerable households.

To improve income opportunities for the local communities, more than 4,000 community members are set to be trained in tourism-related skills such as guides, crafts, and other recreational activities. At least 30 community-based societies will be made operational in the management of natural and cultural heritage sites.

### **India signed US\$ 273 million loan agreement with Asian Development Bank**

The Union Government on 9 November 2015 signed US\$ 273 million loan agreement with Asian Development Bank (ADB) to continue improving rural roads in the States of Assam, Chhattisgarh, Madhya Pradesh, Odisha and West Bengal.

The loan represents the third tranche, which is also the last tranche of the \$800 million financing facility under the Rural Connectivity Investment Program. The loan will help in constructing over 6,000 kilometers of all-weather rural roads in the aforesaid five States, benefiting over 4200 rural habitations.

The program has supported the Government's objectives under the Pradhan Mantri Gram Sadak Yojana (PMGSY) by providing all-weather road connectivity in selected rural areas in the five states. He said that the enhanced connectivity will improve access of rural communities to markets, district

headquarters, health and education facilities, and other centers of economic activity.

It is expected that Project 3 will result in benefits similar to the previous two projects including improving and sustaining the connectivity of selected rural communities in the five States. This loan will be used to make further investments as well as supporting improved road design, road safety and asset management measures, and training, with women actively involved in all aspects.

The Ministry of Rural Development (MORD) is the executing agency of the project at the central level, while the Governments of States of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal have been entrusted with overall implementation at the respective State level. The third tranche is expected to be completed by December, 2017. The implementing agencies at the State level will be the respective State Rural Roads Development Agencies.

### **Miscellaneous**

#### **Cabinet gave its approval for notification of Preferential Treatment to LDCs in Trade in Services in WTO**

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, today gave its approval for notification of Preferential Treatment by India to Least Developed Countries (LDCs) in Trade in Services in the WTO.

India will notify preferential treatment to the LDCs in Trade in Services in respect of:

- 1. Article XVI of the GATS (Market Access);**
- 2. Technical Assistance and capacity building; and**
- 3. Waiver of visa fees for LDC applicants applying for Indian Business and Employment visas.**

The preferences will be bound with validity for 15 years from the date of notification by India. A generous offer in Trade in Services by India should win the country goodwill of LDCs. India has already made a very generous offer to LDCs in the area of Trade in Goods in the form of a

Duty Free Tariff Preference (DFTP) scheme. An equally generous offer in Trade in Services will help India preserve and consolidate its leadership position on LDC issues. Further, given the development dimension of the Doha Round of the WTO, it is important that India makes liberal offers to LDCs in Trade in Services also. Moreover, several of the LDCs are located in South Asia while majority are in Africa with whom India maintains special relations.

India's preferential treatment to the LDCs in Trade in Services would involve a cost of Rs. 6.5 crore annually on account of waiver of visa fees and Rs. 2.5 to 3 crore, per annum, for providing training in management and technical consultancy courses to LDC applicants. As regards offers under Article XVI of the GATS (Market Access) is concerned, there are no direct financial implications.

### **Background:**

As per the WTO mandate, decisions of the WTO Ministerial Conferences and requests made by the Least Developed Countries (LDCs), developed country and developing country members of the WTO, in a position to do so, were to voluntarily consider providing LDCs preferential treatment in Trade in Services.

The WTO Agreements contain special provisions which give developing countries special rights and which give developed countries the possibility to treat developing countries more favourably than other WTO Members. These special provisions include, for example, longer time periods for implementing Agreements and commitments or measures to increase trading opportunities for developing countries.

These provisions are referred to as "special and differential treatment" (S&D) provisions.

The special provisions include:

- Longer time periods for implementing Agreements and commitments,
- Measures to increase trading opportunities for developing countries,

- Provisions requiring all WTO members to safeguard the trade interests of developing countries,
- Support to help developing countries build the capacity to carry out WTO work, handle disputes, and implement technical standards, and
- Provisions related to least-developed country (LDC) Members.

### **First U.S.-India-Japan Trilateral Ministerial dialogue: New York**

On September 29, United States Secretary of State John Kerry hosted the inaugural U.S.-India-Japan Trilateral Ministerial dialogue with Indian External Affairs Minister Sushma Swaraj and Japanese Foreign Minister Fumio Kishida on the sidelines of the 70th United Nations General Assembly in New York. The three countries representing a quarter of the world's population and economic production power, highlighted their shared support for peace, democracy, prosperity, and a rules-based international order.

The dialogue highlighted the growing convergence of their respective countries' interests in the Indo-Pacific region. They also underscored the importance of international law and peaceful settlement of disputes; freedom of navigation and overflight; and unimpeded lawful commerce, including in the South China Sea. They reiterated their support for ASEAN centrality in the multilateral political and security architecture in the Asia-Pacific region and emphasized the importance of the East Asia Summit as the premier leaders- level forum for addressing key political and security issues of the region.

The three countries agreed to work together to maintain maritime security through greater collaboration. The United States and India welcome Japan's participation in the 2015 MALABAR exercise. Recognizing the three countries' extensive disaster response capabilities and converging interests, agreed to convene an experts-level

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group on humanitarian assistance and disaster relief to enhance ability to respond jointly to complex disasters.

In an effort to capitalize on collective capacities in promoting regional economic linkages, the three Ministers launched an experts-level group on regional connectivity to identify collaborative efforts that can help strengthen regional connectivity, including between South and Southeast Asia. The three Ministers expressed interest in exploring trilateral cooperation on women's skill enhancement and economic empowerment to further social and economic development.

The ministerial meeting also provided a venue for all sides to make advances on a range of important security, economic and diplomatic issues. On maritime security, it is worth noting that all three countries have already stepped up efforts to boost the capacity of individual Southeast Asian states to tackle various challenges, including China's growing assertiveness.

### **First BRICS ministerial meet on migration -2015: Sochi**

The First BRICS Ministerial migration meeting was held in Sochi on October 8, 2015.

Alongside with the meeting the round table on "New strategies of managing migration as the key to a successful development of society" was organized. The discussion of the meeting focused on the regulation of migration processes exerting greater influence on the geopolitical environment in the world.

After detailed deliberations, a joint declaration was issued, which is a major milestone so far as orderly and legal migration amongst BRICS countries is concerned. The Heads of the Migration Authorities from the Russian Federation, the Republic of India, the People's Republic of China, the Republic of South Africa, guided by the Ufa Declaration and the commitment to respect human rights included in that declaration:

- 1) Affirm the interest of BRICS countries in exchanging views and sharing experience on migration issues;
- 2) Acknowledge the interrelationship between transnational migration and development and the need to deal with the opportunities and challenges that migration presents and take advantage of its positive impacts;
- 3) Reaffirm the openness of the BRICS to deepen collaboration with other countries, international and regional organizations, based on principle of equality and mutual respect for discussing and addressing the issue of international migration including the facilitation of safe and orderly migration;
- 4) Acknowledge the impact of migration to the social and economic development and demographic situation in the BRICS countries;
- 5) Express the interest of BRICS countries in sharing best practices in the development and implementation of national migration policies or procedures;
- 6) Acknowledge the relevance of cooperation in the field of migration in the BRICS space;
- 7) Recognize the importance of promoting the mobility of skilled workers in the space of the BRICS countries;
- 8) Reiterate the commitment to combat and prevent organized criminal human trafficking and migrant smuggling;
- 9) Welcome strengthening of the dialogue and cooperation in the field of migration, including migration policies, procedures and strategies as well as working meetings of representatives of the migration authorities of the BRICS countries;

The members also resolved to combat and prevent transnational organized crime in line with the Ufa declaration. The meeting was also attended by representatives of the Shanghai

Cooperation Council (SCO), Commonwealth of Independent States (CIS) and other International bodies on migration.

According to a United Nations report, "Globally, one in 122 humans is now either a refugee, internally displaced, or seeking asylum."

According to the U.N. refugee agency, UNHCR, the migration crisis in 2015 reached an alarming level as "wars, conflict and persecution forced more people than at any other time since records began, to flee their homes and seek refuge and safety elsewhere...the worldwide displacement was at the highest level ever recorded. The number of people forcibly displaced at the end of 2014 had risen to a staggering 59.5 million compared with 51.2 million a year earlier and 37.5 million a decade ago."

### **India oppose uniform migration policy at BRICS meet in Sochi**

Though India offers asylum to a large number of refugees, but it has decided not to be a signatory to a uniform migration policy that is coming up for discussion at the first BRICS Migration Conference in Sochi, Russia. India is not a signatory to the 1951 Refugee Convention. India also push for a liberalised visa regime for "skilled workers" among BRICS nations to promote business and economic interests.

### **BRICS inks for supporting multilateral R&D Projects**

BRICS countries- Brazil, Russia, India, China and South Africa agreed for co-investment of resources for supporting multilateral R&D Projects in mutually agreed areas. The Indian delegation led by the Union Minister for Science & Technology and Earth Sciences, Dr. Harsh Vardhan, signed a joint *Declaration* called *Moscow Declaration* to this effect, at the 3<sup>rd</sup> Meeting of BRICS Ministers for Science, Technology and Innovation held at Moscow on 28 October, 2015.

This *Declaration* reflects BRICS partnership in addressing common global and regional socio-

economic challenges, utilizing such drivers as science, technology and innovation (STI). BRICS STI Minister agreed on the collaboration for:

- (i) Cooperation within large research infrastructures, including mega-science projects; coordination of the existing large-scale national programme of the BRICS countries;
- (ii) Development and implementation of a BRICS Framework Programme for funding multilateral joint research projects, technology commercialization and innovation;
- (iii) Establishment of BRICS Research and Innovation Networking Platform.

BRICS STI Ministers also endorsed a BRICS Action Plan 2015-18 on BRICS Science, Technology and Innovation cooperation. The Work Plan outline detailed modalities of BRICS collaboration in previously agreed thematic areas such as Prevention and Mitigation of Natural Disasters led by Brazil; Water resources and pollution treatment led by Russia; Geospatial technology and its application for development led by India; New and renewable energy, and energy efficiency with focus on Solid-state lightning led by China. This Work Plan also included few new areas for BRICS STI collaboration such as Material science including Nanotechnology and Photonics jointly led by India and Russia; Biotechnology and Biomedicine including Human Health & Neuroscience led by Russia or Brazil; Information Technologies and High Performance Computing led jointly by China and South Africa; Ocean and Polar Science and Technology led jointly by Brazil and Russia.

The 3<sup>rd</sup> BRICS S&T Ministers Meeting endorsed India's proposal to host the BRICS Young Scientist Forum Secretariat in India with the Indian Department of Science and Technology as coordinating point. The idea of creation of BRICS Young Scientist Forum for youth engagement was mooted by the Indian Prime Minister in VI<sup>th</sup> BRICS Summit in Brazil in July 2014. India's proactive role in creation

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of this Forum has been noted with interest by the BRICS Leaders at the VII<sup>th</sup> BRICS Summit held in Ufa, Russia in July 2015. It was also agreed to develop a dedicated Website for BRICS Young Scientist Forum with an interactive online component to broadcast opportunities and initiative for young STI community in the BRICS Region.

To take this initiative forward, India will be hosting the 5-day BRICS Young Scientist Conclave at National Institute of Advanced Studies (NIAS) Bangalore during March 2016 with intent to create BRICS Young Scientists Corps. This event is seeking 50 to 75 young STI delegates from BRICS countries. The event will allow BRICS Youth connectivity & networking to harness their knowledge for resolving common societal challenges through research and innovation and strengthen advancement of skill & research competencies of youth primarily in the age group of 22-35 years drawn from Science, Engineering other allied disciplines.

As outlined in the BRICS Action Plan 2015-16, a series of scientific events will be organized in 2015-16:

- Holding of BRICS Working Group on Geospatial Technology Application for Development (March 2016, India);
- Holding the 2nd Meeting of the BRICS SSL Working Group (November 2015, China);
- Holding the first Meeting of the BRICS Astronomy Working Group (December 2015);
- Holding annual conference “Innovative materials for energy and water saving and environmental protection, new trends in the technological development” (Russia).

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**7<sup>TH</sup> BRICS Summit 2015: Ufa city, Russia**

The leaders of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, met on 9 July 2015, at Ufa city, Russia, at the Seventh BRICS Summit. The theme of summit is "BRICS Partnership – a Powerful Factor of Global Development". The agenda for this summit covers both political and economic issues but the emphasis remained on the economic cooperation. The BRICS leaders discussed the future strategy to promote cooperation in the field of trade and finance among the member countries. And infrastructure development, energy security and evolving a democratic and equitable model of global economic.

The summit emphasized the importance to strengthen BRICS solidarity and cooperation, and decided to further enhance our strategic partnership on the basis of principles of openness, solidarity, equality and mutual understanding, inclusiveness and mutually beneficial cooperation.

Summit welcomes the establishment of BRICS financial institutions: the New Development Bank (NDB) and the Contingent Reserves Arrangement (CRA). The BRICS bank has now been ratified by the legislatures of Russia, India and China. It was proposed to establish a \$100 billion foreign currency reserve pool for BRICS countries. The pool is intended to protect national currencies from the volatility of global markets and support them in times of liquidity crises.

With the aim of consolidating their engagement with other countries, particularly developing countries and emerging market economies, as well as with international and regional institutions, they decided held a meeting with the countries of the Eurasian Economic Union and the Shanghai Cooperation Organization (SCO), as well as the Heads of observer States of the SCO.

It reaffirmed strong commitment to the United Nations as a universal multilateral organization, recall the 2005 World Summit Outcome Document and reaffirm the need for a comprehensive reform of the United Nations, including its Security Council with a view to making it more representative and efficient so that it could better respond to global challenges. Emphasize the need for universal adherence to principles and rules of international law in their interrelation and integrity, discarding the resort to "double standards" and avoiding placing interests of some countries above others.

Condemn unilateral military interventions and economic sanctions in violation of international law and universally recognized norms of international relations. It calls no state should strengthen its security at the expense of the security of others.

It called for promote and protect all human rights – civil, political, economic, social and cultural rights, as well as the right to development

The BRICS countries reaffirm their commitment to the Financial Action Task Force (FATF) International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation.

It recognized that corruption is a global challenge which undermines the legal systems of states, negatively affects their sustainable development and may facilitate other forms of crime. It decided to create a BRICS Working Group on Anti- Corruption Cooperation.

It reiterate that outer space shall be free for peaceful exploration and use by all States on a basis of equality in accordance with international law, and the exploration and use of outer space shall be carried out for the benefit and in the interests of all countries, irrespective of their degree of economic or scientific development. The summit stressed that negotiations for the conclusion of an international agreement or agreements to prevent an arms race in outer space are a

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priority task of the Conference on Disarmament.

It supports the inclusion of ICT-related issues in the post-2015 development agenda and greater access to ICTs to empower women as well as vulnerable groups to meet the objectives of the agenda. Summit also decided to constitute a BRICS working group on ICT cooperation.

The BRICS nations agreed that the use and development of ICTs through international cooperation and universally accepted norms and principles of international law is of paramount importance in order to ensure a peaceful, secure and open digital and Internet space.

Reaffirming their commitment to contribute to a comprehensive, just and lasting settlement of the Israeli-Palestinian conflict on the basis of a universally recognized international legal framework, including the relevant UN resolutions, the Madrid Principles and the Arab Peace Initiative.

The summit supports the effort aimed at ensuring the early establishment in the Middle East of a zone free of nuclear weapons and all other weapons of mass destruction on the basis of agreements freely arrived at among the states of the region.

Taking into consideration immense research and technological potential in the BRICS countries, they reaffirm the importance of the development of a BRICS Research and Innovation Initiative. The initiative shall cover actions including:

- Cooperation within large research infrastructures, including possible consideration of Mega science projects, to achieve scientific and technological breakthroughs in the key areas of cooperation outlined in the Memorandum;
- Coordination of the existing large-scale national programs of the BRICS countries;
- Development and implementation of a BRICS Framework Programme for funding

multilateral joint research projects for research, technology commercialization and innovation.

- Establishment of a joint Research and Innovation Platform.

They are committed to further strengthening and supporting South-South cooperation, while stressing that South-South cooperation is not a substitute for, but rather a complement to North-South cooperation which remains the main channel of international development cooperation.

Modi proposes 10-point initiative for BRICS Pitching for closer cooperation and coordination among BRICS nations, Prime Minister Narendra Modi proposed a 10-point initiative, calling it 'Das Kadam: Ten Steps for the Future', that includes a trade fair, a Railway Research Centre, cooperation among supreme audit institutions, a Digital Initiative and an Agricultural Research Centre etc. India hosting the first trade fair for the grouping and establishing research centres for railways and agriculture.

India will host the Eighth BRICS Summit in 2016.

### Background

The BRIC [Brazil, Russia, India and China] idea was first conceived in 2001 by Goldman Sachs as part of an economic modeling exercise to forecast global economic trends over the next half century; the acronym BRIC was first used in 2001 by Goldman Sachs in their Global Economics Paper "The World Needs Better Economic BRICs".

### BRICS

BRICS is the acronym for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa. The grouping was originally known as "BRIC" before the inclusion of South Africa in 2010. The BRICS members are all developing or newly industrialised countries, but they are distinguished by their large, fast-growing economies and significant influence on regional and global affairs; all five are G-20

members. Since 2010, the BRICS nations have met annually at formal summits. The BRIC group first formal summit held in Yekaterinburg, Russia in 2009.

### **ISSUES ON BRICS AGENDA**

The agenda of BRICS meetings has considerably widened over the years to encompass topical global issues such as political developments of relevance like situation in Middle East and North Africa region, Afghanistan, Iran and Syria, institutions of global governance such as UN, IMF, World Bank Group, international terrorism, climate change, food and energy security, MDGs, international economic and financial situation, etc.

### **15<sup>th</sup> SCO Summit 2015: Ufa city, Russia**

The 15th Shanghai Cooperation Organization (SCO) summit was held at Ufa city, capital of Russia's Bashkortostan region on July 10, 2015. During the meeting of the SCO members, which brings together Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan and other observer countries are participated.

#### **Outcome of summit**

- SCO leaders signed a document starting the procedure of accession for India and Pakistan, nuclear-armed South Asian rivals that currently have observer status in the SCO. Iran, Mongolia, and Afghanistan also have observer status.
- The leaders also signed a declaration on the results of the gathering, in which they reiterated their readiness to continue working on creation of a Development Bank and Development Fund within the SCO and supported China's proposal to create a Silk Road economic belt across the SCO member-states.
- The document also called for establishing peace in Ukraine through implementation of the Minsk agreement, a February deal on a cease-fire and steps toward a political solution to the conflict between

government forces and Russian-backed separatists.

- The SCO members had agreed to add Belarus to the list of observer states and that Azerbaijan, Armenia, Cambodia, and Nepal are joining the SCO family as dialogue partners.
- In addition to expansion of SCO, it passed the SCO Development Strategy 2025, approval of three years (2016-18) programme of cooperation in fight against terrorism, separatism and extremism.
- Russia has used the SCO and other regional groupings in an effort to increase Russia's clout in the former Soviet Union and beyond and establish counterweights to the European Union and NATO.

The summit in Ufa, capital of Russia's Bashkortostan region, came a day after a summit of the BRICS group of emerging economies — Brazil, Russia, India, China, and South Africa — in the same city.

### **Shanghai Cooperation Organization**

The **Shanghai Cooperation Organization (SCO)** is an intergovernmental international organization founded in Shanghai on June 15, 2001 by six countries – China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Its member states cover an area about three fifths of Eurasia, with a population of 1.455 billion, about a quarter of the world's total. Its working languages are Chinese and Russian.

### **Purposes and Principles of SCO**

According to the SCO Charter and the Declaration on the Establishment of the SCO, the main purposes of SCO are: strengthening mutual trust and good-neighborliness and friendship among member states; developing their effective cooperation in political affairs, the economy and trade, science and technology, culture, education, energy, transportation, environmental protection and other fields; working together to maintain regional peace, security and stability; and promoting the

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creation of a new international political and economic order featuring democracy, justice and rationality.

### Millennium Development Goals Report 2015

The Millennium Development Goals (MDG) Report 2015 it released on 8 July 2015. The MDGs have produced the most successful anti-poverty movement in history and will serve as the jumping-off point for the new sustainable development agenda to be adopted this year.

The MDG Report 2015 found that the 15-year effort to achieve the eight aspirational goals set out in the Millennium Declaration in 2000 was largely successful across the globe, while acknowledging shortfalls that remain.

The final MDG report confirms that goal-setting can lift millions of people out of poverty, empower women and girls, improve health and well-being, and provide vast new opportunities for better lives.

#### Highlights

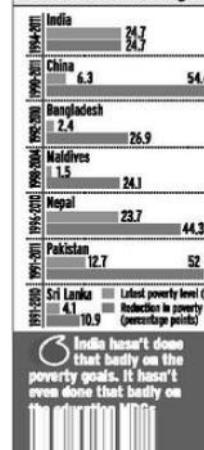
- The number of people now living in extreme poverty has declined by more than half, falling from 1.9 billion in 1990 to 836 million in 2015.
- The number of people in the working middle class—living on more than \$4 a day—nearly tripled between 1991 and 2015.
- The proportion of undernourished people in the developing regions dropped by almost half since 1990.
- The number of out-of-school children of primary school age worldwide fell by almost half, to an estimated 57 million in 2015, down from 100 million in 2000.
- Gender parity in primary school has been achieved in the majority of countries.
- The mortality rate of children under-five was cut by more than half since 1990.
- Since 1990, maternal mortality fell by 45 percent worldwide.
- Over 6.2 million malaria deaths have been averted between 2000 and 2015.
- New HIV infections fell by approximately 40 percent between 2000 and 2013.

- By June 2014, 13.6 million people living with HIV were receiving antiretroviral therapy (ART) globally, an immense increase from just 800,000 in 2003.
- Between 2000 and 2013, tuberculosis prevention, diagnosis and treatment interventions saved an estimated 37 million lives.
- Worldwide 2.1 billion people have gained access to improved sanitation.
- Globally, 147 countries have met the MDG drinking water target, 95 countries have met the MDG sanitation target and 77 countries have met both.
- Official development assistance from developed countries increased 66 percent in real terms from 2000 and 2014, reaching \$135.2 billion.

#### India and MDG report

##### SLOW PROGRESS

Several of India's neighbours have reduced poverty faster



Pakistan, Nepal and Bangladesh have each outstripped India in poverty reduction over comparable time periods

This year's report is especially important because it marks the deadline by which the goals should have been achieved

India has already achieved 11 out of 22 parameters in the remaining MDGs

The Millennium Development Goals (MDG) Report 2015 it released on 8 July 2015. India has halved its incidence of extreme poverty, from 49.4% in 1994 to 24.7% in 2011 ahead of the deadline of 2015 set by the United Nations. The report set the limit for extreme poverty as those living on \$1.25 or less a day. However, this reduction in poverty is still less than that achieved by several of India's poorer neighbours. Pakistan, Nepal and Bangladesh have each outstripped India in poverty

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reduction over comparable time periods. India's pace of progress on the poverty-reduction goal seems relatively slower than its neighbours in some part also due to the significantly bigger size and greater diversity.

Further, the report says that though India is on-track to achieving the hunger targets, it still remains home to one quarter of the world's undernourished population, over a third of the world's underweight children, and nearly a third of the world's food-insecure people. The report is especially important because it marks 2015 is the deadline by which the MDG should have been achieved. India has already achieved 11 out of 22 parameters in the report—spanning issues like education, poverty, health, and education—and is on track to achieve one more by the end of 2015.

India is categorised as making 'slow' progress on the other 10 parameters including maternal mortality, access to sanitation etc. India was still lagging on several health parameters such as maternal mortality, infant mortality and basic sanitation. Although the infant mortality rate fell drastically from 88.2 deaths per 1,000 live births in 1990 to 43.8 in 2012, the annual progress on this has been slow. While maternal mortality rate fell from 560 per lakh live births in 1990 to 190 in 2013.

### Fall in Co2 emission

On the environment front, India is one of the few countries that have reduced its carbon dioxide emissions in relation to its GDP. India emitted 0.65 kg of carbon dioxide per \$1 of GDP in 1990, which fell to 0.53 kg in 2010.

#### TAKEAWAYS OF THE AGREEMENT

Deal struck after intense, fractious negotiations

- Iran will reduce its enrichment capacity by two-thirds
- Will stop using its underground facility at Fordow for enriching uranium
- Stockpile of low enriched uranium will be reduced
- U.N. inspectors will be allowed to enter Iranian sites, including military sites, when the inspectors have grounds to believe undeclared nuclear activity is being carried out there
- U.N. weapons embargo would be in place



### Iran reaches historic nuclear deal

The US, UK, France, Russia, China and Germany (P5+Germany) and UN atomic energy agency IAEA has reached a historic agreement with Iran on 14 July 2015 at Vienna, capital of Austria that calls for limits on Tehran's nuclear program in return for lifting economic sanctions that have crippled Iran's economy. Under the deal Iran will dismantle much of its nuclear infrastructure, while the UN, US and EU will take down a wall of sanctions built around Iran over the past nine years. The accord is aimed at resolving a 13-year standoff over Iran's nuclear ambitions after repeated diplomatic failures and threats of military action.

#### Conditions of the agreement are:

- Iran will reduce its enrichment capacity by two-thirds. It will stop using its underground facility at Fordow for enriching Uranium.
- Iran's stockpile of low enriched uranium will be reduced to 300kg, a 96% reduction. It will achieve this reduction either by diluting it or shipping it out of the country.
- The core of the heavy water reactor in Arak will be removed, and it will be redesigned in such a way that it will not produce significant amounts of plutonium.
- Iran will allow UN inspectors to enter sites, including military sites, when the inspectors have grounds to believe undeclared nuclear activity is being carried out there. It can object but a multinational commission can override any objections by majority vote. After that Iran will have three days to comply. Inspectors will only come from countries with diplomatic relations with Iran, so no Americans.
- Once the International Atomic Energy Agency (IAEA) has verified that Iran has taken steps to shrink its programme, UN, US and EU sanctions will be lifted.

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- Restrictions on trade in conventional weapons will last another five years, and eight years in the case of ballistic missile technology. Those bans would be removed even sooner if the International Atomic Energy Agency reached a definitive conclusion that the Iranian nuclear program is entirely peaceful, and that there was no evidence of cheating on the accord or any activity to obtain weapons covertly.
- If there are allegations that Iran has not met its obligations, a joint commission will seek to resolve the dispute for 30 days. If that effort fails it would be referred to the UN security council, which would have to vote to continue sanctions relief. A veto by a permanent member would mean that sanctions are reimposed. The whole process would take 65 days.

Furthermore, Iran has agreed to allow inspectors to visit the Parchin military base, where it is suspected to have experimented with nuclear weapons production. UN inspectors will be allowed to collect information and evidence from Iranian nuclear scientists during this visit.

However, the deal preserves Iran's ability to produce as much nuclear fuel as it wishes after year 15 of the agreement, and allows it to conduct research on advanced centrifuges after the eighth year.

Full implementation depends on Iran meeting obligations to curb its nuclear program and address concerns about possible military dimensions of its work. Once inspectors verify compliance, the oil-rich nation will be allowed to ramp up energy exports, re-enter the global financial system and access as much as \$150 billion in frozen assets.

### **U.N. Security Council adopted resolution on Iran's nuclear programme deal**

The U.N. Security Council (UNSC), all 15 countries on the council, on 20 July 2015 unanimously adopted a resolution that

endorses the historic deal on Iran's nuclear programme and clears a path for international sanctions crippling its economy to be lifted. The resolution launches a progressive and conditional lifting of sanctions, in exchange for guarantees that Iran will not develop a nuclear bomb.

The passing of the resolution marks formal U.N. endorsement for the hard-won, groundbreaking agreement reached between Iran and the so-called P5+1 group after 18 straight days of talks that capped almost two years of momentous negotiations. The agreement with Iran was reached in Vienna, Austria, by the Security Council's five permanent members - Britain, China, France, Russia and the US plus Germany.

The document specifies that seven resolutions related to UN sanctions will be terminated when Iran has completed a series of major steps to curb its nuclear programme and the International Atomic Energy Agency (IAEA) has concluded that "all nuclear material in Iran remains in peaceful activities". But the measure also provides a mechanism for UN sanctions to "snap back" in place if Iran fails to meet its obligations.

#### **'Snap back' provision**

All provisions of the UN resolution will terminate in 10 years, including the "snap back" provision on sanctions. One of the biggest challenges to negotiators during the Iran nuclear talks was the question of how to reimpose the sanctions if Iran was credibly found to be cheating. This is called a "snap back" provision — i.e. the sanctions would somehow snap back into place if Iran was in non-compliance.

Under the nuclear agreement, Iran's nuclear programme will be curbed for a decade in exchange for potentially hundreds of billions of dollars' worth of relief from international sanctions. Many key penalties on the Iranian economy, such as those related to the energy and financial sectors, could be lifted by the end of the year.

The resolution calls for full implementation on the timetable established of the agreement reached in Vienna and urges UN member countries to facilitate the process.

## Kazakhstan became 162th member of WTO

Kazakhstan, a member of the Russia-led economic blocks became 162th member of World Trade Organization (WTO). Kazakhstan's entry has ended its long wait of 20 years to become a member of WTO as its accession talks were initiated in 1996. The agreement of accession was signed between the WTO Director General Robert Azevedo and Kazakhstan president Nursultan Nazarbayev at Geneva. The final accession will be done when the membership agreement is ratified by Kazakhstan Parliament on 31 October 2015.

The path of Kazakhstan to become WTO member was difficult because of the complexity of process and it is also a member of two economic blocks led by Russia; The Eurasian Economic Union, which has member nation like Russia, Belarus, Kazakhstan, Kyrgyzstan and Armenia. Kazakhstan also member of the Customs Union which has members like Russia, Belarus and Kazakhstan.

WTO

The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade. The WTO officially commenced on 1 January 1995 under the Marrakech Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948.

The World Trade Organization (WTO) — primary purpose is to open trade for the benefit of all and to create a strong and prosperous international trading system. The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development.

The WTO also provides a legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application.

The WTO currently has 161 members, of which 117 are developing countries or separate customs territories.

## UNO members reached agreement on sustainable development agenda

The 193 member states of the United Nations on 2 August 2015 reached agreement on a **new Sustainable Development Agenda** for the next 15 years. It calls for eradicating poverty and hunger, achieving gender equality, improving living standards and taking urgent action to combat climate change. The draft agreement outlines 17 goals with 169 specific targets on issues ranging from ending poverty in all its forms everywhere to ensuring quality education and affordable and reliable energy.



With this agreement, the document called "*Transforming our World: The 2030 Agenda for Sustainable Development*" will be adopted at a UN summit, which will be held between 25 and 27 September 2015 at United Nations Headquarters in New York.

## 17 proposed Sustainable Development Goals

- End poverty in all its forms and to fight inequality.

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- End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.
- Ensure healthy lives and promote wellbeing for all at all ages.
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- Achieve gender equality and empower all women and girls.
- Ensure availability and sustainable management of water and sanitation for all.
- Ensure access to affordable, reliable, sustainable and modern energy for all.
- Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.
- Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.
- Reduce inequality within and among countries.
- Make cities and human settlements inclusive, safe, resilient and sustainable.
- Ensure sustainable consumption and production patterns.
- Take urgent action to combat climate change and its impacts.
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss.
- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- Strengthen the means of implementation and revitalise the global partnership for sustainable development.

### Russia bids at U.N. for vast Arctic territories

Russia has submitted its bid for vast territories in the Arctic to the United Nations on August 4, 2015. Russia is claiming 1.2 million square km of Artic sea shelf extending more than 650 km from the shore.

The resubmitted bid contains new arguments. To justify Russia's rights in this area, ample scientific data collected during many years of Arctic research has been used alluding to exploratory missions and development of Arctic research facilities and floating ice stations going back to the 1930s.

Russia was the first to submit its claim in 2002, but the U.N. sent it back for lack of evidence. In 2007, Moscow staked a symbolic claim to the Arctic seabed by dropping a canister containing the Russian flag on the ocean floor from a small submarine at the North Pole. Amid tensions with the West over Ukraine, the Kremlin also has moved to beef up Russian military forces in the Arctic.

The 1982 U.N. Convention on the Law of the Sea establishes the right of countries to exercise sovereignty over an exclusive economic zone extending 200 nautical miles from their recognized shoreline borders. In cases where the continental shelf extends beyond that limit, the law of the sea allows a country to claim dominion up to 350 nautical miles from its shores.

In the documents submitted to the U.N., Russia argues that the undersea territory it seeks to add to its recognized borders doesn't fall under the 350-mile limit because the seabed and its resources are "natural components of the continent".

Russia, the U.S., Canada, Denmark and Norway have all been trying to assert jurisdiction over parts of the Arctic, which is believed to hold up to a quarter of the planet's undiscovered oil and gas. Rivalry for Arctic resources has intensified as shrinking polar ice is opening up new opportunities for exploration.

Moscow also is asserting ownership of the emerging Northern Sea Route, the potentially lucrative seasonal shipping route opening above its northern coastline as Arctic ice melts. Retreating Arctic sea ice has opened up a summer shipping route across northern Russia that can cut a cargo vessel's sailing time from Europe to Asia by nearly two weeks, raising the prospect of new income streams for Russia if its national claim to the Northern Sea Route is recognized by the United Nations.

### Egypt unveils \$9-bn 'new Suez Canal'

The President of Egypt, Abdel Fattah al-Sisi unveiled an expanded Suez Canal at port city of Ismailiya with the first ships passing through the waterway in what Egypt hopes will boost its economy and global standing on 6 August 2015. The new 72-kilometre (45 mile) project will run part of the way alongside the existing canal that connects the Red Sea to the Mediterranean. It involved 37 kilometres of dry digging and 35 kilometres of expansion and deepening of the Suez Canal, in a bid to help speed up the movement of vessels. The project is part of an ambitious plan to develop the zone around the canal into an industrial and commercial hub, which would include the construction of ports and provide shipping services.

