

FWD

FORTUNE WEEKLY DIGEST



› Katchatheevu Issue

› Green Hydrogen

› NATO @ 75

31st MARCH - 06th APRIL, 2024

www.fortuneias.com



EDITOR'S NOTE

As UPSC aspirants, it is essential to stay updated on current affairs to excel in the examination. This **Fortune Weekly Digest (ForWarD)** brings you the latest news and developments from around the world, carefully curated and analyzed to help you prepare for the Civil Services (Main) Examination.

We understand that time is precious, and we have made sure to present the information in a concise and easy-to-understand manner.

The magazine is divided into different sections. Mains relevant topics have been covered in detail with a UPSC previous year question perspective. The jot downs are examples and interesting facts to enrich your answer writing. Cherrypicks has some key words from the week, helpful again in answer writing and essay. We have also included essay topics and sample questions to help you gauge your preparation.

We have designed this magazine to best supplement the daily current affairs notes we have launched by the name of **FIND (Fortune IAS News Daily)** and **FINDER (Fortune IAS News Daily Explainer)** and the **Fortune Prelims Precise** monthly compilation. This magazine will be explained in detail and your queries addressed in a live class we conduct.

At a time when there is no dearth of current affairs materials, our hope is help you get a one-stop solution for all your current affairs needs.

This magazine is a work in progress and your feedback will be appreciated.

We hope that this magazine will serve as a valuable resource for your exam preparation and contribute to your success in the UPSC examination.

INDEX

Navigating the Katchatheeve Issue	1
The future of climate engineering	5
Green Hydrogen	9
Nato @ 75	16
17 th Lok Sabha Analysis	20
India's Prevention of Money Laundering Act	27
Model Essay	32
Ethics - Case Study	33
Ethics - Examples	33
Mains Jot Down	34
Cherrypicks of the week	36

FORTUNE PRELIMS TEST SERIES

52+ DIRECT HITS FROM **FORTUNE** TEST SERIES IN PRELIMS 2023

ONE OF THE HIGHEST IN THE NATION

28 FIRST ATTEMPTERS CLEARED FROM THE PCM BATCH

184 STUDENTS OVERALL CLEARED THE PRELIMS FROM FORTUNE

enquiries@fortuneias.com | www.fortuneias.com
+91 94950 15888 | +91 81389 40888
@fortuneias @fortune_ias_academy

NAVIGATING THE KATCHATHEEV ISSUE

Syllabus: GS II - India and its neighbourhood- relations, Agreements involving India and/or affecting India's interests.

PYQ MAPPING

Q) In respect of India-Sri Lanka relations, discuss how domestic factors influence foreign policy. (2013)

Q) 'India is an age-old friend of Sri Lanka.' Discuss India's role in the recent crisis in Sri Lanka in the light of the preceding statement. (2022)

SHORT TAKES

➤ **Katchatheevu:** Katchatheevu (meaning barren island in Tamil), a small uninhabited island spanning 285 acres in the **Palk Strait** between India and Sri Lanka, measures approximately 1.6 km in length and slightly over 300 m wide at its widest point. In the 1974 agreement between India and Sri Lanka, Katchatheevu was demarcated to **Sri Lanka's sovereignty**.

➤ **Wadge Bank:** Located south of Kanyakumari, the Wadge Bank spans about 4,000 square miles and has been vital for fishermen from Tamil Nadu and Kerala for over four decades. The **agreement of 1976** granted India sovereign rights over the area and its resources, and that it falls within India's exclusive economic zone.

WHY IN NEWS?

The issue of **Katchatheevu Island** has resurfaced following a social media post by the Indian Prime Minister criticising the decision to cede the disputed territory to Sri Lanka in 1974. Fishermen associations in Ramanathapuram district had boycotted the annual festival at **St. Anthony's Church** on Katchatheevu Island in late February to protest ongoing arrests of **Indian fishermen** by the Sri Lankan government. These events have sparked debates on the island's status and renewed calls to reconsider the agreement that allegedly transferred control of Katchatheevu to Sri Lanka.

BACKGROUND IF THE ISLAND

➤ **Location:** Katchatheevu is located **northeast of Rameswaram**, around 33 km from the Indian coast, it lies approximately 62 km southwest of Jaffna, Sri Lanka's northernmost point.

➤ **Volcanic origin:** This **barren island**, according to some official reports, is said to have formed from a volcanic eruption in the 14th century.

➤ **Architecture:** The island is home to **St. Anthony's Church**, built in the early 20th century, where annual festivals are jointly conducted by Christian clergy from India and Sri Lanka, attracting pilgrims from both nations. St Antony is considered to be the patron deity of seafarers.

HISTORY OF KATCHATHEEVU NEGOTIATIONS

- During the early medieval period, Katchatheevu came under the control of **Jaffna Kingdom of Sri Lanka**.
- Later the island came under the governance of **Ramanad Raja**, as a zamindari in Ramanathapuram within the **Madras Presidency** during British rule, from 1795 to 1803.
- India and Sri Lanka have both asserted claims over Katchatheevu since at least 1921 when a survey positioned the island within Sri Lanka's boundaries. However, this was disputed by a **British Indian delegation**, citing the ownership of the island by the Ramanad kingdom. Despite efforts, the dispute remained unresolved even after Independence.
- In 1974, during Prime Minister Indira Gandhi's tenure, the two governments signed the first **maritime boundary agreement** on June 26 in Colombo and June 28 in New Delhi. This agreement resolved the vexed question of disputed sovereignty over Kachchativu island.



- The maritime boundary line between India and Sri Lanka followed the '**median line**' principle, with adjustments made in the Palk Straits in relation to Kachchatheevu.

IMPORTANT ASPECTS OF THE 1974 AND 1976 AGREEMENTS BETWEEN INDIA AND SRI LANKA

About the 1974 Agreement

- ♣ **Katchatheevu:** This agreement effectively meant that the island would be under the jurisdiction and **control of Sri Lanka**, marking a significant change in its status.
- ♣ **Boundary:** The **1974 agreement** delineated the India-Sri Lanka international maritime boundary line in the Palk Strait.
- ♣ **Rights of Indian Fisherman:** The 1974 India-Sri Lanka Maritime Boundary Agreement allowed Indian fishermen access to Katchatheevu for rest, drying of nets, and participation in the annual St. Anthony's festival. While the agreement permitted Indian fishermen and pilgrims to visit Katchatheevu without visas or travel documents, **it did not address their fishing rights**.

What happened in between these two agreements?

In June 1975, PM Indira Gandhi declared a state of Emergency. At the same time, there was a requirement for the identification of maritime boundaries in accordance with the **United Nations Convention on the Law of the Sea (UNCLOS)**, a treaty that India intended to ratify and eventually did so in 1982. Moreover India passed the **Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act in 1976**. This was followed by correspondence between the foreign secretaries of both countries which resolved the maritime boundary between the two countries, culminating in another agreement in 1976.

About the 1976 Agreement

- ♣ **Wadge Bank:** This agreement granted India full sovereignty over the area and its resources, affirming that it is within India's exclusive economic zone.
- ♣ **Terms of the agreement :** The 1976 agreement prohibited Sri Lankan fishing vessels from fishing in the Wadge Bank. However, as a goodwill gesture, India allowed licensed Sri Lankan boats to fish in the area for **three years** after establishing India's exclusive economic zone. However, only six Sri Lankan fishing vessels were permitted, with an annual catch limit of 2,000 tonnes. Additionally, there was a subsequent five-year grace period during which India agreed to sell 2,000 tonnes of fish to Sri Lanka annually at an agreed price.
- ♣ If India decided to explore the Wadge Bank for **petroleum and mineral resources** during this three-year period, Sri Lankan fishing activities in the area were to cease upon the commencement of exploration.
- ♣ **Boundary:** The agreement in 1976 defined the boundary of India and Sri Lanka in the Gulf of Mannar and Bay of Bengal.
- ♣ **Rights of Indian Fishermen:** The 1976 Agreement explicitly prohibited Indian fishermen from fishing in Sri Lankan waters.

POLITICAL HISTORY

- IN THE EARLY MEDIEVAL PERIOD, KATCHATHEEVU WAS CONTROLLED BY THE JAFFNA KINGDOM OF SRI LANKA.
- IN THE 17TH CENTURY, CONTROL PASSED TO THE RAMNAD ZAMINDARI BASED OUT OF RAMANATHAPURAM.
- IT BECAME PART OF THE MADRAS PRESIDENCY DURING THE BRITISH RAJ.

1921

INDIA AND SRI LANKA, BOTH BRITISH COLONIES BACK THEN, CLAIMED THE ISLAND TO DETERMINE FISHING BOUNDARIES.

A BRITISH DELEGATION FROM INDIA CHALLENGED SRI LANKA'S CLAIM, CITING OWNERSHIP OF THE ISLAND BY THE RAMNAD KINGDOM.

1974

INDIRA GANDHI TO SETTLE THE MARITIME BORDER BETWEEN INDIA AND SRI LANKA, SIGNED THE **INDIA-SRI LANKAN MARITIME BOUNDARY AGREEMENT** RECOGNISING KATCHATHEEVU AS SRI LANKAN TERRITORY.

HOWEVER, SRI LANKA RESTRICTED INDIAN FISHERMEN'S RIGHT TO ACCESS KATCHATHEEVU TO ONLY "REST, DRYING NETS AND FOR VISIT TO THE CATHOLIC SHRINE WITHOUT VISA"

1976

ANOTHER AGREEMENT WAS SIGNED DURING THE PERIOD OF **EMERGENCY IN INDIA**, BARRING EITHER COUNTRY FROM FISHING IN THE OTHER'S EXCLUSIVE ECONOMIC ZONE (EEZ).

1983

BETWEEN 1983 AND 2009, THE BORDER DISPUTE INTENSIFIED AS CIVIL WAR BROKE OUT IN SRI LANKA.

AFTER 2009, AS THE WAR ENDED WITH LTTE, COLOMBO RAMPED UP MARITIME SECURITY, PUTTING INDIAN FISHERMEN IN JEOPARDY IN SRI LANKAN WATERS.

ThePrint



DID INDIA LOSE OR AGAIN?

The maritime boundary agreements signed between India and Sri Lanka in the 1970s generally favour India.

- ❖ **Disputed territory:** The status of Katchatheevu was disputed at best. Neither country, even when ruled by the British, could claim sovereign rights on the island without contradicting the other. So, to say that it was lost by India doesn't seem correct since it was never exclusively India's to begin with. The Agreement followed the fair and equitable to both sides principles in demarcating the boundary.
- ❖ **More share:** One notable outcome of the agreement is the division of the area in the Palk Bay, totaling 2,100 square nautical miles, between India and Sri Lanka. India received a slightly larger share, with a ratio of **1.02:1**, meaning India obtained 0.02 units more than an equal share.
- ❖ **Resource rich Wadge Bank:** The Wadge Bank is recognised as a rich fishing ground, whereas Katchatheevu, a 285-acre uninhabited island in the Palk Bay, has limited value. Thus India gained sovereign rights over the resource rich and strategically important Wadge Bank.
- ❖ **More clarity on issues :** Improved the bilateral relationship on a stronger footing and also provided clarity on fishing activities, exploitation of hydrocarbon resources and other rights.

India's Loss

- ▼ These agreements were made without sufficient consultation with Tamil Nadu's fishing community.
- ▼ Acknowledging Katchatheevu as belonging to Sri Lanka.

RTI REVEALATIONS ON TERRITORY DISPUTE

2015 MEA RTI Reply:

- ⌚ In 2015, the **Ministry of External Affairs (MEA)** stated in response to an RTI query that there was no exchange or transfer of Indian territory as part of the 1974 agreement. This was because the area in question had never been officially delineated.

Recent RTI:

- ⌚ BJP Tamil Nadu state chief Annamalai's recent RTI inquiry revealed documents discussing the territory issue, including a background report by the then commonwealth secretary YD Gundevia from 1968 and records of a meeting between the former foreign secretary and Tamil Nadu's then-chief minister, M. Karunanidhi. These documents highlight the indecisiveness of India's approach until 1974 when it ultimately **abandoned its claim on the island**.

BALANCING CLAIM VS BILATERAL TIES'

- In 1961, Pandit Nehru said he would not hesitate in giving up claims to Katchatheevu
- This despite attorney gen M C Setalvad opining in 1960 that despite contradicting claims, **India's case was stronger than Lanka's**
- Rights over island, including fishery and other resources, enjoyed 'continuously and uninterruptedly' from 1875 to 1948 by Raja of Rammad
- Following oppn pressure in 1968, Indira govt said India's claim had to be balanced with need for good bilateral ties
- In 1974, govt's decision to relinquish India's claim conveyed to CM Karunanidhi
- Foreign secy said Sri Lanka had records to push its claim while State of Madras failed to show Raja of Rammad had original title

SHOULD INDIA GET IT BACK?

