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POLICY PULSE

A MONTHLY NEWSLETTER

In This Volume:

FIRST TAKE

Overview

The new variant of COVID-Omicron- has again left countries worried as economic growth showed good signs of improvement across the globe. The travel restrictions that have been brought about due to the new variant have left the tourism and aviation industry again in the lurch even as the two sectors looked forward to getting back on track after a very long hiatus. However, the good news is that most economists feel that the global economic outlook remains positive.

The Ministerial meeting of the World Trade Organization (WTO) to be held in Geneva in the last week of November was also postponed as travel restrictions loomed large. The organization that works on the principle of consensus among members for adopting any changes in the agreement realized that the travel restrictions may keep out some smaller nations from participating at the Ministerial.

UK continues to increase the number of free trade agreements it has been negotiating and India too, after a considerable period of time, has commenced negotiations with partner countries where comprehensive trade agreements were planned earlier. This includes the EU and UK besides other countries.

We look forward to your comments and ideas to improve the Policy Pulse.

IN THIS ISSUE

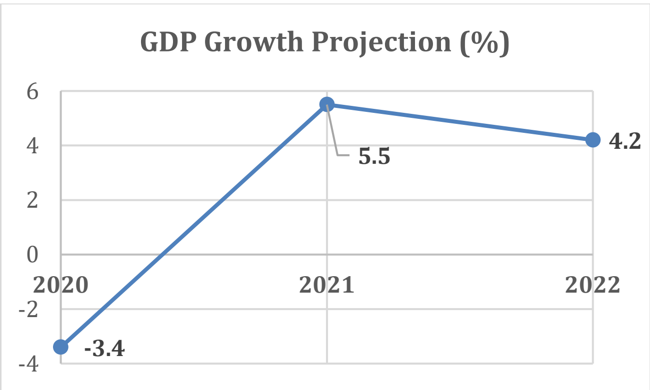
ECONOMIC SNAPSHOT

GLOBAL ECONOMY

The pandemic continues to hurt, but economic outlook remains strong

Economists are of the view that the tug of war between Covid-19 and the economy will continue into 2022, but the global economic outlook remains strong. Some economists are of the view that "*the world is shifting from a pandemic situation to an endemic situation as countries will have to learn to coexist with the virus*."

Global economic growth will continue, albeit at a moderating pace over the next couple of years.



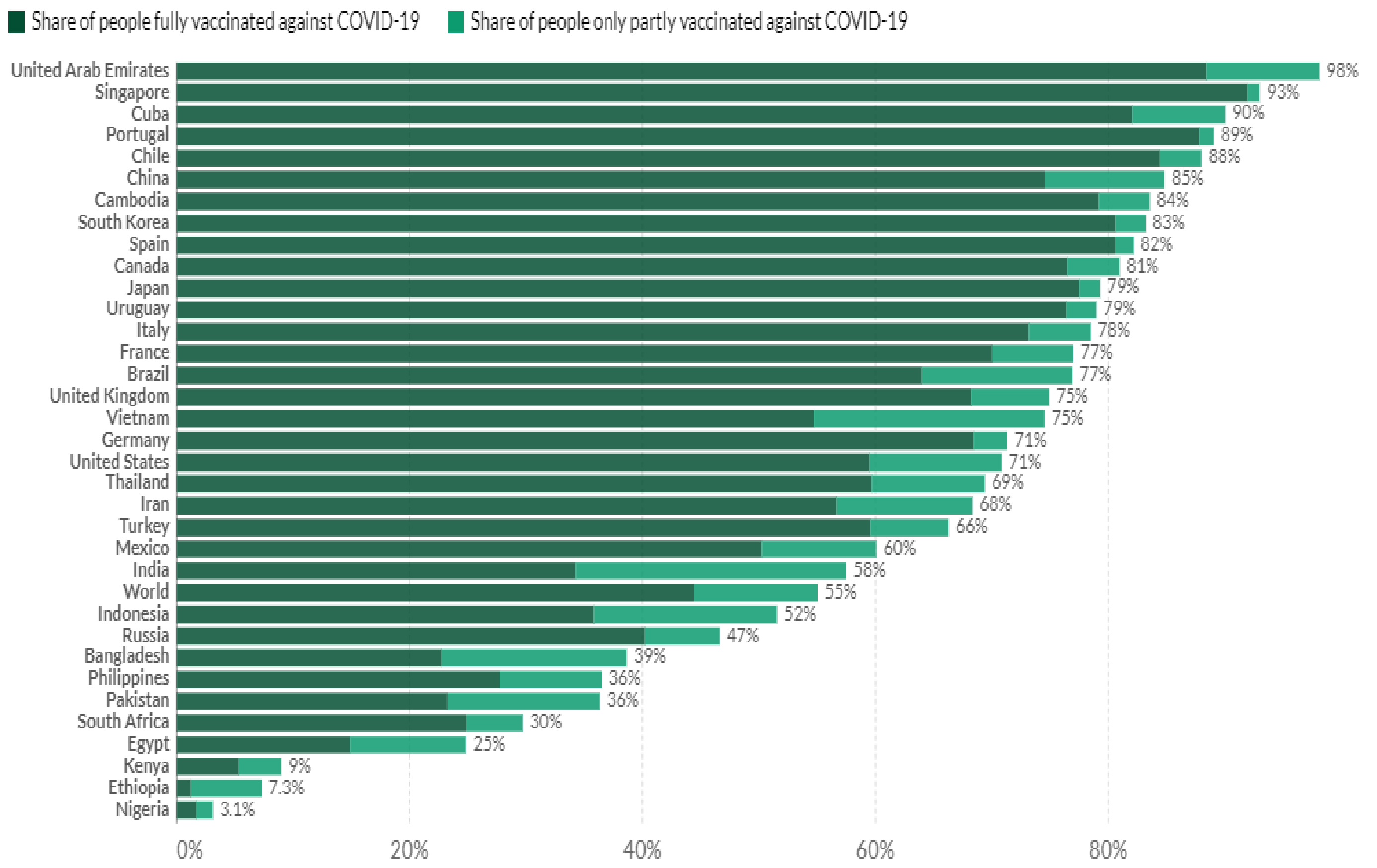
Source: IHS Markit

The COVID-19 virus remains a source of disruption for regional economies, but its economic impact will diminish with further progress on vaccinations and treatments of new variants. As supply conditions improve, downstream inflation rates will start to ease in the first half of 2022. A measured tightening of monetary policies will help to restrain inflation expectations and actual inflation. IHS Markit predicts that the world real GDP is projected to increase 5.5% in 2021 and 4.2% in 2022, from a 3.4% decline in 2020.

COVID-related constraints on growth will tone down due to rising vaccination, effective healthcare facilities/treatments, business adaptations, and a rebalancing of consumer spending from, physical to e-marketing and from goods to services. Several surveys are indicating an increase in service sectors that should continue into 2022, along with further recovery in travel and tourism. In 2023, global growth will settle to 3.4% and 3.2% in 2024 as pent-up demand is satisfied, employment recoveries are completed, and fiscal and monetary policies are being tightened by then.

Global manufacturing PMI data shows lengthy supplier delivery in October is leading to sharp accelerations in input costs and output prices. Input costs are being passed along to customers at unprecedented rates, suggesting little buyer resistance. Semiconductor shortages are driving rising prices of vehicles, industrial electronics, communications equipment, and computers. Electrical steel, a niche product used in transformers, motors, and generators, should be in short supply through 2023 because of the surge in battery-electric vehicle (BEV) production. These shortages will constrain the production of electrical machinery and appliances while holding back the expansion of wind towers, electricity generation, and power transmission. Other supply-side risks stem from the highly concentrated production of key metals such as magnesium, aluminum, copper, cobalt, lithium, and nickel.

Labour shortages are contributing to higher wages, which are a factor in rising inflation. No one knows the path of inflation, but wages, rising demand, and disrupted supply chains are likely to keep inflation. An increase in business spending, as investment could lead to economic growth and would compensate for the lack of support coming from the government. A decrease in government support could also lead to some acceleration in job creation. In its recent forecast, the IMF projected geographic regions of the global economy would recover at different speeds, reflecting differences in the pace of vaccinations, the extent of policy support, and various structural conditions, such as the role of tourism in the economy. Through late October 2021, various key economic and financial indicators had rebounded from the depths of the pandemic-related economic recession, although not all parts of the global economy had recovered to pre-COVID-19 pandemic levels.



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.

The World Trade Organization (WTO), in its October 2021 report estimated that global trade volumes fell by 5.3% in 2020, nearly half as much as the drop of 9.2% the WTO had forecasted in October 2020. The WTO data indicated that in the first half of 2021, global merchandise export and import volumes were up 13% compared with the same period in 2021. Similarly, trade volumes were up 20% over the same period in the previous year and up 5.7% quarter over quarter. Trade gains were more pronounced for North America, Europe, and Asia, with other regions lagging behind. The WTO estimated the trade volumes are projected to recover stronger in 2021, by growing at 10.8%. The WTO's various forecasts indicate that all geographic regions would experience a rise in trade volumes in 2021 and 2022 compared with 2020, while North America and Europe could experience a positive percentage increase in trade volumes in 2021, comparable to the decline in volumes in percentage terms experienced in 2020.

The WTO concluded in the report that the trade recovery was broad-based with all major goods categories experiencing year-over-year gains and reflected strong monetary and fiscal policy actions taken by many governments. However, it indicated that supply shortages, particularly of semiconductor chips, could dampen the trade recovery in subsequent quarters.

