

**DAILY
CURRENT
AFFAIRS
ANALYSIS**

 LAKSHYA ACADEMY®

28 AUGUST 2023

1 – About ASEAN-India Trade in Goods Agreement:

GS II

Topic → International Issues

- **Context:**

- A Joint Committee of the 2009-signed ASEAN-India Trade in Goods Agreement (AITIGA) settled on the roadmap for the agreement's amendment and the guidelines for future discussions.
- The agreement on trade between India and ASEAN:
 - The ASEAN-India commercial in Goods Agreement is a commercial pact between India and the ten ASEAN members.
 - The Agreement was signed by ASEAN and India at the 7th ASEAN Economic Ministers-India Consultations in Bangkok, Thailand in 2009.
 - The Agreement has led to steadily increasing trade between ASEAN and India since it was signed.
 - With a combined market of over 1.8 billion people, it established one of the largest free trade zones in the world.
 - The Agreement calls for the liberalisation of tariffs on more than 90% of goods, while ASEAN and India have committed to gradually remove taxes on 76.4% of their respective exports.

- **Origin:**

- The Agreement was based on the Framework Agreement on Comprehensive Economic Cooperation between India and ASEAN, which was adopted in 2003.
- The framework agreement will serve as the foundation for any future trade negotiations between India and ASEAN.

- **Constituents of the agreement:**

- The trading of material goods is covered by the Agreement.
- It excludes service-related trade.
- In 2014, ASEAN and India also came to a separate ASEAN-India Trade in Services Agreement.
- The Agreement permits the parties to maintain certain sensitive products with 4% to 5% tariffs.

- **The Agreement also includes specific clauses for tariff reductions on India's "special products," which include the following:**
 - oil from palm kernels,
 - coffee,
 - black tea, too
 - pepper.
- To control tariff reductions for delicate products, some tariff lines may be put on "highly sensitive lists" by the parties. In addition, the parties may establish a "exclusion list" of items not covered by the Agreement, which they must review annually.
- **Various clauses:**
 - In order to reduce non-tariff barriers in addition to cutting tariffs, the Agreement mandates all parties to follow predictable, consistent, and transparent trade practises.
 - **This includes:**
 - improving customs procedures
 - making certain that permitted non-tariff measures are transparent, and
 - prohibiting countries from enacting or maintaining non-tariff policies that violate WTO guidelines.
 - The Agreement also creates a Joint Committee made up of members from the parties.
- **The following provisions are also included in the Agreement:**
 - refers to the DSM Accord between India and ASEAN,
 - the funds necessary to protect security interests, and
 - methods to prevent imports from soaring to the point that foreign goods exceed domestic ones as a result of tariff reductions.
- **Moving forward:**
 - The Indian government asked for a review of the Agreement.
 - India withdrew from discussions at the time for the Regional Comprehensive Economic Partnership (RCEP), an ASEAN-led trade pact.

- The ASEAN side declared that the RCEP negotiations were its first priority before examining the Agreement.
- India is concerned about its trade deficit with ASEAN and other Asian economies and thinks that the Agreement will benefit ASEAN disproportionately.
- The Indian government is especially interested in extending its market reach into ASEAN's automotive and agricultural sectors.
- Increased ASEAN-India trade is hampered by significant non-tariff trade barriers in India and several ASEAN nations, as well as supply chain discrepancies between ASEAN and Indian-made goods.
- Indian and ASEAN trade delegates might be more interested in revising the Agreement shortly as the RCEP was finished without their input.
- *Source → The Hindu*

2 – Details of the Madras Day:

GS I

Topic → Indian Culture

- **Context:**
- Every year on August 22, Madras Day is celebrated to mark the day the city of Madras (now Chennai) was founded.
- **In relation to Madras Day:**
- On this day in 1639, the East India Company (EIC) purchased from local kings the town of Madrasapatnam, which later grew and developed into today's Chennai.
- The establishment of the British Empire in India for the ensuing many centuries would depend on this action.
- After the end of British control in 1947, the state and city were still referred to as Madras.
- It was detached from the larger Madras presidency, which also encompassed a portion of other South Indian states.
- In 1969, the name of the state was changed to Tamil Nadu, and in 1996, Chennai took the place of Madras as its capital.