The new canal is considered a "national project" that aims to kick-start an economy battered by years of political turmoil since the ouster of President Hosni Mubarak in 2011. Authorities raised \$9 billion (7.9 billion euros) to build the new canal by selling shares in the project to domestic investors, with private Egyptian companies tasked with its construction. The new canal is expected to more than double Suez revenues from \$5.3 billion expected at the end of 2015 to \$13.2 billion in 2023.

Historical facts: the Suez Canal

- Planning for the Suez Canal officially began in 1854 when a French former diplomat named Ferdinand de Lesseps negotiated an agreement with the Egyptian viceroy to form the Suez Canal Company.

- It was built using a combination of forced peasant labor and state-of-the-art machinery. Beginning in late 1861 tens of thousands of peasants used picks and shovels to dig the canal.
- Egypt was the first country to dig a man-made canal across its lands to connect the Mediterranean Sea to the Red Sea via the River Nile - and the canal is the first of its kind to link both seas.
- It was completed November 1869. The canal was under the British Mandate until Egypt nationalised it in 1956.
- The Statue of Liberty was originally intended for the canal under the name 'Egypt Bringing Light to Asia'.
- A fleet of ships was once stranded in the canal for more than eight years after the Suez Canal was shut down by Egyptian authorities during the 1967 Six Day War with Israel.

### 48th ASEAN Foreign Ministers' meet: Kuala Lumpur, Malaysia

The 48th ASEAN (Association of Southeast Asian Nations) Foreign Ministers' meet was held in Kuala Lumpur, Malaysia between 4 and 6 August 2015. The meet was held under the theme "**Our People, Our Community, And Our Vision**", to create an ASEAN Community which is truly people-oriented, people-centered comprising all areas of cooperation. They also discussed regional and international issues as well as their ongoing efforts to maintain peace, stability and prosperity in the region.

### ASEAN

ASEAN is a political and economic organisation of ten Southeast Asian countries. It was formed on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Since then, membership has expanded to include Brunei, Cambodia, Laos, Myanmar (Burma), and Vietnam.

The group aims to accelerate economic growth, social progress, and socio-cultural evolution among its members, protection of

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regional peace and stability, and opportunities for member countries to resolve differences peacefully.

### CONSENSUS ON FEDERAL MODEL

- ① CPN-UML, Nepal Congress, Unified CPN-Maoist and Madhesi Peoples Rights Forum Democratic seal deal at midnight on Saturday
- ② Members of the Upper House increased from 45 to 51
- ③ Each province will send eight members (three women, one Dalit, and one differently-abled person or representative from a minority group) to the Upper House. Three members will be nominated by the President
- ④ Parties agree to add provision of allowing children to acquire citizenship certificate if either the mother or father is Nepali

Four major parties agree to divide country into 8 provinces, each sharing its border with India, allaying concerns about access to markets



A constitution with federalism and demarcation has been ensured — SUSHIL KOIRALA, Nepal PM, on Twitter

### Nepal inks breakthrough pact on new Constitution

Nepal's rival parties have signed an agreement drawing up the country's internal borders in a breakthrough that paves the way for a new national Constitution on 9 August, 2015. In June, 2015 Nepal's parties struck a historic deal to divide the country into eight provinces but left the crucial task of delineating state borders to a federal commission.

#### Midnight deal

The new agreement, signed after midnight on Saturday, came after days of negotiation and resolves a major issue that has blocked progress on the charter since 2008. As a result, the commission will no longer be required to set state boundaries.

The deal comes after a series of public consultations held across the Himalayan nation last month.

#### Adoption of Constitution

Nepal on 20 September 2015 adopted its first democratically-framed constitution with the promulgation of the charter by the president Ram Baran Yadav. It is called as a democratically-framed constitution as it was conceptualized, developed and adopted by a representative Constituent Assembly.

The adoption is considered as historic as it puts an end to the 7-year long altercations among political parties about the nature of the

Constitution that began with the abolition of the 239-year old monarchy in 2008. Further, it also believed that the new constitution will bring fresh air in the Nepalese society plagued by devastating earthquake of April 2015 that killed around 9000 people.

However, the acceptance of the constitution was not unanimous.

Few members of the Constituent Assembly mainly royalists' politicians voted against the constitution, on the voting day of 16 September 2015, as it favoured the republican form of government over the monarchy.

Further, members of the lowlands belonging to Madhesi and Tharu communities abstained from voting as they were dissatisfied with the federal-provincial demarcation and constituency delimitation in the terai region. Their dissatisfaction was with the fact that the Pahadi or hill community, who constitute 50 percent of the population, got 100 seats in the parliament while the other half, Madhesi of plain region got only 65 seats.

### China, Pakistan signed deals worth 1.6 billion US dollars to implement CPEC

China and Pakistan on 12 August 2015 signed 20 agreements worth 1.6 billion US dollars to implement the ambitious China-Pakistan Economic Corridor (CPEC) project. Both the countries together also issued the Karamay Manifesto on the China-Pakistan Economic Corridor (CPEC), a major project under China's Belt and Road Initiative.

#### China-Pakistan Economic Corridor

The CPEC project is brainchild of China and was launched by Chinese President Xi Jinping during his visit to Pakistan in April 2015. The CPEC is 3,000-km long connecting Xinjiang with Pakistan's Gwadar Port through PoK. The project cost is \$46 billion. The strategic corridor, regarded as the biggest connectivity project between the two countries after the Karakorum highway built in 1979. It will shorten the route for China's energy imports from the Middle East by about 12,000 kms.

The project includes building of highways, railways as well as pipelines. It is among the six economic corridors conceived under China's Silk Road Economic Belt and 21st-Century Maritime Silk Road. The CPEC project seeks to boost economic cooperation, political trust and cultural exchanges between China and Pakistan.

For China, meanwhile, the project is a must if the broader Silk Road Economic Belt, with its attendant benefits for China's domestic economy, geopolitical clout, and regional stability, is to get off the ground. Pakistan, China's "iron brother," will likely be Beijing's most eager partner along the planned Silk Road. China also sees the CPEC in particular as a way to diversify its energy supply, lessening reliance on easily disrupted maritime trade routes. Other analysts, however, point to the difficulties still facing the CPEC. For one thing, there are lingering security concerns, given unrest and insurgencies in Balochistan, the province where Gwadar is located. There are also domestic arguments in Pakistan over the exact route of the CPEC, which will determine which provinces and cities will reap the windfall of Chinese investment.

### **3rd G20 Finance Ministers and Central Bank Governors meeting: Ankara, Turkey**

G20 Finance Ministers and Central Bank Governors convened for the third time under the Turkish Presidency in Ankara on 4-5 September 2015. The meeting was attended by the Finance Ministers and Central Bank Governors of the G20 members, invited countries, and the heads and senior representatives of the relevant international organizations.

This meeting provided an important and timely opportunity to make a comprehensive evaluation of the progress on the agenda and Finance Track deliverables to be submitted to G20 Leaders at the Antalya Summit, and discuss actions required to achieve G20's ambitions for this year.

G20 Ministers and Governors exchanged views on the recent global economic developments, challenges and collective measures to address them. They also reviewed the progress in monitoring and adjustment of G20 growth strategies and evaluated the way forward for G20 investment strategies. Ministers and Governors continued their meeting with the international financial architecture issues, financial regulation, international tax agenda and climate finance.

On the margins of this gathering, G20 Ministers and Governors had the opportunity to hear B20 representatives' perspectives on the 2015 B20 agenda and B20 recommendations to the G20. The Business 20 (B20) is a forum through which the private sector produces policy recommendations for the annual meeting of the Group of 20 (G20) leaders. The B20 brings together business leaders from across G20 member countries to reflect the key role of the private sector as the main driver of strong, sustainable and balanced growth.

#### **Issues for Further Action**

We look forward to the assessment by the IMF of the global financial safety net architecture by early 2016.

We look forward to the finalization of the Joint Action Plan on SME Financing by the Investment and Infrastructure Working Group and the G20 Global Partnership for Financial Inclusion. Supporting our endeavor to integrate the asset-based financing models into global finance, we ask the BCBS to collaborate with the relevant stakeholders to develop a proposal on options for modalities to promote a structured consultation mechanism.

Acknowledging the role of closing information gaps in financial stability, we welcome the significant progress through the Data Gaps Initiative and endorse the proposed recommendations for its second phase (DGI-2), and call on the IMF and FSB to report back to us on the progress of DGI-2 in the second half of 2016. We expect the IMF, FSB and BIS to take

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forward the work on data gaps on foreign currency exposures via the steps outlined in their report as part of the second phase of the Data Gaps Initiative.

In its report to be delivered in November 2015, we expect the FATF to inform us on the progress made on criminalizing terrorist financing and applying targeted financial sanctions related to terrorism and terrorist financing, and proposals to strengthen all counter-terrorism financing tools.

We call on the IMF, in consultation with other relevant parties, to continue to promote and monitor the progress on the implementation of the strengthened collective action and *pari passu* clauses, and to further explore market-based ways to speed up incorporation of such clauses to the outstanding stock of debt. We underline the need to strengthen information-sharing and transparency to ensure that debt sustainability assessments are based on comprehensive, objective and reliable data and call on the IMF and World Bank to address this issue as part of the forthcoming review of their joint Debt Sustainability Framework for Low-Income Countries.

Upon the conclusion of the meeting, the agreed communiqué of the meeting was released.

### Highlights of joint statement

It reviewed ongoing economic developments, our respective growth prospects, and recent volatility in financial markets and its underlying economic conditions. The G20 members pledged to take decisive action to keep the economic recovery on track and we are confident the global economic recovery will gain speed and will continue to monitor developments, assess spillovers and address emerging risks as needed to foster confidence and financial stability.

It is reaffirm the role of macroeconomic and structural policies to support our efforts to achieve strong, sustainable and balanced growth. It reiterates commitment to move toward more market-determined exchange rate

systems and exchange rate flexibility to reflect underlying fundamentals, and avoid persistent exchange rate misalignments and refrain from competitive devaluations, and resist all forms of protectionism.

It also commit to implement fiscal policies flexibly to take into account near-term economic conditions, so as to support growth and job creation, while putting debt as a share of GDP on a sustainable path. To this end, members will continue to consider the composition of their budget expenditures and revenues to support productivity, inclusiveness and growth.

In order to boost actual and potential output growth is a key challenge for the global economy, members remain committed to timely and effective implementation of our growth strategies that include measures to support demand and lift potential growth. In implementing these strategies, they will take steps to promote greater inclusiveness, including to reduce income inequality.

To boosting investment is a top priority, it has prepared country-specific investment strategies that present concrete actions in order to improve the investment ecosystem, foster efficient infrastructure investment and support financing opportunities for SMEs. It also welcomes the recommendations and assessment frameworks developed by the IMF, WBG, and OECD to help countries strengthen their public investment management processes and enhance the quality of investment. Members also reiterate the importance of mobilizing multilateral and national development bank resources and technical expertise. In this respect, we welcome the progress in the Multilateral Development Banks' (MDBs) action plan for balance sheet optimization.

In order to encourage private sector engagement, it recognised the consolidation of best practices in public private partnership (PPP) models, which can address commonly-encountered challenges and welcomes the WBG

PPP Guidelines and the OECD/WBG PPP Project Checklist which provide guidance on international best practices for preparation and implementation of PPPs. Moreover, it also endorses the business plan of the Global Infrastructure Hub, which will address data gaps, lower barriers to investment and move engagement with the private sector beyond business as usual.

In recognition of major financing needs for long term investments, summit also focused on examining possible alternative capital market instruments. As such, it takes note of systematically integrating the features of asset-based financing practices into global finance. To ensure a strong corporate and public governance framework that will promote private investment, summit also endorses the G20/OECD Principles on Corporate Governance and recognizes the potential to facilitate financial intermediation for Small and Medium-sized Enterprises (SMEs) including by improving systems for credit reporting, lending against movable collateral, and insolvency reforms. The summit welcomes the progress on the G20/OECD High Level Principles on SME financing and the establishment of the private sector-led World SME Forum, a new initiative to serve as a global body to drive the contributions of SMEs to growth and employment.

We reaffirm that their earliest implementation of 2010 IMF Quota and Governance Reforms, which is essential for the credibility, legitimacy and effectiveness of the Fund and remains our highest priority and reaffirmed their commitment to maintaining a strong, well-resourced and quota-based IMF.

To meet stress the importance of accelerating implementation of strengthened collective action and *pari passu* clauses in international sovereign bond contracts. Regarding debt sustainability, it recognises the existing initiatives aimed at improving sustainable financing practices, as stressed in the Addis Ababa Action Agenda and also take note

of the Paris Forum initiative, which contributes to further the inclusiveness by fostering dialogue between sovereign debtors and creditors.

In finance, the term *pari passu* refers to loans, bonds or classes of shares that have equal rights of payment, or equal seniority. In addition, secondary issues of shares that have equal rights with existing shares rank *pari passu*. Wills and trusts can assign an *in pari passu* distribution where all of the assets will be equally divided between the named parties. To fight against terrorism is a major priority, members reiterate our resolve to tackle its financing channels and deepen in cooperation concerning the exchange of information and freezing of terrorist assets, in particular to facilitate cross-border freezing requests, and work on modalities to promote further transparency of financial flows. Criminalization of terrorist financing and the existence of robust targeted financial sanctions regimes related to terrorism and terrorist financing are fundamental requirements to actively curb terrorist financial flows.

It also commitment to reach to a globally fair and modern international tax system and continue to work to enhance the transparency of our tax systems, and reaffirm previously agreed timelines for the implementation of automatic exchange of information.

G20 reaffirm its commitment to promote an enabling global economic environment for developing countries as they pursue their sustainable development agendas, including by strengthening our policy dialogue. It welcomes the positive outcomes of the Addis Ababa Conference on Financing for Development (FFD) and in support of them, G20 pledge to scale up their technical assistance efforts to help developing countries build necessary institutional capacity, particularly in the areas specified in the Addis Ababa Action Agenda. To support the climate change agenda of 2015, summit welcomes the Climate Finance Study

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Group (CFSG) report, take note of the inventory on climate funds developed by the OECD, and the toolkit developed by the OECD. The *Global Environment Facility* (GEF) to enhance access to adaptation finance by the low income and developing countries, especially those that are particularly vulnerable to the adverse effects of climate change.

The summit recognises developed countries' ongoing efforts and call on them to continue to scale up climate finance in line with their commitments and it commits on working together to reach a positive and balanced outcome at the 21st Conference of Parties of the UNFCCC (COP 21).

### **China takes steps to fine-tune Economy**

China is narrowing its focus on the heavily indebted local governments to help fine-tune a transitioning economy, whose fundamentals remain strong. China's top legislature announced that local government debt in 2015 cannot exceed \$2.51 trillion. The ceiling imposes significant restrictions on fresh borrowing, for provincial governments had already accumulated a debt of \$2.4 trillion by 2014.

Chinese authorities are focusing on stricter regulation of the financial sector to ensure enough liquidity is available to spur the real economy, which is transitioning from relatively low-end manufacturing to a challenging services-oriented and technology-driven "new normal" plain.

Besides, the government wants to defuse bubbles, before they grow large enough to undermine investor confidence, by imposing fresh pressure on the markets.

Intervening to prevent a loan default, authorities have allowed local governments to issue additional bonds to the tune of \$200 billion, raising the limit of debt-for-bonds swap to \$500 billion. Since the local governments have already issued \$300 billion worth of bonds by August 27, they will be able to use the mechanism to raise another \$200 billion for the rest of the year.

Data from China's National Audit Office shows that by the end of the year, the provinces have to pay around \$300 billion for servicing their debts, incurred mainly on account of heavy infrastructure investment that had been made earlier to lighten the impact of the 2008 global financial crisis.

Observers say that the government needs to take three concrete steps to ensure a calibrated course correction.

First, borrowing costs for households and businesses, which remain exceptionally high in China, need to be lowered through an interest rate cut in order to stimulate real growth. This should not be a problem given the high rate of saving in the country.

It is also necessary that job creating infrastructure projects are swiftly implemented through a coordinated effort to streamline the availability of land and funds to execute well defined engineering plans.

Besides, there is also a growing opinion that President Xi Jinping's rolling anti-graft campaign could be fine tuned to ease worries among core officials that they would not be falsely netted in the clean-up drive.

### **Like-Minded Developing Countries (LMDCs) meet on Climate Change: New Delhi**

Meeting of Like-Minded Developing Countries (LMDCs) on Climate Change was held for two days from 14 September to 15 September 2015 in New Delhi. This was the first meeting of LMDCs to be held in India. The meeting was convened to take stock of the climate change negotiations under the UNFCCC and provide a perspective of the LMDC on the way forward for the Conference of Parties-21 (COP-21) of the UNFCCC to be held in Paris in December 2015. After a two-day meeting, the Like Minded Developing Countries (LMDCs) has issued a strongly-worded joint statement -highlighted several of their long-held concerns that have been largely ignored including stressed that differentiation between developed and developing

nations across each element is “essential” for enhanced effectiveness of the new agreement. More importantly, they brought up a few relatively new issues that could become points of conflict between the developed and developing countries in the climate negotiations.

The LMDC agreed that the Paris Agreement should not be mitigation-centric but must address in a balanced and comprehensive manner the six elements identified in the Durban mandate — mitigation, adaptation, finance, capacity-building, technology development and transfer, transparency of action and support, as well as loss and damage in a balanced manner. The LMDC also emphasized that the Paris agreement should comprehensively recognize and address the adverse social and economic impact of response measures in developing countries, while the Paris outcome in general, must provide modalities to enhance, develop and implement meaningful actions to avoid and address the negative consequences of response measures.

**Eligibility criteria for climate finance:** Foremost is their concern over attempts to define an eligibility criteria for countries to claim international finance to deal with climate change, and the attempt to increase the donor base by trying to include even some developing countries in that bracket.

The LMDCs “expressed concern regarding shifting the financial burden to developing countries and the attempt to expand the list of countries with obligations under the Convention (UNFCCC) to provide climate finance and at the same time shrink the list of countries eligible for receiving climate finance”. They also called on the developed countries “to provide a clear roadmap for the fulfillment of the \$100 billion per year by 2020”. The developed countries are struggling to put together \$100 billion every year from 2020 — a promise they had made at the 2009 Copenhagen climate conference. Last year,

they barely managed to meet another of their commitments — providing \$10 billion over a four-year period for the Green Climate Fund.

The UN Framework Convention on Climate Change, the umbrella agreement of 1992 for any climate negotiations, has clearly identified those rich and developed countries obligated to provide finance to developing countries to help them deal with climate change. This list was based on the countries’ ‘historical responsibility’ in emitting greenhouse gases and also their economic capability.

The attempt to expand this list, to include a few developing countries, is annoying to the developing countries. Likewise, the attempt to restrict the number of countries that can have access to international climate finance is unacceptable to these countries. By current rules, India is eligible to access climate finance. Climate finance is an extremely sensitive subject for the developing countries, one over which the success of the Paris agreement will depend.

**Assessment of individual climate plans:** Another issue major issue for the LMDCs is the idea to assess individual country’s climate action plans. Each country is supposed to submit their INDC, or Intended Nationally Determined Contributions, ahead of the Paris conference. These INDCs are going to be the most important building blocks of the agreement expected from the conference.

The INDCs are nothing but the actions nations commit themselves to for the fight on climate change. The Like Minded countries have argued that these actions plans are supposed to be ‘nationally determined’ and therefore they would not agree to an outside review.

The LMDCs “expressed strong reservation against any obligatory review mechanism for increasing individual efforts of developing countries. Any aggregate stocktaking or review of implementation must be for both

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action and support, taking into account differentiated commitments of developed and developing countries".

**Text-based negotiations:** The LMDC called for text-based negotiations in the right earnest at the next Bonn session in an inclusive, open, transparent and Party-driven negotiating process. They reiterated that the UNFCCC is the primary intergovernmental forum to negotiate the global response to climate change. They were deeply concerned with the slow pace of negotiations given the limited negotiating time left before COP21/CMP11 in Paris. While all countries express optimism that Paris would be successful, it is becoming increasingly evident that this agreement is going to be 'minimalist'.

UNFCCC stands for United Nations Framework Convention on Climate Change (UNFCCC). The primary agenda of the COP-21 is to finalise post-2020 climate action plans as the Doha Amendment to Kyoto Protocol is set to expire by the end of 2020.

Negotiators from 13 nations participated in the meeting of LMDC- include Argentina, Bolivia, China, Cuba, El Salvador, Ecuador, Iran, Nicaragua, Venezuela, Malaysia, Vietnam, Saudi Arabia and India.

### Like-Minded Developing Countries

The Like Minded Group of Developing Countries (LMDC) is a group of developing countries who organise themselves as a block negotiator in international organizations such as the United Nations and the World Trade Organization, they represent more than 50% of the world's population.

The LMDC countries who negotiate in the United Nations Framework Convention on Climate Change fora, the members are Algeria, Argentina, Bangladesh, Bolivia, China, Cuba, Ecuador, Egypt, El Salvador, India, Jordan, Iraq, Koweit, Indonesia, Iran, Malaysia, Mali, Nicaragua, Pakistan, Saudi Arabia, Sri Lanka, Sudan, Syria, Venezuela and Vietnam.

### U.N. adopts text-based negotiations on council reforms

The United Nations General Assembly, UNGA has unanimously adopted a document for reform of the Security Council. It adopted a negotiating text by consensus for the long-pending Security Council reforms, setting the stage for talks on the issue at its 70th session beginning. It will boost India's bid for a permanent seat in the revamped world body. India has welcomed the decision to carry forward the text presented by the UNGA President on the UNSC reform.

After 23 years of the subject being on the agenda of the United Nations and 7 years of the inter-governmental negotiations process, finally have a text on the table and it is India's hope and that of other reform minded countries that this text will now enable like-minded countries to move forward on this issue of U.N. Security Council Reform and it is the hope and expectation of the international community that in the 70th year of the United Nations, the world community would be able to deliver on the promise of U.N. Security Council Reform.

It is indeed a very significant development that the United Nations has for the first time officially begun the process of the expansion of the United Nations Security Council. Apart from India, Germany, Japan and Brazil also referred to as the G4 Nations are seeking admissions into this exclusive body of the UNSC as permanent veto carrying members. However, a small group of nation, 13 of them which include Pakistan, Italy, South Korea who are called uniting for consensus or UFC are opposed to this initiative. Thus, it remains to be seen whether they would call for a division at the United Nations General Assembly in which case the process of the expansion of the UNSC will become more complex and contested.

The adoption of the document puts the Inter-Governmental Process formally on an "irreversible text-based negotiations path" and

changes the “dynamics” of the negotiations on achieving UNSC reforms.

U.N. General Assembly President Sam Kutesa convened a plenary meeting to take action on the draft decision on the “Question of equitable representation on and increase in the membership of the Security Council and related matters”. The draft decision contains a negotiating text which has positions of U.N. member states on Security Council reforms and how the powerful 15-nation body should be expanded in its permanent and non-permanent categories.

### Pakistan sets target to generate 40,000 MW nuclear energy by 2050

Pakistan set to itself a target of generating 40,000 MW nuclear energy. It will be achieved as part of the Nuclear Energy Vision 2050. An announcement in this regard was made by the Chairman of the Pakistan Atomic Energy Commission (PAEA) on 17 September 2015 at the 59th IAEA General Conference at Vienna in Austria.

### Features of Nuclear Energy Vision 2050

- Its objective is to supply one-fourth of Pakistan's total energy requirement as predicted for 2050.
- As part of the vision, 8800 MW and 40000 MW of nuclear energy will be produced by 2030 and 2050 respectively.
- To implement the vision, 32 nuclear power plants (NPPS) will be set up in eight identified sites by constructing 8 plants at a site.

The concerns are-China's assistance to Pakistan in the nuclear front as a rebalancing act vis-à-vis India and chances of terrorist organizations taking control of NPPs.

**8th edition Global Innovation Index (GII) 2015** The 8th edition Global Innovation Index (GII) 2015 was released on 17 September 2015 jointly by Cornell University, INSEAD and the World Intellectual Property Organization (WIPO). The GII 2015 was based on the theme of Effective Innovation Policies for Development.

The index shows the new ways through which emerging economy policymakers can boost innovation and spur growth by building on local strengths and ensuring the development of a sound national innovation environment.

The index is topped by Switzerland for being the most innovative nation. Countries like China, Malaysia, Viet Nam, India, Jordan, Kenya and Uganda are among a group of countries outperforming their economic peers as per the GII 2015.

Although India's ranking has slipped further to 81 in the list, compared to 76 in 2014, but it remained at the top of the regional ranking of Central and Southern Asia.

### Highlights of the GII 2015

- Switzerland, the United Kingdom, Sweden, the Netherlands and the United States of America are the world's five most innovative nations.
- The United Kingdom (UK) with second place on the list is up from the 10th position in 2011.
- In terms of innovation quality, US and the UK stay ahead of the pack, largely as a result of their world-class universities, closely followed by Japan, Germany and Switzerland.
- Top-scoring middle-income economies on innovation quality are China, Brazil and India with China increasingly outpacing the others.
- A number of low-income economies are innovation achievers with Sub-Saharan Africa standing out- Rwanda at 94th place, Mozambique at 95th and Malawi at 98th. In addition, Kenya, Mali, Burkina Faso and Uganda are generally outperforming other economies at their level of development.
- India's ranking has slipped further to 81 in the list, compared to 76 in 2014.
- A number of eastern European countries like Bulgaria (39th), or Montenegro (41st) display dynamism and an upward trend.

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- In North America, The United States of America (5th) remains the top innovation performer, while Canada (16th) remains in the GII top 25 after slipping from the top 10 in 2012.
- Latin America and the Caribbean is a region with improving but largely untapped innovation potential. Brazil (70th), Argentina (72nd), and Mexico (57th) stand out as economies performing above the region's GII average.
- In Western Asia, economies have started to diversify and spur innovation in new sectors. This has allowed for Saudi Arabia (43rd), United Arab Emirates (UAE) (47th) and Qatar (50th) to achieve top GII positions within the region.
- With half of its economies in the top 40, South East Asia and Oceania maintained its innovation dynamism with Singapore (7th) and Hong Kong (China) (11th) remain at the top of the regional rankings.

### Central and Southern Asia region in GII 2015

India remained at the top of the regional ranking of Central and Southern Asia, followed by Kazakhstan and Sri Lanka, which has significantly improved its position. Most countries in the region remain outside the top 100 of the GII. However, the economies at the top of the regional rankings can serve as models of good innovation policies with stronger institutions that will help stimulate higher levels of innovation-driven regional development in the coming years.

### Elements measures in GII

The GII 2015 was calculated as the average of two sub-indices. The Innovation Input Sub-Index gauges elements of the national economy which embody innovative activities was grouped in five pillars:

- (1) Institutions
- (2) Human capital and research
- (3) Infrastructure
- (4) Market sophistication

### (5) Business sophistication

The Innovation Output Sub-Index captures actual evidence of innovation results was divided in two pillars:

### (6) Knowledge and technology outputs

### (7) Creative outputs.

### Global Innovation Index (GII)

The Global Innovation Index is published annually since 2007, it is now a leading benchmarking tool for business executives, policy makers and others seeking insight into the state of innovation around the world. The Index creates an environment in which innovation factors are under continual evaluation with 141 country profiles including data, ranks and strengths and weaknesses on 81 indicators. GII follows a transparent computation methodology including 90 percent confidence interval for each index ranking and an analysis of factors affecting year-on-year changes in rankings.

### United Nations' State of Broadband Report 2015

The State of Broadband 2015: Broadband as a Foundation for Sustainable Development" report was launched by the United Nations (UN) Broadband Commission on 21 September 2015. It shows that the overall growth in broadband has decreased significantly over the last years and the gap between the people offline and online remains persistent. 57 % of the world's population are still not connected to the Internet. This report shall be considered as an urgent reminder and call to take action to connect the next and last billion people around the globe and to ensure that they have the capacities and content to make use of the Internet for enhancing their livelihood and achieve sustainable development.

The report traces the progress that has been made in broadband connectivity and points out future challenges and targets, including in the fields of education, content and multilingualism. The report provides a global snapshot of where the Telecommunications and ICT Industry stands

with regard to fixed and mobile broadband deployment, affordability and usage, as well as the use of broadband for meeting the proposed Sustainable Development Goals (SDGs).

### **Key findings**

This year's report finds mixed messages about the growth of ICTs and the global state of broadband. Although strong growth rates continue for mobile broadband and Facebook usage, and mobile cellular subscriptions exceeded 7 billion for the first time during 2015, growth in both mobile cellular subscriptions and Internet usage has slowed sharply.

The UN Broadband Commission's 2011 targets have not been achieved by the target date of 2015 and seem unlikely to be achieved before 2020. Likewise, the milestone of four billion Internet users is unlikely to be surpassed before 2020. The growth in Facebook subscribers is now outpacing growth in the Internet.

### **Internet growth**

By end 2015, some 3.2 billion people will be online, equating to over 43.4% of the total world population, and up from 2.9 billion a year earlier (almost 40.6% of the population).

In the developing world, Internet penetration will surpass 35.3% by the end of 2015; penetration will still be under 10% at 9.5% in the UN-designated Least Developed Countries, however.

Even though Internet penetration is approaching saturation in the developed world, with 82.2% of the population online, the global target of 60% set by the Broadband Commission in 2011, to be achieved by 2015, is unlikely to be achieved before 2021 at the earliest.

Internet user penetration in the developing world is unlikely to achieve the Broadband Commission target of 50% before 2020. By the end of 2015, there will still be 57% of the world's population – or four billion people – still offline.

Household Internet access in developed countries is close to saturation, with more than

81.3% of households connected. The proportion of households in the developing world with Internet access has increased from 31.5% at the end of 2014 to over 34.1% a year later – still well short of the Broadband Commission target of 40% by 2015.

Household connectivity figures mask strong disparities – fewer than 7% of households in LDCs have access, while in sub-Saharan Africa only 1 in 9 households is connected. According to Point Topic, Asia has the largest total number of broadband-connected homes, with nearly as many in total as Europe and the Americas combined.

The gender gap in Internet users is proving stubbornly persistent, with an estimated 200 million more men online than women as recently as 2013; one major problem is that sex-disaggregated data are not yet widely reported by national governments and statistics agencies.

### **Mobile growth**

The mobile industry is growing strongly, but unevenly. ITU forecasts that the milestone of seven billion mobile cellular subscriptions will be exceeded by end 2015, equivalent to a global penetration rate of 97 subscriptions per 100 people.

ITU also estimates that there will be a total of almost 3.5 billion mobile broadband subscriptions by end 2015. Industry analysts predict 6.5 billion mobile broadband (3G/4G/5G) subscriptions by 2019, making mobile broadband the fastest growing ICT service in history.

Asia-Pacific now accounts for half of all mobile broadband subscriptions, up from just under 45% at the end of 2014. In January 2015, China Mobile became the world's largest mobile operator by number of subscribers.

The rapid expansion of Asia-Pacific is squeezing other world regions in terms of their mobile broadband market share – Europe and the Americas saw declining proportional shares of mobile broadband subscriptions from the end of 2014 to the end of 2015, despite absolute increases in subscription numbers.

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Smartphones now dominate the mobile device market, and will continue to do so for the foreseeable future. Ericsson forecasts that the number of smartphones in service could exceed 'basic' phones by 2016. While developed markets become saturated in terms of total mobile penetration, analysts still see plenty of room for growth, with only an estimated one third of all mobile subscriptions currently associated with a smartphone.

In hindsight, the year 2014 is likely to prove a tipping point as the year in which growth in '3G' services began to slow, as growth in '4G' services accelerated.

### Affordability

Broadband is becoming more affordable: over the five years since the creation of the Broadband Commission in 2010, fixed broadband prices as a share of GNI per capita have dropped by 65% on average worldwide.

By 2014, most countries in the world had reached the Commission's target of basic fixed-broadband service at less than 5% of monthly GNI per capita – however, in many of the world's poorest countries, where broadband could potentially have the greatest benefit in terms of bridging development gaps, even basic broadband service remains prohibitively expensive. There also remain very big differences in affordability within countries – even in countries where the 5% target has been met, there are often parts of the country or communities where affordable broadband has not been achieved, especially in rural and remote areas.

By the end of 2014, a basic fixed broadband subscription cost less than 5% of average GNI per capita in 111 countries, of which 44 were developed nations and 67 were developing countries (compared with 57 developing countries at the end of 2013, and 48 developing countries at the end of 2012).

### Broadband policy

There is still some growth in the number of countries with National Broadband Plans, with

148 countries having adopted a national Plan or strategy by mid-2015, and a further six countries planning to adopt a Plan. A total of 42 countries still do not have any form of Plan.

Although there has been good growth in the number of countries with a Plan, a substantial number of Plans (many of which were introduced around 2010) are reaching the end of their term this year in 2015 (e.g. Belarus, Belgium, Croatia, Finland, Mongolia, Paraguay and Singapore). The 'succession strategy' for many of these Plans is unclear.

Future Internet users are likely to come from less well-educated, less urban backgrounds and from a base of languages and dialects outside the handful of languages that currently dominate online services and content (including Chinese, English, Spanish, French and Russian). The large majority of languages are without a significant online presence matching their real-world speaker base. The report finds that growth in the range of languages available for some of the main online services is not matching the growth in Internet use. Indeed, the paucity of online representation of a greater diversity of languages is a major obstacle to increasing demand for relevant content and the take-up of broadband services.

### Broadband and ICT industry

The telecoms industry continues to grow strongly in terms of penetration and uptake. According to IDC, the sector was worth an estimated US\$1.67 trillion at end 2013, and is growing by 1-2% per year, driven mainly by China and emerging markets.

Broadband growth is not consistent across regions or across technologies – for example, in Europe, some incumbent telcos are seeing revenues decline, while cable operators and 'altnets' are being helped by TV revenue growth (cable) or more agile business models linked to their smaller size (altnets).