REGIONAL INSIGHTS

Asia

- Asia's growth is on a bumpy upcycle and is likely to become more broad-based across exports and domestic demand.
- With more economies adopting a living with Covid-19 strategy amid rising vaccination rates, consumption should catch up.
- Northeast Asia benefits from chip shortages amid the tech super cycle, with better pandemic resilience supporting consumption.
- Singapore and Taiwan to be the growth leaders in the region, while Thailand and the Philippines could lag.
- Drivers of inflation will likely shift from supply-side to demand-push, but still broadly within the central bank targets.
- Central banks to remain patient, except in Korea and India, where rate hike is expected.

- Korea: As the pace of economic growth is likely to slow due to moderating export growth, a final hike is expected in January.
- India: An inflationary recovery is expected to support faster monetary policy normalization in the coming quarters.
- Indonesia: A terms-of-trade boost and some tax reforms in 2022 ease fiscal pressures, but more debt monetization is still a risk.
- Australia: Strong reopening momentum expected through Q4 and Q1, with inflation risk skewed heavily to the upside.

Japan

- The growth to accelerate as pandemic recedes, but prolonged supply constraints could be a drag in the short-run.
- Elevated international commodity prices will gradually push inflation higher, but to a lesser degree than in major overseas economies.
- The risk is renewed yen appreciation, caused by deepening US-China tensions and further risk averse moves in markets.

China

- Despite an alleviated energy shortage and a fine-tuning of property curbs, it is believed that the worst is yet to come for the economy.
- Four negative shocks may happen: the 'zero-Covid' strategy, cooling property markets, slowing exports and Beijing's green measures.
- Beijing may ramp up its monetary and fiscal support, while the "Red Lines" on the property market will be largely maintained.

United States

- Vaccinations, economic re-opening and fiscal stimulus are boosting growth, but a notable deceleration is expected over 2022-23.
- Democratic control in Washington means more fiscal stimulus, but partisanship and narrow majorities will likely constrain policy.
- Unemployment rate may decline to 4.5% by end-2021 and 3.5% by end-2023 with breadth becoming more important.
- Economic reopening and supply chain disruptions will likely push up near-term inflation, but deceleration is expected in 2022.
- Notable risks include new SARS-CoV-2 variants, upside and downside risk around fiscal policy and higher inflation expectations.

Europe

- Euro area GDP to return to pre-pandemic levels in Q4 2021 but the pace of the recovery to differ across countries.
- Base effects, policy and global underlying/energy prices set to keep European inflation well-above target in coming months.
- Growth in the UK began slowing before GDP recovered to its peak, a process to take until Q1 2022.

INDIAN ECONOMY

Going strong, but need focus on key priorities

With 42% population fully vaccinated against Covid-19, SBI Research has revised upwards India's GDP growth projection to a range of 9.3%-9.6% for FY22 and 8.1% in Q2FY22. India's projected 8.1% growth rate in Q2FY22) is the highest growth across all economies. At an annual rate of 9.3-9.6%, India's real GDP growth would now be 1.5%-1.7% higher than the pre-pandemic level of FY20.

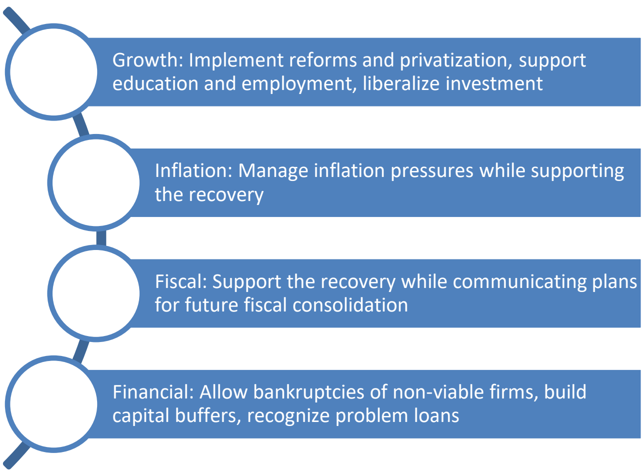
Goldman Sachs in its recent Macro Outlook 2022 revised upward its projection for GDP to 9.1%, from the earlier estimate of 8% for calendar year 2022. For 2021-22 (FY22), it pegged economic growth at 8.5%.

Focus Economics panelists project GDP is expected to increase robustly in FY 2021 as domestic demand rebounds. In FY 2022, economic growth should moderate but remain upbeat, supported by firm household spending and fixed investment growth.

> ***"We expect consumption to be an important contributor to growth in 2022 as the economy fully reopens, driven by a notable improvement in the virus situation and adequate progress on vaccination. We also expect government capital spending to continue, seeing nascent signs of a private corporate capital expenditure recovery and a revival in housing investment,"*** **Andrew Tilton, Goldman Sachs' chief Asia-Pacific Economist.**

Uncertainty around the virus and frail fiscal metrics pose risks to the outlook. GDP to expand 8.8% in FY 2021, which is unchanged from the previous month's forecast. In FY 2022, our panel expects growth of 7.7%. As per IMF, India's economy is poised for a rebound after enduring a second wave of COVID-19 infections this year that further constrained activity and took a heavy toll on its people. India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis. Though policy steps helped mitigate the pandemic, it's still likely to result in greater poverty and inequality. And the path of recovery will follow the path of the virus. New infections have fallen significantly and vaccination rates have risen to surpass a billion doses, although another resurgence is not impossible even if it seems unlikely today.

Economic Challenges and Policy Priorities



The Government has repealed all the three agriculture laws during the recent winter session of the Parliament and the PM has set-up a committee to make the system of MSP more effective and transparent. However, SBI Research suggested some key agricultural reforms that could act as enablers of the economy:

- Instead of minimum support price (MSP) as a price guarantee that farmers are demanding, the Government may ensure a quantity guarantee clause for a minimum period of 5 years that make its mandatory of procurement of crops.
- Efforts must also continue to strengthen APMC market infrastructure.
- Establish a Contract Farming Institution in India that will have the exclusive right to oversee price discovery in Contract Farming. Contract farming has been instrumental in many countries by providing growers' access to supply chains with market and price stability, as well as technical assistance. The experience of Thailand shows market certainty (52%) and price stability (46%) were prime factors due to which farmers participated in contract farming.
- Ensuring a symmetric procurement across states. The procurement of cereals had continued to be asymmetric, with top producing states in paddy like West Bengal (First) and Uttar Pradesh (Second) witnessing minimal procurement, even as states like Punjab and Haryana that are not largest producers witnessing much larger procurement.

Performance of key indicators of Indian economy:

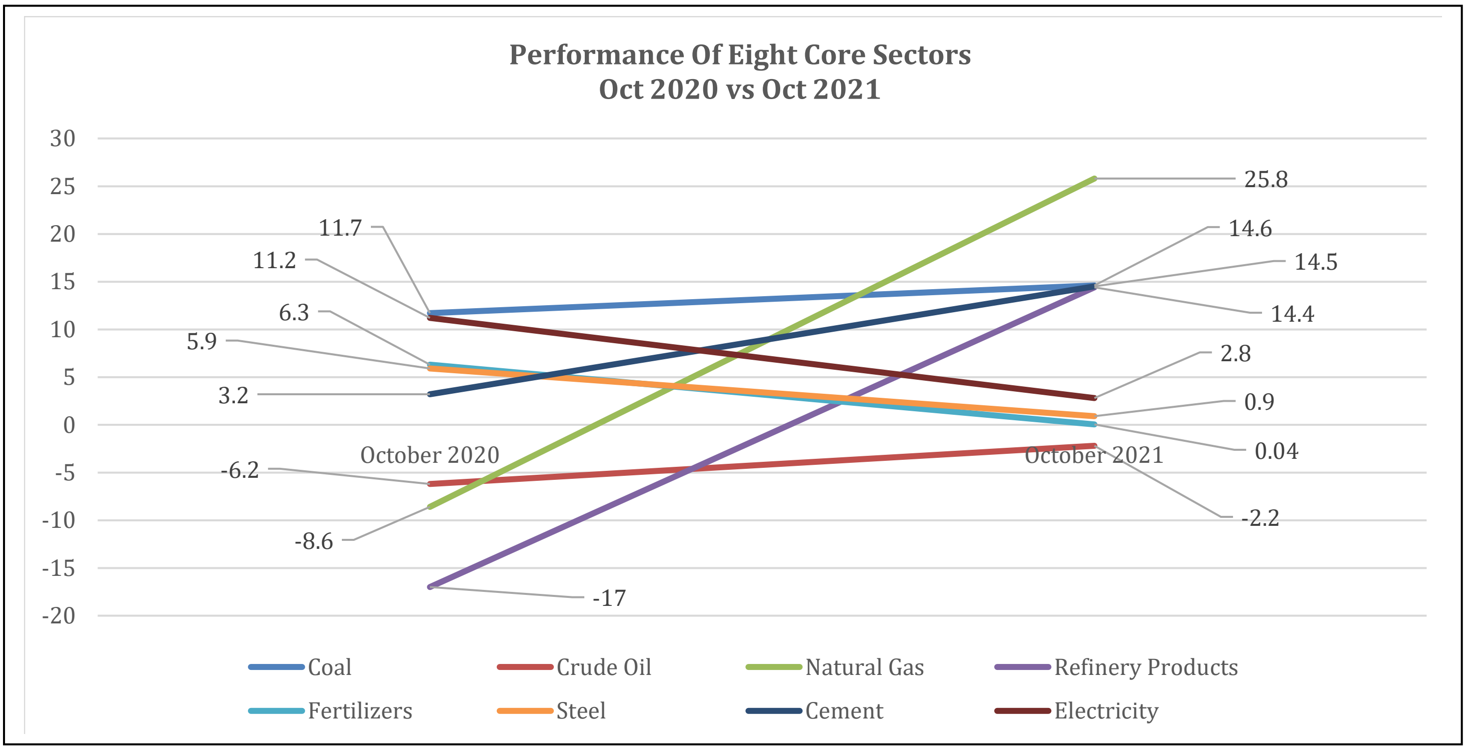
- **High GST Collection**: The gross GST revenue collected in the month of November 2021 was Rs. 1.31 lakh crore, the second highest ever since introduction of GST, second only to that in April 2021. For the second straight in November, gross GST collection crossed Rs. 1.30 lakh crore. The revenues for the month of November 2021 are 25% higher than the GST revenues in the same month last year and 27% over 2019-20.

