

Monthly Policy Review

January 2017

Highlights of this Issue

[Budget session: President's address highlights agenda on economy, defence, etc. \(p. 2\)](#)

Other focus areas included financial inclusion, farmers' prosperity, energy, generating employability through skill development, and considering simultaneous conduct of elections to Lok Sabha and State Assemblies.

[Economic Survey 2016-17 tabled in Parliament \(p. 2\)](#)

The economy is expected to grow at 6.75%-7.5% in 2017-18, and retail inflation is expected to be under 5%. The survey discusses topics such as a Universal Basic Income and effect of demonetisation on the economy.

[GDP estimated to grow at 7.1% in 2016-17, compared to 7.9% in 2015-16 \(p. 3\)](#)

The estimates do not account for the effect of demonetisation. While growth in the agriculture sector is estimated to rise from 0.8% to 4.1% over the previous year, manufacturing and construction sectors are expected to decelerate.

[Supreme Court holds re- promulgation of ordinances as unconstitutional \(p. 4\)](#)

The Court further held that all ordinances must be laid before the legislature so it can determine whether there was a need for it, and if a law to replace the ordinance must be passed.

[Supreme Court holds the use of religion as a corrupt electoral practice \(p. 4\)](#)

The Court held that any plea in the name of religion, race, caste, community or language of the candidate or the voter was illegal.

[Committee of Chief Ministers submits interim report on digital payments \(p. 3\)](#)

Recommendations in the interim report include: (i) reduction in merchant discount rate charged by banks on card transactions, (ii) tax on cash transactions over Rs 50,000, and (iii) mobile subsidy to non-income tax assesses.

[Cabinet approves Indian Institute of Management Bill, 2017 \(p. 5\)](#)

Under the Bill, IIMs would be declared as Institutions of National Importance which will enable them to grant degrees to the graduating students.

[Draft Indian Medical Council \(Amendment\) Bill, 2016 released \(p. 5\)](#)

The draft Bill proposes a uniform national exit test to all medical educational institutions at the undergraduate level and common counselling for MBBS level and PG level admission.

[Expert Group on Socio Economic and Caste Census 2011 submits its report \(p. 7\)](#)

The Group made recommendations on the use of SECC data for various programs of the Ministry of Rural Development. It suggested that SECC data should be used for all schemes of the central and state governments.

[Adoption Regulations, 2017 released \(p. 7\)](#)

The regulations, released by the Ministry of Women and Child Development lay down the process of adoption of children by Indian nationals, Non Resident Indians, Overseas Citizens of India and foreign nationals.

[Ministry of Steel releases draft National Steel Policy \(p. 8\)](#)

The draft Policy seeks to increase steel capacity to 300 MT and per capita steel consumption to 160 kg by 2030-31. It also seeks to reduce import of coking coal to 50% by 2030-31, and become a net exporter of steel by 2025-26.

[TRAI releases consultation paper on net neutrality \(p. 9\)](#)

Issues on which TRAI is seeking consultation include: (i) regulatory approaches to check traffic management practices of service providers, and (ii) providing transparency for end users on traffic management practices.

February 1, 2017

Parliament

Roopal Suhag (roopal@prsindia.org)

President addresses joint sitting of Parliament; highlights key priorities

The Budget Session of Parliament opened with President Pranab Mukherjee, addressing a joint sitting of both Houses on January 31, 2017.¹ He outlined the major policy priorities of the government in his address, including:

- **Macroeconomy:** The rate of inflation, balance of payments, current account deficit and fiscal deficit have consistently reduced since 2014. FDI inflows in 2015-16 were USD 55.6 billion, the highest for any financial year. FDI policy was liberalised in June 2016.
- **Financial inclusion:** Over 26 crore Jan Dhan accounts have been opened and over 20 crore RUPAY debit cards have been issued to enable cashless payments.
- **Defence:** Under One Rank One Pension, more than Rs 6,200 crore has been released to over 19.6 lakh veterans of armed forces. The total financial implications would be around Rs 11,000 crore.
- **Governance reforms:** Simultaneous conduct of elections to Lok Sabha and State Assemblies to be considered.
- **Skill Development:** The *Pradhan Mantri Kaushal Vikas Yojana* has been launched with a budget outlay of Rs 12,000 crore. The scheme will train one crore youth over the next four years.
- **Women and Child Development:** Under the *Deen Dayal Antyodaya Yojana*, which aims to empower women, over Rs 16,000 crore has been made available to Self Help Groups in 2016-17. The scheme aims to reach out to nearly five crore women.
- **Health:** *Pradhan Mantri Bharatiya Jan Aushadi Pariyojana* has been launched to ensure that the poor have access to quality medicines at affordable prices.
- **Sanitation:** Under *Swachh Bharat Abhiyan*, more than 3 crore toilets have been constructed. 1.4 lakh villages, over 450 cities, 77 districts and 3 states have declared themselves Open Defecation Free.

