

**INTERNATIONAL AFFAIRS- BILATERAL, GROUPINGS, ORGANISATIONS****France supports India for UNSC membership**

France, which assumed the Presidency of the United Nations Security Council for the month of March, has reiterated its support for India as the permanent member of the powerful UN body. The nation also reiterated its support for Germany and Japan as permanent members of an expanded UNSC.

UNSC:

- The United Nations Security Council (UNSC) is one of the organs of the United Nations and is charged with the maintenance of international peace and security. Its powers include the establishment of peacekeeping operations, the establishment of international sanctions, and the authorization of military action through Security Council resolutions; it is the only UN body with the authority to issue binding resolutions to member states.
- The Security Council consists of fifteen members. Russia, the United Kingdom, France, China, and the United States—serve as the body's five permanent members. These permanent members can veto any substantive Security Council resolution, including those on the admission of new member states or candidates for Secretary-General.
- The Security Council also has 10 non-permanent members, elected on a regional basis to serve two-year terms. The body's presidency rotates monthly among its members.

Proposed reforms: Reform of the United Nations Security Council (UNSC) encompasses five key issues: categories of membership, the question of the veto held by the five permanent members, regional representation, the size of an enlarged Council and its working methods, and the Security Council-General Assembly relationship. There is also a proposal to admit more permanent members.

India's demands: India has been calling for the reform of the UN Security Council along with Brazil, Germany and Japan for long, emphasising that it rightly deserves a place at the UN high table as a permanent member.

Why India should be given a permanent seat in the council?

- India was among the founding members of United Nations.
- It is the second largest and a one of the largest constant contributor of troops to United Nations Peacekeeping missions.
- Today, India has over 8,500 peacekeepers in the field, more than twice as many as the UN's five big powers combined.
- India, since long time, has been demanding expansion of UNSC and its inclusion as permanent member in it. It has been a member of UNSC for 7 terms and a member of G-77 and G-4, so permanent membership is a logical extension.

**WELFARE SCHEMES****"Transport and Marketing Assistance" (TMA) for specified agriculture products scheme**

The Centre has notified a scheme for Transport and Marketing Assistance (TMA) for specified agriculture products that will provide assistance for the international component of freight and marketing of agricultural produce.

Highlights:

- The scheme will be available for exports effected from March 1, 2019 to March 31, 2020.
- Eligibility: All exporters, duly registered with relevant Export Promotion Council as per Foreign Trade Policy, of eligible agriculture products shall be covered under this scheme.
- Exceptions: The assistance is available for most agricultural product exports with some exceptions such as live animals, products of animal origin, milk, cream, curd, butter, buttermilk, whey, rice, wheat, tobacco and garlic.
- The assistance, at notified rates, will be available for export of eligible agriculture products to the permissible countries, as specified from time to time. The assistance shall be admissible only if payments for the exports are received in Free Foreign Exchange through normal banking channels.
- The scheme shall be admissible for exports made through EDI (Electronic Data Interchange) ports only.
- The scheme covers freight and marketing assistance for export by air as well as by sea.

Impact of the scheme: This scheme is likely to mitigate the disadvantage of higher cost of transportation of export of specified agriculture products due to trans-shipment and to promote brand recognition for Indian agricultural products in the specified overseas markets.

## **SCIENCE & TECHNOLOGY-SPACE**

### **ISRO, French agency to set up maritime surveillance system**

ISRO and its French counterpart CNES has sealed an agreement to set up a joint maritime surveillance system in the country. The two nations will explore putting up a constellation of low-Earth orbiting satellites.

#### **Oceansat-3-Argos Mission**

- The system will be augmented with the launch of Oceansat-3-Argos mission in 2020 along with a joint infrared Earth-observation satellite.
- These will identify and track movement of ships globally – and in particular those moving in the Indian Ocean region where France has its Reunion Islands.
- Before that, they will initially share data from their present space systems and develop new algorithms to analyse them, according to the Paris based National Centre for Space Studies.
- They work together for the design and development of joint products and techniques, including those involving Automatic Identification System (AIS), to monitor and protect the assets in land and sea.

Other collaborations: The two agencies have put up two climate and ocean weather monitoring satellites Megha-Tropiques (of 2011) and SARAL-AliKa (2013) that is considered a model.

## **ENVIRONMENT**

### **Most polluted cities of the world are in India**

Fifteen of the top 20 most polluted cities in the world are located in India, according to an analysis of air quality in several cities around the world.

#### **World Air Quality Report 2018**

- The report was compiled by IQAir Group, a manufacturer of air-monitoring sensors as well as purifiers and environmentalist group Greenpeace.
- It relies on ground-based sensors located in 3,000 cities from 73 countries.
- The main objective behind the report was to measure the presence of fine particulate matter known as Particulate Matter (PM) 2.5, which has been recorded in real-time in 2018.
- Exposure to PM 2.5 pollution increases the risk of lung cancer, stroke, heart attack and respiratory diseases, including asthma symptoms among all age groups.

#### **Highlights of the Report**

- Gurugram, in Haryana, topped the list with an average annual particulate matter (PM 2.5) quality of 135 g/m<sup>3</sup> (micrograms/cubic metre), in 2018.
- Delhi — a frequent fixture on global pollution hotspots — was only the 11th most noxious city behind Lahore, Pakistan (10th) and Hotan, China (8th).
- When ranked by country, Bangladesh emerged as the most polluted followed by Pakistan and India respectively.
- Jakarta and Hanoi emerged as Southeast Asia's two most polluted cities and average concentrations in the cities in China fell by 12% from 2017 to 2018.
- Beijing ranks now as the 122nd most polluted city in the world in 2018 and China, the 12th most polluted country in the world.
- Of the countries analyzed, Iceland emerged as the one with the cleanest air.

