

# 24 Aug 2019: UPSC Exam Comprehensive News Analysis

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## B. GS2 Related

### Category: POLITY AND GOVERNANCE

#### 1. 13 States, UTs improve their water management practices

##### Context:

NITI Aayog has released the composite water management index 2.0 (CWMI 2.0).

##### Details:

- To supplement the efforts of Jal Shakti Ministry, NITI Aayog has prepared the second Round of Composite Water Management Index.

- The CWMI is an important tool to assess and improve the performance of States and Union Territories in efficient management of water resources.
- This has been done through a first of its kind water data collection exercise in partnership with Ministry of Jal Shakti, Ministry of Rural Development and all the States/ Union Territories.
- The index would provide useful information for the States and also for the concerned Central Ministries/Departments enabling them to formulate and implement suitable strategies for better management of water resources.
- CWMI 2.0 ranks various states for the reference year 2017-18 as against the base year 2016-17.
- NITI Aayog first launched and conceptualized the Composite Water Management Index in 2018 as a tool to instill the sense of cooperative and competitive federalism among the states.
  - This was a first ever attempt at creating a pan-India set of metrics that measured different dimensions of water management and use across the lifecycle of water.
  - The report was widely acknowledged and provided actionable guidance to States on where they were doing well absolutely and relatively and what they needed to focus on to secure their water future.
- The states are ranked across nine themes and cover 25 states and two union territories.

### **Findings of the report:**

- An analysis by the NITI Aayog has revealed that, thirteen of the 27 States and Union Territories have improved their water management practices from last year.
- On an average, 80% of the states assessed in the index over the last three years have improved their water management scores, with an average improvement of +5.2 points.
- Gujarat topped the rankings for the second year in a row with a score of 75 out of a maximum of 100, though it dropped a point.
- Gujarat, Andhra Pradesh, Madhya Pradesh, Goa and Karnataka have topped the Composite Water Management Index 2.0 for 2017-18 among non-Himalayan states.
- Among Himalayan states, Himachal Pradesh, Uttarakhand, Tripura and Assam are on top of the index.
- The Union Territories for the first time have submitted their data and Puducherry has been declared as the top ranker.

## **Category: INTERNATIONAL RELATIONS**

### **1. Terror funding watchdog FATF Asia-Pacific Group ‘blacklists’ Pakistan**

#### **Context:**

Pakistan has been placed on the lowest rung, or “blacklist”, of the Financial Action Task Force’s Asia Pacific Group (APG) for non-compliance and non-enforcement of safeguards against terror financing and money laundering.

#### **Details:**

- APG met in Canberra from August 18 to 23, 2019 to discuss a five-year review of the Mutual Evaluation Report (MER) for Pakistan.
- Countries under review during the current session included China, Chinese Taipei, Hong Kong, China, Pakistan, the Philippines and the Solomon Islands.
- The Asia Pacific Group (APG) is one of nine regional affiliates of the FATF.
- Following the meeting, APG decided to place Pakistan among countries requiring “enhanced, expedited follow-up”.
  - The FATF has found Pakistan non-compliant on 32 of 40 compliance parameters on money

- laundering and terror financing.
- On 11 effectiveness parameters of money laundering and terror financing, Pakistan was adjudged low on 10.
- Despite its efforts, Pakistan could not convince the 41-member panel to upgrade it on any parameter.
- The APG process is one of three review processes that Pakistan faces in the next few months.
- On September 5, the APG will meet again, to take forward the main 15-month process of Pakistan's FATF evaluation, which will present its recommendations for the FATF plenary session in Paris from October 18 to 23, 2019.

### **What are the consequences for Pakistan?**

- The placing does not bring any new punitive measures on Pakistan.
- It will require quarterly reporting to the group on improvement in the country's financial safeguards.
- The Paris plenary will decide whether to remove Pakistan from the greylist, continue the listing, or downgrade it to a blacklist of non-cooperative countries.
- At present, Pakistan is on the "grey list" of the FATF, a common group for countries that are termed "high risk and non-cooperative jurisdictions".
- Officials said the downgrade might not occur, given that any three countries in the FATF can veto it, and Pakistan is likely to secure the backing of China, Turkey and Malaysia.
- However, the APG decision would make it difficult for Pakistan to extricate itself from the greylist.

