News Analysis (12 Nov, 2020)

MoUs Between India-Maldives

Why in News

Recently, **India and the Maldives** have signed **four Memorandums of Understanding** (MoUs).

Key Points

- **Four MoUs:**
    - Two MoUs for High Impact Community Development Projects.
    - An MoU on Cooperation in Sports and Youth Affairs.
    - An MoU for a USD 100 million grant to fund the **Greater Male Connectivity Project** (GMCP) which is the largest ever such infrastructure project undertaken in the Maldives.
        - GMCP is a financial package by India, consisting of a grant of USD 100 million and a new line of credit of USD 400 million.
        - This will be the largest civilian infrastructure project in the Maldives, connecting **Malé** (the capital) with **three neighbouring islands** viz. Villingili, Gulhifalhu (where a port is being built under Indian **line of credit**) and Thilafushi (new industrial zone) by the **construction of a bridge-and-causeway link.**
        - This will **boost economic activity, generate employment and promote holistic urban development** in the Malé region.
- **Other Recent Initiatives:**
    - In **April 2020,** India supplied 6.2 tonnes of essential medicines to the Maldives, under **Operation Sanjeevani** to tackle the **pandemic.**
    - In **May 2020,** India under **Mission Sagar,** supplied food items and medical assistance teams to the countries in the southern Indian Ocean including the Maldives.

        Indian Government assures that the **Maldives will be among the first countries to receive Covid-19 vaccines** as soon as one is developed in India.
    - In **August 2020,** the **bilateral Air Travel Bubble** was established which connects five Indian cities with Male through 13 weekly flights leading to a steep increase in the number of tourists.
        - Creating a travel bubble **involves reconnecting countries or states which have shown a good level of success in containing the Covid-19** domestically.
        - Such a bubble would **allow the members of the group to restart trade ties** with each other and **open travel and tourism.**
    - In **October 2020,** both governments inked a deal for a **USD 400 million line of credit** from the **Export-Import Bank of India** (Exim Bank), **premier export finance institution** of India.

        The soft loans to the Maldives have funded connectivity, water, sewerage projects, Addu Development Project, an international cricket stadium, Gulhifalhu port, etc.

- **Significance:**
    - The **MoUs are symbolic of India-Maldives' strong development partnership** which is multi-faceted and designed to meet the specific requirements of the government and people.
        - The Maldives enjoys a special and central place in India' **Neighbourhood First policy** and itself has a **foreign policy of India First.**
        - India is supportive of **Maldivian Foreign Minister's candidature** for the **Presidency of the 76th session** of the **United Nations General Assembly in 2021.**
        - Both nations have consistently supported each other in multilateral fora such as the UN, the **Commonwealth**, the **Non-Aligned Movement** (NAM) and the **South Asian Association for Regional Cooperation** (SAARC).
    - Amid India's growing concern over **China's increasing influence** in the **Indian Ocean Region** (IOR), the ties with the Maldives are of crucial importance.

        The **current Maldivian President** is being criticised by the opposition for having an **"India-tilt".** The Former President was dislodged from office in 2018 and was widely perceived as a close ally of China.

Source: TH

Regulations on OTT and Digital Content

Why in News

Recently, the Government has brought **Over The Top (OTT) platforms**, **or digital video streaming service providers** such as Netflix, Amazon Prime and others, **under the ambit of the Ministry of Information and Broadcasting.**

Key Points

- **Background:**
  - The government had **indicated the necessity to monitor these platforms** and wanted the **platforms to come up with a self-regulatory body.**
  - In **January 2019,** eight video streaming services had **signed a self-regulatory code** that laid down a set of **guiding principles for content on these platforms which prohibited five types of content:**
    - Content that deliberately and maliciously **disrespects the national emblem or national flag.**
    - Any visual or storyline that **promotes child pornography.**
    - Any content that "maliciously" intends to **outrage religious sentiments.**
    - Content that "deliberately and maliciously" **promotes or encourages terrorism.**
    - Any content that has been **banned for exhibition or distribution by law or court.**
  - However, the **government refused to support** this code and **expressed displeasure** at a model suggested by the **Internet and Mobile Association of India** (IAMAI), and **Digital Curated Content Complaints Council** (DCCC).
    - IAMAI is a **not-for-profit industry body** registered under the **Societies Registration Act, 1860.** Its mandate is to expand and enhance the online and mobile value-added services sectors
    - DCCC was **launched by the Online Curated Content Providers (OCCP) in February 2020** to **empower consumers** to make informed choices on viewing content over OTT platforms and to also provide consumers with a complaints redressal mechanism.
  - It held that the model **lacked independent third-party monitoring,** did not have a well-defined code of ethics and did not clearly enunciate prohibited content.