- **Decline in IIP**: According to data released by the National Statistical Office, industrial output grew 3.1%, a seven-month low, in September as the impact of low base effect wore off. Industrial output had recorded a growth of 12% in August and 1% in September 2020.

- **Forex Reserve**: As per RBI, India's forex reserves have increased by USD 1.919 billion to USD 642.019 billion for the week ended October 29 on a healthy increase in the currency assets and value of gold.

- **Trade Deficit Widens**: India's trade deficit widened to US$19.90 billion in October, marking a rise of 117.38% on-year. The merchandise exports of India grew 42.33% to US$35.47 billion in October 2021, as against US$24.92 billion in October 2020. It stood at US$26.23 billion in October 2019. Meanwhile, merchandise imports increased 62.49% to US$55.37 billion in October 2021, as against US$34.07 billion in October 2020, and US$37.99 billion in October 2019.

- **Performance of Eight Core Industries:** The combined Index of Eight Core Industries stood at 136.2 in October 2021, which increased by 7.5% as compared to the Index of October 2020. The production of Coal, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity industries increased in October 2021 over the corresponding period of last year.



Source: Ministry of Commerce & Industry

FREE TRADE AGREEMENTS/ BILATERAL DISCUSSIONS

UK

❖ UK- New Zealand FTA will provide businesses opportunities to grow, invest and diversify

In October 2021, UK and New Zealand reached an in-principle agreement on a free trade agreement. As per the agreement:

- All custom duties will be eliminated on 97% of New Zealand's existing exports to the UK including wine, honey, onions, a range of dairy products and most industrial products.UK has got a reciprocal deal from New Zealand.

- Both sides have negotiated on trade and the environment as part of this FTA, which also includes the first bilateral trade treaty with specific climate change measures. The United Kingdom has committed to taking tangible steps to eliminate fossil fuel subsidies. To combat overfishing, new prohibitions have been agreed upon.

- The inclusion of a particular chapter on Trade and Gender, which supports women's economic empowerment, as well as obligations on labour standards, development, SMEs, and consumer protection has been added, which reflects the inclusion of new areas for trade agreements. These are areas that developing countries like India have been opposed to as part of trade agreements.

❖ UK – CPTPP

UK has started the talks with members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) for a trade deal. The CPTPP removes 95% of tariffs between its members: Japan, Canada, Australia, Vietnam, New Zealand, Singapore, Mexico, Peru, Brunei, Chile and Malaysia.

UK, post-Brexit, build its early ties beyond the European Union with old allies to boost the economy by reaching out to consumer markets for premium consumer goods and professional services. The CPTPP predicts that it will have minimal gain in its economic growth but will be able to counter increasing influence of China in the region.

The CPTPP agreements has strong rules against unfair practices like favoring state-owned enterprises, protectionism, discriminating against foreign investors, and forcing companies, to hand over private information.

INDIA

<u>India's growing list of FTA's</u>

India aims to achieve $450-$500 billion exports in FY2022 and Indian exports touched US$197 billion in the first half of FY21. The government is negotiating FTAs with various countries and blocs including the UK, UAE, Oman, Australia, Canada, EU, Russia and others - both bilateral and regional – in order to boost export-oriented domestic manufacturing.

Some of the FTA's negotiations:

❖ India – Australia

In end of September 2021, formal negotiations for the India-Australia Comprehensive Economic Cooperation Agreement (CECA) during the 17th India-Australia Joint Ministerial Commission had begun. Both countries have agreed to conclude the free trade agreement by the end of 2022 and an early harvest trade deal by the end of December 2021. Under the early harvest agreement duties on certain selected items will be reduced. At the Joint briefing, Australian minister for trade, tourism and investment Dan Tehan mentioned that the FTA will cover goods, services, investments, government procurement, logistics, standards, rules of origin.

❖ India – European Union

During the third meeting of India-EU Strategic Partnership Review in Brussels in October 2021, the two sides discussed various issues – climate change; pollution and how to contribute in COP26. Both also discussed to launch the negotiations on a separate agreement on geographical indications, a label that protects goods that originate from a designated place and which are known to special qualities like the French Champagne, the Indian Darjeeling tea or the Basmati rice.

❖ India – Russia

India and Russia are likely to have their first '2+2 dialogue' in December 2021. The two sides may discuss agreements on areas such as energy, science & technology, trade & investment, defense at the summit. According to BV Varma, Indian Ambassador to Russia, India is considering major projects in the energy sector and long-term arrangements for coking coal and fertilizers.

Russia and India have also been discussing India's linkage with the Eurasian region by establishing an India-Eurasian Economic Union (EAEU) free trade zone. Furthermore, the International North South Transport Corridor (INSTC) offers a cheaper and faster alternative multimodal transit corridor for trade. As the route connects India with Nordic Europe, Central Asia, Russia and has potential to reach the Baltic and Arctic regions.

❖ India – US

Recently, India – US are reported to have taken the economic relation to a higher level by agreeing to an integration of economics across sectors. The 12th Ministerial- Level meeting of the India – US Trade Policy Forum (TPF) happened where both countries shared the goal – 'to develop an ambitious, shared vision for the future of the trade relationship'.

Highlights of the meeting:

- They agreed that the TPF Working Groups on agriculture, non-agriculture goods, services, investment, and intellectual property should be re-activated in order to address issues of mutual concern on an ongoing basis.

- They agreed to work collaboratively and constructively in relevant multilateral trade bodies including the WTO, the G20, and the OECD both for enhancing the bilateral trade relationship and for achieving a shared vision of a transparent, rules-based global trading system among market economies and democracies.

- They agreed to increase the participation and collaboration of the private sector in both the countries in building strong linkages in critical sectors (including cyberspace, semiconductors, AI, 5G, 6G and future generation telecommunications technology), and supporting resilient and secure global supply chains.

- The two sides decided to have an agreement to finalize work on market access facilitation for mangoes and pomegranates, pomegranate arils from India, and cherries and alfalfa hay for animal feed from the United States. To facilitate exports, the US would finalize the transfer of the preclearance programme / regulatory oversight of irradiation for mangoes and pomegranate to Indian authorities soon. Both sides are looking forward to signing a Systems Approach Operational Work Plan for the export of pomegranate arils from India to the United States.

- India intends to finalize phyto-sanitary work to allow the importation of US cherries, and phyto-sanitary certification which will allow the importation of US alfalfa hay for animal feed into India. In addition, the US agreed to work to complete India's request for table grapes access to the United States, and India agreed to work to finalize the mutually agreed export certificate to allow the importation of US pork and pork products.

  During the meeting, India asked for restoration of Generalized System of Preferences (GSP) program for the benefits of Indian exporters.

- Both also agreed to engage on US concerns regarding regulatory approvals for the Distillers' Dried Grains with Solubles, and India's concerns regarding market access for water buffalo meat and restoration of market access for wild caught shrimp.

- On visa issues, both decided to continue engagements and discussion on a Social Security Totalization Agreement.

OTHERS

Israel – UAE FTA

Israel and UAE have launched a free trade agreement in November 2021. This agreement is expected to include issues relating to trade in goods including regulation and regulation, customs, trade in services, government procurement, e-commerce and the preservation of intellectual property rights. This will also help to strengthen trade between the countries by removing barriers, and expansion of economic cooperation, the two sides said in a statement.

Canada – ASEAN

The FTA negotiations talks had been started between ASEAN and Canada on 16th November 2021 through a virtual meeting. Both the sides issued a joint statement. The FTA is expected to help diversify supply chains, increase trade and investment, and reinforce Canada and ASEAN's shared commitment to open markets and rules-based trade. Canada has expressed support for FTA based on a public consultation (in 2018) with ASEAN because it will provide Canada long term growth, job creation, and access in Indo-Pacific.

POLITICAL SNAPSHOT (ELECTION)

States, Elections, and Issues

This edition of policy pulse captures the issues pertaining to U.P and Uttarakhand.

Uttar Pradesh

Uttar Pradesh assembly election is set to be held between February and March 2022. The state has the biggest share (403 seats) of total MLA seats in the country. The U.P election is popularly touted as the Semi-Final to the general election. This time, its political significance is also corroborated by the fact that soon after the state election concludes, Presidential election will also be round the corner.

Some of the pre-poll surveys show that the BJP is likely to remain strong and unopposed. The surveys also predict that the Samajwadi Party could emerge as very strong opposition to BJP in the State as its performance is gradually improving.

Uttarakhand

The State of Uttarakhand, a very attractive pilgrimage and tourism destination is also headed for election next year in February.. The state constitutes a total of 70 MLA seats. Uttarakhand is important for all political parties. The pre-poll surveys predict victory for the BJP once again in the state. While Congress is projected as a close-competitor or biggest opposition to BJP in the election.