### **Pakistan's response:**

- In a statement, Pakistan's Finance Ministry accepted that it had been placed in the enhanced follow-up, which requires it to report on a quarterly basis, but said that the term "blacklist" did not apply to the APG process.
- It called the terminology "incorrect and baseless".
- Pakistani officials said that since the APG process only looked at Pakistan's actions till October 2018, it did not represent the decisions taken in the past year, which will be considered by the next two reviews.

## **C. GS3 Related**

### **Category: ECONOMY**

#### **1. Centre responds to downturn with steps to boost growth**

##### **Context:**

With Finance Minister Nirmala Sitharaman announcing a slew of measures to reduce the burden on the private sector, the government has come out on the front foot to try to boost the sector's sentiments.

##### **Details:**

## When push comes to shove

Finance Minister **Nirmala Sitharaman** announced some measures to boost economic growth and promised that there is more to come. Two more press conferences are to be held, one of which will be next week. Here are some highlights:

- Increased surcharge on FPIs scrapped
- CSR violations not to be treated as criminal offences
- Public sector bank infusion of **₹70,000 crore** to be released upfront, in one go
- Banks agree to issue more repo-linked loan products to benefit borrowers
- Additional **₹20,000 crore** liquidity for housing finance companies, which will also benefit borrowers
- Govt. to purchase cars to boost auto demand; higher registration fees put off
- Delayed payments by PSUs to be expedited
- Angel tax withdrawn for registered startups



Nirmala Sitharaman and her deputy Anurag Thakur, left, in New Delhi on Friday. ■ SANDEEP SAXENA

- To provide protection to honest decision-making by bankers to boost lending
- Pending GST refunds to MSMEs to be paid within 30 days
- Amendment to MSME Act to move towards

- single definition to be considered
- Issue of IT orders, notices, etc. through a centralised system to cut harassment
- To set up dedicated cell to address problems of start-ups

- To set up an entity for credit enhancement for infrastructure and housing projects
- Task force to finalise pipeline of infrastructure projects
- More action on development of Credit

- Default Swap markets soon
- Simplification of KYC procedure to improve market access for foreign investors
- Announcement on real estate sector next week

- In order to encourage investment in the capital market, it has been decided to withdraw the enhanced surcharge levied by the Finance Act (No 2) Act 2019 on long and short term capital gains arising from the transfer of equity shares. That is, the enhanced surcharge on FPIs goes and the pre-Budget position is restored.
- However, the increased surcharge announced in the Budget would still apply to high net-worth individuals earning more than Rs. 2 crore a year.
- In keeping with the overall push to allay private sector concerns, the Finance Minister also stressed that the government was in favour of penalties rather than prosecution.
- According to the government, this 70,000 crore capital infusion will lead to about Rs. 5 lakh crore of fresh liquidity that can be loaned out. This, along with the strong push for repo rate linked loan products, is likely to benefit consumers borrowing to buy new homes, vehicles and durables.
- The government has also significantly reined in the discretionary powers of the tax authorities. It was announced that from October 1 onwards, all notices and summons by the Income Tax Department would be generated by a centralised computer and would carry a unique code.
- The accelerated depreciation of 15% (in addition to the existing 15%) for all vehicles acquired till March 31, 2020 and the deferment of the proposed increase in registration fee for new vehicles to June 2020 are positive measures that will boost sentiment and, it is to be hoped, translate into demand.

### Significance of the announcements:

- For the Indian economy that is downbeat in growth and in sentiment, the comprehensive package of measures announced by Finance Minister Nirmala Sitharaman is just the right boost. They:
  - address growth slowdown concerns
  - free up funds for investment and spending by banks, housing finance companies and MSMEs
  - undo some controversial proposals, in the budget and outside it, which were affecting sentiment in the markets and the corporate sector.
- And, importantly, these have all been done without any significant financial burden on the government. Some of the measures promote the ease of doing business and even the ease of living



for ordinary citizens.

## 2. New body for infra projects

### Context:

Finance Minister Nirmala Sitharaman announced a host of measures to boost economic growth which included the Centre's proposal to set up a development financial institution (DFI) to meet the infrastructure financing needs.