For more details on the President's address, please see [here](#). To check the status of implementation of the announcements made in the 2016 address, please see [here](#).

Macroeconomic Development

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Economic Survey 2016-17 presented

The Finance Minister, Mr Arun Jaitley tabled the Economic Survey 2016-17 on January 31, 2017.² Some highlights of the survey are:

- **Macroeconomic developments:** The Central Statistics Office has estimated a GDP growth of 7.1% in 2016-17, without taking into account the effect of demonetisation. In 2017-18, it is expected to be between 6.75% and 7.5%, owing to factors such as an increase in exports and higher agricultural growth. Retail inflation (change in consumer price index) for 2017-18 is expected to remain under 5%, in line with the inflation target set by the government and the Reserve Bank of India.
- **Demonetisation:** The Survey took into account factors such as agricultural sowing, indirect tax collections, real estate prices and credit growth, and stated that the impact of demonetisation on GDP is estimated to be 0.25% to 0.5%. GDP for 2016-17 is estimated to grow by 6.50% to 6.75%, (taking into account the effect of demonetisation) as against the earlier estimation of 7%. The Survey stated that going forward, measures to be taken by the government include replenishing cash shortage as soon as possible, and slowly increasing the usage of lower denomination notes and decreasing the usage of higher denomination ones.
- **Current Account Deficit:** A lower trade deficit has resulted in the current account deficit (CAD) shrinking to 0.3% of GDP in the first half of 2016-17, as compared to 1.1% of GDP in 2015-16, and is expected to be about 1% to 1.5% of GDP in 2016-17.
- **Universal Basic Income:** The Survey discusses the advantages and issues in introducing a universal basic income (UBI) for all citizens, as a share of the GDP. By ensuring a minimum income for all, UBI would help in reducing poverty levels, replace existing welfare subsidies and enable better targeting of beneficiaries. Disadvantages may include disincentives to work and spending of UBI on non-essential activities. In order to implement such a scheme, conditions to be fulfilled would include financial inclusion through the opening of bank accounts and issuance of Aadhaar numbers, and co-operation between the centre and states.

- Public sector Asset Rehabilitation Agency:**
 In order to deal with the issue of non-performing assets (NPAs), the Survey states that a Public Sector Rehabilitation Agency may be set up. The agency would centralize all debt by purchasing loans belonging to larger companies, from banks. It would then either convert them into equity, sell stakes in auction or grant debt reduction. The government would then recapitalize the public sector banks. The Agency would be funded through government securities, private sector investments and the Reserve Bank of India.

GDP estimated to grow at 7.1% in 2016-17, decline from 7.9% in 2015-16

The Gross Domestic Product (GDP) of the country is estimated to grow at 7.1% in 2016-17.³ The GDP estimate growth for 2015-16 has been revised upward from 7.6% to 7.9%. GDP growth across economic sectors is measured in terms of Gross Value Added (GVA). GVA of the country is estimated to grow at 7% in 2016-17, as compared to 7.8% in 2015-16.⁴

Table 1: Gross Value Added across sectors (% growth year-on-year)

Sector	2014-15	2015-16	2016-17
Agriculture	-0.3%	0.8%	4.1%
Mining	14.7%	12.3%	-1.8%
Manufacturing	7.5%	10.6%	7.4%
Electricity	7.2%	5.1%	6.5%
Construction	3.0%	2.8%	2.9%
Services	9.8%	9.3%	8.8%
GVA	6.9%	7.8%	7.0%

Note: GVA is GDP without taxes and subsidies, at basic prices (2011-12 base year).

Sources: MOSPI; PRS.

The agriculture sector is estimated to grow substantially from 0.8% in 2015-16 to 4.1% in 2016-17. On the other hand, growth in the mining and manufacturing sectors is estimated to decrease by 14.1% and 3.2% as compared to 2015-16. Growth in the services sector (hotels, transport, financial services, public administration, etc.) is estimated to decrease by 0.5%, from 9.3% to 8.8%.

