

**INTERNATIONAL RELATION**

**Investment Incentive Agreement**

- The Government of India and the Government of the United States of America have signed an **Investment Incentive Agreement (IIA)** at **Tokyo, Japan**.

**Background**

- **1997:** This IIA supersedes the Investment Incentive Agreement signed between the Government of India and the Government of the United States of America in the year 1997.
- **Development Finance Corporation:** Significant developments have taken place since the signing of the earlier IIA in 1997.
  - It includes the creation of a new agency called DFC, a development finance agency of Government of USA, as a successor agency of the erstwhile Overseas Private Investment Corporation (OPIC) after the enactment of a recent legislation of USA, the BUILD Act 2018.
- **Additional investment support:** IIA has been signed, to keep pace with the additional investment support programmes, offered by the DFC, such as debt, equity investment, investment guaranty, investment insurance or reinsurance, feasibility studies for potential projects and grants.
- **The Agreement is the legal requirement for DFC:** to continue providing investment support in India.
- **Investment support:** DFC or their predecessor agencies have been active in India since 1974 and have so far provided investment support worth \$5.8 billion of which \$2.9 billion is still outstanding.

**Significance of Development Finance Corporation (DFC)**

- **DFC invests in development projects primarily in lower and middle income countries:** It is a successor agency of the former Overseas Private Investment Corporation (OPIC) after the enactment of a recent legislation of the USA, the BUILD Act 2018.
  - **The Better Utilisation of Investments Leading to Development (BUILD) Act of 2018** reformed and strengthened American development finance capabilities into the DFC to help address development challenges and foreign policy priorities of the US.
- **DFC has provided investment support in sectors** that matter for development such as COVID-19 vaccine manufacturing, healthcare financing, renewable energy, SME financing, financial inclusion, infrastructure etc.
- **Development:** It is expected that signing of IIA would lead to enhanced Investment support provided by DFC in India, which shall further help in India's development.
- **In India:** the DFC has been involved in funding the expansion of vaccine manufacturing capabilities under the vaccine partnership of the Quadrilateral Security Dialogue or Quad.

**India- US Relations**

- **About:**
  - India and the US shared values of democracy, rule of law, human rights, religious freedom that bind the countries together.
- **Bilateral engagement:**
  - India and the United States enjoy a **comprehensive global strategic partnership** covering almost all areas of human endeavour, driven by **shared democratic values**, convergence of interests on a range of issues, and vibrant people-to-people contacts.
  - **Regular exchanges at the leadership-level** have been an integral element of the expanding bilateral engagement.
  - Despite COVID-19 pandemic, India-U.S. cooperation witnessed **intense engagement under various bilateral dialogue** mechanisms in a wide range of areas including defence, security, health, trade, economic, science & technology, energy and people-to-people ties.
- **Defence and Security:**
  - India-US defence cooperation is based on "**New Framework for IndiaUS Defence Cooperation**", which was renewed for a period of ten years in 2015.
  - In 2016, the defence relationship was designated as a **Major Defence Partnership (MDP)**.
    - The MDP recognizes a **shared desire to build a comprehensive, enduring and mutually beneficial defence partnership**.
  - Several **defence agreements** have been signed in recent years. These include:
    - Logistics Exchange Memorandum of Association (August 2016)
    - Memorandum of Intent between the U.S. Defence Innovation Unit (DIU)
    - the Indian Defence Innovation Organisation – Innovation for Defence Excellence (2018)
    - Communications Compatibility and Security Agreement (September 2018)
    - Industrial Security Agreement (December 2019);