- ⌚ **Bilateral agreement :** In 1974, Katchatheevu was ceded to Sri Lanka through an agreement, and it now serves as a boundary between the two countries which makes it **difficult to get it back**.
- ⌚ **Probable war:** India's Attorney General stated in response to a petition filed by the then Tamil Nadu government in 2014 in Supreme Court that retrieving the island would **require war**, implying that the matter is closed. The **petition is still pending** in the Supreme Court.
- ⌚ **Stance of Central government :** The Indian government has not undertaken significant actions to explore the feasibility of **reclaiming Katchatheevu**. India's Minister of External Affairs stated that the matter is currently under judicial consideration.

● **Stance of Sri Lanka:** There has been no official communication from India to Sri Lanka regarding the issue, according to Jeevan Thondaman, a Minister in Sri Lanka's Cabinet. He also mentioned that India has not made any requests to regain control over Katchatheevu, and Sri Lanka will respond if such a communication is received.

WAY FORWARD

- **Maintain Bilateral Ties:** Given the geopolitical context and internal instability during that time, the **1974 and 1976 agreements** likely aimed to bolster bilateral relations and present a united front against external and internal challenges. Revisiting these agreements could jeopardise recent advancements in India-Sri Lanka relations.
- **Maintain Credibility:** Reopening past agreements could establish an **unfavourable precedent and harm** India's credibility. It's crucial for India to uphold the integrity of the agreements already signed. Any alteration to these agreements may raise apprehensions among countries that have concluded land boundary agreements with India, such as Bangladesh.
- **Focus on Cooperation:** Both countries should prioritise **cooperation and collaboration** on common challenges such as maritime security, economic development, environmental protection and ambitious projects like underwater petroleum pipelines and electricity cable connections.
- **Address Chinese influence:** China's involvement in projects like the **Hambantota port in Sri Lanka** underscores the vulnerability of the region to Chinese interference. Prioritising islands in the Indian **Ocean Region (IOR)** due to their strategic significance is important. Enhancing Indian defence capabilities, including strengthening naval bases like INS Parundu in Tamil Nadu will be a countermeasure against China.
- **Revival of India Sri Lanka Joint Working Group (JWG) on Fisheries :** In 2023, Sri Lanka arrested 243 fishermen and seized 37 boats to combat illegal fishing. Reviving the **Joint Working Group (JWG)** and holding regular meetings will be crucial for devising effective strategies to address this issue.

CONCLUSION

In conclusion, while the Katchatheevu issue continues to provoke tensions, it is essential to recognize that reclaiming the island may not be strategically beneficial for India. Instead, maintaining strong bilateral ties with Sri Lanka is paramount for upholding credibility and promoting regional stability. By prioritising **diplomatic engagement and cooperation**, India can navigate this complex issue while focusing on broader regional priorities and mutual interests.

SAMPLE QUESTION

- Q)** Discuss the implications of the Katchatheevu Island dispute resurgence on bilateral relations, regional politics, and maritime security in the Indian Ocean? **(15 marks)(250 words)**

THE FUTURE OF CLIMATE ENGINEERING

"Climate engineering techniques are gaining policy attention due to the current gap between climate policy targets and the necessary reductions in atmospheric greenhouse gas concentrations needed to prevent catastrophic climate change impacts,"

-UNESCO Report on the Ethics of Climate Engineering

Syllabus: GS III - Environmental Pollution and Degradation

PYQ MAPPING

Q) 'Climate Change' is a global problem. How India will be affected by climate change? How Himalayan and coastal states of India will be affected by climate change? (2017)

SHORT TAKES

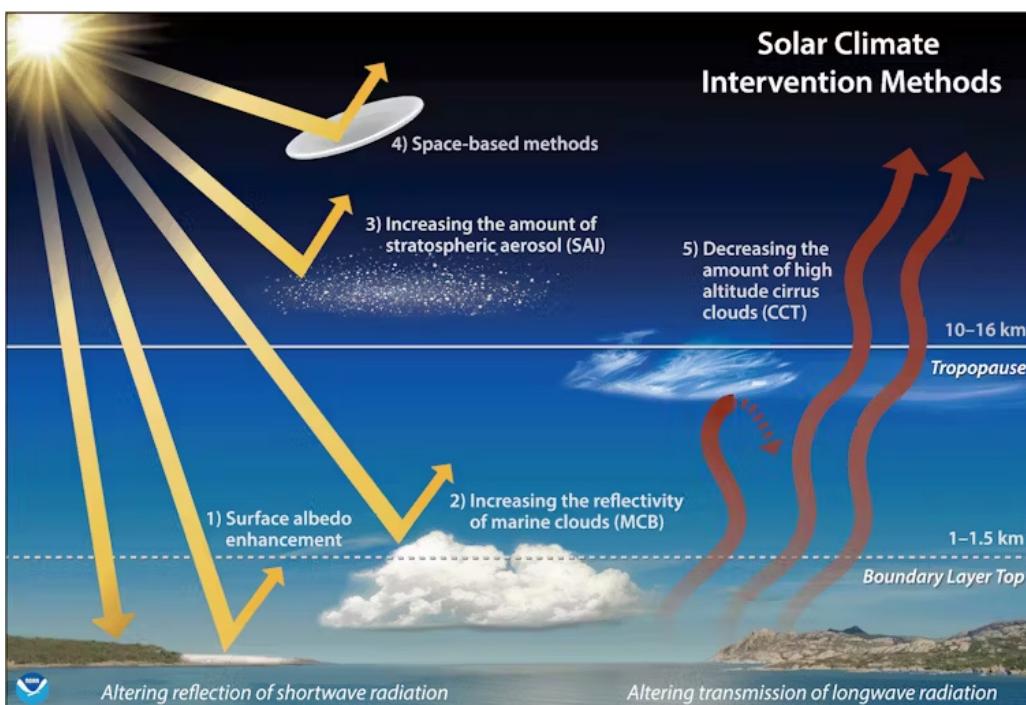
- **Climate Engineering:** It refers to deliberate efforts to manipulate the climate by **reflecting more sunlight** back into space, mimicking a natural process that occurs in the aftermath of large volcanic eruptions.
- Climate engineering is classified into two groups of techniques:
 - » **Carbon dioxide removal (CDR):** It removes and stores the emitted carbon dioxide from the atmosphere.
 - » **Solar radiation modification (SRM):** It reflects sunlight back to space.

WHY IN NEWS?

During the sixth session of the **United Nations Environment Assembly (UNEA-6)** in Nairobi, Kenya, certain governments, led by the African Group of nations, pushed for the prohibition of **solar radiation modification (SRM)** or solar geoengineering. Meanwhile, others, with Switzerland taking the lead, advocated for the creation of an expert panel to study this emerging approach.

INTRODUCTION

- ♣ Climate Engineering encompasses a range of proposed actions aimed at deliberately altering the climate and is often referred to as **geoengineering**.
- ♣ One approach involves replicating the **cooling impact** of major volcanic eruptions by releasing abundant reflective particles into the atmosphere. Another strategy is to enhance the brightness of low clouds above the ocean. Both methods aim to reflect a portion of sunlight back into space, thereby **lowering the Earth's temperature**.



EXAMPLES OF GEO-ENGINEERING

Carbon geoengineering/ Carbon dioxide Removal (CDR)	Solar geoengineering/ Solar Radiation Management (SRM)
<ul style="list-style-type: none"> a) Forestation: Growing new trees and improving the management of existing forests to increase their CO₂ absorption capacity. b) Habitat restoration: Restoration of peatlands and coastal wetlands to increase their ability to store CO₂. c) Soil carbon sequestration: Changing agricultural practices such as tillage or crop rotations to increase the soil carbon content. d) Ocean fertilization: Applying nutrients to the ocean to increase photosynthesis and remove atmospheric CO₂. e) Ocean alkalinity: Increasing ocean concentration of ions like calcium to increase uptake of CO₂ into the ocean, and reverse acidification. f) Bioenergy with Carbon Capture and Storage (BECCS): Growing biomass, burning it to create energy, and capturing and sequestering the CO₂ created in the process. g) Carbon Capture and Storage (CCS): Capturing CO₂ produced by power generation or industrial activity, transporting it by ships or pipelines, and storing it deep underground. 	<ul style="list-style-type: none"> a) Space reflectors: Blocking a small proportion of sunlight before it reaches the Earth using giant mirrors. b) Stratospheric aerosols injection: Spraying aerosols such as sulfur dioxide into the stratosphere to reflect sunlight back into space before it reaches the Earth's surface. c) Marine cloud brightening: Increasing the reflectivity of clouds that are relatively close to the surface of the ocean with techniques like spraying sea salt crystals into the air. d) Cirrus cloud thinning: Thinning mid-level clouds, between six and 13 kilometers high, to allow heat to escape from the Earth's surface. e) Solar shield: Mining the moon of millions of tons of its dust and then ejecting it to a point in space where the floating grains would partially block incoming sunlight.

BENEFITS OF CLIMATE ENGINEERING

- ➡ **Immediate Climate Change Mitigation :** This strategies focus on promptly addressing the challenges posed by global warming. These techniques aim to swiftly cool the Earth's temperature by either reflecting sunlight away from the planet or **removing carbon dioxide**, a major greenhouse gas, from the atmosphere.
- ➡ **Global Temperature Regulation:** To complement mitigation and **adaptation** strategies, climate engineering could help regulate global temperatures and reduce the severity of heatwaves, extreme weather events, and sea level rise.
- ➡ **Emergency Situations:** In scenarios where the impacts of climate change become catastrophic and there is an urgent need to cool the planet quickly, certain forms of climate engineering might be considered as **emergency measures**.

Need for Climate Engineering

- ➡ **Tackling CO₂ Emissions:** Since the industrial era, human activities have released **1.74 trillion tons of carbon dioxide**, primarily from fossil fuel use. Although efforts to reduce emissions are underway, current removal methods only eliminate around 2 billion tons annually. With over 37 billion tons added yearly, achieving **Net Zero emissions** may take time, prompting consideration of climate engineering as an interim solution.
- ➡ **Exploration and Research:** Engaging in climate engineering research enables scientists to gain deeper insights into the potential outcomes, constraints, and hazards linked to extensive interventions.

Case studies in India and across the world

India- Research Projects

- The Department of Science and Technology (DST), is a leading funding agency for scientific research in India. It designated Geo-engineering as part of its **Major R&D Project (MRDP)** list. These carefully selected projects are assigned to specific universities and institutions for research purposes.
- **The Centre for Atmospheric and Oceanic Sciences (CAOS)** at the Indian Institute of Science (IISc) in Bengaluru, Karnataka, has been entrusted with spearheading geo-engineering research in India.

Australia - Safeguarding Great Barrier Reef

- Australia is presently investigating the practicality of implementing a rapid cooling strategy for the **Great Barrier Reef** to avert its deterioration.
- This initiative aims to counteract the adverse effects of rising ocean temperatures, which threaten the **reef's health and biodiversity**.
- The proposed method involves utilising various techniques, such as shading, cloud brightening, or injecting cool water, to reduce sea surface temperatures and mitigate coral **bleaching events**.
- The objective is to safeguard the ecological integrity of the Great Barrier Reef, a **UNESCO World Heritage site** of global significance, from the impacts of climate change-induced warming.



UK - Research Project

- The UK government has unveiled a five-year research initiative investing £10.5 million. This effort aims to conduct independent risk-risk analyses, offering crucial evidence in the emerging field of geoengineering

Switzerland - UN Expert Group

- Switzerland had submitted a proposal to the UNEA to set up the first UN expert group to "examine risks and opportunities" of SRM. The panel would have been made up of specialists appointed by governments and representatives of international scientific bodies.

CHALLENGES

- **Cost:** While climate engineering is considered **cheaper than ending greenhouse gas emissions**, the development and deployment of the necessary technology would still require billions of dollars and years of effort.
- **Risk of Privatisation:** Privatising core geoengineering technologies could **undermine transparency and trust** needed for responsible deployment decisions. This approach may prioritise profit over public safety and environmental concerns, potentially leading to inadequate oversight and regulation.
- **Free Driver Problem:** Despite financial hurdles, a single country or coalition could undertake climate engineering efforts independently. This raises concerns about unilateral global climate influence, termed the "**free driver**" problem, wherein the initiating entity may **impact global climate without consent** of others or accountability to the international community.
- **Cross Border Conflicts:** Implementing climate engineering projects borders may alter temperature, rainfall, and extreme weather events, affecting neighbouring countries' agriculture, water resources etc. This can lead to **conflicts and geopolitical tensions**.