### **Ministry plugs loophole that allowed plastic waste import**

Solid plastic waste has been prohibited from import into the country including in Special Economic Zones (SEZ) and by Export Oriented Units (EOU) said the MoEFCC. The change in law was part of the Hazardous and Other Wastes (Management & Transboundary Movement) Amendment Rules, 2019.

### Salient features of the Hazardous and Other Wastes (Management & Transboundary Movement) Amendment Rules, 2019:

- Solid plastic waste has been prohibited from import into the country including in Special Economic Zones (SEZ) and by Export Oriented Units (EOU).
- Exporters of silk waste have now been given exemption from requiring permission from the Ministry.
- Electrical and electronic assemblies and components manufactured in and exported from India, if found defective can now be imported back into the country, within a year of export, without obtaining permission from MoEFCC.
- Industries which do not require consent under Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act 1981, are now exempted from requiring authorization also under the Hazardous and Other Wastes (Management & Transboundary Movement) Rules, 2016, provided that hazardous and other wastes generated by such industries are handed over to the authorized actual users, waste collectors or disposal facilities.

### Reasons behind:

- In spite of having a significant plastic pollution load of its own, and a ban on plastic waste imports, imported PET bottles from abroad for processing SEZ.
- The influx of PET bottles was quadrupled from 2017 to 2018.
- Indian firms are importing plastic scrap from China, Italy, Japan and Malawi for recycling.
- India consumes about 13 million tonnes of plastic and recycles only about 4 million tonnes.
- To incentivise domestic plastic recycling units, the government had banned the import of plastic waste, particularly PET bottles, in 2015.
- In 2016, an amendment allowed such imports as long as they were carried out by agencies situated in SEZs.

## INDIAN ECONOMY

### **SEBI's new rules on Liquid Mutual Funds**

According to new regulations issued by the Securities and Exchange Board of India (SEBI), liquid mutual funds holding debt securities with a maturity term of more than 30 days will have to value these securities on a mark-to-market basis.

### Changes in rules

- Until now, liquid mutual funds could report the value of debt instruments with a maturity term of up to 60 days using the amortisation-based valuation method.
- Only debt securities with a maturity term of over 60 days were to be valued on a mark-to-market basis. So the new rule seemingly narrows the scope for amortisation-based valuation.
- Amortisation-based valuation, which is completely detached from the market price of the securities being valued, allowed mutual funds to avoid the volatility associated with mark-to-market valuation.

### Impact

- By exempting securities with a maturity period of up to 30 days from mark-to-market valuation, however, SEBI may be doing no favour to individual investors.
- this helps avoid the volatility of mark-to-market accounting and the need to provide a fair account of the value of their investments.
- What is likely is a decrease in the yields received on securities maturing in 30 days or less and an increase in the yields on debt instruments with a maturity period of 31 to 60 days.
- It will, however, do nothing to make investors in mutual funds become more informed about the real value of their investments.

### Contrast with earlier arrangements

- The latest SEBI rules are also in direct contrast to the usual accounting practices when it comes to the valuation of securities.

- Generally accepted accounting principles mandate securities with the least maturity to be reported on a mark-to-market basis while allowing the amortisation-based method to be employed to value other securities with longer maturity periods.
- This makes sense as the profits and losses associated with securities with shorter terms are closer to being realised by investors when compared to longer-term securities.

Conclusion: SEBI would do well to mandate that all investments made by liquid mutual funds should be valued on a mark-to-market basis. Simultaneously, it should work on deepening liquidity in the bond market so that bond market prices can serve as a ready reference to ascertain the value of various debt securities.

### **Society for Worldwide Interbank Financial Telecommunication (SWIFT)**

Half a dozen public and private sector banks have been slapped with monetary penalties by the Reserve Bank of India for non-compliance of directions in the Swift (Society for Worldwide Interbank Financial Telecommunications) messaging system used by banks worldwide for foreign currency transfers.

#### **SWIFT:**

- It is a messaging network that financial institutions use to securely transmit information and instructions through a standardized system of codes. Under SWIFT, each financial organization has a unique code which is used to send and receive payments.
- SWIFT does not facilitate funds transfer: rather, it sends payment orders, which must be settled by correspondent accounts that the institutions have with each other.
- The SWIFT is a secure financial message carrier — in other words, it transports messages from one bank to its intended bank recipient.
- Its core role is to provide a secure transmission channel so that Bank A knows that its message to Bank B goes to Bank B and no one else. Bank B, in turn, knows that Bank A, and no one other than Bank A, sent, read or altered the message en route. Banks, of course, need to have checks in place before actually sending messages.
- SWIFT India is a joint venture of top Indian public and private sector banks and SWIFT (Society for Worldwide Interbank Financial Telecommunication). The company was created to deliver high quality domestic financial messaging services to the Indian financial community. It has a huge potential to contribute significantly to the financial community in many domains.

#### **Significance of SWIFT:**

- Messages sent by SWIFT's customers are authenticated using its specialised security and identification technology.
- Encryption is added as the messages leave the customer environment and enter the SWIFT Environment.
- Messages remain in the protected SWIFT environment, subject to all its confidentiality and integrity commitments, throughout the transmission process while they are transmitted to the operating centres (OPCs) where they are processed — until they are safely delivered to the receiver.

### **QUOTE OF THE DAY**

**Sometimes not getting what you want is a wonderful stroke of luck.**