

**“Everything is hard before it is easy” -Johann Wolfgang von Goethe**

**INTERNATIONAL AND BILATERAL**

**CASPIAN SEA BREAKTHROUGH TREATY SET TO BOOST OIL, PIPELINE PLANS**

Five Caspian Sea states (Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan) reached a breakthrough agreement on sovereign rights to the sea.

This paved the way for new oil and gas extraction and pipelines after more than two decades of disputes.

The treaty ends a spat over whether the Caspian is a sea or a lake, granting it special legal status and clarifying the maritime boundaries of each surrounding country.

The five members have tried to define the Caspian Sea’s legal status since the collapse of the Soviet Union, in order to divide up the waters and its natural resources for new drilling and pipelines.

It also allows each to lay pipelines offshore with consent only from the neighbouring states affected, rather than from all Caspian Sea nations.

**Huge energy reserves**

The territorial disputes have prevented the exploration of at least 20 billion barrels of oil and more than 240 trillion cubic feet of gas, the US Energy Information Administration estimated in 2013.

The new agreement states that the development of seabed reserves will be regulated by separate deals between Caspian nations, in line with international law.

This essentially cements the current situation, since countries such as Kazakhstan and Russia already have bilateral accords on joint projects

The five Caspian Sea nations already develop offshore oil and gas reserves that are located near enough to the coast not to be disputed.

Projects in the northernmost waters Kazakhstan’s giant Kashagan field and Russia’s Filanovsky and Korchagin deposits are seen as sources of future oil-output growth for the countries.

The treaty will also remove a legal barrier to building a trans-Caspian gas pipeline from Turkmenistan to Europe.

While the European Union and Azerbaijan have supported the long-planned pipeline project, which could ease Russia’s grip on the EU’s gas market, the Kremlin has opposed it, citing environmental concerns and legalities.

It highlighted the issue of the distribution rights of seabed oil and gas deposits over the undiscovered fields.



**CAN REGIONAL TRADE AGREEMENTS BOOST INDIA'S EXPORTS?**

As the World Trade Organization (WTO) comes under mounting attack from the Trump-led US administration, there is a clamour in India to negotiate regional trade agreements with peer countries

It is perceived that this will boost exports and insulate India’s trade from the uncertainties of the global trading system

An analysis of trade agreements suggests that India has often failed to gain from such agreements

This could explain why Indian policymakers have become cautious about pursuing new trade agreements in recent years

The rise of **regional trade agreements (RTAs)** globally coincided with the end of the Uruguay round of WTO talks in the mid-1990s

Their growth has often been explained as a result of slow progress in multilateral negotiations

RTAs include both preferential trade agreements and free trade agreements (FTAs)

#### **Criticism of RTAs:**

RTAs face criticism for being detrimental to the spirit of multilateral free trade.

This is because countries that are not part of a regional agreement find themselves at a disadvantage.

This is especially true in an era of rising protectionism and uncertainty.

It is possible to address such issues to some extent by creating mega-trading blocs. One such bloc being negotiated is the Regional Comprehensive Economic Partnership (RCEP), consisting of China, India, Japan, south-east Asian nations, Australia and New Zealand

There might be scope for India to increase its trade with the Asia-Pacific region, given that its level of integration with the region is relatively low

But India has remained ambivalent about the RCEP, with officials expressing concern that it might actually harm India

#### **India's concerns:**

India's existing agreements with South Korea, Japan and the Association of South East Asian Nations (ASEAN) are often deemed to have benefited the partner countries at India's expense

India has not been able to sufficiently leverage these agreements to increase its presence in the markets of its partners

The import-export ratio with these countries deteriorated in the years following the implementation of the trade agreements

Even as partner countries have benefited, Indian exports to these regions have remained lackluster

#### **The actual reason for fewer gains from RTAs:**

India's inability to gain market share in these regions may be partly explained by its lack of competitiveness in exports.

India has various structural bottlenecks hurting its exports.

#### **Way Forward**

The focus needs to be on where India can promote its exports

India needs to be careful in weighing each trade deal on its own merit

#### **NATIONAL**

#### **PM HEALTHCARE SCHEME FROM SEPT. 25**

On the occasion of 72nd Independence Day celebration, PM Modi announced ambitious schemes.

PM Modi during his Independence day speech highlighted the achievements of his government.

#### **Mantri Jan Aarogya Abhiyan (PMJAA)**

PM announced Pradhan Mantri Jan Aarogya Abhiyan (PMJAA). The scheme is also known as Ayushman Bharat or the National Health Protection Mission (AB-NHPM). The scheme will be launched on September 25.

This is government-sponsored health insurance scheme.

The scheme aims to provide free coverage of up to Rs 5 lakh per family annually, benefiting more than 10 crore poor families.

It meant to help the poor and the economically deprived.

The scheme is expected to raise the ratio of people availing primary and secondary healthcare.

The scheme has potential of creating a cost-effective digitalized health economy.