### Background:

- Over the years, some of the major development financial institutions were merged with their banking outfits such as ICICI and IDBI.
- Reserve Bank of India had released a discussion paper on wholesale and long-term finance banks in 2017 in which it was observed that there was a decline in the share of the long-term assets, relative to total assets, on the banks' balance sheets.
- The RBI had said that specialised banks could cater to the wholesale and long-term financing needs of the growing economy and possibly fill the gap in long-term financing.

### Details:

- In order to improve access to long-term finance, it is proposed to establish an organisation to provide credit enhancement for infrastructure and housing projects, particularly in the context of India not having a development bank.
- The government's proposal is expected to solve the infrastructure financing needs of the country, since banks do not have the long-term funds to finance such projects.
- The concern is that the Banks do not have long-term funds. The maturity of their liabilities is five years, on an average. So, funding infrastructure projects becomes difficult.
- It is expected that establishment of DFI will enhance debt flow toward infra projects.

## 3. Upfront capital for PSBs to boost loan growth

### Context:

Finance Minister Nirmala Sitharaman has announced upfront capital infusion of Rs 70,000 crore into public sector banks.

### Details:

- The move aimed at boosting lending and improving liquidity situation in the country.
- It is expected to generate an additional lending and liquidity in the financial system to the tune of Rs 5 lakh crore.
- The government's decision to provide capital to the public sector banks (PSBs) upfront will give them 'growth capital' apart from meeting regulatory requirements.
  - Bankers said the Rs. 70,000-crore is higher than the total capital requirements projected by banks.
  - Banks had projected their capital requirement for meeting regulatory requirement.
  - Since the government is providing more capital than required, the additional capital will be used to fund growth.
- Many banks, which had reported the April-June earnings, saw their common equity tier-I capital depleted. These lenders will be benefited as their capital levels will improve.
- In addition, this capital will also help the PSBs which are still under prompt corrective action (PCA)

framework of the RBI.

- Out of the 12 banks that were under the restrictions due to PCA, six of them were removed from those restrictions, of which five of them are PSBs.
- Banks that are still under the PCA are IDBI Bank, Central Bank of India, Dena Bank, Indian Overseas Bank and two Kolkata-based lenders — United Bank of India and UCO Bank.
- This will benefit corporates, retail borrowers, MSME, small traders, etc.

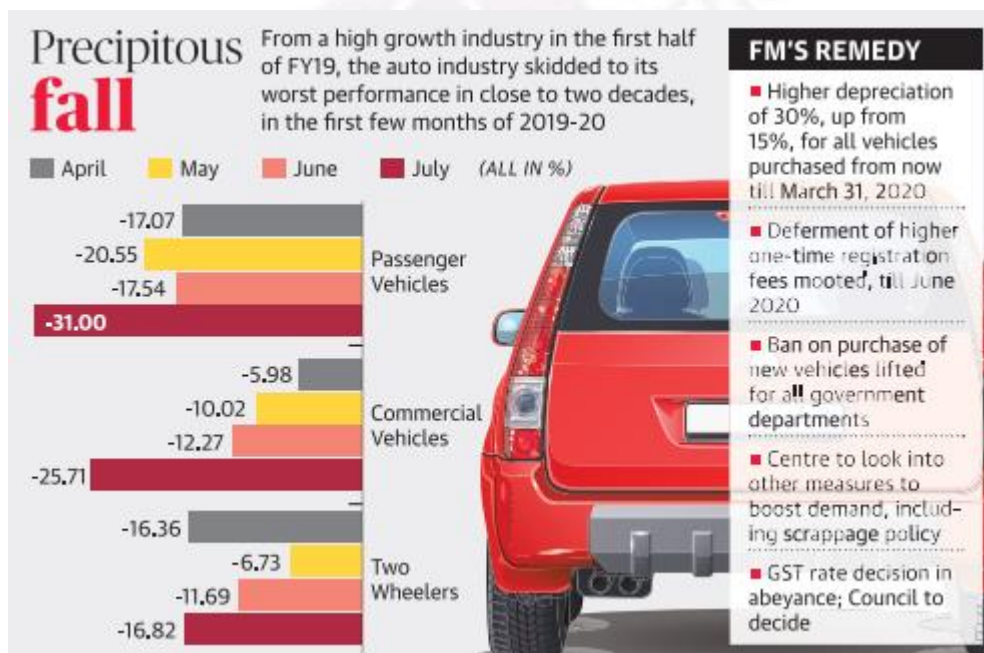
#### 4. FM steps in to accelerate auto demand

##### Context:

Finance Minister Nirmala Sitharaman announced a slew of measures to boost demand in the auto sector.