New advances in satellite technology are playing a key role in helping to deliver broadband in rural and isolated areas (even in developed countries). Satellites have the advantage of

huge reach over massive areas, enabling relatively cost-effective connection of many subscribers, and faster roll-out than a network of point-to-point connections. They can also help overcome problems of difficult terrain in hard-to-connect regions, such as mountainous areas.

The 'Internet of Things' (IoT) is growing fast, with Deloitte predicting that one billion IoT devices will be shipped in 2015, up 60% on 2014 figures. ITU forecasts 25 billion networked devices by 2020 – meaning connected devices could outnumber connected people by 6:1.

For every person connecting to the Internet over the next five years, ten as many times devices will connect. Indeed, some industry observers are concerned that the Internet of Things may open up a new digital divide in terms of access and use of connected devices.

The top ten countries for Internet use are all located in Europe. The lowest levels of Internet access are mostly found in sub-Saharan Africa with Internet available to less than 2 percent of the population in Guinea (1.7%), Somalia (1.6%), Burundi (1.4%), Timor Leste (1.1%) and Eritrea (1.0).

### **India's ranking in State of Broadband Report 2015**

According to the State of Broadband 2015 report, India's broadband penetration ranking has fallen to 155th position from 113th position in 2013. While India's overall broadband penetration (mobile and fixed line) ranking improved to 136 from 142 in 2014, it is still way behind Syria, Zimbabwe and Ghana.

However, the number of people with broadband access on mobile phones has gone up to 5.5 percent of the population compared with just 3.2 percent in 2013.

### **State of Broadband Report**

Produced annually by the Broadband Commission, The State of Broadband Report is a unique global snapshot of broadband network access and affordability, with country-by country data measuring broadband access against key

advocacy targets set by the Commission in 2011. Released annually in September in New York, it is the only report that features country-by-country rankings based on access and affordability for over 160 economies worldwide.

### **United Nations Broadband Commission**

The United Nations (UN) Broadband Commission for Digital Development was established in May 2010 by International Telecommunication Union and UNESCO in response to step up UN efforts to meet the Millennium Development Goals (MDGs). The Commission aims to boost the importance of broadband on the international policy agenda and believes that expanding broadband access is key to accelerate progress.

### **EU heads of state meet on migration and refuses crisis**

European Union heads of state or government held an emergency summit on migration and refugee crisis at Brussels, 23 September 2015. The summit decided on a number of immediate priorities, to uphold, apply and implement existing rules, including the Dublin regulation and the Schengen acquis and had an in-depth discussion on how to achieve long-term sustainable solutions. The leaders agreed they would respond to the urgent needs of refugees in the region by helping the United Nations High Commissioner for Refugees, the World Food Programme and other agencies with at least additional 1 billion euro. The World Food Programme needs money to provide food to 11 million people in Syria and in the region.

The summit appeals the EU institutions and our Governments to work speedily on the Priority Actions proposed by the Commission.

- Respond to the urgent needs of refugees in the region by helping the United Nations High Commissioner for Refugees, the World Food Programme and other agencies with at least an additional 1 billion euro;
- Assist Lebanon, Jordan, Turkey and other countries in dealing with the Syrian refugee crisis, including through a

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- substantial increase of the EU's Regional Trust Fund in response to the Syrian Crisis ("Madad Fund");
- Reinforce the dialogue with Turkey at all levels, including at the upcoming visit of the Turkish President, in order to strengthen our cooperation on stemming and managing the migratory flows;
  - Assist the Western Balkan countries in handling the refugee flows, including through pre-accession instruments, as well as ensure a speedy and solid preparation of the Western Balkans route conference;
  - Increase the funding of the Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa through additional contributions by Member States, and ensure an optimal preparation of the Valletta Summit in November to achieve maximum progress;
  - Tackle the dramatic situation at external borders and strengthen controls at those borders, including through additional resources for Frontex, EASO and Europol, and with personnel and equipment from Member States;
  - Meet requests from front-line Member States for assistance by the institutions, the agencies and other Member States in order to ensure identification, registration and fingerprinting of migrants, set up (hotspots) reception centres in frontline states — probably in Greece and Italy — to more quickly sort genuine conflict refugees from economic migrants. and at the same time ensure relocation and returns, at the latest by November 2015;
  - Enhance the funding of the Emergency Fund for Asylum, Integration and Migration and the Internal Security Fund-Borders.

As regards Syria, we call for a renewed UN-led international effort to bring an end to the war that has caused so much suffering and forced

an estimated 12 million people to leave their homes; the EU commits to doing its part in this respect, as well as for the formation of a government of national unity in Libya.

The orientations agreed today must be complemented by the transposition and implementation by Member States of the rules of the Common Asylum System. In this context it is important to create the conditions for all Member States to participate fully in the Dublin system.

In a rare move on the eve of the summit, interior ministers had forced through a deal to relocate 120,000 refugees in the teeth of opposition from eastern state Hungary, the Czech Republic, Romania and Slovakia.

The relocations are just a fraction of the 500,000 migrants who have come to Europe's shores so far this year and the estimated four million camped on Syria's borders.

But the move deepened a split between the EU's richer western states led by the "power couple" of Germany and France and the poorer former communist eastern members, who said Brussels had no right to override their sovereignty.

European Commission urges institutions, agencies and Member States to accelerate their work on all aspects of the migration crisis. The Commission will present proposals on the mobilisation of the EU budget to support these orientations. Member States will match them with their contributions.

The European Commission has announced a multi-billion euro package to tackle the refugee crisis including €1bn of aid Turkey and €17m for Serbia. EU have almost doubled the resources to tackle the refugee crisis – from € 4.6 billion to € 9.5bn, set out the key points of further funding measures:

- €100m more for emergency assistance for the most affected Members States;
- €600m more for the EU agencies in 2016;

- €200m more for the World Food Program in 2015;
- €300 million more for humanitarian aid in 2016;
- Up to €1bn for Turkey;
- € 700 million for Serbia and the former Yugoslav Republic of Macedonia.

### **UN General Assembly adopts 'Transforming Our World: the 2030 Agenda for Sustainable Development and Global Goals'**

The 193-Member United Nations General Assembly (UNGA) on 25 September 2015 formally adopted the Transforming Our World: the 2030 Agenda for Sustainable Development along with a set of bold new **Global Goals** that are a universal, integrated and transformative vision for a better world, during the UN Sustainable Development Summit that is being held at the UN headquarters in New York.

The 2030 Agenda for Sustainable Development is an agenda for people to end poverty in all its forms. It is composed of 17 goals and 169 targets to wipe out poverty, fight inequality and tackle climate change over the next 15 years.

While, the Global Goals aim to build on the work of the historic Millennium Development Goals (**MDGs**), which in September 2000, rallied the world around a common 15-year agenda to tackle the indignity of poverty.

The agenda conveys the urgency of climate action. It is rooted in gender equality and respect for the rights of all. UN Secretary-General Ban Ki-moon urged the world leaders and others to successfully implement the Global Goals or Agenda 30 by launching a revitalised Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity.

### **Highlights of the 2030 Agenda for Sustainable Development**

This Agenda is a plan of action for people, planet and prosperity. It seeks to strengthen universal peace in larger freedom.

The 17 Sustainable Development Goals and 169 targets of the agenda demonstrate the scale and ambition of this new universal Agenda. They seek to build on the Millennium Development Goals and complete what these did not achieve. The goals and targets seek to realize the human rights of all and to achieve gender equality and the empowerment of all women and girls. They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.

The agenda is determined to end poverty and hunger in all their forms and dimensions and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.

It aims to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change.

It will ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

### **17 Sustainable Development Goals (SDG)**

- End poverty in all its forms everywhere
- End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Ensure healthy lives and promote well-being for all at all ages
- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Achieve gender equality and empower all women and girls
- Ensure availability and sustainable management of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

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- Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- Reduce inequality within and among countries
- Make cities and human settlements inclusive, safe, resilient and sustainable
- Ensure sustainable consumption and production patterns
- Take urgent action to combat climate change and its impacts\*
- Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Strengthen the means of implementation and revitalize the global partnership for sustainable development

### The Revitalized Global Partnership

This Agenda, including its seventeen goals, can be met within the framework of a revitalized global partnership for sustainable development, supported by the concrete policies and actions outlined in the Addis Ababa Action Agenda, which is an integral part of the 2030 Agenda for sustainable development.

The Addis Ababa Action Agenda supports complements and helps contextualize the 2030 Agenda's means of implementation targets.

The revitalized Global Partnership will facilitate an intensive global engagement in support of implementation of all the goals and targets. It will bring together Governments, civil society, the private sector, the United Nations system and other actors and mobilize all available resources.

### World Bank raised international poverty line to \$US 1.90

According to World Bank projections released the information on the eve of its Annual Meetings in Lima, Peru, based its current projections on the latest available data, the number of people living in extreme poverty around the world is likely to fall to under 10 percent of the global population in 2015, giving fresh evidence that a quarter-century-long sustained reduction in poverty is moving the world closer to the historic goal of ending poverty by 2030.

The Bank uses an updated international poverty line of US \$1.90 a day, which incorporates new information on differences in the cost of living across countries (the PPP exchange rates). The new line preserves the real purchasing power of the previous line (of \$1.25 a day in 2005 prices) in the world's poorest countries. Using this new line (as well as new country-level data on living standards), the World Bank projects that global poverty will have fallen from 902 million people or 12.8 per cent of the global population in 2012 to 702 million people, or 9.6 per cent of the global population, 2015.

The World Bank Group finds that the continued major reductions in poverty were due to strong growth rates in developing countries in recent years, investments in people's education, health, and social safety nets that helped keep people from falling back into poverty. It cautioned, however, that with slowing global economic growth, and with many of the world's remaining poor people living in fragile and conflict-affected states, and the considerable depth and breadth of remaining poverty, the goal to end extreme poverty remained a highly ambitious target.

In April 2013, the World Bank Group's Board of Governors endorsed two goals: to end extreme poverty by 2030 and to boost shared prosperity by raising the incomes of the bottom 40 percent of populations.

Further it says that further reductions in poverty rates would come from evidence-based approaches, including: broad-based growth that generates sufficient income-earning opportunities; investing in people's development prospects through improving the coverage and quality of education, health, sanitation, and protecting the poor and vulnerable against sudden risks of unemployment, hunger, illness, drought and other calamities.

### **Poverty remains concentrated in Sub-Saharan Africa and South Asia**

It noted that, for the last several decades, three regions, East Asia and Pacific, South Asia, and Sub-Saharan Africa, have accounted for some 95 percent of global poverty. Yet, the composition of poverty across these three regions has shifted dramatically. In 1990, East Asia accounted for half of the global poor, whereas some 15 percent lived in Sub-Saharan Africa; by 2015 forecasts, this is almost exactly reversed: Sub-Saharan Africa accounts for half of the global poor, with some 12 percent living in East Asia. Poverty is declining in all regions but it is becoming deeper and more entrenched in countries that are either conflict ridden or overly dependent on commodity exports.

The growing concentration of global poverty in Sub-Saharan Africa is of great concern. Sub-Saharan poverty fell from an estimated 56 percent in 1990 to a projected 35 percent in 2015. Rapid population growth remains a key factor blunting progress in many countries—as this year's *Global Monitoring Report* shows.

### **In its regional forecasts of poverty for 2015 -**

- **East Asia and the Pacific** would fall to 4.1 per cent of its population, down from 7.2 per cent in 2012;
- **Latin America and the Caribbean** would fall to 5.6 per cent from 6.2 in 2012;
- **South Asia** would fall to 13.5 per cent in 2015, compared to 18.8 per cent in 2012;

- **Sub-Saharan Africa** declines to 35.2 per cent in 2015, compared to 42.6 per cent in 2012.
- Reliable current poverty data is not available for the **Middle East and North Africa** because of conflict and fragility in key countries in the region.

Further World Bank analysts said that, "Development has been robust over the last two decades but the protracted global slowdown since the financial crisis of 2008, is beginning to cast its shadow on emerging economies". "There is some turbulence ahead. The economic growth outlook is less impressive for emerging economies in the near future, which will create new challenges in the fight to end poverty and attend to the needs of the vulnerable, especially those living at the bottom 40 percent of their societies."

### **Measuring Poverty Globally and Nationally**

The updated global poverty line and rate are based on newly-available price data from across the world- impacting not only where the global poverty line is drawn, but the cost of the basic food, clothing, and shelter needs of the poorest around the world. However, this global measure is only one of many important measures to track in order to better reach the poor and vulnerable.

### **G4 summit: calls for time-bound U.N. reforms**

On 26 September 2015, Group of Four (G4) Summit was held in New York on the eve of 70<sup>th</sup> anniversary of the UNO. The summit, took place after a decade, was hosted by Prime Minister Narendra Modi, other three members: Brazilian President Dilma Rousseff, German Chancellor Angela Merkel and Japanese Prime Minister Shinzo Abe. In a show of solidarity and as a message to the world community, leaders of G4 called for urgent reforms of the United Nations "in a fixed time frame", expressing disappointment that no substantial progress had been made in the past decade on the issue.

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The G-4 leaders stressed that a more representative, legitimate and effective Security Council is needed more than ever to address the global conflicts and crises, which had spiralled in recent years. They shared the view that this can be achieved by reflecting the realities of the international community in the 21st century, where more Member States have the capacity and willingness to take on major responsibilities with regard to maintenance of international peace and security.

The leaders emphasised that the G4 countries are legitimate candidates for permanent membership in an expanded and reformed [Security] Council and supported one another's candidature. They pledged to work together with all member-states and to accelerate outreach towards achieving an early and meaningful reform of the Security Council. They also reaffirmed their resolve to continue contributing to the fulfillment of the purposes and principles of the UN Charter.

"The leaders noted with concern that no substantial progress had been made since the 2005 World Summit where all the Heads of State and Government had unanimously supported the 'early reform' of the Security Council as an essential element of the overall effort to reform the United Nations."

The leaders also noted with appreciation the efforts of Member States in moving towards text-based negotiations. They welcomed, in particular, the efforts undertaken by the Member States of the African Group, CARICOM and the L.69 Group. They supported Africa's representation in both the permanent and non-permanent membership in the Security Council. They also noted the importance of adequate and continuing representation of small and medium sized Member States, including the Small Island Developing States, in an expanded and reformed Council.

The G4 leaders appreciated the fact that the Inter-Governmental Negotiations on UN reforms has come out with a text that will form the basis for further negotiations.

Japan, Germany, India and Brazil are the third, fourth, seventh and eighth biggest economies, respectively. In terms of population, India is the second biggest, Brazil fifth, Japan 10th and Germany 16th biggest in the world.

The U.S. also reiterated last week its support for India's claim for a permanent UNSC seat, but it has been calling for consensus before reforms can move ahead. Pakistan is opposed to India, while China has been ambiguous in its approach though not openly opposed to reforms.

### **Group-4 Nations:**

The G4 nations comprising Brazil, Germany, India, and Japan are four countries which support each other's bids for permanent seats on the United Nations Security Council. Unlike the G7, where the common denominator is the economy and long-term political motives, the G4's primary aim is the permanent member seats on the Security Council. Each of these four countries has figured among the elected non-permanent members of the council since the UN's establishment.

Their economic and political influence has grown significantly in the last decades, reaching a scope comparable to the permanent members (P5). However, the G4's bids are often opposed by Uniting for Consensus movement, and particularly their economic competitors or political rivals

### **United Nations Security Council**

The United Nations Security Council (UNSC) is one of the six principal organs of the United Nations and is charged with the maintenance of international peace and security as well as accepting new members to the United Nations and approving any changes to its United Nations Charter. Its powers include the establishment of peacekeeping operations, the establishment of international sanctions, and the authorization of military action through Security Council resolutions; it is the only UN body with the authority to issue binding resolutions to member states.

The Security Council consists of fifteen members. The great powers that were the victors of World War II—Russia, the United Kingdom, France, China, and the United States—serve as the body's five permanent members. These permanent members can veto any substantive Security Council resolution, including those on the admission of new member states or candidates for Secretary-General.

The Security Council also has 10 non-permanent members, elected on a regional basis to serve two-year terms. The body's presidency rotates monthly among its members. Critics of the council often describe it as an undemocratic international body, and argue it fails its principal task, mainly because of the veto power of the permanent members.

### **U.S. Reaches Trans-Pacific Partnership Trade Deal With 11 Pacific Nations**

Twelve Pacific Rim countries reached the most ambitious trade pact -Pacific Partnership (TPP) - on 5 October, 2015 after lengthy negotiating sessions in the US city of Atlanta. It aims to counter the might of China and will cut hundreds of trade barriers affecting everything from the price of cheese to the cost of cancer treatments and sets labour and environmental standards, crack down on wildlife trafficking and environmental abuses and protects multinational corporations' intellectual property.

The TPP is designed to encourage trade between the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Together they account for 40 percent (two-fifths of the global economy) of the world trade. The agreement - the largest regional trade deal in history - will now have to be approved by the legislators of each signing country.

Under the internationally enforceable framework, the governments in the 12-nation bloc will be able to challenge fellow countries if they don't follow through with labor-action plans

established in the negotiations. It also sets up dispute settlement guidelines between governments and foreign investors separate from national courts.

With regard to several deal-breaking disputes- they resolved these disputes through covering commercial protections for drug-makers' advanced medicines(intellectual property rights for biologic drugs), automotive-assembly rules, more open markets for dairy products and sugar, and a slow phase-out — over two to three decades — of the tariffs on Japan's autos sold in North America. Some of these disputes and their resolutions are:

The trade deal has been in the works since 2008 but has been stymied by politically sensitive disputes, including a fight between the U.S. and Japan over the automobile industry.

One of the last disputes to be resolved pitted Australia against the U.S., which was seeking up to 12 years of protection for biologic drugs against generic imitators. The two countries reached a complicated compromise that provides at least five and potentially up to eight years of exclusivity for biologics.

Chile, Peru and other countries remained concerned about adding to the price of drugs through long exclusivity periods, according to people following the talks. Canada and Japan agreed to increase access to their tightly controlled dairy markets, allowing some American dairy products in, but New Zealand also persuaded the U.S. to accept more of its milk products.

Many of the details of the deal were negotiated in deep secret, drawing persistent criticism that business interests dominated the talks and that the public interest in many countries was being thrown aside. Public health advocates, environmentalists, and labour groups are among the critics.

Yet the trade agreement almost certainly will encounter stiff opposition. Its full 30-chapter text will not be available for perhaps a month, but labour unions, environmentalists and liberal

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activists are poised to argue that the agreement favours big business over workers and environmental protection.

Aid groups have argued that the TPP protections concerning pharmaceutical drugs will lead to companies raising prices and restricting access to products needed by some of the world's poorest populations. Internet privacy advocates are also concerned that regulations on intellectual property will go too far.

But the accord — a product of nearly eight years of negotiations — is a potentially legacy-making achievement for President Barack Obama, and the capstone for his foreign policy “pivot” toward closer relations with fast-growing eastern Asia, after years of U.S. preoccupation with West Asia and North Africa.

The deal is a victory for Mr. Obama, who sees it as boosting economic growth, enhancing competitive industries and binding like-minded Pacific countries at a time when China—not a part of the bloc—is adopting a more assertive economic and military posture in the region. The deal, if approved by Congress, will mark an effective expansion of the North American Free Trade Agreement launched two decades ago to include Japan, Australia, Chile, Peru and several Southeast Asian nations.

Office of U.S. Representative has repeatedly pressed their contention that the partnership would build a bulwark against China's economic influence, and allow the U.S. and its allies — not Beijing — to set the standards for Pacific commerce.

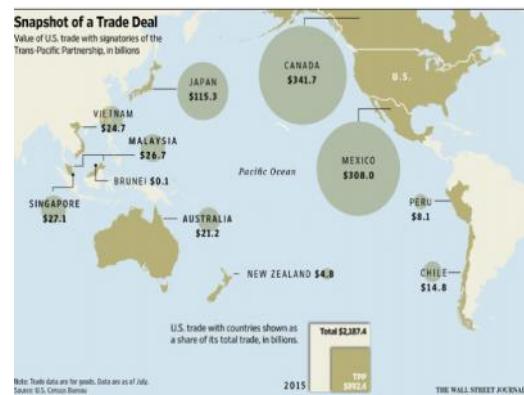
The TPP includes stepped-up powers for the U.S. to put pressure on developing nations to improve labor practices — such as requiring Vietnam to allow independent trade unions and Malaysia to cut down on human trafficking.

The partnership eventually would end more than 18,000 tariffs that the participating countries have placed on U.S. exports, including autos, machinery, information technology and consumer goods, chemicals and agricultural products ranging from avocados in California to wheat, pork and beef from the Plains states.

Japan's other barriers, like regulations and design criteria that effectively keep out U.S.-made cars and light trucks, would come down.

### AMERICAN COMPETITIVENESS IN THE ASIA-PACIFIC

The TPP is the cornerstone of the Obama Administration's economic policy in the Asia Pacific. The large and growing markets of the Asia-Pacific already are key destinations for U.S. manufactured goods, agricultural products, and services suppliers, and the TPP will further deepen this trade and investment. As a group, the TPP countries are the largest goods and services export market of the United States. U.S. goods exports to TPP countries totaled \$698 billion in 2013, representing 44 percent of total U.S. goods exports. U.S. exports of agricultural products to TPP countries totaled \$63 billion in 2013, 42 percent of total U.S. agricultural exports. U.S. private services exports totaled \$172 billion in 2012, 27 percent of total U.S. private services exports to the world. America's small- and medium-sized enterprises alone exported \$247 billion to the Asia-Pacific in 2011.



### Operation Sophia: EU Mission against human smugglers and traffickers in the Mediterranean Sea

So far in 2015, over half a million migrants and refugees have crossed the Mediterranean Sea to enter Europe, triggering the region's biggest refugee crisis since World War II. The crisis has also provided opportunities to human traffickers and smugglers, who have exploited

the situation to their benefit by cramming refugees in overcrowded boats bound for Europe that have, in many cases, capsized and killed thousands of people.

Hence, the European Union is adopting a decidedly muscular approach to intercept the boats carrying migrants across the Mediterranean. The EU announced, on 7 October 2015, its second phase (a new mission) called-'Operation Sophia'. The new mission called Sophia for the baby who was rescued with her mother off the coast of Libya in August. The mission will allow naval vessels "be able to board, search, seize, and divert vessels suspected of being used for human smuggling or trafficking on the high seas."

Over the past year, the number of people willing to risk the perilous journey across the Mediterranean has spiked, as conflict, war and poverty in the Middle East and Africa continue to take their toll. According to data compiled by the International Organization for Migration (IOM), roughly 560,000 refugees who have arrived on European shores this year, approximately 133,000 have landed in Italy, while over three times that number — nearly 428,000 — have landed in Greece, after undertaking a high-risk voyage in over-packed rubber dinghies that set sail from Turkey. Nearly 3,000 people have drowned in the region so far.

This military component of the EU response to the migrant and refugee crisis is innovative in different ways. Following the anti-piracy operation in the Gulf of Aden (*Atalanta*), EUNAVFOR Med confirms the maritime dimension of CSDP in the management of new types of security threats. The operation also brings CSDP closer to the EU internal security portfolio and its Freedom, Security and Justice (FSJ) agenda.

Finally, EUNAVFOR Med or Operation Sophia is the first CSDP operation with a potential openly coercive mandate which, if implemented, would lead the EU to engage in

'peace enforcement'-type activities. This said, just like all other CSDP operations, EUNAVFOR Med needs to be seen as one element of a broader multidimensional response, as one component of the Comprehensive Approach towards both the refugee crisis and restoring stability in Libya.

In June, the EU launched the first phase of the operation, called 'EUNAVFOR Med', which involves naval surveillance and monitoring trafficking patterns.

### **China reopens its border trading post with Nepal**

Amid mounting pressure on Nepal's government over dwindling supplies of goods from India due to the ongoing violent agitation over the new Constitution, on 13 October 2015 China reopened its border trading post at Jilung with Nepal in southwest China's Tibet Autonomous Region in Tibet which will see "explosive growth" in trade.

Madhesis and Tharu ethnic groups are protesting for more representation in the Constitution. They see the model to split Nepal into seven federal provinces as flawed and discriminatory to their rights. More than 40 people have died in the violent agitation.

Nepalese politicians have been saying that they will turn to China for supplies. China has been providing substantial aid in recent years and has acquired strategic influence in Nepal countering India's support base. In a major development which is expected to henceforth expect to be a factor in Nepal's ties with India, China on Tuesday succeeded in reopening its border post with Nepal at Jilung-Tatopani.

The port, about 130 km away from Kathmandu, used to be the largest port linking the two regions, but it gradually lost its importance due to weak infrastructure. Though Tibet is well connected over the years with rail, road and air links, providing Nepal with supplies of oil, gas and essential food supplies for a prolonged period could pose a challenge for China.

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In 2014, the foreign trade volume of Tibet dropped by nearly 33 per cent year-on-year, largely due to a major landslide in Nepal that disrupted road traffic between Tibet and the Tatopani trade port in Nepal from August to October. At the end of 2014, the port was expanded to boost bilateral economic and tourism development.

The border was closed after the road along the route on both sides was damaged during the massive April 25 earthquake in Nepal which also partly affected border regions in Tibet.

Nepal, a land-locked country bordered by India on the south, east and west, and China on the north, is dependent on its neighbours for transit and supplies.

### Nepal and China MoU for fuel supply

Nepal has signed a Memorandum of Understanding (MoU) with China in order to import all kinds of fuel in order to ease fuel crisis in the country. It was signed by Nepal Oil Corp (NOC) and China National United Oil Corporation (PetroChina) in Beijing to supply all kind of the petroleum products for Nepal needs. This is the first time that China is commercially supplying petroleum to Nepal and already had agreed to donate 1.3 million litres of petrol to landlocked Himalayan country.

### Pakistan, Russia sign pact for construction of North-South gas pipeline

Pakistan and Russia signed an agreement on October 2015 to build a gas pipeline stretching hundreds of kilometres from Karachi on the Arabian Sea to the eastern city of Lahore. The 1,100-kilometre (680-mile) pipeline, with a capacity of 12.4 billion cubic metres (438 billion cubic feet) per year, will connect liquefied natural gas (LNG) terminals in Karachi with those in Lahore. The North-South gas pipeline project would be built by Russian company RT Global Resources — a part of Russian state corporation Rostec. Russia is to invest about \$2 billion in the pipeline.

On the first stage, by the second quarter of 2018, the gas pipeline will be built. On the second stage, by the second quarter of 2019, part of compressor stations will be completed. On the third stage, by the second quarter of 2020, all compressor stations will be commissioned bringing the pipeline to its full capacity, which is 12.4 billion cubic meters a year.

The construction of the pipeline will provide orders for Russian industrial enterprises and will contribute to an increase in non-oil exports. The project will open up a new market for Russian companies.

Russia has long been the largest supplier of weaponry to Pakistan's nuclear-armed archrival India, which is the world's top arms buyer. But now Moscow appears to be pivoting towards Islamabad as New Delhi becomes closer allies with Washington. The Russian Ministry states that the project will take cooperation between Russia and Pakistan "to a new level".

Russia had lifted its embargo on arms supplies to Pakistan in June and was holding talks on supplying Islamabad with combat helicopters. In August, Pakistan and Russia signed a landmark defence deal for the sale of four Mi-35 'Hind E' attack helicopters to Pakistan and are currently in talks about the delivery of Sukhoi Su-35 fighter jets.

### Barack Obama nods for lifting sanctions on Iran

President Barack Obama ordered the U.S. government, on 18 October, to take steps towards lifting sanctions on Iran, in accordance with the historic nuclear deal struck between six world powers and Tehran. Obama's directive comes 90 days after the UN Security Council endorsed the accord signed in Vienna in July, a milestone referred to as "Adoption Day"- the first steps towards implementing it. The European Union also passed legislation allowing its members to start looking at ending sanctions.

The measures will take effect upon confirmation by the Secretary of State that Iran has met its commitments under the so-called 'Joint Comprehensive Plan of Action'. This is a critical first step in the process of ensuring that Iran's nuclear programme will be exclusively for peaceful purposes.

### **Greater access**

Iran also on 18 October 2015 notified the IAEA that it would apply a protocol granting inspectors greater access to its nuclear sites, a further step in the implementation of the historic deal. If Iran can meet the conditions that lead to sanctions relief, it could economically rehabilitate itself.

### **Iran- P5+Germany nuclear deal**

The US, UK, France, Russia, China and Germany (P5+Germany) and UN atomic energy agency IAEA has reached a historic agreement with Iran on 14 July 2015 at Vienna, capital of Austria that calls for limits the Tehran's nuclear program in return for lifting economic sanctions that have crippled Iran's economy. Under the deal Iran will dismantle much of its nuclear infrastructure, while the UN, US and EU will take down a wall of sanctions built around Iran over the past nine years. The accord is aimed at resolving a 13-year standoff over Iran's nuclear ambitions after repeated diplomatic failures and threats of military action.

The U.N. Security Council (UNSC), all 15 countries on the council, on 20 July 2015 unanimously adopted a resolution that endorses the historic deal on Iran's nuclear programme. The resolution launches a progressive and conditional lifting of sanctions, in exchange for guarantees that Iran will not develop a nuclear bomb.

### **Global status report on road safety 2015: WHO**

World Health Organization (WHO) on 19 October 2015 released the Global status report on road safety 2015. The report reflects information from 180 countries and indicates that worldwide

the total number of road traffic deaths has gone up to 1.25 million per year. The report shows that road safety strategies are saving lives. But it also tells us that the pace of change is too slow.

However, the number of road traffic deaths is stabilizing even though the number of motor vehicles worldwide has increased rapidly, as has the global population. In the last three years, 79 countries have seen a decrease in the absolute number of fatalities while 68 countries have seen an increase. Countries that have had the most success in reducing the number of road traffic deaths have achieved this by improving legislation, enforcement, and making roads and vehicles safer.

The WHO report highlights that road users around the world are unequally protected. The risk of dying in a road traffic crash still depends, in great part, on where people live and how they move around. A big gap still separates high-income countries from low- and middle-income ones where 90% of road traffic deaths occur in spite of having just 54% of the world's vehicles. Europe, in particular the region's wealthier countries, has the lowest death rates per capita; Africa the highest.

The report says that in the last three years, 17 countries have aligned at least one of their laws with best practice on seat-belts, drink-driving, speed, motorcycle helmets or child restraints.

The report reveals that globally:

- 105 countries have good seat-belt laws that apply to all occupants;
- 47 countries have good speed laws defining a national urban maximum speed limit of 50 Km/h and empowering local authorities to further reduce speed limits;
- 34 countries have a good drink-driving law with a blood alcohol concentration (BAC) limit of less than or equal to 0.05 g/dl as well as lower limits of less than or equal to 0.02 g/dl for young and novice drivers;

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- 44 countries have helmet laws that apply to all drivers, passengers, roads and engine types; require the helmet to be fastened and refer to a particular helmet standard; and
- 52 countries have a child restraint law for occupants of vehicles based on age, height or weight, and apply an age or height restriction on children sitting in the front seat.

### **More attention required to protect vulnerable road users and improve vehicle safety**

Motorcyclists are particularly vulnerable, making up 23% of all road traffic deaths. In many regions this problem is increasing; in the region of the Americas, for example, the proportion of motorcycle deaths out of all road traffic fatalities rose from 15% to 20% between 2010 and 2013. In the South-East Asia and Western Pacific regions a third of all road traffic deaths are among motorcyclists.

Pedestrians and cyclists are also among the groups with the least protection, making up 22% and 4% of global deaths respectively. “Decision-makers need to rethink transport policies,” – said Dr Etienne Krug, Director of WHO’s Department for Management of Noncommunicable Diseases, Disability, Violence and Injury Prevention. “Improving public transport as well as making walking and cycling safer requires us to refocus our attention on how vehicles and people share the road. The lack of policies aimed at vulnerable road users is killing people and harming our cities. If we make walking and cycling safer there will be fewer deaths, more physical activity, better air quality, and more pleasant cities.”

The report also found that some vehicles sold in 80% of all countries worldwide fail to meet basic safety standards, particularly in low- and middle-income countries where nearly 50% of the 67 million new passenger cars were produced in 2014.

The *Global status report on road safety 2015* comprises a narrative text combining

evidence, facts and best practices with conclusions drawn following the analysis of the data collected for 180 countries. In addition it offers one-page profiles for each participating country and statistical annexes. An interactive online data visualization of the report is also available.

The report is the third in its series and is the official monitoring tool of the Decade of Action for Road Safety 2011-2020. The publication of the report follows the adoption of the 2030 Agenda for Sustainable Development which includes an ambitious road safety target and precedes the 2nd Global High-Level Conference on Road Safety that will be held in Brasilia, Brazil, 18-19 November 2015.

### **Trident Juncture 2015: NATO shows off its military muscle in 30-nation exercise**

North Atlantic Treaty Organization (NATO) allies and partner nations on 19 October 2015 launched the Alliance’s Trident Juncture military exercise at the Trapani air force base in Italy. Trident Juncture will end on 6 November 2015. Trident Juncture 2015 — the largest NATO exercise in Europe since 2002 — is in large part a response to Russia’s recent aggression against Ukraine.

The three week long intensive training exercise involves 36,000 personnel from more than 30 Allied and Partner Nations, takes place throughout Italy, Portugal, Spain, the Atlantic Ocean, the Mediterranean Sea and also Canada, Norway, Germany, Belgium and the Netherlands. Trident Juncture 2015 demonstrates the NATO’s new increased level of ambition in joint modern warfare and will show-case a capable, forward-leading Alliance equipped with the appropriate capability and capacity to meet present and future security challenges. More than 12 major International Organizations, aid agencies and non-governmental organisations, such as the EU and AU also participated in the exercise, demonstrating NATO’s commitment and contribution to a comprehensive approach.

As the culminating event for units, military and civilian staff belonging to more than 30 participating Nations, Trident Juncture 2015 provides an opportunity for them to refine their operational capabilities. Air, Land, Maritime, and Special Forces participated simultaneously in several locations and from different Headquarters to train in a complex environment to improve Alliance's full spectrum capabilities.

