

# 23 Dec 2019: Comprehensive News Analysis

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## B. GS 2 Related

**Category: INTERNATIONAL RELATIONS**

### **1. India, Iran agree to accelerate Chabahar port development**

**Context:**

Meeting of the **19th India-Iran joint commission.**

**Background:**

- Iran had expressed that it was disappointed that India had stopped all oil imports from Iran following the **sanctions by the United States**.
- Iran's Ambassador Ali Chegeni had earlier suggested that India's adherence to U.S. sanctions was also **affecting Chabahar port development plans**.
- Recently, a senior U.S. official made it clear that it would continue its **"narrow exemption" to India to develop the Chabahar port**, recognizing its role as **"as a lifeline to Afghanistan** in terms for India to be able to export humanitarian supplies and potentially helping Afghanistan diversify its export opportunities."
- Subsequently, diplomats from **India, Iran and Afghanistan** met in Delhi and discussed several new initiatives for the **trilateral project at Chabahar**.

#### Details:

- External Affairs Minister Subrahmanyam Jaishankar met with Iranian Foreign Minister Javad Zarif for a meeting of the 19th India-Iran joint commission.
- Discussions were held on closer bilateral relations and regional and global issues affecting the two countries.
- The two countries have agreed on **accelerating the Chabahar project**.

## 2. FATF puts 150 questions to Pak.

#### Context:

FATF questionnaire to Pakistan.

#### Background:

- The **Financial Action Task Force (FATF)** had kept Pakistan on the Grey List for an extended period till February 2020 pressurizing it to take action to curb terrorism and money laundering.
- FATF had warned that Islamabad would be put on the Black List if it did not comply with the remaining 22 points in a list of 27 questions. Pakistan submitted a report comprising answers to 22 questions to the FATF.

#### Details:

- In response to the report submitted by Pakistan, the FATF's Joint Group has sent 150 questions to Pakistan, seeking some clarifications, updates and actions taken against the madrasas belonging to the banned outfits.

#### Additional information:

- The **Financial Action Task Force (on Money Laundering) (FATF)** is an intergovernmental organization founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.
- FATF was formed by the 1989 G7 Summit in Paris to combat the **growing problem of money laundering**. The task force was charged with studying money laundering trends, monitoring legislative, financial and law enforcement activities taken at the national and international levels, reporting on compliance, and issuing recommendations and standards to combat money laundering.
- The **mandate of the organization was expanded to include terrorist financing following the September 11 terror attacks in 2001**. It monitors progress in implementing the FATF Recommendations through "peer reviews" ("mutual evaluations") of member countries.

- The FATF Secretariat is housed at the OECD headquarters **in Paris**.
- Since 2000, to fight money laundering and terror financing, the FATF maintains the current list of nations: **FATF blacklist (formally called the "Call for action")** and the **"FATF greylist" (formally called the "Other monitored jurisdictions")**.
- In addition to FATF's "Forty-plus Nine" Recommendations, in 2000, FATF issued a list of **"Non-Cooperative Countries or Territories" (NCCTs)**, commonly called the FATF Blacklist. This was a list of 15 jurisdictions that, for one reason or another, FATF members believed were uncooperative with other jurisdictions in international efforts against money laundering (and, later, terrorism financing).
- **As of 2019, FATF consists of thirty-seven member jurisdictions and two regional organisations.** The FATF also works in close cooperation with a number of international and regional bodies involved in combating money laundering and terrorism financing.
- **The effect of the FATF Blacklist has been significant** and arguably has proven more important in international efforts against money laundering than has the FATF Recommendations. While, under international law, the **FATF Blacklist carried with it no formal sanction**, in reality, a jurisdiction placed on the FATF Blacklist often found itself under intense financial pressure.

### 3. Hong Kong protesters rally for Uighurs

#### Context:

Rally in Hong Kong in support of China's ethnic Uighurs.