- **Current Order:**
    - It covers **“Digital/Online Media”,** including **“films and audio-visual programmes made available by online content providers”** and **“news and current affairs content on online platforms”.**
    - It will give the government control over these platforms, which were unregulated **till now as there is no law or autonomous body governing digital content.**
    - Online content providers come **under the legal framework of the Information Technology Act 2000** but, unlike print and broadcast media, were **not directly under any Ministry.**
    - However, there are no **details on how the government will regulate it.** There is a **possibility that the Programme Code** of the Cable Television Network Regulation Act 1995, that governs content on TV, **may serve as a template** to frame rules for online content.
- **Reasons Behind the Order:**
    - The Ministry also keeps receiving **complaints from the public underlining the concerns of unregulated content** and need to regulate it. In **October 2020,** the **Supreme Court** issued notice to the Centre and the IAMAI, on a petition to regulate OTT platforms.
    - The Ministry is **already regulating news and entertainment content on TV and radio** through statutory bodies so it is important to bring the digital content under its purview as well.
    - With the growth of the digital media and a significant shift of viewership from traditional media platforms to digital media, there is a real **need for having an appropriate oversight framework for online news and content,** at par with traditional media platforms.

Rules and Regulatory Bodies for Other Platforms

- **Regulations:**
    - The **Cable Television Network (Regulation) Act, 1995** penalises television channels for any violation of the programming and advertising.
        - Complaints can be sent directly to the Ministry, or raised through the internal mechanism of the Electronic Media Monitoring Centre.
    - In **November 2019,** the Government had brought out a **draft Registration of Press and Periodicals (RPP) Bill,** which sought to replace the 150-year-old Press and Registration of Books Act, 1867.
    - **Cable Networks Regulation Act 2005** regulates both news and entertainment on television.

- **Various Sectors and Regulating Bodies:**
  - **Print Media:**
    - **Press Council of India** (a statutory, quasi-judicial authority).
  - **Television:**
    - **News Broadcasting Standards Authority** (self-regulatory body) set up by the **News Broadcasters Association** (NBA) regulates television news.
    - **Electronic Media Monitoring Centre,** set up in 2008, monitors content on TV.
    - **Broadcasting Content Complaints Council** (independent and self-regulatory) for television entertainment.
  - **Films:**
    - **Central Board of Film Certification** (CBFC) under the Ministry of Information and Broadcasting.
  - **Advertisement:**
    - **Advertising Standards Council of India** (a self-regulatory body).

Source: TH

PLI Scheme for Ten More Sectors

Why in News

The Union Cabinet has given its approval to introduce the **Production-Linked Incentive (PLI) Scheme in 10 more sectors** for enhancing India's manufacturing capabilities and exports **(Atmanirbhar Bharat).**

- Earlier, the government **had announced a production linked incentive or PLI scheme for medical devices, mobile phones and specified active pharmaceutical ingredients,** with a proposed outlay of Rs. 51,311 crore.

Key Points

- **PLI Scheme:**
  - A scheme that aims to give companies **incentives on incremental** sales from products manufactured in domestic units.
  - The scheme invites foreign companies to set units in India, however, it also aims to encourage local companies to set up or expand existing manufacturing units.

HOW DOES THE INCENTIVE WORK

It is a kind of subsidy to the sector

Is a direct payment from the budget to goods made in India	**Amount** varies from sector to sector	**Is based on** disadvantage /disability faced by a sector

- **Expansion of PLI Scheme to Ten More Sectors:**
  - The ten sectors include **food processing**, **telecom**, **electronics**, **textiles**, **specialty steel, automobiles and auto components, solar photo-voltaic modules and white goods such as air conditioners and LEDs.**
  - The sectors had been identified on the basis of their potential to create jobs and make India self-reliant.
  - The PLI scheme for these ten sectors will be operational for **five years** with a **total estimated outlay of Rs 1.45 lakh crore.**
    - The PLI scheme will be **implemented by** the concerned ministries/departments.
    - Savings from one PLI scheme of an approved sector can be utilized to fund another sector.
  - The scheme for these sectors will be **in addition to** the PLI schemes for **mobile phones and allied equipment manufacturing, pharmaceutical ingredients and medical devices.**

    Several **more pharmaceutical products have been brought under the aegis of the PLI scheme,** including complex generics, anti-cancer and diabetic drugs, in-vitro diagnostic devices and special empty capsules.