Presently, around 80% of the healthcare in India is provided by the private healthcare system.

The beneficiaries under the scheme are chosen through the Socio-Economic Caste Census, mainly rural poor and identified urban workers.

**Loopholes in the scheme:**

The current framework of the scheme will not be beneficial for people who need tertiary care as the remunerations under the scheme will not be sufficient to avail value-based healthcare.

Under the scheme, the territory healthcare service providers will be forced to cut cost at every level.

They will not be able to avail the necessary medication, technology and clinical expertise to get the best outcome and will soon lose confidence in the system.

Majority of the families will be rural, and the secondary and tertiary public hospital infrastructure suffers from severe efficiency and accountability problems, State governments should upgrade the administrative systems.

**Suggestions:**

Reaching a consensus on treatment costs through a transparent consultative process is vital for a smooth and steady rollout.

A large-scale Information Technology network for cashless treatment should be set up and validated.

Reducing the cost of universal health coverage is imperative, and it requires parallel investments in the neglected public sector.

An ombudsman to deal with complaints from NHPM users should, therefore, be a priority.

The Centre should extend the scheme to all children and senior citizens, and cover out-patient consultation and essential drugs to sharply reduce out-of-pocket spending.

**INDIA RELEASES ADDITIONAL FUNDS FOR NEPAL'S POSTAL HIGHWAY**

The Government has released additional NPR 470 million for the Postal Highway being constructed in Southern Plains of Nepal.

The amount has been released to maintain fund liquidity for the ongoing construction of 14 road packages under Postal Highway Project.

**Postal Highway Project:**

Postal Highway also called Hulaki Rajmarg runs across the Terai region of Nepal, from Bhadrapur in the east to Dodhara in the west, cutting across the entire width of the country.

Since 1950, the Government of India has been supporting infrastructure development of Nepal.

India has provided financial assistance for construction of various highways, roads, bridges, airports, etc as part of its multi-sectoral and multi-dimensional India-Nepal Economic Cooperation Programme.

With this payment, a total of NPR 2.35 billion stands released to the Government of Nepal out of the total grant assistance of NPR 8.00 billion committed by the Government of India.

**UNIFIED PAYMENTS INTERFACE (UPI) 2.0**

National Payments Corporation of India (NPCI) has upgraded unified payments interface (UPI) with enhanced security features and overdraft facilities.

In addition to current and savings accounts, customers can link their overdraft account to UPI.

The UPI mandate could be used in a scenario where money is to be transferred later by providing commitment at present.

**National Payments Corporation of India (NPCI):**

NPCI is the umbrella organization for all retail payment systems in India which aims to allow all Indian citizens to have unrestricted access to e-payment services.

Founded in 2008, NPCI is a not-for-profit organization registered under section 8 of the Companies Act 2013.

The organization is owned by a consortium of major banks, and has been promoted by the country's central bank, the Reserve Bank of India.

Its recent work of developing Unified Payments Interface aims to move India to a cashless society with only digital transactions.

It has successfully completed the development of a domestic card payment network called RuPay, reducing the dependency on international card schemes.

UPI is a path breaking innovation that is unprecedented globally. Its high volume, low cost and highly scalable architecture built on an open source platform is key to India's transformation to a digital payment economy.

**FAULTS IN THE AMENDMENT OF ANTI CORRUPTION LAW**

N.K Singh, former Joint Director, CBI, discussed that recent changes to the anti-corruption law are very worrying.

Recently, the Parliament passed certain amendments to laws on corruption with focus on two aspects:

- Prior approval for initiating investigation into allegations of corruption against public servants.
- Requiring prior sanction for prosecution of public servants.

Section 6A of the Delhi Special Police Establishment Act has been amended, reinterring the requirement of prior approval for initiating investigation of corruption cases against Joint Secretaries and public servants.

The only exceptions to this are cases of traps in which public servants are caught red-handed while taking bribe.

Till now, under Section 19 of the Prevention of Corruption Act, 1988, previous sanction of the competent authority was required to prosecute public servant. This safeguard has been extended to retired public servants.

**Hurdles:**

The amendment requires prior approval of the government to even initiate an investigation by the Central Bureau of Investigation (CBI) into allegations of corruption against public servants.

The police has unfettered jurisdiction to initiate investigation into a crime or acts of corruption, once it gets credible information.

Under the scheme of the criminal justice system and rule of law, the police and the CBI are bound by the law and the Constitution to investigate a crime reported to them, if there is credible information.

But even after the Directive was set aside, the political class brought it back in the Central Vigilance Commission Act of 2003.

This led to protests and was challenged before the court.

In 2014, the Supreme Court set aside this provision of the Act.

**The court had observed:**

The very power of CBI to enquire and investigate into the allegations of bribery and corruption against a certain class of public servants and officials is subverted and impinged by Section 6A.

The scheme of Section 155 and Section 156 CrPC indicates that the local police may investigate a senior Government officer without previous approval of the Central Government. However, CBI cannot do so in view of Section 6A.

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