- Basic Exchange and Cooperation Agreement (October 2020).
- **Bilateral military exercises** and defence exchanges are important aspects of deepening military-to-military cooperation.
  - In addition to a number of service-to-service exercises, in 2019 a tri-services exercise– **Tiger Triumph**– was conducted in November 2019.
  - Bilateral and regional exercises include: **Yudh Abhyas (Army); Vajra Prahar (Special Forces); RIMPAC; Red Flag**.
  - In November 2020, the Royal Australian Navy joined the **U.S.-India-Japan MALABAR** Naval Exercise held in the Bay of Bengal and the Arabian Sea.
  - Both sides have conducted a **number of PASSEX** with the US carrier groups in the Indian Ocean Region
- **Quad:**
  - The **four Quad partners (India, Japan, United States & Australia)** first formed a “Core Group” in 2004, to swiftly mobilise aid during the joint response to the 2004 Tsunami. Since 2017, Quad engagements have increased and intensified. In 2019, the first Quad Foreign Ministerial Meeting was held in New York (December 2019).
- **Counter Terrorism Cooperation:**
  - **Cooperation in counter-terrorism** has seen considerable progress with information exchange, operational cooperation and sharing of counterterrorism technology and equipment. India-U.S. Joint Working Group on Counter-Terrorism oversees the expanding CT cooperation.
- **Cyber Security Cooperation:**
  - The India-US Cyber Framework signed in September 2016, provides for **expanding cooperation in the cyber domain**.
- **Trade & Economic Relations:**
  - The **rapidly expanding trade and commercial linkages** form an important component of the **multi-faceted partnership between India and the United States**.
  - The U.S. is **India’s second largest trading partner** and a major destination for our exports of goods and services.
  - **Bilateral trade in goods and services** stood at US\$ 146 billion in 2019.
  - During the financial year 2020-21, India received the **highest ever foreign direct investment amounting** to USD 81.72 billion, as per data published by the Ministry of Commerce and Industry, Government of India.
  - The US replaced Mauritius as the second largest source of foreign direct investment into India during 2020-21 with inflows of USD 13.82 billion.
  - The US is one of the top 5 investment destinations for Indian FDI.
- **Energy sector:**
  - India and the US have a **strong bilateral partnership in the energy sector**.
  - In 2010, bilateral Energy Dialogue was launched.
- **Science and Technology:**
  - **India-US cooperation in Science and Technology** is multi-faceted and has been **growing steadily under the framework of the India-US Science and Technology Cooperation Agreement** signed in October 2005, which was renewed for a **period of ten years in September 2019**.
  - ISRO and NASA are working together to realise a **joint microwave remote sensing satellite** for Earth observation, named NASA ISRO Synthetic Aperture Radar (NISAR).
- **Education partnership:**
  - It is an important pillar of **India-US ties and both the countries** share strong linkages and history of higher education collaborations.
  - The United States Educational Foundation in India (USEFI) was set up after a bilateral agreement on education exchange was signed between India and the US on February 2, 1950
- **Indian Diaspora:**
  - About 4.2 million Indian Americans/Indian origin people reside in the US. The Indian Americans [3.18 million] constitute the third largest Asian ethnic group in the US

#### **Frictions in India- USA relations**

- **Trade Deal:**
  - The USA is worried about the **trade deficit** it has with India.

- Further, India's benefits under the **Generalised System of Preferences (GSP)** scheme were terminated by Trump in 2019.
- The GSP provides preferential, duty-free access for over \$6 billion worth of products exported from developing countries to the US.
- **Different cases/ disagreements at WTO:**
  - India's **domestic component clause** was a bone of contention.
  - Similarly there is **lack of consensus over the IPR regime** and evergreening of patents.
  - Peace Clause and Public Procurement Policy
- **H1B visas:**
  - The US has ramped up **H-1B denials** under the executive order "**Buy American and Hire American**".
- **Digital Data:**
  - The US, Japan, etc support Free Flow of Data with Trust whereas India has raised red flags on it.
- **Agriculture:**
  - The US has long demanded greater access to American agriculture and dairy products.
  - For India, protecting its domestic agriculture and dairy interests was a major reason to walk out of the RCEP agreement.
- **US-Pakistan Equation:**
  - The US has often shown a soft corner for Pakistan due to dynamic equations in Afghanistan.
- **USA tensions with Iran, Russia:**
  - Putting unilateral curbs on Russian and Iranian imports into India through CAATSA would impinge on India's relations with Iran, Russia, both relations in which India has strong stakes.
- **Russian attack on Ukraine**
  - India's strategic partner, the U.S., **warned of consequences** for any country, including India, which conducts local currency transactions through Russia's central bank or constructs a payment mechanism that subverts or circumvents the U.S.'s sanctions against Russia.
  - **India's consistent neutral position on Russia's invasion** of Ukraine, informed by its choices, has antagonised many countries, including the U.S.
  - The Biden administration has been not too happy about India sitting on the fence when it comes to the Russia-Ukraine conflict.
    - India has consistently abstained from voting in the UN meetings, refusing to take a stand in what it sees as a conflict between the two blocs.

#### Way ahead

- **The 2+2 meeting** is an opportunity for the two countries to further discuss their **differences over Russia and elaborate** on the bilateral agenda in terms of the progress that has been made on new initiatives.
  - Though behind closed doors, they'll have an opportunity to have deep discussions about Russia.
  - It is well timed, and the tenor of those talks will be a good indicator of the **overall direction of the strategic partnership** and will tell us whether the strains of the sharply divergent views over Russia are going to have a long-term impact on the partnership.
  - The 2+2 meeting is a good opportunity to work on other aspects of this relationship while exchanging views quietly, as strategic partners should, in areas where they may not see eye to eye.
- **Participation of US entities in Industrial collaboration** and partnership in research and development will be critical for the success of India's 'Atma Nirbhar Bharat' campaigns.
  - India's desire for increased investments by US defence companies in India under the 'Make in India' programme.