Retail inflation continued to decline during the third quarter of 2016-17

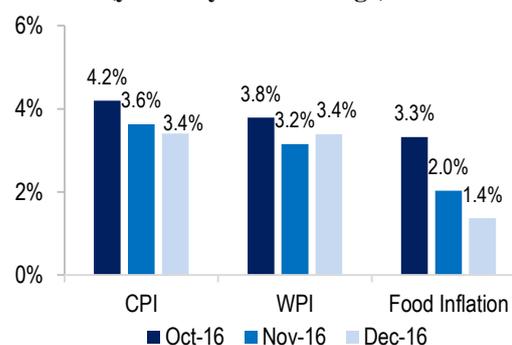
The Consumer Price Index (CPI) inflation (base year 2011-12) decreased from 4.2% year-on-year to 3.4% year-on-year, from October to December 2016.⁵ During this period, food inflation also decreased from 3.3% year-on-year to 1.4% year-on-year. The decrease in CPI inflation was

mainly a result of a decrease in the prices of pulses and vegetables.

The Wholesale Price Index (WPI) inflation (base year 2004-05) was also at 3.4% year-on-year in December 2016.⁶

The trend in CPI and WPI during the third quarter of 2016-17 is shown in Figure 1.

Figure 1: CPI and WPI inflation in Q3 of 2016-17 (year on year % change)



Sources: Ministry of Commerce and Industry; Ministry of Statistics and Programme Implementation; PRS.

Finance

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Committee of Chief Ministers submits interim report on digital payments

The Committee of Chief Ministers on Digital Payments (Convener: Mr. N. Chandrababu Naidu, Chief Minister, Andhra Pradesh) submitted its interim report.⁷

The Committee compared the infrastructure available in India for digital payments with those available in other countries such as China, Brazil, South Africa and United Kingdom. It found that, among these countries, India had the lowest number of pay points per million people. The Committee also identified some constraints in moving towards a cashless economy, which include: (i) lack of hardware, (ii) higher cost of digital transactions vis-à-vis cash, and (iii) lack of interoperability.

Key recommendations of the report include:

- Lower the merchant discount rate (rate charged by banks to merchants for accepting cards) for digital payments.
- Levy a Banking Cash Transaction Tax on cash transactions over Rs 50,000.
- Provide Rs 1,000 as subsidy to purchase mobiles to non-income tax assesseees or small merchants.

- Provide tax refunds to consumers using digital payments, up to a proportion of their annual income. Further, extend tax incentives to Micro ATMs and biometric sensors, among others.
- Provide a 50% subsidy on biometric sensors to all merchant points for Aadhaar Pay. Further, make Aadhaar the primary ID for Know Your Customer (KYC).
- Government departments such as the ones relating to insurance, fertilisers and PDS should switch to digital payments.

Cabinet gives approval for the Varishtha Pension Bima Yojana 2017

The Union Cabinet gave its approval for launching the Varishtha Pension Bima Yojana-2017.⁸ The scheme aims to provide security to senior citizens over the age of 60 years, against a future fall in interest income due to uncertain market conditions. The scheme will be open for subscription for a period of one year.

The 2017 scheme will be implemented through the Life Insurance Corporation of India (LIC). It will provide senior citizens an assured pension at a guaranteed rate of 8% per annum for 10 years. A subscriber may choose to receive pension on a monthly, quarterly, half-yearly or annual basis. The difference between the return generated by LIC and the assured return of 8% will be borne by the government as subsidy on an annual basis.

A similar scheme was launched in the year 2014-15 for which the subscription was open till August 2015.⁹

Law and Justice

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Supreme Court holds re-promulgation of ordinances unconstitutional

The Supreme Court held that every ordinance must be laid before the legislature and the re-promulgation of ordinance is unconstitutional.¹⁰ A seven judge bench of the Court was examining whether seven successive re-promulgations of the Bihar Non-Government Sanskrit Schools (Taking Over of Management and Control) Ordinance, 1989 were unconstitutional. The Ordinance permitted the government of Bihar to take over 429 non-government Sanskrit schools.

Earlier, the Patna High Court had ruled that the repeated re-promulgation of the ordinance was unconstitutional. Subsequently, the matter was

referred to a two judge bench of the Supreme Court, but could not be resolved. Following referrals to three judge and five judge benches, the matter was referred to a seven judge bench.

