

**October 31<sup>st</sup> news:**

**Bilateral:**

**India, Italy to form joint defence panel**

India and Italy have decided to strengthen their defence ties with greater dialogue and interaction between defence firms on both sides even as the Rs. 3,600-crore AgustaWestland chopper scam has taken yet another turn.

During a meeting between Prime Minister Narendra Modi and his Italian counterpart Paolo Gentiloni, both sides decided to establish a Joint Defence Committee to enhance and encourage a “structured dialogue” between Indian and Italian defence firms, according to the joint statement.

The committee will be meeting in the first half of next year, which will either take place in New Delhi or in Rome, the statement said.

The main idea behind establishing the committee was to “avoid” incidents such as AgustaWestland VVIP chopper scam and lend greater clarity in government policies, especially in the area of defence

In a parallel development, the Delhi High Court on 30<sup>th</sup> October sought response from the Enforcement Directorate (ED) on a bail plea filed by a woman director of one the Dubai-based firms that were involved in the alleged money laundering AugustaWestland scam.

Gentiloni, who is on a two-day visit here, also expressed the interest of Italian firms to participate in defence manufacturing in India under ‘Make in India.’ Both leaders also discussed the progress in additional protocol amending the bilateral agreement to avoid double taxation.

What is “**Make in India**”:

**Make in India** is an initiative launched by the Government of India to encourage national, as well as multi-national companies to manufacture their products in India.

The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India.

Make in India focuses on the following twenty-five sectors of the economy like Automobiles & components, Aviation, Biotechnology, Chemicals, Construction, Defence manufacturing, Textiles etc.

India emerged, after initiation of the programme in 2015, as the top destination globally for foreign direct investment (FDI), surpassing the United States of America as well as the People's Republic of China.

## **Economy:**

### **Govt to set up alternative mechanism to fast track PSBs merger**

Moving ahead with reforms in the public sector banking space, the government has constituted a ministerial panel headed by Finance Minister Arun Jaitley that will oversee merger proposals of state-owned banks. The other members of the panel include Railway and Coal Minister Piyush Goyal and Defence Minister Nirmala Sitharaman.

While announcing the unprecedented Rs 2.11 lakh crore capital infusion roadmap for the public sector banks last week, Jaitley had said, this will be accompanied by series of banking reforms over next few months. The constitution of Alternative Mechanism (AM) is a movement in that direction.

The Union Cabinet in August had decided to set up an Alternative Mechanism to fast track consolidation among public sector banks to create strong lenders. The move to create large banks aims at meeting the credit needs of the growing Indian economy and building capacity in the PSB space to raise resources without dependence on the state exchequer.

### **Use of Public Finance Management System Mandatory for Central Schemes**

The Centre has made the use of Public Finance Management System (PFMS) mandatory for all central schemes. Finance Minister Arun Jaitley stated that making use of the PFMS mandatorily will ensure benefits of government schemes to reach the last mile. The move would help in tracking and monitoring the flow of funds to the implementing agencies.

A total of 613 schemes of the central government will be covered under PFMS. The ambit of PFMS coverage includes central sector and centrally sponsored schemes as well as other expenditures including the Finance Commission grants.

### **Govt amends Arms Rules to spur Make in India**

The government has amended the rules governing weapons production in an attempt to boost domestic manufacturing and create more jobs.

The amended Armed Rules are expected to encourage manufacturing and facilitate availability of world-class weapons for India's armed forces and police forces in sync with the country's defence indigenization programme

The amended rules, liberalised as part of the Make In India initiative, will apply to licences granted by the home ministry for manufacturing small arms and ammunition.

The rules cover licences granted by the Department of Industrial Policy and Promotion (DIPP) for building tanks and other armoured fighting vehicles, defence aircraft, spacecraft, all warships, arms and ammunition and allied items of defence equipment other than small arms.

Manufacturing licences, which had to be renewed every years so far, will now be permanently valid. The licence fee has been cut as well.

While the licence fee so far was fixed at Rs500 per firearm, it has now been changed to Rs5,000 for one to 1,000 units; R15,000 for 1,000-10,000 units and Rs50,000 for more.