##### Details:

- The announcements aimed at reducing any uncertainty that was dampening sentiments.
- It was said that the government will now replace old vehicles with new ones.
  - It would serve to increase demand for the auto sector.
- A higher depreciation of 30%, up from 15%, for all vehicles purchased from now till March 31, 2020.
- Deferment of the higher one-time registration fees, mooted by the Ministry of Road Transport and Highways (MoRTH), till June 2020 was another significant announcement.
  - In July 2019, MoRTH had issued a draft notification that proposed to increase the registration charges for new IC engine powered vehicles to 5,000 from the current Rs.600.
  - This was met with intense resistance from the auto industry.
- It was also announced that the government will look into other measures to boost demand in the sector, including a scrappage policy.
- The government has clarified that BS-IV compliant vehicles purchased till March 31, 2020 would be allowed to remain operational for the full period of their registration.



#### 5. Escape from angel tax delights start-ups

##### Context:

In order to mitigate genuine difficulties of startups and their investors, it has been decided that the relevant provisions of Section 56 of the Income Tax Act, which is commonly called the 'angel tax', shall not be applicable to a startup registered with the Department for Promotion of Industry and Internal Trade.

#### **Details:**

- The announcement that the angel tax will not be applicable on entities registered with the Department for Promotion of Industry and Internal Trade (DPIIT) has provided the much-needed relief for the start-up community.
- The announcement by the Finance Minister said, “while Sec 56(2) (viib) of the Income Tax Act under which the tax is levied would stay, it would not be applicable on start-ups that register with the DPIIT”.
- The angel tax provision has been a pain point for start-ups who have repeatedly complained that the tax burden was slowing down the angel investments made in new companies.
- The angel tax was always looked upon as a major hindrance for early stage start-ups that were looking to attract funding from angel investors and other entities.
- The move is believed to simplify the flow of risk capital for young companies, which will allow early-stage ventures to raise seed capital.

#### **Other announcements for Startups and MSMEs:**

- The government will set up a dedicated cell under a member of the Central Board of Direct Taxes to address the problems of the startups relating to income tax.
- All pending Goods and Services Tax refunds to MSMEs would be made within 30 days, and that all future refunds will be paid within 60 days.
  - This is expected to free up a lot of capital that was otherwise locked up for the MSME sector.
- The government will also look into amending the MSME Act to arrive at a single definition for MSMEs, to avoid the confusion created by various Ministries and Departments using different definitions.
- Pending payments by Central Public Sector Enterprises (CPSE) to services providers would be expedited and the delayed payments would be monitored by the Department of Expenditure and the performance would be reviewed by the Cabinet Secretariat.

#### **Angel Tax:**

- Angel tax is imposed on the excess share capital raised by an unlisted firm, over and above the fair market value of its shares.
- This tax usually impacts start-ups and the angel investments they attract.
- While aimed at curbing money-laundering, the angel tax also resulted in a large number of genuine start-ups receiving notices from the tax department.

### **Category: ENVIRONMENT AND ECOLOGY**

#### **1. With Amazon forest on fire, Brazil faces global backlash**

##### **Context:**

The Amazon rainforest, often referred to as the lungs of the Earth, has been ravaged by a record number of fires this year, sparking global outrage over Brazil's environmental policies.

##### **Details:**

- World leaders, environmental groups and celebrities have publicly decried the vast swaths of forest being destroyed by the fires, while satellite images of dark smoke billowing out of the Amazon has been shared on social media by space agency NASA.
- An intensifying wave of international criticism came shortly after Brazil's research center, the National Institute for Space Research (INPE), reported that it had detected 72,843 fires in the world's largest rainforest so far this year.
- That marked an 84% rise when compared to 2018 and the highest since records began in 2013.
- Brazil has strict environmental laws and regulations, but they are often violated with impunity.
- While the immediate impact of the fire would be changes in the heating of the regional atmosphere, in the long term it is expected to lead to a potential decline in natural carbon.

