



## China's Presence in the Horn of Africa

**For Prelims:** Horn of Africa, Middle East, Red Sea, East Africa Community

**Foe Mains:** Significance of Horn of Africa for India and Way Forward, China's Presence in Horn of Africa Region

### Why in News?

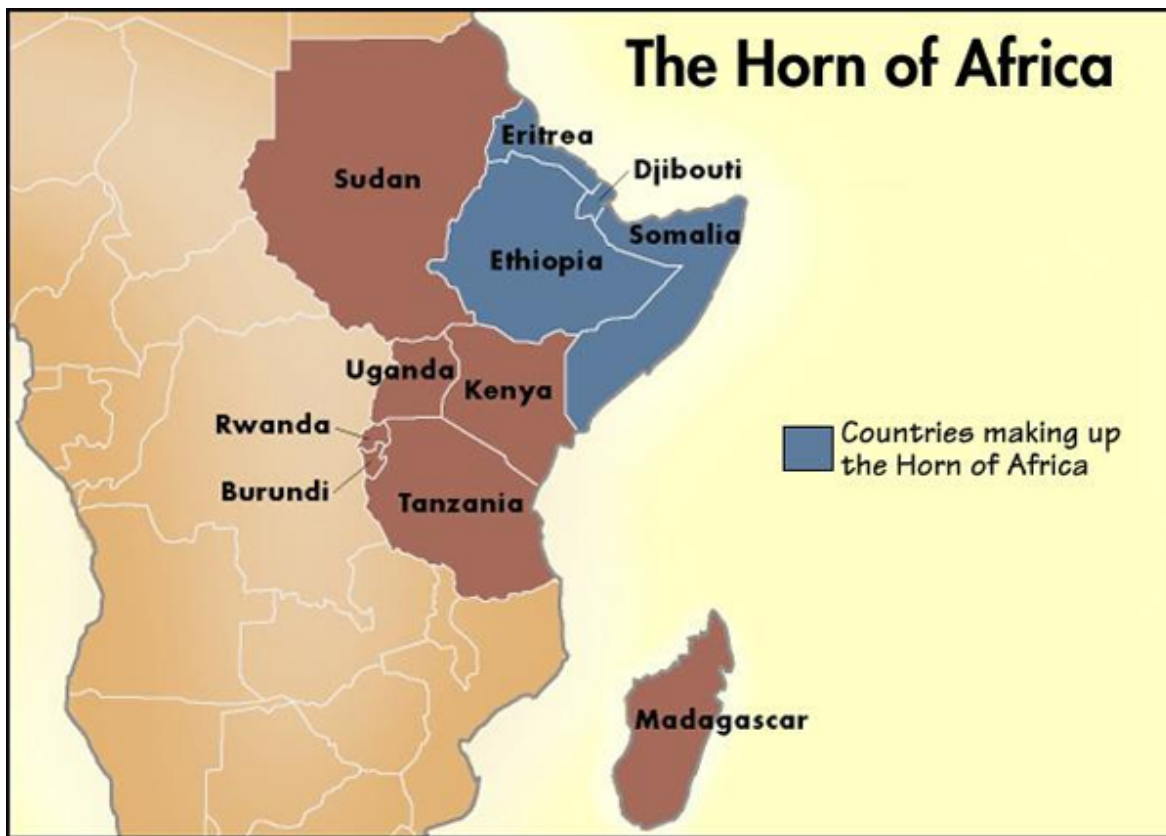
Recently, first **"China-Horn of Africa Peace, Governance and Development Conference."** was held.

- This is the first time **China aims "to play a role in the area of security"**.

### What is Horn of Africa?

- The Horn of Africa is a **peninsula in Northeast Africa**.
- Located on the **easternmost part of the African mainland**, it is the fourth largest peninsula in the world.
- It lies **along the southern boundary of the [Red Sea](#) and extends hundreds of kilometres into the Guardafui Channel, Gulf of Aden, and [Indian Ocean](#)**.
- The Horn of Africa is equidistant from the equator and the Tropic of Cancer.
- The Horn contains such diverse areas as the **highlands of the Ethiopian Plateau, the Ogaden desert, and the Eritrean and Somalian coasts**.
- The Horn of Africa denotes the region containing the countries of **Djibouti, Eritrea, Ethiopia, and Somalia**.
- The area has experienced imperialism, neo-colonialism, [Cold War](#), ethnic strife, [intra-African conflict](#), [poverty](#), disease, [famine](#) and much else.

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## What are the Recent Chinese Projects?

- In January 2022, China asserted its three objectives in Africa: **controlling the pandemic, implementing a Forum on China-Africa Cooperation (FOCAC) outcomes, and upholding common interests while fighting hegemonic politics.**
- In the 2021 forum, the entire region of the Horn participated, and **four resolutions were adopted:**
  - **The Dakar Action Plan:**
    - The two sides commend the development of relations between China and Africa, and believe that over the past 21 years since its inception, the Forum has strongly promoted the development of relations between China and Africa, and become an important benchmark for international cooperation with Africa.
  - **China-Africa Cooperation Vision 2035:**
    - It was formulated to determine the directions and objectives of mid- and long-term cooperation and promote a closer community with a shared future for China and Africa.
  - **Sino-African Declaration on Climate Change:**
    - It is aimed at enhancing coordination and cooperation in the multilateral process on climate, and jointly safeguard the legitimate rights and interests of China, Africa and other developing countries.
  - **Declaration of the Eighth Ministerial Conference of FOCAC:**
    - Under the theme "Deepen China-Africa Partnership and Promote Sustainable Development to Build a China-Africa Community with a Shared Future in the New Era" and committed to the development of FOCAC and to the deepening of the China-Africa comprehensive strategic and cooperative partnership, both adopted by consensus the **Dakar Declaration of the Eighth Ministerial Conference of FOCAC.**
    - **The FOCAC promotes China's role in the infrastructural and societal development of the Horn.**

- During the [Covid-19 pandemic](#), China donated over 3,00,000 vaccines to Ethiopia and Uganda, and 2,00,000 vaccines to Kenya and Somalia. Sudan and Eritrea have also benefited from China's vaccine diplomacy.

## What are China's Primary Interests in the Region?

- **Infrastructure:**
  - One of its landmark projects was fully funding the USD 200 million African Union headquarters in Addis Ababa.
  - China has also invested in the Mombasa-Nairobi rail link in Kenya, and has already delivered on railway projects in Sudan.
  - It also has a **viable military hardware market in Ethiopia** and has built over 80 infrastructural projects in Somalia, including hospitals, roads, schools and stadiums.
  - In Djibouti, 14 infrastructural projects are funded by China.
- **Financial Assistance:**
  - **Ethiopia, is one of the top five African recipients of Chinese investments**, and also has a debt of almost USD 14 billion.
  - China accounts for **67% of Kenya's bilateral debt**.
  - In 2022, China promised to provide USD 15.7 million assistance to Eritrea.
- **Natural Resources (Oil and Coal):**
  - China is also interested in minerals such as gold, [iron-ore](#), precious stones, chemicals, oil and [natural gas](#) in Ethiopia.
  - South Sudan, a source for petroleum products, has had continued Beijing investment in the industry since the latter's initial entry in 1995.
- **Maritime Interests:**
  - China's first and only military base outside **its mainland is in Djibouti**.
  - In 2022, China hinted its willingness to **develop Eritrea's coast which would connect to China's investments in land-locked Ethiopia**.
  - The U.S. has **speculated that China wishes to build another military base in Kenya and Tanzania**, thereby increasing its military presence in the region.