#### Background:

- This is the latest demonstration in over six months of unrest in Hong Kong.
- UN experts and activists say at least **1 million Uighurs and members of other largely Muslim minority groups** have been detained in camps **in Xinjiang** since 2017 under a campaign.
- Beijing says it is providing vocational training to help stamp out separatism and to teach new skills. It denies any mistreatment of Uighurs.
- The protest comes after footballer Mesut Ozil caused a furore in China after he criticised the country's policies toward the Muslim ethnic minority in the northwestern region of Xinjiang.

#### Additional Information:

- The Uighurs are **a minority Turkic ethnic group** originating from and culturally affiliated with the general **region of Central and East Asia**.
- The Uighurs are recognized as **native to the Xinjiang Uyghur Autonomous Region of the People's Republic of China**. They are considered to be one of China's 55 officially recognized ethnic minorities.
- The Uighurs have traditionally inhabited a series of oases scattered across the **Taklamakan Desert comprising the Tarim Basin**, a territory which has historically been controlled by many civilizations including China, the Mongols, the Tibetans and the Turkic world.
- An estimated 80% of Xinjiang's Uyghurs still live in the Tarim Basin. The rest of Xinjiang's Uyghurs mostly live in **Urumqi, the capital city of Xinjiang UAR**, which is located in the historical region of Dzungaria.

## 1. 'Counter-cyclical steps, structural reforms needed to tackle slowdown'

### Context:

RBI Governor Shaktikanta Das's interview.

### Details:

#### Monetary Policy Committee:

#### Details:

- The Monetary Policy Committee of India is responsible for **fixing the benchmark interest rate in India.**
- **The Reserve Bank of India Act, 1934 was amended by the Finance Act (India), 2016** to constitute MPC which will bring more transparency and accountability in fixing India's Monetary Policy.
- The current mandate of the committee is to **maintain 4% annual inflation until 31 March 2021 with an upper tolerance of 6% and a lower tolerance of 2%.** The term of the present committee will end in 2021.
- **The meetings of the Monetary Policy Committee are held at least 4 times a year.** The monetary policy is published after every meeting with each member explaining his opinions. The committee is answerable to the Government of India if the inflation exceeds the range prescribed for three consecutive months.
- **The committee comprises of six members - three officials of the [Reserve Bank of India](#) and three external members nominated by the Government of India.** The Governor of the Reserve Bank of India is the chairperson ex officio of the committee. Decisions are taken by a majority with the Governor having the casting vote in case of a tie.
- The external members will hold office for a period of four years from the date of appointment while the other three members are official. **All the central government nominees are not eligible to be re-appointed.**

#### Working of the MPC:

- Since MPC involves a **committee-based approach**, more minds and views are going into the decision-making of the very important monetary policy.
- The **involvement of the three external experts** brings in outside perspective which improves the quality of decision-making and the outcome or final decision itself.
- Since the time the MPC has been in place, by and large, inflation has remained within the target. This considering the fact that headline inflation is impacted by so many factors to which RBI has no influence. Inflation has remained around 4%. Without a target, there were situations prior to the setting up of the MPC when [CPI \[consumer price index\]](#) inflation was 10%.
- The minutes of the MPC meeting are published which brings in **greater transparency** to the process of decision-making. The minutes also reflect the thinking of each member making the whole process more deliberative.

#### Inflation targeting:

- There are concerns that inflation targeting has turned out to be detrimental to growth.

- The provision of the RBI as stated in the RBI Act is to maintain price stability, keeping in mind the objective of growth. The prime target is therefore inflation. However, given the fact that controlling inflation without the necessary growth is meaningless, the monetary policy has to suitably factor in the growth aspect also.

#### Headline CPI inflation v/s Core inflation:

- **The MPC considers the headline inflation for inflation targeting.** There have been suggestions to review this and consider Core Inflation as the basis of inflation targeting.
- **Headline inflation is a measure of the total inflation within an economy, including commodities such as food and energy prices** (e.g., oil and gas), which tend to be much more volatile and prone to inflationary spikes. On the other hand, "**core inflation**" (also non-food-manufacturing or underlying inflation) is **calculated from the consumer price index minus the volatile food and energy components.** Headline inflation may not present an accurate picture of an economy's inflationary trend since sector-specific inflationary spikes are unlikely to persist.
- Core inflation represents the long-run trend in the price level. In measuring long-run inflation, transitory price changes should be excluded. One way of accomplishing this is by excluding items frequently subject to volatile prices, like food and energy.
- There are also arguments that what matters more for the common man of our country is the food inflation. The weightage of food items in the overall CPI basket is 47-48%. The neglecting of this aspect by considering Core inflation might not be wise.