- *Source → The Hindu*

3 – About the Debt-Fossil Fuel Trap:

GS III

Topic → Economy related issues

- **Context:**

- In order to repay the debts they took out from affluent countries and private lenders to meet a variety of economic needs, deeply indebted poor countries are still required to rely on fossil fuels as a source of income, according to a recent report.

- **Important details:**

- The article focuses on countries, mostly in the global south, that may not be able to transition away from fossil fuels and towards renewable energy because the revenue from such projects is typically exaggerated.
- Massive investments are required in order to get the expected profits, which raises debt.
- These countries are unable to transition to renewable energy because they must rely on fossil fuel revenue to pay back loans.
- The Debt-Fossil Fuel Trap study was created by anti-debt activists Debt Justice and collaborators in affected nations.

- **Globally South:**

- The term "Global North" refers to industrialised nations like the US, Canada, Russia, and Australia, whereas the term "Global South" largely refers to countries in Asia, Africa, and South America.
- It is not a geographical term because the two largest nations, China and India, are entirely located in the Northern Hemisphere. Instead, it is the convergence of political, geopolitical, and economic factors among various nations.
- The region roughly south of the former colonial epicentre is referred to as the "Global South" in general.
- Because they may be more accurate at defining comparable countries, comparing their income, healthcare, and other indicators, etc., the terms "Global North" and "Global South" are different from one another.

- **Discovering the "debt-fossil fuel trap":**

- The nations of the global south have been increasingly burdened by massive debt in recent years.
- Their repayment of external debt (funds borrowed from richer countries, multilateral creditors like the World Bank and IMF, or private lenders like banks) grew by 150% between 2011 and 2023, hitting its highest levels in 25 years.
- 54 countries had to cut their public aid allocations throughout the outbreak to pay off their debts as a result of their debt issues.
- Extreme weather events exacerbate the issue by pushing these countries to take out more loans because they lack the funds or resources to deal with loss and damage, adaptation, or mitigation.
- For instance, Dominica's debt as a percentage of GDP grew from 68% to 78% after Hurricane Maria in 2017.
- In an effort to reduce their mounting debt, many countries have boosted the extraction of fossil fuels.
- For instance, in order to raise money to aid the country's debt issue, Argentina has backed fracking operations in the Vaca Muerta oil and gas sector in Northern Patagonia.
- The IMF also supports these initiatives.
- They argue that providing gas and oil domestically could help preserve foreign currency while generating more foreign currency through petrol and oil exports.

- **Concerns:**

- The potential harm that fracking could do to the environment has attracted criticism.
- Oil or natural gas can be retrieved using a drilling process known as fracking from deep within the Earth's crust.
- The promised benefits might not be realised due to the risks associated with relying on fossil fuel income and the massive amount of expenditure required to scale up extraction in the coming years, which will necessitate taking on more debt from external creditors.

- According to the analysis, the government's plan to reduce debt would instead lead to higher debt levels and insufficient revenue to pay it off, compelling Argentina to expand its fossil fuel projects.
- This is referred to as the "debt-fossil fuel trap".
- **Conclusion:**
- The study makes numerous recommendations for helping developing countries get out of the debt-fossil fuel bind.
- It said that wealthy governments and organisations must use clean energy in order to carry out an ambitious debt cancellation campaign for all nations that need it, across all creditors, free of economic limitations.
- They should also stop taking out loans financed by funds from fossil fuel ventures.
- Bilateral and international funding, which should not be used to subsidise fossil fuels, should be guided by a 1.5 degree warming scenario and assessments of fair shares.
- *Source → The Hindu*



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4 – All about protecting the biodiversity of the northeast:

GS III

Topic → Environmental Conservation

- **Context:**
- The Meghalaya High Court held that, in the lack of any other employment opportunities, the state's natural beauty shouldn't be compromised in order to promote tourism.
- **Biodiverse region of northeastern India:**