## Does China shift from its Principle of Non-Intervention?

- For Africa, Chinese investments could lead to stable environments which could help the countries achieve their peace and development objectives. For China, conflict in the region comes at a heavy cost.
- In Ethiopia, when the conflict broke out, over **600 Chinese nationals, working on different projects, were evacuated, putting several investments at risk**.
- From a trading perspective, the region plays a significant role in achieving the objectives of the China-Africa Cooperation Vision 2035.
- China's **move towards peace in Africa indicates a shift in its principle of non-intervention**.
- It is China's message that **its presence in the continent has a larger objective** and is not likely to be limited to the Horn of Africa.
- This includes an aim to project **itself as a global leader and boost its international status**.
- Further, the recent developments imply that China is focusing on a multifaceted growth in the continent for the long run.
- For Africa, **China's presence is an alternative to the European powers**, many of whom are facing criticism from African governments.
- Further, African governments, which do not conform to Western standards of democracy, interact better with powers like China and Russia.

## What is the Significance of Horn of Africa for India?

- **Africa has been a Growing Interest:**
  - Africa has been of **growing interest to India for political, economic and security reasons**, especially the sub-region - the Horn of Africa.
- **Proximity to Oil Producing Region:**

- The Horn of Africa is **strategically important since it is close to the oil-producing region of the [Middle East](#)**.
- Approximately 40% of the oil produced in the Middle East **crosses through the shipping lanes of [Red Sea](#)**.
- **Shipping Routes:**
  - Djibouti is the choke point on this shipping route. It is due to this reason **that countries like the United States, France, and China have a military base in Djibouti**.
  - With the new reliance on the sea lines of communication for India's economic growth, **Delhi declared that its national interests were no longer limited to the Subcontinent but stretched from the "[Aden to Malacca](#)"**.

## What is India's Concern over China's presence?

- **Dominance in the Indian Ocean:**
  - Situated on the north-western edge of the Indian Ocean, Djibouti could become **another of China's "string of pearls" of military alliances** and assets ringing India, including Bangladesh, Myanmar and Sri Lanka.
  - China has stepped up activity in the Indian Ocean, which India considers within **its sphere of influence, in recent days**, citing anti-piracy patrols and freedom of navigation. It has forced the Indian Navy to tighten surveillance of the strategic waters.
- **China seeks to control over Vital Shipping Routes:**
  - The Indian Ocean shipping lanes **carry 80% of the world's oil and a third of the global bulk cargo**. China is looking to secure **its energy and trade transportation links along the vital shipping route**.
- **Influencing Indian Ocean Countries:**
  - The Indian Ocean is also emerging as the playground for countries eyeing a bigger role in world affairs. China is looking to **generate goodwill and influence in the Indian Ocean countries by investing in projects such ports, roads and railways**.
  - China is looking to expand its presence in the Indian Ocean, and is building ports and other infrastructure in Sri Lanka, Bangladesh and Pakistan.
- **Expanding through OBOR:**
  - The Indian Ocean figures prominently in China's ambitious **[One Belt, One Road \(OBOR\) initiative](#)** to build a new Silk Route.
    - India has kept away from OBOR as its centrepiece.

## Way Forward

- What happens in the region has **a direct bearing on India's security and well-being and hence India should pay more attention to the prevailing conditions and power dynamics in the Horn of Africa**.
- India would be **well advised to become more active in examining and discussing the complex problem in-depth with the governments in Eastern Africa**, the African Union and others concerned so as to be able to make a meaningful contribution to its resolution.

**[Source: TH](#)**

## Nature-based Solutions

**For Prelims:** Nature Based Solutions, World Urban Forum, IUCN, Local-led adaptation, Green roofs, World Water Day, UN Climate Action Summit, Cities4Forests

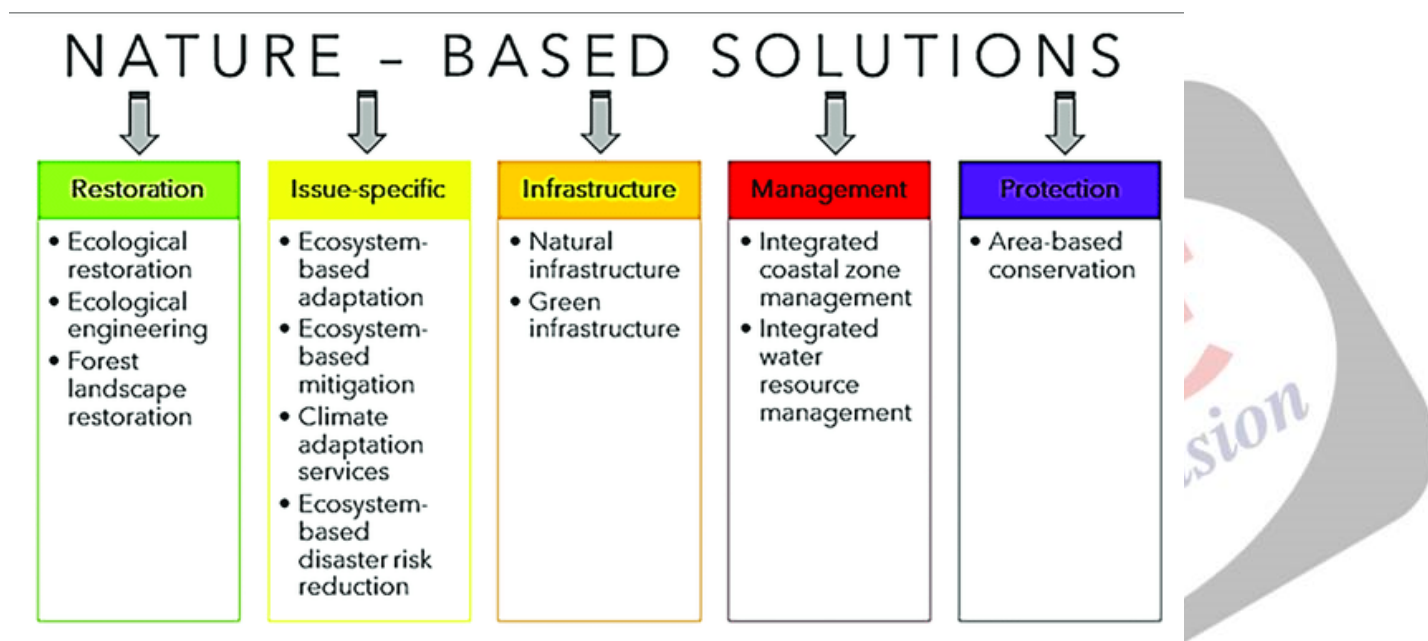
**For Mains:** Local-led adaptation, Types of Nature based Solutions, Recognition of NbS



## Why in News?

Recently, the **National Institute of Urban Affairs (NIUA)** [Climate Centre for Cities](#) (NIUA C-Cube), [World Resources Institute India](#) (WRI India) and their partners launched **India's first National Coalition platform for Urban [nature-based solutions \(NbS\)](#)** at the **11<sup>th</sup> World Urban Forum in Poland**.