#### Food inflation:

- RBI Governor Shaktikanta Das has said the recent spike in food inflation looks transient and going forward, it should come down, but added that the central bank needed to wait for a confirmation of this.

#### Monetary transmission:

- Back-to-back policy rate cuts of 135 basis points have been announced by the Monetary Policy Committee (MPC) between February-October 2019. It was only in the recent report that the Monetary Policy Committee took an unexpected pause on rate cuts on concerns of rising inflation.
- **The policy rate cuts by the Monetary Policy Committee were unable to bring down the bank lending rates proportionately.** Despite all that the RBI has done, the monetary transmission has been unsatisfactory.
- It has been observed earlier that monetary policy transmission takes time. The system liquidity which was in deficit till the end of May 2019, is in the surplus from June 2019 onwards. The **external benchmark [for loan pricing] was introduced from October 1 2019.** Going forward, the impact of the external benchmark will be felt more and more.

#### Economic Slowdown:

- The RBI's annual report notes that it would appear that the **current slowdown is cyclical.** However, there are **structural factors also.**
- With respect to the current economic slowdown, there are structural issues which need to be addressed. There will have to be structural reforms which have to be undertaken and the process needs to be continued.
- The focus should be on steps that need to be taken by the fiscal and monetary authorities. **There have to be some countercyclical steps.**

#### Financial sector issues:



NBFCs:

- In the backdrop of the recent crisis with respect to a few NBFCs, the RBI has identified 50 critical NBFCs for close monitoring.
- In case of vulnerabilities in such NBFCs, they have been identified and RBI has constantly engaged with the promoters and management, nudging them to take necessary, market-related measures like to mobilize additional capital and to deleverage, to show better recoveries, etc.

Urban Cooperative Banks:

- Post the PMC Bank failure there were concerns raised that the lack of effective regulation was one of the major reasons for the PMC bank crisis.
- In the case of the urban cooperative banks, there is no RBI representative on the Boards. **RBI is mainly involved in supervision. RBI does not do any audit.** Supervision is done on the basis of certified records by the bank's management.
- **RBI is planning to use technology, data analytics, in a big way.** There are plans of setting up a research and analysis wing within the department of supervision which will collate and correlate all the data, see the interconnectedness and will be able to comprehensively look at the banking structure. RBI is considering setting up a separate department of supervision and a department of regulation.

## Category: INFRASTRUCTURE

### 1. Railway unveils a new signalling system

Context:

- Modernization of the signalling system in the Indian railways.

Details:

- The Railways will roll out its new signalling system from April 2020 onwards.
- The implementation will begin with four sections of about 640 route kilometres with an estimated cost of around ₹1,810 crores.
- This is expected to be a **pilot project for pan-India implementation of the nearly ₹78,000 crore project to modernize the signalling system.**

Significance:

- The new signalling system is expected to **make train travel faster and safer.**
- The implementation of these new systems will also **improve safety, reduce congestion, increase line capacity and improve punctuality.**
- The system will act as a pilot for **signal modernization across the 70,000 km network of the Railways.**

Technology:

- The modernization of the signalling system will include implementation of technologies such as the **automatic train protection system** that helps in adhering to permissible speed limits without driver intervention and the **4G-based mobile train radio communication system**, which can be used for emergency communications.

- A **centralized traffic control system** similar to the air traffic control system is being envisaged.
- A remote **diagnostic and predictive maintenance system** will also be implemented to supplement the proposed upgrade.

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

**Category:INTERNATIONAL RELATIONS**

### 1. Ironing out the wrinkles in trade disputes adjudication

**Context:**

The weakening of the World Trade Organization Appellate Body.