- **Benefits:** The PLI scheme across these 10 key specific sectors will make **Indian manufacturers globally competitive,** attract **investment** in the areas of core competency and cutting-edge technology; ensure efficiencies; create **economies of scale;** enhance exports and make India an integral part of the **global supply chain.**
  - **Push to Digital Economy:**
    - India is expected to have a **USD 1 trillion digital economy** by 2025. Additionally, the Government's push for **data localization**, **Internet of Things**, projects such as **Smart City and Digital India** are expected to increase the demand for electronic products.
  - **Increase Exports:**
    - The Indian pharmaceutical industry is the **third largest** in the world by volume and 14th largest in terms of value. It contributes **3.5%** of the **total drugs and medicines exported** globally.
    - India is the world's **second largest steel producer in the world.** It is a **net exporter of finished steel.** A PLI scheme in **Specialty Steel** will help in enhancing manufacturing capabilities for value added steel leading to increase in total exports.
      - Specialty steel is made by adding various elements to iron, to achieve various properties, such as heat resistance, hardness, and corrosion resistance.
  - **Secure Telecom Infrastructure:**
    - Telecom equipment forms a **critical and strategic element of building a secured telecom infrastructure** and India aspires to become a major original equipment manufacturer of telecom and networking products.
  - **Doubling Farmers' Income:**
    - The growth of the processed food industry leads to **better price** for farmers and **reduces high levels of wastage.**

Way Forward

- Growth in production and exports of industrial goods will greatly **expose the Indian industry to foreign competition and ideas,** which will help in improving its capabilities to innovate further.
- Promotion of the manufacturing sector and creation of a conducive manufacturing ecosystem will not only enable **integration with global supply chains** but also establish backward linkages with the **MSME sector** in the country.
- It will lead to overall growth in the economy and **create huge employment** opportunities.

Source:PIB

Financial Support to Public Private Partnerships in Infrastructure

Why in News

Recently, the **Cabinet Committee on Economic Affairs** has approved **continuation and revamping** of the **Viability Gap Funding (VGF) Scheme** under the **Public Private Partnership (PPP) model** till **2024-25** with a total outlay of **Rs. 8,100 crore.**

- **Viability Gap Funding (VGF)** means a grant one-time or deferred, provided to support infrastructure projects that are economically justified but fall short of financial viability.
- **Public-Private Partnerships (PPPs)** involve collaboration between a **government agency and a private-sector company** that can be used to **finance, build, and operate** projects, such as public transportation networks, parks, and convention centers.
- The Viability Gap Funding (VGF) provided for economic infrastructure will be **extended to social infrastructure.**

Key Points

- **Background:**
  - The **Department of Economic Affairs, Ministry of Finance** introduced the **Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) in 2006** with a view to support infrastructure projects undertaken through PPP mode.
    - Projects that are economically justified but commercially unviable due to large capital investment requirements, long gestation periods and the inability to increase user charges to commercial levels.
  - **VGF up to 40%** of the Total Project Cost (TPC) is provided by the **Government of India (GoI) and the sponsoring authority** in the form of capital grant at the stage of project construction (20%+20%).

- **Extension of the Scheme to Social Infrastructure:**
  - **Sub Scheme -1:**
    - **Objective:** To cater Social Sectors such as **Waste Water Treatment, Water Supply, Solid Waste Management, Health and Education sectors** etc.

      These projects face **bankability issues and poor revenue streams** to cater fully to capital costs.
    - **Eligibility:** The projects eligible under this category should have at least **100% Operational Cost recovery.**
    - **Contribution:** The **Central Government** will provide a maximum of **30%** of Total Project Cost (TPC) as VGF and **State Government/Sponsoring Central Ministry/Statutory Entity** may provide additional support up to 30% of TPC and the remaining project cost will come through private participation.
  - **Sub Scheme -2:**
    - **Objective:** To support **pilot social sectors projects.**

      The projects may be from **Health and Education** sectors where there is at least **50% Operational Cost recovery.**
    - **Contribution:** In such projects, the **Central Government and the State Governments together will provide up to 80%** of capital expenditure and **upto 50%** of Operation & Maintenance (O&M) costs for the **first five years.**

      The **Central Government** will provide a maximum of **40%** of the TPC. In addition, it may provide a maximum of **25% of Operational Costs** of the project in the first five years of commercial operations.