- **NIUA** focuses on **research, knowledge management, policy, advocacy, and capacity building** on **urban development** and management to address and develop **sustainable, inclusive, and productive [urban ecosystems](#)** in the country.



## What is the World Urban Forum?

- The World Urban Forum (WUF) is the **premier global conference on sustainable urbanization**.
- The WUF was established in 2001 by the [United Nations](#) to examine rapid urbanization and its impact on communities, cities, economies, climate change and policies.
- WUF11 is **co-organized by UN-Habitat, Poland's Ministry of Development Funds and Regional Policy and the Municipal Office of Katowice, Poland**.

## What are the Key Highlights of National Coalition platform for NbS?

- The **India Forum for Nature-based Solutions** aims to create a collective of NbS entrepreneurs, government entities and like-minded organizations, **to help scale urban nature-based solutions through:**
- **Defining a shared language and communicating benefits** that inform actions at the local level including scaling up of existing NbS interventions.
- **Driving investment** and strengthening delivery mechanisms through multi-stakeholder coordination.
- **Mainstreaming urban ecosystem-based services** and nature-based solutions in India **through informing policy, plans and project interventions**.

## What is the Significance of Nature Based Solutions?

### ▪ About:

- **Nature-based Solutions (NbS)** are defined by [IUCN](#) as “**actions to protect, sustainably manage, and restore natural or modified ecosystems**, that address societal challenges effectively and adaptively, simultaneously **providing human well-being and biodiversity benefits**.”
  - Ecosystem-based services and Nature-Based Solutions are fast emerging as **cost-effective and sustainable ways** to address **climate change** induced challenges such as **heat, urban flooding, air and water pollution and storm surges**.
  - Along with **mitigating the impact of climate change**, NbS also helps in providing multiple ecosystem benefits along with addressing various societal challenges including **building resilience of the underserved and vulnerable urban communities** who are **most affected by climate change induced catastrophes**.
    - To overcome or minimize the impacts of climate change, the idea of **local-led adaptation** has been widely discussed, **which is directed to NbS**.

## What is Local-led Adaptation?

- Local-led adaptation refers to **local communities, local governments acting strongly in taking effective decisions to tackle climate change**.
- Local-led adaptation is often characterised by **indigenous solutions, which are often associated with nature**.
- Given that the most vulnerable populations are the ones that are more dependent on natural resources, it is, therefore, to be expected that coping solutions also often germinate from the same source.
  
- **Potentials:**
  - **Restoring wetlands to buffer local communities** from flood waters, or conserving mangrove forests that provide nurseries for fish and protect nearby homes against storm damage.
  - From **protecting salt marshes to restoring forest habitats**, nature-based solutions are already in operation across the world.
  - **Green roofs or walls** are Nature-based solutions that **can be implemented in cities** to moderate the impact of high temperatures, capture stormwater, abate pollution, and act as carbon sinks, while simultaneously enhancing biodiversity.
- **Types:**
  - **Minimal Intervention in Ecosystems:**
    - It consists of **no or minimal intervention in ecosystems**,
    - **Examples include the protection of mangroves in coastal areas** to limit risks associated with extreme weather conditions and provide benefits and opportunities to local populations.
  - **Some Interventions in Ecosystems and Landscapes:**
    - It corresponds to **management approaches that develop sustainable and multifunctional ecosystems and landscapes (extensively or intensively managed)**.
    - This type of NBS is strongly connected to concepts like natural systems [agriculture](#), [agro-ecology](#), and **evolutionary-orientated forestry**.
  - **Managing Ecosystems in Extensive Ways:**
    - It consists of managing ecosystems in very extensive ways or **even creating new ecosystems (e.g., artificial ecosystems with new assemblages of organisms for green roofs and walls to mitigate city warming and clean polluted air)**.
    - It is linked to concepts like [green and blue infrastructures](#) and **objectives like restoration of heavily degraded or polluted areas and greening cities**.
- **Recognition:**
  - **United Nations:**

- The UN promoted NBS as the **theme for [World Water Day 2018](#)** as "Nature for Water".
  - **The UN World Water Development Report was titled "Nature-based Solutions for Water"**.
  - The **2019 [UN Climate Action Summit](#)** highlighted **Nature-based solutions** as an effective method to combat climate change.
  - A **Nature Based Solution Coalition** was created, including dozens of countries, **led by China and New Zealand**.
- **European Union:**
  - Since 2016, the EU has supported a **multi-stakeholder dialogue platform (Think Nature)** to promote the co-design, testing, and deployment of **improved and innovative NBS** in an integrated way.
- **India:**
  - India launched its first **National Coalition platform for Urban nature-based solutions (NbS)** under the **[Cities4Forests](#)** initiative.
    - **Cities4Forests: It works closely with cities around the world to connect with forests**, emphasises the importance of wetlands and their multiple benefits to help **combat climate change and protect biodiversity in cities**.

[Source: PIB](#)

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## Impact of Internet Shutdowns

**For Prelims:** Office of the United Nations High Commissioner for Human Rights (OHCHR), #KEEPITON coalition, World Bank

**For Mains:** Internet Shutdowns and their implications

### Why in News?

Recently, a report published by the **[Office of the United Nations High Commissioner for Human Rights \(OHCHR\)](#)** named **Internet shutdowns: Trends, causes, legal implications and impacts on a range of human rights**, stated that shutting down the internet affects people's safety & well-being, hampers information flow and harms the economy.

### What is an Internet Shutdown?

#### ▪ About:

- Internet shutdowns are **measures taken by a government or by any entity on behalf of a government, to intentionally disrupt access to and the use of information and communications systems online**.
- Shutdowns often include complete blocks of Internet connectivity or accessibility of the affected services. However, **governments increasingly resort to throttling bandwidth or limiting mobile service to 2G**, which, while nominally maintaining access, renders it extremely difficult to make meaningful use of the Internet.
- Governments across the world have resorted to shutting down the internet citing a range of reasons.
- Further makes it difficult to share and watch videos, live broadcasts, and other journalistic work, often ordered during civil society movements, security measures as well as electoral proceedings, and severely restricts human rights monitoring and reporting.

#### ▪ **Related International Frameworks:**

- Internet shutdowns deeply affect many human rights, they most immediately affect freedom of expression and access to information – one of the foundations of free and democratic societies and an indispensable condition for the full development of the person.
- It is a touchstone for all other rights guaranteed in the International Covenant on Civil and Political Rights and other **human rights** instruments (i.e. [Universal Declaration of Human Rights](#)).
- The [Sustainable Development Goals](#) reinforce States' human rights obligations to work towards universally available and accessible Internet, free from unjustified restrictions.
- Founded to facilitate international connectivity in communications networks, the [International Telecommunication Union \(ITU\)](#) works on the adoption of standards that ensure that networks and technologies interconnect, and strives to improve access to the Internet

### What are the Key Findings?

#### ▪ **Global Scenario:**

- The **first major internet shutdown** that captured global attention took place in **Egypt in 2011** and was accompanied by hundreds of arrests and killings.
- The **#KeepItOn coalition**, which **monitors internet shutdown episodes** across the world, documented **931 shutdowns in 74 countries from 2016-2021**.
- As many as 12 countries implemented more than 10 shutdowns during that period. Globally, all regions have experienced multiple shutdowns, but the **majority reported occurred in Asia and Africa**.
- As many as 132 of the shutdowns recorded by civil society groups were officially **justified by the need to control the spread of hate speech, disinformation, or other forms of content deemed illegal or harmful**.