- **Reliance on Climate Models:** Large-scale climate engineering projects have not been conducted, we rely heavily on climate models to predict their effects. However, while climate models excel in studying the climate system, they **lack the capability** to address geopolitical and conflict-related questions.
- **Commercialization:** Some startups are already raising doubts among potential investors and customers about the legitimacy of their actions as a **scientific endeavour**.
 - » **Eg:** A startup named **Make Sunsets** claims to have deployed weather balloons releasing reflective sulphur particles into the stratosphere, potentially crossing a contentious boundary in **solar geoengineering**. Researchers, long involved in studying this technology, express deep concern over Make Sunsets' actions, conducting launches in **Mexico** without public engagement or scientific scrutiny. It's now selling "**cooling credits**" for future balloon flights.
- **Unethical Actions:** This could set back the scientific field, reducing funding, dampening government support for trusted research, and accelerating calls to restrict studies in the field of climate engineering
- **Opposition of African Countries:** African nations expressed **opposition towards anything facilitating SRM**. They proposed a global governance mechanism to prevent SRM use, arguing that environmental risks are substantial and that SRM undermines genuine climate solutions.



WAY FORWARD

- ✿ **Focus on vulnerable regions:** Careful consideration is needed to ensure climate engineering does not disproportionately harm **vulnerable regions** or exacerbate existing inequalities.
- ✿ **Formation of a Scientific Group:** Countries like the United States proposed the establishment of a formal scientific group at the **United Nations Environment Assembly in March 2024**. This helps to assess the risks and benefits before implementing any measures.
- ✿ **Formulate clear rules for research:** Establishing comprehensive oversight and clear guidelines for responsible geoengineering research is **urgently needed**. This will help determine whether experiments can proceed and under what conditions they may be permitted.
- ✿ **Inclusion of Developing Countries:** These nations often bear the brunt of climate change impacts and possess valuable knowledge for innovation. Their perspectives can lead to more equitable solutions. **Eg:** An NGO named **DEGREES** (DEveloping country Governance REsearch and Evaluation for SRM) has been working for over a decade to ensure a more inclusive global conversation around SRM.
- ✿ **Legislation:** Countries should introduce legislation that regulates climate action while also considering the **transboundary impact** of their decisions on all human beings and ecosystems.

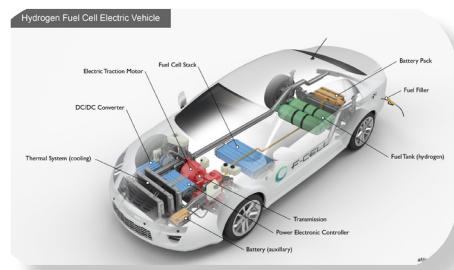
CONCLUSION

The absence of intergovernmental knowledge sharing and research creates a void, risking competition among leading states. Without coordination, states face individual challenges related to climate engineering's scientific, political, ethical, and democratic aspects. **International collaboration** would enhance understanding of geoengineering's feasibility, societal and environmental impacts, public perceptions, and potential responses.

SAMPLE QUESTION

- Q)** Discuss the feasibility of climate engineering as a method to combat climate change. What are the climate engineering techniques available and the obstacles they present? **(10 marks)(200 words)**

- » **Versatility:** Green hydrogen has versatile applications, substituting fossil fuels in transportation (such as hydrogen fuel cell electric vehicles), industries (like steel and chemicals), Fertiliser Industries and power generation and helps in **decreasing carbon footprints** across various sectors.



→ Energy security and resilience:

- » **Reduced reliance on fossil fuels: International Renewable Energy Agency (IRENA)** suggests green hydrogen could meet 18% of global energy demand by 2050, further decreasing fossil fuel dependence.

- » **Low Energy Intensive Process:** Currently, most hydrogen produced for industrial consumption and applications is '**grey**' hydrogen, which is produced from natural gas through energy-intensive processes, and has high carbon emissions

→ Economic benefits:

- » **Job creation:** The National Skills Network of India estimates the green hydrogen sector in India has the potential to generate over 600,000 Job positions
- » **Market growth:** Green hydrogen presents a vast new market opportunity for companies involved in renewable energy, electrolysis, storage, and fuel cell development.

Case studies in India and across the world

₹ National Green Hydrogen Mission

- » Program to incentivise the commercial production of green hydrogen and make India a net exporter of the fuel.
- » **Objective:**
 - By 2030, aim to achieve a green hydrogen production capacity of **5 MMT per year** and alongside adding renewable energy capacity of about **125 GW (gigawatt)** in India.

₹ SIGHT program (Strategic Interventions for Green Hydrogen Transition):

- » Aims to increase domestic electrolyzer manufacturing and green hydrogen production

**FORTUNE
IAS ACADEMY**

FORTUNE PRELIMS TEST SERIES

52+
DIRECT HITS FROM
FORTUNE
TEST SERIES
IN PRELIMS 2023

ONE OF THE HIGHEST IN THE NATION

Scan here to register
for Prelims Test Series
2024

28 FIRST ATTEMPTERS
CLEARED FROM THE
PCM BATCH

184 STUDENTS OVERALL
CLEARED THE PRELIMS
FROM FORTUNE

enquiries@fortuneias.com | www.fortuneias.com
+91 94950 15888 | +91 81389 40888

✉ @fortuneias ✉ @fortune_ias_academy

- » This program receives ₹17,490 crore for research & development, pilot projects, and capacity building.
- » **Budget 2024 Allocation:** The Union Budget for 2024-25 further boosted green hydrogen by allocating ₹600 crore (approximately USD 7.3 million). This signifies a substantial increase:
 - » **102% hike:** This allocation represents a **102% increase** compared to the previous year's budget of ₹297 crore for green hydrogen under the National Green Hydrogen Mission.
 - » Government of India's Foreign Direct Investment (**FDI**) policy allows up to **100% FDI** in the renewable energy sector under the automatic route

Initiatives

- » **Prime Minister** virtually launched India's first indigenously developed hydrogen fuel cell ferry.
- » The vessel, manufactured by **Cochin Shipyard Limited (CSL)**, will be deployed for service at **Varanasi in Uttar Pradesh**.
- » **Union Minister of Petroleum & Natural Gas** flagged off the country's first **Green Hydrogen Fuel Cell Bus** in New Delhi
- » **Harit Nauka guidelines by the Shipping Ministry:**
 - » States must use green fuels for half their **inland waterway** passenger fleets by 2035, and 100 per cent by 2045.



INDIA'S POTENTIAL

- » **Abundant Renewable Resources:**
 - » With the potential resource of Solar and Wind Power gives a higher utilisation because now we are also able to operate **24 x 7**.
- » **Favourable Government Policies:**
 - » **Such as National Green Hydrogen Mission**, India allows up to **100% Foreign Direct Investment (FDI)** under the automatic route for the renewable energy sector, including activities related to setting up and operating renewable energy power plants
- » **Skilled Workforce and Manufacturing Base:**
 - » **Large Workforce:** India has a large pool of skilled engineers and technicians who can be trained for the green hydrogen industry.
 - » **Manufacturing Potential:** India has a well-established manufacturing sector, which can be leveraged to build electrolyzers and other equipment needed for green hydrogen production.
- » **Strategic Location and Export Potential:**
 - » **Proximity to Key Markets:** India's geographical location allows for easy access to potential export markets in Asia and beyond.

OPPORTUNITIES FOR INDIA

- » **Reduced Carbon Footprint and Meeting Climate Goals**
 - » Green hydrogen adoption can drastically **cut India's fossil fuel dependency**, reducing its carbon footprint.
 - » Additionally, it can aid in meeting India's climate targets set in agreements like the Paris Agreement and achieve Nationally Determined contributions.
 - » Hydrogen is poised to be a game changer in India's ambitious quest to achieve **Net-Zero emissions by the year 2070**.

Strategic advantage:

- » Currently China dominates the markets for green hydrogen in the Asia Pacific region, so becoming a major green hydrogen producer can give India a strategic advantage in the **global energy market**.

New industries and markets:

- » The green hydrogen industry can create **new opportunities** for businesses involved in manufacturing electrolyzers, storage equipment, and related technologies.

Job Creation and Economic Growth:

- » Investing in training and education programs can equip India's workforce with the skills needed for the green hydrogen sector, leading to **job creation and economic growth**.
 - » **Hub for Green Hydrogen Derivatives:** Green hydrogen can be converted into other clean fuels like ammonia.
 - India can become a hub for producing and exporting these green derivatives.

CHALLENGES

High Import Dependency:

- » In FY23, India imported machines and apparatus for electro-plating, electrolysis/electrophoresis worth \$45.61 million, a 40 per cent jump from the previous fiscal year.

- **High Production Costs:** India's grey hydrogen costs are high due to **reliance on liquefied natural gas (LNG)** for production.

- » much local natural gas is allocated in priority to urea production or kitchen consumption.

Renewable Energy Capacity Gap:

- » India must annually add about 125 GW of renewable energy capacity to meet its green hydrogen 2030 targets
 - So far India has only achieved 119 GW of the 175 GW targeted capacity using solar, wind, bio-power and small hydro.

- **Electrolyzer Challenges:** According to the **International Energy Agency (IEA)**, as of 2021, global electrolyzer manufacturing capacity is 8 GW/year.

- » For India to meet its 2030 target, it would require approximately 60-100 GW of electrolyzer capacity, nearly 12 times the current global production capacity.
 - » **Access to rare earth minerals:** A market largely such as **lanthanum, yttrium and zirconium** which are largely controlled by China will be crucial in expanding electrolyzer production capacity..
 - » Less research and Development to improve electrolyzer efficiency and reduce reliance on expensive materials.

Storage and Transportation Infrastructure:

- » **Storage:** India currently lacks dedicated large-scale storage facilities for green hydrogen. Traditional options like compressed gas and liquefaction have limitations:
 - **Compressed Hydrogen Storage:** Requires high pressure, leading to energy losses during compression and decompression (around 10-15%).
 - **Liquefied Hydrogen Storage:** Requires significant energy consumption for cooling hydrogen to -253°C for liquefaction, impacting overall efficiency.



» **Transportation:**

- Most hydrogen transportation globally occurs via pipelines. However, India's existing natural gas pipeline network might not be readily adaptable for green hydrogen due to material compatibility and safety concerns.

Policy and Regulatory Challenges:

- » **Standardisation and Certification:** Lack of standardised regulations and certification processes for green hydrogen production, transportation, and use creates uncertainty for investors and hinders market development.

» **Grid Integration Challenges:**

- A 2022 study by the World Bank estimates that India needs to invest USD 100 billion by 2030 to modernise its electricity grid to accommodate large-scale renewable energy integration.

● **End Use Challenge:** Using **alternative energy carriers** like hydrogen may not be technically or economically sensible where electricity can serve the purpose directly.

- » However, if considering storing green hydrogen for later use, establishing safety standards for storage and transportation becomes critical, **increasing the cost** of hydrogen as a fuel.

● **Resource Challenges:**

- » **Water Availability:** Green hydrogen production through electrolysis requires water. While India has abundant water resources, ensuring sustainable water use in **water-stressed regions** needs **careful** planning and management.
- » **Land Availability:** Setting up large-scale solar and wind farms for green hydrogen production necessitates significant land acquisition, which can pose challenges in densely populated areas.

● **Other Challenges:**

- » **Public Awareness:** Raising public awareness about the benefits of green hydrogen and creating a market demand for clean hydrogen-powered technologies (e.g fuel cell vehicles) is crucial for wider adoption.
- » **Skilled Workforce Development:** Developing a skilled workforce with expertise in green hydrogen technologies, electrolyzer maintenance, and safety protocols is essential for industry growth.

WAY FORWARD

✳ **Cost Reduction:**

- » **Focus on R&D:** Drive research into more efficient electrolyzers and alternative materials to bring down production costs.
- » **Financial Incentives:** Provide subsidies or tax breaks for domestic electrolyzer manufacturing to **stimulate domestic production**.

✳ **Infrastructure Development:**

- » **Public-Private Partnerships:** Collaboration between the government and private sector can accelerate **R&D** and promote the development of a robust domestic electrolyzer industry.
- » **Repurposing Existing Pipelines:** Evaluate the feasibility of using existing natural gas pipelines for hydrogen transportation after necessary modifications.
- » **Investing in New Infrastructure:** Vibrant electrolyzer **manufacturing hubs** are crucial.
 - These hubs, akin to industrial zones, are where the government offers land or electricity at special rates, encouraging the entire value chain to **cluster together**, similar to India's automotive hubs..
- » **Explore Alternative Storage:** Investigate options like underground salt caverns and ammonia carriers for cost-effective storage solutions.
- » **Bunkering near International Ports:** it enables safe storage and supply of green ammonia to carrier ships.