The majority opinion of the Court held that:

- Re-promulgation of ordinances is unconstitutional and subverts the democratic legislative process.
- An Ordinance must be laid before the legislature to determine: (i) its validity and expediency; (ii) whether it should be approved; (iii) whether an Act to replace the ordinance should be enacted.
- The question of whether any rights, privileges, and liabilities would remain once an ordinance has ceased to operate is to be determined based on public interest and constitutional necessity. For example, if the consequences which have taken place under the Ordinance are irreversible.
- The Bihar Sanskrit School Ordinances, first promulgated in 1989, to the seventh, promulgated in 1992, were all unconstitutional. This was supported by the fact that the Ordinances were never placed before the Bihar Assembly.
- The Bihar Ordinances do not confer the status of government employees on the Sanskrit school teachers. However, the salaries paid when the Ordinances were in force will not be recovered from them.

One judge gave a dissenting opinion to state that it was not mandatory to lay an Ordinance before the legislative assembly after it reassembles.

Supreme Court holds the use of religion as a corrupt electoral practice

The Supreme Court held that any plea in the name of religion, race, caste, community or language would amount to a corrupt electoral practice.¹¹ A seven judge bench of the Court was examining whether the use of religion or caste during election campaigns amounts to a corrupt electoral practice under section 123 (3) of the Representation of the People (ROP) Act, 1951.

The Court was hearing two separate appeals in relation to the scope of the term 'corrupt practice' in section 123 (3) of the ROP Act. The section prohibits to any appeal by a candidate, his agent or any other person with the consent of a candidate to vote or refrain from voting for any person on the ground of 'his' religion, race, caste, community, language, or national symbols.

The question before the Court was whether the appeal in the name of religion of the candidate or

that of the elector, or both, was illegal.

The majority opinion of the Court held that section 123 (3) of the ROP Act must be given a broad and purposive interpretation. Therefore, the section covers circumstances where a candidate were to make any appeal to an elector to vote or refrain from voting on the grounds of the religion, race, caste, community or language of (i) any candidate; (ii) his agent; (iii) any other person making the appeal with the candidate's consent; or (iv) the elector.

Three judges gave a dissenting opinion against interpreting the scope of section 123 (3) to include electors.

Cabinet approves the Repealing and Amending Bill, 2017

The Union Cabinet approved the introduction of the Repealing and Amending Bill, 2017.¹² The Bill seeks to repeal 105 Acts. Earlier, during the period of May 2014 to August 2016, four Acts were passed. The four Acts, together, repeal 1,175 Acts.

Education

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Cabinet approves Indian Institute of Management Bill, 2017

The Union Cabinet has approved the Indian Institute of Management (IIM) Bill, 2017.¹³ Under the Bill, IIMs would be declared as Institutions of National Importance which will enable them to grant degrees to their students.

All IIMs are separate autonomous bodies registered under the Societies Act, 1860. Being societies, IIMs are not authorised to award degrees and, hence, they award Post Graduate Diploma and Fellow Programme in Management. Key features of the Bill are:

- **Granting of degrees and autonomy:** IIMs can grant degrees to their students. The institutions will have complete autonomy combined with adequate accountability.
- **Composition and functions of the Board:** Management of the IIMs will be Board driven, and the Chairperson and Director of an institution will be selected by the Board. There will be greater participation of experts and alumni, and inclusion of women and members from Scheduled Castes/Tribes on the Board.

- **Review:** A periodic review of the performance of the institutions will be done by independent agencies, and the results of the same will be placed in the public domain. Further, the annual report of the institutions will be placed in Parliament and CAG will audit their accounts.

The Bill is not yet available in the public domain.

Health

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Draft Indian Medical Council (Amendment) Bill, 2016 released

The Ministry of Health and Family Welfare has released the draft Indian Medical Council (Amendment) Bill, 2016.¹⁴ It seeks to amend the Indian Medical Council Act, 1956. The key features of the draft Bill are as follows:

- **Common exit exam for MBBS level:** A uniform national exit test (NEXT) to all medical educational institutions at the undergraduate level will be conducted. NEXT will substitute the uniform entrance examination at the post-graduate level currently provided for in the 1956 Act.
- **Common counselling for MBBS level and post graduate level admission:** Common counselling for admission of candidates to all medical educational institutions at the undergraduate level and postgraduate level shall be conducted.
- Counselling for 15% all India quota seats at the undergraduate level and 50% all India quota seats at the postgraduate level shall be conducted by Directorate General of Health Services and the remaining seats by a designated authority set up by the concerned state/ UT governments.
- **Reservation for medical officers:** Up to 50% of the seats in post graduate courses in government colleges may be reserved by the relevant state government for medical officers in the government services. These medical officers should have served for a minimum of three years in remote and difficult areas.