#### ▪ **Indian Scenario:**

- India blocked or disrupted internet connections **106 times and at least 85 of India's internet shutdown episodes were in Jammu & Kashmir**.
- Almost half of all shutdowns recorded by civil society groups from 2016-2021 were carried out in the context of **protests and political crises**, with 225 shutdowns recorded during public demonstrations relating to a vast range of social, political or economic grievances.

#### ▪ **Shutdowns During Elections:**

- It eliminates access to digital tools that are critical for campaigning, promoting public discussion, conducting voting and overseeing the electoral processes.
- In 2019 alone, 14 African countries disrupted access to the internet during electoral periods.
- Disruptions severely inhibit the work of journalists and the media in general, a key element of fair elections. **In Uganda**, shutdowns undermined media coverage of the elections in 2021, amid reports of violent repressive measures.
- Shutdowns following protests during electoral periods were also reported in countries such as Belarus and Niger.

#### ▪ **Impact of Internet Shutdown:**

- **On Economic Activities:** It causes major economic costs for all sectors, disrupting financial transactions, commerce and industry.
  - The [World Bank](#) recently calculated that Internet shutdowns in Myanmar alone had cost nearly USD 2.8 billion from February-December 2021, reversing economic progress made over the previous decade.
- **On Education:** It undermines learning outcomes and interferes with education planning and communication among teachers, school administrators and families.
- **On Access to Health and Humanitarian Assistance:**
  - Studies have shown the significant impacts of shutdowns on health systems, including on mobilizing urgent medical care, disrupting the delivery of essential medicines and maintenance of equipment, limiting the exchange of health information between medical personnel and disrupting essential mental health assistance.
  - Internet shutdowns have a profound effect on the ability of humanitarian actors to provide assistance. Supply chains and the flow of information critical to the delivery



of goods and services can be disrupted.

- In Myanmar, Internet shutdowns reportedly put local aid organizations at peril, including because they prevented them from seeking and receiving funds.

## Supreme Court of India Guidelines for Internet Shutdown

- As held by the Hon'ble Supreme Court in *Anuradha Bhasin v. UOI (2020)*, the shutdowns do not violate Article 19 of the Indian Constitution. It acts as a reasonable restriction and it should only be enacted if there is a genuine threat to public safety or national security. Certain balancing tests should be carried out and only if extremely necessary, the government should proceed with this extremely restrictive step.

## Way Forward

- The report noted that one of the greatest obstacles to reversing the trend towards a greater frequency of Internet shutdowns is the **limited visibility of those measures and their impacts**.
- The report urged states to refrain from imposing shutdowns, to maximize Internet access and remove the multiple obstacles standing in the way of communication.
- It also called upon companies to **speedily share information on disruptions and ensure that they take all possible lawful measures to prevent shutdowns they have been asked to implement**.
- Shutdowns run directly counter to efforts to close the digital divide, and the promise of the accelerated economic and social development that closing the divide would bring, threatening the realization of the Sustainable Development Goals.

[Source: DTE](#)

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## Road Safety

**For Prelims:** Road Safety, Urbanization, Anti-lock braking system, Vulnerable Road Users, Radar gun, E challan, Brasilia Declaration on Road Safety, National Highways Authority of India Act

**For Mains:** Road Safety, Infrastructure

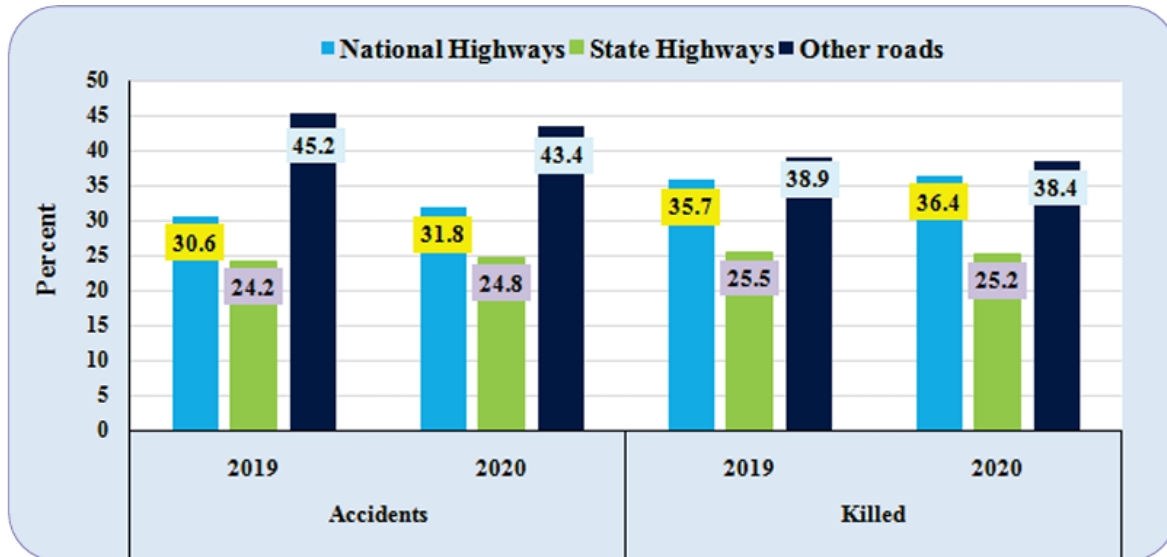
## Why in News?

According to the latest Lancet Study, **steps to check speeding can save 20,000 lives annually in India.**

- Interventions focusing on four key risk factors such as **speeding, drunk driving, non-use of crash helmets and seatbelts** could prevent **25% to 40% of 13.5 lakh fatal road injuries worldwide every year.**

## What are the Key Highlights?

- According to the **Ministry of Road Transport and Highways' 2020 report** there were a total of 1,31,714 deaths due to [road accidents in India](#).
  - **Speeding** accounted for **69.3%** of deaths.
  - **Non-wearing of helmets** resulted in **30.1%** deaths.
  - **Non-use of seatbelts** caused **11.5%** of deaths.
- **Road Traffic Injuries (RTIs)** are the **eighth leading cause of death** globally for all ages and the first cause in the **5-29 years age group**.
  - India accounts for almost **10% of all crash-related deaths**, while accounting for **only 1% of the world's vehicles**.