✳ **Policy and Regulatory Framework:**

- » **Standardisation and Certification:** Bureau of Indian Standards should come up with international standards for green hydrogen production, transportation, and use to ensure quality and safety.
- » **Streamlining Permitting Processes:** Implement **online application systems** and establish clear timelines for project approvals to expedite development.
- » **Mandate the Use of Green Hydrogen:** The government should introduce mandates for the oil refining, fertiliser, and steel sectors to procure green hydrogen and green ammonia for a portion of their needs.

» **Allowing multi-locational SEZs:**

- It enables developers to use wind energy for which turbines are placed at a considerable distance from each other.
- Currently, **SEZs** need to have a contiguous land area of 50 hectares or more
- Wind turbines need space between them, which could be around **250 to 400 metres**.
- Multi-locational SEZs facilitate wind energy projects by allowing developers to place turbines in various areas within the same zone

✳ **Enhancing Adoption:**

- » **Develop Clear Green Hydrogen Definition:** Define "**green hydrogen**" to ensure transparency and avoid greenwashing practices. *
- » **Demand Creation:** Implement consumer incentives for hydrogen-powered vehicles and raise public awareness about green hydrogen's benefits.

✳ **Skill Development:**

- » Investing in programs to **train a skilled workforce** for electrolyzer manufacturing and maintenance is crucial for building a domestic industry

GLOBAL BEST PRACTICES

✳ **Financial Incentives:**

- » **Germany:** Offers feed-in tariffs for green hydrogen production and **tax breaks** for electrolyzer purchases, stimulating investment.
- » **China:** Provides **subsidies** for green hydrogen projects, attracting significant investment and project development.

✳ **Clear Regulatory Frameworks:**

- » **European Union:** The EU Hydrogen Strategy outlines clear targets, **certification** processes, and standards for green hydrogen, promoting **market clarity**.
- » **Japan:** Japan has established a **regulatory framework** for hydrogen safety handling and transportation, fostering a safe and reliable hydrogen ecosystem.

✳ **Investing in Research & Development (R&D):**

- » **Japan:** Heavily invests in **R&D** for advanced electrolysis technologies and materials, aiming to improve efficiency and reduce costs.
- » **South Korea:** Prioritises **R&D** for hydrogen storage solutions, exploring options like solid-state storage for improved efficiency and safety.
 - i. **Example:** The **Korean Institute of Energy Research (KIER)** is developing high-density solid-state hydrogen storage materials.

✳ **Public-Private Partnerships (PPPs):**

- » **Australia:** The "H2Perth" project is a collaboration between public and private entities aiming to create a large-scale green hydrogen production and export hub.

✳ **Public Awareness and Demand Creation:**

✳ **Consumer Incentives:**

- » **California (USA):** Offers subsidies for purchasing hydrogen fuel cell vehicles (**FCEVs**) to **encourage consumer adoption**.

✳ **Public Education Campaigns:**

- » **Japan:** Runs public awareness campaigns highlighting the benefits of green hydrogen for a clean energy future, fostering public support for hydrogen adoption.

CONCLUSION

By embracing global best practices and leveraging initiatives like **India's Green Hydrogen Mission**, the nation can lead the charge towards a sustainable future. This effort not only positions India as a potential "superpower" in green hydrogen production, but also aligns with achieving **Sustainable Development Goals 7 and 13**, highlighting its commitment to clean energy and climate action.

SAMPLE QUESTION

Q) Despite embracing initiatives like India's Green Hydrogen Mission, does India still face significant challenges on its path towards becoming a potential "superpower" in green hydrogen production. Examine. (15 marks)(250 W)



Online WORKING PROFESSIONALS BATCH

STARTS ON JULY 3RD, 2024



enquiries@fortuneias.com | www.fortuneias.com

+91 94950 15888 | +91 81389 40888

 @fortuneias  @fortune_ias_academy

NATO @ 75

Syllabus: GS II - Bilateral Groupings & Agreements; Important International Institutions.

PYQ MAPPING

Q) The newly tri-nation partnership AUKUS is aimed at countering China's ambitions in the Indo-Pacific region. Is it going to supersede the existing partnerships in the region? Discuss the strength and impact of AUKUS in the present scenario. (2021)

SHORT TAKES

International Security Assistance Force (ISAF): It was a multinational military mission in **Afghanistan** that operated from 2001 to 2014.

➤ The mission's primary goal was to help the Afghan government provide security across the country and develop new Afghan security forces.



WHY IN NEWS?

NATO marks its **75th anniversary** as foreign ministers meet in Brussels. Foreign Ministers gathered at NATO Headquarters on Thursday (4 April 2024) to mark 75 years since the signing of the Alliance's founding document, the **North Atlantic Treaty**

INTRODUCTION

Formed in 1949, the North Atlantic Treaty Organization (NATO) is an intergovernmental military alliance whose major objective upon establishment was to ensure collective defence against possible aggression, notably from the Soviet Union throughout the **Cold War period**. Since then, NATO has adapted to confront various security challenges extending beyond its initial purpose.

ORIGIN AND CORE PURPOSE

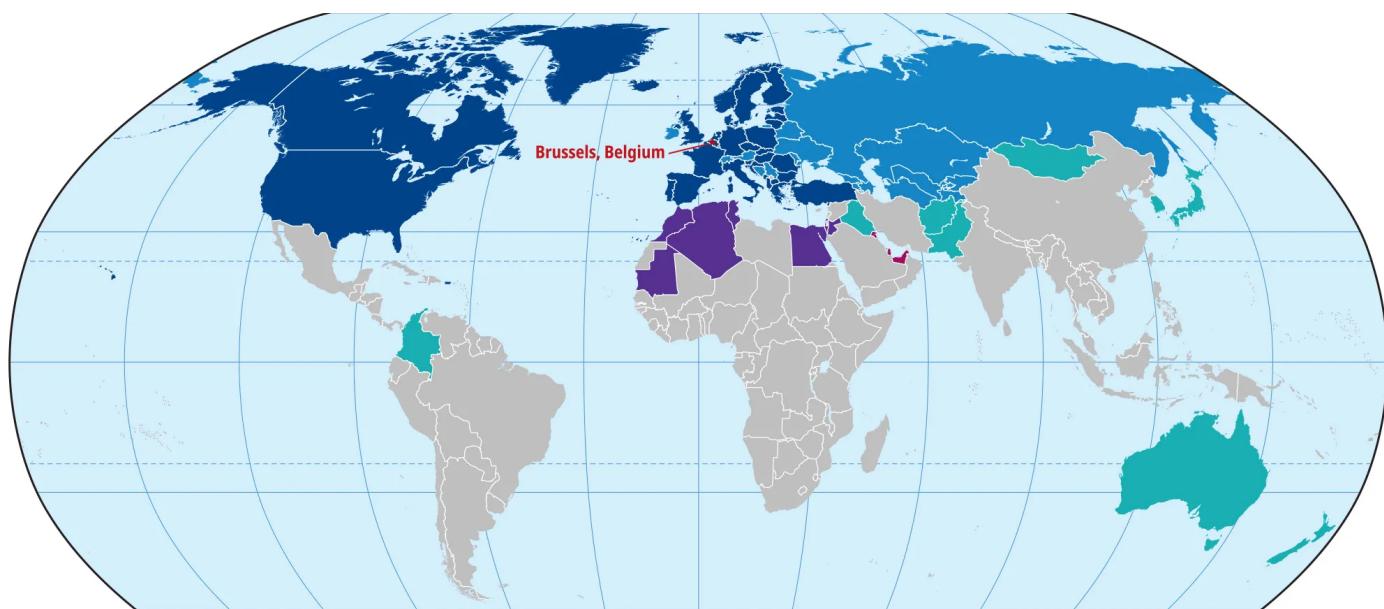
- ♣ **Founded in 1949:** NATO was established on April 4, 1949, with the signing of the **North Atlantic Treaty in Washington**, D.C. by 12 founding member countries from Europe and North America after World War II.
- ♣ **Collective Defence:** NATO functions on the principle of collective defence, meaning an attack on one member is considered an attack on all. This commitment is enshrined in **Article 5 of the treaty**, the cornerstone of the alliance.
 - » The Warsaw Pact, on the other hand, was a **collective defence treaty** established by the Soviet Union and seven other Soviet satellite states in Central and Eastern Europe in 1955.
- ♣ **Cold War Era:** During the Cold War, NATO's primary focus was deterring a Soviet invasion of Western Europe.
 - » It achieved this through a combination of conventional military forces and the threat of nuclear retaliation from the United States.

Evolution after the Cold War

- ❖ **Change in Purpose:** Following the Soviet Union's collapse, NATO reevaluated its purpose and evolved to address **new security challenges** such as Terrorism, Cyber Security threats, Piracy and Maritime Security with increased flexibility.
 - » Example: Counter Terrorism Measures in Afghanistan,
- ❖ **Crisis Management:** NATO has actively engaged in **crisis management operations**, including peacekeeping missions in the Balkans and Afghanistan.
- ❖ **Cooperative Security:** The alliance promotes democratic values and fosters cooperation with non-member states.

STRUCTURE AND MEMBERSHIP

- Original Members: The original **12 founding members** of NATO were Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States.
- Current Members: The North Atlantic Treaty Organization (NATO) has **32 member states from North America and Europe**. Membership requires approval from all existing members.
- Decision-Making: Decisions are made by consensus through the North Atlantic Council, the alliance's main political decision-making body.
- Command Structure: The NCS consists of two strategic commands: Allied Command Operations (ACO) and Allied Command Transformation (ACT). ACO, under the command of the **Supreme Allied Commander Europe (SACEUR)**, is responsible for the planning and execution of all NATO military operations, as directed by the North Atlantic Council..



NORTH ATLANTIC TREATY ORGANIZATION MEMBERS AND PARTNERS

- | | | |
|--|---|---|
|  Member countries |  NATO's Mediterranean Dialogue |  Partners across the globe |
|  Euro-Atlantic Partnership Council* |  Istanbul Cooperation Initiative |  NATO headquarters |

MEMBERSHIP TIMELINE

1940s	1950s	1980s	1990s	2000s	2010s	2020s
1949 – Belgium Canada Denmark France Iceland Italy Luxembourg Netherlands Norway Portugal United Kingdom United States	1952 Greece Turkey	1982 Spain	1999 – Czech Republic Hungary Poland	2004 Bulgaria Estonia Latvia Lithuania Romania Slovakia Slovenia	2009 Albania Croatia	2024 Sweden
	1955 Federal Republic of Germany				2017 Montenegro	2023 Finland
					2020 North Macedonia	

* EAPC includes all NATO members in addition to these partner countries.
NATO has suspended all practical cooperation with and support for Afghanistan, Belarus, and Russia.

© Encyclopædia Britannica, Inc.

STRUCTURE AND MEMBERSHIP

- ★ Resurgent Russia: Russia's assertiveness, particularly the **annexation of Crimea**, has reignited fears of aggression. NATO's collective defence principle, where an attack on one is an attack on all, is seen as a crucial deterrent.
- » Ukraine - Russia Conflict: Despite not being a NATO member, NATO expresses strong support for Ukraine's sovereignty and territorial integrity, condemning Russia's actions and urging President Putin to **end the conflict through diplomacy**.

- ★ New Threats: Cyberattacks, terrorism, and maritime security are major concerns today.
 - » Cyber Defence:
 - i. **NATO Cyber Incident Response Center (NCIRC):** A 200-person strong team that operates 24/7 to defend NATO's own networks. Their tasks include Prevention, Detection, Analysis, Incident Response and Recovery.
 - ii. Regular exercises like "**Cyber Coalition**" test and improve NATO's ability to defend against large-scale cyberattacks
 - » **Maritime Security:** NATO conducts regular maritime security exercises to enhance the readiness and interoperability of its member states' naval forces.
 - i. Example **Dynamic Mariner Exercise**
 - » Against Chinese Aggression:
 - i. NATO has justified its new focus on China as a "**collective defence**" against what it views as Chinese encroachment on European interests.
 - ii. Key ports, such as the Port of Piraeus in Greece, one of the largest in Europe, are now majority-owned by Chinese companies, as they have sought to buy up commercially strategic properties for sale that could benefit China.
- ★ Shared Values & Cooperation: NATO promotes democracy, human rights, and the rule of law among its members. It also fosters cooperation on defence spending, ensuring a more robust collective security posture.
 - » **Resolute Support Mission in Afghanistan:** After the International Security Assistance Force mission ended, NATO launched the Resolute Support Mission (RSM) in Afghanistan on January 1, 2015. It was a **non-combatant mission** aimed at **assisting Afghan security forces** and institutions in developing long-term capabilities to protect Afghanistan and its people.
 - » **NATO Mission Iraq:** NATO Mission Iraq (NMI) is a **non-combat mission in Baghdad**, established in October 2018. It involves personnel from NATO allies and Australia and aims to support Iraq in reforming its **security sector, promoting stability, and combating terrorism**.