### **IMPORTANT FACTS FOR PRELIM**

#### 1. Quad

- It is an **informal multilateral grouping** of **India, the U.S., Australia, and Japan** aimed at cooperation for a free and open **Indo-Pacific region**.
- The region, composed of two oceans and spanning multiple continents, is a hub of **maritime trade and naval establishments**.
  - While not stated explicitly by the leaders, one of the major bases for the grouping is to check **China's growing influence in the region**.
- **Formation**

- India, Japan, Australia, and the US created an informal alliance to collaborate on disaster relief efforts after the devastating **2004 Indian Ocean tsunami**.
- In **2007**, then PM of Japan, Shinzo Abe, formalised the alliance, as the Quadrilateral Security Dialogue or the Quad.
- It was supposed to establish an Asian Arc of Democracy but was **hampered by a lack of cohesion amongst its members** and accusations that the group was nothing more than an anti-China bloc.
- In 2017, faced again with the rising threat of China, the four countries revived the **Quad, broadening its objectives and creating** a mechanism that aimed to slowly establish a rules-based international order.
- The Quad leaders held their first formal summit in 2021

## **2. Jagannath Puri Temple**

- **About:**
  - Shree Jagannath Puri Temple is one of the most impressive monuments of the State of Odisha.
  - The temple was built in the **12th Century AD by King Anatavarman Chodaganga Deva of the Eastern Ganga Dynasty**.
  - Jagannath Puri temple is called '**Yamanika Tirtha**' where, according to the Hindu beliefs, the power of 'Yama', the god of death has been nullified in Puri due to the presence of Lord Jagannath, popularly known as Lord Krishna.
  - It is one of the **Dhammas (Holiest of the holy place)** out of four Dhamas i.e. Puri, Dwarika, Badrinath & Rameswar, in India.
  - This temple was called the "**White Pagoda**" and is a part of Char Dham pilgrimages (Badrinath, Dwaraka, Puri, Rameswaram).
- **Architectural features of the temple:**
  - The entire temple complex is enclosed within **two concentric walls**, the Kuruma Bheda (Inner wall) and the Meghnad Pachira (Wall).
  - There are **four gates** to the temple- **Eastern 'Singhdwara'** which is the main gate with two crouching lions, **Southern 'Ashwadwara'**, **Western 'Vyaghra Dwara'** and **Northern 'Hastidwara'**. There is a carving of each form at each gate.
  - The main entrance to the temple is through **Singhadwara** located on the Eastern Front of the temple with three other entrances along with the four cardinal directions.
  - The **Nilachakra – Or the Blue wheel** perched on top of the temple is made of eight metals or ashtadhatu.
  - The **Aruna stambha**- the 33 ft monolith structure pillar in front of the Singhadwar or the main entrance of the temple was originally located at the Sun Temple, Konark.
- **Festivals associated:**
  - **Devasnana Purnima** – The annual bathing ritual, where the holy trinity is brought out from their sanctum seated in a raised platform and bathed with purified water drawn from a well within the temple premises.
  - **Chariot Festival** – This happens during the month of June/July. During the festival, the Lord comes out to the street to greet his devotees, people irrespective of caste, creed & colour can seek his blessings.

## **3. Swachh Bharat Mission (Urban) [SBM (U)]**

- The Government of India (GOI) launched the Swachh Bharat Mission (Urban) [SBM (U)], with the vision of **ensuring hygiene, waste management and sanitation** across the nation, as a tribute to **Mahatma Gandhi on his 150th birth anniversary**, to be celebrated in the year 2019.
- SBM (Urban) is being implemented by the Ministry of Housing and Urban Affairs (MHUA)
- Key thrust areas of the mission include,
  - Elimination of open defecation
  - Eradication of Manual Scavenging by converting insanitary toilets to sanitary
  - Modern and Scientific Municipal Solid Waste Management
  - Effecting behavioural change regarding healthy sanitation practices
  - Awareness generation about sanitation and its linkage with public health
  - Capacity Augmentation for Urban Local Bodies (ULBs) to create an enabling environment for private sector participation
- **Objectives**
  - Achieving 100% Open Defecation Free (ODF) status
  - Ensuring 100% scientific Solid Waste Management (SWM)
  - behaviour change through 'Jan Andolan', by 2nd October 2019, in all statutory towns. .

- This Mission has achieved significant levels of success against the above objectives, with massive engagement of citizens across all categories of society

**DAILY ANSWER WRITING PRACTICE**

**Q. Explain the evolution of collegiums system for the appointment and transfer of judges India (250)**

**Introduction**

Collegium is the system of appointment and transfer of judges that has evolved through judgments of the Supreme Court, and not by an Act of Parliament or by a provision of the Constitution. The Supreme Court collegium is headed by the Chief Justice of India and comprises four other senior most judges of the court. A High Court collegium is led by its Chief Justice and four other senior most judges of that court.