### **World's Women 2015: Trends and Statistics report: UN**

The Department of Economic and Social Affairs of the United Nations on 20 October 2015 released a report entitled The World's Women 2015: Trends and Statistics. The report provides an update of the statistics and indicators on the situation of women and men around the world covering gender-specific information on eight key areas—population and families, health, education, work, power and decision-making, violence against women, environment and poverty.

#### **Population and Families**

Worldwide, men outnumber women by some 62 million. More baby boys are born than baby girls, a by-product of enduring natural selection processes. The slight male advantage in numbers at birth disappears progressively during childhood and young adulthood, owing to generally higher male than female mortality. Consequently, women outnumber men in older age groups. Women represent 54 per cent of the population aged 60 and over and 62 per cent of those aged 80 and over. The number of years lived as a person aged 60 and over is higher for women than for men by about three years.

Noticeable differences are also found in the living arrangements of older women and men. In the later stages of life, women are much more likely than men to be widowed and to live alone. This has to be taken into account by programmes and services targeted to older persons, particularly in the context of the increasing share of older persons in the

population (population ageing) that is taking place everywhere.

Marriage patterns have also changed over the past two decades. Both women and men are marrying later, a reflection of increases in education levels, later entry into the labour force, greater economic independence of women and a rise in informal unions. Women continue to marry a few years earlier than men, at age 25 on average, compared to 29 for men. The rate of child marriage—a fundamental violation of human rights that limits girls' opportunities for education and development and exposes them to the risk of domestic violence and social isolation—has declined slightly. Still, almost half of women aged 20 to 24 in Southern Asia and two fifths in sub-Saharan Africa were married before age 18.

Globally, the total fertility rate reached 2.5 children per woman in 2010–2015, a decline from three children in 1990–1995. While fertility fell slightly in countries with high and medium fertility levels, it rose slightly in some countries with low fertility. Increasingly, having children is becoming delinked from formal marriage, as reflected by the increase in the share of extramarital births. As a result of this trend and a rise in divorce rates, one-parent households, among which single mothers with children make up more than three quarters, are becoming common in both developing and developed regions.

#### **Health**

Medical and technological improvements over several decades have extended the lives of both women and men, who are expected at present to live an average of 72 and 68 years, respectively. An analysis of mortality data across age groups and regions shows that women and men tend to die of different causes. In all regions, biological factors, along with gender inequality and gender norms, influence sex differences in health trajectories throughout the life cycle. Adolescence and young adulthood should be a time of general good health with low mortality

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rates. Yet in developing regions, complications linked to pregnancy and childbirth, as well as sexually transmitted infections, particularly HIV, continue to take a heavy toll on the lives of adolescent girls and young women. This is due not only to underdeveloped health systems that are unable to address women's needs, but also to gender issues. Poor access to information and education, early marriage, and lack of decision-making power among girls who are married or in relationship increase their exposure to sexually transmitted infections, unwanted pregnancies and the risk of unsafe abortion.

Traditional gender expectations also exert a harmful effect on men. Adolescent boys and young men often take up habits and risky behaviours that are associated with images of masculinity. During adolescence and young adulthood, road injuries, interpersonal violence and self-harm are the leading causes of death among young men in both developed and developing regions. Injuries are also a leading cause of death among young women in developed regions, although the corresponding mortality rates are much lower than those of young men.

For women of reproductive age, the biological functions of pregnancy and childbirth create additional health needs. Overall, reproductive and maternal health has improved considerably over the past two decades. A growing proportion of women are using contraceptives and the demand for family planning is increasingly being satisfied. Worldwide, the number of maternal deaths declined by 45 per cent between 1990 and 2013. Still, in sub-Saharan Africa, only half of pregnant women receive adequate care during childbirth. In 2014, 83 per cent of pregnant women in developing regions had at least one antenatal care visit, an improvement of 19 percentage points since 1990. However, only 52 per cent of pregnant women had the recommended minimum of four antenatal care visits.

At older ages, non-communicable diseases such as cardiovascular disease, cancer,

chronic obstructive pulmonary disease and diabetes are the more common causes of death. Over the entire life course, risk factors contributing to these diseases have a clear gender component. For instance, men smoke tobacco and drink alcohol to a much greater extent than women: 36 per cent of men aged 15 and over smoke and 48 per cent drink, compared to 8 and 29 per cent of women, respectively. However, large numbers of women have adopted these unhealthy habits, particularly in developed regions.

Moreover, while the prevalence of obesity has increased among both sexes, women appear to be slightly more affected (14 per cent of women aged 20 and over are obese compared to 10 per cent of men). Mental disorders, in particular dementia, are among the major causes of disability in later life. In 2013, an estimated 44 million people globally were living with dementia, a number that is expected to double every 20 years. Women are more affected than men due to women's greater longevity and the typically late onset of dementia. Women also represent the majority of informal caregivers of people with dementia—mostly in their role as partners, daughters and daughters-in-law.

### Education

The past two decades have witnessed remarkable progress in participation in education. Enrolment of children in primary education is at present nearly universal. The gender gap has narrowed, and in some regions girls tend to perform better in school than boys and progress in a more timely manner. However, in some developing countries that have not reached gender parity, the disparities against girls are stark. Today, 58 million children of primary school age are out of school worldwide. More than half of these are girls and nearly three quarters live in sub-Saharan Africa and Southern Asia.

Secondary school enrolment has increased but remains lower than primary school enrolment. Although gender disparities

in access to secondary education have been reduced, they remain wider and more prevalent than at the primary level—to the advantage of boys in some countries and of girls in others. Gender disparities are even broader at the tertiary level. Female participation in tertiary education overall has increased globally and currently surpasses male participation in almost all developed countries and in half of developing countries.

However, women are clearly underrepresented in fields related to science, engineering, manufacturing and construction. Women are also underrepresented in the more advanced degree programmes, especially in science-related fields, resulting in fewer women than men in research. Women account for 30 per cent of all researchers—an increase compared to previous decades but still far from parity.

Progress in educational access has yielded improvements in adult literacy and educational attainment. Illiteracy among youths has been eradicated in many regions of the world, and the vast majority of young women and men presently have basic reading and writing skills. However, an estimated 781 million people aged 15 and over remain illiterate. Nearly two thirds of them are women, a proportion that has remained unchanged for two decades. Illiteracy rates are highest among older people and are higher among women than men. At age 65 and over, 30 per cent of women and 19 per cent of men are illiterate. The vast majority of older persons are illiterate in Northern Africa, sub-Saharan Africa and Southern Asia, where gender gaps are also noted. As societies experience population ageing, it becomes increasingly important that literacy and other lifelong learning programmes enable women and men to become more self-reliant, work as long as desired and remain socially engaged at older ages.

### **Work**

As a group, women work as much as men, if not more. When both paid and unpaid work such

as household chores and caring for children are taken into account, women work longer hours than men—an average of 30 minutes a day longer in developed countries and 50 minutes in developing countries. Gender differentials in hours spent on domestic work have narrowed over time, mainly as a result of less time spent on household chores by women and, to a smaller extent, by an increase in time spent on childcare by men.

Only 50 per cent of women of working age are in the labour force, compared to 77 per cent of men. The gender gap in labour force participation remains especially large in Northern Africa, Western Asia and Southern Asia. Overall participation in the labour market is only slightly lower in 2015, compared to 1995. However, women and men aged 15 to 24 years have experienced a decline in participation, which is likely linked to expanding educational opportunities at the secondary and tertiary levels. Older women aged 25 to 54 increased their labour force participation in most regions, while that of men in the same age group stagnated or declined slightly across regions. The proportion of women aged 55 to 64 in the labour force has risen in most regions, reflecting changes in the statutory retirement age and pension reforms.

Women are more likely than men to be unemployed or to be contributing family workers, which usually implies that they have no access to monetary income. In Oceania, sub-Saharan Africa and Southern Asia, between 30 and 55 per cent of employed women are contributing family workers, about 20 percentage points higher than men in the same regions. Women are also more likely than men to be employed part-time. However, while this can help them to better balance work, household and childrearing responsibilities, part-time jobs are often associated with lower hourly wages, less job security and less training and promotion opportunities than full-time employment.

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Women are also significantly underrepresented in decision-making positions such as legislators, senior officials and managers, but are overrepresented as domestic workers, positions that are characterized by low pay, long hours and lack of social protection. Across all sectors and occupations, women on average earn less than men; in most countries, women in full-time jobs earn between 70 and 90 per cent of what men earn. Many developed countries show a long-term decline in the gender pay gap, but the trend is mixed in recent years.

Over the past 20 years, an increasing number of countries have adopted legislation providing maternity and paternity benefits, enabling workers to meet their responsibilities outside work. Over half of all countries currently offer at least 14 weeks of maternity leave and 48 per cent of countries have provisions for paternity leave. These measures, however, often exclude workers in specific sectors or categories of employment, such as paid domestic workers, own-account and contributing family workers, casual and temporary workers, and agricultural workers.

### Power and Decision-Making

Inequality between women and men tends to be severe and highly visible in power and decision-making arenas. In most societies around the world, women hold only a minority of decision-making positions in public and private institutions. Advances over the past two decades are evident in all regions and in most countries, but progress has been slow.

Currently, only one in five members of lower or single houses of parliament worldwide is a woman. A few factors contribute to this blatant underrepresentation. Women are seldom leaders of major political parties, which are instrumental in forming future political leaders and in supporting them throughout the election process. Gender norms and expectations also drastically reduce the pool of female candidates for selection as electoral representatives, and contribute to the multiple obstacles that women

face during the electoral process. The use by some countries of gender quotas has improved women's chances of being elected. Yet, once in office, few women reach the higher echelons of parliamentary hierarchies.

Women are largely excluded from the executive branches of government. Female Heads of State or Government are still the exception, although the number has increased slightly (from 12 to 19) over the past 20 years. Similarly, only 18 per cent of appointed ministers are women, and are usually assigned to portfolios related to social issues. Women are also underrepresented among senior-level civil servants, and seldom represent their governments at the international level.

Women's representation among corporate managers, legislators and senior officials remains low, with only about half of countries having shares of women in managerial positions of 30 per cent or more, and none reaching or surpassing parity. The gender compositions of executive boards of private companies are nowhere near parity—meaning that the “glass ceiling” remains a reality for the vast majority of the world's women.

### Violence against Women

Women across the world are subjected to physical, sexual, psychological and economic violence, regardless of their income, age or education. Such violence can lead to long-term physical, mental and emotional health problems. Around one third of women worldwide have experienced physical and/or sexual violence by an intimate partner or sexual violence by a non-partner at some point in their lives. Intimate partner violence is the most common form of violence, peaking during women's reproductive years in both developed and developing countries. Prevalence declines with age but still persists among older women. In the most extreme cases, violence against women can lead to death; around two thirds of victims of intimate partner or family-related homicides are women.

In the majority of countries, less than 40 per cent of the women who experienced violence sought help of any sort. Among those who did, most looked to family and friends as opposed to the police and health services. In almost all countries with available data, the percentage of women who sought police help, out of all women who sought assistance, was less than 10 per cent. Women's reluctance to seek help may be linked to the widespread acceptability of violence against women. In many countries, both women and men believe that wife-beating is justified in certain circumstances. However, attitudes towards violence are beginning to change. In almost all countries with available information for more than one year, the level of both women's and men's acceptance of violence has diminished over time.

More than 125 million girls and women alive today have been subjected to female genital mutilation across countries in Africa and the Middle East where this specific form of violence against women is concentrated. Prevalence tends to be lower among younger women, indicating a decline in this harmful practice. However, it remains commonplace in a number of these countries, with overall prevalence rates of over 80 per cent.

### **Environment**

Access to clean water and modern energy services has improved everywhere, but remains low in some developing regions, including Oceania, sub-Saharan Africa and Southern Asia. Poor access to both of these services has a huge impact on health and survival, while also increasing the workloads of both women and men. About half of the population living in developing regions lacks access to improved drinking water sources in their homes or on the premises, with the task of water collection falling mostly on the shoulders of women. In settings where women and men do not have equal access to health services, as in some parts of Asia, inadequate water, sanitation and

hygiene may result in more female than male deaths. Women in developing countries are also more exposed than men to indoor pollutants resulting from the use of firewood and other solid fuels, due to their role in cooking and caring for children and other family members.

The impact of extreme climate events and disasters also has a gender dimension. Although limited, available data suggest that age and sex are significant factors in mortality resulting from natural disasters. Their contribution varies by country and by type of hazard. For instance, a higher risk of death among women than men was noted mainly in the context of recent tsunamis and heatwaves. Gender roles and norms can also play a role in the aftermath of disasters. In some post-disaster settings, women's access to work and their involvement in decision-making related to recovery efforts and risk-reduction strategies remain more limited than men's.

Environmental protection, and consequently sustainable development, requires that both women and men become actively involved through day-to-day activities and are equally represented in decision-making at all levels. More and more people are engaging in environmental protection activities, including recycling and cutting back on driving to reduce pollution; women tend to be more involved than men, which is somewhat linked to the gender division of domestic labour. However women's involvement in local and national policy formulation and decision-making in natural resources and environment management remains limited.

### **Poverty**

Gender disparities in poverty are rooted in inequalities in access to economic resources. In many countries, women continue to be economically dependent on their spouses. Lower proportions of women than men have their own cash income from labour as a result of the unequal division of paid and unpaid work. In developing countries, statutory and customary

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laws continue to restrict women's access to land and other assets, and women's control over household economic resources is limited. In nearly a third of developing countries, laws do not guarantee the same inheritance rights for women and men, and in an additional half of countries discriminatory customary practices against women are found. Moreover, about one in three married women from developing regions has no control over household spending on major purchases, and about one in 10 married women is not consulted on how their own cash earnings are spent.

Gender disparities in poverty are more visible with the diversification of family arrangements, including an increase in one-person households and one-parent families. Working-age women in developed and developing countries are more likely to be poorer than men when they have dependant children and no partners to contribute to the household income or when their own income is non-existent or too low to support the entire family. At older ages, women in developed countries are more likely than men to be poor, particularly when living in one-person households. The difference in poverty rates between women and men, including among lone parents with dependant children and among older persons, is narrowing in some countries while it remains persistent in others. These points to the need for social protection systems that take into account the emerging diversification of family arrangements.

### **China inks with UK to invest in new UK nuclear plants**

Chinese President Xi Jinping and British Prime Minister David Cameron on 21 October 2015 signed Strategic Investment Agreements at a UK-China Business Summit in London during the official visit of Xi Jinping. Under the agreement, China will help the UK in building three nuclear plants including Hinkley Point C nuclear plant, which will be the first since 1980s. The deal was signed between China

General Nuclear Power Corporation (CGN) and France's EDF.

Under the Strategic Investment Agreement, China General Nuclear (CGN) will invest £6 billion (\$9 billion) in EDF Energy's project to construct the Hinkley Point C plant. EDF's share in the project will be 66.5% and CGN's will be 33.5%. CGN will make its investment in the UK through its new company called General Nuclear International. CGN will take a two-thirds stake in the Bradwell nuclear plant east of London, where it plans to build a Chinese-designed reactor.

The Hinkley Point C plant - the first new nuclear power station built in the UK in almost 20 years - will comprise two EPR reactors, with first operation scheduled for 2025. Together, the two reactors will provide about 7% of the UK's electricity.

CGN will also take a one-fifth stake in a project for Areva-designed reactors at the **Sizewell plant**. British oil giant BP and China Huadian Corporation also signed a sale and purchase agreement for BP to sell Huadian up to 1 million tonnes of liquefied natural gas (LNG) per year.

In October 2013, following the signing of a new memorandum of understanding on nuclear cooperation by Britain and China, the UK Treasury confirmed that Chinese companies could eventually become majority stakeholders in new UK nuclear plants, although initially they are only anticipated to take minority stakes. It further noted that any investment from any country must comply with rigorous UK regulatory standards.

### **EU and Balkan nations agreed to adopt a 17-point plan on managing flows of migrants**

European Union (EU) and Balkan leaders on 25 October 2015 agreed to adopt a 17-point plan to cooperate on managing flows of migrants through the Balkan Peninsula. The agreement was reached during a meet on migrants' issue in Brussels, Belgium that was participated by

heads of 11 EU states and three non-EU countries.

### **Agreed measures include-**

- EU agreed to set up new reception centres up to 100000 migrants, along the route from Greece toward Germany, half of them in Greece and half in countries to the north.
- Greece has committed to opening enough reception centres to house 30000 refugees by the end of the year 2015. UN refugee agency UNHCR will help provide at least 20000 more places in Greece.
- Additional reception centres for 50000 persons will come up in the Balkans countries, which became popular routes for the refugees heading to Germany and Scandinavia after Hungary sealed its border with Serbia and Croatia.
- They agreed to send 400 additional police officers to support Slovenia, which has been overwhelmed by the number of refugees crossing into the country from Croatia.
- The leaders also agreed that the EU border agency Frontex would step up activity on the Greek-Macedonian border to ensure people trying to cross would be registered. According to Frontex, over 7 lakh 10 thousand refugees have arrived in the European Union since the beginning of 2015. Since mid-September, nearly 250000 people have passed through the Balkans. Refugees now mainly travel across the water from Turkey to Greece, and then north to Macedonia and Serbia before entering Croatia and moving on to Slovenia and Austria. Most are aiming to get to Germany or Scandinavia.

The agreement will help Greece and Balkan nations to cope with the raging refugee crisis, who are escaping war and poverty in their countries like Syria and other strife-torn regions.

The agreement also stressed that refugees would be registered using “maximum use of biometric data, notably fingerprints” and that the nations involved would “step up our

national and coordinated efforts to swiftly return migrants not in need of international protection in full respect of their dignity and human rights.”

The agreement came about, in part, to answer a question posed by Serbian Prime Minister Aleksandar Vucic that the 28-nation bloc and non-EU nations like Serbia have been unable to answer since the migratory trek across the Mediterranean and through Turkey started last spring: “What we are going to do with hundreds of thousands of these people?”

### **Balkan Peninsula**

The Balkan Peninsula, referred as the Balkans, is a geographical region of Southeast Europe. The region takes its name from the Balkan Mountains that stretch from the east of Serbia to the Black Sea at the east of Bulgaria.

The Balkan Peninsula is anywhere between the Adriatic and the Black seas, having often set as a northern limit the Danube and Sava rivers. It meets the Adriatic Sea on the northwest, Ionian Sea on the southwest, the Mediterranean and Aegean Sea on the south and southeast, and the Black Sea on the east and northeast.

The Balkans are generally considered to include, in whole or in part, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Kosovo, the Republic of Macedonia, Montenegro, Serbia, Slovenia, Romania, and the European part of Turkey.

### **UNGA adopted a draft resolution for the abolition of nuclear arms**

United Nations General Assembly's (UNGA) Disarmament Committee or First Committee (Disarmament and International Security) has adopted a draft resolution calling for the abolition of nuclear arms. The resolution was submitted by Japan and was adopted by 156 member countries, while 17 abstaining and 3 voting against it including China and Russia. But it failed to secure endorsement US, Britain, France and other key powers as they abstained from voting despite supporting it.

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## Features of Resolution

- Stresses the inhumanity of nuclear weapons and urges nuclear powers to be more transparent in their disarmament efforts.
- Calls for efforts to raise awareness of the humanitarian impact of the use of nuclear weapons.

Asks world leaders to visit the two Japanese cities of Hiroshima and Nagasaki which were devastated by the nuclear attacks. Since 1994, Japan has been spearheading efforts UNGA Disarmament Committee to introduce resolutions on nuclear arms every year.

The UNGA Disarmament Committee or First Committee deals with disarmament, threats to peace and global challenges that affect the international community. It seeks out solutions to the challenges in the international security regime.

**Earlier**, First Committee Approves Texts on Disarmament Aspects of Outer Space, Weapons of Mass Destruction, in Voting Pattern Reflecting Complex Security Concerns.

## First Committee

The First Committee deals with disarmament, global challenges and threats to peace that affect the international community and seeks out solutions to the challenges in the international security regime.

It considers all disarmament and international security matters within the scope of the Charter or relating to the powers and functions of any other organ of the United Nations; the general principles of cooperation in the maintenance of international peace and security, as well as principles governing disarmament and the regulation of armaments; promotion of cooperative arrangements and measures aimed at strengthening stability through lower levels of armaments.

## Nobel prizes 2015

This year's Nobel Prizes reflect the globalisation of science, which the United States often dominated in the last century. The award in

medicine or physiology on Monday went to citizens of China and Japan, as well as an American. The physics prize went to experts in Japan and Canada.

Prize in Chemistry — Sancar was born in Turkey, and Lindahl is the 29th native of Sweden to be named a Nobel laureate.

## Nobel Prize in Medicine for parasite-fighting therapies

Three scientists were awarded the Nobel Prize in Medicine for discovering therapies that have revolutionised the treatment of some of the most devastating parasitic diseases.

William C. Campbell and Satoshi Omura won for developing a new drug, Avermectin. A derivative of that drug, Ivermectin, has nearly eradicated river blindness and radically reduced the incidence of filariasis, which causes the disfiguring swelling of the lymph system in the legs and lower body known as elephantiasis. They shared the \$900,000 award with Youyou Tu, who discovered Artemisinin, a drug that has significantly reduced death rates from malaria. Parasitic worms afflict a third of the world's population, particularly in sub-Saharan Africa, South Asia and Latin America. Malaria, a mosquito-borne disease caused by single-cell parasites that invade red blood cells, kills more than 450,000 people a year, most of them children. In Africa alone, it saves more than 100,000 lives each year.

**William C Campbell** is an Irish biochemist, Biologist and Parasitologist, known for his discoveries concerning a novel therapy against infections caused by roundworms.

**Satoshi Omura** is a Japanese biochemist, known for the discovery and development of various originally occurring microorganisms in pharmaceuticals to treat roundworm.

**Youyou Tu** is a Chinese medical scientist, pharmaceutical chemist, known for discovering artemisinin (also known as Qinghaosu) and dihydroartemisinin, used to treat malaria.

### Chemistry Nobel Prize for mapping how cells repair damaged DNA

Tomas Lindahl, Paul L. Modrich and Aziz Sancar were awarded the Nobel Prize in Chemistry for having mapped and explained how the cell repairs its DNA and safeguards its genetic information. Their systematic work has made a decisive contribution to the understanding of how the living cell functions, as well as providing knowledge about the molecular causes of several hereditary diseases and about mechanisms behind both cancer development and aging.

The chemistry prize interrupts the drift toward the exotic end of the research spectrum. Instead, it honours scientists who zeroed in on one of life's central mysteries: How the delicate threads of DNA inside every living cell manage to maintain their integrity despite waves of random mutations and environmental assaults.

**Tomas Lindahl**, of the Francis Crick Institute in London, was honoured for his discoveries on base excision repair — the cellular mechanism that repairs damaged DNA during the cell cycle.

**Paul L. Modrich**, of the Howard Hughes Medical Institute and Duke University School of Medicine, was recognised for showing how cells correct errors that occur when DNA is replicated during cell division.

**Aziz Sancar**, of the University of North Carolina, Chapel Hill, was cited for mapping the mechanism cells use to repair ultraviolet damage to DNA.

### Nobel Prize in Physics for discovery of neutrino oscillations

Japan's Takaaki Kajita and American Arthur B. McDonald have jointly won the 2015 Nobel Prize in Physics for their *discovery of neutrino oscillations*, which shows that neutrinos have mass. Takaaki Kajita belongs to the University of Tokyo while McDonald is from Queen's University, Canada.

Takaaki Kajita presented the discovery that neutrinos from the atmosphere switch between two identities on their way to the Super-Kamiokande detector in Japan.

While, the research group in Canada led by Arthur B. McDonald demonstrated that the neutrinos from the Sun were not disappearing on their way to Earth. Instead they were captured with a different identity when arriving to the Sudbury Neutrino Observatory.

Their experiments demonstrated that neutrinos change identities. This metamorphosis requires that neutrinos have mass. The discovery has changed understanding of the innermost workings of matter and can prove crucial to view of the universe.

With this, a neutrino puzzle that physicists had wrestled with for decades had been resolved. Compared to theoretical calculations of the number of neutrinos, up to two thirds of the neutrinos were missing in measurements performed on Earth. Now, these two experiments discovered that the neutrinos had changed identities.

The discovery led to the far-reaching conclusion that neutrinos, which for a long time were considered mass-less, must have some mass, however small.

### Nobel Peace Prize goes to Tunisian peace maker 'Tunisian National Dialogue Quartet'

Tunisian National Dialogue Quartet won the Nobel Peace Prize 2015. It was announced by the Norwegian Nobel Committee on 9 October 2015. It was awarded for its decisive contribution to the building of a pluralistic democracy in Tunisia in the wake of Jasmine revolution of 2011. The prize was intended to reward and bolster such efforts in Tunisia and beyond.

The quartet was set up in the summer of 2013 at a time when the country's Jasmine revolution, which had first sparked the Arab spring, looked like it would go the same way as Egypt's brief democratic awakening, which had succumbed to a military coup in July of that year.

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A disparate coalition of Tunisian unionists, employers, lawyers and human rights activists has helping to prevent the Jasmine revolution from descending into chaos like the uprisings in other Arab spring countries.

Tunisia was suffering some of the same symptoms as Egypt: a high-handed Islamist-led government that was ignoring the views of the secular opposition in writing up a new constitution, street clashes, high-profile assassinations and the appearance of Salafist extremists on the fringes.

The quartet – made up of the union federation UGTT, the employers’ institute, the Tunisian human rights league and the order of lawyers – brokered talks between the different forces and got them to agree a roadmap that included compromises on the constitution, a technocratic caretaker government and an independent election commission.

### **Tunisian National Dialogue Quartet**

The Tunisian national dialogue quartet is a coalition of civil society groups that came together in the summer of 2013 when Tunisia, the birthplace of the Arab spring, was at a crossroads between democracy and violence. The Islamist party Ennahda and its allies, who had won elections after the Jasmine revolution and the fall of the dictator Zine al-Abidine Ben Ali, were filling the state machine with unqualified loyalists and trying to force through a constitution that made Islam the state religion and imposed new limits on free expression and assembly.

The Tunisian National Dialogue Quartet comprised four key organizations in Tunisian civil society. These are: the Tunisian General Labour Union; the Tunisian Confederation of Industry, Trade and Handicrafts; the Tunisian Human Rights League and The Tunisian Order of Lawyers.

### **Economics Nobel Prize for studies on income, poverty**

Professor Angus Deaton, a British economist, was awarded the Nobel Memorial Prize in Economic Science for his work to improving the accuracy

of basic economic gauges, including measures of income, poverty and consumption. Prof. Deaton is best known for his insight that economic averages such as measures of national income could be misleading, because they concealed important variations among individuals.

He was an early contributor to one of the defining trends in modern economics: the emphasis on building models of broad economic trends from the ground up, using data about individual behaviour rather than relying on averages. He then used this carefully constructed data to address large questions about wealth, health and well-being. Deaton developed a system for estimating how demand for each good depends on the prices of all goods and on individual incomes, now a standard tool for researchers and in practical policy evaluation.

By linking detailed individual choices and aggregate outcomes, his research has helped transform the fields of microeconomics, macroeconomics, and development economics.

In one key work, “The Great Escape; Health, Wealth and the Origins of Inequality”, Deaton describes the huge increase in global prosperity in the past two centuries, underpinned by medical and technological advances, but also looks in depth at the inequalities to which that progress has given rise.

### **Nobel Prize in Literature 2015**

The Nobel Prize in Literature 2015 was awarded to Svetlana Alexievich “for her polyphonic writings, a monument to suffering and courage in our time”. Svetlana Alexievich, the Belarusian writer whose oral histories have recorded thousands of individual voices to map the implosion of the Soviet Union. “Together they record verbally the history of the country, their common history, while each person puts into words the story of his/her own life”. She becomes the 14th woman to win the

prize since it was first awarded in 1901. The last woman to win, Canada's Alice Munro, was handed the award in 2013.

Ms. Alexievich used the skills of a journalist to create literature chronicling the great tragedies of the Soviet Union and its collapse- World War II, the Soviet war in Afghanistan, the 1986 Chernobyl nuclear disaster and the suicides that ensued from the death of Communism.

Alexievich's books include "The Chernobyl Prayer," "The War's Unwomanly Face," "Last Witness," and "Zinky Boys."

Alexievich's first book, "I've Left My Village," gave her a reputation as a dissident. When she completed "The Unwomanly Face of the War," in 1983, she was accused of the "deglorification of the heroic Soviet woman." The work was not published until 1985, when Mikhail Gorbachev came to power.

### Ramon Magsaysay Award 2015

The Board of Trustees of the Ramon Magsaysay Award Foundation (RMAF) on 29 July 2015 announced the Ramon Magsaysay awardees for the year 2015.

#### List of Awardees

**Sanjiv Chaturvedi, India:** He was awarded for Emergent Leadership for his exemplary integrity, courage and tenacity in uncompromisingly exposing and painstakingly investigating corruption in public office. He is an Indian Forest Service officer and currently the deputy secretary of All India Institute of Medical Sciences (AIIMS). He also served as a Chief Vigilance Officer (CVO) at AIIMS during 2012-14.

**Anshu Gupta, India:** He was recognized for his creative vision in transforming the culture of giving in India and his enterprising leadership in treating cloth as a sustainable development resource for the poor. He founded **Goonj** in 1999, which is a non-governmental organisation based in Delhi and works in 21 states across India in disaster relief, humanitarian aid and community development.

**Kommaly Chanthavong, Laos:** She was recognized for her fearless, indomitable spirit to revive and develop the ancient Laotian art of silk weaving, creating livelihoods for thousands of poor, war-displaced Laotians, and thus preserving the dignity of women and her nation's priceless silken cultural treasure.

**Ligaya Fernando-Amilbangsa, the Philippines:** She was recognized for her single-minded crusade in preserving the endangered artistic heritage of southern Philippines, and in creatively propagating a dance form that celebrates and deepens the sense of shared cultural identity among Asians.

**Kyaw Thu, Myanmar:** He was recognized for his generous compassion in addressing the fundamental needs of both the living and the dead in Myanmar — regardless of their class or religion — and his channeling personal fame and privilege to mobilize many others toward serving the greater social good.

#### Ramon Magsaysay Award

The Award established in 1957 is Asia's highest honour and is widely regarded as the region's equivalent of the Nobel Prize. The Award honours those individuals whose lives are characterized by selfless service which impacts the lives of the greater many – the same ideals and achievement for which the Philippines third President Ramon Magsaysay is remembered.

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### India and U.S signs Inter Governmental Agreement to implement FATCA Act

India and U.S signed an Inter Governmental Agreement (IGA) to implement the Foreign Account Tax Compliance Act (FATCA) to promote transparency between the two nations on tax matters. The agreement underscores growing international co-operation to end tax evasion everywhere.

The signing of IGA is a re-affirmation of the shared commitment of India and USA towards tax transparency and the fight against offshore tax evasion and avoidance. It is a very important step for the Government of India, to tackle offshore tax evasion. It reaffirms the Government of India's commitment to fight the menace of black money.

The United States enacted FATCA in 2010 to obtain information on accounts held by U.S. taxpayers in other countries. It requires U.S. financial institutions to withhold a portion of payments made to foreign financial institutions (FFIs) who do not agree to identify and report information on U.S. account holders. As per the IGA, FFIs in India will be required to report tax information about U.S. account holders directly to the Indian Government which will, in turn, relay that information to the IRS. The IRS will provide similar information about Indian account holders in the United States. This automatic exchange of information is scheduled to begin on 30<sup>th</sup> September, 2015.

Both the signing of the IGA with U.S. as well as India's decision to join the Multilateral Competent Authority Agreement (MCAA) on 3<sup>rd</sup> June, 2015 are two important milestones in India's fight against the menace of black money as it would enable the Indian tax authorities to receive financial account information of Indians from foreign countries on an automatic basis.

### WTO strikes 'landmark' deal to cut tariffs on IT products

World Trade Organization (WTO) members on 24 July 2015 struck a deal to add more than 200 products to the list of goods covered by zero-tariff and duty-free trade. In value terms, the deal cuts tariffs on 1 trillion US dollar worth of information technology (IT) products, which is equal to global trade in iron, steel, textiles and clothing combined.

Products added range from advanced computer chips to GPS devices, printer cartridges and video-game consoles, hi-fi systems, new-generation semi-conductors, medical products which include magnetic resonance imaging machines, printed circuits and satellites.

The deal was agreed as part of need to update the 18-year old *Information Technology Agreement* (ITA) as it has become redundant. Removing tariffs on trade worth \$1.3 trillion is expected to give a \$190 billion boost to the world economy.

However, five of the 54 WTO members that negotiated the deal - Taiwan, Turkey, Thailand, Colombia and Mauritius - failed to sign up, leaving the deal short of a quorum, measured as 90 percent of world trade in those products, needed to bring it into force for all 161 WTO members.

### Lok Sabha passes Negotiable Instruments (Amendment) Bill, 2015

The Lok Sabha, on 6 August 2015, has passed the Negotiable Instruments (Amendment) Bill, 2015. The Bill provides for filing of cheque bounce cases at the place where a cheque is presented for clearance and not the place of issue. The Bill seeks to amend the Negotiable Instruments Act, 1881. It will have implications for over 18 lakh cheque bounce cases pending in various courts.

The Act defines promissory notes, bills of exchange, cheques and creates penalties for issues such as bouncing of cheques. The Bill amends the Act to state that cases of bouncing of cheques can be filed only in a court in whose

jurisdiction the bank branch of the payee (person who receives the cheque) lies.

### **Provisions of the Bill**

- If a complaint against a person issuing a cheque has been filed in the court with the appropriate jurisdiction, then all subsequent complaints against that person will be filed in the same court, irrespective of the relevant jurisdiction area.
- If more than one case is filed against the same person before different courts, the case will be transferred to the court with the appropriate jurisdiction.
- The Bills also amends the definition of cheque in the electronic form. The definition has been amended to mean a cheque drawn in electronic medium using any computer resource and which is signed in a secure system with a digital signature, or electronic system.