Draft regulations on fortification of foods released by FSSAI

The Food Safety and Standards Authority of India (FSSAI) has released the draft Food Safety and Standards (Fortification of Foods)

Regulations, 2016.¹⁵ Fortification is the addition of key vitamins and minerals such as iron, iodine, zinc, vitamin A and vitamin D to staple foods such as rice, milk and salt to improve their nutritional content. These nutrients may or may not be originally present in the food before processing. The regulations prescribe the standards for fortification of salt, oil, milk, vanaspati, atta, maida and rice.

Key features of the regulations are as follows:

- **Standards of fortification:** When fortification of a food is made mandatory, it will be based on the severity and extent of a public health need as demonstrated by generally accepted scientific evidence. The FSSAI may specify mandatory fortification of any staple food on the directions of the central government.
- **General obligations:** Every manufacturer and packer of fortified food will have some obligations, such as: (i) ensuring all fortified food is packaged in a manner that takes into consideration the nature of the fortificant added and its effect on the shelf life of such food, and (ii) undertaking on quality assurance which includes results of random testing of fortificants and fortified food and audit of the technical processes and equipment involved.

Swachh Swasth Sarvatra scheme guidelines released

Swachh Swasth Sarvatra (SSS) is an inter-ministerial joint initiative between the Ministry of Drinking Water and Sanitation (MDWS) and the Ministry of Health and Family Welfare.¹⁶ The objective of the SSS scheme is to build on two existing programmes – Swachh Bharat Mission and Kayakalp. Kayakalp is a scheme to encourage public health facilities to achieve certain standards related to cleanliness, hygiene, waste management and infection control.

Under the SSS guidelines, those geographical locations will be made Open Defection Free (ODF) where public health facilities have demonstrated high standards of cleanliness.

Key activities under the SSS include:

- **Primary Health Centre (PHC) level:** The activities focussing on PHCs include: (i) enabling gram panchayats where Kayakalp awarded PHCs are located to become ODF; (ii) identifying nodal institutional points between State Health Mission and counterparts in the MDWS; and (iii) training of PHC representatives.

- **Community Health Centre (CHC) level:** The activities focussing on CHCs include: (i) strengthening these in ODF blocks to achieve a high level of cleanliness to meet Kayakalp criteria through a support of Rs 10 lakh to each selected CHC under National Health Mission, and (ii) facilitating their internal assessment using Kayakalp assessment to identify gaps and generate appropriate action plans.

MoU signed to co-regulate misleading advertisements in the AYUSH sector

The Ministry of AYUSH has signed an MoU with the Advertising Standards Council of India (ASCI) to curtail malpractices in the advertisement of AYUSH drugs.¹⁷ Under the MoU, ASCI will: (i) comprehensively monitor advertisements in the AYUSH sector across print and electronic media to identify potentially misleading advertisements, and (ii) process complaints through its Consumer Complaints Council (CCC).

The MoU also requires ASCI to report to the Ministry of AYUSH, all advertisements that are in potential violation of the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and rules under it. In addition, ASCI will also have to report cases of non-compliance with its CCC recommendations.

The Ministry of AYUSH will also redirect complaints against misleading advertisements they receive to the ASCI, which will be reviewed using ASCI's code and guidelines.

Skill Development

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Notification of setting up Indian Skill Development Service issued

The Ministry of Skill Development and Entrepreneurship has issued the notification for setting up of Indian Skill Development Services (ISDS).¹⁸ This was approved by the Union Cabinet on October 7, 2015.¹⁹ Key features of the ISDS are as follows:

- **Group 'A' service:** ISDS will be a Group 'A' service where induction will take place through Indian Engineering Service Examination conducted by Union Public Service Commission. The academy for training of the cadre will be the National Institute of Skill Development.

- **Number of posts:** ISDS will have 263 all-India posts. The cadre shall comprise of three posts at Senior Administrative Grade, 28 posts at Junior Administrative Grade, 120 posts at Senior Time Scale and 112 posts at Junior Time Scale.