## What is the Significance of Road Safety in India?

- **About:**
  - **Road transport** is the **dominant mode of transport in India**, in terms of traffic share and in terms of contribution to the national economy.
  - To meet the demand for road transport, the number of vehicles and the length of road network have increased over the years.
  - A negative externality of expansion in road network, **motorization and urbanisation** in the country is the increase in road accidents and road crash fatalities.
- **Causes:**
  - **Infrastructural deficits:** Pathetic conditions of roads and vehicles, poor visibility and poor road design and engineering - including quality of material and construction, especially a **single-lane with a sharp curve**.
  - **Negligence and risks:** **Over speeding, driving under the influence of alcohol or drugs, tiredness or riding without a helmet, driving without seatbelts.**
  - **Distraction:** **Talking over mobile phones** while driving has become a major cause of road accidents.
  - **Overloading:** To save on the cost of transportation.
  - **Weak Vehicle Safety Standards in India:** In 2014, crash tests carried out by the **Global New Car Assessment Programme (NCAP)** revealed that some of India's top-selling car models have failed the UN (United Nations)'s frontal impact crash test.
  - **Lack of awareness:** Regarding the importance of safety features like **airbags, Anti lock Braking system** etc.
- **Impacts:**
  - **Economics:**
    - India **loses 3% of its GDP** due to **road accidents**, most of which are preventable.
  - **Social:**
    - **Burden on Households:**
      - Every road accident death causes depletion of nearly seven months' household income in poor families and **pushes the kin of victims into a cycle of poverty and debt**.

- **Vulnerable Road Users (VRUs):**
  - **VRUs** bear a disproportionately large burden of road crashes and account for more than half of all road crash deaths and serious injuries in the country.
    - It is often the poor, especially male road-users of working age, that constitute the category of VRUs.
- **Gender Specific Impact:**
  - Women in the families of victims bore the burden across poor and rich households, often taking up extra work, **assuming greater responsibilities, and performing caregiving activities.**
  - According to World Bank's report "**Traffic Crash Injuries and Disabilities: The Burden on Indian Society, 2021.**"
    - About **50% of women were severely affected** by the **decline in their household income after a crash.**
    - **About 40% of women reported a change in their working patterns post-accident,** while around **11% reported taking up extra work to deal with the financial crisis.**
    - The income decline for low-income rural households (56%) was the most severe compared to low-income urban (29.5%) and high-income rural households (39.5%).

## How can Road Accidents be controlled?

- **Transparent Machinery:**
  - With **E-challan implementation**, corruption can be decreased for the compensation of traffic infringement fines.
- **Speed-Detection Devices:**
  - Installation of proven speed detection devices such as Radar and speed detection camera systems can be introduced.
    - **Chandigarh and New Delhi have already implemented the service of speed detection devices** such as **digital still cameras** (Chandigarh), speed cameras (New Delhi), and **Radar gun** (New Delhi) in traffic control.
      - **Radar Gun** is a **handheld device** used by traffic police to **estimate the speed of a passing vehicle.**
- **Improved Safety Measures:**
  - **Speed humps**, raised platforms, **Roundabouts**, and **optical markings** can reduce road accidents to a great extent.
- **Stricter Rules and Heavy Fines:**
  - In order to reduce violations of traffic rules, heavy motor vehicle fines can be imposed on the violators specially when **driving under the influence of liquor, cannabis or another drug.**
- **Vehicular Safety Standards:**
  - Vehicle safety features such as **electronic stability control, effective Car Crash Standards** and **advanced braking** should be made mandatory.
    - Recently, the Ministry of Road Transport and Highways introduced **Bharat NCAP (New Car Assessment Programme).**
- **Role of bystanders:**
  - Bystanders play a major role in post-crash care. They contribute by activating the emergency care system and taking simple, potentially life-saving actions until professional help is available.
- **Training and capacity building:**
  - Training courses and training workshops should be organized for building capacity in road safety audits and road safety engineering.

## What are the Initiatives Related to Road Safety?

- **Global:**
  - **Brasilia Declaration on Road Safety (2015):**
    - The declaration was signed at the second Global High-Level Conference on Road

Safety held in Brazil. **India is a signatory to the Declaration.**

- The countries plan to achieve **Sustainable Development Goal 3.6** i.e. **to halve the number of global deaths and injuries from road traffic accidents by 2030.**
- **Decade of Action for Road Safety 2021-2030:**
  - The **UN General Assembly** adopted resolution "**Improving global road safety**" with the ambitious target of **preventing at least 50% of road traffic deaths and injuries by 2030.**
  - The Global Plan **aligns with the Stockholm Declaration**, by emphasizing the importance of a **holistic approach to road safety.**
- **The International Road Assessment Programme (iRAP) :**
  - It is a registered charity dedicated to saving lives through safer roads.
- **India:**
  - **Motor Vehicles Amendment Act, 2019:**
    - The Act **hikes the penalties for traffic violations, defective vehicles, juvenile driving, etc.**
    - It provides for a **Motor Vehicle Accident Fund**, which would provide **compulsory insurance cover to all road users in India for certain types of accidents.**
    - It also provides for a **National Road Safety Board**, to be created by the Central Government.
  - **The Carriage by Road Act, 2007:**
    - The Act provides for the **regulation of common carriers**, limiting their liability and declaration of value of goods delivered to them to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts of themselves, their servants or agents and for matters connected therewith or incidental thereto.
  - **The Control of National Highways (Land and Traffic) Act, 2000:**
    - The Act provides for the **control of land within the National Highways**, right of way and traffic moving on the National Highways and also for removal of unauthorized occupation thereon.
  - **National Highways Authority of India Act, 1998:**
    - The Act provides for the constitution of an authority for the **development, maintenance and management of NHs** and for matters connected therewith or incidental thereto.

[Source: TH](#)

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## Goods and Services Tax Council