### **India's 7 per cent in April-June quarter: remains fastest growing major economy**

According to Data released by the Central Statistics Office (CSO) - India remained the fastest growing major economy of the world for a second straight quarter, with the Gross Domestic Product (GDP) growing at 7 per cent during April-June against 6.7 per cent during the corresponding quarter in 2014. Growth during January-March 2015 was, however, higher at 7.5 per cent.

Data, however, showed a marginal improvement in private consumption expenditure but gross capital formation rate — a barometer for investments — continued to decline. It was down to 27.8 per cent from 29.2 per cent in April-June 2014.

Growth during the quarter was driven primarily by the services sector. The manufacturing and construction industries recorded favourable growth. The agriculture sector saw a decline, growing at a mere 0.6 per cent. Growth also slowed in the sectors "mining and quarrying" and "electricity, gas, water supply and utility services".

In terms of the gross value added (GVA), growth was 7.1 per cent against 7.4 per cent in April-July 2014. The revised methodology for GDP calculation subtracts subsidy and adds taxes to the GVA to arrive at the GDP. The Modi government's Budget announcement of higher public spending this financial year did not reflect in the data released as growth was low at 2.7 per cent in "public administration, defence and other services".

India had overtaken China as the world's fastest growing major economy in the January-March quarter, growing 7.5 per cent against the neighbouring economy's rate of growth of 7 per cent. The International Monetary Fund forecast in July that India will grow 7.5 per cent in the current year, compared with China's 6.8 per cent, an average 4.2 per cent for emerging markets and 3.3 per cent for advanced nations.

### **RBI proposes formula to calculate Base Rate**

The Reserve Bank of India (RBI) on 1 September 2015 proposed a formula to calculate the base rate for lending to bring in uniformity among banks for calculation of base rate and for effective transmission of policy rates instead of the present practice of picking any kind of cost of funds as a reference.

RBI suggested banks to consider marginal cost of funds to calculate individual lending rates. Marginal cost of funds is calculated using the latest interest rate/card rate payable on current and savings deposits and the term deposits of various maturities.

The other components that go into calculating base rate remained the same as it was previously. Banks will continue to factor negative carry on mandatory cash deposit with RBI and bond investment—cash reserve ratio and statutory liquidity ratio respectively, unallocable overhead costs and average return on net worth.

At present, banks follow different methodologies for computing their Base Rate. While some use the average cost of funds

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method, some have adopted the marginal cost of funds while others use the blended cost of funds (liabilities) method (i.e., Currently, banks, according to their convenience, are using three methods for calculating the cost of funds — average, blended, or marginal).

As result, policy transmission could not become very effective as banks adopted various methods in calculating their cost of funds. For example, any change in policy rates does not get absorbed easily in the longer tenure of deposits and hence when a bank uses average cost of funds to calculate its base rate, the impact is minuscule. Besides, the longer tenure deposits do not come up for re-pricing immediately and hence the cost of deposits for banks theoretically remain at an elevated level.

In the first Bi-monthly Monetary Policy Statement this fiscal the RBI had stated that in order to improve the efficiency of monetary policy transmission, it will encourage banks to move in a time-bound manner to marginal-cost-of-funds-based determination of their Base Rate. RBI's proposed formula would implement these proposals with effect from April 1, 2016. Banks were asked submit a road map clearly indicating the time frame for adopting these guidelines two months prior to the final implementation.

Base rate system was introduced in 1 July 2010 (in place of Benchmark Prime Lending Rate) so that banks cannot lend below a certain benchmark and also to ensure that policy transmission takes place more effectively.

The *Benchmark Prime Lending Rate (BPLR)*, is the reference interest rate based on which a bank lends to its credit worthy borrowers. Normally, loans are given out a little more or a little less than this reference interest rate.

### **Union Cabinet approves introduction of the Sovereign Gold Bonds and Gold Monetisation Schemes**

The Union Cabinet chaired by the Prime Minister, on 9 September 2015, gave its approval for introduction of the Sovereign Gold Bond Scheme and the Gold Monetisation Scheme —

that could bring an estimated 20,000 tonnes of idle gold lying with Indian consumers into the economy and also reduce India's dependence on gold imports, as announced in the Union Budget 2015-16. Since most of the demand for gold in India is met through imports, this scheme will, ultimately help in maintaining the country's Current Account Deficit within sustainable limits.

### **Sovereign Gold Bond Scheme**

The issuance of the Sovereign Gold Bonds will be within the government's market borrowing programme for 2015-16 and onwards. The scheme will help in reducing the demand for physical gold by shifting a part of the estimated 300 tons of physical bars and coins purchased every year for Investment into gold bonds. The actual amount of issuance will be determined by RBI, in consultation with the Ministry of Finance. The risk of gold price changes will be borne by the Gold Reserve Fund that is being created. The benefit to the Government is in terms of reduction in the cost of borrowing, which will be transferred to the Gold Reserve Fund.

The bonds will be issued in denominations of 5 grams, 10 grams, 50 grams and 100 grams for a term of five years to seven years with a rate of interest to be calculated on the value of the metal at the time of investment.

#### **Salient features of the scheme:**

- Sovereign Gold Bonds will be issued on payment of rupees and denominated in grams of gold.
- Bonds will be issued on behalf of the Government of India by the RBI. Thus, the Bonds will have a sovereign guarantee.
- The issuing agency will need to pay distribution costs and a sales commission to the intermediate channels, to be reimbursed by Government.
- The bond would be restricted for sale to resident Indian entities. The cap on bonds that may be bought by an entity would be at a suitable level, not more than 500 grams per person per year.

- The Government will issue bonds with a rate of interest to be decided by the Government. The rate of interest will take into account the domestic and international market conditions and may vary from one tranche to another. This rate of interest will be calculated on the value of the gold at the time of investment. The rate could be a floating or a fixed rate, as decided.
- The bonds will be available both in demat and paper form.
- The bonds will be issued in denominations of 5,10,50,100 grams of gold or other denominations.
- The price of gold may be taken from the reference rate, as decided, and the Rupee equivalent amount may be converted at the RBI Reference rate on issue and redemption. This rate will be used for issuance, redemption and LTV purpose and disbursement of loans.
- Banks/NBFCs/Post Offices/ National Saving Certificate (NSC) agents and others, as specified, may collect money / redeem bonds on behalf of the government (for a fee, the amount would be as decided).
- The tenor of the bond could be for a minimum of 5 to 7 years, so that it would protect investors from medium term volatility in gold prices. Since the bond, will be a part of the sovereign borrowing, these would need to be within the fiscal deficit target for 2015-16 and onwards.
- Bonds can be used as collateral for loans. The Loan to Value ratio is to be set equal to ordinary gold loan mandated by the RBI from time to time.
- Bonds to be easily sold and traded on exchanges to allow early exits for investors who may so desire.
- KYC norms will be the same as that for gold.
- Capital gains tax treatment will be the same as for physical gold for an ‘individual’ investor. The Department of Revenue has

agreed that amendments to the existing provisions of the Income Tax Act, for providing ‘indexation benefits to long term capital gains arising on transfer of bond’; and for ‘exemption for capital gains arising on redemption of SGB’ will be considered in the next budget (Budget 2016-17). This will ensure that an investor is indifferent in terms of investing in these bonds and in physical gold- as far as tax treatment is concerned.

- The amount received from the bonds will be used by GoI in lieu of government borrowing and the notional interest saved on this amount would be credited in an account “Gold Reserve Fund” which will be created. Savings in the costs of borrowing compared with the existing rate on government borrowings will be deposited in the Gold Reserve Fund to take care of the risk of increase in gold price that will be borne by the government. Further, the Gold Reserve Fund will be continuously monitored for sustainability.
- On maturity, the redemption will be in rupee amount only. The rate of interest on the bonds will be calculated on the value of the gold at the time of investment. The principal amount of investment, which is denominated in grams of gold, will be redeemed at the price of gold at that time. If the price of gold has fallen from the time that the investment was made, or for any other reason, the depositor will be given an option to roll over the bond for three or more years.
- The deposit will not be hedged and all risks associated with gold price and currency will be borne by Government of India through the Gold Reserve Fund. The position may be reviewed in case ‘Gold Reserve Fund’ becomes unsustainable.
- Upside gains and downside risks will be with the investor and the investors will

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need to be aware of the volatility in gold prices.

- In order to ensure wide availability, the bond will be marketed through post offices/banks/NBFCs and by various brokers/agents (including NSC agents) who will be paid a commission.

### **Gold Monetization Scheme (GMS)**

The objective of introducing the modifications in the schemes is to make the existing schemes more effective and to broaden the ambit of the existing schemes from merely mobilizing gold held by households and institutions in the country to putting this gold into productive use. The long-term objective which is sought through this arrangement is to reduce the country's reliance on the import of gold to meet domestic demand.

Through the Gold Monetisation Scheme, gold in any form can be deposited with banks for a period of one to 15 years. This gold will earn interest and redemption will be at the prevailing market value at the end of the tenure of deposit.

GMS would benefit the Indian gems and jewellery sector which is a major contributor to India's exports. In fiscal year 2014-15, gems and jewellery constituted 12 per cent of India's total exports and the value of gold items alone was more than \$13 billion (provisional figures). The mobilized gold will also supplement RBI's gold reserves and will help in reducing the government's borrowing cost.

The revamped Gold Deposit Scheme (GDS) and the Gold Metal Loan (GML) Scheme involves changes in the scheme guidelines only. The risk of gold price changes will be borne by the Gold Reserve Fund that is being created. The benefit to the Government is in terms of reduction in the cost of borrowing, which will be transferred to the Gold Reserve Fund.

The scheme will help in mobilizing the large amount of gold lying as an idle asset with households, trusts and various institutions in India and will provide a fillip to the gems and

jewellery sector. Over the course of time this is also expected to reduce the country's dependence on the import of gold. The new scheme consists of the revamped GDS and a revamped GML Scheme.

### **Revamped Gold Deposit Scheme**

#### **Collection, Purity Verification and Deposit of Gold under the revamped GDS:**

Out of the 331 Assaying and Hallmarking Centres spread across various parts of the country, those which will meet criteria as specified by Bureau of Indian Standards (BIS) will be allowed to act as Collection and Purity Testing 1 Centres for purity of gold for the purpose of this scheme. The minimum quantity of gold that a customer can bring is proposed to be set at 30 grains. Gold can be in any form (bullion or jewellery). The number of these centres is expected to increase with time.

**Gold Savings Account:** In the revamped scheme, a Gold Savings Account will be opened by customers at any time, with KYC norms, as applicable. This account would be denominated in grams of gold.

**Transfer of Gold to Refiners:** Collection and purity testing centres will send the gold to the refiners. The refiners will keep the gold in their ware-houses, unless banks prefer to hold it themselves. For the services provided by the refiners, they will be paid a fee by the banks, as decided by them, mutually. The customer will not be charged. The banks will enter into a tripartite Legal Agreement with refiners and Collection and Purity Testing Centres that are selected by them to be their partners in the scheme.

**Tenure:** The deposits under the revamped scheme can be made for a short-term period of 1-3 years (with a roll out in multiples of one year); a medium-term period of 5-7 years and a long-term period, of 12-15 years (as decided from time to time). Like a fixed deposit, breaking of lock-in period will be allowed in either of the options and there would be a penalty on premature redemption (including part withdrawal).

**Interest rate:** The amount of interest rate payable for deposits made for the short-term period would be decided by banks on basis of prevailing international lease rates, other costs, market conditions etc. and will be denominated in grams of gold. For the medium and long-term deposits, the rate of interest (and fees to be paid to the bank for their services) will be decided by the government, in consultation with the RBI from time to time. The interest rate for the medium and long-term deposits will be denominated and payable in rupees, based on the value of gold deposited.

**Redemption:** For short-term deposits, the customer will have the option of redemption, for the principal deposit and interest earned, either in cash (in equivalent rupees of the weight of deposited gold at the prices prevailing at the time of redemption) or in gold (of the same weight of gold as deposited), which will have to be exercised at the time of making the deposit. In case the customer will like to change the option, it will be allowed at the bank's discretion. Redemption of fractional quantity (for which a standard gold bar/coin is not available) would be paid in cash. For medium and long-term deposits, redemption will be only in cash, in equivalent rupees of the weight of the deposited gold at the prices prevailing at the time of redemption. The interest earned will however be based on the value of gold at the deposit on the interest rate as decided.

**Utilization:** The deposited gold will be utilized in the following ways:

- Under medium and long-term deposit - Auctioning; Replenishment of RBI's Gold Reserves; Coins and Lending to jewelers.
- Under short-term deposit - Coins; and Lending to jewelers.

**Tax Exemption:** Tax exemptions, same as those available under GDS would be made available to customers, in the revamped GDS, as applicable.

**Gold Reserve Fund:** The difference between the current borrowing cost for the Government and

the interest rate paid by the Government under the medium/long term deposit will be credited to the Gold Reserve Fund.

#### **Revamped Gold Metal Loan Scheme**

**Gold Metal Loan Account:** A Gold Metal Loan Account, denominated in grams of gold, will be opened by the bank for jewelers. The gold mobilized through the revamped GDS, under the short-term option, will be provided to jewelers on loan, on the basis of the terms and conditions set-out by banks, under the guidance of RBI.

**Delivery of gold to jewelers:** When a gold loan is sanctioned, the jewelers will receive physical delivery of gold from refiners. The banks will, in turn, make the requisite entry in the jewelers' Gold Loan Account. Interest received by banks: The interest rate charged on the GML will be decided by banks, with guidance from the RBI.

**Tenor:** The tenor of the GML at present is 180 days. Given that the minimum lock-in period for gold deposits will be one year, based on experience gained, this tenor of GML may be re-examined in future and appropriate modifications made, if required.

#### **RBI guidelines on gold deposit scheme**

The Reserve Bank of India has issued guidelines for the gold monetisation scheme that allow banks to fix their own interest rates on gold deposits. The RBI notification in this regard comes ahead of the formal launch of the scheme by Prime Minister Narendra Modi on November 5th. The gold deposit scheme is aimed at mobilising a part of an estimated 20,000 tonnes of idle precious metal with households and institutions.

As per the guidelines-

- Banks will be free to set interest rate on such deposit, and principal and interest of the deposit will be denominated in gold. "Redemption of principal and interest at maturity will, at the option of the depositor, be either in Indian rupee equivalent of the deposited gold and accrued interest based on the price of gold prevailing at the time of redemption, or in gold. The option in this regard shall be made in writing by the

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depositor at the time of making the deposit and shall be irrevocable.

- The interest will be credited in the deposit accounts on the respective due dates and will be withdrawable periodically or at maturity as per the terms of the deposit. The designated banks will accept gold deposits under the short term (1-3 years) bank deposit (STBD) as well as medium (5-7 years) and long (12-15 years) term government deposit schemes. While the former will be accepted by banks on their own account, the latter will be on behalf of Government of India.
- Interest and principal payments on gold deposits under the scheme will be denominated in gold. Banks can use the stock of gold they collect as part of their statutory liquidity ratio (SLR) requirement, under which they have to make 21.5% of their investments in government bonds.
- Gold deposits will be subject to cash reserve ratio (CRR) requirements under which banks now have to maintain 4% of deposits as interest-free buffer with the central bank. It's not clear whether it will be 4% of the gold deposits or whether it will be calculated after adding the value of the gold to the overall deposit base.
- The short term bank deposits will attract applicable cash reserve ratio and statutory liquidity ratio (SLR). However, the stock of gold mobilised under the scheme by banks will count towards the general SLR requirement, a move that will provide additional capital to banks for lending towards productive sectors. The CRR is the portion of the total deposits, which has to be kept with RBI in cash, while SLR portion of deposit compulsorily parked in government securities.
- The government announced the gold monetization scheme on 15 September to mobilize gold held by households and institutions and facilitate its use for

productive purposes and, in the long run, to reduce India's reliance on the import of gold. Holdings of gold in the country are estimated at 20,000 tonnes.

- Banks will be allowed to accept three kinds of deposits under the scheme—a short-term deposit with maturity ranging between one and three years; a medium-term deposit with a five to seven year horizon; and a long-term deposit maturing in 12-15 years.
- Banks can accept short-term gold deposits on their own account; the medium and long-term deposits will be accepted on behalf of the government, RBI said.
- There will be a provision for premature withdrawal subject to a minimum lock-in period and the penalty that's payable will be determined by individual banks.
- Resident Indians, including individuals, trusts, mutual funds and exchange-traded funds registered with the Securities and Exchanges Board of India, can make deposits under the scheme.
- Banks can accept a minimum of 30g of raw gold of 995 fineness in the form of a bar, coin or jewellery under the scheme. There is no upper limit on the amount of gold deposit. The gold will be accepted at the collection and purity testing centres (CPTC) certified by Bureau of Indian Standards and notified by the central government under the scheme.
- Banks accepting gold under the short-term category can sell or lend it to state-owned MMTC Ltd or jewellers. The banks may also choose to lend it to other banks participating in the scheme.
- The gold deposited under medium- or long-term deposits will be auctioned by MMTC or any other agency authorized by the central government and the sale proceeds credited to the government's account with RBI.

- Designated banks should put in place a suitable risk management mechanism, including appropriate limits, to manage the risk arising from gold price movements in respect of their net exposure to gold.

### **Centre to exempt foreign firms covered by double taxation treaty**

In a big relief to foreign firms, government on 24 September 2015 in its official statement says the Income Tax Act will be amended with retrospective effect to exempt from minimum alternate tax (MAT) the overseas companies that covered under double taxation avoidance agreements (DTAAs).

Foreign companies that do not have a permanent establishment in India will be exempt from paying MAT on profits from April 2001. The provisions of Section 115JB of Income Tax will not apply to foreign companies with effect from April 1, 2001, if they are resident of a country with which India has DTAA and they do not have a permanent establishment (PE) in India.

In case the companies belong to countries with which India does not have a DTAA, the MAT exemption will apply if they are exempted from registration under Section 592 of the Companies Act 1956, or Section 380 of the Companies Act 2013. An appropriate amendment to the Income-Tax Act in this regard will be carried out.

Earlier this month, the government had exempted foreign institutional and portfolio investors from payment of MAT on the capital gains made by them before April 1, 2015. Through the amendment the government will clarify that MAT provisions will not be applicable to FIIs/FPIs not having a place of business/permanent establishment in India, for the period prior to April 1.

### **Forward Markets Commission and the Securities and Exchange Board of India (SEBI) merged as unified regulatory body**

As a landmark in the history of India's financial sector, especially in terms of regulation, the Forward Markets Commission (FMC) – India's commodity market regulator for long – merged with capital markets watchdog- the Securities and Exchange Board of India (SEBI) to create a unified regulatory body. Union finance minister Arun Jaitley, on 28 September 2015, rang the customary stock market bell to formalise the amalgamation. The announcement of the merger was made earlier this year during the budget. The move aims to streamline regulation and curb wild speculations in commodities market, while facilitating further market growth.

The commodity futures market in India will now be overseen by SEBI, making for an integrated regulation of both the securities and commodities markets in India.

In the history of India's financial sector and its evolution, regulators or rather regulatory agencies were created in many cases after a scam. It is, therefore, not just a reversal of a trend but also a pointer to the way in which regulatory structures in India's financial markets are set to change.

The policy-makers have been of the view that the FMC which had not been empowered like other regulators wasn't equipped to handle the challenges of a growing market and that there were synergies with this segment of the market which SEBI has. This would be mainly in the area of surveillance.

This merger will be a key test as the proposed merger of the insurance and pensions regulators will hinge on the success of this. What counts ultimately is the quality of regulation and the credibility and respect which a regulator draws from the market or those being policed. From that perspective, this will be a challenge for SEBI too.

What may have prompted this merger is the over Rs. 5,000 Crore NSEL scam. But, this has long been in the making. In the first year of the UPA government, the Finance Minister

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announced that the government would try to ensure convergence of the two markets. However, government managed to stall it till the NSEL scam provided the trigger. A commission (FSLRC), headed by Justice Srikrishna, had endorsed a proposal to have a unified regulator for the securities commodity besides insurance and pensions market.

### NSEL scam

The NSEL scam is a systematic and premeditated fraud perpetrated in the commodity market on Jignesh Shah owned National Spot Exchange that is based in Mumbai, India. The NSEL is a company promoted by Financial Technologies India Ltd and the NAFED (only 100 shares given for misusing the NAFED brand). The NSEL scam is estimated to be a Rs. 5600 crore (around US\$0.95 billion) fraud that came out to light after the National Spot Exchange failed to pay its investors in commodity pair contracts after 31 July 2013.



### RBI fourth bi-monthly monetary policy: 2015-16

The Reserve Bank of India (RBI), on 28 September, has announced its fourth bi-monthly monetary policy. The RBI has cut repo rate by 50bps to 6.75% from the earlier 7.25% in an effort to boost economic growth. In the last bi-monthly policy meeting on August 4, RBI had left rates unchanged. On the basis of an assessment of the current and evolving macroeconomic situation, it has been decided to:

- Reduce the policy repo rate under the liquidity adjustment facility (LAF) by 50

basis points from 7.25 per cent to 6.75 per cent with immediate effect;

- Keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liability (NDTL);
- Continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and
- Continue with daily variable rate repos and reverse repos to smooth liquidity.

Consequently, the reverse repo rate under the LAF stands adjusted to 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 7.75 per cent.

### Assessment

- 1) Since the third bi-monthly statement of August 2015, global growth has moderated, especially in emerging market economies (EMEs), global trade has deteriorated further and downside risks to growth have increased. In the United States, industrial production slowed as capital spending in the energy sector was cut back and exports contracted, weighed down by the strength of the US dollar. Consumer spending stayed buoyant, however, amidst steadily improving labour market conditions. In the Euro area, a fragile recovery strengthened, supported by domestic consumption, less slack in the labour market and improving financial conditions engendered by ultra-accommodative monetary policy. Economic activity in Japan, however, is faltering under the weight of weak private consumption and exports, with both business and consumer confidence subdued. EMEs are caught in a vortex of slowing global trade volumes, depressed commodity prices, weakening currencies and capital outflows, which is accentuating country-specific domestic constraints. China's intended rebalancing from

- investment towards consumption is being hit by the stock market meltdown, slower industrial production and weaker exports. The devaluation of the renminbi on August 11, while mild, has unsettled financial markets across the world. Brazil and Russia are grappling with recession and runaway inflation, while South Africa is facing tightening structural constraints which threaten to tip it into a downturn.
- 2) Since the Chinese devaluation, equity prices, commodities and currencies have fallen sharply. Capital flight from EMEs into mature bond markets has pushed down developed market yields, and risk spreads across asset classes have widened. Although volatility ebbed in early September and capital flows returned cautiously to some EMEs, sentiment in financial markets remains fragile. The September 17 decision of the Federal Open Market Committee to stay on hold in response to global conditions and weak domestic inflation lifted financial markets briefly, but overall financial conditions are yet to stabilise.
- 3) In India, a tentative economic recovery is underway, but is still far from robust. In agriculture, sown area has expanded modestly from a year ago, reflecting the timely and robust onset of the monsoon in June, but the southwest monsoon is currently deficient by 14 per cent – with production-weighted rainfall deficiency at 20 per cent. Nevertheless, the first advance estimates indicate that food grain production is expected to be higher than last year, reflecting actions taken to contain the adverse effects of rain deficiency through timely advisories and regular monitoring of seed and fertiliser availability. Allied farm activities, which are more insulated from the monsoon, remain resilient and could partly offset the effects of adverse weather on crop production. Rural demand, however, remains subdued as reflected in still shrinking tractor and two-wheeler sales.
- 4) Manufacturing has exhibited uneven growth in April-July, with industrial activity slowing sequentially in July, although it has been in expansionary mode for the ninth month in succession. Industries such as apparel, furniture and motor vehicles have experienced acceleration. Furthermore, the resumption of growth in production of consumer durables in recent months, after a protracted period of contraction over the last two years, is indicative of some pick-up in consumption demand, primarily in urban areas. Since our last review, however, external demand conditions have turned weaker, suggesting a more persistent drag from lower exports and cheaper imports due to global overcapacity. This contributes to continuing domestic capacity under-utilisation, decelerating new orders and a rising ratio of finished goods inventories to sales.
- 5) As a result of still tepid aggregate demand, output price growth is weak, but input material costs have fallen further, leading to an increase in margins for most producers. Weak aggregate demand appears to have more than offset the effect of higher margins to hold back new investment intentions. The expansion in capital goods production, therefore, likely relates more to the revival of stalled projects than to a build-up of the green field pipeline. Survey-based business sentiment has been falling in recent quarters. The manufacturing purchasing managers' index (PMI) nevertheless remained in expansion territory in August, although it slowed from July due to weak domestic and export order books.
- 6) In the services sector, construction activity is weakening as reflected in low demand

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for cement and the large inventory of unsold residential houses in some localities. Rising public expenditure on roads, ports and eventually railways could, however, provide some boost to construction going forward. Lead indicators relating to freight and passenger traffic are mixed. In August, the services PMI remained in expansion for the second consecutive month on improving new business, but business expectations remain subdued.

- 7) Headline consumer price index (CPI) inflation reached its lowest level in August since November 2014. The ebbing of inflation in the year so far is due to a combination of low month-on-month increases in prices and favourable base effects. Overall year-on-year food inflation dropped sharply, led by vegetables and sugar. Cereal inflation moderated steadily during April-August, but price pressures in respect of pulses and onions remained elevated.
- 8) CPI inflation excluding food and fuel eased in August for the second consecutive month, primarily due to the decline in petrol and diesel prices pulling down inflation in transportation. Fares other than for air transport have, however, remained inflexible downwards. Inflation in house rentals increased, but was more than offset by some moderation in the heterogeneous category of services, including education, personal care and effects, and health. Inflation expectations of households remained elevated in double digits likely in response to recent month-on-month increases in the prices of vegetables and pulses. Professional forecasters' inflation expectations eased as credibility built around the January 2016 inflation target. Rural wage growth remains subdued and corporate staff costs decelerated.
- 9) Liquidity conditions eased considerably during August to mid-September. In addition to structural factors such as deposit

mobilisation in excess of credit flow, lower currency demand and pick-up in spending by the government contributed to the surplus liquidity. In response, the Reserve Bank conducted variable rate reverse repos of overnight and longer tenors ranging from 2 to 20 days. As a result, the average net daily liquidity absorption by the Reserve Bank increased from <sup>1</sup> 120 billion in July to <sup>1</sup> 261 billion in August and further to <sup>1</sup> 544 billion in September (up to September 15). Money market rates generally remained below the repo rate. As quarterly tax collections went out of the system from mid-September, deficit conditions returned and the Reserve Bank engaged in average net injections of the order of <sup>1</sup> 544 billion (September 16 to 27), keeping the call money rate close to the repo rate. Some forms of bank credit such as personal loans grew strongly as did non-bank financing flows through commercial paper, public equity issues and housing finance.

- 10) With the weakening of growth prospects in EMEs and world trade volume growth falling below world GDP growth, India's merchandise exports continued to decline in the first two months of Q2. Imports values also declined, but the sharp fall in international crude oil and gold prices was offset by rising import volumes. Non-oil non-gold imports went back into contraction after recording a marginal pick-up in the previous quarter, although there were higher imports of fertilisers, electronics and pulses. With services exports moderating, the widening of the merchandise trade deficit could lead to a modest increase in the current account deficit (CAD) during Q2. Net capital inflows were buoyed by sustained foreign direct investment and accretion to non-resident deposits, and reduced by portfolio outflows, mainly from equity markets. Foreign exchange reserves rose by US \$ 10.4 billion during the first half of 2015-16.

**Policy Stance and Rationale**

- 11)** In the bi-monthly policy statement of August, the Reserve Bank indicated that further monetary policy accommodation will be conditioned by the abating of recent inflationary pressures, the full monsoon outturn, possible Federal Reserve actions and greater transmission of its front-loaded past actions. Since then, inflation has dropped to a nine-month low, as projected. Despite the monsoon deficiency and its uneven spatial and temporal distribution, food inflation pressures have been contained by resolute actions by the government to manage supply. The disinflation has been broad-based and inflation excluding food and fuel has also come off its recent peak in June. The Federal Reserve has postponed policy normalisation. Markets have transmitted the Reserve Bank's past policy actions via commercial paper and corporate bonds, but banks have done so only to a limited extent. The median base lending rates of banks have fallen by only about 30 basis points despite extremely easy liquidity conditions. This is a fraction of the 75 basis points of the policy rate reduction during January-June, even after a passage of eight months since the first rate action by the Reserve Bank. Bank deposit rates have, however, been reduced significantly, suggesting that further transmission is possible.
- 12)** Looking forward, inflation is likely to go up from September for a few months as favourable base effects reverse. The outlook for food inflation could improve if the increase in sown area translates into higher production. Moderate increases in minimum support prices should keep cereal inflation muted, while subdued international food price inflation should continue to put downward pressure on the prices of sugar and edible oil, and food inflation more generally. It is important

that pro-active supply-side management by the government be in place to head off any food price pressures should they materialise, especially in respect of onion and pulses. The pass-through of the recent depreciation of the rupee will have to be carefully monitored, although benign crude prices should have an offsetting effect. Taking all this into consideration, inflation is expected to reach 5.8 per cent in January 2016, a shade lower than the August projection.

- 13)** The modest pick-up in the growth momentum in the first half of 2015-16 benefited from soft commodity prices, disinflation, and comfortable liquidity conditions, some de-clogging of stalled projects, and higher capital expenditure by the central government. Underlying economic activity, however, remains weak on account of the sustained decline in exports, rainfall deficiency and weaker than expected momentum in industrial production and investment activity. With global growth and trade slower than initial expectations, a continuing lack of appetite for new investment in the private sector, the constraint imposed by stressed assets on bank lending and waning business confidence, output growth projected for 2015-16 is marked down slightly to 7.4 per cent from 7.6 per cent earlier. Concurrent indicators also suggest that the new GDP series shows higher growth than would the old series, which necessitates recalibrating old measures of potential output and the output gap to the new series.
- 14)** Since last review, the bulk of our conditions for further accommodation have been met. The January 2016 target of 6 per cent inflation is likely to be achieved. In the monetary policy statement of April 2015, the Reserve Bank said that it would strive to reach the mid-point of the inflation band by the end of fiscal 2017-18. Therefore, the

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focus should now shift to bringing inflation to around 5 per cent by the end of fiscal 2016-17. In this context, the weakening of global activity since our last review suggests that commodity prices will remain contained for a while. Still-low industrial capacity utilisation indicates more domestic demand is needed to substitute for weakening global demand in order that the domestic investment cycle picks up. The coming Pay Commission Report could add substantial fiscal stimulus to domestic demand, but the government has reaffirmed its desire to respect its fiscal targets and improve the quality of its spending. Under these circumstances, monetary policy has to be accommodative to the extent possible, given its inflation goals, while recognizing that continuing policy implementation, structural reforms and corporate actions leading to higher productivity will be the primary impetus for sustainable growth. Furthermore, investment is likely to respond more strongly if there is more certainty about the extent of monetary stimulus in the pipeline, even if transmission is slow. Therefore, the Reserve Bank has front-loaded policy action by a reduction in the policy rate by 50 basis points. Given our year-ahead projections of inflation, this ensures one year expected Treasury bill real interest rates of about 1.5-2.0 per cent, which are appropriate for this stage of the recovery.

- 15) While the Reserve Bank's stance will continue to be accommodative, the focus of monetary action for the near term will shift to working with the Government to ensure that impediments to banks passing on the bulk of the cumulative 125 basis points cut in the policy rate are removed. The Reserve Bank will continue to be vigilant for signs that monetary policy adjustments are needed to keep the economy on the target disinflationary path.

## WTO Annual Report: 2015

The World Trade Organization (WTO) on 30 September 2015 released its 2015 Annual Report. It provided an overview of WTO activities in 2014 and early 2015.

### Highlights

- World trade will grow by 2.8 percent in 2015 against 2.5 percent growth in 2014. However the growth rate could be pegged back further by a U.S. interest rate rise, China's economic slowdown or Europe's refugee crisis.
- In 2016, world trade is expected to grow by 3.9 percent, a revision of the WTO's previous forecast of 4.0 percent.
- Forecast for growth in Asian imports in 2015 is pegged at 2.6 percent down from a 5.1 percent projection in April and Asian exports to 3.1 percent from the previous 5.0 percent forecast.

Seychelles was admitted as the 161st Member of WTO in April 2015.

### Trade negotiations

The success achieved at the WTO's Ninth Ministerial Conference, held in Bali in December 2013, provided new impetus for work on the Doha Development Agenda (DDA) in 2014. The Trade Negotiations Committee (TNC) met in February, 2014 to kick-start work on the two tasks that resulted from Bali: the implementation of the decisions and agreements reached (the "Bali Package") and preparation of a work programme on the remaining DDA issues.

After intense discussions, WTO members finally adopted three decisions at a special meeting of the General Council on 27 November: on public stockholding for food security purposes, on the protocol of amendment to insert the TFA into the WTO Agreement, and on the post-Bali work programme.

**On public stockholding**, members committed to set a timeline of December 2015 to find a permanent solution to this issue. A peace clause remains in force until a permanent solution is found.

**On trade facilitation**, the insertion of the TFA into the WTO Agreement allowed the process of ratification to begin. At the same time, the Trade Facilitation Agreement Facility entered into force to help developing countries implement the newly approved Agreement.

**On post-Bali work**, members agreed to resume work immediately and engage constructively on the implementation of all Bali decisions and to extend the deadline for the post-Bali work programme to July 2015.

#### **Government Procurement Agreement**

Earlier in the year, the revised WTO Agreement on Government Procurement entered into force after two-thirds of its parties accepted the amendment protocol. The revised agreement is expected to add US\$ 80-100 billion to parties' market access commitments.

#### **Implementation and monitoring**

Various WTO councils and committees seek to ensure that WTO agreements and rules are being properly implemented. The General Council is the WTO's highest-level decision-making body in Geneva.

A new facility entered into force at the same time to help developing countries implement the newly approved Trade Facilitation Agreement (see page 15).