#### **Concerns:**

- Brazil's President - Bolsonaro has angrily told foreign powers not to interfere with his country's sovereignty, despite admitting his country is not equipped to fight the fires.
- Having first dismissed the fires as natural, then blaming nongovernmental organizations without evidence for lighting them, Bolsonaro struck a more serious note, saying he would summon top cabinet members to tailor a response.
- He has warned he could withdraw the country from a landmark climate agreement restricting global efforts to cut carbon, saying the requirements of the Paris Agreement compromise Brazil's sovereignty over the Amazon region.

#### **What caused these fires?**

- Fires in the Amazon basin are a regular and natural occurrence during the dry season at this time of the year.
- However, environmental activists have blamed the sharp rise on farmers setting alight clear land to pasture.
- Farmers and ranchers use fire generally to clear the land for further utilisation. This year's fires also fit perfectly into the established seasonal agricultural pattern. This time is the most suitable to burn because the vegetation is dry.
- It is believed that it is a consequence of the increase in deforestation seen in recent figures.
- Concern have been raised over the environmental policies of President Jair Bolsonaro, which have prioritised the interests of industries that want greater access to protected lands, has also put in jeopardy a trade agreement the EU and a handful of South American nations, following decades of negotiations.

#### **Amazon Rainforest:**

- The Amazon rainforest produces around 20% of the world's fresh water and serves as the habitat of more than 34 million people, according to the World Wide Fund for Nature (WWF).
- It covers roughly 5.5 million square kilometers — about half the size of Europe.
- The rainforest is currently home to uncountable species of fauna and flora.
- The Amazon is critical in absorbing the planet's carbon dioxide — making it a vital bulwark against an intensifying climate crisis.

## **D. GS4 Related**

*Nothing here for today!!!*

## **E. Editorials**



## Category: DISASTER MANAGEMENT

### 1. Kerala Landslides

#### Context

- Landslides caused by heavy rain wreaked havoc in Kerala claiming human lives and destroying vast tracks of agricultural lands.

#### Natural Causes

- **Rising ocean temperatures are resulting in large fluctuations in the monsoon winds**, so it occasionally ends up in surges of moisture from the Arabian Sea being dumped over peninsular India.
  - The rise in extreme rainfall events over India from 1950 to 2018 is about threefold.
- Meteorological data indicate that **Malappuram** received 512% and 248% excess rainfall on August 7 and 8, respectively.
  - In **Wayanad**, the rain was beyond normal by 312% and 867%, respectively, on the same days.
- Extreme rain events caused by climate change and inadequate early warning measures have made matters worse.

#### Reasons for Landslide- Anthropological causes

- There is rampant exploitation of the Western Ghats by the **various quarrying and construction companies for extracting minerals**.
  - The two factors that lead to landslides are triggering factors and the co-operative factors
  - The triggering factor in this case is obviously the heavy rainfall and one of the major co-operative factors that lead to the landslides is quarrying and Quarrying causes rapid landscape changes.
- In a research conducted by **Kerala Forest Research Institute (KFRI)**, it was found that 25 out of the 31 locations which experienced landslides came under the Ecologically Sensitive Zones (ESZ), identified by the **Western Ghats Ecology Expert Panel (WGEEP) in 2011**.
  - The Gadgil report, as it is popularly known as, recommended strict regulation on development activities including quarrying, mining and infrastructure projects such as roads, railways lines.
- A **Post-Disaster Needs Assessment conducted by the United Nations Development Programme** in the wake of the 2018 floods and the draft Rebuild Kerala road map have made it clear that current land use pattern, changes in land cover, blocking of natural drains by way of constructions and poor agricultural practices including monocropping have all exacerbated the risk of landslides.
- At Puthumala, **unscientific constructions that interrupted natural drains** played a role in multiplying the magnitude of minor slides that generally occur in forest areas
- Most regions with a slope of more than 20 degrees are prone to landslides. Eight per cent of Kerala is classified as a critical zone for mass movements.
  - Further, since the 19th century, over **50% of land with tropical forests and grasslands has been converted to monoculture plantations and agricultural fields**.
  - This has made the terrain much more vulnerable to landslides
- Construction of resorts and high rises has increased in landslide-prone areas.

