DAILY CURRENT AFFAIRS ANALYSIS

17 OCTOBER 2024

1 - About the Select Committee:

GS II

Parliament related issues

- **With regards to a Select Committee:**

- The Chairman occasionally recommends candidates for each of the 12 permanent Standing Committees.
- As an example. Shah asked that the Privileges Committee be notified about the Raghav Chadha case.
- Then there are ad hoc or transitory committees, which are created to perform a specific duty, such as reviewing a particular Bill, and are then dissolved.
- A select committee belongs to this group.
- The Rules of Procedure set down the process that must be followed, despite its temporary nature.
- Any member may propose an amendment under Rule 125 of the Rajya Sabha Rules and Procedures asking for the referral of a Bill to a Select Committee.
- The Select/Joint Committees on Bills are created on a specific motion put forth by the Minister in charge of the Bill or any member and accepted by the House.
- A joint committee is composed of members from both the Lok Sabha and the Rajya Sabha.
- A motion to refer a bill to a select committee may be made by either the MP in charge of the bill or any other MP.

- **How is a select committee's membership chosen?**

- A list of the members is included in the motion.
- The members of the Select Committee are chosen by the House when a motion to refer the Bill to a Select Committee is presented.
- No one is chosen to serve on a Select Committee if they are unable to contribute to its work.
- The mover must verify that the candidate he is putting forward is willing to join the Committee.

- In this approach, the regulations exclude any reference to obtaining the signatures of those whose names have been submitted, even though they state that a proposed member's consent must be sought before he can serve on a Select Committee.
- The actual membership of the Select Committee fluctuates and is not fixed from Committee to Committee.
- There will be a 1:2 split between Rajya Sabha and Lok Sabha members if it is a joint committee.
- The Chairman of the Committee is chosen by the Rajya Sabha Chairman from among its members.
- The member or Minister who is in charge of the Bill usually sits on the Committee.

- **What is the procedure of a Select Committee?**

- At each meeting, a quorum shall consist of a third of the total membership of the Committee.
- If there is a tie on any matter, the chairman (or any other person presiding) will have a second or casting vote.
- A select committee is empowered to create a subcommittee to investigate any special features of the Bill.
- The report will be signed by the committee's chair on its behalf.
- Any member may express their disagreement.
- The text of the Bill must be read aloud by the Committee word for word.
- In order to better comprehend the underlying policies that underpin the Bill's various sections, the Committee may also ask the Government for information and background materials.
- The Committee considers the facts, formulates its judgements, and may amend the sections and other parts of the Bill to more clearly describe the objective.

- **Reporting an incident:**

- Recommendations are included in the committee's report.
- The government can choose to accept or reject its ideas.
- A Select Committee may further provide its own draught of the Bill.
- In that case, the minister in charge of that particular Bill may introduce a resolution to allow the House to consider and approve the bill as it was drafted by the committee.

- ***Source → The Hindu***

2 - Details of ECOWAS:

GS II

International Relations

- **About:**

- The regional association was established in 1975 by the Lagos Treaty, which also charged it with promoting economic unity among its members.

- **ECOWAS has 15 members as of the now:**

- Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal, and Togo are the nations that make up this group.
- There are around 400 million individuals living in this area.

- **ECOWAS's primary objectives are:**

- to utilise a universally accepted currency, and
- Establish a single, significant commercial bloc in the areas of industry, transportation, telecommunications, energy, financial issues, and social and cultural matters.
- creation of a seamless, borderless region.

- The Authority of Heads of State and Government's organisational structure is under the control of its chairman.
- The other Heads of State and Government chose the Chairman, who is currently the Head of State and Government, to run the organization's affairs for a full calendar year.

- ***Source → The Hindu***

3 - About the E20 PETROL:

GS III

Environmental Conservation

- **About the E20 Petrol:**

- E20 (20% ethanol mixed) petrol is made by mixing 80% motor petrol with 20% anhydrous ethanol.
- "E20" refers to a blend of ethanol (20%) and petrol (80%).
- The number "20" in the designation "E20" denotes how much ethanol is present in the petrol blend.

- **Among the government-sponsored programmes promoting biofuels are:**

- reducing the amount of imports
- generating employment
- providing higher compensation to farmers
- for similar environmental benefits,
- promoting better waste management practises, etc.
- The amount of ethanol in petrol in India at the moment is 10%, which is the highest ever.

- **Advantages of E20 fuel:**

- lowers pollution
- Because it has a lower impact on the environment, biofuel is gaining popularity.
- If used frequently enough, this might significantly reduce pollution.
- savings in expenses
- About 85% of the fuel used in India is imported.
- India would see significant cost reductions from the use of 20% ethanol in petrol.

- generating jobs
- The application of cutting-edge technology results in the creation of new employment prospects.
- The original equipment manufacturing (OEM), component supplier, and aftermarket service provider sectors will all have openings for employment.