- Northeast India is a region with a green belt because of the amount of natural resources there, including oil, natural gas, minerals, and fresh water.
- The Brahmaputra River and the Garo-Khasi-Jintia Hills are two of the most prominent hotspots for biodiversity.
- Areas with high levels of species variety, a big number of endemic species (species that are specific to a given region), and a sizable number of threatened or endangered species are known as biodiversity hotspots.
- The ecological of the region is being severely harmed by deforestation, flooding, and existing enterprises despite the northeast's slow industrial expansion.
- An environmental assessment of the North East Rural Livelihood Project conducted by the Ministry of Development of the North-eastern Region found that
- Located in transboundary river basins, Northeast India is a biologically varied and ecologically sensitive region.
- As a result of shifting farming practises, mining, quarrying, and deforestation, the region's flora and animals are under risk.

- **The biodiversity of the area is significant:**

- There are 51 different kinds of forests in the area, which can be generally divided into six groups.
- The NE is home to six of India's nine major plant types.
- The floral species significantly increased the level of diversity in the NE states.
- 4.10 percent of the flowering plants in the country are in danger of going extinct.
- 800 of the 1500 floral species listed as endangered in the Indian Red Data Book, which was published by the Botanical Survey of India, are known to reside in the Northeast.
- The region's tremendous ecological variety is attributed to its extensive forest cover.
- Each of the NE Indian states has a forest cover that covers 60% of the total land area.

- **Major risks:**

- Deforestation and forest degradation.
- The practise of jhum cultivation is evolving.
- For firewood, forest resources are being used excessively.
- encroachment on forest land.
- both poaching and illegal exploitation of forest products.
- a plantation for companies.
- Urbanisation.
- A forest fire.
- introduction of exotic plants.
- Disruption of migration routes (Human-wildlife conflict).
- Unplanned infrastructure construction.
- (Examples include poorly managed mining, development of huge dams, and roads).

- Movement, etc.
- **Causes of the NE region's declining biodiversity include:**
- **Natural and man-made disasters:**
 - Seismic activity, frequent landslides, and the associated soil erosion have caused significant disruption, change, and, in some cases, destruction in the Northeast.
 - However, human-caused activities have significantly decreased biodiversity and irreversibly transformed the landscapes, whereas these natural calamities have only minimally altered the variety of vegetation.
- **Activities related to agriculture:**
 - Agriculture is the main industry in Northeast India.
 - In addition to settled agriculture (the cultivation of paddy), many tribal communities also engage in shifting agriculture, or "jhum," which has negative effects on ecology and conservation.
- **Encroachments:**
 - The invasion of forest land poses a severe threat to forests and the preservation of those forests.
 - Encroachment not only led to the devastation of forests, but it also created a system for continual resource depletion in the forests.
- **Poaching:**
 - Wild animal poaching happens quite regularly in the NE region due to the quantity of uncommon and endemic species there, as well as the presence of several exits along the international borders with Bhutan, China, Myanmar, and Bangladesh.
 - Along with tiger skin and bones, rhino horns, and elephant tusks, a considerable number of wild animals and their body parts are smuggled out of this region every year.
 - Illegal forest product exploitation led to the entire eradication of some of the richest forest products, including plantations.
 - *Taxus baccata*, a plant species believed to treat breast and ovarian cancer, has experienced widespread overexploitation and smuggling in Western Arunachal Pradesh.
- **Inadequate knowledge:**