The collegium system came into being through interpretations of pertinent constitutional provisions (Article 124(2) and Article 217) by the Supreme Court in the so-called 'Judges Cases'.

**Evolution of the Collegium System:**

**FIRST JUDGES CASE:** In S.P. Gupta Vs Union of India, 1981, the Supreme Court by a majority judgment held that the term "consultation" used in Articles 124 and 217 was not "concurrence" – meaning that although the President will consult judiciary, his decision was not bound to be in concurrence with them. The judgment tilted the balance of power in appointments of judges in favour of the executive. This situation prevailed for the next 12 years.

**SECOND JUDGES CASE:** In The Supreme Court Advocates-on-Record Association Vs Union of India, 1993, a nine-judge Constitution Bench overruled the decision in S P Gupta case, and devised a specific procedure called 'Collegium System' for the appointment and transfer of judges in the higher judiciary. Ushering in the collegium system, the court said that the recommendation should be made by the CJI in consultation with his two senior-most colleagues and that such recommendation should normally be given effect to by the executive.

**THIRD JUDGES CASE:** In 1998, President K.R. Narayanan issued a Presidential Reference to the Supreme Court over the meaning of the term "consultation" under Article 143 of the Constitution (advisory jurisdiction). In response, the Supreme Court laid down that the recommendation should be made by the CJI and his four senior-most colleagues, instead of two.

**Conclusion**

The collegium system is blamed for tussle between the judiciary and the executive, the slow pace of judicial appointments and lack of transparency. The earlier attempt at replacing this by the National Judicial Appointments Commission was declared unconstitutional by the judiciary. Thus, there is a need to reform the system of appointment and transfer of judges while ensuring the independence of the judiciary.

**DAILY QUIZ**

- Exercise 'Bongosagar' is a bilateral navy exercise between India and which of the following country ?  
a) **Bangladesh**  
b) Myanmar  
c) Philippines  
d) Sri Lanka
- Consider the following statement with regards to "PARAM PORUL" super computer recently established National Supercomputing Mission and choose the correct statement/s.  
1. PARAM PORUL system is based on Direct Contact Liquid Cooling technology to obtain a high power usage effectiveness and thereby reducing the operational cost  
2. It have been manufactured in India and operating with indigenously developed software stack.  
Select the correct answer using the codes given below  
a) 1 only  
b) 2 only  
c) **Both**  
d) Neither 1 nor 2
- In the recent context which of the following country is the largest exporter of carbon emissions-embodied products?  
a) **China**  
b) Russia  
c) India  
d) USA
- Filariasis is a parasitic disease, caused by:  
a) **Wuchereria bancrofti**  
b) Entamoeba histolytica  
c) Babesia microti  
d) Trypanosoma cruzi

5. Consider the following
  1. Sanjivini
  2. Nira
  3. Mahalaxmi
 Which of the above is/are the variety/es of Sugarcane in India ?
  - a) 1 only
  - b) 1 and 2 only
  - c) 2 and 3 only
  - d) All of the above**
6. With respect to the “Polluter Pays”, consider the following statements:
  1. It is the commonly accepted practice that those who produce pollution should bear the costs of managing it to prevent damage to the human health or to the environment.
  2. It is a part of the Rio Declaration of 1992.
 Which of the statements given above is/are correct?
  - a) 1 only
  - b) 2 only
  - c) Both 1 and 2**
  - d) Neither 1 nor 2
7. The Palma Ratio, sometimes seen in the news, deals with which of the following?
  - a) Impact of inflation on exports.
  - b) Measurement of inequality.**
  - c) Impact of the Government's expenditure on the GDP.
  - d) Relationship between Fiscal Deficit and the GDP.
8. Consider the following about the Global Nutrition report 2021
  1. In the recent report India has made no progress on anaemia and childhood wasting
  2. According to the report Over half of Indian women in the age group 15-49 years are anaemic
  3. According to the report no country in the world was ‘on course’ to achieve the target for obesity.
 Choose the correct statement /s using the code given below
  - a) 1 only
  - b) 2 and 3 only
  - c) 1 and 3 only
  - d) All of the above**
9. With reference to the state of Climate in Asia 2020 report , consider the following statements
  1. It has been released by World Meteorological Organisation (WMO)
  2. India recorded the highest Average Annual loss as per the report
  3. Overall, the highest Average Annual loss was associated with Drought
 Choose the incorrect statement/s using the code given below
  - a) 1 and 2 only
  - b) 1 and 3 only
  - c) 2 only**
  - d) 2 and 3 only
10. Governing Council of NITI Aayog comprises the following?
  1. Prime Minister
  2. Chief Minister of all States and Union Territories
  3. LG of Union Territories
 Select the correct answer using the code given below:
  - a) 2 and 3 only
  - b) 1 and 2 only
  - c) 1 and 3 only
  - d) 1, 2 and 3**