#### Environmental norms for mining diluted

- In 2017, Kerala Govt brought in a major amendment to the **Kerala Minor Mineral Concession**

(KMMC) Rules, 2015, as far as permissible limits for quarrying operations were concerned.

- The new amendment brought in **made no distinction between quarrying using explosives and quarrying without using explosives.**
- It further reduced the minimum permissible distance limit from 100 metres to 50 metres from residential buildings, reservoirs, tanks, canals, rivers, bridges, and other public works.
- In February 2018, the state government brought in another amendment to KMMC Rules, 2015.
  - This time it **scrapped the No Objection Certification (NOC) required from the District Collector** for the mining of sand and clay, thereby easing the rules for acquiring licenses.

### Impact on the agricultural Sector

- Landslides have **affected large plantation areas** forcing companies to close down estates
- **Tea plantations** in Munnar covering seven estates— is anticipating 20-25 per cent crop loss due to the 18-19-inch downpour.
- Inundation in several low-lying areas has affected the **cardamom crop**
- **Rubber Board officials** said that the heavy rains have hampered tapping in many plantations

### Way forward

- An improvement in weather forecast models and early warning systems would reduce human losses.
- All activities that trigger landslides should be regulated strictly, Institutions and bureaucrats who grant permission for these projects with absence of due process should be held accountable for the loss of human lives and property.
- A multisector approach should be envisaged to formulate a comprehensive land use policy
- Scientists believe that micro-level mapping of landslide-prone areas and efficient disaster management system in a people-oriented manner are the need of the hour.

## Category: INTERNATIONAL RELATIONS

### 1. An end to arms control consensus

#### Background

- The decade of the **1980s saw heightened Cold War tensions.** Soviet military intervention in Afghanistan in 1979 provided the U.S. an opportunity to fund a (barely) covert jihad with the help of Pakistan.
- President Ronald Reagan called the USSR “an evil empire” and launched his space war initiative.
- Soviet deployments in Europe of SS-20 missiles were matched by the U.S. with Pershing II and cruise missiles.

#### Cold War talks

In 1985, the two countries entered into arms control negotiations on three tracks.

- The first dealt with strategic weapons with ranges of over 5,500 km, leading to the **START agreement** in 1991 that limited both sides to 1,600 strategic delivery vehicles and 6,000 warheads.
- A second track dealt with **intermediate-range missiles**, of particular concern to the Europeans, and this led to the INF Treaty in 1987.
- A third track, **Nuclear and Space Talks**, was intended to address Soviet concerns regarding the U.S.’s **Strategic Defence Initiative (SDI)** but this did not yield any concrete outcome.

### Intermediate Range Nuclear Forces (INF) Treaty

- It is a 1987 arms control agreement between the United States and the Soviet Union to eliminate and permanently renounce all of their nuclear and conventional **ground-launched ballistic and cruise missiles with ranges of 500 to 5,500 kilometers**.
  - The treaty did not cover sea-launched missiles
- It was signed by **S. President Ronald Reagan and Mikhail Gorbachev**
- The treaty **marked the first time the superpowers had agreed to reduce their nuclear arsenals, eliminate an entire category of nuclear weapons**, and utilize extensive on-site inspections for verification.

### How INF helped?

- The INF Treaty was hailed as a **great disarmament pact even though no nuclear warheads were dismantled** and similar range air-launched and sea-launched missiles were not constrained.
- Further, since **it was a bilateral agreement, the treaty did not restrict other countries**, but this hardly mattered as it was **an age of bipolarity and the U.S.-USSR nuclear equation** was the only one that counted.
- By 1991, the INF had been implemented. The **USSR destroyed a total of 1,846 missiles and the U.S. did the same with 846 Pershing and cruise missiles**.
- Associated **production facilities were also closed down**. In keeping with **Reagan's dictum of 'trust but verify'**, the INF Treaty was the first pact to include **intensive verification measures, including on-site inspections**.

### End of the Cold War

- It led to **break-up of the USSR in end-1991, the arms race was over**. Former Soviet allies were now joining the North Atlantic Treaty Organization (NATO) and negotiating to become European Union (EU) members.
- The U.S. was investing in missile defence and conventional global precision strike capabilities to expand its technological lead. Importantly, some of these were blurring the nuclear-conventional divide.