Issues

Here are some important issues to look at ahead of these elections:

1. Innovation

Uttar Pradesh: Uttar Pradesh has the 9th Rank among the all 17th Major States of India in the Innovation Index 2020. It has an overall score of 22.85. However, its innovation rank has slipped by 2 points from 2019 when it scored 7. The state has highest efficiency ratio in innovation. It leads at 1.77 in innovation efficiency against a national average of 0.62.

Uttarakhand: The State stands at 2nd rank in the India Innovation Index 2020 among all the North-east and Hill States, it has been compared with in the Index Report. It overall scores 23.50 and has jumped one rank from the previous index report.

2. Logistics

Ministry of Commerce and Industry, this month, has released its 'LEADS' Report which is an acronym for 'Logistics Ease Across Different States.'

Uttar Pradesh: The State has registered a good performance for the year 2021 in reducing the logistics burden in the State, according to the findings in the report. It has jumped seven ranks from the previous LEADS Report when it scored 13. It now stands at 6. Its success has been attributed to supporting policy initiatives, higher infrastructure spending in logistics, infrastructure and facilitative policies.

Uttarakhand: The State has also made considerable improvement in its rank compared to 2019 results. It is one of the top improvers in the LEADS ranking. Uttarakhand ranks at 13th position in the index. It has jumped up six ranks from the previous index. The State has performed well in indicators such as Safety and Security during Transportation and at Terminals and in Quality of Logistics Services.

Rank	State wise scores of individual parameters	Quality of Road Infrastructure	Quality of Rail Infrastructure	Quality of Multi-Modal Terminal Infrastructure	Quality of Unimodal Terminal Infrastructure	Quality of Warehousing Infrastructure	Quality of Logistics Services	Capability of Logistics Service Providers	Reasonableness of Road Freight Rates	Reasonableness of Prices of Terminal Services
1	Gujarat	3.85	3.62	3.79	3.50	3.60	3.71	3.64	2.36	2.35
2	Haryana	3.68	3.67	3.78	3.45	3.74	3.69	3.80	2.65	2.61
3	Punjab	3.88	3.91	3.98	3.63	3.72	3.89	3.87	2.74	2.75
4	TamilNadu	3.68	3.30	3.49	3.18	3.52	3.67	3.72	2.54	2.62
5	Maharashtra	3.40	3.45	3.50	3.31	3.51	3.68	3.66	2.23	2.22
6	UttarPradesh	3.47	3.50	3.45	3.32	3.23	3.45	3.47	2.53	2.53
7	Odisha	3.28	2.97	3.28	2.91	2.81	3.52	3.49	2.07	2.35
8	Karnataka	3.51	3.33	3.41	3.14	3.50	3.52	3.52	2.42	2.49
9	AndhraPradesh	3.59	3.26	3.38	2.92	3.27	3.55	3.50	2.35	2.47
10	Telangana	3.48	3.14	3.47	2.94	3.21	3.52	3.56	2.31	2.41
11	Chhattisgarh	3.31	3.31	3.19	3.19	3.30	3.33	3.38	2.49	2.44
12	Jharkhand	2.88	3.13	2.88	2.95	3.05	3.22	3.34	2.58	2.59
13	Uttarakhand	3.03	2.96	3.13	3.07	3.15	3.29	3.24	2.22	2.61
14	Kerala	3.00	2.87	3.41	2.86	2.90	3.54	3.51	2.25	2.16
15	WestBengal	3.04	3.38	3.32	2.92	3.03	3.23	3.49	2.38	2.60
16	Rajasthan	3.19	3.02	2.87	2.66	2.90	3.19	3.44	2.70	2.57
17	MadhyaPradesh	3.07	3.13	2.80	2.60	2.71	3.01	2.92	2.23	2.35
18	Goa	3.07	2.98	2.97	2.78	2.85	3.00	3.06	2.50	2.71
19	Bihar	2.77	2.91	2.54	2.57	2.46	2.63	2.77	2.23	2.26
20	HimachalPradesh	3.45	2.34	2.79	2.92	2.89	2.93	3.00	1.83	1.98
21	Assam	2.64	2.69	2.46	2.44	2.45	2.65	2.85	1.97	2.15

Rank	State	Timeliness of Cargo Delivery (Transportation)	Timeliness of Cargo Delivery (Terminal Services)	Availability of Mobile/ Internet Connectivity	Safety and Security during Transportation	Safety and Security at Terminals	Extent of Facilitation	Ease of Obtaining all Approvals	Efficiency of Regulatory Services	Range scaled EoDB ranks	TIES outlay	States' logistics enabling initiatives	Assessment of variables of logistics ease	Final scores
1	Gujarat	3.55	3.68	3.53	3.61	3.72	3.41	3.46	3.37	2.00	1.00	5.00	3.11	3.66
2	Haryana	3.70	3.71	3.59	3.62	3.74	3.32	3.19	3.38	3.00	1.00	1.00	3.44	3.52
3	Punjab	3.56	3.80	3.89	3.86	3.88	3.31	3.28	3.22	3.00	1.00	3.00	3.78	3.51
4	TamilNadu	3.57	3.50	3.69	3.75	3.74	3.13	3.19	3.19	2.00	5.00	2.00	3.44	3.36
5	Maharashtra	3.53	3.51	3.50	3.54	3.62	3.18	3.22	3.19	2.00	2.00	4.00	3.22	3.32
6	UttarPradesh	3.46	3.39	3.53	3.26	3.57	3.22	2.95	3.29	5.00	1.00	5.00	3.89	3.25
7	Odisha	3.18	3.67	3.62	3.04	3.51	3.17	3.03	2.95	1.00	1.00	2.00	3.67	3.20
8	Karnataka	3.56	3.49	3.42	3.70	3.74	3.07	3.07	3.07	3.00	2.00	5.00	3.33	3.18
9	AndhraPradesh	3.48	3.53	3.60	3.61	3.78	2.95	2.94	2.90	5.00	5.00	3.00	3.22	3.17
10	Telangana	3.67	3.66	3.72	3.82	3.92	2.94	2.95	2.95	5.00	1.00	5.00	3.00	3.14
11	Chhattisgarh	3.33	3.22	3.13	3.18	3.38	3.27	3.26	3.18	5.00	1.00	5.00	3.00	3.09
12	Jharkhand	3.01	3.05	2.82	2.66	2.93	3.15	3.15	3.17	5.00	3.00	2.00	3.11	3.09
13	Uttarakhand	3.12	3.06	3.27	3.52	3.64	2.76	3.03	2.98	2.00	1.00	5.00	2.33	3.06
14	Kerala	3.44	3.70	3.74	3.88	3.88	2.98	2.93	2.97	1.00	4.00	4.00	3.67	3.06
15	WestBengal	3.21	3.19	3.30	3.05	3.32	2.64	2.62	2.86	2.00	2.00	4.00	3.33	3.04
16	Rajasthan	3.24	3.15	3.49	3.21	3.51	2.20	2.48	2.75	2.00	1.00	3.00	3.44	2.96
17	MadhyaPradesh	2.87	3.07	3.25	2.79	3.41	2.61	2.57	2.83	5.00	4.00	4.00	3.67	2.90
18	Goa	3.09	3.15	2.95	3.25	3.15	3.12	3.26	3.06	2.00	1.00	3.00	2.33	2.84
19	Bihar	2.75	2.81	2.97	2.55	2.86	2.39	2.38	2.46	2.00	1.00	3.00	3.22	2.77
20	HimachalPradesh	3.01	2.90	3.32	3.33	3.38	2.68	2.56	2.62	5.00	3.00	3.00	2.78	2.75
21	Assam	2.48	2.69	2.66	2.74	2.86	2.37	2.26	2.35	3.00	3.00	4.00	3.67	2.63

3. Ease of Doing Business

The present 'Ease of Doing Business Rankings' are based on 'Business Reform Action Plan' 2019 (BRAP 2019) issued by Department for Promotion of Industry and Internal trade (DPIIT).

Uttar Pradesh: U.P has done well in BRAP 19 which reflected in it jumping up 10 ranks from its 12th position in BRAP 2017-18. Uttar Pradesh stands at 2nd Position as of now. UP's success in achieving high level of ease of doing business has been broadly attributed to its Nivesh Mitra Portal which is a dedicated single-window system for business related regulatory approvals.

Uttarakhand: The State ranks 11th on the Ease of Doing Business Index. Its improvement in ranking is very extraordinary. It used to rank 23rd in 2015. The success of its incremental performance has been attributed to mainly its clean environment, a better law and order situation, a disciplined workforce and absence of labour disputes.