CHALLENGES BY NATO

- **Renewed Russian Threat:**
 - » Russia's recent annexation of Crimea and military activities near NATO borders have reignited concerns about a potential conventional conflict.
 - » Example: The Ukraine war underscores the importance of a robust collective defence stance. **Disagreements within NATO** over military support for Ukraine reveal potential weaknesses in alliance unity.
- **Burden Sharing:**
 - » Not all member states contribute equally to NATO's military capabilities.
 - » The goal is for members to spend **2% of their GDP** on defence, but many fall short.
 - » Example: In 2022, only 12 out of 30 NATO members met the 2% target. This uneven burden-sharing creates tension, with some members questioning the commitment of others.
- **Disinformation and Hybrid Warfare:**
 - » Adversaries use social media manipulation and fake news to undermine trust in NATO and democratic institutions within member states.
 - » Example: Russia has been accused of using social media bots and disinformation campaigns to influence elections in NATO countries, like the **2016 US presidential election**.
- **Cyber Threats:**
 - » Cyberattacks on critical infrastructure and military systems pose a growing threat.
 - » Example: The 2017 "**NotPetya**" **cyberattack**, believed to be linked to Russia, disrupted critical infrastructure across Europe, including some NATO member states. This highlights the vulnerability of essential services to cyberattacks.

● **Enlargement and Regional Tensions:**

- » The potential for further eastward expansion of NATO, particularly regarding countries like Ukraine and Georgia, is a source of tension with Russia.
- » Example: Russia views NATO's eastward expansion as a threat to its security and has used it as a justification for its actions in Ukraine. This creates a complex **geopolitical dilemma for NATO**.

● **Declining Public Support:**

- » In some member states, public support for NATO has declined due to factors like war fatigue and a perception that the alliance is no longer relevant to current security threats.
- » Polls in some European countries show a decrease in public support for increased defence spending, potentially impacting their commitment to NATO.

WAY FORWARD

✳ **Strengthening Collective Defence:**

- » Increase military exercises and joint training between member states, particularly on the eastern flank bordering Russia.

✳ **Addressing Burden Sharing:**

- » Develop a burden-sharing mechanism that considers factors beyond just GDP, such as manpower contributions and hosting of **key military installations**.
- » Example: Establish a system of incentives and accountability measures to encourage all members to meet the 2% of GDP defence spending target.

✳ **Countering Disinformation and Hybrid Warfare:**

- » Create a dedicated centre within NATO to track and analyse disinformation campaigns, fostering collaboration among member states' intelligence agencies.

✳ **Enhancing Cyber Defences:**

- » Establish a cyber rapid reaction force capable of collectively responding to major cyberattacks on member states.
- » Share best practices and collaborate on developing cyber defence technologies and expertise.

✳ **Maintaining Public Support:**

- » Improve communication with the public about NATO's activities and the evolving security landscape.
- » Highlight NATO's role in promoting democratic values, crisis management, and global security beyond traditional defence concerns.

✳ **Additional Considerations:**

- » **Focus on New Threats:** Adapting to address emerging security challenges like climate change, terrorism, and space security.
- » **Strengthening Partnerships:** Working with non-member states and regional organisations to enhance global security cooperation.

CONCLUSION

In conclusion, by addressing challenges and maintaining public support, NATO can fortify its **collective defence posture** and remain adaptable in the face of evolving security challenges, thereby ensuring its continued relevance and effectiveness in safeguarding **international peace and security**.

SAMPLE QUESTION

Q) Critically analyse the effects of NATO's expansion on global security dynamics and its relevance in current Geopolitics. Also discuss its importance for India's strategic concerns. (15 marks)(250 W)

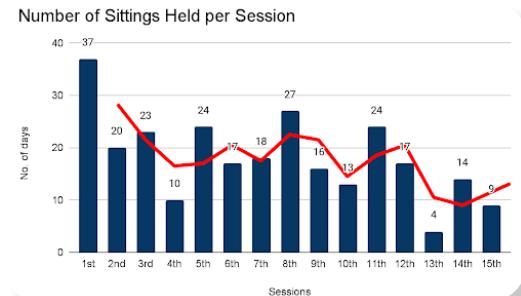
17TH LOK SABHA ANALYSIS

The 17th Lok Sabha held its sessions between June 2019 and February 2024. In these five years, **Lok Sabha** functioned for **88% of its scheduled time**, while **Rajya Sabha** worked for **73%**. In September 2023, Parliament moved to a new building.

KEY HIGHLIGHTS

Session and Number of Sittings in the 17th Lok Sabha

- The **17th Lok Sabha** held 15 sessions between June 2019 and February 2024. In these five years on average, 17th Lok Sabha sat for 55 days per year.
- The longest session was the 1st session, from 17th June, 2019 to 6th August, 2019. It had **37 sittings**.

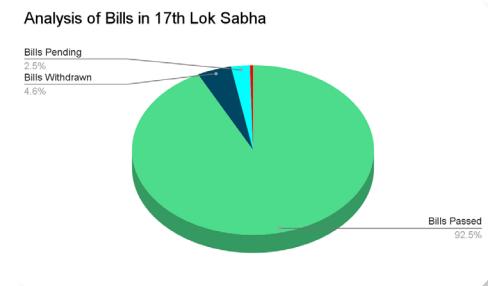


Bills Introduced and Passed in the 17th Lok Sabha

- Out of 240 bills introduced in the 17th Lok Sabha, 222 were passed, 11 bills were withdrawn and 6 bills remain pending. 1 bill was assented.

→ Key bills passed include:

- » The **J&K Reorganisation Bill, 2019**
- » The **Appointment of CEC Bill, 2023**
- » **Three Labour Codes**
- » The **Digital Data Protection Bill, 2023**
- » **Three Farm laws** (which were later repealed).
- » Three **Bills replacing the IPC, 1860, the CrPC, 1973, and the Indian Evidence Act, 1872**.
- » **Jan Vishwas Amendment Bill, 2023**
- » **Muslim Women (Protection of Rights on Marriage) Act in 2019**
- » **Citizenship Amendment Bill**



→ Private Member Bills:

- » A total of 729 Private Members' Bills were introduced during this Lok Sabha session.
- i. **No Private Member Bills (PMBs) were passed**, only two PMBs were discussed.

→ Question Hour

- » Question Hour functioned for **60%** of scheduled time **in Lok Sabha** and **52% in Rajya Sabha**.
- » 24% of questions listed for oral response were answered by Ministers in the House in Lok Sabha, and 31% in Rajya Sabha.

→ Committees Performances:

- » **Parliamentary Committees** (three Financial Committees and 24 Department-related Standing Committees (DRSCs)) held about 1,700 meetings, with an average duration of a Committee meeting was about 2 hours.
- » **Parliamentary Standing Committees:** They presented a total of 691 reports and more than 69% of Committee recommendations were accepted by the government.

→ Increase in Women MPs:

- » The **representation of women** MPs in Lok Sabha is slowly improving from **5% in the 1st Lok Sabha to 14 %** in the 17th Lok Sabha (78 Women MPs)

→ Other Important Facts:

- » **New Parliamentary Building:** On September 19, 2023, Parliament moved to a new complex, marking a historic shift from the iconic circular building to a triangular edifice adorned with the **lion capital on Central Vista**, serving as India's democratic hub.

Use of Digital Technology:

- There's a significant emphasis on leveraging digital technology for parliamentary operations, moving towards the goal of a **paperless office**.
- Currently, over 97 percent of question notices are submitted **electronically**.

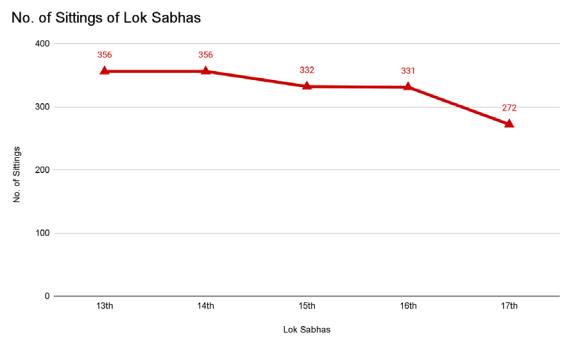
KEY CONCERNS IN THE FUNCTIONING OF THE 17TH LOK SABHA

Lowest number of sittings :

- The 17th Lok Sabha had **lowest sittings** amongst all full-term Lok Sabha
- The declining number of sitting days and hours in the Lok Sabha limits the scope for debates and diminishes MPs' participation.

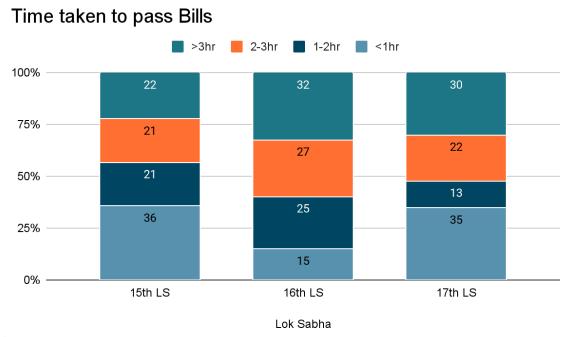
Comparison with Previous Lok Sabhas

- The highest number of sittings in any Lok Sabha was recorded during the first Lok Sabha, which in its tenure from 1952 to 1957 had 677 sittings. The second and third Lok Sabhas had 581 and 578 sittings respectively.
- The 12th Lok Sabha had the fewest sittings with only 88 before the fall of the Atal Bihari Vajpayee government after thirteen months.



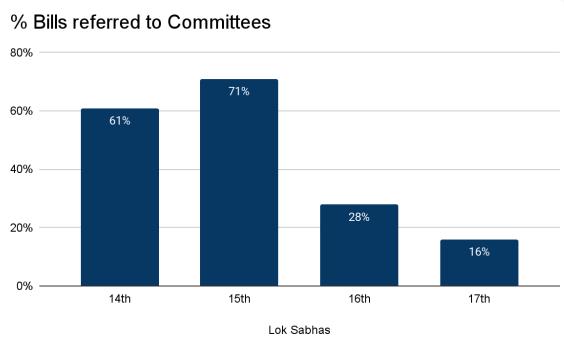
Bills passed within 2 weeks of introduction

- 58% of the Bills were passed within two weeks of their introduction.
 - Example: The **J&K Reorganisation Bill, 2019**, and the **Women's Reservation Bill, 2023** were passed within two days of introduction.
 - 35% of Bills were passed with less than an hour of discussion in Lok Sabha. The corresponding figure for Rajya Sabha was 34%.



Decline in No. of Bill Passed and its scrutiny

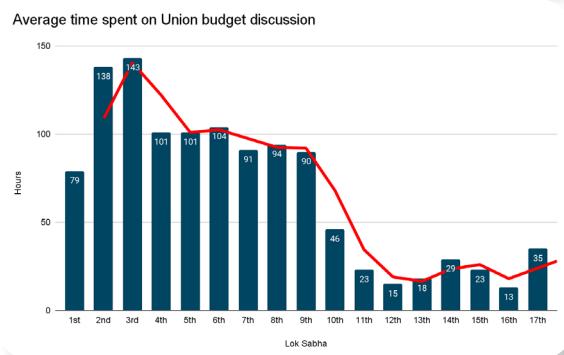
- The annual average of Bills passed declined from 65 in the 1952-1990 period to 48 in 1991-2023.
- 16% of Bills were referred to Committees** for detailed scrutiny. This is lower than corresponding figures for the previous three Lok Sabhas



Less than 20% of Bills referred to Committees

Lesser time spent discussing the budget

- Over the years, the time spent on budget discussions in Lok Sabha has reduced.
- The 17th Lok Sabha discussed the annual budget for 35 hours on average (in the Lower House). Between 2019 and 2023, on average, about **80% of the budget has been voted on without discussion**.
- In 2023**, the entire budget was passed without discussion. This has happened twice in the last decade- in 2018 and 2013.
 - It will be the **sixth shortest budget session since 1952**.
 - Lok Sabha spent just 18 hours on financial business, out of which 16 hours were spent on the general discussion of the



Decline in use of Parliamentary Tools:

Parliamentary tools allow MPs to ensure executive accountability and remediate potential issues for their constituents.