Rural Development

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Expert Group on Socio Economic and Caste Census 2011 submits its report

The Expert Group on Socio Economic and Caste Census 2011 (Chair: Mr. Sumit Bose) submitted its report to the Ministry of Rural Development.²⁰ The Socio Economic and Caste Census (SECC) 2011 was conducted in both urban and rural areas in the country to collect socio-economic and caste data of households.

The Expert Group was set up in January 2016 to analyse the objective criteria for: (i) allocation of resources to states, and (ii) identification and prioritisation of beneficiaries under various programs using the SECC data. The Committee made observations and recommendations about the use of SECC data for various programs of the Ministry of Rural Development. These include:

- **Mahatma Gandhi National Rural Employment Guarantee Scheme:** the scheme provides 100 days of guaranteed wage employment to a rural household. It is a demand driven scheme that aims at creating durable assets. The Committee observed that the focus of the scheme should be more towards regions where there is greater concentration of landless labourers. It suggested that the implementation of the scheme should be strengthened in gram panchayats with a higher concentration of deprived households and landless manual labour.
- **Pradhan Mantri Awaas Yojana- Gramin:** PMAY is a housing scheme that provides financial assistance to rural BPL households for construction of a dwelling unit. The Committee noted that as per SECC 2011, nearly four crore rural families need to be provided with safe houses. It also observed that states are now being allocated funds in proportion to the eligible households falling under them. Presently, resource allocation to states gives 75% weightage to SECC housing deprivation data and 25% to the existing head count ratio of poverty. The Committee recommended that from 2017-18

onward, funds should be allocated to the states only on the basis of the SECC housing deprivation data.

- **National Social Assistance Program (NSAP):** The NSAP presently comprises five social assistance programs, that primarily include pension schemes for old age persons, widows and differently abled persons. The Committee observed that SECC 2011 covers socio-economic profile of old age persons, widows and differently abled persons. It recommended that eligibility for assistance under NSAP may be decided on the basis of SECC.

For a PRS report summary, please see [here](#).

Cabinet approves a new scheme for rural housing in the country

The Union Cabinet has approved a new scheme for rural housing in the country.²¹ Under the scheme, rural households will be provided with a 3% interest subsidy for housing loans upto Rs two lakh. National Housing Bank will implement the scheme. The government will provide upfront net present value of the interest subsidy to the National Housing Bank, which will further pass it to primary lending institutions such as banks. This will result in a reduction of monthly instalments of the loan to the beneficiary. The scheme will cover households presently not covered under Pradhan Mantri Awaas Yojana- Gramin (PMAY-G). The government plans to take steps in the future to converge the scheme with PMAY-G.

Women and Child Development

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Adoption Regulations, 2017 released

The Ministry of Women and Child Development released the Adoption Regulations, 2017.²² The regulations lay down the process of adoption of children by Indian nationals, Non Resident Indians, Overseas Citizens of India and foreign nationals. Key features of the regulations are:

- **Principles governing adoption:** The principles governing adoption include: (i) preference for adoption of a child by Indian citizens; (ii) due regard to the principle of placement of the child in his own socio-cultural environment, as far as possible; and (iii) all adoptions to be registered on Child Adoption Resource Information and Guidance System and the confidentiality of the same to be maintained.

- **Functions of State Adoption Resource Agency:** The State Adoption Resource Agency will function as the executive arm of the state government and perform functions including: (i) recommend for recognition one or more of the Child Care Institutions as Specialised Adoption Agencies in each district; and (ii) enforce standards for the adoption of orphan, abandoned and surrendered children.
- **Eligibility criteria for prospective adoptive parents:** The criteria for prospective adoptive parents include: (i) at least two years of a stable marital relationship; (ii) a single male will not be eligible to adopt a girl child; and (iii) minimum age difference of 25 years between the child and either of the prospective adoptive parents.

National Action Plan for Children, 2016 released by WCD Ministry

The National Action Plan for Children (NAPC), 2016 was released by the Ministry of Women and Child Development (WCD).²³ The Action Plan has four key priority areas: (i) survival; (ii) health and nutrition; (iii) education and development; and (iv) protection and participation of children. The NAPC 2016 attempts to address issues and concerns identified in each priority area of National Policy for Children, 2013 by aligning its objectives, strategies and implementation mechanism with these four priority areas.