In December, 2014 the General Council approved the accession package of Seychelles, paving the way for WTO membership in 2015, and decided that the Tenth Ministerial Conference will be held in Nairobi, Kenya, from 15 to 18 December 2015.

#### **Work in WTO committees**

The Committee on Agriculture examined how countries are complying with their commitments on subsidies and market access. It was also tasked with implementing several of the outcomes from the 2013 Bali Ministerial Conference, including on export competition, such as export subsidies, and on tariff rate quotas.

The Sanitary and Phytosanitary Measures (SPS) Committee, which deals with

issues surrounding food safety and animal and plant health, adopted a new mediation procedure to help WTO members settle their differences on specific SPS measures.

The number of new "specific trade concerns" raised in the Technical Barriers to Trade (TBT) Committee on issues such as labelling requirements and safety-related regulations was the highest since 1995, with developing countries increasingly active in airing concerns.

#### **Least-developed countries**

The Committee on Rules of Origin agreed on steps to implement the Bali ministerial decision on preferential rules of origin for least-developed countries (LDCs). As a result of the Bali decision, governments will have for the first time a set of multilaterally agreed guidelines, which, if implemented, should help make it easier for LDC exports to qualify for preferential market access. Much of the Services Council's work in 2014 was devoted to implementing a key Bali decision in support of LDCs, the services waiver, which enables WTO members to grant more favourable treatment to services and service suppliers of LDCs and to enhance their participation in world services trade.

#### **Trade monitoring**

The WTO conducted 13 Trade Policy Reviews in 2014 to examine the trade policies and practices of 21 WTO members.

The trade monitoring reports showed that there was a continued increase in the stock of new trade-restrictive measures in 2014, and stressed the need for countries to show restraint in imposing new measures. WTO economists reported world trade growth of 2.8 per cent in 2014 and forecast 3.3 per cent growth for 2015.

#### **Dispute settlement**

WTO members bring disputes to the WTO if they think their rights under trade agreements are being infringed. Settling disputes is the responsibility of the Dispute Settlement Body (DSB).

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- Dispute settlement had one of its most active years in 2014 since the inception of the WTO in 1995. The DSB received 14 requests for consultations – the first stage in the dispute settlement process – and established 13 panels.
- Developing countries initiated five of the 14 new requests for consultations filed in 2014, compared with nine requests initiated by developed countries. The European Union made five requests for consultations – including three with Russia – making it the most active WTO member in 2014.
- Highlighting the increasing number of disputes in the area of trade remedies (safeguards, anti-dumping etc.).
- A highly anticipated dispute against Australia's tobacco plain packaging requirements got under way. It is the largest dispute ever brought before the dispute settlement system in terms of member participation.
- Requests for compliance panels, whereby WTO members challenge measures taken to comply with previous rulings, increased in 2014.
- The upsurge in dispute settlement activity continued to present challenges for the three dispute settlement divisions (Legal Affairs Division, Rules Division and the Appellate Body Secretariat) as well as for translation services.

### Building trade capacity

The WTO aims to help developing countries improve their trade capacity so that they can participate more effectively in the multilateral trading system.

### Implementation of Bali decisions

- In 2014, the Committee on Trade and Development implemented a number of decisions including holding a first session on the monitoring mechanism on special and differential (S&D) treatment for developing countries, as agreed in Bali at

- the end of 2013. The mechanism acts as a focal point for reviewing the implementation of S&D provisions in WTO agreements and decisions. Such provisions range from increasing trade opportunities to granting longer transition periods for the implementation of WTO agreements and providing technical assistance.
- Annual review of steps taken by WTO members to provide duty-free and quota-free market access to least-developed countries (LDCs).
- A Trade Facilitation Agreement Facility entered into force in November to help developing and least-developed countries implement the newly approved Trade Facilitation Agreement. For the first time in WTO history, the commitments of developing and least-developed countries are linked to their capacity to implement the Agreement.

### Global trade growth in LDCs

The WTO's global trends in LDC trade and market access showed that LDC exports of goods and commercial services rebounded 6.0 per cent, more than twice the world average, in 2013. However, the participation of LDCs in global trade remained marginal, at 1.23 per cent, and the overall participation of LDCs in world exports of commercial services remained low, at 0.7 per cent.

### Aid for Trade

Aid for Trade flows to developing countries rebounded in 2012, with commitments rising 21 per cent after sliding 14 per cent in the previous year. Africa was the region that benefited most.

The trade programme for the poorest countries – the Enhanced Integrated Framework (EIF) – continued to grow in 2014, with a rise in the number of active projects in EIF countries. The EIF committee agreed to extend the framework's programme into a second phase, from 2016 to 2022, when the first phase ends in 2015.

### **Training programme**

The WTO increased its training programme for government officials, these training activities covered virtually all WTO-related subjects, from general courses on the WTO to more specialized courses on topics such as agriculture and intellectual property. LDCs benefited from nearly half of all technical assistance activities.

Finally, together with the United Nations Conference on Trade and Development and the Organisation for Economic Co-operation and Development, the WTO published two reports on trade and investment developments in the G20 economies. The November report urged the G20 to take decisive action to reduce its stock of trade restrictions and to show restraint in the imposition of new restrictions.

### **With respect to India**

- Between 1995 and 2014, India is involved in 43 trade disputes next to the highest involvement (within Asia) recorded by China (44).
- Within WTO, India undertook second highest anti dumping initiations, 13, next to Brazil (29)
- India initiated the most investigations in 2014, with seven, followed by Indonesia and Turkey with three. India also imposed the greatest number of final measures – four.

### **Global Competitiveness Report-2015: World Economic Forum**

World Economic Forum (WEF) on 30 September 2015 released the Global Competitiveness Report (GCR) 2015-2016. The report assesses the competitiveness landscape of 140 economies, providing insight into the drivers of their productivity and prosperity and it remains the most comprehensive assessment of national competitiveness worldwide.

The report says that failure to embrace long-term structural reforms that boost productivity and free up entrepreneurial talent

is harming the global economy's ability to improve living standards, solve persistently high unemployment and generate adequate resilience for future economic downturns.

The Global Competitiveness Report 2015-2016 finds countries need higher productivity to address sluggish global growth and persistent high unemployment and failure to boost competitiveness is compromising resilience to recession and other shocks

The report highlights that after five years of decline, India jumped 16 ranks to 55th place compared to 71st rank in 2014-15 report. The top five countries in ranking – Switzerland (1), Singapore (2), U.S. (3), Germany (4) and Netherlands (5).

### **Larger Emerging Countries:**

The trend is for the most part one of decline or stagnation. However, there are bright spots: India ends five years of decline with a spectacular 16-place jump to 55th. South Africa re-enters the top 50, progressing seven places to 49th. Elsewhere, macroeconomic instability and loss of trust in public institutions drag down Turkey (51st), as well as Brazil (75th), which posts one of the largest falls. China, holding steady at 28, remains by far the most competitive of this group of economies. However, its lack of progress moving up the ranking shows the challenges it faces in transitioning its economy.

### **Middle East:**

It reports that there is a mixed picture in Middle East. Qatar (14th) leads the region, ahead of the United Arab Emirates (17th), although it remains more at risk than its neighbour to continued low energy prices, as its economy is less diversified. It says that with geopolitical conflict and terrorism threatening to take an even bigger toll, countries in the region must focus on reforming the business environment and strengthening the private sector.

### **With respect to India**

- It says that after five years of decline, India was able to jump 16 ranks and was

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positioned at the 55th place. It praises Indian government for this dramatic reversal through pro-business, pro-growth, and anti-corruption stance has improved the business community's sentiment toward the government.

- The quality of India's institutions is judged more favorably (60th, up 10), although business leaders still consider corruption to be the biggest obstacle to doing business in the country.
- India's performance in the macroeconomic stability pillar has improved, although the situation remains worrisome (91st, up 10). This macroeconomic stability was achieved due to lower commodity prices, inflation that eased to 6 percent in 2014, down from near double-digit levels the previous year.
- The government budget deficit has gradually dropped since its 2008 peak, although it still amounted to 7 percent of GDP in 2014, one of the world's highest (131st).
- Infrastructure has improved (81st, up six) but remains a major growth bottleneck—electricity in particular.
- India remains one of the least digitally connected countries in the world (120th, up one). Fewer than one in five Indians access the Internet on a regular basis, and fewer than two in five are estimated to own even a basic cell phone.
- The fact that the most notable improvements are in the basic drivers of competitiveness bodes well for the future, especially the development of the manufacturing sector. But other areas also deserve attention, including technological readiness.

### Global Competitiveness Report

The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was introduced by the World Economic Forum in

2004. Defining competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country, GCI scores are calculated by drawing together country-level data covering 12 categories – the pillars of competitiveness – that collectively make up a comprehensive picture of a country's competitiveness.

The 12 pillars are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation.

### RBI relaxes norms for FPI investment in government debt

Easing norms for foreign ownership of government debt, the Reserve Bank of India (RBI), on 6 October 2015, announced higher investment limits in rupee terms in government securities by FPIs (foreign portfolio investors) with a view to bringing in an additional Rs.1.2 lakh crore by March 2018 under sections 10(4) and 11(1) of the Foreign Exchange Management Act, (FEMA) 1999.

The announcement follows a decision by RBI to fix FPI investment limits in rupee terms and raise it in phases to reach 5 per cent of the outstanding stock by March 2018. RBI said in a notification.

For the current fiscal, RBI had been decided to enhance the limit for investment by FPIs in G-secs in two tranches from October 12, 2015, and January 1, 2016. The limit will be increased from Rs.1.53 lakh crore to Rs.1.7 lakh crore from October 12 and Rs.1.86 lakh crore from January 1. Additionally, there would be a separate limit for investment by all FPIs in the state development loans (SDLs), to be raised in phases to reach 2 per cent of the outstanding stock by March 2018.

Those Central Government securities in which aggregate investment by FPIs exceeds

the prescribed threshold of 20% will be put in a negative investment list. No fresh investments by FPIs in Central Government securities will be permitted till they are removed from the negative list.

There will be no security-wise limit for SDLs for now. And the operational guidelines relating to allocation and monitoring of limits will be issued by the Securities and Exchange Board of India (SEBI).

The RBI issued these directions in perusal of the announcement made in the fourth Bi-monthly Monetary Policy Statement for the year 2015-16 issued on 29 September 2015, wherein a Medium Term Framework (MTF) for FPI limits in Government securities was announced to provide a more predictable regime.

### **IMF Global Financial Stability Report: 2015**

International Monetary Fund (IMF) on 6 October 2015 released *the Global Financial Stability Report October 2015* entitled Vulnerabilities, Legacies, and Policy Challenges-Risks Rotating to Emerging Markets. The report assessed key risks facing the global financial system and came up with suggestions to the policy makers to counter them.

The report pointed out that as the advanced economies are on recovery path the time is ripe for them to normalize domestic interest rates. This will result in volatility in the emerging economies that are more integrated with global financial architecture.

### **Three Scenarios for Financial Stability:**

Financial stability has improved in advanced economies since April, but risks continue to rotate toward emerging markets. The global financial outlook is clouded by a triad of policy challenges: emerging market vulnerabilities, legacy issues from the crisis in advanced economies, and weak systemic market liquidity. Although many emerging market economies have enhanced their policy frameworks and resilience to external shocks,

several key economies face substantial domestic imbalances and lower growth. Recent market developments such as slumping commodity prices, China's bursting equity bubble and pressure on exchange rates underscore these challenges. The prospect of the U.S. Federal Reserve gradually raising interest rates points to an unprecedented adjustment in the global financial system as financial conditions and risk premiums "normalize" from historically low levels alongside rising policy rates and a modest cyclical recovery.

### **Market Liquidity—Resilient or Fleeting:**

Global Financial Stability Report examines the determinants of market liquidity and of its resilience. Only some markets show obvious signs of worsening market liquidity, although dynamics diverge across bond classes. The current levels of market liquidity are being sustained by benign cyclical conditions and accommodative monetary policy. At the same time, some structural developments may be eroding its resilience. Policymakers should have a policy strategy in hand to cope with episodes of dry ups of market liquidity. A smooth normalization of monetary policy in advanced economies and the continuation of market infrastructure reforms to ensure more efficient and transparent capital markets are important to avoid disruptions of market liquidity in advanced and emerging market economies.

Although it is too early to assess the impact of recent regulatory changes on market liquidity, changes in market structure, such as larger holdings of corporate bonds by mutual funds, appear to have increased the fragility of liquidity.

### **Corporate Leverage in Emerging Markets—A Concern:**

Global Financial Stability Report studies the growing level of corporate debt in emerging markets, which quadrupled between 2004 and 2014. The report finds that global drivers have played an increasing role in leverage growth, issuance, and spreads. Moreover, higher leverage has been associated with, on average,

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rising foreign currency exposures. It also finds that despite weaker balance sheets, firms have managed to issue bonds at better terms as a result of favorable financial conditions. The greater role of global factors during a period when they have been exceptionally favorable suggests that emerging markets must prepare for the implications of global financial tightening.

### Vodafone wins Rs. 3,700 cr. transfer pricing case

In a major relief to British telecom major Vodafone in the transfer pricing case, the Bombay High Court on Thursday ruled in its favour, setting aside a tax demand of Rs. 3,700 crore imposed on Vodafone India by the income tax authorities. The ruling is likely to benefit multinational companies such as IBM, Royal Dutch Shell and Nokia that face similar tax demands.

The case dates back to financial year 2007-8 involving the sale of Vodafone India Services Private Ltd., the call centre business of Vodafone, to Hutchison, and the tax authorities demanded a capital gain tax for the transaction. The Income Tax department demanded that Rs. 8,500 crore be added to the company's taxable income.

Transfer pricing is referred to the setting of the price for goods and services sold between related legal entities within an enterprise. The court decision came as Vodafone challenged the order of the Income Tax Appellate Tribunal which held last year that it structured the deal with Hutchison Whampoa Properties, a company based in India, to circumvent transfer pricing norms, though it was an international transaction wherein there was no arm's length dealing between the related entities.

### TIME FOR CHEER

Fiscal deficit an excess of Centre's expenditure over revenue, witnesses a rare decline

April 2015:	12,75,523
May 2015:	81,101
June 2015:	78,071
July 2015:	98,408
August 2015:	(-)15,808*
April-August:	3,69,295

\* (-) INDICATES SURPLUS (IN RS. CR.)

SOURCE: CONTROLLER GENERAL OF ACCOUNTS

### Fiscal balance turns surplus after 8 years

For the first time in 8 years, India's fiscal balance turned from deficit to surplus in the month of August, the latest data from the Controller-General of Accounts (CGA) show. The fiscal deficit, the excess of the Centre's expenditure over its revenues, was (-) Rs. 15,808 crore in August.

The negative figure indicates surplus of revenues over expenditure. In contrast, the Centre ran up a fiscal deficit of Rs. 73,005 crore in August 2014.

The latest data from the Controller-General of Accounts (CGA) show that, for the first time in 8 years, India's fiscal balance turned from deficit to surplus in the month of August. The fiscal deficit, the excess of the Centre's expenditure over its revenues, was (-) Rs. 15,808 crore in August. The negative figure indicates surplus of revenues over expenditure. In contrast, the Centre ran up a fiscal deficit of Rs. 73,005 crore in August 2014.

### Surge in revenue

The total revenue was Rs. 1,47,022 crore in August against Rs. 71,578 crore in July. In contrast, the total expenditure in August was Rs. 1,31,214 crore against Rs. 1,69,986 crore in July. August's surplus, though, is not wide enough to offset the Centre's fiscal deficit year to date.

During the first five months of the current financial year from April to August,

cumulatively its fiscal deficit was Rs. 3.69 lakh crore, which is lower than the Rs. 3.97 lakh crore in the corresponding period last year.

The cumulative fiscal deficit, at 66 per cent of the full-year budget target, is one of the lowest in four years. Last year, the Centre had reached 75 per cent of its full-year budget target by the end of August.

The healthy 22.8 per cent growth in gross tax revenues so far this year along with the 12 per cent reduction in the subsidy outgo have contributed to the improvement in the Centre's fiscal position.

Also, the Centre's total receipts are significantly higher this year on the back of the Rs. 66,000-crore dividend from the RBI, which is the highest in its 80-year history and 22 per cent more than it paid last year.

The improvement this year is despite a lower realisation of revenues from the disinvestment route. Finance Minister Arun Jaitley had laid down in the budget a target of 3.9 per cent of GDP for this year's fiscal deficit. A sharp surge in the Centre's revenue receipts as well as a steep decline in its total expenditures made the fiscal surplus possible.

### **India- third largest base in global startup space**

After the success in the IT services industries, India has now emerged as the youngest startup nation in the world with over 72 per cent of founders are less than 35 years old. With the presence of more than 4,200 startups, the country has also become the third largest startup base worldwide. By registering a growth of 40 per cent over the last year, India has overtaken Israel to become the third largest startup base after the U.S. and the U.K.

According to a report-'StartUp India Momentous rise of the Indian Start-up Ecosystem', published by Nasscom in association with research firm Zinnov, around 1,200 tech startups were born in the year 2015, out of which more than 50 per cent focus on e-commerce, consumer services and aggregators

business. As per the report, one of the major reasons for India's growth in the new age business is the rapid increase in the availability of risk capital.

Bengaluru remains the hot destination for entrepreneurs to launch their business and was ranked 15 globally. More than 65 per cent of the startups are located in Bengaluru, Mumbai and National Capital Territory NCR. Around 26 per cent of India's start-ups are located in Bengaluru; and NCR and Mumbai had 23 and 17 per cent respectively.

Another reason cited for the growth of the entrepreneur ecosystem is the investment of business tycoons like Ratan Tata and Azim Premji in startups. So far, Mr. Tata has made around 10 investments in startups.

Large Indian enterprises have also formed dedicated corpus to invest in startups. Wipro has set up \$100 million VC fund to invest in startups while Infosys has formed a \$500 million innovation fund, of which \$250 million is dedicated for India.

In 2015, Indian startup founders have managed to raise capital to the tune of around \$4.9 billion, an increase of over 125 per cent against last year. This is also much higher compared to cumulative funding of approximately \$3.2 billion over 2010-14 period.

The report states that, while the overall VC/PE funding has grown by 2.2 times the seed stage funding has grown by 6.5 times. More than 390 startups have received funding compared to 175 startups in 2014.

Some of the major rounds of funding this year was \$700 million by Flipkart from Tiger Global and Steadview Capital, Snapdeal's \$500 million round from Alibaba Group, SoftBank, Foxconn among others and Paytm \$635 million.

The maturing Indian startup ecosystem is now contributing to the Indian economy in many ways. Apart from positively impacting the lifestyles of citizens involved, start-ups are now creating innovative technology solutions that are addressing the key social problems that India is

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facing and creating significant growth opportunities for every stakeholder.

## World Bank report: 'Migration, Remittances, Diaspora and Development Brief' 2015

World Bank on 22 October 2015 released the Migration and Development Brief that conveyed recent trends in remittance flows and migration across the world. As per the report, though a decrease in migrant remittances is expected in 2015 amid global slowdown, it is set to rise in 2016 and 2017 as the major economies of the developed world are set to recover.

More than 250 million people live outside their countries of birth, and over 750 million migrate within their countries. In the coming decades, demographic forces, globalization and climate change will increase migration pressures both within and across borders. Remittance flows to developing countries are estimated to have totaled \$436 billion in 2014, an increase of 4.4% over the previous year. Global remittance flows, including those to high-income countries, were an estimated \$583 billion in 2014.

### Important findings

- Weak economies in Europe, especially Russia, are slowing the growth of remittance flows in 2015. Weaker currencies vis-à-vis the US dollar and lower oil prices are further restricting the ability of many migrants to send money back to family and friends, according to the World Bank's latest Migration and Development Brief.
- Remittances to developing countries are expected to reach \$435 billion in 2015, registering a modest growth rate of 2 percent from last year. This represents a significant slowing in the growth of remittances from the rise of 3.3 percent in 2014 and of 7.1 percent per year from 2010 -13. Global remittances, sent home from some 250 million migrants, are

projected to grow by 1.3 percent to \$588 billion.

- Slowing remittances this year will affect most developing regions, in particular Europe and Central Asia where flows are expected to decline by 18.3 percent in 2015. A weakening of the Ruble against the US Dollar is the main cause of that decline.
- Looking to 2016, the report says remittances to developing countries are expected to rise by about 4 percent, reaching an estimated \$453 billion, buoyed by the continuing recovery in the United States and a modest acceleration of economic activity in Europe. Global flows of remittances are expected to recover in 2016 to reach \$610 billion, and then rising to \$635 billion in 2017.
- The global average cost of sending \$200 remained at about 7.7 percent in the second quarter of 2015. Remittance costs varied significantly by region, and within region by corridor. A major risk to the downward trajectory of remittance costs arises from the closure of accounts of money transfer operators by correspondent banks, due to concerns related to regulatory compliance.
- In a major global policy shift, the recently-adopted Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda on Financing for Development endorsed improvements in migration policies, efforts to end human trafficking and promote decent labor conditions for migrant workers, reductions in the costs of remittances and recruitment, and the collection of statistics disaggregated according to migratory status.

### Migration and remittances

- International migration – the movement of people across international boundaries – has enormous implications for growth and poverty alleviation in both origin and destination countries.

- International migration boosts world incomes. By allowing workers to move to where they are more productive, migration results in an increase in aggregate output and income.
- Remittances generally reduce the level and severity of poverty and lead to: higher human capital accumulation; greater health and education expenditures; better access to information and communication technologies; improved access to formal financial sector services; enhanced small business investment; more entrepreneurship; better preparedness for adverse shocks such as droughts, earthquakes, and cyclones; and reduced child labor.
- Diasporas can be an important source of trade, capital, technology, and knowledge for countries of origin and destination.
- Officially recorded remittances to developing countries were an estimated \$404 billion in 2013, an increase of about 3.3% over the previous year. Global remittance flows, including those to high-income countries, are estimated at \$542 billion in 2013.
- The top recipients of officially recorded remittances in 2013 are India (\$70 billion), China (\$60 billion), the Philippines (\$25 billion), and Mexico (\$22 billion). Other large recipients included Nigeria, Egypt, Bangladesh, Pakistan, Vietnam and Ukraine. However, as a share of GDP, remittances were larger in smaller and lower income countries; top recipients relative to GDP were Tajikistan (52%), Kyrgyz Republic (31%), Nepal and Moldova (both 25%), and Samoa and Lesotho (both 23%).
- Remittances sent home by migrants to developing countries are equivalent to more than three times the size of official development assistance.
- Remittance costs have fallen steadily in recent years, but they remain high, especially in Africa and in small nations where remittances provide a lifeline to the poor. Globally, migrants pay an average cost of 8.4% to send money home. Reducing the average remittance price to 5 percent, in line with G8 and G20 targets, could save migrants around \$14 billion a year.

In 2006, the World Bank Group published *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*, and *Remittances: Development Impacts and Future Prospects*

### NITI Aayog panel report on innovation and entrepreneur friendly ecosystem to drive job growth

The NITI Aayog panel, on innovation and entrepreneur friendly ecosystem to drive job growth, submits its report on 27 October 2015 to The NITI Aayog. The committee has classified its proposals in three slabs — top, intermediate and base layers.

Under top layer recommendations, the expert panel has suggested introducing incentives to encourage entrepreneurship, roping in corporates to fund R&D, enhancing efficiency and scope of incubators and fostering a culture of innovation at the national level.

At the intermediate layer, the panel talks of the need to embrace digital platforms to encourage entrepreneurship, reform the archaic education system and skill workers, strengthen the intellectual property rights issue and improve ease of doing business.

The base layer covers linking entrepreneurship with nationwide programmes, promoting high potential sectors through the Make In India campaign, fostering a culture of coordination and collaboration, redefining success and making entrepreneurship part of the social inclusion agenda.

### Recommendations

- The private sector should help fund research and development, including in research labs at universities and startups.

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In contrast, Google's origins can be traced to research projects that were funded by the U.S. National Science Foundation and a large part of Apple's success can be credited to the U.S. government's small-business administration program that provides investment assistance to startups.

- Improved tax benefits for investments equivalent to a percentage of corporate profits in research labs in universities and startups. One per cent of corporate profit could be directed toward research labs in universities and/or industry-university collaborative research...A percentage of corporate profit could be directed towards corporate venture capital funds, for the purposes of investment in start-ups and/or incubators. The government could offer tax credits against this.
- The panel has also recommended that all contracts with foreign defence companies above \$5 billion should include a clause for five per cent of contract value to be directed to establish research-centric universities with strong emphasis on its core product areas in particular and broadly focused on the related areas in general.
- The panel also suggested a 'Make in Universities' program which would involve setting up 500 tinkering labs, where aspiring entrepreneurs can experiment to create products that address local problems, with one 3D printer per institute. For these labs, the panel recommends utilisation of half of the Rs.1,000 crore government had set aside for the Self Employed and Talent Utilization (SETU) scheme.
- The expert committee also recommends "Grand Prizes" approach to finding ultra-low-cost solutions to India's most intractable problems, on the lines of what is followed in some developed countries. Panel also mentioned "Incentivised innovation has worked around the world in stimulating innovation. In the U.S., XPrize is giving

tens of millions of dollars to those who can provide solutions to major technological challenges". The committee recommends that the AIM budget of Rs.150 crore be used entirely to award up to 12 grand prizes annually. Each challenge should carry a prize of between Rs.10 crore and Rs.30 crore, panel also adding that AIM should also consider setting aside part of the prize money to place orders for the products and services that are generated by winners as this will help in creating a market for winners' products.

- The panel also pitched for an increase in investment in business incubators with up to Rs.200 crore public spending per year and roping in the private sector for the purpose.
- Another key recommendation of the panel is establishing a 'fund-of-funds (FOF)' by the government to seed other early stage venture funds with a corpus of Rs.5, 000 crore.

The report says "In years to come, entrepreneurship and innovation is expected to be an even more important source of growth and job creation. New technology also has the potential to find solutions to pressing economic and social problems".

AIM will be an innovation promotion platform involving academics, entrepreneurs and researchers drawing upon national and international experiences to foster a culture of innovation, research and development (R&D) and promote a network of world-class innovation hubs.

In his budget speech, Finance Minister Arun Jaitley had allocated Rs.150 crore for Atal Innovation Mission (AIM). Later, NITI Aayog has constituted an expert panel, to suggest ways to promote innovation and entrepreneur friendly ecosystem for pushing job growth, under headed by Professor Tarun Khanna of the Harvard Business School. The group also worked-out the detailed contours of Atal

Innovation Mission (AIM) and Self-Employment & Talent Utilisation (SETU).

### **'Doing Business report 2016- Measuring Regulatory Quality and Efficiency': World Bank**

The World Bank Group's annual ease of doing business -'Doing Business 2016: Measuring Regulatory Quality and Efficiency'- which was released on 27 October 2015 finds that, Developing economies quickened the pace of their business reforms during the last 12 months to make it easier for local businesses to start and operate.

***Doing Business 2016: Measuring Regulatory Quality and Efficiency*** finds that 85 developing economies implemented 169 business reforms during the past year, compared with 154 reforms the previous year. High-income economies carried out an additional 62 reforms, bringing the total for the past year to 231 reforms in 122 economies around the world.

#### **Major findings**

➤ The majority of the new reforms during the past year were designed to improve the efficiency of regulations, by reducing their cost and complexity, with the largest number of improvements made in the area of Starting a Business, which measures how long it takes to obtain a permit for starting a business and its associated processing costs. A total of 45 economies, 33 of which were developing economies, undertook reforms to make it easier for entrepreneurs to start a business. India, for example, made significant improvements by eliminating the minimum capital requirement and a business operations certificate, saving entrepreneurs an unnecessary procedure and five days' wait time. Kenya also made business incorporation easier by simplifying pre-registration procedures, reducing the time to incorporate by four days.

- Efforts to strengthen legal institutions and frameworks were less common, with 66 reforms implemented in 53 economies during the past year. The largest number of such reforms was carried out in the area of Getting Credit, with 32 improvements, of which nearly half were undertaken in Sub-Saharan Africa.
- *Doing Business* data for the past 12 years shows that in 2003, it took an average of 51 days worldwide to start a new business. This has now been more than halved to 20 days. In addition, the data shows encouraging signs of convergence toward best practices, as lower-income economies have shown more improvement than high-income economies over time. The case of Mozambique illustrates this trend. In 2003, it took an entrepreneur 168 days to start a business, but now it only takes 19 days.
- The report also notes the increasing use of the internet for entrepreneurs to interact with the government, given the potential economic benefits of providing online electronic services across all areas measured by *Doing Business*. In the past year, 50 reforms were aimed at providing or improving online tax payment systems, import-export document processing, and business and property registration, amongst others.
- Regulatory quality matters as much as regulatory efficiency to ensure that the regulation achieves the aim of creating an enabling environment that contributes to economic growth and prosperity for people.
- There is strong relationship between efficiency and quality of business regulations go hand-in-hand with producing more competitive, viable companies and firms that help to grow national economies. The increased emphasis on the quality of regulation, to complement the previous focus on

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efficiency, is aimed at providing greater clarity between well-designed and badly-designed regulations, making it easier to identify where regulation is enabling businesses to thrive and where it has the opposite effect.

- Economies of Europe and Central Asia have performed well on the new quality benchmarks, while those in the Middle East and North Africa region have performed less well.
- The world's top 10 improvers, i.e. economies that implemented at least three reforms during the past year and moved up the rankings scale, are Costa Rica, Uganda, Kenya, Cyprus, Mauritania, Uzbekistan, Kazakhstan, Jamaica, Senegal, and Benin.

### **Sub-Saharan Africa**

By region, Sub-Saharan Africa accounted for about 30 percent of the improved global regulatory reforms and half of the world's top 10 improvers. Multiple reforms were also implemented in Côte d'Ivoire, Madagascar, Niger, Togo and Rwanda. The region's highest ranked economy is Mauritius, which has a global ranking of 32.

### **Europe and Central Asia**

Europe and Central Asia region was also a major reformer during the past year, with Cyprus, Uzbekistan and Kazakhstan, amongst the world's top 10 improvers. The region had both the largest share of economies implementing at least one reform and the largest average number of regulatory reforms per economy.

### **South Asia**

In South Asia, six of the region's eight economies implemented a total of nine reforms – the second largest share of any region after Europe and Central Asia. Economies that implemented several reforms included India, Bhutan and Sri Lanka. The region's highest ranked economy is Bhutan, which has a global ranking of 71.

### **East Asia and the Pacific**

Reform activity continued apace in East Asia and the Pacific, with more than half of the region's 25 economies implementing a total of 27 reforms in the past year. The region hosts four of the top five ranked economies in the world, including Singapore, the world's top ranked economy.

### **Middle East and North Africa**

In the Middle East and North Africa, reform activity picked up slightly with 21 reforms implemented in 11 of the region's 20 economies. Economies that undertook more than one reform included the United Arab Emirates (UAE), Morocco, Tunisia and Algeria. UAE is the region's highest ranked economy, with a global ranking of 31.

### **Latin America and the Caribbean**

Latin America and the Caribbean region had the smallest share of reforms, with less than half of the region's 32 economies undertaking a total of 24 reforms. Costa Rica and Jamaica were among the world's top 10 improvers. Mexico is the region's highest ranked economy, with a global ranking of 38.

In the global ranking stakes, Singapore retains its top spot. Joining it on the list of the top 10 economies with the most business-friendly regulatory environments are New Zealand, in second place; Denmark (3); Republic of Korea (4); Hong Kong SAR, China (5); United Kingdom (6); United States (7); Sweden (8); Norway (9); and Finland (10).

This year's report unveils a two-year effort to significantly add more measurements of the quality of institutions supporting the business environment, to better capture realities on the ground. For example, in the area of Registering Property, a new index on the quality of land administration measures the reliability, transparency and geographic coverage of land administration systems as well as aspects of dispute resolution for land issues.

The World Bank Group's **Doing Business** report tracks the regulatory and bureaucratic systems of nations by conducting detailed annual surveys. For policymakers faced with the challenge of creating jobs and promoting development. The WB Doing Business reports, started in 2002, review business regulations and their enforcement across 189 countries.

India moves up in 'ease of doing business' ranking to 130 from 134. Among South Asian economies, India made the biggest improvement in business regulation, increasing its distance to frontier score by 2 points and moving up in the ease of doing business ranking from 134 to 130 in the World Bank Doing Business 2016 ranking. India ranks in the top 10 in Protecting Minority Investors (8), as its law grants minority shareholders strong protection from conflicts of interest and provides extensive rights to shareholders in major corporate governance.

According to the report, the improvement in two indicators, 'starting a business' and 'getting electricity,' pushed India up the ladder. "Now, companies can get connected to the grid and get on with their business, 14 days sooner than before," based on the recently simplified procedures in Mumbai and Delhi. The number of days it takes to start a new business has gone up marginally from last year, from to this year, but the report has taken note of other measures in the last year that made starting a business easier.

India also improved its 'distance to the frontier,' a measure of a country's absolute performance.

### **Justice RV Easwar committee to simplify the Income Tax Act, 1961**

The Government of India, on 27 October 2015, has constituted a Committee with a view to simplify the provisions of the Income Tax Act, 1961. The committee will be headed by Justice RV Easwar, former Judge of Delhi High Court.

### **Terms of Reference**

- To study and identify the provisions/phrases in the Act which are leading to litigation due to different interpretations;
- To study and identify the provisions which are impacting the ease of doing business;
- To study and identify the areas and provisions of the Act for simplification in the light of the existing jurisprudence; and
- To suggest alternatives and modifications to the existing provisions and areas so identified to bring about predictability and certainty in tax laws without substantial impact on the tax base and revenue collection.

The Committee shall set its own procedures for regulating its work. It can also work in Sub-Groups and the draft prepared by the Sub-Groups can then be approved by the whole Committee. It will put its draft recommendations in the public domain. After stakeholder consultations, the Committee will formalise its recommendations. The Committee can give its recommendations in batches. The First Batch containing as many recommendations as possible shall be submitted by 31<sup>st</sup> January, 2016. The Term of the Committee shall be for a period of one year from the date of its constitution.