☛ **Half-hour discussion:** It enables MPs to deliberate on responses to parliamentary questions.

- » Before the 1990s, there were 88 such discussions per Lok Sabha. Post-1990, there were only 11 half-hour discussions per Lok Sabha.
- » The 17th Lok Sabha permitted only one such discussion, marking an **all-time low**.

☛ **Short-duration discussions:** It permits members to initiate discussions on matters of public importance.

- » Before 1990, averaging 46 per Lok Sabha.
- » Post-1990, this number diminished to 39, with the 17th Lok Sabha engaging in only 13 such discussions.

☛ **Calling attention:** It is a vital tool allowing MPs to draw attention to issues and elicit responses from ministers was extensively used between 1957 and 1990, with an average of 300 notices allowed per Lok Sabha.

- » Post-1990, only 40 notices have been allowed per Lok Sabha.
- » The 17th Lok Sabha allowed **only one such discussion**.

☛ **Adjournment motion:** It is employed to **address urgent issues** with a subsequent vote, and serves as an expression of disagreement with the government's policies.

- » Pre-1990, the Lok Sabha permitted discussion and voting on four such motions on average.
- » Post-1990, this number decreased to three.
- » The 16th and 17th Lok Sabha allowed **no adjournment motions**

Ministries Response:

☛ The Prime Minister's Office faced **1,146 questions from Rajya Sabha** MPs, but **only 28 were answered**.

☛ Likewise, there was a notable decrease in notices to the PMO in the Lok Sabha, highlighting diminished interest in seeking responses from the executive.

Interruptions, Walkouts, and Suspensions

☛ Almost all sessions witnessed significant interruptions and **walkouts by the Opposition**.

☛ The 2023 Budget Session lost the most time to interruptions.

- » **Interruptions: 437 hrs**

- » **Walkouts: 120**

☛ To compensate, the Parliament had to **extend working hours**.

☛ **Suspension of MPs:**

- » 115 members faced suspension, marking the highest number of suspensions in the history of Lok Sabha.
- » This surpasses both the previous Lok Sabha and the 8th Lok Sabha during Congress rule from 1984 to 1989.
- » The 2023 Winter Session witnessed a record-breaking number of MP suspensions, with the Lok Sabha accounting for **100 suspensions** and an **additional 40 from the Rajya Sabha**.
- » Lok Sabha passed significant legislation such as criminal reform Bills when **more than 70% of the Opposition MPs were suspended**, and the Prime Minister did not answer any questions orally and only one in writing.

Major Security Breach

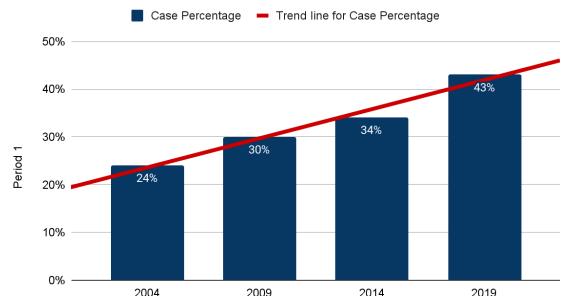
☛ On December 13, 2023, during Zero Hour, a **major security breach occurred in the Lok Sabha chamber**, coinciding with the anniversary of the Parliament attack.

☛ **Two individuals** leaped from the public gallery, released yellow smoke from canisters, and shouted slogans.

Increased Criminalization:

- ➡ The **Association for Democratic Reforms (ADR)** reported that **43%** of the elected Members of Parliament in the 17th Lok Sabha had pending criminal cases against them

MPs with Pending Criminal Cases



Reason behind legislative decline

▼ Executive Dominance:

- » **Increasing executive dominance** diminishes the legislature's authority, with strong ruling party majorities often rushing bill passage without sufficient debate or amendments, undermining checks and balances.

▼ Party Discipline:

- » Strict party discipline limits MPs' ability to exercise independent judgement and scrutinise the executive effectively.
 - For example, in India, the **anti-defection law**, which disqualifies MPs for defying the party whip, has been criticised for undermining MPs' independence.

▼ Bypassing Legislature:

The increasing use of executive orders, ordinances, and delegated legislation has contributed to the decline of parliamentary authority.

- » Ex- Passing of the **Citizenship Amendment Act (CAA)**, the **National Register of Citizens (NRC)**, and farm legislation.

▼ Declining Decorum:

Rising disruptions, protests, and disorderly conduct in Parliament hamper constructive debate and deliberation, eroding public confidence in its effectiveness.

▼ Criminalization of Politics:

The increasing presence of criminal elements in the legislature undermines public trust and hinders effective lawmaking.

- » In the 2019 Lok Sabha elections, 159 MPs had declared serious **criminal cases against them**, including those of rape, murder, attempt to murder, kidnapping, crimes against women.

▼ Other Reasons for disorder in legislatures:

- » The **lack of time available** to MPs for raising important matters
- » The **unresponsive attitude** of the government
- » **Deliberate disruption** by parties for political or publicity purposes
- » The **absence of prompt action** against MPs disrupting Parliamentary proceedings.

IMPLICATIONS OF DECLINE IN FUNCTION OF LOK SABHA

♣ Affects the Institutional Credibility:

- » The Lok Sabha's failure to fulfill its legislative duties could weaken parliamentary credibility, undermining democracy and elected representatives' legitimacy.

♣ Wasted Resources:

- » The Lok Sabha's low **productivity wastes taxpayers' money**, as MPs' salaries and allowances are funded by the public exchequer.
- » This **inefficient use of resources** due to disruptions or low productivity diverts funds that could have been used for development.

♣ **Delayed Legislation:**

- » Lower productivity in the Lok Sabha leads to **delays in passing vital bills and legislation.**
- » This hampers the country's progress by postponing crucial policies and reforms related to taxation, infrastructure, and social welfare, thus hindering their implementation.

♣ **Quality of Legislation:** The decrease in bills referred to Parliamentary Standing Committees raises concerns about thorough examination and evaluation of proposed legislation.

- » The percentage of bills referred to parliamentary committees has reduced from 71% in the 15th Lok Sabha (2009-14) to 28% in the 16th Lok Sabha (2014-19), and to only around 16% since 2019.
- » Even the bill revoking **Article 370 was not referred to a parliamentary committee.**

♣ **Limited Parliamentary Business:** This has led to an increasing recourse to ordinances that circumvent parliament, and the bypassing of the parliament on several important initiatives.

- » Due to such actions, a global democracy report by **V-Dem Institute** has characterised India's democracy as an "electoral autocracy".

♣ **Economic Impact:**

- » A less productive Lok Sabha harms the economy by causing delays in crucial economic legislation, hindering growth, investment, and development.
- » This uncertainty and inefficient decision-making **erode investor confidence**, further slowing economic progress.

♣ **Increases Corruption:**

- » The link between crime and politics fosters corruption, as politicians with criminal histories may resort to **bribery, extortion, and other illegal activities** to retain power.
- » This undermines anti-corruption efforts and hampers transparency and integrity in governance.

WAY FORWARD

✳ **Greater Role for Opposition:** Greater participation of the opposition groups in allocating business of the House would serve as a measure of limiting the executive role and ensure greater accountability of the ruling government.

- » Dedicating one day per week, preferably Mondays, for discussions led by Opposition members will **reduce disruptions.**

✳ **Code of Conduct for Parliamentarians:** Code of conduct for members of the Lok Sabha, the Rajya Sabha, State Assemblies, and Councils is needed to minimise disruptions in the House.

✳ **Inner Party Democracy:** The parties need to be held accountable for their obligations under various laws, rules, as well as their own constitutions, including incorporating natural justice rules in the process of expulsion of party members.

✳ **Improve the Quality of Members:**

- » Advocate for political parties to adopt merit-based selection criteria for parliamentary candidates, prioritising qualifications, experience, and dedication to public service.
- » Additionally, strive to enhance diversity and inclusivity by ensuring **representation of marginalised communities** and underrepresented groups.

✳ **Increase Women Participation:**

- » Need of the hour is to **pass the Women Reservation bill** for increasing parliamentary efficiency.

✳ **Promote Cross-Party Collaboration:**

- » Promote a cooperative environment and bipartisan or multi-party collaboration within parliamentary committees to prioritise national interests above partisan goals.
- » Encouraging constructive dialogue and **consensus-building** can improve the effectiveness of scrutiny processes and bolster parliamentary oversight.

✿ **Strengthen Scrutiny Support:**

- » Empower parliamentary committees with **independent research** support to aid in scrutiny efforts.
- » This may involve setting up dedicated research units or collaborating with external organisations for expertise on complex issues.

✿ **Enhance Parliament's public perception.**

- » Implement measures to boost transparency in parliamentary activities, including live streaming of sessions, expanded access to parliamentary documents, and **public disclosure of MPs' attendance** and performance, to improve Parliament's image.

BEST PRACTICES

ENGLAND:

- ✿ **Shadow Cabinet:** India could adopt a shadow cabinet system similar to the British Parliament by establishing an opposition structure mirroring the government's cabinet.
 - » This would involve assigning specific portfolios to opposition members who would scrutinise and offer alternative policies to the government's proposals, enhancing accountability and providing a robust check on executive power.
- ✿ **Setting Agenda:** When parliament **meets over 100 days a year** opposition sets agenda for 20 days
- ✿ **Questioning the Prime Minister:** In the Indian Parliament, Question Hour and Zero Hour often lead to disruptions instead of fostering debate.
 - » The **Prime Minister responds to MPs' questions weekly**, leading to fewer disruptions and more spirited debates.
 - » Thus, the UK practice of posing questions to the Prime Minister within the Lok Sabha and Rajya Sabha rules can be adopted.
- ✿ **Parliamentary Disruptions Index (PDI):** It can be used for a **“naming and shaming”** approach aligning with norms prevalent in the UK Parliament.
 - » The names of **MPs with the highest PDI values** can be shared weekly in the media.
 - » The widespread dissemination of such information could negatively impact MPs' public image, potentially restraining them from further disruptions.

ESTONIA AND NEW ZEALAND:

- ✿ **E-Parliament System:** Following the example of Estonia and New Zealand, India can develop a robust **e-Parliament** platform.
 - » This would allow for efficient management of legislation, online access to documents, and potentially even remote participation for committee meetings.

ICELAND AND CANADA:

- ✿ **Online Forums and Petitions:** These would allow citizens to submit petitions, express their views on proposed legislation, and participate in online discussions, fostering a **more inclusive** legislative process.

AUSTRALIA:

- ✿ There exists a practice where an institution external to Parliament conducts evaluations of enacted laws after their passage.
- ✿ Similar mechanisms could be established in India to assess the effectiveness and impact of legislation post-enactment.

CONCLUSION

By implementing the comprehensive set of reforms and adopting best practices from around the world, India can strengthen its parliamentary system, enhance accountability, promote inclusivity, and improve legislative efficiency. These efforts will not only bolster public trust in the democratic process but also pave the way for a more **transparent, effective, and responsive governance** framework suited to the challenges of the 21st century.

SAMPLE QUESTION

Q) Decreased parliamentary productivity may hinder the legislature's capacity to scrutinise the government. What steps could be implemented to counter this decline and to enhance legislative efficiency by incorporating a range of global reforms and best practices? (15 M)(250 W)



Online WORKING PROFESSIONALS BATCH

STARTS ON JULY 3RD, 2024



enquiries@fortuneias.com | www.fortuneias.com

+91 94950 15888 | +91 81389 40888

 [@fortuneias](https://twitter.com/fortuneias)  [@fortune_ias_academy](https://www.instagram.com/fortune_ias_academy)

INDIA'S PREVENTION OF MONEY LAUNDERING ACT

Syllabus: GS III - Money Laundering

PYQ MAPPING

Q) Discuss how emerging technologies and globalisation contribute to money laundering. Elaborate measures to tackle the problem of money laundering both at national and international levels. (2021)

SHORT TAKES

Money Laundering: Money laundering is the process of disguising the origin of **illegally acquired money** to make it appear legitimate, thus avoiding detection and legal consequences. It's a serious financial crime that aims to convert illicit funds into legal ones.

WHY IN NEWS?

Recent article by **P.D.T. Achary (former Secretary general of Lok Sabha)** in The Hindu, ongoing Supreme Court cases questioning PMLA provisions, and a significant ruling by the Punjab and Haryana High Court on releasing detained individuals under this act, all contribute to the relevance of the ongoing discussion on the **Prevention of Money Laundering Act (PMLA)**.