### Context

- The **process for bringing an end to this treaty** was called in October 2018, when President Donald Trump announced that U.S. was considering a withdrawal. On August 2 2019, the U.S. formally quit the pact.

### How it all began?

- **In 2001, when the U.S. announced its unilateral withdrawal from the 1972 Anti-Ballistic Missile Treaty (ABM Treaty)**, a keystone of bilateral nuclear arms control was removed.
- The INF Treaty had been under threat for some time. The U.S. had started voicing concerns about the **Novator 9M729 missile tests nearly a decade ago**. As Russia began production, formal allegations of violation of the INF Treaty were raised by the Obama administration in **2014**.
  - **Russia denied the allegations and blamed the U.S. for deploying missile defence interceptors in Poland and Romania**, using dual-purpose launchers that could be quickly reconfigured to launch Tomahawk missiles.
- Basically, Russia believes that nuclear stability began getting upset since the U.S.'s unilateral withdrawal from the ABM Treaty. As the U.S. used its technological lead to gain advantage, Russia became more dependent on its offensive nuclear arsenal and began its modernization and diversification.

- The U.S.'s **2017 National Security Strategy and the Nuclear Posture Review (NPR)** the following year reflected harsher-than-before assessment of its **security environment and sought a more expansive role for nuclear weapons, in a break from the policies** that had been followed since the end of the Cold War.
  - Russia was seen as a 'disruptive power' pushing for a re-ordering of security and economic structures in Europe and West Asia in its favour.
  - **China was identified for the first time as a strategic competitor** that was seeking regional hegemony in the Indo-Pacific region in the near-term and "**displacement of the U.S. to achieve global pre-eminence in the future**".
- The **2018 NPR envisaged development of new nuclear weapons, including low-yield weapons.** The Nevada test site, which has been silent since 1992, is being readied to resume testing with a six-month notice.
- With the **geopolitical shift to the Indo-Pacific, the U.S. believes that the INF Treaty was putting it at a disadvantage compared to China** which is rapidly modernising and currently has 95% of its ballistic and cruise missile inventory in the INF range. Against this political backdrop, the demise of the agreement was a foregone conclusion.

### Consequences

- The 2011 New START was a successor to the START framework of 1991 and limited both sides to 700 strategic launchers and 1,550 operational warheads. It lapses in February 2021 unless extended for a five-year period.
  - Trump has already labelled it "a bad deal negotiated by the [Barack] Obama administration."
  - He has indicated that a decision on the agreement will be taken in January 2021, after the 2020 election.
  - Given his dislike for it, if he is re-elected, it is clear that the New START will also meet the fate of the INF Treaty.
- The Comprehensive Test Ban Treaty (CTBT) is a "zero-yield" treaty. This means that the agreement prohibits all nuclear explosions that produce a self-sustaining, supercritical chain reaction of any kind whether for weapons or peaceful purposes.
  - Director of the Defence Intelligence Agency Lt. Gen. Robert Ashley declared that "Russia probably is not adhering to the nuclear testing moratorium in a manner consistent with the 'zero-yield' standard" imposed by the CTBT
  - Many have interpreted Lt. Gen. Ashley's statement as preparing the ground for a resumption of nuclear explosives testing. Taken together, these ominous pointers indicate **the beginning of a new nuclear arms race.**
- This means that, **for the first time since 1972**, when the Strategic Arms Limitation Act (SALT) I concluded, **strategic arsenals from the U.S. and Russia will not be constrained** by any arms control agreement.

### Conclusion

- A new nuclear arms race could just be the beginning. Unlike the bipolar equation of the Cold War, this time it will be **complicated because of multiple countries being involved.**
- Technological changes are bringing **cyber and space domains into contention.**
- All this raises the risks of escalation and could even strain the most important achievement of nuclear arms control — the taboo against the use of nuclear weapons that has stood since 1945.

## F. Tidbits

### 1. Centre takes steps to control onion prices in national capital



- With heavy rain in key onion-growing States, such as Maharashtra and Karnataka, fanning fears of a price rise, the Centre has taken steps to control onion rates in Delhi.
- It has also warned of strict action against hoarders and profiteers.
- The Department of Consumer Affairs has directed government-owned Mother Dairy to sell onions at its own Safal shops at a lesser price.
- The decision was taken following a meeting reviewing onion prices in the Capital chaired by Consumer Affairs Secretary.
- Safal, which owns about 400 outlets in the National Capital Region, is already being provided onions for sale from the government stock built under the Price Stabilisation Fund.
- The National Agricultural Cooperative Marketing Federation of India and the National Cooperative Consumers Federation of India have also been directed to retail onions at similar rates.
- Onions from the government buffer will be offered at cost price to large retailers as well.