**Background:**

- The Appellate Body was **set up in 1995** as a “**safety valve**” against erroneous panel reports in return for the members agreeing to **adopt reports using the “reverse consensus” rule in lieu of the “positive consensus” rule.**
- Under the **erstwhile positive consensus rule**, reports issued by panels composed to hear disputes under GATT could be adopted only if each of the contracting states favoured its adoption. This effectively handed a veto to the losing state.
- However, under **the reverse consensus rule, the report would be automatically adopted, unless each member objected to the adoption of a report.** To eliminate the likelihood of erroneous panel reports, the membership proposed the **establishment of an Appellate Body**, and the adoption of the report was postponed till after such appeal was adjudicated by the Appellate Body.
- **Due to the retirement of two of the remaining three members of the World Trade Organization (WTO) Appellate Body** on December 10, and a **veto by the United States on fresh appointments**, the World Trade Organization Appellate Body has been rendered dysfunctional.
- The weakening of the Appellate Body has struck a blow to the rule of law in the realm of world trade.

**Details:**

- The fall of the World Trade Organization Appellate Body is an opportunity to **rectify issues with the present system.**
- The consequences of the Appellate Body’s fall are overstated for a number of reasons given below:

Return to GATT:

- This effectively **marks a return to the dispute settlement system under the General Agreement on Tariffs and Trade (GATT)** which, on the whole, proved successful in resolving disputes.

- Though it hands states an opportunity to appeal an adverse panel ruling and effectively indefinitely delay its adoption, an interesting fact is that a remarkable 71% of panel reports were adopted using the positive consensus rule.
- Even where panel reports were not adopted by states they served as a basis for the parties to “bilaterally” **resolve their disputes in a mutually satisfactory manner**. In a **vastly changed global economic landscape, the re-emphasis on diplomatic solutions in lieu of judicialized solutions to resolve inter-state trade disputes** may be worth trying.

#### Trade remedy matters:

- **Most of the disputes at the WTO concern rules that are actually “self-enforcing”**, with the Appellate Body only policing its enforcement by domestic authorities.
- The majority of the disputes at the WTO concern trade remedy matters. In such matters, if a state violates the rules, for example, those concerning the dumping of goods or grant of subsidies, affected states can without recourse to the WTO, adopt countermeasures such as the imposition of anti-dumping and countervailing duties.
- The dispute resolution mechanism primarily aims to police the adoption of such countermeasures, namely whether they were warranted and otherwise imposed consistently with the rules.
- It is generally believed that the mechanism is geared to address “over-enforcement” rather than “under-enforcement” of WTO rules.
- **While the fall of the Appellate Body may see the adoption of more unilateral sanctions by states, possibly leading to increased trade wars, it will not render the WTO rules unenforceable.**
- **The threat of reciprocal sanctions** may, in fact, serve to encourage states to remain compliant with the rules even in the absence of a functional Appellate Body at the helm of the dispute mechanism.

#### Alternative pathways:

- Many countries have conceived “alternative” strategies to overcome difficulties arising out of the absence of a functioning Appellate Body.
- **States such as Indonesia and Vietnam have, through a no appeal pact**, agreed in advance not to appeal the ruling of the panel in the dispute between them, effectively waiving their right of appeal.
- **The European Union (EU), Norway and Canada have agreed on an interim appeal system** for resolving any disputes through arbitration using Article 25 of the dispute settlement understanding in a process mirroring that of the Appellate Body with former Appellate Body members appointed as arbitrators.
- Although the overall effectiveness of such alternative strategies to overcome the demise of the WTO Appellate Body is uncertain, they do represent good faith efforts by some members at resolving future trade disputes.

#### **Conclusion:**

- Although the fall of the WTO Appellate Body represents a turbulent period in the history of trade disputes adjudication, **it by no means spells the end of the WTO**.
- It presents an opportunity to the members to rethink and “iron out some of the creases” with the present system.

For more on the WTO, click [here](#).

**Category:POLITY AND GOVERNANCE**



## 1. Undoing harms

### Context:

Protests against the Citizenship (Amendment) Act.