- The general lack of understanding among people regarding the need to conserve nature, natural resources, and the environment is one of the primary causes for the destruction of the region's forests.
 - The region's woodlands are all dying, despite several rules and regulations.
 - Millions of tonnes of timber, plywood, canes, and other forest products are extracted from the forest and used to construct tea plantations on land that will be exported outside the area.
 - Due to the vast quantities of chemical fertilisers and pesticides employed there, commercial plantations destroy native plants and flora while also contributing to pollution.
- **Population growth:**
 - Due to the faster rate of population growth, there has been a quick process of urbanisation that includes the construction of new buildings, the widening of roads, and the growth of industrial complexes.
 - These have increased demand for forest products, which has resulted in widespread forest devastation and the gradual extinction of the region's diverse species of flora and fauna.
- **Forest fires:**
 - A significant amount of the forest floor is consumed by a forest fire each year, which affects the young crops grown in plantations and the natural regrowth of forests.
 - When the people light the forest floor on fire at the end of the winter, diversity is greatly threatened.
 - Jhum fuels wildfires that outgrow their control and spread to surrounding places, seriously damaging the catchment basins of significant rivers. The highland forests burn as a result of this.
- **Introducing non-native species:**
 - High yielding plant and animal varieties have been introduced in several Northeastern states as a result of the increased demand for particular goods such food grains, vegetables, milk, and meat. Indigenous variety propagation has decreased as a result, and in certain cases, indigenous variations have been completely ignored.
- **Human-wildlife conflict:**
 - Wildlife migration patterns being disturbed leads to conflict between humans and wildlife in the area.
 - In the NE region, elephant migration routes are especially significant, and human-wildlife conflicts are frequent in areas like the Assam foothills and the border with Arunachal Pradesh along the north bank of the Brahmaputra.

- **Non-planned infrastructure development:**

- The haphazard development of the infrastructure posed a major threat to the area's forestland and animals.
- Because complete environmental awareness is not factored into the creation of policies, many development methods are proving to be unsustainable.
- Road construction, a vital component of the infrastructure needed for expansion, has sporadically resulted in the elimination of biodiversity in the region.
- Rat hole mining, a crude technique for extracting coal, has contaminated the air, the water, and the soil.

- **Setting up a dam:**

- Mega dam development spirals were another source of contention there.
- Large-scale protests against the building of megadams in Rothangchu, Subansiri, and Tipaimukh, respectively, were held in Sikkim, Assam, and Manipur.
- All of these activities have a clear effect on the local biodiversity.

- **Migratory tidal wave:**

- The Northeast is widely known for its established institutional frameworks that uphold cultural and social norms for the preservation of biodiversity, and they have managed biodiversity in accordance with conventional wisdom.
- The influx of residents from neighbouring states and countries, who are largely labourers, won't give much thought to the values and perspectives of the neighbourhood.

- **Restrictions on the environment:**

- Offences against the environment have taken on the form of public nuisances under the Indian Penal Code (IPC), 1860, which deals with contamination of land, air, and water.

- **The ambiguity:**

- The State's authority over matters coming under District Councils' purview, such as the use of land, is restrained by the autonomy provided to them under the Constitution's Sixth Schedule.
- As was the case with the Umiam Lake, the District Councils typically do not establish any rules for the preservation and protection of land, especially those around waterbodies.
- PILs and judicial activism supported by Articles 32 and 226 of the Constitution led to a surge of environmental cases.
- For instance, the National Green Tribunal penalised the Meghalaya State government 100 crore in 2019 for failing to prohibit illegal mining.

- Additionally, it levied a 200 crore punishment against the Manipur government in 2022 for subpar rubbish management.
- The execution of strict laws and the imposition of harsh fines by judicial and quasi-judicial State authorities frequently saves the environmentally endangered flora and wildlife of these regions.

- **Moving forward:**

- **Developing sustainable policies:**

- Federal and state governments must execute sustainable policies in order to develop infrastructure, make money, and create jobs.
- The "Negative List" is a development for the North East Industrial Development Scheme (NEIDS) for 2017.
- If environmental requirements are not met, an entity will be put on the "negative list" and ineligible for any incentives under the NEIDS.
- Similar to this, the 'Act Fast for Northeast' policy ought to include not only trade and commerce but also the preservation of the regional environment and ecosystem.

- **A specific regulatory framework:**

- Due to the varied forest ownership statuses in the northeast of the region, there has been a desire to investigate having a separate rule or Act drafted for the NE region in addition to what is already in place at the national level.
- While drafting a special regulation, federal policymakers should be well aware of the circumstances in NE states.

- **Reconciling conflicting federal and state laws:**

- The use of local people's natural resources is governed by both statutory and customary laws and regulations, and any conflicts between these laws and rules must be resolved right away.