4. Health

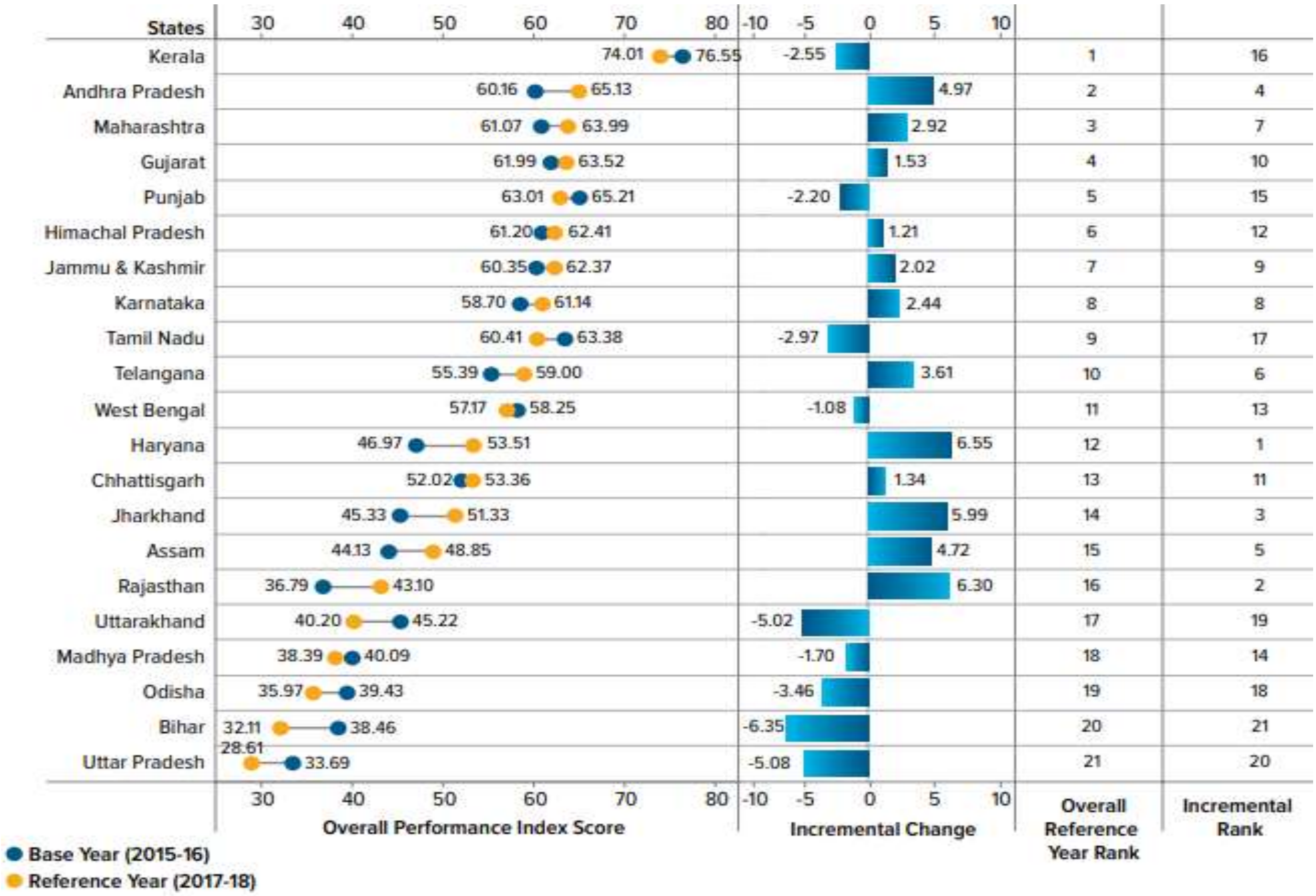
The latest Health Index (2018) issued by NITI Aayog compares the performance of States/U. T based on their performance in the period between 2015-16 (Base Year) and 2017-18 (Reference Year). The health index 2018 has been prepared based on 23 health indicators.

Uttar Pradesh: The report highlights that Uttar Pradesh is the least performing State, among all the twenty-one large states it is compared to, with an overall score of 28.61 (2015-16). The State's health index has deteriorated by a score of 5.08 from the Reference Year (2017-18) when its incremental change was 33.69.

The fall in incremental performance score has been attributed to its deteriorating performance in low birth weight, TB treatment success rate, and average tenure of key positions at state and district level and level of birth registration.

Uttarakhand: The State ranks 17th on the Health Index. It has slipped down by two ranks from the previous index. The slip in its performance score by

HEALTH INDEX



5.02 points has been attributed mainly to the deterioration in National Mortality Rate, Under Five Mortality Rate, and Stability of tenure of key administrative positions at district level, Functionality of First Referral Units, and National Health Mission fund transfer. Intermediate outcome indicators such as full immunization coverage, institutional delivery and TB treatment success rate have also reportedly deteriorated.

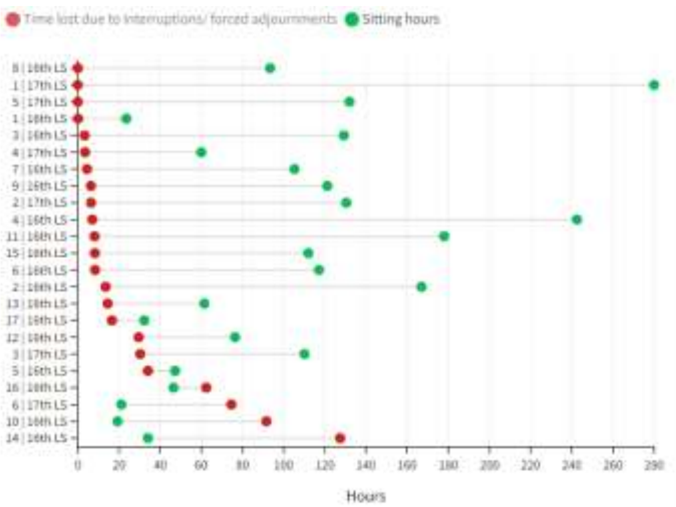
5. Sanitation

The successful implementation of 'Swaccha Bharat Mission' in every State is important for developing a safe and healthy environment and providing an ambiance of dignity especially to the women. Therefore, evaluating States for their implementation of sanitation is very crucial. The National Faecal Sludge and Septage Management (NFSSM) Alliance has recently launched 'India for the World' – a platform that trace the journey of a few states in India, which have shown tremendous improvement in treating waste from on-site sanitation systems by putting in place the right policies, regulations and infrastructure. Though, there is no ranking system but both U.P and Uttarakhand have been mentioned in this list for making significant progress in developing their state sanitation systems.

WINTER SESSION OF PARLIAMENT

The last two years have seen several disruptions in Parliament. The COVID pandemic lead to the cancellation of the winter session last year. The Budget session was shortened because of assembly elections in Assam, Kerala, Tamil Nadu, West Bengal and Puducherry. During the monsoon session, however, Parliament (Lok Sabha & Rajya Sabha) passed many bills though the proceedings were interrupted intermittently.

Please see the graph below that captures the sitting hours lost in the 16th and 17th session of Lok Sabha due to interruptions.



Source: The Hindu

The on-going Winter Session: After the withdrawal of the three farm laws by the government, it was predicted that the winter session Parliament that began on November 29, 2021 will have a conducive environment for discussions during the winter session. In the upcoming session, the government intends to secure parliamentary approval on major bills.

The Winter Session is expected to have a total of 19 sittings. Currently, 29 Bills are pending in Parliament. Of these, five Bills are listed for consideration, and passing during the session and five are listed for withdrawal. 26 Bills are listed for introduction, consideration, and passing.

As per the list of bills to be tabled in Parliament during winter session, these are some important bills that may be of direct interest to business:

1. **The Central Vigilance Commission (Amendment) Bill, 2021**

The Central Vigilance Commission (Amendment) Ordinance, 2021 was promulgated on November 14, 2021. It amends the Central Vigilance Commission Act, 2003. The 2003 Act provides for the constitution of a Central Vigilance Commission to conduct inquiries into offences alleged to have been committed under the Prevention of Corruption Act, 1988.

Under the 2003 Act, the Director of Enforcement is appointed by the central government, on the recommendation of a committee. This Committee is chaired by the Central Vigilance Commissioner, and includes the Secretaries from the Ministries of Home affairs, and Personnel, and the Revenue Department. The Director of Enforcement has a tenure of minimum two years. According to the Ordinance, the Director's tenure may be extended by up to one year at a time until the completion of five years from the initial appointment. Such extensions may be granted in public interest, on the committee's recommendation.

2. **The Cryptocurrency and Regulation of Official Digital Currency Bill, 2021**

The bill is to create a facilitative framework for creation of the official digital currency to be issued by the Reserve Bank of India. The Bill also seeks to prohibit all private cryptocurrencies in India, however, it allows for certain exceptions to promote the underlying technology of cryptocurrency and its uses.

There is lot of confusion with the introduction of new bill with the existing draft - the draft banning of Cryptocurrency & Regulation of Official Digital

Currency Bill, 2019. The draft Bill seeks to prohibit mining, holding, selling, trade, issuance, disposal or use of cryptocurrency in the country. Cryptocurrency is defined as any information, code, or token which has a digital representation of value and has utility in a business activity, or acts as a store of value, or a unit of account.

3. The Indian Maritime Fisheries Bill 2021

The bill is to promote the livelihood and socio-economic well-being of traditional and small-scale fishers, to provide for the sustainable development of fisheries resources in the exclusive economic zone of India and to ensure responsible harnessing of fisheries in the high seas by the Indian fishing vessels and for matters connected therewith or incidental thereto. The draft of the bill was uploaded on the Department of Fisheries under Ministry of Fisheries, Animal Husbandry and Dairying in different languages – Telugu, Marathi, Bengali, Kannada, Tamil, Odia, English, Malayalam and Gujrati.

4. The Data Protection Bill

The Data protection Bill seeks to safeguard the individual privacy, and specify the surveillance powers of States and create strict provisions for data localization. The report of Joint Committee of Parliament on Data Protection Bill proposes to establish a Data Protection Authority with powers to regulate both personal as well as non-personal data. All social media platforms that are not intermediaries are likely to be treated as publishers with liability to ensure the content they host are safe and under prescribed regulations. Also, the platforms parent company would likely be required to set up their office in the country to be allowed to operate. The committee has also recommended to set up an indigenous alternative to the SWIFT payment system to settle cross-border payments in a more secure way.