### Concerns:

- There are concerns that the Citizenship (Amendment) Act excludes Muslims from its beneficial provisions. Much harm has been caused by fears set off by the law leading to **violence and the subsequent loss of life and property.**

### Way forward:

#### Government:

Rules to implement the CAA:

- Government has indicated that it is **open to suggestions on the rules to implement the CAA.** However, there is a need to take that extra step to allay the concerns raised.

The extra step:

- The government must heed the call for meaningful changes that would **dispel fears gripping the country, especially minorities.**
- The stated objective is the fast-tracking of applications from minorities from three Muslim-majority neighbourhood countries for citizenship by naturalisation. This could be **achieved without violating the Constitution or its secular ideals.**

Removing the religion-specific wordings:

- The first step would be to further amend the Act, to **drop its religion-specific wording,** and make it explicit that the benefit would be open to **all undocumented migrants who can prove persecution in their home countries.**

Removing the reference to illegal migrants:

- **Regarding the Sri Lankan refugees,** the legal bar on their applying for citizenship stands out. **A 2004 amendment to the citizenship law introduced a clause that 'illegal migrants' will not be eligible to apply for citizenship.** The definition of 'illegal migrants' as those who arrived without valid travel documents includes refugees.
- A provision of the present CAA is to remove this 'illegal' tag from non-Muslim minorities from Bangladesh, Afghanistan and Pakistan.
- **Dropping the reference to 'illegal migrants' will automatically enable any refugee to apply for citizenship, subject to the residential requirement.**

CAA as an enabling law:

- The CAA is only an enabling law and does not oblige the government to grant citizenship to anyone.
- Therefore, **a general enabling provision to allow a relaxation of the minimum residency requirement will serve the purpose of considering citizenship to any persecuted people.** This would be non-discriminatory, without obligation to grant citizenship.

Need for a Refugee law:

- India should **enact a refugee law wherein the right to live a life without fear or confinement can be protected.**
- Although there might be some fear that the refugees may seek permanent asylum, the **UNHCR** can work with them officially for their voluntary repatriation.

Citizenry:

- **The general citizenry, including the opposition parties, also shares the responsibility to redeem the current situation.**
- There is a need to **guard against rumour-mongering and false news circulation.** There is a need for **informed deliberations** to remove any false conceptions regarding the CAA.
- The opposition parties should **refrain from politicizing the issue.**
- Though the **Constitution does grant the right to freedom of expression**, it only entails peaceful protests and methods. **Damage to public property must be refrained from.**
- India is fortunate to be bestowed with a functioning judiciary. Any concerns regarding the CAA must be addressed to the judiciary. **The judiciary must be allowed to decide on the constitutional validity of the law.**

## F. Tidbits

### 1. More plastic pollution on Maharashtra beaches than Karnataka, Goa: study

- Beaches in Maharashtra are more polluted with microplastics and macroplastics than those in Goa and Karnataka, according to a study conducted by a research institute. The study has blamed **plastic industries located near the shore and increased tourism activities for pollution.**
- The study was carried out by the Goa-based National Institute of Oceanography (NIO).
- Such a phenomenon of finding macro and microplastics in abundance on Maharashtra beaches suggests that the **contaminants are land-based, mostly coming from nearshore plastic industries, port areas, petroleum industries, and high tourism activities.**
- The researchers conducted the assessment of macro and microplastic contamination for two years on 10 beaches along the western coast of India and their **toxic effects on marine organisms.**

### 2. Flying squads will monitor projects in villages, says KCR

- After launching **Palle Pragati, a programme aimed at comprehensive development of rural areas**, the Telangana government has focused its attention on ascertaining the quality of works by **constituting flying squads.**
- The squads would **undertake surprise checks of the projects** launched from January 1 and submit reports from time to time.
- Chief Minister K. Chandrasekhar Rao said the squads would consist of IAS, IPS and IFS officers and each would be given the charge of inspecting works in 12 mandals randomly allotted to them. These checks would not only **reveal the progress but also enable the government to elicit suggestions to improve works.**

- The inspections could be construed as a **test of the performance of the officials and elected representatives**. The government would not hesitate to initiate stringent action against officials as well as non-performing sarpanches if they were found wanting in the discharge of duties.