### **Finance Ministry launches 'e-Sahyog' pilot project to reduce Income-Tax compliance cost**

Union Finance Ministry, on 29 October 2015, has launched an e-Sahyog pilot project of Income-Tax Department to facilitate taxpayers to reduce their need to physically appear before tax authorities in New Delhi in line with Union Government flagship Digital India initiative. The e-Sahyog project aims to reduce compliance cost, especially for small taxpayers and provide an online mechanism to resolve mismatches in Income-tax returns.

As part of the digital initiative, IT Department will provide an end to end e-service using SMS, e-mails to inform the tax assesses

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of the mismatch. Henceforth, by using this service taxpayers will simply need to visit the e-filing portal and log in with their user-ID and password. It will help them to view mismatch related information and submit online response on the issue without physically appearing before tax authorities.

Apart from it, Union Finance Minister also launched a campaign to provide public service at peoples' door step by holding special PAN camps in remote areas. Under the campaign, special camps will be held over for two days at 43 remote, semi urban and rural locations across the country. It is the first instance IT Department facilitating in such areas for obtaining of PAN card by persons residing.

### RBI allows NRIs to subscribe to National Pension System

Reserve Bank of India (RBI) on 29 October 2015 allowed non-resident Indians (NRIs) to subscribe to the National Pension System (NPS). RBI took the decision in consultation with the Union Government to enable National Pension System (NPS) as an investment option for NRIs under Foreign Exchange Management Act (FEMA), 1999.

NRIs may subscribe to the NPS governed and administered by the Pension Fund Regulatory and Development Authority (PFRDA), provided such subscriptions are made through normal banking channels and the person is eligible to invest as per the provisions of the PFRDA Act.

The subscription amounts shall be paid by the NRIs either by inward remittance through normal banking channels or out of funds held in their NRE/FCNR/NRO account. There will be no restriction on repatriation of the annuity/ accumulated savings.

The decision is in accordance with the amendment to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Ninth Amendment) Regulations, 2015 which was notified on 6 October 2015.

The directions were issued under section 10(4) and 11(1) of the Foreign Exchange Management Act, 1999.

### Background

On the face of it, this move is of course a benefit for NRIs, but the other side is that it is also a potential source of economic stability in India. Here's how.

Time and again, India has faced some kind of a problem on the external front, though the reasons have varied. In 1991, India went into a deep balance of payments crisis amid a political turmoil, even mortgaging its gold. In 1998, the nation staged nuclear tests that resulted in US sanctions that made the rupee weaker.

Again, between 2008 and 2013, India went through ups and downs as the global economic crisis hurt export demand, and domestic inflation caused its own weaknesses amid high oil prices, resulting in the rupee facing a big attack in 2013. Dependent on foreign exchange for oil and key food items like pulses, India always has to keep an eye on the rupee.

India had come out with its India Development Bonds after the 1991 crisis that raised \$1.6 billion. Resurgent India Bonds after the 1998 woes raised \$4.2 billion and India Millennium Deposit Scheme in 2000 fetched \$5.5 billion.

In 2013, the RBI came up with some sophisticated currency swap arrangements to tide over the problems triggered by a weaker rupee, even as ideas popped up that India should be issuing bonds.

The simple fact is that NRIs have time and again helped India with their resources, but there is a catch to this. In 1990, it was the flight of short-term NRI deposits that precipitated the balance of payments crisis. While various special schemes bolstered foreign exchange reserves that stabilised the rupee, they were put together quickly when market pressures were high.

India is the world's largest recipient of remittances from its citizens working abroad. The World Bank estimated in a report released last week that in 2015, the amount is expected to touch \$72 billion (R 470,000 crore) – a new record! This is even higher than China's \$64 billion remittances.

The remittances are a great source of strength for India's economy and so are schemes like the ones India came out with in the aftermath of the nuclear crisis. But a steady flow of remittances can insulate India relatively from the kind of ups and downs and high-interest-bearing schemes in times of crises.

The NPS is a quiet vehicle for inflow of foreign exchange that can boost India's reserves. The notable factor is that the minimum annual subscription in NPS is as low as R 6,000. NPS investments mature when a participant turns 60.

Consider the fact that overseas Indians are estimated to number more than 20 million but a huge number of them are rich citizens of Western nations. They may not be interested in Indian pension schemes – but those eligible may be tempted to join as investors as India becomes an economy promising sustained high growth with prospects for a boom in equities. As much of 50% of NPS funds can be invested in equities.

At the same time, NPS also enables modest variants of NRIs to remit more into India. The Arabian Gulf area accounts for as much as 5 million Indian nationals, many of them not in the affluent category.

The NPS can lead to smaller trickles coming into India from such people in a steady flow, thereby stabilising the local currency. The RBI may well have quietly opened an alternative to expensive bonds and deposits by allowing NRIs to invest in the National Pension Scheme.

### New Pension System

The National Pension System (NPS) was launched on 1 January, 2004 with the objective

of providing retirement income to all the citizens. NPS aims to institute pension reforms and to inculcate the habit of saving for retirement amongst the citizens. Initially, NPS was introduced for the new government recruits (except armed forces). With effect from 1 May, 2009, NPS has been provided for all citizens of the country including the unorganised sector workers on voluntary basis.

### RBI issues revised and uniform Internet Banking for Cooperative Banks

Reserve Bank of India (RBI) on 5 November 2015 issued revised and uniform guidelines on Internet Banking for all licensed cooperative banks including Urban Cooperative Banks (UCBs), State Cooperative Banks (StCBs) and Districts Co-operative Banks (DCBs). These guidelines relate to Internet Banking (View Only) facility and Internet Banking with Transaction facility.

### Revised guidelines for Internet Banking (View Only) facility

- All licensed StCBs, DCCBs and UCBs which have implemented Core Banking Solution (CBS) and migrated to Internet Protocol Version 6 (IPv6) may offer Internet Banking (View only) facility to their customers, without prior approval of RBI.
- In case, any service offered under 'view only' facility requires two-factor authentication or One Time Password (OTP), banks may adopt the security features related to internet banking as prescribed by RBI, as appropriate to such services.
- The cooperative banks offering this facility to their customers should ensure that the facility is strictly for non-transactional services such as balance enquiry and balance viewing among others.
- The cooperative banks have to report commencement of the service to the concerned Regional Office of RBI (and also

## ECONOMY

NABARD in case of StCBs/DCCBs) within one month of operationalisation of this facility.

Earlier in 2014, only Urban Cooperative Banks (UCBs) were permitted to offer this facility to their customers.

### Revised guidelines for Internet Banking with Transaction facility

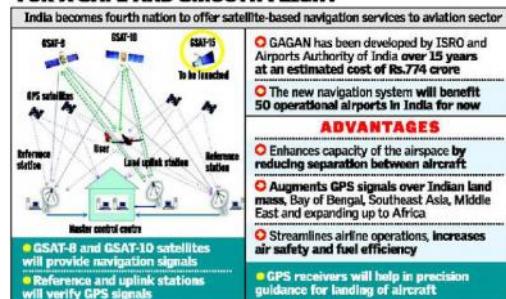
Only those licensed StCBs, DCCBs and UCBs, which have implemented CBS and have also migrated to IPv6 can offer this facility to their customers with prior approval of RBI if they fulfill the following criteria:

- Credit to Risk Adequacy Ratio (CRAR) of not less than 10 per cent.
- Net worth is 50 crore rupees or more as on 31 March of the immediate preceding financial year.
- Gross Non-Performing Assets (NPAs) less than 7 % and Net NPAs not more than 3%
- The bank should have made a net profit in the immediate preceding financial year and overall, should have made net profit at least in three out of the preceding four financial years.
- It should not have defaulted in maintenance of Cash Reserve Ratio (CRR)/Statutory

Liquidity Ratio (SLR) during the immediate preceding financial year.

- It has sound internal control system with at least two professional directors on the Board.
- The bank has a track record of regulatory compliance and no monetary penalty has been imposed on the bank for violation of RBI directives/guidelines during the two financial years, preceding the year in which the application is made.

### FOR A SAFE AND SMOOTH FLIGHT



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### India launches Satellite-based navigation system- GAGAN

India has formally launched the GAGAN (GPS AIDED GEO AUGMENTED NAVIGATION) system, which will offer seamless navigation to the aviation industry, on 13 July 2015. In the aviation field, GAGAN will support more direct air routes, reduce fuel consumption and improve safety. The guided approach landing with the help of GAGAN would immediately benefit nearly 50 airports in India. GAGAN was already certified for en route operation since 30th December 2013.

GAGAN will provide augmentation service for the GPS over the country, the Bay of Bengal, South East Asia and Middle East and up to Africa. The system would be available for the member states of the South Asian Association for Regional Cooperation (SAARC). Some of its benefits are improved efficiency, direct routes, increased fuel savings, approach with vertical guidance at runways, significant cost savings because of the withdrawal of ground aids and reduced workload of flight crew and air traffic controllers.

In addition, GAGAN provides benefits to agriculture, all modes of transportation and public services such as defence services, security agencies and disaster recovery management by aiding in search and rescue to locate the disaster zone accurately.

The system also bridges the gap in the coverage areas of the European Union's European Geostationary Navigation Overlay Service (EGNOS) and Japan's Multi-functional Satellite Augmentation System (MSAS).

GAGAN is the first SBAS (Satellite Based Augmentation System) in the world certified for Approach with Vertical Guidance operating in the Equatorial Ionospheric region and the third SBAS to have achieved this feat, after WAAS of USA and EGNOS of Europe. India is the fourth country to offer space-based satellite navigation services to the aviation sector, other are U.S., Europe and Japan.

Gagan works by augmenting and relaying data from GPS satellites with the help of two augmentation satellites and 15 earth-based reference stations. Since 14th February 2014, GAGAN has been continuously providing navigation signals from GSAT-8 and GSAT-10 satellites launched by ISRO, augmenting the performance of GPS signals received over Indian Airspace.

Gagan has been jointly developed by the Indian Space Research Organisation (Isro) and Airports Authority of India (AAI). The system has been completed in 15 years at a total cost of Rs.774 crores.

#### GAGAN

GPS and geo-augmented navigation system (GAGAN) is an implementation of a regional satellite-based augmentation system (SBAS) by the Indian government. It is a system to improve the accuracy of a GNSS receiver by providing reference signals.

The project has established 15 Indian Reference Stations, 3 Indian Navigation Land Uplink Stations, 3 Indian Mission Control Centers, and installation of all associated software and communication links. It will be able to help pilots to navigate in the Indian airspace by an accuracy of 3 m. This will be helpful for landing aircraft in tough weather and terrain like Mangalore and Leh airports.

### Akash Air Defence missile system inducted into Indian Air Force

The defence minister of India Manohar Parrikar formally handed over the indigenously designed, developed and produced Akash Air Defence missile system to the Indian Air Force (IAF) at Air Force Station, Gwalior on 10 Jul 2015. It is noted that Akash is the first made-in-India missile system and is a hallmark of sustained and focused jointmanship between DRDO, BEL, private sector and more importantly the IAF.

Akash is a potent supersonic mobile multi-directional, multi-target point/ area Air Defence system that can simultaneously engage multiple air targets using sophisticated multi-

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function phased array radars. The advanced ECCM (Electronic Counter Counter Measures) features provide secure communication links with other Air Defence Command and Control networks to handle the counter electronic warfare scenario.

Indigenous development of Akash system has given impetus to the defence industrial base of the country and generated business of more than Rs. 20,000 crore.

### **PSLV C-28 launches five U.K. satellites**

In its thirtieth flight, ISRO's Polar Satellite Launch Vehicle PSLV-C28 successfully launched three identical (Disaster Monitoring Constellation) DMC3 commercial Earth Observation Satellites, along with two smaller satellites from United Kingdom, into a polar Sun Synchronous Orbit conducted from Satish Dhawan Space Centre (SDSC) SHAR, Sriharikota on July 10, 2015. The Sun Synchronous Orbit is very close to the intended orbit of 647 km height. Once in proper orbit, the three DMC3 satellites were successfully deployed, following this, the 7 kg Nanosatellite De-OrbitSail and the 91 kg Microsatellite CBNT-1 was also successfully deployed. The five satellites together weighed about 1440 kg at lift-off. This was the twenty ninth consecutively successful flight of PSLV.

The three mini DMC satellites have been designed for providing simultaneous spatial resolution and high temporal resolution for earth observation. These satellites are aimed at capturing any target on the Earth's surface every day and are expected to help in surveying resources, environment and urban infrastructure, besides its primary aim of monitoring disasters.

While the 91-kg CNBT-1 is an optical earth observation technology demonstration micro satellite where as the seven-kg De-OrbitSail from the Surrey Space Centre is an experimental nano satellite for demonstration of large thin membrane sail and drag deorbiting using this sail.

These five satellites were launched as part of the agreement entered into between DMC International Imaging (DMCii), a wholly owned subsidiary of Surrey Satellite Technology Limited (SSTL), UK and Antrix Corporation Limited, the commercial arm of the Indian Space Research Organisation (ISRO), a government of India Company under the Department of Space (DOS).

PSLV was launched in its heaviest 'XL' version with six strap-on motors of the first stage. This flight was unique since for the first time, the 'XL' version of PSLV was used to launch foreign payloads exclusively. Till now, the lighter 'core alone' version of PSLV has been used to launch foreign payloads exclusively.

Through 29 successful flights during 1994-2015 period, PSLV has launched a total of 77 satellites including 45 satellites for customers from 19 countries. The vehicle has repeatedly proved its reliability and versatility by successfully launching satellites into a variety of orbits including polar Sun Synchronous, Geosynchronous Transfer and Low Earth orbits thereby emerging as the workhorse launch vehicle of India.

Antrix Corporation, the commercial arm of ISRO, has already signed service contracts for launching 28 satellites for various countries in the next two years. Antrix which recorded over Rs. 1,600 crore revenue during 2013-14, got revenue of Rs. 1,850 crore during 2014-15.

### **CSIR-NEERI develops E-Nose for Environmental Monitoring**

Nagpur based National Environmental Engineering Research Institute (NEERI) of Council of Scientific and Industrial Research (CSIR) and the Centre for Development of Advanced Computing (C-DAC) have jointly developed an 'Electronic Nose' for environmental monitoring that can help sniff out a variety of volatile organic compounds (VOCs) and odorants at a pulp and paper mill industry with a prime objective to protect the health of thousands of workers working in this

industry. This portable device measures odour concentration and odour intensity.

The pulp and paper industry emits a variety of gases, namely, hydrogen sulphide, methyl mercaptan, dimethyl sulphide, and dimethyl disulphide all of which beyond a certain concentrations may adversely affect the environment and human health. This newly developed Electronic Nose helps in continuous monitoring of these gases, overcoming all limitations of the available analytical instruments that are not only expensive and time-consuming. Besides, it also establishes a correlation between sensory and analytical measurements for the sulphurous odorants generated from pulp and paper industries, tanneries and distilleries.

The Electronic Nose uses an array of sensors that function on the principle similar to that of human olfaction. The sensor array generates a pattern based on the type of aroma. The researchers are currently working on the application of Electronic Nose to monitor gas emissions from any source, be it an industry or leakage of petroleum pipes going through fields or farms.

### Cryogenic engine of C25 Stage tested successfully

India's first indigenously designed and developed High Thrust cryogenic rocket engine generating a nominal thrust of 19 tonnes was successfully tested on July 16, 2015 at ISRO Propulsion Complex, Mahendragiri. This cryogenic engine of C25 Stage operates on Gas Generator Cycle using extremely low temperature propellants – Liquid Hydrogen (LH<sub>2</sub>) at 20 Kelvin (-253 deg C) and Liquid Oxygen (LOX) at 80K (-193 deg C). The engine will be used for powering the Cryogenic stage (C25), the upper stage of the next generation GSLV Mk-III launch vehicle of ISRO, capable of launching four tonne class satellites.

This high performance cryogenic engine was conceived, configured and realised by Liquid Propulsion Systems

Centre (LPSC), the lead centre of Indian Space Research Organisation (ISRO) responsible for developing liquid propulsion systems for Indian Space Programme.

LPSC has also developed a cryogenic upper stage of 12.5 tonne propellant loading and successfully flight tested it in GSLV Mk-II vehicle on January 05, 2014. Compared to this stage, the C25 stage has a higher propellant loading (27 tonnes versus 12.5 tonnes) and higher engine thrust (19 tonne versus 7.5 tonne).

**Cryogenic technology** involves the use of rocket propellants at extremely low temperatures. The combination of liquid oxygen and liquid hydrogen offers the highest energy efficiency for rocket engines that need to produce large amounts of thrust.

### NASA deploys new system to avoid traffic jams around Mars

The NASA has deployed its enhanced collision-avoidance system with an aim to ensure that Mars orbiters do not approach each other too closely. The system involves process of traffic monitoring, communication and maneuver planning.

The new formal collision-avoidance process for Mars is part of NASA's Multi-Mission Automated Deep-Space Conjunction Assessment Process. A side benefit of it is that information about when two orbiters will be near each other — though safely apart — could be used for planning coordinated science observations. The pair could look at some part of Mars or its atmosphere from essentially the same point of view simultaneously with complementary instruments.

Five active space crafts are now orbiting the Red Planet, including NASA's Mars Atmosphere and Volatile Evolution (MAVEN) and India's Mars Orbiter Mission (Mangalyaan) joined the 2003 Mars Express from ESA (the European Space Agency) and two from NASA — the 2001 Mars Odyssey and the 2006 Mars Reconnaissance Orbiter (MRO).

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Odyssey, MRO and MAVEN — together with NASA's two active Mars rovers, Opportunity and Curiosity — are part of NASA's robotic exploration of Mars that is preparing the way for human-crewed missions there in the 2030s and later, in NASA's Journey to Mars strategy.

### **Marketing of Bio-fuel Blended HSD in selected retail outlets**

The Union Ministry of Petroleum & Natural Gas (MoP&NG) on 10 August 2015 announced Marketing of High Speed Diesel (HSD) blended with Bio-diesel in selected retail outlets of OMC's in New Delhi & Vishakhapatnam (by HPCL), Haldia (by BPCL) and Vijayawada (by IOCL). It is a path breaking step in India's retail sector for launching Bio-diesel B 5 blend to diesel consumers.

Recently, the Ministry of Petroleum and Natural gas has permitted direct sale of Bio-Diesel (B100) to bulk consumers like Railways, shipping and State Road Transport Corporations etc. Also, Ethanol Blended Petrol program (EBP) is being promoted, where ethanol blending in petrol is going from 5 to 10 % based on the availability of ethanol. Promoting and encouraging Biofuels will not only reduce the import of fossil fuel but also save foreign exchange and emphasise on "Make in India" mission. Biofuels are renewable, biodegradable, sustainable and environmental friendly. More importantly, these programmes will connect agrarian community with direct cash flow.

### **Government launches "Sehat" telemedicine initiative**

The government on 25 August 2015 launched a pan-India health initiative called Sehat in line with its Digital India vision. Sehat is short for Social Endeavour for Health and Telemedicine. The initiative, which will be run in collaboration with Apollo Hospitals, aims to connect 60,000 common service centres across the country and provide healthcare access to citizens irrespective of their geographical location. Under the initiative people will be able to consult

doctors through video link and also order generic drugs.

The flagship Digital India initiative is an umbrella programme that seeks to build digital infrastructure, provide government service on the web and mobile platforms and digitally empower all the citizens with an estimated investment of Rs.1.13 trillion over the next three to five years.

One of the targets of Digital India is to connect all the villages at the panchayat level through some 250,000 common service centres that will act as access points for delivery of various government services to citizens. It is a part of working to empower the underprivileged and rural communities both socially and economically to build an inclusive India.

Telemedicine can provide rural population access for basic, specialty and super specialty consultations. Since 80% of conditions do not require a doctor's physical presence immediately, they can be dealt with through telemedicine. Most lifestyle and communicable diseases fall into this category.

### **Telemedicine**

*Telemedicine* is the use of telecommunication and information technologies in order to provide clinical health care at a distance. It helps eliminate distance barriers and can improve access to medical services that would often not be consistently available in distant rural communities. It is also used to save lives in critical care and emergency situations. Apollo Hospitals has opened India's first telemedicine centre in 2000 in Aragonda, Andhra Pradesh, which was inaugurated by Bill Clinton, the then president of the US.

### **ISRO successfully launches GSAT-6 communication satellite**

Geosynchronous Satellite Launch Vehicle (GSLV)-D6 was successfully launched on 27 August 2015. It was launched from the Second Launch Pad at the Satish Dhawan Space Centre SHAR (SDSC SHAR), Sriharikota in

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Andhra Pradesh. GSAT-6 Satellite provides communication through five spot beams in S-band and a national beam in C-band for strategic users.

One of the advanced features of GSAT-6 satellite is its S-Band Unfurlable Antenna of 6 m diameter. This is the largest satellite antenna realised by ISRO. This antenna is utilised for five spot beams over the Indian main land. The spot beams exploit the frequency reuse scheme to increase frequency spectrum utilisation efficiency. The other advanced feature of the satellite is the 70 V bus, which is flying first time in an Indian communication satellite

This is the third time the indigenously developed Cryogenic Upper Stage (CUS) is being carried on-board during a GSLV flight. The flight is significant since it intends to continue the testing of CUS. It is configured with all its three stages including the CUS

### **Importance of Cryogenic Upper Stage (CUS)**

A Cryogenic rocket stage is more efficient and provides more thrust for every kilogram of propellant it burns compared to solid and earth-storable liquid propellant rocket stages. The cryogenic stage is technically a very complex system compared to solid or earth-storable liquid propellant stages due to its use of propellants at extremely low temperatures—Oxygen liquifies at -183 deg C and Hydrogen at -253 deg C, and the associated thermal and structural challenges.

### **GSAT System**

The GSAT or Geosynchronous satellite is a constellation of communication satellites developed by the Indian Space Research Organisation (ISRO) with an objective to make India self-reliant in broadcasting services. Satellites are called GSAT because they function in a geosynchronous orbit around the Earth.

### **Sale of Diclofenac banned in multidose vial for human use**

Based on the recommendation of the Ministry of Environment, Forest and Climate Change, the Ministry of Health and Family Welfare has banned the sale of Diclofenac in multidose vial. It will be sold only in single-dose vial packaging.

Keeping in view the severity of the situation and the need to conserve and protect vultures from extinction, the Ministry of Environment, Forest and Climate Change has requested the Ministry of Health and Family Welfare to restrict the pack of Diclofenac for human use in single dose only. Earlier, the Ministry of Health and Family Welfare, in consultation with Environment, Forest and Climate Change, on 17th July, 2015, restriction on packaging of multi-dose vial of Diclofenac to single dose for human use. Even after banning the use of Diclofenac for veterinary use, the multi-dose vials available in the market for human use were widely misused for veterinary purpose. This, in turn, has a severe impact on the population of vultures.

Earlier, in 2006, the Government of India had imposed a ban on the use of Diclofenac for treating cattle.

Diclofenac is a nonsteroidal anti-inflammatory drug (NSAID) that is used to treat mild to moderate pain or signs and symptoms of osteoarthritis or rheumatoid arthritis. Apart from human use, the drug is also effective in treating cattle. Though the drug is harmless to the cattle it is administered to, but is fatal for the vultures, who routinely feed on the carcass of dead cattle. Studies have shown that the drug causes kidney and liver failure in vultures.

Apart from the environmental point of view, vultures have cultural significance also. The loss of vultures has had impact on the Indian Zoroastrian Parsi community that traditionally uses vultures to dispose of human corpses in Towers of Silence. Due to the loss of vultures in the wild they are compelled to seek alternative methods of disposal.

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Hence, to protect the Critically Endangered species, as per the IUCN Red List of threatened species, the government imposed the ban on its use.

## Apoorva and C-421 Coast Guard ships commissioned into services

Indian Coast Guard (ICG) on 21 September 2015 commissioned two indigenously built ships Apoorva and C-421 at the Naval Dock in Mumbai. The induction of the vessels is expected to boost maritime security along the Arabian Sea coast.

### ICGS Apoorva

ICGS Apoorva is the 15th of the 20 FPVs being built for the Coast Guard by the Cochin Shipyard Limited. It's a 50-meter long fast patrol vessel that displaces 317 tonnes and can achieve a maximum speed of 33 knots. Post commissioning, the ship will be based in Goa. It is equipped with state-of-the-art weaponry, advanced communication and navigational equipment that make her an ideal platform for undertaking multifarious close-coast Surveillance, interdiction, Search & Rescue and medical evacuation missions.

### ICGS C-421

The second ship, ICGS C-421, is an interceptor boat with 27.8-meter length and displaces 106 tonnes. The C-421 is a water jet propelled vessel, 27th in the series of IBs constructed by L&T Limited. This ship can achieve a maximum speed of 45 knots. Post commissioning, the ship will be based at Andrott.

## Workshop on Climate Change Mitigation in Urban Sector-Environmental Guidelines for Buildings

Union Ministry of Urban Development on 21 September 2015 organised a consultative workshop on '**Climate Change Mitigation in Urban Sector**' in New Delhi. During the workshop, Union Ministry of Environment, Forests and Climate Change made a detailed presentation on '**Environmental Guidelines for Buildings**' containing about 30 parameters to be complied with for efficient management of

energy, water, land, solid waste, air quality and noise levels during pre-construction, construction and post construction period.

The objective of the Environmental Guidelines for Buildings was to enable energy efficient, water co-efficient and green sufficient construction through reduced use of natural and depletable resources, recycling, recharge and reuse of water.

The Workshop has been organized to sensitize the States and other stakeholders to the need for green construction in view of the fact that building sector consumes 40% of electricity generated in the country, 30% of raw materials and 20% each of water and land resources besides generating 30% of solid waste and 20% of effluents.

The States have broadly agreed to proactive in ensuring compliance with green construction norms in view of the commitment of the Central Government to mitigate emission of Green House Gases responsible for climate change.

A broad consensus has emerged on the following major provisions:

1. At least 1% of connected applied load of power shall be met from renewable energy sources such as photovoltaic cells or wind mills or hybrid mode. All common area lighting must be of LED/Solar lights. Energy meters must be installed to measure overall energy consumption ;
2. Regular Energy Audit shall be ensured through energy auditors certified by the Bureau of Energy Efficiency;
3. One tree shall be planted for every 100 sq.mt of land area. When trees are to be cut or transplanted, compensatory plantation of 3 trees for every cut to be ensured;
4. Rain Water Harvesting Plan to be designed providing one recharge bore for every 3,000 sq.mt of land area. A minimum of 30% of area open to sky (unbuilt) to be left unpaved to facilitate ground water recharge and

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- reduce heat island effect. Area covered with grass will be treated as unpaved area:
- 5. Sewage Treatment Plant (STP) shall be installed to ensure treatment of 100% solid waste generated and adopting decentralized STPs for larger projects;
  - 6. Natural flow of storm water channels can't be altered without the approval of competent authority. Entry and exit points of such channels must be retained;
  - 7. Organic waste composter/Vermiculture pit with a minimum capacity of 0.3 kg/tenement/day to be installed;
  - 8. Separate wet and dry bins to be provided at the ground level facilitating segregation of waste. All non-biodegradable waste shall be handed over to authorized recyclers;
  - 9. Fertile top soil must be retained to the maximum and for reuse on the site, since it takes about 500 years for formation of one inch of fertile top soil; and
  - 10. Possession of buildings to be handed over only after drainage and water connections are in place and No Objection Certification obtained from the competent authority.

## **Eleventh edition of National Health Profile (NHP) 2015**

The Union Ministry of Health and Family Welfare, on 22 September 2015, has released 11th edition of the National Health Profile (NHP) 2015 prepared by the Central Bureau of Health Intelligence (CBHI). The E-book (digital version) of NHP was also released for the first time. NHP 2015 for the first time also incorporates the health data from ESIC and Railways. The NHP 2015 indicates that significant progress has been made in the country for various health outcomes, which is an encouraging signal.

The National Health Profile covers demographic, socio-economic, health status and health finance indicators, along with comprehensive information on health infrastructure and human resources in health. The National Health Profile is released every year by CBHI since its launch in 2005.

### **Highlights of NHP**

Every government hospital serves an estimated 61,000 people in India, with one bed for every 1833 people. In undivided Andhra Pradesh, every government hospital serves over 3 lakh patients while in Bihar, there is only one bed for every 8800 people.

Every government allopathic doctor serves a population of over 11,000 people, with Bihar and Maharashtra having the worst ratios. The number of qualified allopathic doctors registered with medical councils fell in 2014 to 16,000, or less than half the previous year's number; the data was however provisional. India now has cumulatively 9.4 lakh allopathic doctors, 1.54 lakh dental surgeons, and 7.37 lakh AYUSH doctors of whom more than half are Ayurvedic doctors. India's 400 medical colleges admit an estimated 47,000 students annually.

### **Public expenditure on Health**

The Centre's share of total public expenditure on health has fallen over the last two years, and India spends less of its GDP on health than some of the world's poorest countries. Among all States, undivided Andhra Pradesh had the highest public expenditure on health in 2012-13. Goa and the north-eastern States spent the most on health per capita while Bihar and Jharkhand spent the least.

### **Private expenditure on Health**

Out-of-pocket private expenditure on health has risen steadily over the years, with the cost of medicines, followed by that of hospitalisation accounting for the largest share of the household expenditure. Absolute spending, as well as its share in total non-food expenditure, rises with income levels. Kerala spends the most privately on health.

### **Communicable Diseases**

Deaths from most communicable diseases have been falling steadily in India. Despite recording over 10 lakh cases, deaths from malaria are officially down to just over 500 annually; Odisha accounted for over one in three cases of malaria in 2014. The number of recorded chikungunya

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cases has fallen since a 2010 outbreak, but Maharashtra accounts for nearly half of all cases. Just over 40,000 cases of dengue were officially reported in 2014 and 131 deaths. While the number of cases of Acute Diarrhoeal Disease has risen every year to 1.16 crore in 2014, mortality from the disease has been steadily declining.

However, 2014 saw a sharp spike in cases and deaths due to Acute Encephalitis Syndrome, a disease concentrated in Uttar Pradesh, Bihar, Assam, and West Bengal. Japanese Encephalitis, concentrated in Assam and Uttar Pradesh also rose last year. Pulmonary tuberculosis remains the biggest communicable disease killer in India, accounting for over 63,000 deaths in 2014. Since disease data is largely reported from government health facilities only, it is likely to be heavily underestimated.

### Non-communicable Diseases

Non-communicable diseases are on the rise with cardiovascular diseases according for a quarter of deaths from non-communicable diseases and cancer accounting for six per cent. As per NHP 2015 data, there will be 19 percent increase in cancer among men by 2020 with mouth cancer registering the highest spike despite the countrywide ban on gutkha and a 23 percent increase among women with gall bladder cancer showing the sharpest increase. There will be a 48 percent increase in prostate cancer, 31 percent increase in liver cancer and 22 percent increase in lung cancer.

### Draft of Encryption policy

The Department of Electronics & Information Technology (DeitY) has proposed a Draft National Encryption Policy on its website inviting comments from the public. The purpose of the policy is to frame rules under Section 84A of the Information Technology Act, 2000, regarding use of encryption methods.

Cryptography has emerged as a powerful tool that can help to assure the confidentiality, non-repudiability and integrity of information in

transit and storage as well as to authenticate the asserted identity of individuals and computer systems. Encryption technology was traditionally deployed most widely to protect the confidentiality of military and diplomatic communication.

With the advent of computer and Internet revolution and online applications as well as the recent innovations in the science of encryption, a new market for cryptographic products in E-commerce & E-Governance civilian applications has rapidly developed. Communication and E-commerce applications such as electronic mail and electronic fund transfer, which require secure means of communication, make extensive use of encryption for securing the information and authentication.

The recognition of the need to protect privacy and increase the security of the Internet and associated information systems have resulted in the development of policies that favour the spread of encryption worldwide. The Information Technology Act 2000 provides for prescribing modes or methods for encryption (Section 84A) and for decryption (Section 69). Taking into account the need to protect information assets, international trends and concerns of national security, the cryptographic policy for domestic use supports the broad use of cryptography in ways that facilitates individual / businesses privacy, international economic competitiveness in all sectors including Government.

This policy is not applicable to sensitive departments / agencies of the government designated for performing sensitive and strategic roles. This policy is applicable to all Central and State Government Departments (including sensitive Departments / Agencies while performing non-strategic & non-operational role), all statutory organizations, executive bodies, business and commercial establishments, including public sector undertakings and academic institutions and all

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citizens (including Personnel of Government / Business performing non-official / personal functions).

**Vision:** To enable information security environment and secure transactions in Cyber Space for individuals, businesses, Government including nationally critical information systems and networks.

**Mission:** To provide confidentiality of information in cyber space for individuals, protection of sensitive or proprietary information for individuals & businesses, ensuring continuing reliability and integrity of nationally critical information systems and networks.

## Objectives

- i) To synchronize with the emerging global digital economy / network society and use of Encryption for ensuring the Security / confidentiality of data and to protect privacy in information and communication infrastructure without unduly affecting public safety and National Security.
- ii) To encourage wider usage of Digital Signature by all entities including Government for trusted communication, transactions and authentication.
- iii) To encourage the adoption of information security best practices by all entities and Stakeholders in the Government, public & private sector and citizens that are consistent with industry practice.

## Strategies:

1. Category of Users: Based on the nature of transactions that require encryption the users in the Policy are classified as:
  - G: Govt. - All Central and State Government Departments (including sensitive departments / agencies while performing non-strategic and non-operational role).
  - B: All statutory organizations, executive bodies, business and commercial establishments, including all Public Sector Undertakings, Academic institutions.

C: All citizens (including personnel of Government / Business (G/B) performing non-official / personal functions).

G2G: Government to Government users

G2B,G2C,B2G & C2G: Government to Business & Government to Citizen users

B2B: Business to Business users

B2C & C2B: Business to Citizen users

2. Use of Encryption technology for storage and communication within G group of users with protocols & algorithms for Encryption, key exchange, Digital Signature and hashing will be as specified through notification by the Government from time to time.