Key features of the Plan are:

- **Survival, health and nutrition:** Major concerns with regard to survival, health and nutrition include: (i) high maternal and child mortality rates; (ii) higher child mortality rates for girls in rural areas; and (iii) high rates of undernutrition and anaemia among women and children.
- The NAPC 2016 aims to ensure equitable access to comprehensive, preventive, curative, and rehabilitative health care of the highest standard for all children before, during, and after birth, and throughout the period of their growth and development.
- **Education:** Major concerns with regard to education include: (i) poor retention and high drop-out rates at the elementary level (class 1-5); (ii) large number of children with special needs and SC/ST children are out of school; and (iii) lack of adequate and safe infrastructure in schools. The NAPC 2016 aims to develop each child to their full potential. It intends to do so by securing the

right of every child to knowledge, and education, with regard for special needs and the provision of the requisite environment.

- **Protection and participation:** Major concerns with regard to protection and participation include: (i) large number of child labourers; (ii) rise in trafficking of children; (iii) large number of girls being married before the legal age; and (iv) lack of information among children about their own rights and entitlements. The NAPC 2016 aims to protect all children from all forms of violence and abuse including economic and sexual exploitation, abandonment, separation, abduction, sale or trafficking. Further, it aims to enable children to be actively involved in their own development and in all matters concerning them.

Energy

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Draft National Steel Policy released

The Ministry of Steel released the draft National Steel Policy 2017.²⁴ Steel production in the country has witnessed an annual average growth of 8.3% between 2000-01 and 2015-16. However, the industry has been facing challenges due to slow economic growth and idle steel capacity globally. The draft Policy seeks to create a self-sufficient steel industry that is technologically advanced and globally competitive. Key guidelines include:

- **Objectives:** Some of the objectives include: (i) increasing crude steel capacity to 300 metric tonne (MT) by 2030-31 (crude capacity in 2014-15 was 110 MT), (ii) increasing per capita steel consumption to 160 kg by 2030-31 (currently 61 kg), (iii) increasing domestic availability of washed coking coal and reducing import of coking coal to 50% by 2030-31, and (iv) becoming a net exporter of steel by 2025-26 (India has been a net importer of finished steel every year since 2007-08 except 2013-14).²⁵
- **Steel demand and capacity:** Steel demand will be driven by identifying various construction and manufacturing sectors such as urban infrastructure and highways as the focus areas. Based on the demand projections, steel capacity of 300 MT will be required by 2030-31. However, this will require extensive mobilization of natural resources, finances, manpower, and infrastructure. Creation of such additional

capacity will also require a capital investment of about Rs 10 lakh crore.

- **Land requirement:** Growth of the Indian steel industry has been affected due to delays in land acquisition. In order to increase steel production capacity, around 91,000 acres of land will be required. The Steel Ministry will coordinate with respective state governments to ensure timely availability of litigation-free land to the industries.
- **Micro, Small and Medium Enterprises (MSMEs):** With regard to the MSME steel sector, the draft policy seeks to (i) improve availability of raw materials by providing long term linkages with the coal industry, and (ii) adopt energy efficient technologies.

Telecom

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TRAI releases consultation paper on net neutrality

The Telecom Regulatory Authority of India (TRAI) released a consultation paper on net neutrality on January 5, 2017.²⁶ The paper seeks the views of stakeholders on establishing a comprehensive framework to: (i) provide flexibility to telecom service providers to manage their networks, and (ii) prevent them from discriminating against content providers.

In May 2016, TRAI issued a pre-consultation paper to map relevant issues associated with net neutrality. As a follow-up, in the current paper, TRAI is consulting on formulation of views on policy interventions raised in the pre-consultation paper. TRAI is seeking comments on the paper until February 15, 2017. Key issues on which consultation is sought include:

- **Traffic management:** Service providers generally use various techniques to manage the safety, security and efficiency of their networks. To ensure that service providers do not use such techniques in a discriminatory manner, the paper proposed two regulatory approaches. The first approach is to set contours of reasonable traffic management principles of what can be regarded as acceptable or unacceptable forms of interference. The second approach is to adopt a negative list of non-reasonable traffic management practices by service providers.

- There may be a need to carve out certain exceptions, such as, prioritising emergency services or complying with directions regarding unlawful content.
- **Transparency:** While service providers are allowed to engage in reasonable traffic management practices, the affected end users should be aware of such practices.
- **Monitoring framework:** In the context of rapid changes in technology and business models, and with an evolving regulatory environment, there is a need for a monitoring mechanism.