### 3. News bulletin for the visually challenged

- WhatsApp group Vartha based out of Kerala sends a 40-minute audio clip to visually challenged listeners daily.
- The clip, containing a news bulletin and a section on books, has around 4,500 listeners on WhatsApp.
- This group is unique and greatly helpful to the visually-challenged.

### 4. Arunachal to mark schools as ‘hard’ and ‘soft’

- Arunachal Pradesh will soon have schools marked ‘hard’, ‘soft’ and ‘medium’. **Geography, lack of infrastructure and reluctance of teachers to work beyond their comfort zones** are the reasons for this categorisation, officials said.
- **Teacher absenteeism** has been a major issue across 3,513 government schools, including 211 community schools in the state. **The student-teacher ratio has consequently been skewed** in favour of urban centres with better connectivity. The Education Department has been facing difficulties in posting 16,594 regular teachers in remote areas where schools have adequate students, but hardly anyone to teach them.
- Under the new policy, all government schools will be divided into three categories — hard, medium and soft — based on topography, accessibility and degrees of difficulty in staying at the place of posting. All new recruits will be given a hard posting for a mandatory three years-period, inclusive of their probation period. The next five years will be in schools with levels of medium difficulty, followed by posting in soft schools.
- The government approved the Arunachal Pradesh Teachers’ Transfer & Posting Policy, 2020, for **ensuring need-based distribution of teachers to protect the academic interest of students and optimise job satisfaction among the teachers in a free and transparent manner**. The policy also entails the transfer of teachers through online requests.

### 5. Curry leaf farmers in A.P. gear up to produce oil

- Two years ago, a few farmers joined hands to form the Prakruthi Udyana Utpattidarula Sangham, a **farmer producer organisation (FPO)**, in Agiripalli of Andhra Pradesh’s Krishna district.
- The farmers associated with the organization are cultivating curry leaves on about 100 acres. As the production touched 20 tonnes per acre, they had to look for alternatives, apart from supplying dried leaves to companies that make herbal medicines.
- The association, which has been exploring options available for **export of horticultural products**, is now eyeing curry leaf oil extraction.
- The FPO came up with the idea after **suffering losses owing to the recent heavy rainfall and poor sales during the slack season** – March to July — when prices dip to as low as ₹3 to ₹5 a kg.
- The Department of Horticulture has come forward to provide financial assistance to the FPO to set up the infrastructure. **The society members will be sent to the CFTRI for training**.
- **Essential oils like curry leaf oil are primarily used in cosmetics and toiletries, food items and beverages**. There is a demand for the oil **in European countries, the Middle East and Asian countries**.

## G. Prelims Facts

### 1. Hunar Haat inaugurated by Koshyari, Naqvi

- Hunar Haat is an **exhibition of handicrafts and traditional products made by artisans from the Minority communities.**
- It is organized by the **Ministry of Minority Affairs.**
- The scheme aims to establish Hunar Hubs in all the states where programs like Hunar Haats and other cultural events are to be organized.
- “Hunar Haat” exhibition is aimed at **promoting and supporting artisans from Minority communities** and providing them domestic as well as international markets for displaying and selling their products. This is providing an **excellent platform** to artisans belonging to Minority communities from across the nation to display their art and skills before the domestic and international visitors.
- One of the special features of this unique “Hunar Haat” is that besides **providing free of cost stalls to artisans/craftsmen**, the Minority Affairs Ministry has also made arrangements for their transport and are helping in their daily expenses. This has helped “poor but rich in art & skill” artisans to reach the venue easily and display their arts/skills at the international platform.
- It has proved effective in providing employment opportunities to more than 2 lakh 50 thousand artisans and craftsmen in the last three years.
- **Hunar Haat is organized under USTTAD (Upgrading the Skills and Training in Traditional Arts/Crafts for Development) scheme.**
- The USTTAD scheme aims at **preserving & promoting the rich heritage of the traditional arts & crafts of the Minority communities.** These crafts have gradually lost their employability in the light of globalization & competitive market.