INTRODUCTION

- **Aim:** The Prevention of Money Laundering Act, 2002 (PMLA) is a legislation passed by the Indian Parliament with the objective of **preventing money laundering** and facilitating the seizure of assets obtained through money laundering activities.
- **Enactment:** It came into force in 2005 and important amendments were done in 2009 and 2012
- **Purpose:** Its purpose is to address money laundering associated with unlawful activities like drug trafficking, smuggling, and **funding terrorism**.
- **Authority:** Under this act the **Enforcement Directorate** is empowered to conduct the inquiry.

MODUS OPERANDI

- **Placement:** Money launderers initially inject illegal funds into the financial system, often by depositing them into bank accounts held by **anonymous entities** or intermediaries.
- **Layering:** The injected funds are then moved through various transactions across different accounts, both domestically and internationally, making it **challenging to trace their origin**. This may involve purchasing tradable assets like luxury cars, artwork, and real estate.
- **Integration:** After being well-placed and layered, the laundered money re-enters the financial system, **appearing as if it came from legitimate sources**. The criminal may further integrate the funds by investing them in legal businesses or setting up fake charities, disguising the illicit origin of the funds.
- **Predicate offences:** They are criminal activities that are considered prerequisites for the offence of money laundering. These offences **provide the black money (illicit money)** that will be made white (shown to have legal source). These scheduled offences are categorised and listed in schedules A to C of the PMLA, outlining a range of criminal activities that can lead to money laundering charges. It includes- terrorism, drug trafficking, organised crime, kidnapping, extortion, counterfeiting currency, and counterfeiting and piracy of products etc.
- **Proceeds of Crime:** Proceeds of crime refer to the property or assets obtained through predicate offences. These proceeds are generated as a result of engaging in criminal activities listed in the schedules of the PMLA or similar legislation. The term encompasses **any financial gains or benefits obtained from illegal activities**, including but not limited to drug trafficking, terrorism financing, fraud, corruption, and human trafficking.
- **Directorate of Enforcement:** The Directorate of Enforcement or **Enforcement Directorate (ED)** is a multi-disciplinary organisation mandated with investigation of the offence of money laundering and violations of foreign exchange laws. It was **setup in 1956** as Enforcement unit and renamed as Enforcement Directorate, under **Ministry of Finance**. The

3 Stages of Money Laundering



statutory functions of the Directorate include enforcement of following Acts:

1. **The Prevention of Money Laundering Act, 2002 (PMLA):**
2. **The Foreign Exchange Management Act, 1999 (FEMA)**
3. **The Fugitive Economic Offenders Act, 2018 (FEOA)**
4. **The Foreign Exchange Regulation Act, 1973 (FERA)**
5. **Sponsoring agency under COFEPOSA**

NEEDS AND FEATURES OF PMLA

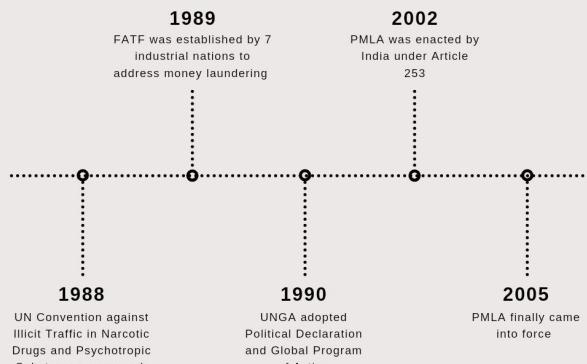
Need

- » **Illicit funds:** The significant amount of illicit funds generated from international **drug trafficking** posed a serious threat to global economies.
- » **Stabilise economy:** There was widespread recognition that the funds from drug trade could destabilise the world economy and compromise the sovereignty of nations.
- » **UN Convention:** In response, the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (**Vienna Convention**) was convened in 1988 to address this issue.
- » **FATF:** Following this, seven major industrial nations convened a **summit in Paris** in July 1989 and established the Financial Action Task Force (FATF) to address the problem of money laundering and propose countermeasures. India joined FATF in 2010 as its 34th member.
- » **UN members enact laws:** In 1990, the United Nations General Assembly adopted the **Political Declaration and Global Programme of Action**, urging member countries to enact appropriate legislation to effectively combat money laundering associated with drug trafficking.
- » **India's response:** India is a signatory to **Vienna Convention 1988, Convention on Narcotic Drugs 1961**, as amended by the **1972 Protocol** and also the **Convention on Psychotropic Substances, 1971**. The PMLA was enacted by India's Parliament under Article 253 which empowers it to make laws for implementing the international conventions.

ALLEGATIONS AND MISUSE

- ▼ **Deviation from original purpose:** The most serious concern with the Prevention of Money Laundering Act (PMLA) is that it encompasses a wide range of offences in its schedule that are unrelated to its original purpose of combating money laundering from drug trafficking.
- » The United Nations resolution that inspired the enactment of this law in India specifically addressed the **crime of laundering drug money**, which was considered a significant threat to the global economy and national sovereignty.

Timeline



Features

- » **Applicability:** The Prevention of Money Laundering Act (PMLA) extends its jurisdiction to encompass all financial entities, including banks (including the Reserve Bank of India), mutual funds, insurance firms, and their associated financial intermediaries.
- » **Predicate Offence:** It acts as the initial illegal activity that generates profits or resources for further unlawful actions. In the absence of a predicate offence, the charges under PMLA fail.
- » **Punishment:** The Act prescribes that any person found guilty of money-laundering shall be punishable with rigorous imprisonment from three years to seven years.
- » **Powers of Enforcement Directorate (ED):** Section 50 of the PMLA, grants ED officials the authority to record statements on oath from individuals. Unlike statements made to the police which is called the FIR, these statements are admissible in court since ED is not considered as a police. Additionally, the ED is not required to provide a copy of the **Enforcement Case Information Report (ECIR)** to arrested individuals, thereby empowering the ED with penal powers.



- ▼ **Addition of Non related offences:** Amendments over time have expanded the schedule of the Act, now including offences that are either covered under the **Indian Penal Code (IPC)** or subject to existing special laws.
 - » **'Criminal conspiracy' under Section 120B** of the Indian Penal Code was added to the PMLA's schedule in 2009. This has, over the years, allowed the ED to enter any case where a conspiracy is alleged, even if the principal offence is not part of the PMLA's schedule.
 - » For example, ED investigation on land grabbing case against **Hemant Soren, ex-CM of Jharkhand**.
- ▼ **Unnecessary expansion:** Offences that do not inherently involve large-scale proceeds or pose a threat to the economy and national sovereignty are being prosecuted under this law.
 - » Example, the **inclusion of the Prevention of Corruption Act, 1988**, targeting corruption within the public sector, in the PMLA's schedule of offences in 2009. Consequently, public servants are now subject to the full force of the PMLA. Therefore, both a public servant accused of corruption and a serious drug trafficker face **similar treatment**.
- ▼ **Disregarding Article 253 and Item 13 of Union List:** PMLA was passed by India's Parliament under Article 253, which allows it to create laws to implement international conventions. Item 13 in the Union list allows the Union Government to participate in international conventions and implement the decisions made at the convention.
 - » The **Vienna convention** being about drug and other illicit money should not have been extended by the Government under this Act to other areas that were not part of the agreement.
- ▼ **Burden of proof on the accused:** A concerning aspect of the PMLA is that individuals accused under this law are presumed **guilty until proven innocent**. PMLA allows ED to summon a person without an ECIR telling them what they are being summoned for.
 - » The individual is not even informed if they are being summoned as an accused or as a witness. This may violate the right to an **individual's personal liberty under Article 21**.
- ▼ **Proceeds of crime:** PMLA defines proceeds of crime property derived or obtained, **directly or indirectly**, as a result of criminal activity relating to the scheduled offence.
 - » Now, if an individual deposited tainted money in the account of a relative or a family member, or bought a property in their name, they would be culpable even without being aware that the funds were tainted.
- ▼ **Harsh Bail Conditions:** The bail provision outlined in **section 45** of the PMLA poses a significant challenge, as it stipulates that bail can only be granted if the judge is convinced of the accused's innocence. This strict requirement often deters judges from granting bail, causing individuals to remain in jail for extended periods without trial.
 - » Critics argue that **lengthy pretrial incarcerations** for money laundering offences, which can range from 3 to 7 years, essentially equate to serving a punishment prior to being convicted.
- ▼ **Weaponization:** It refers to its misuse of PMLA for political vendettas or targeting individuals and entities perceived as adversaries. This selective enforcement bypasses due process, undermining the law's purpose and eroding trust in the justice system.
- ▼ **Clandestine action:** Many of the amendments that added more teeth to PMLA, especially of 2019 were passed through the Finance Acts as money bills.
 - » The validity of using money bills in this manner will be now decided by a seven-member bench.

Supreme Court Judgements: Case Law

- ⌚ The above and other alleged misuses of PMLA were questioned in the Supreme court by **more than 240 petitioners**.
- ⌚ A 3-judge SC bench gave its verdict in the **Vijay Madanlal Choudhary & Ors v Union of India, 2022** upholding the amendments to PMLA and the extended powers to ED.
- ⌚ However, the **SC has started to hear a review petition** on its 2022 verdict and has posted the matter to July, 2024.

Should it be removed or amended?

While there may be calls for significant changes to the Prevention of Money Laundering Act (PMLA), the necessity for its complete removal is not warranted because

- ❖ **Significance:** The law deals with a serious and widespread crime that has significant effects on **national security and the economy**. It is undeniable that amendments are necessary, mainly to restore the law's original intent and make its implementation more transparent.
- ❖ **Revamping:** By focusing on fighting money laundering linked to drug trafficking and other serious crimes, and by **improving transparency** through measures like providing written reasons for arrest, the PMLA can better achieve its goals while protecting the rights of those involved in legal proceedings.
- ❖ **Successful implementation:** Additionally, it's worth noting that through this law, the Enforcement Directorate (ED) has successfully **recovered more than 20,000 crore** by auctioning off confiscated assets of fugitive economic offenders.

On ED's power under PMLA

An upshot of the judgment by the Supreme Court on the validity of certain provisions under the Prevention of Money Laundering Act

- The offence of money laundering is as heinous an offence as terrorism
- Section 3 (definition of money laundering), Section 24 (reverse burden of proof), and Section 5 (attachment of property) to stay
- Stringency in granting bail under the Act is legal and not arbitrary
- It is not mandatory to give an Enforcement Case Information Report (ECIR) in every case as it was not an FIR
- The statements made to ED are considered admissible
- Provision of attachment of property of accused as 'proceeds of crime' balances the interests of the accused and the State



■ **The question of enactment of PMLA amendments through the Money Bill route is to be decided by a larger Bench**

WAY FORWARD

- ❖ **Judicial interpretation:** The Supreme Court needs to swiftly provide its interpretations of the provisions and address the oppositions raised against the Act due to the rising number of ED cases, leading to prolonged detention of the accused.
- » Clarity on **issues** of presumption of guilt, **reversal of burden of proof** and the stringent **twin conditions for bail**- one among them being the near impossibility that the Court should be satisfied that the accused will not commit any offence in the future
- ❖ **Ensuring fair trial:** Consider amendments for a fairer distribution of this burden between the prosecution and the accused. Ensure that the burden of proof maintains a reasonable balance, upholding the principles of a **fair trial and safeguarding constitutional rights**.
- ❖ **Precise definition of Proceeds of Crime:** This mitigates potential ambiguity that could disrupt financial operations and ensure alignment with international standards.
- ❖ **Sensitising the society:** Educating society about the dangers of money laundering and its role in funding criminal activities like drug trafficking and terrorism, which can harm economies and **national security**. This awareness helps people recognize suspicious financial activities and work with authorities to combat money laundering, preserving the **integrity of financial systems**.
- ❖ **Periodic amendments and discussions:** It is crucial to address evolving financial crimes and adapt to changing money laundering techniques. These updates help close loopholes, strengthen provisions, and align the Act with international standards.
- » **Example:** Addressing emerging threats such as **cryptocurrency**, which can be exploited for money laundering due to its anonymity and decentralised nature.

- ✿ **Increase transparency:** Transparency in the PMLA is essential for accountability and promoting cooperation among stakeholders. Businesses can better address **operational vulnerabilities** and prevent financial crimes by knowing the grounds for arrest. This promotes compliance with anti-money laundering laws and mitigates the risk of illegal activities.
- » **Example:** In **Pankaj Bansal v. Union of India**, the Supreme Court of India ruled on December 15, 2023 that the **Directorate of Enforcement (ED)** must provide the accused with **written grounds of arrest**.