## G. Prelims Facts

### 1. Mogao Caves

- It is also known as the Thousand Buddha Grottoes or Caves of the Thousand Buddhas
- It is Carved into the cliffs above the Dachuan River, the Mogao Caves south-east of the **Dunhuang oasis, Gansu Province**, comprise the largest, most richly endowed, and longest used treasure house of Buddhist art in the world.
- The Mogao Caves were inscribed on the World Heritage List in 1987.
- Mogao Grottoes are a treasure house of art, architecture, sculpture and painting with 735 grottoes, over 45,000 square meters of murals and 2,000 painted sculptures.

#### Significance

- The murals and Buddha figures in these caves tell the historical and cultural ties between Chinese and Indian civilisations, and witness **the light of inter-civilisational exchanges and mutual learning**.
- Indian-style sculptures can be seen in the Mogao Grottoes built during the 4th to 6th centuries. The moves of the most commonly seen Apsara figure in Dunhuang murals are **similar to those in Indian classical dances**.
- Dunhuang also keeps many ancient Buddhist sutras written in Sanskrit and Pattra-Leaf Scripture, a wealth of information for China-India cultural exchanges.

## H. Practice Questions for UPSC Prelims Exam

Q1. Consider the following statements:

1. Composite Water Management Index (CWMI) is released by NITI Aayog.
2. Gujarat has topped the rankings for two years in a row.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: c**

**Explanation:**

The Composite Water Management Index (CWMI) released by NITI Aayog is envisioned to bring about much-required improvements in water resource management and conservation in India in a coherent and collaborative manner. The Index will be a public platform that provides an annual snapshot of the water sector status and the water management performance of the different states and UTs in India. The Index will measure both the overall progress made by states in water management and the incremental improvement in performance across time. Gujarat has topped the rankings for two years in a row.

**Q2. Consider the following statements:**

1. Asia Pacific Group is an inter-governmental organization working to implement international standards for the prevention of money laundering and terrorist financing in the Asia Pacific region.
2. India and Pakistan are the members of Asia Pacific Group.
3. The APG directly assists its members in introducing Anti Money Laundering legislation.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 1 and 2 only
- c. 1 and 3 only
- d. 1, 2 and 3

**Answer: d**

**Explanation:**

Asia Pacific Group is an inter-governmental organization working to implement international standards for the prevention of money laundering and terrorist financing in the Asia Pacific region. It has 41 member countries, including India and Pakistan. The APG directly assists its members in introducing Anti Money Laundering (AML) legislation. Structuring its approach to the needs of individual countries, the APG also provides guidance for setting up AML agencies and financial intelligence units.

**Q3. Consider the following statements:**

1. The Mogao Caves also known as Caves of the Thousand Buddhas is located in Maharashtra.
2. The caves are included in the UNESCO World Heritage List.

Which of the given statement/s is/are incorrect?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: a**

**Explanation:**

The Mogao Caves also known as Caves of the Thousand Buddhas is located at a religious and cultural crossroads on the Silk Road, in Gansu province, China. The caves are included in the UNESCO World Heritage List.

Q4. Consider the following statements:

1. The Sea of Azov is the shallowest sea in the world.
2. There is a constant outflow of water from the Sea of Azov to the Black Sea.
3. The Sea of Azov is linked by the narrow Strait of Kerch to the Black Sea.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 1 and 2 only
- c. 1 and 3 only
- d. 1, 2 and 3

**Answer: d**

**Explanation:**

All the statements are correct.

## I. UPSC Mains Practise Questions

1. Throw light upon the significance that Amazon rainforests hold for the health of the world environment and discuss the impact of the fires in the Amazon rainforest on the environment and its wild life. (15 Marks, 250 Words)
2. What are the steps involved in Money Laundering? Discuss the need to bring about amendments to the Prevention of Money Laundering Act. (15 Marks, 250 Words)