- **Benefit to agriculture:**

- The Indian government believes that reaching its goal of 20% ethanol in petrol will benefit the country's agricultural industry.
- The government claims that these moves would boost farmer incomes.

- **Environmental Effects:**

- pointing out that vehicle emissions, including those of carbon monoxide (CO), hydrocarbons (HC), and nitrogen oxides (NOx), are already regulated in India.
- The ethanol-infused gas helps to cut down on these emissions.

- **Disadvantages:**

- consumer acclaim
- Consumer acceptance tests for new technology are necessary.
- Utilising new technologies will continue to cause concern.
- enormous investment
- Unquestionably, the industry's stakeholders must make a large financial investment if new technology is to be widely adopted.
- The stakeholders in the automotive industry will find it challenging to invest another sizeable sum after spending a sizeable cost on BS-VI migration from BS-IV in record time.

- **Farmer acceptance:**

- Farmers who now grow sugarcane may benefit from the method.
- But it is unlikely that a significant number of farmers will decide to grow sugarcane, which is the main raw material for ethanol.

- **Timeframe:**

- Given how the Covid-19 and other unpleasant difficulties have affected the operations of the auto sector, completing the goal by the deadline may be rather challenging.

- **Moving forward:**

- When the E20 roadmap was being created in 2018, the country seemed to be in a "surplus" scenario, at least in terms of all three crops: rice, maize, and sugarcane.

- Despite the fact that its production declined in 2022–2023 and that its exports are now governed, sugar mills would still choose to export sugar if they had the option to do so in order to profit from the high global prices.

- **The maize is stretched out on all sides:**

- rising starch industry demand
- 10% yearly growth is being experienced in the poultry feed business.
- Maize has not been successfully used to make ethanol in any attempts.
- Two consecutive years of erratic monsoons (2022 and 2023) appear to have put pressure on rice production to the point where the government has outlawed the export of non-basmati uncooked rice.
- Without a question, the country is doing a commendable job of reducing its dependency on petroleum imports through its E20 plan.
- A thorough road plan must be developed to ensure a steady supply of feedstock for the distilleries.
- We need crops that are efficient, especially if they will be used to make fuel. This includes better seeds and efficient production techniques.
- The country will get off to a solid start with a land-use strategy.
- We shouldn't use our current cropland to cultivate crops for fuel in the long run.
- Instead, the country is losing fertile land.
- In no country should achieving energy security and food security be mutually exclusive.
- It is urgently necessary to develop a planned and thorough strategy because both are essential.

- ***Source → The Hindu***

4 - Details of India’s mining policy shift:

GS II

Government Policies and Interventions

- **Important details:**

- Lithium, which is used in energy storage devices and the batteries for electric vehicles, is one of the six minerals deemed "critical and strategic" in the bill.
- Only government-owned firms were permitted to conduct exploration and mining operations for these six minerals, which were traditionally classed as atomic minerals.

- **The significance of specific minerals:**

- A nation's manufacturing, infrastructure, and growth depend on minerals, which are also used to generate fuel.
- Lithium, commonly referred to as "white gold," and other essential minerals like cobalt, graphite, and rare earth elements (REEs) must be accessible for countries like India to accomplish the clean energy transitions required to meet their net-zero emission ambitions.
- Additionally, they are necessary for the manufacturing of semiconductors for cutting-edge electronics, military and aerospace equipment, telecommunications systems, and other uses.
- There is a greater reliance on imports as a result of the scarcity of these minerals or the concentration of their extraction or processing in a few number of locations, which exposes supply chains to risk and may even result in supply interruptions.
- For instance, the Democratic Republic of the Congo, which China owns in large part, is where 70% of the world's cobalt is mined.
- The country with the largest known reserves of rare earth elements is China, which is followed by Russia, Vietnam, Brazil, and Brazil.

- Recent action has been made by major economies like the U.S., U.K., and the European Union to secure supply-chain resilience for such minerals and reduce dependency on countries like China for their availability.

- **Indian circumstance:**

- The ministry of mines published a list of 30 minerals essential to the stability and economic growth of the country.
- India, however, is mostly dependent on imports for the majority of the minerals on this list.
- For instance, India completely depends on imports from countries like China, Russia, Australia, South Africa, and the United States for its supply of vital minerals like lithium, cobalt, nickel, niobium, beryllium, and tantalum.
- Deep-seated minerals, such as gold, silver, copper, zinc, lead, nickel, cobalt, platinum group elements (PGEs), and diamonds, are also heavily imported into India because it is more difficult and expensive to find and extract them than surface-level or bulk minerals.
- For instance, according to government records, India imported more than 27,000 crore worth of copper (and its concentrates) in 2022–2033.