## H. UPSC Prelims Practice Questions

Q1. Which of the following statements are correct?

1. The Monetary policy committee (MPC) comprises of six members - three officials of the Reserve Bank of India and three external members nominated by the Government of India.
2. The external members will hold office for a period of five years from the date of appointment.
3. The MPC considers the core inflation as the basis for inflation targeting.

Options:

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

Answer: a

Explanation:

- The external members will hold office for a period of four years from the date of appointment while the other three members are official.
- The current mandate of the committee is to maintain 4% annual inflation until 31 March 2021 with an upper tolerance of 6% and a lower tolerance of 2%. The term of the present committee will end in 2021.
- The MPC considers the headline inflation as the basis for inflation targeting.

**Q2. Which of the following statements is/are correct?**

1. The Financial Action Task Force (FATF) is an initiative of the G20.
2. India and Pakistan are members of the FATF.

**Options:**

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

**Answer: d**

**Explanation:**

- The Financial Action Task Force (on Money Laundering) (FATF) is an intergovernmental organization founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.
- The FATF Secretariat is housed at the OECD headquarters in Paris.
- India is a member of the FATF while Pakistan is not. Pakistan is a member of the Asia/Pacific Group on money laundering, which is an associate member of the FATF.
- The Asia/Pacific Group on Money Laundering (also known as the APG) is the FATF style regional body for the Asia-Pacific region. It is an inter-governmental (international) organization founded in 1997 in Bangkok, Thailand. India is a member of it.

**Q3. Which of the following statements is/are correct?**

1. Hunar Haat is a programme organized by the Ministry of Art and Culture.
2. Hunar Haat is organized under USTTAD (Upgrading the Skills and Training in Traditional Arts/Crafts for Development) scheme.

**Options:**

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

**Answer: b**

**Explanation:**

- Hunar Haat is an exhibition of handicrafts and traditional products made by artisans from the Minority communities.
- It is organized by the Ministry of Minority Affairs.



- It has proved effective in providing employment opportunities to more than 2 lakh 50 thousand artisans and craftsmen in the last three years.
- Hunar Haat is organized under USTTAD (Upgrading the Skills and Training in Traditional Arts/Crafts for Development) scheme.
- The USTTAD scheme aims at preserving & promoting the rich heritage of the traditional arts & crafts of the Minority communities. These crafts have gradually lost their employability in the light of globalization & competitive market.

**Q4. which of the following constitute the Nilgiri Biosphere Reserve?**

1. Bandipur National Park
2. Nagarhole National Park
3. Wayanad Wildlife Sanctuary
4. Silent Valley National Park
5. Periyar National Park
6. Mathikettan Shola National Park

**Options:**

- a. 1,2,3,5 and 6
- b. 1,2,3 and 4
- c. 1,2,5 and 6
- d. 4,5 and 6

**Answer: b**

**Explanation:**

- The Nilgiri Biosphere Reserve is an International Biosphere Reserve in the Western Ghats and Nilgiri Hill ranges of South India. The Nilgiri Sub-Cluster is a part of the Western Ghats, which was declared a World Heritage Site by UNESCO in 2012. It includes the Aralam, Mudumalai, Mukurthi, Nagarhole, Bandipur and Silent Valley national parks, as well as the Wayanad and Sathyamangalam wildlife sanctuaries.
- Periyar National Park and Wildlife Sanctuary (PNP) is a protected area in the district of Idukki, Ernakulam, Kottayam and Pathanamthitta in Kerala, India. It is notable as an elephant reserve and a tiger reserve.
- Mathikettan Shola National Park is a 12.82 km<sup>2</sup> national park in Idukki district of Kerala state, South India.

## I. UPSC Mains Practice Questions

1. The constitution of the Monetary Policy Committee will bring more transparency and accountability in fixing India's Monetary Policy. Comment. (10 marks, 150 words)
2. Although the fall of the WTO Appellate Body represents a turbulent period in the history of trade disputes adjudication, it by no means spells the end of the WTO. Comment. (10 marks, 150 words)