- **Benefits:**
    - The scheme will promote **PPPs in social and economic infrastructure** leading to efficient creation of assets and ensuring their proper operation and maintenance and make the **economically/socially essential projects commercially viable.**
        - **Economic Infrastructure** refers to the elements of economic change that aid in the process of production and distribution such as energy, transportation, communication, banking and financial institutions etc.
        - **Social Infrastructure** refers to all those facilities and institutions that enhance the quality of human capital such as educational institutions, hospitals, nursing homes, housing facilities etc.
    - Revamping of the VGF Scheme will **attract more PPP projects** and **facilitate private investment** in the **social sectors.**
        Creation of new hospitals, schools will create many **opportunities** to boost **employment generation.**
    - The Scheme will encourage private investment in infrastructure on the lines suggested by the **Kelkar Committee.**

Source:PIB

Draft Data Centre Policy 2020

Why in News

Recently, the **Ministry of Electronics & Information Technology (MeitY)** has released the **Draft Data Centre Policy,** which aims to simplify clearances for setting up data centres in the country.

Key Points

- **Vision of the Draft Data Centre Policy:**
    - Making **India a Global Data Centre hub,**
    - **Promote investment** in the sector,
    - Propel **digital economy** growth,
    - Enable provisioning of trusted hosting infrastructure to fulfil the growing demand of the country and facilitate state of the art **service delivery to citizens.**

- **Terms Defined:**
    - **Data Centre:** It is a dedicated secure space within a building/centralized location where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data.
    - **Data Centre Parks:** These are specialized secure Data Zone, strategically located with the most conducive non-IT and IT infrastructure, and regulatory environment for housing mix of small scale/large scale clusters of Data Centres to serve the high needs of compute, storage, networking and provision of a wide range of data-related services.

- **Provisions:**
    - Providing **Infrastructure Status to the Data Centre Sector,** at par with other sectors like Railways, Roadways, and Power.
        - The status will help the sector **avail long-term credit from domestic and international lenders** at easier terms and will give a boost to the investments.
    - **Demarcation of specific zones** with necessary infrastructure such as roads, running water and electricity to set up data centre parks.
    - A **single-window, time-bound clearance system** for all the approvals required to set up a data-centre park.
    - **Formulation of Data Centre Incentivization Scheme (DCIS)** which will specify the intended beneficiaries, applicability criteria and fiscal and non-fiscal incentives for the sector.
    - Setting-up at least four **Data Centre Economic Zones (DCEZ)** in the country, as a Central Sector Scheme - DCEZ Scheme. DCEZs would create an ecosystem of Hyperscale Data Centres, Cloud Service Providers, IT companies, R&D units and other allied industries.
    - In order to address the issues around the high consumption of power, data centre parks would be encouraged to **set up their own power generation units,** and use **renewable energy.**
    - Data centres will be declared as an **Essential Service** under **"The Essential Services Maintenance Act, 1968 (ESMA)"** which means that there would be a continuity of services even during times of calamities or crisis.
    - **Strengthening the Atmanirbhar Bharat initiative** by identifying possible opportunities of manufacturing of data centre equipment (IT as well as non-IT) in the country.
        - The Policy also identifies possible areas of participation by micro, small, and medium enterprises and start-ups.
    - Collaboration with the **Ministry of Skills Development and Entrepreneurship (MSDE)** and leading academic institutes to impart large scale training to workforce on Data Centre, Digital and Cloud technologies, and facilitate sector linkages for such trained workforce.
    - An **Inter-Ministerial Empowered Committee (IMEC)** would be set up under the Chairmanship of Secretary, MeitY, with participation from various Central Ministries and State Governments.
        - It shall be the **key decision-making body** to facilitate the implementation of various measures as defined under this policy framework, enabling ease of doing business in the sector.
    - An independent **Data Centre Industry Council (DCIC)** is proposed to be set up, which would act as an interface between the sector and the Government.