- **Domination of the public sector:**

- India is ideally suited to holding considerable mineral resources due to its unique tectonic and geological setting, and its geological history is analogous to that of the mining-rich regions of Western Australia and Eastern Africa.
- Mineral exploration is the first step in finding mineral deposits and, eventually, economically viable reserves. Mineral exploration takes place across a variety of stages prior to mining.

- India spends less than 1% of the global budget on mineral exploration, while having only uncovered 10% of its Obvious Geological Potential (OGP), of which less than 2% is mined.
- Private sector explorers in India were unable to perform greenfield mineral exploration for a lot of years due to India's restrictive mining regulations. As a result, they could only get licences to further prospect for and extract resources that had already been surveyed by a government agency.

- **The value of private industry in important mineral prospecting:**

- Less than 1% of examined prospects result in commercially viable mines, making exploration a highly specialised, time-consuming, and risky activity. It necessitates steps like geochemical analyses, geological mapping, and aerial surveys.
- Indian PSUs were in a better position to examine bulk and surface minerals like coal and iron ore, but they had difficulty with important and deep-seated minerals due to the high costs and protracted duration of risky projects.
- The new Bill attempts to align India's exploration procedures with those of other countries by harnessing the private sector's potential for exploration.
- Once found, these small companies can sell the mines to larger mining companies, who will then develop and run the mines.
- Private involvement doubles exploration ventures and accelerates exploration speed.

- **Is India's mining policy supportive to private participation?**

- The Mines and Minerals (Development and Regulation) Act (MMDR Act) has undergone multiple amendments since it was passed in 1957; the most recent ones occurred in 2015, 2020, and 2021.
- India recognised the need for private and foreign investment in the mining sector, particularly mineral exploration, as early as 1993.
- It made it possible for interested parties to submit requests for mineral concessions using a First Come First Served (FCFS) mechanism.
- Later, private enterprises may use reconnaissance permits (RPs), prospecting licences (PLs), or mining leases (MLs) to request early-stage or greenfield exploration.
- In order to let private companies to participate in public auctions for mining leases and composite licences (CLs), the MMDR Act was changed in 2015.
- However, because only government-explored areas were put up for auction, the private sector was barred from taking part under the Evidence of Mineral Content (EMT) requirement.
- The modification allowed private businesses to register as exploring agencies and allowed the National Mineral Exploration Trust (NMET) to pay for G4 to G1 exploration, but private participation was still limited.

- **How does the Mines and Minerals Bill 2023 strive to advance private players?**

- **Decrease in mineral resources:**

- The Bill omits at least six atomic minerals that have already been included from a list of 12 atomic minerals that cannot be mined for commercial purposes.
- Due to their inclusion on the list of atomic minerals, these six elements — lithium, beryllium, niobium, titanium, tantalum, and zirconium — were formerly only available to government organisations.

- **Approving of illegal behaviour:**

- The previous Act outlawed subterranean excavation, trenching, drilling, and reconnaissance techniques like mapping and surveying.
- The Bill authorises these illegal actions.

- **A licence for exploration:**

- A brand-new licence type is also proposed in the bill to support private sector exploration at the reconnaissance level and/or potential stage.
- The State government will select the recipient of this exploration licence (EL), which will be issued after a competitive bidding process. The EL's initial duration is five years, with a two-year extension option.

- **The maximum exploration area was increased:**

- The maximum exploring area is also specified; under a single exploration licence, operations will be allowed in an area up to 1,000 sq km.
- Additionally, it states that if the licensee submits a report to the State government stating their reasons, they may keep up to 25% of the initially allotted territory after the first three years.

- **Possible problems:**

- **It's taking a while:**

- The primary source of income for a private company that holds an exploration licence would be a share of the premium paid by the miner, which would only come about when a successfully discovered mine is auctioned and operationalized.
- Depending on the complexity of the deposit and the location, such a process could take years to complete or it might not happen at all due to regulatory requirements for clearances.
- Consider the 2016 Ghorabhurani-Sagasahi iron ore sale, a new captive mine.
- Production didn't start until the end of 2021, despite the fact that it was a bulk material, because it took so long to obtain the necessary approvals.

- **Revenue ambiguity:**

- The explorer would not be aware of how much money they will make because the auction premium would only be known when a mine was successfully auctioned.
- It is difficult to auction off something for which exploration has not yet begun.
- Even yet, the role of the government in auctions is crucial:
- Under the new approach, which permits only the government to sell off what it has discovered, the explorer would only be entitled to a portion of the premium at a later, undefined period.
- In contrast, private explorers are permitted to sell their discoveries to miners in other foreign jurisdictions.

- **Conclusion:**

- Large mining investments will enhance demand for key products like large commercial trucks and mining equipment and result in the creation of jobs.
- The country might possibly benefit from an influx of advanced mining technologies, particularly for underground mines, if corporations chose to invest.
- But for that to happen, the government needs to take other measures, such as speeding up the approval process for mining leases and streamlining the clearance procedures.

- ***Source → The Hindu***