3. Use of Encryption technology for communications between G group and B / C groups (i.e. G2B and G2C sectors) with protocols and algorithms for encryption, key exchange, Digital Signature and hashing will be as specified through notification by the Government from time to time.

4. Users / Organizations within B group (i.e. B2B Sector) may use Encryption for storage and communication. Encryption algorithms and key sizes shall be prescribed by the Government through Notifications from time to time. On demand, the user shall be able to reproduce the same Plain text and encrypted text pairs using the software / hardware used to produce the encrypted text from the given plain text. Such plain text information shall be stored by the user/ organisation/agency for 90 days from the date of transaction and made available to Law Enforcement Agencies as and when demanded in line with the provisions of the laws of the country.

5. B / C groups (i.e. B2C, C2B Sectors) may use Encryption for storage and communication. On demand, the user shall reproduce the same Plain text and encrypted text pairs using the software / hardware

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used to produce the encrypted text from the given plain text. All information shall be stored by the concerned B / C entity for 90 days from the date of transaction and made available to Law Enforcement Agencies as and when demanded in line with the provisions of the laws of the country. In case of communication with foreign entity, the primary responsibility of providing readable plain- text along with the corresponding Encrypted information shall rest on entity (B or C) located in India.

6. Service Providers located within and outside India, using Encryption technology for providing any type of services in India must enter into an agreement with the Government for providing such services in India. Government will designate an appropriate agency for entering into such an agreement with the Service provider located within and outside India. The users of any group G,B or C taking such services from Service Providers are also responsible to provide plain text when demanded.
7. Users within C group (i.e. C2C Sector) may use Encryption for storage and communication.

Encryption algorithms and key sizes will be prescribed by the Government through Notification from time to time. All citizens (C), including personnel of Government / Business (G/B) performing non-official / personal functions, are required to store the plaintexts of the corresponding encrypted information for 90 days from the date of transaction and provide the verifiable Plain Text to Law and Enforcement Agencies as and when required as per the provision of the laws of the country.

8. Algorithms and key sizes for Encryption as notified under the provisions in this Policy only will be used by all categories of users.

## Regulatory Framework

1. Registration: All vendors of encryption products shall register their products with the designated agency of the Government.

While seeking registration, the vendors shall submit working copies of the encryption software / hardware to the Government along with professional quality documentation, test suites and execution platform environments. The vendors shall work with the designated Government Agencies in security evaluation of their encryption products. Complete confidentiality will be maintained in respect of information shared by the vendors with designated agency. The vendors shall renew their registration as and when their products are upgraded. Mass use products like SSL / TLS are exempted from registration.

2. The Government will notify the list of registered encryption products from time to time, without taking responsibility for security claims made by the vendors.
3. The vendors of encryption products or service providers offering encryption services shall necessarily register their products / services with Government for conducting business in the country.
4. Government may review this policy from time to time and also during times of special situations and concerns.
5. Encryption products may be exported but with prior intimation to the designated agency of Government of India. Users in India are allowed to use only the products registered in India.
6. Government reserves the right to take appropriate action as per Law of the country for any violation of this Policy.

## Promotion of Research and Development in Cryptography

1. Research and Development programs will be initiated for the development of indigenous algorithms and manufacture of indigenous products for Encryption, hashing and other cryptographic functions. These will be carried out by

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Public and Private Sector / Government Agencies and Academia. Continuous intensified R&D activities in the niche areas of technical analysis and evaluation of Encryption products will be strengthened.

2. Testing and evaluation infrastructure for Encryption products will be set up by the Government.
3. Technical Advisory Committee: The technology is advancing at a fast pace. New forms of applications / products are emerging which employ encryption as integral part of the product. Many newer forms of communications with an intent to hide / protect information including social network based communication, peer-to-peer communication etc are already becoming very popular. The encryption deployed in such communication applications / devices uses both fixed and dynamic key algorithms for key exchanges and Encryption. Government agencies constantly identify these new forms of communication. A Technical Advisory Committee will monitor the technology development in the area of Cryptography to make appropriate recommendations on all aspects of Encryption policies and technologies. It will carry out a continual follow-up of the National and International activities in basic and applied research in the science and technology of Encryption. However, after public outcry, government withdrew the controversial draft encryption policy and it would place it in public domain again after reworking some of the “expressions” that had given rise to “misgivings”.

### **China successfully debuts its Long March 11 rocket**

China has successfully conducted the debut launch of its Long March 11 rocket. The new booster lofted four micro-satellites into space from the Jiuquan Satellite Launch Center in

the northwestern province of Gansu on 25 September 2015. The rocket delivered a trio of Tianwang satellites and the Pujiang 1 spacecraft into a Sun-synchronous orbit (SSO) at an altitude of about 299 miles (481 km), inclined 97.3 degrees.

The Tianwang CubeSats (1A, 1B and 1C) were developed by the Shanghai Engineering Center for Microsatellites (SECM). The satellites will participate in a series of networking experiments involving a small constellation of low-cost satellites.

The main goal of the mission is to experiment with Software Defined Radio (SDR) in space. The amateur radio payloads will be used for exchanging Telemetry, Tracking and Command (TT&C) information with the amateur radio ground control station. Information about the telemetry will be made publicly available so that radio amateurs around the world may track and monitor the health of the satellites.

The Pujiang 1 micro-satellite, built by the Shanghai Academy of Spaceflight Technology (SAST), is designed to be a technology demonstrator. It is meant to demonstrate miniaturized satellite components like heat transfer pumps and microprocessors. The titanium structure of its antenna was made by 3D printing in three days. It also features a Wi-Fi router providing a communication network between satellites.

The Long March 11 is a small, solid-fueled quick-reaction launch vehicle developed by the China Academy of Launch Vehicle Technology (CALT). It uses the most powerful solid-rocket motor that China currently manufactures. It will mainly be used for launching micro-satellites.

The Long March 11 measures some 6.6 ft. (2 m) in diameter and is capable of sending up to 1,500 lbs. to low-Earth orbit (LEO) and 770 lbs. to SSO. The rocket uses three solid-fueled stages with an auxiliary liquid-fueled upper module for precise insertion capability. The

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vehicle is launched from a launch tube mounted on a road mobile vehicle.

The successful launch of the Long March 11 booster marked a major breakthrough for China in terms of developing key technology for solid propellant rockets. Long March 11 is the next in a line of launch vehicles being inaugurated by the country as part of the beginning of a major transition in rocket technology. The nation is switching from a toxic propellant combination to what they have described as environmentally-friendly propellants for medium and heavy-lift rockets and solid propellant for light-lift vehicles.

The debut of Long March 11 comes just a few days after the maiden flight of China's other new booster, the Long March 6 on Sept. 19. During that flight the new rocket orbited a swarm of some 20 small satellites. Thursday's flight was the 211th mission for the Long March rocket family and China's eight launch of the year.

## Shanti Swarup Bhatnagar awards-2015

CSIR on 26 September 2015 announced Shanti Swarup Bhatnagar (SSB) Prize for Science and Technology 2015 for eleven scientists in recognition of their work. The SSB Prize consists of a citation, a plaque and a cash prize of 5 lakh rupees. The selected awardees in different fields are:

**Biological Sciences:** Dr Balasubramanian Gopal of Molecular Biophysics Unit Indian Institute of Science Bangalore and Dr Rajeev Kumar Varshney of Centre of Excellence in Genomics International Crops Research Institute for the Semi Arid Tropics (ICRISAT), Hyderabad

**Chemical Sciences:** Dr D Srinivasa Reddy Division of Organic Chemistry CSIR National Chemical Laboratory, Pune and Dr Pradyut Ghosh of Department of Inorganic Chemistry Indian Association for the Cultivation of Science in Jadavpur, Kolkata

**Earth, Atmosphere, Ocean and Planetary Sciences:** Dr Jyotiranjan Srichandan Ray of

Geosciences Division Physical Research Laboratory, Ahmedabad

**Engineering Sciences:** Dr Yogesh Moreshwar Joshi of Department of Chemical Engineering, Indian Institute of Technology Kanpur

**Mathematical Sciences:** Dr K Sandeep of TIFR Centre for Applicable Mathematics, Bangalore and Dr Ritabrata Munshi School of Mathematics Tata Institute of Fundamental Research, Mumbai

**Medical Sciences:** Dr Vidita Ashok Vaidya of Department of Biological Sciences Tata Institute of Fundamental Research, Mumbai

**Physical Sciences:** Dr Bedangadas Mohanty of School of Physical Sciences National Institute of Science Education and Research, Bhubaneswar and Dr Mandar Madhukar Deshmukh of Department of Condensed Matter Physics and Materials Science of Tata Institute of Fundamental Research, Mumbai

## PLSV-C30 successfully launches India's first dedicated astronomy research satellite- 'Astrosat'

On 28 September 2015, the Polar Satellite Launch Vehicle, PSLV-C30, has successfully blasted off the India's first dedicated multi-wavelength astronomy research satellite 'Astrosat' from the first launch pad of the Satish Dhawan Space Centre in Sriharikota and inserted Astrosat into the low earth, equatorial orbit of 650 kilometre height.

ASTROSAT aims at understanding the high energy processes in binary star systems containing neutron stars and black holes, pulsars, white dwarfs, quasars, and active galactic nuclei, to estimate magnetic fields of neutron stars, analyse how stars and galaxies are actually born and how they ultimately die and high energy processes in star systems lying beyond the Milky Way galaxy. The turbo-charged 'mini Hubble Telescope' will be used in ASTROSAT.

The mission also intends to detect new briefly bright X-ray sources in the sky, to perform a limited deep field survey of the Universe in the ultraviolet region.

The 1,531 kilogram satellite has a planned lifespan of five years. PSLV-C30, in its extended version, also positioned six small satellites of US, Canada and Indonesia into their orbits. This marks the first commercial launch of US payloads from India. Till recently, the US had kept ISRO under sanctions and was denied the critical cryogenic engine technology which pushed back India's foray into deep space by two decades.

### **Payloads of ASTROSAT**

ASTROSAT has five payloads which have been developed by ISRO in collaboration with four Indian institutions and two foreign organisations, namely Tata Institute of Fundamental Research (TIFR), Indian Institute of Astrophysics (IIA), Inter-University Centre for Astronomy and Astrophysics (IUCAA), Raman Research Institute (RRI), Canadian Space Agency (CSA) and University of Leicester (UoL), UK.

**Ultraviolet Imaging Telescope (UVIT):** capable of observing the sky in the Visible, Near Ultraviolet and Far Ultraviolet regions of the electromagnetic spectrum.

**Large Area X-ray Proportional Counter (LAXPC):** It is designed for study the variations in the emission of X-rays from sources like X-ray binaries, Active Galactic Nuclei and other cosmic sources.

**Soft X-ray Telescope (SXT):** It is designed for studying how the X-ray spectrum of 0.3-8 keV range coming from distant celestial bodies varies with time.

**Cadmium Zinc Telluride Imager (CZTI):** functioning in the X-ray region extends the capability of the satellite to sense X-rays of high energy in 10-100 keV range.

**Scanning Sky Monitor (SSM):** It is intended to scan the sky for long term monitoring of bright X-ray sources in binary stars, and for the detection and location of sources that become bright in X-rays for a short duration of time.

### **Six foreign satellites**

PSLV-C30 also carried six small satellites from USA, Canada and Indonesia.

**LAPAN-A2 (Indonesian):** 76-kg satellite is a micro-satellite from the National Institute of Aeronautics and Space and will provide maritime surveillance using automatic identification system (AIS). It will support Indonesian radio amateur communities for disaster mitigation and carrying out earth surveillance using video and digital camera.

**NLS-14 (Ev9), Canada:** 14-kg is a maritime monitoring Canadian nano satellite using the next generation AIS. It was designed by the Space Flight Laboratory, University of Toronto Institute for Advanced Studies.

**LEMUR nano (USA):** These are four non-visual remote sensing satellites developed by Spire Global Inc, San Francisco, US with focus primarily on global maritime intelligence through vessel tracking via AIS and high-fidelity weather forecasting using GPS radio occultation technology.

With this, ISRO has successfully crossed the half century mark as for foreign satellites. ISRO has launched 51 satellites for foreign satellites so far

The satellite during its mission life will be managed by the spacecraft control centre at Mission Operations Complex (MOX) of ISRO Telemetry, Tracking and Command Network (ISTRAC) at Bangalore.

ISRO has been launching mostly application oriented satellites for telecommunication, broadcasting and remote sensing purposes. However, missions like Chandrayaan-1 and Mangalyaan marked significant advances in scientific studies. ISRO has laid another milestone by establishing India's own observatory in space by successfully putting Astrosat into orbit. Astrosat adds a new dimension to India's space programmes, laying the foundation for a deeper understanding of the Universe and its various exciting phenomena. Though ASTROSAT may be similar to the NASA's Hubble Space Telescope, the former is about 10 times smaller and cannot be compared to the Hubble, which is versatile.

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With its successful launch, ISRO asserts, India will be the only country to have multi-wavelength space-based observatory capable of monitoring intensity variations in a broad range of cosmic sources. According to ISRO, the satellite will have concurrent wide spectral coverage over visible, ultra-violet, soft X-ray and hard X-ray regions of the spectrum.

With its successful launch, India becomes the first country in the developing world to have its own telescope in space and joins a select club of US, Russia, European Union and Japan to have such a capability. China is still working on its first space telescope called the 'Hard X-ray Modulation Telescope'.

### Evidence of liquid water on Mars: NASA

New findings from NASA's Mars Reconnaissance Orbiter (MRO) provide the strongest evidence yet that liquid water flows intermittently on present-day Mars. Using an imaging spectrometer on MRO, researchers detected signatures of hydrated minerals on slopes where mysterious streaks are seen on the Red Planet. These darkish streaks appear to ebb and flow over time. They darken and appear to flow down steep slopes during warm seasons, and then fade in cooler seasons. They appear in several locations on Mars when temperatures are above minus 10 degrees Fahrenheit (minus 23 Celsius), and disappear at colder times.

These downhill flows, known as recurring slope lineae (RSL), often have been described as possibly related to liquid water. The new findings of hydrated salts on the slopes point to what that relationship may be to these dark features. The hydrated salts would lower the freezing point of a liquid brine, just as salt on roads here on Earth causes ice and snow to melt more rapidly. Scientists say it's likely a shallow subsurface flow, with enough water wicking to the surface to explain the darkening.

Ojha first noticed these puzzling features as a University of Arizona undergraduate student in 2010, using images from the MRO's High Resolution Imaging Science Experiment (HiRISE). HiRISE observations now have documented RSL at dozens of sites on Mars. The new study pairs HiRISE observations with mineral mapping by MRO's Compact Reconnaissance Imaging Spectrometer for Mars (CRISM).

The spectrometer observations show signatures of hydrated salts at multiple RSL locations, but only when the dark features were relatively wide. When the researchers looked at the same locations and RSL weren't as extensive, they detected no hydrated salt. Ojha and his co-authors interpret the spectral signatures as caused by hydrated minerals called perchlorates. The hydrated salts most consistent with the chemical signatures are likely a mixture of magnesium perchlorate, magnesium chlorate and sodium perchlorate. Some perchlorates have been shown to keep liquids from freezing even when conditions are as cold as minus 94 degrees Fahrenheit (minus 70 Celsius). On Earth, naturally produced perchlorates are concentrated in deserts, and some types of perchlorates can be used as rocket propellant.

Perchlorates have previously been seen on Mars. NASA's Phoenix lander and Curiosity rover both found them in the planet's soil, and some scientists believe that the Viking missions in the 1970s measured signatures of these salts. However, this study of RSL detected perchlorates, now in hydrated form, in different areas than those explored by the landers. This also is the first time perchlorates have been identified from orbit.

Scientists in 2008 confirmed the existence of frozen water on Mars. But the latest observations from an instrument aboard NASA's Mars Reconnaissance Orbiter support the long-time theory that salt water in liquid form flows down certain Martian slopes each summer, according to the researchers.

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MRO has been examining Mars since 2006 with its six science instruments. The discovery is the latest of many breakthroughs by NASA's Mars missions.

The NASA's Jet Propulsion Laboratory in Pasadena, California, a division of the California Institute of Technology, manages the Mars Reconnaissance Orbiter Project for NASA's Science Mission Directorate, Washington. Lockheed Martin built the orbiter and collaborates with JPL to operate it.

### **China launches 20th Beidou navigation satellite**

China launched a new-generation satellite into orbit, that will support its global navigation and positioning network, by a Long March-3B carrier rocket from Xichang Satellite Launch Center in the southwestern province of Sichuan on 30 September, 2015. It was the 20th satellite for the BeiDou Navigation Satellite System (BDS), and puts China one step closer to providing an alternative to the U.S.-operated GPS. For the first time the satellite featured a hydrogen atomic clock. A series of tests related to the clock and a new navigation-signal system will be undertaken.

The first Beidou satellite was not launched until 2000. Nonetheless, by 2012, a regional network had already taken shape, which provided positioning, navigation, timing and short message services in China and several other Asian countries. The BeiDou was named after the Chinese term for the plough or the Big Dipper constellation, the BeiDou project was formally launched in 1994, some 20 years after GPS.

China plans to expand the Beidou services to most of the countries covered in its "Belt and Road" initiative by 2018, and offer global coverage by 2020.

### **Navigation Satellite System**

Satellite-based navigation system is a system of satellites that provide autonomous geo-spatial positioning with global coverage. Satellite-based navigation systems use a version of

triangulation(longitude, latitude, and altitude/elevation) to locate the user, through calculations involving information from a number of satellites. Each satellite transmits coded signals at precise intervals. The receiver converts signal information into position, velocity, and time estimates, which allows time synchronisation. Using this information, any receiver on or near the earth's surface can calculate the exact position of the transmitting satellite and the distance (from the transmission time delay) between it and the receiver. Coordinating current signal data from four or more satellites enables the receiver to determine its position.

A satellite navigation system with global coverage may be termed a global navigation satellite system (**GNSS**).The present Satellite based Navigation Satellite Systems are- Indian Regional Navigation Satellite System (IRNSS), India; Global Positioning System (GPS), United States; GLONASS, Russia; Doppler Orbitography and Radio-positioning Integrated by Satellite (DORIS), France ; Quasi-Zenith Satellite System (QZSS), Japan and **Galileo** global navigation satellite system (GNSS), European Union.

### **WHO removes limitations on HIV treatment**

The World Health Organisation (WHO), on September 30 2015, has removed all limitations on eligibility for antiretroviral therapy (ART) among people living with HIV soon after diagnosis. With this, all populations and age groups will now eligible for treatment.

The expanded use of antiretroviral treatment is supported by recent findings from clinical trials confirming that early use of ART keeps people living with HIV alive, healthier and reduces the risk of transmitting the virus to partners.

WHO has also recommended that people at 'substantial' risk of HIV should be offered preventive antiretroviral treatment.

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The recommendations were developed as part of a comprehensive update of the WHO consolidated guidelines on the use of antiretroviral drugs for preventing and treating HIV infection. This new recommendation follows up the 2014 WHO guidance that offered a combination of antiretroviral drugs to prevent HIV acquisition, Pre-exposure Prophylaxis (PrEP), for men who have sex with men.

Following further evidence of the effectiveness and acceptability of PrEP, WHO has now broadened this recommendation to support the offer of PrEP to other population groups at significant HIV risk. PrEP will now be an additional prevention choice based on a comprehensive package of services, including HIV testing, counselling and support and access to condoms and safe injection equipment.

According to WHO, expanding access to treatment is at the heart of a new set of targets for 2020 with the aim to end the Aids epidemic by 2030. These targets include 90% of people living with HIV being aware of their HIV infection, 90% of those receiving antiretroviral treatment, and 90% of people on ART having no detectable virus in their blood.

It states that according to UN-Aids estimates, expanding ART to all people living with HIV and expanding prevention choices can help avert 21 million Aids-related deaths and 28 million new infections by 2030.

### **Torpedo launch and recovery vessel 'INS Astradharini' commissioned into Indian Navy**

Addressing a long felt need of the Indian Navy for a torpedo launch and recovery vessel (TLRV) 50-metre catamaran hull, India's first totally indigenously designed and built, INS Astradharini has commissioned at the Naval Jetty in Visakhapatnam on 6 October 2015 and added to the Eastern Fleet.

The unique design is a collaborative effort of Naval Science and Technological Laboratory (NSTL), IIT Kharagpur and Shoft Shipyard. The catamaran hull configuration

significantly reduces the power requirement of the ship that is capable of attaining 15 knots. The ship also has modern power generation, distribution, navigation and communication systems. The unique hull form of the ship demonstrates the country's ship design and shipbuilding capabilities.

INS Astradharini will be used to carry out the technical trials of underwater weapons and systems like torpedoes and mines developed by developed by NSTL, a naval systems laboratory of Defence Research and Development Organisation (DRDO). It is an advanced replacement for Astravahini which was decommissioned on July 17 this year. Astravahini was 112 tonne 28.5 m auxiliary ship.

This induction added thrust to the country's ongoing endeavours towards indigenisation and achieving the goal of self reliance in underwater weapons development.

The Eastern Fleet comprises 30 warships, which include destroyers, stealth frigates, amphibious ships, anti-submarine warfare corvette, missile corvettes, offshore patrol vessels, missile boats, and tankers.

Earlier last month, the Indian Navy had also commissioned INS Kochi, the largest India-made warship. INS Kochi is the Indian Navy's second warship with multi-function surveillance and threat alert radar.

### **NASA outline of its plans to send humans to Mars**

The US space agency, National Aeronautics and Space Administration (NASA) has released a detailed outline of its plans to send manned mission to Mars in its report titled "NASA's Journey to Mars: Pioneering Next Steps in Space Exploration" on 9 October 2015 with the goal of eventually establishing an extraterrestrial colony. In its report, NASA lists three "thresholds" that need to be crossed before humans can reach Mars. Although the space agency did not announce a firm date for a manned mission, humans might be living and working in "Earth independent" habitats on

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Mars as early as the 2030s — if all goes according to plan.

The first stage of the plan - “Earth Reliant” exploration - which is already underway focuses on testing technologies and studying the impact of long-duration missions and microgravity on human health through experiments conducted aboard the International Space Station (ISS).

The second stage of plan -”Proving Ground” - the space agency will not only conduct experiments and operations in the cislunar space — the space around the moon — it will also develop and test technologies required for human exploration of Mars. This includes a series of exploration missions — starting with the first integrated test of the Space Launch System and the Orion spacecraft, tentatively scheduled to take place in 2018 — and developing a reliable habitation system that can keep astronauts healthy and productive in the deep-space environment during missions that last up to 1,100 days. NASA will learn to conduct complex operations in a deep space environment that allows crews to return to Earth in a matter of days.

The final stage - “Earth Independent” - would implement what NASA learns on the ISS and in deep space to enable human missions to the vicinity of Mars and possibly to low-Mars orbit or one of the Martian moons, and eventually the Martian surface.

NASA added in the report that, it is also committed to designing “a new and powerful transportation” system involving solar electric propulsion, which will use the sun’s energy to take spacecraft deeper into space. And other focus areas include solar electric propulsion with advanced ion thrusters, habitation systems, nuclear fission for Mars surface power, EDL [Entry, Descent and Landing] systems, laser communications for high data rate transmission, deep-space atomic clocks for precise navigation, and many others. in the report.

Further, NASA mentioned in its report that “the future Mars missions will represent a collaborative effort between NASA and its partners — a global achievement that marks a transition in humanity’s expansion as we go to Mars to seek the potential for sustainable life beyond Earth. Living and working in space require accepting risks — and the journey to Mars is worth the risks”.

With the Space Launch System, Orion crewed module, and revitalised space launch complex, the US space agency is developing core transportation capabilities for the journey to Mars and ensuring continued access for commercial crew and cargo partners to maintain operations and stimulate new economic activity in low-Earth orbit. However, before manned missions to Mars become a reality, there are certain as-of-yet insurmountable problems that NASA would need to address. The average surface temperature on Mars is approximately minus 80 degrees Fahrenheit — much lower than the human body can tolerate — and since the planet’s atmosphere is 100 times thinner than Earth’s, astronauts would be subjected to relatively high levels of radiation both from the sun and from galactic cosmic rays.

### **China launches Tianhui-1C mapping satellite**

China on 26 October 2015 successfully launched the **Tianhui-1C** mapping satellite into its designated orbit from **Jiuquan satellite launch centre** in the north-western province of Gansu. A Long **March-2D carrier rocket** carried the Tianhui-1C mapping satellite blasts off from the launch pad. The satellite will offer a boost to country’s ability to carry out scientific experiments, land resource surveys, mapping, crop yield estimation and disaster relief. The Tianhui-1C, which is the third satellite in the Tianhui-1 series, was designed by a subsidiary of the **China Aerospace Science and Technology Corp (CASTC)**.The first Tianhui 1

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mapping satellite was launched in August 2010, and Tianhui 1B was launched in May 2012.

### India test-fires BrahMos Supersonic Cruise Missile successfully

India on 1 November 2015 successfully test-fired BrahMos Supersonic Cruise Missile from INS Kochi off the west coast. BrahMos, in its 49th test-firing, successfully destroyed target ship Alleppey which was stationed 290 km away, the missile's full range. The purpose of the test was to validate capabilities of BrahMos and INS Kochi, the country's newest stealth-destroyer, which was inducted into the navy on 30 September 2015.

#### BrahMos Missile

It is the first supersonic cruise missile known to be in service and is capable of carrying a conventional and nuclear warhead of 300 kilogram. It is a two-stage missile having Solid propellant in the first stage and Ramjet liquid propellant in the second stage. It can be launched from land, Sea, Sub-seas and air. While the navy and army versions of the missile were inducted in 2005 and 2007 respectively, the air version is still in the testing stage. It approaches the enemy target with a top speed of Mach 2.8; which is about three times faster than the US subsonic Tomahawk cruise missile.

The missile has been developed by the BrahMos Aerospace Private Limited. It is a joint venture between Russian Federation's NPO Mashinostroeyenia and India's Defence Research and Development Organisation (DRDO) and the missile derives its name from the names of two rivers, namely the Brahmaputra of India and the Moskva of Russia.

### Sixth UNEP Emissions Gap Report-2015

The United Nations Environment Programme (UNEP) Emissions Gap report launched on 6 November 2015 in Geneva, which confirms that the collective ambition of Intended Nationally Determined Contributions (INDCs) is "far from enough", leaving a "very significant" emissions

gap in 2030. Further, report says "Only a dynamic Paris climate agreement in December can help keep global warming under the 2°C threshold, as the current levels of greenhouse gas (GHG) emissions to be cut by 2030 — 11 gigatonnes — is only about half of the total required".

This is even if all conditional and unconditional Intended Nationally Determined Contributions (INDCs) of countries submitted by October 1 are fully implemented, as emissions will still be 12 gigatonnes of carbon dioxide equivalent (GtCO<sub>2</sub>e) beyond the level that gives a likely chance of limiting global temperature rise to 2°C this century.

Ahead of the U.N. climate meeting to commence in December, the UNEP report provides a sense of the scale of the task lying ahead of countries to curb global warming. It shows that the 119 INDCs submitted so far represent GHG emission reductions in 2030 of 4 to 6 GtCO<sub>2</sub>e compared to what the emissions would be under the current policy trajectory. With regard to the various potential scenarios for the emissions gap in 2025 and 2030, the report finds the following:

The global emission levels consistent with a chance of staying below the 2°C limit, following a least-cost pathway from 2020, 48 GtCO<sub>2</sub>e in 2025 and 42 GtCO<sub>2</sub>e in 2030. Emissions are projected to be 54 GtCO<sub>2</sub>e in 2025 and 56 GtCO<sub>2</sub>e in 2030, if all unconditional INDCs are implemented. This gives emission gaps of 7 GtCO<sub>2</sub>e and 14 GtCO<sub>2</sub>e in 2025 and 2030 respectively.

If conditional INDCs are included, the global emissions projection is 53 GtCO<sub>2</sub>e in 2025 and 54 GtCO<sub>2</sub>e in 2030. This would give emission gaps of 5 GtCO<sub>2</sub>e and 12 GtCO<sub>2</sub>e in 2025 and 2030 respectively.

If countries that have not yet submitted an INDC were to reduce their emissions at the same percentage as those that have already submitted, the gap would narrow by a further 0.5 GtCO<sub>2</sub>e in 2025 and 1 GtCO<sub>2</sub>e in 2030.

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The report notes that 2030 projections based on current policies are themselves 5 GtCO<sub>2</sub>e lower than the estimate of 65 GtCO<sub>2</sub>e by the Inter-governmental Panel for Climate Change (IPCC) fifth assessment report, which assumed no additional climate policies, put in place after 2010.

The report noted, it is clear from the assessment of the mitigation contributions from the INDCs that much more needs to be done. It says "This round of INDCs should therefore be considered as the first step in building foundations for a successful global climate agreement".

### Forest loss

The report has a special chapter on Reducing Emissions from Deforestation and Forest Degradation (REDD+), a U.N. programme focussing on opportunity for climate change mitigation through forest-related actions in developing countries, and finds the theoretical potential of reducing forest loss and restoring forests could be as high as 9 GtCO<sub>2</sub>e/yr in Africa, Asia and the Pacific and Latin America and the Caribbean combined.

The report noted, however, economic and land-use factors may constrain the achievable benefits to around 3 GtCO<sub>2</sub>e/yr. This reflects the fact that forest loss, which reached 7.6 million hectares per year between 2010-2015, accounts for the largest portion of emissions from land use, the report notes. While the full potential of REDD+ has not yet been reached, many countries are expressing their willingness to undertake large-scale forest-related mitigation.

REDD+ also has the potential to contribute to the large-scale restoration of degraded forest landscapes, which would boost food production and support adaptation to climate change.

The report finds the impact of actions by International Cooperative Initiatives – such as the C40 Cities Climate Leadership Group, the Compact of Mayors, and the Cement

Sustainability Initiative – can also be significant. Preliminary assessments indicate an emission reduction in the range of the range of 0.75 to 2 GtCO<sub>2</sub>e in 2020.

This sixth UNEP Emissions Gap Report provides a scientific assessment of the mitigation contributions from the submitted INDCs. As in the previous reports, it then compares the resulting emission levels in 2030 with what science tells us is required to be on track towards the agreed target of a global average temperature increase below 2°C by 2100. The Report also provides data for the aspirational target of keeping the temperature increase below 1.5°C. In addition, the Report presents selected areas where enhanced action can be taken, accelerated and scaled up to close the emissions gap.

### Indian astronomers detect dying giant radio galaxy

A team of astronomers working at the National Centre for Radio Astrophysics, Pune have discovered, using the Giant Metrewave Radio Telescope (GMRT), an extremely rare galaxy of gigantic size. This galaxy - located about 9 billion light years away towards the constellation Cetus - emits powerful radio waves and has an end to end extent of a whopping 4 million light years. Such galaxies with extremely large radio size are appropriately called giant radio galaxies.

It is believed that the presence of a super massive black hole at the centre of the galaxy drives large scale jets of hot plasma in diametrically opposite directions, which eventually give rise to large radio lobes (see image). While radio galaxies with size less than a million light years are common, giant radio galaxies are extremely rare, even more so, at large cosmic distances where only a handful have been discovered so far.

This newly discovered galaxy, known by its scientific name 'J021659-044920', is the newest member of this elite group. Under some special circumstances, the central black hole may stop producing the radio jet, and then the

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bright radio lobes fade away, within a few million years, due to lack of replenishment. What makes J021659-044920 special is that it has been caught in this dying phase, where the radio jet appears to have switched off and the radio lobes have started fading. The fading of the lobes is caused by their losing energy in two ways: one, by emitting radio waves which show up as the gigantic radio lobes, and two, by transferring energy to photons from the cosmic microwave background via a process known as inverse Compton scattering.

This latter mechanism leads to faint X-ray emission, which is seen to emanate from the radio lobes of this galaxy. Such dying radio objects are best studied using a low frequency radio telescope such as the GMRT. The GMRT, the world's largest radio telescope facility operating at low radio frequencies, is an array of 30 fully steerable, 45 metre diameter antennas, spread out over a 30 km region around Khodad, near Narayangaon town of Pune district. For their analysis, the team, led by Prathamesh Tamhane from the Indian Institute of Science Education and Research (IISER-Pune) under the supervision of Yogesh Wadadekar at the National Centre for Radio Astrophysics, combined their GMRT observations with previous observations made with a slew of international ground and space based telescope facilities.

By using data from multiple telescopes spanning across the electromagnetic spectrum, they were able to carry out a comprehensive and incredibly detailed analysis of the physical conditions around this distant galaxy. The properties of the magnetic field in the region between galaxies in the distant universe can be understood with these observations.

### **Nuclear weapons-capable strategic missile Agni-IV test-fires successfully**

India's 4,000-km range nuclear weapons-capable strategic missile, Agni-IV was successfully test-fired from the launch complex-4 of Integrated Test Range (ITR) at Abdul Kalam

Island, formerly known as Wheeler Island off Odisha coast on 9 November 2015. The Army's Strategic Forces Command, which is entrusted with the task of handling strategic weapons, launched from a road-mobile launcher.

All the radar stations, telemetry and electro-optical systems along the East Coast monitored the performance of the missile during the entire operation. After accelerating to a height of about 600 km, the re-entry vehicle with a dummy payload withstood scorching temperatures as it re-entered the atmosphere and splashed down near the pre-designated area in the Bay of Bengal.

The two-stage solid-propelled, surface-to-surface ballistic missile is designed to carry a one-tonne payload to a distance of 4,000 km. Advanced ring laser gyro-based Inertial Navigation system and Micro Inertial Navigation System in redundant mode guided the missile to reach its pre-designated target area.

Agni-IV missile is equipped with 5th generation onboard computer and distributed architecture. It has the latest features to correct and guide itself for in-flight disturbances

Agni-I, II and III and Prithvi are already in the arsenal of the armed forces, giving them reach of over 3000 kms and providing the country an effective deterrence capability.

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