- **Enhanced enforcement tactics:**

- In order to take the right steps for biodiversity conservation in the area, the state's enforcement mechanisms must understand the underlying causes of biodiversity loss rather than just addressing the symptoms.

- Building rigorous methods and standards for environmental and social impact assessment is essential while addressing the infrastructure development in the area.
- **Forest-related professions:**
- In many areas of North East India, there is a lot of opportunity for development and improvement of livelihoods based on the forest.
- These kinds of procedures must be established in order for livelihoods based in forests to support both economic development and conservation activities.
- **Conclusion:**
- A ten trillion-dollar GDP is not a target worth aiming for if India's ecology is not being protected.
- The government ought to consider enacting global environmental regulations that address environmental issues at all levels of the executive branch.
- *Source → The Hindu*

5 – Details of the panel set up to examine stalled real estate projects submits report:

GS III

Topic → Infrastructure related issues

- **Context:**
- A 14-member team, led by the former CEO of NITI Aayog, was formed to examine incomplete real estate projects and offer suggestions for how to complete them. The committee just submitted its findings.
- **Important details:**
- 60% of the abandoned projects had already been acquired, according to the Indian Banks' Association, with a capital commitment of Rs. 1.9 lakh crore.
- According to the committee's conclusions, the IBA assessed that 4.12 lakh housing units worth Rs. 4.08 lakh billion were under strain, with 2.40 lakh (44%) of them in the National Capital Region.

- The additional 21% of the units were located in the Mumbai Metropolitan Region.
- **Reasons for the projects' stalling:**
- The main source of the stress was the lack of financial viability of these projects, which had led to cost overruns and timetable delays.
- **Solution:**
- By raising the projects' internal rates of return in order to attract funding, the problem could be remedied.
- The Insolvency and Bankruptcy Code should be used as the last resort, among other judicial interventions.
- For the initiatives to be profitable, all stakeholders would have to agree to accept a "haircut" or less than what is due to them.
- **Recommendations of the committee:**
- **The project filing process:**
- The committee reiterated the 2016 Real Estate (Regulation and Development) Act.
- When the amount of land is bigger than 500 square metres or there are more than eight apartments to be built, it is a requirement that all projects be registered with the appropriate state RERA.
- This needs to be upheld, the committee argued.
- Project registration would increase openness.
- **Delinking of registration:**
- The committee recommended that the land authorities' issuance of registration or sublease to homebuyers be kept separate from their recovery of developer debt.
- According to the committee, this will help almost 1 lakh homebuyers.
- **Removing administrative barriers:**
- Numerous projects that were close to completion did not give homebuyers no-objection and completion certificates as a result of administrative challenges.
- The committee recommended that the RERAs identify such projects and expedite the certification process, regardless of whether the developers had paid their taxes to the authorities.
- **The rehabilitation package:**

- One of the main recommendations made by the committee was for state governments to establish a rehabilitation strategy to begin the postponed projects.
- Developers who sign up for the bundle would have to promise to complete the projects in three years.
- This includes a "Zero Period" of two years commencing with the COVID-19 pandemic in 2020, during which time the government would cease levying interest and penalty against developers.
- Developers would be allowed to work with a second "co-developer" to complete the task.

- **Partial surrender guidelines:**

- The committee proposed a partial surrender method, under which developers may give the authority part of the undeveloped land in exchange for a waiver of the dues for such land.

- **Application of the recommendations:**

- After receiving the report, each state is now responsible for determining whether to implement it and what specific recommendations to make.
- The Union Ministries of Housing and Urban Affairs and Finance have been asked to take action on some of the suggestions.
- For instance, the report advised the MoHUA to design and submit to the Finance Ministry a detailed plan for proactively paying the projects that have stagnated utilising the Special Window for Affordable and Mid-Income Housing (SWAMIH) Fund.
- It suggested changing the minimum Internal Rate of Return and initial charge conditions for the SWAMIH fund.
- Furthermore, it asked MoHUA to present a comprehensive strategy to the Finance Ministry that would permit banks to finance fresh mortgage loans for potential buyers of the unsold stock of the abandoned projects.

- **Source → The Hindu**