5. The Electricity (Amendment) Bill, 2021

The bill aspires to transform how the power sector works by bringing significant reforms in compliance and competitive climate. It proposes to provide government subsidy to customers via Direct Benefit Transfer (DBT) instead of incorporating it in retail tariffs. This is expected to cushion the discoms from liquidity crunch, enhance their profitability and make power supply more qualitative. Besides it, the progressive reduction in cross subsidy has been tabled which would make it domestically more competitive. The proposed delicense distribution mechanism will facilitate the entry of private firms.

The changes are expected to attract more investments to the sector. The most interesting part of the bill is Electricity Contract Enforcement Authority (ECEA) which it seeks to establish to strengthen and streamline various regulatory bodies. Electricity Contract Enforcement Authority (ECEA) will be bestowed with the power similar to Civil Court. To reduce the time taken for dispute resolution, it also plans the expansion of Appellate Tribunal (APTEL). The bill, moreover, contains the outlay of National Renewable Energy Policy. It embarks to provide greater leverage to RE generators by placing stricter compliance burden on Entities under RPO and HPO and shifting the surveillance responsibility of these mechanisms to the Centre than the States.

6. The Energy Conservation (Amendment) Bill, 2021

The Energy Conservation Act seeks to create specific norms and standards of energy efficiency for appliances and equipment, and the construction of buildings and to be followed by different industries. The Bill increases the tenure of the DG of the Bureau of Energy Efficiency from three to five years and want to make the appointment of officers and staff of BEE under its own purview. It provides a framework within which savings on energy use can be traded between those industries who are energy efficient and those whose consumption of energy is more than the maximum set by the government. The Bill also seeks to increase the penalties for offences and provides for appeals to be heard by the Electricity Appellate Tribunal set up under the Electricity Act, 2003.

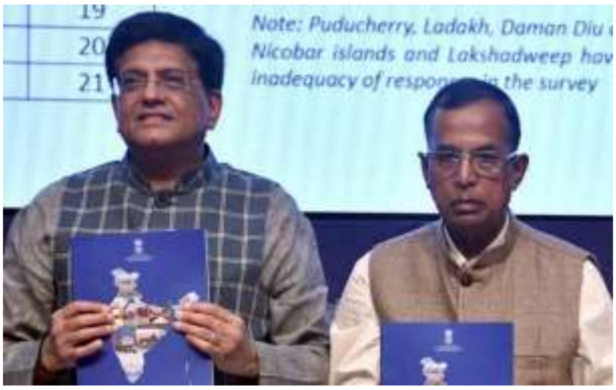
7. The Insolvency and Bankruptcy (Second Amendment) Bill, 2021

The Insolvency and Bankruptcy Code (Second Amendment) Bill, 2021, proposes to provide option of pre-packaged insolvency resolution mechanism for MSMEs under ₹10 lakh of payment obligation. The bill replaces the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021. Under the newly proposed mechanism, a debtor can engage in the resolution proceedings with lenders through an informal process. The resolution first will need to be approved by the promoters of the company and the secured creditors and later on by the National Company Law Tribunal. A resolution professional will manage the bidding and resolution process within a period of 270 days and this will reduce the time burden on both the tribunal as well as the MSMEs.

POLICY – REGULATORY BRIEF

INDIA

LEADS report by Ministry of commerce & industry



The Commerce and Industry Ministry launched the Logistics Ease Across Different States (LEADS) Index in 2018. The LEADS Index rates states based on their logistical services and efficiency, both of which are indicators of economic growth.

The LEADS 2018 examined import-export commerce and assessed the efficiency of each state's and UT's logistics ecosystem. LEADS 2019 investigated both domestic and international trade. LEADS 2021 assessed each state's domestic and EXIM logistics ecosystem.

'The LEADS 2021 report suggests that 'rather than just absolute improvement in one state, improvement in logistics across all states will be a force multiplier for the entire logistics ecosystem,' – Shri Piyush Goyal, Minister of Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution.

While launching the LEADS 2021 report, Shri Piyush Goyal stated that the LEADS 2021 recommendations can lead India to reduce logistics costs by 5% over the next five years. Currently, logistics costs range between 13 and 14% of GDP, which is quite high as compared to global range 8-10%.

The LEADS 2021 is structured along the three dimensions which collectively influenced logistics, which are further divided into 17 indicators:

- Infrastructure
- Services; and
- Operating and Regulatory Environment

Ranking of States:

Gujarat: The state has maintained its first rank from past three years because of its logistics efficient policy and creation of infrastructure framework. The state has ranked above in the indicators such as quality and availability of infrastructure, ease of obtaining all approvals, the extent of facilitation. As per the report, the state has been proactively working on recommendations suggested in LEADS 2019.

Haryana: The state has achieved second rank from sixth in 2019, i.e. gained four places. As per the report, the state has received the top score on several indicators, including Quality of Warehousing Infrastructure, Timeliness of Cargo Delivery during Transportation, Operating and Regulatory Environment, and Regulatory Service Efficiency.

Punjab: The state has third rank which is downward from LEADS 2019, i.e. rank second. But the state is working proactively on various policies such as Single window clearance mechanism for regulatory approvals, fiscal incentives under the Industrial and Business Development Policy, grievance redressal mechanism and development of warehousing zones.

Assam: The state rank 15th in LEADS 2019 and in LEADS 2021 see a drop of six places to 21st rank. The State's ranking has dropped due to its poor performance in all indicators of Infrastructure, Services, Operating and Regulatory Environment. As per the report, key challenges highlighted by stakeholders are Poor rail and road connectivity, expensive freight rates, issues of safety and security of cargo, lack of track and trace mechanism and limited support of the State to logistics sector.

India & World Bank – Health System in Meghalaya

The Government of India, Meghalaya government and the World Bank signed US$40 million health project on 28th October 2021 – Meghalaya Health Systems Strengthening Project (MHSSP).

This project will strengthen the health system and will also enhance management and health services. Focus Areas:

- To expand the state's health insurance programme's design and coverage;
- To improve the quality of health-care services through certification and human-resources systems;
- To provide the access of medicines and equipment;
- To invest in infection prevention and management of bio-medical waste (both solid and liquid waste);
- The merger of Pradhan Mantri Jan Arogya Yojna (PMJAY) with the Megha Health Insurance Scheme (MHIS) which will now cover 100% households from earlier 56% households.

MoU: Rural Development & Flipkart

The Ministry of Rural Development has partnered with e-commerce company Flipkart to sell products manufactured by millions of artisans via the Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) initiative on the e-commerce platform. The MoU is aligned with goal of the mission to strengthen the capabilities of rural commodities and empower local businesses & self-help groups – especially led by women. This will also enable craftsmen to access 10 crore of Flipkart's existing customers, significantly expanding their reach.

Vision Document – Increasing India's Electronics Exports & Share in GVCs

The Ministry of Electronics and Information Technology (MeiTY) has released Volume-I of Vision Document on "Increasing India's Electronics Exports and Share in GVCs", inspired from PM Narendra Modi vision of 'Local goes Global'. As this document aims to increase India's exports and share in the global value chain. The second volume will present product-wise strategies and forecasts as part of the campaign to build a USD 1 trillion Digital Economy, in pursuit of reaching USD 5 trillion GDP.

The Vision document volume-I focuses on the opportunities and key inputs to increase India's share in the Global Value Chain and build large-scale manufacturing capabilities to achieve a substantial share in global electronics export. It also provides recommendations on short-term (1-4 years) and long-term (5-10 years) strategies to increase electronics exports from India, shift of electronics manufacturing ecosystem investments, and expand exports by increasing competitiveness and scale.

The document critically examines the impact of input tariffs on India's competitiveness and makes specific recommendations in consideration of the Prime Minister's goals. The Vision Document also emphasizes the strategies for developing Domestic Champions, as well as the importance of connecting their products with Lead Firms and GVCs. It tries to protect Domestic Champions from unfair trade practices while also requesting policy support for finance and design development. It highlights major electronic devices, such as mobile phones, IT hardware, hearables/wearables, and so on, that have the greatest potential for exports due to tremendous global demand for these products.

Ministry of Coal – reduce emission pilot project to replace diesel with LNG in dumper

Coal India Ltd, Ministry of Coal started a pilot project with the aim of reducing the carbon footprints. The process of retrofitting Liquefied Natural Gas (LNG) kits in its dumpers was initiated where the big truck engaged in transportation of coals in mines. For this association has been made with GAIL (India) Limited and BEML Limited for retrofitting LNG kits in its two 100 tonne dumpers used across its Mahanadi Coalfields Limited subsidiary. Furthermore, the dumpers with the help of the LNG kits will be able to run on a dual fuel system and further making its operation significantly cheaper and cleaner.

Karnataka to train SHGs – SWM & Solar Energy Utilization

The Mahatma Gandhi Institute of Rural Energy and Development (MGIRED), in collaboration with the Department of Rural Development and Panchayat Raj, the Department of Rural Drinking Water and Sanitation, and the National Rural Livelihood Mission (NRLM), - training 18,000 rural women from Karnataka's SHGs (Self Help Groups) in various aspects such as solid waste management and solar energy utilization in rural areas.

The programme is a five-day training. SHG members will learn about renewable energy sources, solid waste management, different composting processes for wet waste, the concept of bio gas for managing biodegradable waste, and the importance of menstruation health and management. The trained members would be expected to perform activities like as trash segregation, wet waste composting, and biogas unit management at their respective gram panchayats, which they learned during practical demonstrations.