**For Prelims:** GST Council, One Nation One Tax

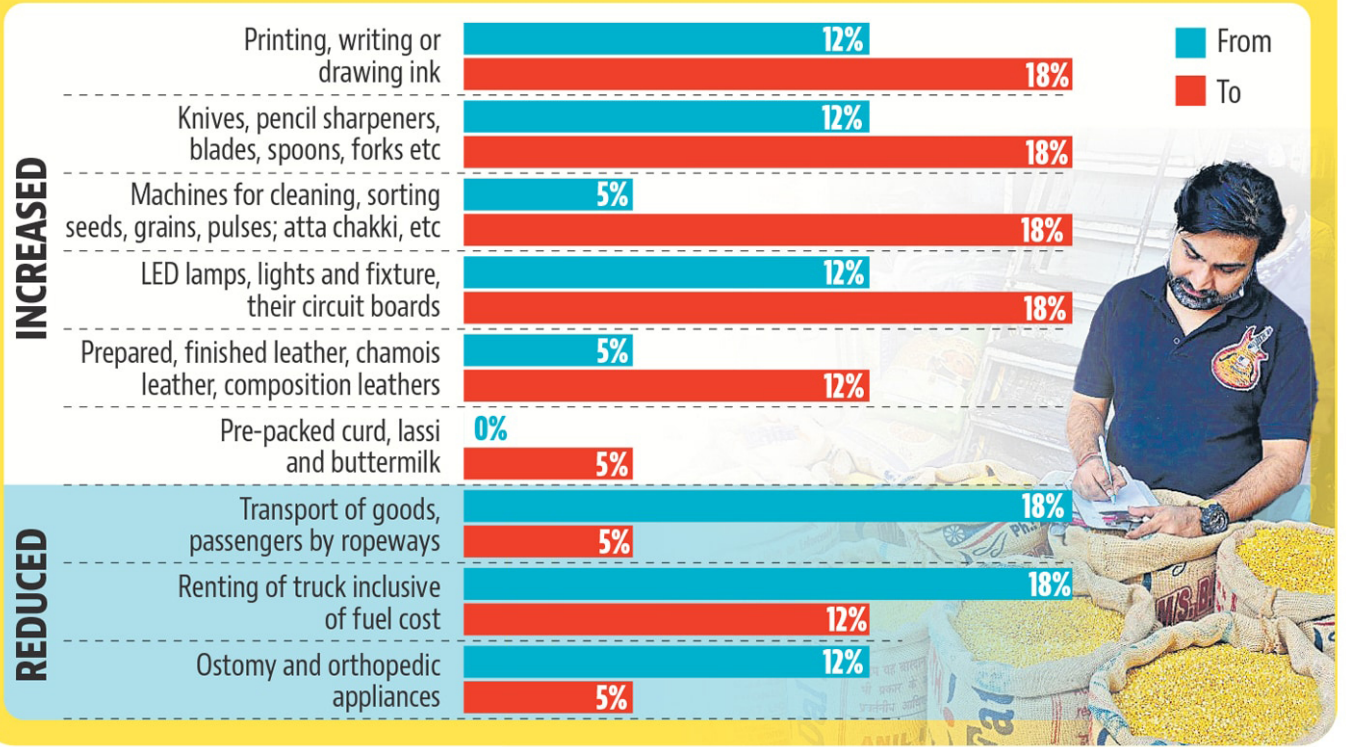
**For Mains:** Significance and Challenges associated with GST

### Why in News?

Recently, at the 47<sup>th</sup> meeting of the **Goods and Services Tax (GST)** Council, chaired by Union Finance Minister, officials approved hiking the rates for some goods and services while removing exemptions for several mass consumption items to simplify the rate structure.



# What becomes costlier, cheaper



## What is the GST Council?

### ▪ Background:

- The Goods and Services Tax regime came into force after the Constitutional (122<sup>nd</sup> Amendment) Bill was passed by both Houses of Parliament in 2016.
- More than 15 Indian states **then ratified it in their state Assemblies**, after which the President gave his assent.

### ▪ About:

- The GST Council is a joint forum of the Centre and the states.
- It was **set up by the President as per Article 279A (1)** of the amended Constitution.

### ▪ Members:

- The members of the Council include the **Union Finance Minister (chairperson)**, the Union Minister of State (Finance) from the Centre.
- **Each state can nominate a minister in-charge** of finance or taxation or any other minister as a member.

### ▪ Functions:

- The Council, according to Article 279, is meant to **“make recommendations to the Union and the states on important issues** related to GST, like the goods and services that may be subjected or exempted from GST, model GST Laws”.
- It also decides on various rate slabs of GST.
  - For instance, an interim report by a panel of ministers has suggested imposing 28 % GST on casinos, online gaming and horse racing.

### ▪ Recent Developments:

- This is the **first meeting since a decision of the Supreme Court** in May 2022, Supreme Court stated that the **recommendations of the GST Council are not binding**.
- The court said **Article 246A of the Constitution gives both Parliament and state legislatures** “simultaneous” power to legislate on GST and recommendations of the Council “are the product of a collaborative dialogue involving the Union and States”.
  - This was **hailed by some states, such as Kerala and Tamil Nadu**, who believe states can be more flexible in accepting the recommendations as suited to them.

## What is Goods and Services Tax?

- **About:**
  - GST was introduced **through the 101<sup>st</sup> Constitution Amendment Act, 2016**.
  - It is **one of the biggest indirect tax reforms** in the country.
    - It was introduced with the slogan of **'One Nation One Tax'**.
  - The GST has subsumed indirect taxes like **excise duty, Value Added Tax (VAT), service tax, luxury tax etc.**
  - It is essentially a consumption tax and is levied at the final consumption point.
- **Tax Structure under GST:**
  - Central GST to cover Excise duty, Service tax etc,
  - State GST to cover VAT, luxury tax etc.
  - Integrated GST (IGST) to cover inter-state trade.
    - IGST per se is not a tax but a system to coordinate state and union taxes.
  - It has a 4-tier tax structure for all goods and services under the slabs- 5%, 12%, 18% and 28%.
- **Reasons for introducing GST:**
  - To **mitigate the double taxation**, cascading effect of taxes, multiplicity of taxes, classification issues etc., and has led to a common national market.
  - The GST that a merchant **pays to procure goods or services** (i.e. on inputs) can be set off later against the tax applicable on supply of final goods and services.
    - The set off tax is called input tax credit.
  - The GST **avoids the cascading effect or tax on tax** which increases the tax burden on the end consumer.

## What is the Significance of GST?

- **Create a Unified Common Market:** Help to create a unified common national market for India. It will also give a boost to foreign investment and **"Make in India"** campaign.
- **Streamline Taxation:** Through harmonization of laws, procedures and rates of tax between Centre and States and across States.
- **Increase Tax Compliance:** Improved environment for compliance as all returns are to be filed online, input credits to be verified online, encouraging more paper trail of transactions at each level of supply chain;
- **Discourage Tax evasion:** Uniform SGST and IGST rates will reduce the incentive for evasion by eliminating rate arbitrage between neighbouring States and that between intra and inter-state sales
- **Bring about Certainty:** Common procedures for registration of taxpayers, refund of taxes, uniform formats of tax return, common tax base, common system of classification of goods and services will lend greater certainty to taxation system;
- **Reduce Corruption:** Greater use of IT will reduce human interface between the taxpayer and the tax administration, which will go a long way in reducing corruption;
- **Boost Secondary Sector:** It will boost export and manufacturing activity, generate more employment and thus increase **GDP (Gross Domestic Product)** with gainful employment leading to substantive economic growth.

## What are the Issues Associated with GST?

- **Multiple Tax Rates:** Unlike many other economies which have implemented this tax regime, India has multiple tax rates. This hampers the progress of a single indirect tax rate for all the goods and services in the country.
- **New Cesses crop up:** While GST scrapped multiplicity of taxes and **cesses**, a new levy in the **form of compensation cess was introduced for luxury and sin goods**. This was later expanded to include automobiles.
- **Trust Deficit:** The Union government's proclivity to levy and appropriate cess revenues for itself without sharing them with the states has lent credence to the wisdom of guaranteed compensation

for states.

- It turned out to be prescient as **GST failed to live up to its economic promises and states' revenues were protected** through this guarantee.
- **Economy Outside GST purview:** Nearly **half the economy remains outside GST**. E.g. petroleum, real estate, electricity duties remain outside GST purview.
- **The complexity of tax filings:** The GST legislation requires the **filing of the GST annual returns by specified categories of taxpayers** along with a GST audit. But, filing annual returns is a complex and confusing one for the taxpayers. Apart from that, the annual filing also includes many details that are waived in the monthly and quarterly filings.
- **Higher Tax Rates:** Though rates are rationalised, there is **still 50 % of items are under the 18 % bracket**. Apart from that, there are certain essential items to tackle the pandemic that was also taxed higher. For example, the 12% tax on oxygen concentrators, 5% on vaccines, and on relief supplies from abroad.