CONCLUSION

In conclusion, the current bail provisions are overly technical. The recent changes in PMLA has expanded its reach beyond drug money laundering, raising concerns about its original purpose. This evolution highlights the challenge of **tackling money laundering** while ensuring fairness and justice.

SAMPLE QUESTION

Q) Assess the efficacy of Prevention of Money Laundering Act (PMLA) 2002 in addressing money laundering, particularly in light of recent amendments and existing challenges. **(10 M)(200 W)**



Online WORKING PROFESSIONALS BATCH

STARTS ON

JULY 3RD, 2024



enquiries@fortuneias.com | www.fortuneias.com

+91 94950 15888 | +91 81389 40888

@fortuneias @fortune_ias_academy

MODEL ESSAY

"If untouchability lives, humanity must die"

Introduction

- Quote by Mahatma Gandhi.
- Elaborate on untouchability- both a political and social problem.
- Roots in caste system- notion of purity and pollution.

Consequences

- **Violation of Human Rights:** Eg: Indra Meghwal, a nine-year-old Dalit boy beaten to death by his 'upper caste' teacher in Rajasthan - because he drank water from a pot meant for his upper-caste teacher.
- **Social Exclusion - Eg:** Dalit student Chinnadurai and sister attacked with sickle in Tamil nadu- casteist harassment at school before the attack.
- **Psychological Impact:** Discrimination faced by students in Higher Education Institutions .

Reports and Data

- **Crime in India Report 2022:** According to the **National Crime Records Bureau** (NCRB) Crime in India Report 2022, there were 57,582 cases registered for crimes against Scheduled Castes (SC) and 10,064 cases registered for crimes against Scheduled Tribes (ST).
- **India Discrimination Report:** A report by **Oxfam India** suggests that discrimination against the SC/ST population in the labour market has slightly declined at the macro level from 2004-05 to 2019-20.
- **Oxfam India - News laundry Report:** About 90 per cent of leadership positions in Indian media are occupied by upper caste groups with not even a single Dalit or Adivasi heading Indian mainstream media.

Strategies to Eradicate Untouchability

Constitutional Measures

- **Article 17** - Abolition of Untouchability: A Fundamental Right
- **Reservations** - Centre/State legislatures, Occupation, Educational institutions

Legislations

- **Protection of Civil Rights (PCR) Act, 1955:** Untouchability (Offences) Act of 1955 which was amended and renamed as The **Protection of Civil Rights Act** in 1976.
- **Special Courts:** Setting up of special courts for trial of offences **Eg:** Four Special Courts have been established in Kerala at Kollam, Palakkad, Wayanad and Malappuram districts.

Government initiatives

- **Vinaya Samarasya Yojana:** The **Karnataka** state government - awareness programme at the gram panchayat level.
- **PM DAKSH Yojana:** skill development for target groups.
- **National Helpline :** Against Atrocities on SCs/ STs- Toll free number 14566
- **Scholarships:** SHREYAS Scheme, SHRESHTA scheme, Free Coaching

Steps to be taken

- Sensitising the society- awareness drives
- Addressing **double discrimination (caste and gender) and violent abuse** faced by women.
- Ensure meaningful participation of Dalits in policies and programs
- Effective implementation of laws and data analysis
- Special research grants and committees in higher education institutions to address discrimination.

Conclusion

- Conclude with reference to "The Annihilation of Caste"- Insights into Ambedkar's vision- Clarion call of Educate, Agitate, Organise
- Highlight the principles of liberty, equality, and fraternity and total inclusion of marginalised groups
- Need for collective action and targeted policy interventions to create a just and inclusive society

ETHICS - CASE STUDY

Q) In a village where two dominant castes live harmoniously, a piece of land belonging to caste A was allocated to caste B 30 years ago to establish a temple for their deity. Now, as the Panchayat election approaches in the area, to gain undue political advantage, a local Political Party came up with a politically motivated issue, claiming that the land was transferred to caste B without consultation with the people of caste A. They assert that if they come into power, they will reclaim the land and build a temple for their own deity. This has sparked a communal issue between the two castes. A large protest is brewing from both sides.

As the District Magistrate in the area, you have received a complaint regarding the issue. It is your responsibility to prevent any untoward incidents and maintain order..

However, you yourself are a member of caste B, if any decision made by you goes wrong, it could potentially lead to social instability in the area, adversely affecting public order. **As a Food safety officer:**

- Discuss the ethical issues involved in this case.
- Critically examine the options available to you.
- Which of the above will be the most appropriate options for you and Why?

ETHICS - EXAMPLES

- Legal Ethics and Privacy Rights:** CJI D Y Chandrachud criticised the unjustified confiscation of personal devices during raids by law enforcement and investigative agencies, emphasising the importance of balancing the necessity of searches and seizures for investigation with an individual's right to privacy.
- Lack of Empathy:** A 17 year old gang rape survivor gets expelled from a private school in Ajmer, Rajasthan. She was also debarred from attending the Board exam despite paying the required fees. The school also issued a Transfer Certificate without her knowledge by preposterously citing that the said incident would "defame the institution"
- Judicial Integrity and Independence:** 600 senior advocates, including prominent names, penned a letter to the Chief Justice of India, alleging that a "vested interest group" is trying to pressure the judiciary to influence court decisions, especially those involving politicians and corrupt individuals.
- Social Influence:** An eight-year-old Dalit boy in Rajasthan's Alwar district was reportedly assaulted for touching a water bucket near a hand pump within the school premises. The incident involved a man from an upper caste filling water in the bucket, who allegedly attacked the boy when he touched it.
- Electoral ethics:** The Supreme Court issued notice to the Election Commission (EC) on a writ petition seeking a direction to mandatorily cross-verify the count in Electronic Voting Machines (EVMs) with votes verifiably recorded as cast by counting all Voter Verifiable Paper Audit Trail (VVPAT) slips.
- Labour Rights:** Alleging that pilots were being treated as "bonded labourers", Air India unions extended their support to their Vistara counterparts, who are protesting against the airline's decision to merge with Air India, pay scale and rostering issues.
- Citizen rights:** Voters have the option to "refuse to vote" even after registering their identities with the presiding officer, a right distinct from the provision for voting under NOTA. This right is detailed in the 'Conduct of Elections Rules, 1961 Rule 49-O,' allowing electors to abstain from voting even after reaching the polling booth.

MAINS JOT DOWN



GS- I - MODERN HISTORY

- ➡ The Ministry of Tribal Affairs highlighted contributions of freedom fighter **Laxman Nayak**.
 - He was a tribal leader of Bhumia community from Odisha.
 - He was famous as the Gandhi of Malkangiri region because he believed and followed Gandhian principles of truth, non-violence and peaceful non-cooperation.
 - Participated in individual Satyagraha in 1940.



GS- I - GEOPHYSICAL PHENOMENA

Taiwan's biggest earthquake in at least 25 years with 7.2 Magnitude in Richter Scale, killed nine people on Wednesday and injured more than 900, while 50 workers travelling in minibuses to a hotel in a national park were missing.



GS- II - CONSTITUTIONAL BODIES; TRANSPARENCY & ACCOUNTABILITY

- ➡ The Supreme Court on Wednesday agreed to list ahead of the Lok Sabha election a series of petitions seeking a directive to the Election Commission to mandatorily cross-verify the vote count in all electronic voting machines (EVMs) by counting all voter verifiable paper audit trail (VVPAT) slips
- ➡ SC - 2013 in *Subramanian Swamy v Election Commission of India* that the election process should "have fullest transparency in the system and to restore the confidence of the voters"



GS- I - POPULATION AND ASSOCIATED ISSUES

- ➡ As per "Jobs for Resilience, South Asia Development Update" released by the world bank, the South Asia region including India is not reaping its demographic dividend.
 - Demographic dividend is increased economic growth potential that can result when the share of the working-age population (15 to 64) is larger than non-working-age.
 - India is expected to enjoy this window for 37 years starting 2018 and up to 2055.



GS- III - ENVIRONMENTAL POLLUTION & DEGRADATION

For India to be a developed country by 2047 and be on track to achieve net zero — or effectively zero carbon dioxide emissions by 2070 — it must significantly prioritise investments in nuclear energy and expand related infrastructure, says a study by academics at the Indian Institute of Management, Ahmedabad



GS- II - ISSUES RELATING TO DEVELOPMENT AND MANAGEMENT OF SOCIAL SECTOR SERVICES RELATING TO HEALTH, EDUCATION, HUMAN RESOURCES

Many Indian men are being diagnosed in late stages of prostate cancer and succumbing to the disease, says a latest Lancet Commission paper, which has projected prostate cancer incidence in India to surge sharply by 2040.



GS- II - ENVIRONMENT

- ➡ A research team from Nagaland University's Department of Chemistry has successfully developed eco-friendly colours that have been verified to be completely safe.
- ➡ The "benign" powdered hues, made from edible items such as mustard leaves, coriander, spinach, beetroot, mulberry, turmeric, rose, hibiscus, carrot, and rhododendron.



GS- III - SCIENCE AND TECHNOLOGY

- ➡ Scientists in Romania successfully created the world's most powerful laser light emission- one-tenth of the power emanating from the Sun that is received on Earth.
- ➡ The laser had an output of 10 petawatts, or in other words, 10 quadrillion (million billion) watts. Scientists hope this laser will lead to revolutionary advances in every sector where the laser is used- from health to space.



GS- III - SCIENCE AND TECHNOLOGY

An international team of researchers has just released the most comprehensive "three-dimensional" map of the universe, which, scientists hope, could reveal some clues about dark energy, the mysterious force that is believed to be causing the universe to expand uncontrollably. The researchers, including an Indian team led by Shadab Alam at the Tata Institute of Fundamental Research in Mumbai, has published its findings from the first year of observations by the Dark Energy Spectroscopic Instrument, or DESI, a unique piece of equipment that, once fitted over a telescope, can capture light from 5,000 galaxies at the same time.



GS- III - MINERAL & ENERGY RESOURCES; ENERGY SECURITY

The Union Minister of Coal has informed that coal and lignite production has grown by more than 70% over the last 10 years owing to favourable government support.



GS- III - ENVIRONMENTAL POLLUTION & DEGRADATION

- ➡ "Measuring the Emissions and Energy Footprint of the ICT Sector: Implications for Climate Action report has been jointly released by the International Telecommunication Union (ITU) and the World Bank.
 - It presents the energy and emissions profile of the Information and Communication Technology (ICT) sector and assesses the 30 highest emitting countries (including India) for telecommunications.
 - Key highlights of the report: Rapid expansion of Digitalization is requiring more energy and resulting in Greenhouse Gas (GHG) emissions.
 - At least 1.7% of global emissions stem from the ICT sector



GS- III - SCIENCE AND TECHNOLOGY

The Union government has approved a new e-vehicle policy with the aim to facilitate the entry of global EV manufacturers in the country. The policy involves lowering the duty for EV imports — this has been a long-standing demand for EV majors like Tesla — for companies setting up a manufacturing plant with a minimum investment of Rs 4,150 crore

CHERRYPICKS OF THE WEEK



FORTUNE IAS ACADEMY

New PRELIMS CUM MAINS BATCH

STARTS ON **MAY 1ST, 2024**

enquiries@fortuneias.com | www.fortuneias.com
+91 94950 15888 | +91 81389 40888

 @fortuneias  @fortune_ias_academy

PAIRA

- It is a relay method of sowing in which short-duration pulses/ oilseeds are broadcast in a standing crop of rice ~2 weeks before its harvest.
- Practised in Odisha

S.A.R.A.H.

- It is a Smart AI Resource Assistant for Health which uses new language models and cutting-edge technology
- Unveiled by World Health Organization

SHALLOW FAKE

- Shallowfake refers to altered media (pictures, videos and voice clips, etc) created with conventional and affordable technologies **without** the help of AI technology.

Tulip mania

- It is used as a metaphor to describe an economic bubble. People start investing in a particular asset in large quantities because of positive sentiments about it. This pushes the prices of that asset to very high levels. After reaching a peak, prices suffer a sharp fall due to an extensive sell off, leaving the asset holders bankrupt. These assets are metaphorically called tulips.

Deadweight Loss

- It is the loss of economic efficiency in terms of utility for consumers/producers such that the optimal or allocative efficiency is not achieved.
- Deadweight loss can be stated as the loss of total welfare or the social surplus due to reasons like taxes or subsidies, price ceilings or floors, externalities and monopoly pricing.
- It is the excess burden created due to loss of benefit to the participants in trade which are individuals as consumers, producers or the government

Zero FIR

- It refers to an FIR that is registered irrespective of the area where the offense is committed.