MoU: Ministry of Food Processing Industry and Department of Animal husbandry & Dairying

The Department of Animal husbandry and Dairying (DAHD) signed a MoU with the Ministry of Food Processing Industry (MoFPI) for extension of benefits to dairy entrepreneurs/ dairy industries through the convergence of various schemes of DAHD.

These both are working together because their objective is interlinked and complementary in nature. Also, to achieve the goal of income generation for the rural poor's sustainable development through the extension of benefits from various schemes to beneficiaries whenever they require credit support for the establishment/extension/strengthening of quality control, dairy processing and value addition infrastructure, meat processing and value addition infrastructure, animal feed plant, and technology-assisted breed improvement farms.

With this objective, various schemes are implemented
By DAHD:

- National Programme for Dairy Development

- Dairy processing and Infrastructure Development Fund
- Supporting Dairy Cooperatives and Farmer Producer Organizations

By MoPFI:

- One District One Product
- Production Linked Incentive Scheme for Food Processing Industry

Nutrition Smart Village: All India Coordinated research project on women in Agriculture (AICRP-WIA)

A programme is initiated to strengthen the Poshan Abhiyan – Nutrition Smart Village. Under the initiative, a total of 75 villages will be adopted by All India Coordinated research project (AICRP) centres and ICAR-CIWA, out of which 5 villages will be adopted by the AICRP centres and remaining to be adopted by ICAR-CIWA with an aim to develop 75 Nutri-Smart villages.

The goal of the project is to promote nutritional awareness, education, and behavioral change in rural areas by involving farm women and schoolchildren, to harness traditional knowledge through local recipes to combat malnutrition, and to implement nutrition-sensitive agriculture through homestead agriculture and Nutri-garden.

To attain the goal of malnutrition-free villages, intense awareness campaigns and field activities will be conducted to emphasize on the concepts of Nutri-village/Nutri-food/Nutri-diet/Nutri-thali, among others, in order to reinforce the Poshan Abhiyan. Women farmers will also be educated on their legal rights in all aspects of their lives. AICRP centres' products/tools/technologies will be tested in multi-location trials.

'E-Amrit' on Electric Vehicles: NITI Aayog: UK – India Joint Roadmap 2030

India at COP26 Summit in Glasgow launched 'e-Amrit' (Accelerated e-Mobility Revolution for India's Transportation) web portal. This portal has been developed in collaboration between NITI Aayog and UK government as a part of the India-UK Roadmap 2030.

The e-AMRIT portal aims at creating awareness about electric mobility in India. It has been developed as a 'one-stop site' for all the information related to the adoption of electric vehicles (EVs) in India. The web portal will be accessible through different devices such as PCs, mobile phones, tablets, screen readers. NITI Aayog is working on adding more features and innovative tools to make the e-AMRIT portal more interactive and user-friendly.

Features of e-AMRIT:

- Feasibility research on switching to EV
- Knowledge repository on EV
- Tools to calculate EV experience
- Information about EV businesses

WORLD

China – Food Security Strategy

In recent years, China’s food security is linked with national security. Grain security was mentioned in the Chinese central government's 14th Five-Year Plan (2021-2025). According to the plan, China's national economic and social development goals, must attain annual grain production of more than 650 million tonnes. Specific provisions for the implementation of a food security strategy, including the improvement of the entire grain sector and the growth of agricultural and rural areas, are also included in the plan. To safeguard this, China adopted a dual circulation strategy, which seeks greater self-reliance and reduction in external uncertainties.

To achieve this objective, the Chinese government initiated many campaign like the “Anti-Food Waste Law”. In this law, government fines people for ordering excess food, stopped encouraging binge eating and also asked local governments to promote anti-food measures.

OPINION COLUMN

The Fate of 'Global Economy' Post Pandemic

Geopolitics

Behind the Clutter

Anjali Mahto

The Post-Covid World has all signs of making of a new global world economic order. From the year 2000 to 2020, the global wealth has increased by about $350 trillion. Real Estate Assets account for two-thirds of the global net worth. Residential Real Estate Assets makes about half of the global balance sheet. The future of global wealth is the Real Estate Industry.[1]

Our future world economy depends on how the Real Estate Industry now remains resilient in the face of the challenges that are posed by the Post COVID World Order and Climate Change. The overhaul of the global economy is inevitable because of these two factors.

The New World Energy Order

For instance, take the soaring price of oil that is forcing housing inflation. Oil Producers are witnessing sudden overwhelming demand as the pandemic is subdued and the global economy picks up again. Building materials like steel and cement are getting costlier in a bid to offset the high energy input and freight costs. High prices of Real Estate Assets are expected to sustain for a longer period due to the looming energy crisis as the Organization of the Petroleum Exporting Countries plus (OPEC+) is likely to maintain high prices in coming years because of the fear of transition in new world energy order. Oil Exporters are expected to lose revenue as the countries battered by Climate Change Scenarios are rooting for the use of Hydrogen as the new fuel. Therefore, OPEC+ is cashing in on the present opportunity when the demand is excessively high.

The circumstances are increasing fears of an impending economic crisis if the prices of real-estate assets continue to surge so high that home ownership becomes unaffordable for many people. This requires the Real Estate Industry to be resilient in the face of supply chain shocks from the changing world energy order.

The Mass Migration

Another emerging trend to watch out for is – Migration. There can be massive migration taking place due to the implications of Climate Change on the economy, governments and technology in the coming future. This is something that the Geopolitical Expert Parag Khanna has warned in his new book 'Move: The Forces Uprooting Us.' Industry would require to closely map the places where people are likely to resettle and the places that they are most likely to migrate from. The digitalization of migration data will play an important role in helping industry plan the creation of Real Estate Buildings and infrastructure as well as housing societies and complexes in suitable areas for optimal profit. Adaptation to the demands of a world that is continuously responding to Climate Change is the key to long term sustainability of the global economy!

(The writer is an Account Executive at VeKommunicate)

[1] https://www.mckinsey.com/~/media/mckinsey/industries/financial%20services/our%20insights/the%20rise%20and%20rise%20of%20the%20global%20balance%20sheet%20how%20productively%20are%20we%20using%20our%20wealth/the-rise-and-rise-of-the-global-balance-sheet-nov-2021-full-report_final.pdf

Water Management in Agriculture: Need of the hour

Agri - Economy
Shreesh Kaushik

Water is a very important resource for development. The effects of this resource are felt not only in agriculture, but also in areas such as industrial and economic development and, most importantly, environmental. The growing population of India is facing a water crisis, fueled by uncontrolled and unplanned exploitation and a "use and disposal" policy. With about 80% of clean water used for agriculture, we must ensure that water resources are used efficiently to achieve social, environmental, and economic benefits.

Source: Hindustan Unilever Foundation (HUF)

Need for Efficient Water Management

While the area under cultivation in India has shown a decline, due to changes in land use pattern, climatic conditions, and declining farmers' incomes. Changing weather pattern have also resulted in increased irrigation capacity, with most coming out of groundwater extraction. In India, more than 60% of the water used for irrigation is taken up by sugarcane and paddy, and this imbalance puts a lot of pressure on the water cycle. For all these reasons, there is an urgent need to look for sustainable water management in irrigation.

Sustainable Water Management in Agriculture

Sustainable agricultural water management aims to balance water availability with bulk water needs as well as quality, space and time, at a reasonable cost and an acceptable environmental impact. Its acceptance involves technical problems, social behavior of rural communities, economic issues, law and institutions framework and agricultural processes.

Under water demand management most attention has been given to irrigation scheduling (when to irrigate and how much water to apply) giving minor role to irrigation methods (how to apply the water in the field). Irrigation scheduling is the decision making process for determining when to irrigate the crops and how much water to apply. It is the only way to improve agricultural production and is key to improving the efficiency and sustainability of irrigation systems.

Methods for Water Conservation

India is still at high risk for this water crisis in the coming years. Inexpensive and efficient methods of water management will be key to food production and economic security. There are various methods and initiative that can help in water conservation like adoption of best irrigation practices, reducing the water loss during farming process, using of efficient irrigation systems etc. Since most Indian farming is still dependent on "rain" it is important to preserve and use this important resource. Agricultural water use can be conserved on farms through land management, direct planting of crops that need water most, promotion of agricultural management, etc. Water harvesting and small water storage interventions play a major role in improving water availability, especially in rain-fed areas.

As the agricultural community faces the challenge of increasing food production, continuous access to essential services such as water is essential and with adoption of the above methods of water conservation can help in sustainable agriculture growth.

(The writer is an Account Manager at VeKommunicate)

One Nation One Ombudsman

Finance Column
Omar Pervez

Wondering what to do if an online transfer didn't happen but the money got deducted from your account, or grappling with the task of selecting the appropriate category when filling a complaint form – help is at hand -
The RBI governor Mr Shaktikanta Das in his monetary policy statement issued on 5th February 2021, had announced the Integrated Ombudsman Scheme, scheduled to be launched in June 2021, finally taking shape and announced by the PM on 12th November 2021. This is a welcome step towards building investor trust through a people centric approach – 'one nation one ombudsman'. It aims to address deficiencies in services provided by the regulated entities like the banks, NBFCs, payment gateways etc. to their retail customers, through a simpler, efficient and cost-effective grievance redressal mechanism. The complainant now needs to fill out an online form at https://cms.rbi.org.in or submit a form in physical or digital mode at any of the offices of the RBI, which in turn will forward it to the office of the Ombudsman. There is also a multi-lingual toll-free helpline number where one can dial-in (14448) that connects to the Contact Center based at Chandigarh.