## Way Forward

- The consultative and consensual nature of decision-making that has helped guide the Council's decisions so far must be adhered to.
- Addressing the contentious issues will, **first and foremost, require bridging the trust deficit between the Centre and states**. The spirit of [cooperative federalism](#), often advocated by the ruling dispensation, must be upheld.
- The trust deficit can be bridged only through acts of good faith. The Union government **should commit to the states that it will not resort to cesses and surcharges that are outside the shareable pool of revenues**. It must resolve **to honour the revenue guarantee commitment to the states**. It must respect and uphold the true spirit of not just fiscal federalism but political and constitutional federalism too.
- Democratically elected state governments in India do not have sole powers for both direct and indirect taxation, which is unheard of in any other federal democracy. GST centralised India's indirect taxation. It is time **to start a national discussion on reversing the course**, moving towards **decentralisation by giving states powers for direct taxation**. A commitment to initiate such discussions by the Union government will be a healthy signal for states' confidence and fiscal freedom.

[Source: IE](#)

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## Pay Roll Automation for Disbursement of Monthly Allowances (PADMA)

**For Prelims:** PADMA, Indian Coast Guard, Centralized Pay System, Digital India, Atmanirbhar Bharat, Special Economic Zone (SEZ), RTGS, NEFT

**For Mains:** Various Security Forces & Agencies & Their Mandate, Centralized & Decentralized Payment System, Indian Coast Guard

### Why in News?

Recently, the Ministry of Defense inaugurated **PayRoll Automation for Disbursement of Monthly Allowances (PADMA)**, an automated Pay & Allowances module for the [Indian Coast Guard](#).

### What are the Key Highlights about PADMA?



- **About:**
  - **PADMA** is an **automated platform leveraging latest technology** which will provide seamless and timely disbursement of Pay & Allowances to around **15,000 Indian Coast Guard personnel**.
  - This module has been developed under the aegis of the Defense Accounts Department and will be operated by **Pay Accounts Office Coast Guard, Noida**.
- **Significance:**
  - The launch marked the beginning of the **Centralized Pay System (CPS)**, the foundation of which is being laid down by the **Defense Accounts Department Headquarters** to provide one stop pay accounting solutions for all organizations under the Ministry.
  - Launch of PADMA will strengthen the **Digital India** Vision. Also, it is an **'Atmanirbhar Bharat'** initiative as the **entire module has been designed and developed by Indian entrepreneurs assisted by domain experts**.

## What is a Centralised & Decentralized Payment System?

- **Centralized Payment Systems** in India are **Real Time Gross Settlement (RTGS)** and **National Electronic Funds Transfer (NEFT)** systems, **both owned and operated by the Reserve Bank**.
  - **RTGS:** It enables real-time transfer of funds to a beneficiary's account and is primarily meant for large-value transactions.
    - Real time means the processing of instructions at the time they are received and gross settlement implies that settlement of funds transfer instructions occurs individually.
  - **NEFT:** It is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches.
    - It is generally used for fund transfers of up to Rs. 2 lakh.
- The **decentralised payment systems** will include clearing houses managed by RBI (**Cheque Truncation System (CTS)** centres as well as other banks (**Express Cheque Clearing System (ECCS)** centres and any other system as decided by RBI from time to time.
  - **Cheque Truncation:** It is the **process of stopping the flow of the physical cheque issued by a drawer at some point by the presenting bank en-route to the paying bank branch**.
  - **Express Cheque Clearing System: Funds move from one account to another to settle a check payment.** The amount is usually credited to the bank account of deposit and an equivalent amount debited at the bank from which it is drawn.

## What is Indian Coast Guard?

- **About:**
  - It is a **maritime law enforcement and search and rescue agency** of India with **jurisdiction over its territorial waters** including its **contiguous zone and exclusive economic zone**.
    - **Contiguous zone:** It is a band of water extending farther from the outer edge of the territorial sea to up to 24 nautical miles from the baseline.
    - **Special Economic Zone (SEZ):** It is an area in a country that is subject to different economic regulations than other regions within the same country.
  - It comes under the **Ministry of Defense**.
  - The concept of forming **ICG came into being after the 1971 war**.
  - The blueprint for a multidimensional Coast Guard was conceived by the visionary **Rustamji Committee**.
- **Functions:**
  - **Preventing Smuggling:** One of the primary duties of the ICG is prevention of smuggling through maritime routes.
    - It has jurisdiction over the territorial waters of India including contiguous zone and **Exclusive Economic Zone (EEZ)**.



- **Aid to Civil Authority:** It has also **rescued approximately 13,000 personnel to date during various 'Aid to Civil Authority'** operations viz. assistance provided to civil authorities during floods, cyclones and other natural calamities,
- **Maritime Security:** It is also collaborating with littoral countries to combat transnational maritime crimes and enhance maritime safety in its area of responsibility and in the [Indian Ocean Region](#).
  - Under [SAGAR' - Security and Growth for all in the Region](#) & '[Neighbourhood First' policy](#), the ICG has nurtured professional relationships across oceans and established ties with countries in the Indian Ocean Region for Ocean Peacekeeping.
- **Role in Disaster Management:** The ICG has successfully averted major ecological disasters and emerged as the '[First Responder](#)' in the region.
  - For example, by undertaking a major fire-fighting and pollution response operation off the Sri Lanka coast, the most recent being '**Sagar Aarakshan-II**' onboard Chemical carrier MV X-Press Pearl.

[Source: PIB](#)

## Digitization of PACS

**For Prelims:** Digitization of PACS, its Significance

**For Mains:** Significance of PACS and the Issues

### Why in News?

The Cabinet Committee on Economic Affairs (CCEA) approved to digitise around 63,000 **Primary Agricultural Credit Societies (PACS)**.

- PACS will be digitised at a cost of RS 2,516 crore, which will benefit about **13 crore small and marginal farmers**. Each PACS will get around RS 4 lakh to upgrade its capacity and even old accounting records will be digitised and linked to a cloud based software.

### What is the Significance of the Move?

- Computerisation of PACS will **increase their transparency**, reliability and efficiency, and will also facilitate the accounting of multipurpose PACS.
- It will also help PACS to become a nodal centre for providing various services such as [Direct Benefit Transfer \(DBT\)](#), [Interest Subvention Scheme \(ISS\)](#), [Crop Insurance Scheme \(PMFBY\)](#), and inputs like [fertilizers](#) and seeds.
- The move will **help generate around 10 jobs in each centre** and the aim was to increase the number of PACs to upto 3 lakh in the next five years.

### What is PACS?

- **About:**
  - PACS are the **ground-level cooperative credit institutions** that provide short-term, and medium-term agricultural **loans to the farmers for the various agricultural and farming activities**.
  - It works at the grassroots gram Panchayat and village level.