Need for a Data Centre Policy

- The need to set up data centre infrastructure in India comes against the backdrop of **data localization norms under the proposed personal data protection legislation** and for **“protection of the digital sovereignty of the country in an increasingly connected world".**
    - Launch of **National Digital Health Mission (NDHM)** and **Global Partnership on Artificial Intelligence (GPAI),** which involve use of data.
- The **size of the digital economy** in India is estimated to grow from USD 200 billion in 2017-18 to USD 1 trillion by 2025.
    - India has witnessed **an exponential growth in digital-commerce, digital entertainment and use of social media.**
    - India’s **mobile data consumption is already the highest in the world** and is constantly increasing.
- India also offers **advantages** of having a favourable geographical location on the world map, availability of economic resources, established global connectivity through submarine cables, easy and cost-effective access power and readily available skilled manpower, enabling the nation to become a **global Data Centre hub.**
- There are **known impediments to the growth of data centre sector** such as lack of infrastructure or Industry status of the Data Centres, complex clearance processes, time consuming approvals, high cost of power, lack of published standards, absence of specialised building norms for building the Data Centres, submarine cable network connectivity limited to few states and high cost of capital and operational expenditure etc.
    - Further, the data centre industry has been **largely concentrated in top 4 cities,** with Mumbai, Delhi, Bengaluru and Chennai accounting for 60% of total sites.

Way Forward

- The data centre expansion will be supported by growth in data volumes to support high growth in e-commerce, increase in usage of social media, greater preference for over the top (OTT) platforms, the government’s impetus to the **Digital India initiative** and rapid digitalisation of services across industries (**Industry 4.0** and **5G**).
- Currently, there is no large-scale foreign investment in data centres in the country. India could essentially become a data centre hub for global enterprises, if the government has a clear cut policy around it.

Source: IE

Amendment in FCRA Rules

Why in News

Recently, the **Ministry of Home Affairs (MHA)** has notified new rules under the **Foreign Contribution Regulation Act (FCRA), 2010.**

Key Points

- **Background:**
  - **Foreign Contribution Regulation Act (FCRA)** first enacted in **1976,** was once amended in the year **2010 to regulate the foreign contributions or donations and hospitality** (air travel, hotel accommodation etc) to Indian organizations and individuals and to stop such contributions which might damage the national interest
    - It has been **amended again in 2020** to enhance transparency and accountability in the receipt and utilisation of foreign contributions and facilitating the genuine non-governmental organisations or associations who are working for the welfare of society.
  - The Act is **applicable to** all associations, groups and non-governmental organisations (NGOs) who intend to receive foreign donations.
  - As per the FCRA, members of legislatures, political parties, government officials, judges and media persons are **prohibited from receiving any foreign contribution.**
- The **MHA** has notified new rules under the **FCRA, 2010** thereby amending the **FCRA Rules, 2011.**

- **New Rules:**
  - Norms for **farmers, students, religious and other groups** who are not directly aligned to any political party to receive foreign funds, if the groups are not involved in active politics, has been relaxed.
  - FCRA **registrations** have been made **more stringent.**
    - Any organisation that wants to register itself under FCRA shall be in existence for **three years** and should have spent a minimum amount of **15 lakh** on its core activities for the benefit of society during the last three financial years.

      However, the **Central Government** in exceptional cases or in cases where a person is controlled by the Central Government or a State Government **may waive the conditions.**
    - Office bearers of NGOs or organisations seeking registration under the FCRA are required to submit a specific commitment letter from the donor indicating the amount of foreign contribution and the purpose for which it was being given.
  - **Political Groups:**

    A new clause has been inserted which says that groups mentioned in Clause V and VI will only be considered a political group by the Centre if they participate in **"active politics or party politics".**
    - Earlier, the rules on said clauses dealt with "guidelines for the declaration of an organisation to be of a political nature, not being a political party", and the Central government could specify an organisation as that of political nature based on six criteria.
    - **Clause V of Rule 3 (FCRA rules 2011)** qualified a political group as organisations of farmers, workers, students, youths based on caste, community, religion, language or otherwise, which is not directly aligned to any political party, but whose objectives as stated in the memorandum of association, or activities gathered through other material evidence, include steps towards advancement of political interests of such groups.
    - **The other 2011 clause (VI)** qualified a group as political if the organisation by whatever name habitually engages itself in or employs common methods of political action like **rasta roko, jail bharo, rail roko, bandh or hartal in support of public causes.**

Source:TH