The new rules have also done away with the condition that small arms and light weapons could only be sold to the central or state government with the approval of the Union home ministry. Manufacturers will need to pay licence fees at the time of granting the licence, rather than at the time of application as is the case now. The move comes two years after the home ministry started working on amending the Arms Act of 1959.

In March 2015, the ministry had stated that it developed and launched the National Database of Arms Licence (NDAL) as an e-portal to collect and monitor the data on arms licences in the county being issued by states and Union territories as well as the centre.

On 1 October 2015, in a bid to curb illegal arms licences, the ministry directed all licensing authorities to enter the data on all arms licences that were being issued or renewed for generating a Unique Identification Number (UIN), failing which no arms licence would be considered valid.

## **Environment**

### **Concentration of CO2 in atmosphere hits record high: UN**

The U.N. weather agency warned 30<sup>th</sup> October that carbon dioxide concentrations in the atmosphere increased at record-breaking speed last year.

The latest WMO Greenhouse Gas Bulletin, released 30<sup>th</sup> October, said a strong El Nino event and human activity contributed to the increase of CO2 concentrations to 403.3 parts per million last year, up from 400 in 2015.

The report notes that temperatures in strong El Nino years are typically warmer than average "and 2016's temperatures are consistent with that pattern.

### **What is an El-Nino, why is it a cause of concern for India:**

What is it :

El Niño is the warm phase of the El Niño Southern Oscillation (ENSO), a climate event that happens when warm water in the Pacific Ocean interacts with the atmosphere, causing various weather events around the world, from droughts to floods. An El Niño arrives on a cycle of about every three to seven years.

Effects :

The effects depend strongly on the location and the season. The strongest effects on precipitation are in South-East Asia and the western Pacific Ocean, especially in the dry season (August-November). There

are temperature effects throughout most of the tropics. The number of tropical cyclones also depends on El Niño in most basins. In boreal winter the effects are most wide-spread: from southern Africa to eastern Russia and most of the Americas.

Impact On Indian Monsoon:

ENSO-induced warm zones in the Pacific cause the warm air over them to rise and initiate circulation cells. Such cells along northern Australia, Indonesia and the eastern edge of the Indian Ocean could have their downdraft sides over a nascent monsoon circulation cell in the Indian Ocean, which would disrupt its formation, causing poor monsoon rains over the subcontinent. This Indian monsoon model thus implies that El Niño years should coincide with deficient monsoon rains.

### **India to Host UN Wildlife Summit in 2020**

India will host the next **United Nations (UN) global wildlife conference** in 2020. India will host the next CMS Conference of the Parties CMSCOP13. It was officially announced at the closing CMSCOP12 plenary, in Manila, Philippines. The six-day 12th Meeting of the Conference of the Parties to the Convention on Migratory Species (CMS COP12) is the only international treaty devoted exclusively to migratory animal species. The theme of the Conference was **'Their Future is Our Future - Sustainable Development for Wildlife and People'**.

### **What is United Nations (UN) global wildlife conference and its significance to India :**

Global Wildlife Programme Conference:

The GWP Conference held discussions on management of wildlife habitat, securing sustainable community livelihood, enhancing enforcement, monitoring, cooperation to reduce wildlife crimes such as poaching and related threats. It also provided an opportunity for India to showcase its conservation efforts through joint forest management, eco-development committees, vana sanrakshan samitis, in and around protected areas.

The Global Wildlife Programme (GWP) Conference was recently held in New Delhi. It was jointly hosted by Ministry of Environment, Forests and Climate Change (MoEFCC), World Bank and United Nations Development Programme (UNDP).

Theme of the Conference was – "Peoples' participation in wildlife conservation".

**Persons in news:**

**Uhuru Kenyatta:** Kenya's incumbent president Uhuru Kenyatta won 98 per cent of the vote in presidential election in Kenya

N.J.Gangte: N.J.Gangte has been appointed as the next High Commissioner of India to the Republic of Zambia.

He is presently the Joint Secretary in the Ministry of External Affairs. He is expected to take up his assignment shortly.