Defence

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Guidelines for Penalties on Defence Business Dealings amended

The Ministry of Defence amended the guidelines on Penalties in Business Dealings with Entities.²⁷ The guidelines were issued in November 2016 to regulate levy of penalties (i.e. financial penalties, suspension and banning) on persons that enter into contracts with the Ministry of Defence regarding procurement of goods and services.²⁸

Currently, under the guidelines, the Defence Minister may ban an entity from ongoing and future procurements if it has engaged in misconduct. In case of certain kinds of misconduct (ex. misconduct that affects national security or using corrupt means to secure contract), the ban may be of five years or more. The amendment provides that the ban may be up to 10 years in such cases.

External Affairs

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India signs 14 agreements with United Arab Emirates

The Crown Prince of Abu Dhabi visited India from January 24 to 26, 2017. During the visit 14 agreements were signed between India and United Arab Emirates (UAE) across various sectors including defence and security, transport, energy, agriculture, industry and trade.²⁹

Defence: India and UAE agreed to cooperate in defence manufacturing, across public and private institutions of both countries. The cooperation

will focus on armaments, defence industries, and transfer of technology.

Transport: India and UAE signed a framework agreement to enhance bilateral maritime trade. Both countries also agreed to recognise the professional certificates held by the other country's marine officers, engineers and crews. With regard to road and highways, both countries agreed to share technologies and best practices in freight logistics, warehousing, and other services.

Energy: India and UAE signed a framework agreement for storage of crude oil by Abu Dhabi National Oil Company in India. Both countries also agreed to strengthen their relationship in the fields of energy and energy-efficient services.

Agriculture: India and UAE agreed to enhance cooperation in food processing and facilitate transfer of technology in cultivation methods.

Sports and Youth Affairs

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Committee set up to study the existing sports governance framework and issues

A Committee has been set up (Chair: Mr. Injeti Srinivas) to study the existing sports governance framework and issues related to it.³⁰ It will also study recent developments related to sports governance, including international best practices and make recommendations on bringing out a comprehensive National Sports Development Code across sports disciplines.

The Committee is expected to identify issues pertaining to good governance in administration of sports in the country. It will make specific recommendations for bringing out a comprehensive Sports Code to address the issues of governance pertaining to the National Olympic Committee and National Sports Federations. The Committee is required to submit its report within a month.

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² Economic Survey, 2016-17, http://finmin.nic.in/indiabudget2017-2018/e_survey.asp.

³ "Press Note on First Advance Estimates of National Income 2016-17", Ministry of Statistics and Programme Implementation, January 6, 2017, http://mospi.nic.in/sites/default/files/press_release/nad_pm_6_jan17.pdf;

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⁵ "Consumer Price Index Numbers on Base 2012=100 for Rural, Urban and Combined for the Month of November 2016", Press Information Bureau, Ministry of Statistics and Programme Implementation, December 13, 2016;

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⁶ "Index Numbers of Wholesale Price in India (Base: 2004-05=100) Review for the Month December 2016", Press Information Bureau, Ministry of Commerce and Industry, January 16, 2017.

⁷ Interim Report of the Committee of Chief Ministers on Digital Payments, NITI Aayog, http://niti.gov.in/writereaddata/files/new_initiatives/Interim%20Report%20to%20PM_PPT%20Version%2012.0_0.pdf.

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¹¹ Abhiram Singh vs. C.D. Commachen (dead) by Lrs., Supreme Court of India, Civil Appeal No. 37 of 1992, January 2, 2017, <http://judis.nic.in/supremecourt/imgs1.aspx?filename=44451>.

¹² "Cabinet approves the repealing of the obsolete and redundant laws", Press Information Bureau, Cabinet, January 18, 2017.

¹³ "Cabinet approves Indian Institute of Management Bill, 2017", Press Information Bureau, Cabinet, January 24, 2017.

¹⁴ Draft Indian Medical Council (Amendment) Act, 2016, Ministry of Health and Family Welfare, <http://mohfw.nic.in/showfile.php?lid=4136>.

¹⁵ Food Safety and Standards (Fortification of Foods) Regulations, 2016, Food Safety and Standards Authority of India, January 3, 2017, http://www.fssai.gov.in/dam/jcr:fd9e1f07-a9ab-4eec-92e5-d3bfe8e791ad/Draft_Notification_Fortification_Food_03_01_2017.pdf.

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