The Scheme shall apply to the services provided by a Regulated Entity in India to its customers under the provisions of the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, and the Payment and Settlement Systems Act, 2007. The Reserve Bank - Integrated Ombudsman Scheme has been formed by merging the three existing Ombudsman schemes namely

- Banking Ombudsman Scheme, 2006
- Ombudsman Scheme for Non-Banking Financial Companies, 2018 ; and
- Ombudsman Scheme for Digital Transactions, 2019

Housing Finance Companies fall under the category "Regulated Entity" since the RBI had issued a Master Direction taking over the regulation of HFCs earlier this year from the National Housing Bank. As per the Master Direction, the Grievance Redressal Mechanism against the HFCs continues to reside with the NHB. HFCs are specifically excluded from the Reserve Bank-Integrated Ombudsman Scheme 2021. Operational details of the lists of 'entities covered under the scheme' and those 'excluded/not covered under the scheme' is available on the RBI website.

The Scheme involves appointment of an Ombudsman and deputy Ombudsman by the RBI from among its officers, and the establishment of Central Receipts and Processing Center at Chandigarh for receipt and initial processing of physical and email complaints in any language. The Appellate Authority under the Scheme would be the Executive Director-in charge of Consumer Education and Protection Department of RBI. There is no limit specified for the amount in a dispute that an Ombudsman can adjudicate and pass an award. Additionally, a provision has been made for awarding compensation for consequential loss suffered by the complainant (up to a maximum of Rs 20 lakhs) in addition to relief (up to 1 lakhs) for the loss of complainant's time, expenses incurred and for harassment/mental anguish suffered by the complainant

The Scheme defines 'deficiency in service' as the ground for filing a complaint, with a specified list of exclusions. The complainant can file his grievance with the RBI without the need to identify the scheme/specific category applicable. The earlier practice of rejecting the complaints on account of "not covered under the grounds listed in the scheme" or "beyond the specific jurisdiction of the Ombudsman's office" is aptly addressed.

A deficiency in services cannot be attributed to

- commercial judgment/commercial decision of a Regulated Entity
- dispute in which action is initiated by a Regulated Entity in compliance with the orders of a statutory or law enforcing authority
- dispute between a vendor and a Regulated Entity relating to an outsourcing contract
- dispute involving the employee-employer relationship of a Regulated Entity

- dispute between Regulated Entities
- service not within the regulatory purview of the Reserve Bank
- general grievances against Management or Executives of a Regulated Entity

The complainant has to file a written complaint with the Regulated Entity concerned before the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims. This is a mandatory requirement that must be met else the complaint will be rejected.

The Regulated Entity may partly or wholly reject the complaint, or fail to reply within a period of 30 days, all of which are sufficient grounds for the complainant to move to the Ombudsman. Any complaint that is abusive, frivolous or vexatious in nature, or older than 1 year 30 days will not be entertained.

The Regulated Entity needs to appoint a Principal Nodal Officer in the rank of a General Manager in a Public Sector Bank or equivalent, who is responsible for representing the entity and furnishing requisite information in respect of complaints filed by customers against the Regulated Entity. A timeframe of 15 days has been prescribed for the Regulated Entity to file its written version with the Ombudsman in reply to the averments in the complaint along with the copies of the documents relied upon. In case the Regulated Entity omits or fails to file its written version and documents within the prescribed timeframe, the Ombudsman may take cognizance of non-response or non-furnishing of information sought, and issue an award or pass an order 'ex-parte' based on the evidence available on record. In such a case, the Regulated Entity loses the right of appeal in respect of the Award issued against it.

The centralized approach and collation of data will result in uniformity in decision making, reducing the anomalies currently observed in awards by different offices of the RBI for the same type of complaints. It will help track and address cyber-crimes, use AI to detect and prevent online fraud and provide relief to the complainant in a time bound manner.

Keeping commercial judgment/commercial decision of a Regulated Entity beyond the purview of the scheme is something that the RBI should reconsider, as it places some constraints on the consumer recourse available against malpractices. The scheme should extend to other market participants like delivery partners of the bank for e.g., the banking correspondent to have a wider impact. Nonetheless, this is an important step in creating a rigorous grievance redressal mechanism. Providing a time-bound solution to the complainant is perhaps the core of this scheme and indeed a welcome step.

(The writer is Advisor at VeKommunicate)

COP26 and Climate Talk

Environment Equity
Saloni Goyal

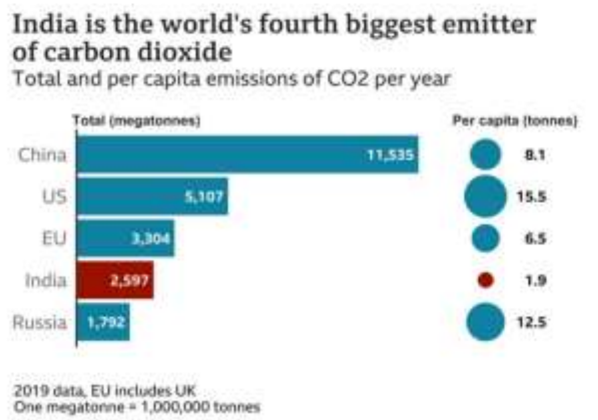
The COP stands for Conference of Parties (COP) is the apex decision-making body of the United Nations Climate Change Framework Convention (UNFCCC). It was formed in 1994 to stabilize greenhouse gas emissions and to protect the Earth from threat of climate change. Over almost three decades, COP26 Summit in 2021, UN has been bringing together every country on the same platform for discussion on climate change and encouraging member Parties to take action proactively.

At COP26, after six years of discussions, the pending items on carbon markets and transparency that prevented the full implementation of the Paris Agreement were finally approved. The focus of the Glasgow Climate Pact will drive action across the globe on:

- Mitigation - reducing emissions: 153 countries have committed for a new 2030 net-zero targets, which covers over 90% of world GDP. The countries agreed in Glasgow to return next year with fresh reinforced commitments, a new UN climate programme on mitigation ambition. To meet the goals, pledges are made to phase out coal power, halt and reverse deforestation, cut methane emissions, and accelerate the transition to electric vehicles.
- Adaptation - helping those already impacted by climate change: During the deliberations, adaptation was given special attention. Parties agreed on a work plan to set the global aim for adaptation, which will identify collective needs and solutions to the climate issue that is already affecting many countries. To strengthen preparation to climate risks, 80 countries covered under either Adaptation Communications or National Adaptation Plans in place, with 45 having been submitted in the last year.
- Finance - enabling countries to deliver on their climate goals: Private financial firms and central banks are realigning trillions of dollars toward global net zero. Countries reached an agreement in Glasgow on the path forward for the new post-2025 climate financing goal. Developed countries pledged to considerably raise financing for critical funds such as the Least Developed Countries Fund.
- Collaboration - working together to deliver even greater action: The Glasgow Breakthroughs will increase collaboration among governments, industry, and civil society to achieve climate targets more quickly, while collaborative councils and dialogues in energy, electric vehicles, shipping, and commodities will aid in meeting commitments.

INDIA

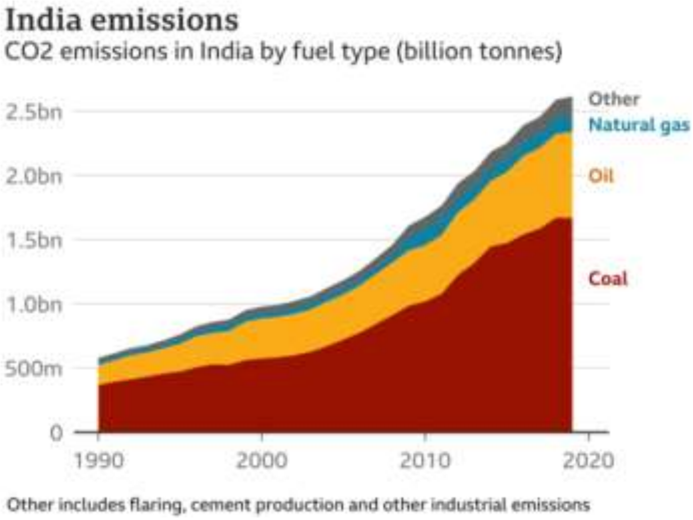
India is the fourth emitter of carbon dioxide in the world after China, US, and EU. India though has huge population; it still has per capita emissions much lower than other economics. India emitted 1.9 tonnes of CO2 per head of population in 2019, compared with 15.5 tonnes for the US and 12.5 tonnes for Russia in same year.



Source: BBC

Prime Minister Narendra Modi made the pledge as five commitments from India towards climate action at COP26

- India will bring its non-fossil fuel energy capacity to 500 GW by 2030.
- By 2030, India will fulfil 50% of its energy requirement through renewable energy.
- India will cut down its net projected carbon emission by 1 billion tonnes from now until 2030.
- By 2030, India will bring down carbon intensity of its economy by more than 45%.
- By 2070, India will achieve the target of 'net zero' carbon emissions.



Source: BBC

India at COP26 also talked of developed world responsibility for climate change which they must accept and take action to combat the crisis by providing financial resources to the developing nations. Ms. Chandni Raina, advisor to the Department of Economic Affairs said global action on climate change is contingent on the delivery of timely and adequate finance. Developed countries had taken a commitment in 2009 to mobilize $100 billion per year by 2020 for climate action by developing countries. The promise has not been met.

India states that the implementation of the principles under Paris agreement Rulebook - Equity and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) and, recognition of the very different national circumstances of Parties. COP26 summit and others must look into the capacity of the Party with how one is adapting to the changes especially post – COVID.

(The writer is an Account Executive at VeKommunicate)

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