- The first **Primary Agricultural Credit Society (PACS)** was formed in the year **1904**.
- The PACS functioning at the base of the co-operative banking system constitute the major retail outlets of short term and medium term credit to the rural sector.
- **Objectives:**
  - To **raise capital for the purpose of making loans** and supporting members' essential activities.
  - To **collect deposits from members** with the goal of improving their savings habit.
  - To supply agricultural inputs and services to members at reasonable prices,
  - To arrange for the supply and development of improved breeds of livestock for members.
  - To **make all necessary arrangements** for improving irrigation on land owned by members.
  - To **encourage various income-generating activities** through supply of necessary inputs and services.

## What is the Significance of PACS?

- They are **multifunctional organizations that provide a variety of services** such as banking, on-site supplies, marketing produce, and consumer goods trading.
- They function as **mini-banks to provide finance**, as well as counters to provide agricultural inputs and consumer goods.
- These societies also **provide warehousing services to farmers** in order to preserve and store their food grains.
- PACS account for 41% (3.01 crore farmers) of the **Kisan Credit Card (KCC)** loans given by all entities in the country, and 95% of these KCC loans (2.95 crore farmers) through PACS are to small and marginal farmers.

## What are the Issues with the PACS?

- **Inadequate Coverage:**
  - Though geographically active PACS cover about 90% of 5.8 villages, there are parts of the country, **especially in the north-east, where this coverage is very low**.
  - Further, the rural population covered **as members is only 50% of all the rural households**.
- **Inadequate Resources:**
  - The resources of the PACS are **much too inadequate in relation to the short-and medium-term credit needs** of the rural economy.
  - The bulk of even these inadequate funds come from higher financing agencies and not through owned funds of 'societies or deposit mobilization by them.
- **Limited Credit:**
  - First, the PACS provide **credit to only a small proportion** of the total rural population.
  - The credit given is **confined mainly to crop finance** (seasonal agricultural operations) and medium-term loans for identifiable purposes such as the digging of wells, installation of pump sets, etc.
- **Overdues:**
  - Large over-dues have become a big problem for the PACS.
  - They curb the **circulation of loanable funds, reduce the borrowing as well as lending power of societies**, and give them the bad image of the societies of defaulting debtors are willful.
  - Bigger **landowners take undue advantage of their relatively stronger position** in villages in both appropriating cheaper cooperative credit and not paying back their loans in time.

## Way Forward

- These more than a century-old institutions deserve **another policy push and can occupy a prominent space in the vision of Atmanirbhar Bharat** as well as Vocal for Local of the Government of India, as they have the potential to be the building blocks of an Atmanirbhar village economy.

- The resource-mobilization 'Capacity of the PACS will improve substantially, if through reorganization and related measures, they are converted into strong and viable units. Then, they should be able to attract both more deposits and more loans from higher financing agencies.

[Source: TH](#)

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## Rim of the Pacific (RIMPAC) Exercise 2022

### Why in News?

- The RIMPAC-22 exercise will be held in and close to the Hawaiian Islands and Southern California from 29<sup>th</sup> June to 4<sup>th</sup> August,
  - 27 countries are participating in the current edition of the multi-dimensional exercise.

### What is RIMPAC-22?

- **About:**
  - It's one of the **largest biennial multilateral Naval Exercises**, which is led by US.
  - The RIMPAC **started in 1971 as an annual exercise** by the US, Australia, and Canada. But from 1974, maritime exercise became a biennial event.
  - It is aimed at **enhancing interoperability and building trust among Navies** of friendly foreign countries.
- **Theme for 2022:**
  - The theme of RIMPAC 2022 is '**capable, adaptive, partners.**
- **India's Participation:**
  - India **first participated in RIMPAC in 2014** when the indigenously built Shivalik class stealth frigate INS Sahyadri took part in the exercise.
  - **INS Sahyadri again represented the country in the 2018 edition** of the event.
  - In between, in 2016, INS Satpura joined the maritime exercise. Before 2014, the Indian Navy's presence in the wargames was only as an observer for the 2006, 2010 and 2012 editions.
  - In the current edition, Indian Navy's INS Satpura and one **P81 maritime patrol aircraft** are participating in the exercise.

### What are the Features of P81 Maritime Patrol Aircraft?

- P-8I is a long-range, **multi-mission maritime patrol aircraft** being manufactured by Boeing for the Indian Navy.
- It was designed to protect the coastline and territorial waters of India. It can conduct anti-submarine warfare (ASW), anti-surface warfare (AsuW), intelligence, maritime patrol, and surveillance and reconnaissance missions.

### What is INS SATPURA?

- INS Satpura is an **indigenously designed** and built 6000-tonne guided missile stealth frigate equipped to seek and destroy adversaries in air, surface and underwater.
- A frontline unit of Eastern Fleet based at Visakhapatnam, INS Satpura is currently on an extended operational deployment in the 75th year of India's Independence.

[Source-PIB](#)

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# ABHYAS: High-speed Expendable Aerial Target

## Why in News?

Recently, India successfully tested the indigenously-designed [Abhyas - a High-speed Expendable Aerial Target \(HEAT\)](#) - in Odisha.

- The trial was carried out by the [Defence Research and Development Organisation \(DRDO\)](#) from the Integrated Test Range (ITR) in Odisha's Chandipur.



## What are the Key Points of ABHYAS?

- **Designed and developed by:**
  - Aeronautical Development Establishment (ADE), of DRDO.
    - ADE is a key Aeronautical Systems Design Laboratory under DRDO.
    - It is involved in the design and development of the state-of-the-art [Unmanned Aerial Vehicles \(UAV\)](#) and Aeronautical Systems and technologies to meet the requirements of the [Indian Armed forces](#).
- **Features:**
  - It is powered by a **gas turbine engine to sustain a long endurance** flight at subsonic speed.
  - It is equipped with a **MEMS (Micro-Electro-Mechanical Systems)-based Inertial Navigation System (INS)** for navigation along with the Flight Control Computer (FCC) for guidance and control.
  - The vehicle is **programmed for fully autonomous flight** and their check-out is done using a laptop-based Ground Control Station (GCS).
  - Abhyas system is equipped with **Radar Cross-Section (RCS) and infrared signatures** which **can be used to simulate a variety of aircraft for the practice of anti-aircraft warfare** and also for the testing designed to target aerial targets.
- **Utility:**
  - It will be used **as a target for the evaluation of various missile systems**.
    - It offers a realistic threat scenario for practice of weapon systems.

## What are the Other Recent Developments?

- In September 2021, the DRDO tested a new version of the [Akash Missile - 'Akash Prime'](#) - from the Integrated Test Range (ITR), Chandipur, Odisha.
- In July 2021, DRDO launched the [Akash-NG \(New Generation\)](#) and the Man Portable Anti Tank



Guided Missile (MPATGM).

- In June 2021 a new generation nuclear capable ballistic missile **Agni-P (Prime)** was successfully test-fired by the DRDO.
- In February 2021 India also successfully test-fired indigenously-developed anti-tank guided missile systems **'Helina' and 'Dhruvastra'**.
- In October 2020, the DRDO conducted a successful flight test of the **Supersonic Missile Assisted Release of Torpedo (SMART)** from Wheeler Island off the coast of Odisha.

**Source: IE**

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