



## Current Affairs of the Day

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1. 200 proposals from China wait for security clearance by MHA
2. Russian Navy will soon get hypersonic n-weapons, says Putin
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## 200 proposals from China wait for security clearance by MHA

- About 200 investment proposals from China are awaiting security clearance from the Ministry of Home Affairs (MHA) after new rules were notified in April, making

**Greater scrutiny** | The change in FDI policy has led to the MHA taking a closer look at foreign investors

- As per FDI policy, all proposals from foreign investors in non-critical sectors were cleared through the automatic route and those in sensitive sectors were sent to the MHA for security clearance

- Following changes in FDI policy in April, all proposals from China or Chinese origin investors, even in non-critical sectors, are required to get prior approval and security clearance by MHA



- The objective of the national security clearance is to evaluate potential threats in proposals received

- The policy was revised first in 2015 and then in 2018 to give an impetus to the government's Make in India plan

- In 2019, the MHA informed the Lok Sabha that the framework for security clearance had been streamlined and the average time taken had reduced from 104 days in 2014 to 60 days in 2019

**prior government approval mandatory for foreign direct investments (FDI) from countries which share a land border with India.**

- As FDI is allowed in non-critical sectors through the automatic route, earlier these proposals would have been cleared without the MHA's nod.
- Prior government approval or security clearance from MHA was required for investments in critical sectors such as defence, media, telecommunication, satellites, private security agencies, civil aviation and mining and any investments from Pakistan and Bangladesh.

### Revised in April

- The Department for Promotion of Industry and Internal Trade (DPIIT) notified the new FDI policy on April 18, which said, "...an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route."
- The revised FDI policy, a press statement from DPIIT said, is aimed at "curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic."



## Countries which share a land border with India:

- India shares land borders with Pakistan, Afghanistan, China, Nepal, Bhutan, Bangladesh and Myanmar.
- Investors from countries that are not covered by revised FDI new policy only have to inform the Reserve Bank of India after the completion of a transaction rather than seek prior clearance from the administrative ministry.

## Value Added Information

### What is Foreign Direct Investment?

- FDI is an investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest.
- Lasting interest differentiates FDI from foreign portfolio investments, where investors passively hold securities from a foreign country.
- Foreign direct investment can be made by expanding one's business into a foreign country or by becoming the owner of a company in another country.

## 'Ramesh's criticism of EIA notification unfounded'

- Union Environment Minister Prakash Javadekar has dismissed the criticism of the proposed **Environment Impact Assessment Notification, 2020**, by Jairam Ramesh, former Environment Minister and Chairman, Parliamentary Standing Committee on Environment, as "unfounded and based on misrepresentation."
- Mr. Ramesh, in a letter to Mr. Javadekar on Saturday, laid out a five-point criticism of the controversial notification. The notification promoted "land grab," reduced public participation in all aspects of the environmental clearance process, allowed post-approval of projects that violated norms, and went against the principle of cooperative federalism, Mr. Ramesh said.



## Value Added Information

### Draft EIA Notification 2020:

- Recently, the **Ministry of Environment, Forest and Climate Change (MoEFCC)** has proposed a draft Environmental Impact Assessment (EIA) notification 2020, that seeks to replace the current notification which goes back to 2006.
- EIA is an important process for evaluating the likely environmental impact of a proposed project. It is a process whereby people's views are taken into consideration for granting final approval to any developmental project or activity. It is basically, a decision-making tool to decide whether the project should be approved or not.
- The draft notification is issued under the powers vested in the central government under the Environment (Protection) Act, 1986 to take all such measures for "protecting and improving the quality of the environment.
- According to the government, the new notification is being brought in order to make the process more transparent and expedient by the implementation of an online system, further delegation, rationalisation and standardisation of the process. However, the environmentalist said that the draft will further dilute the EIA process.

### Issues pertaining to draft EIA Notification 2020:

#### Post-Facto Approval

- The new draft allows for post-facto approval for projects. It means that the clearances for projects can be awarded even if they have started construction or have been running phase without securing environmental clearances.
- This also means that any environmental damage caused by the project is likely to be waived off as the violations get legitimised.
- As the only remedy would be to impose a fine or punishment; but that would not reverse the detrimental consequences on the environment.



- Post facto approval is the derogation of the fundamental principles of environmental jurisprudence and violation of the “**precautionary principle,**” which is a principle of environmental sustainability.
- In 2017, post-facto clearance given to projects in Tamil Nadu was struck down by the Madras high court.

## Public Consultation Process

- The draft notification provides for a reduction of the time period from 30 days to 20 days for the public to submit their responses during a public hearing for any application seeking environmental clearance.
- The danger is that if adequate time is not given for the preparation of views, comments and suggestions to those who would be affected by the project, then such public hearings would not be meaningful.
- Unless a public hearing is meaningful, the whole EIA process would lack transparency and credibility.
- Further, the reduction of time would particularly pose a problem in those areas where information is not easily accessible or areas in which people are not that well aware of the process itself.

## Compliance Report Issue

- The 2006 notification required that the project proponent submit a report every six months, showing that they are carrying out their activities as per the terms on which permission has been given.
- However, the new draft requires the promoter to submit a report only once every year.
- During this period, certain irreversible environmental, social or health consequences of the project could go unnoticed because of the extended reporting time.
- For example, if a mining project is being carried out at someplace which can be potentially hazardous to the nearby population and can contaminate the air, and water nearby, a half-yearly compliance report would better help in addressing these concerns.





## Bypassing EIA Process

- **Through** the draft notification, the central government gets the power to categorise projects as “strategic.”
- Once a project is considered as strategic, the draft notification states that no information related to such projects shall be placed in the public domain.
- Violations can only be reported suo motu by the project proponent, or by a government authority, appraisal committee, or regulatory authority. This is against the principles of natural justice.
- Further, the draft notification states that the new construction projects up to 1,50,000 square metres (instead of the existing 20,000 square metres) do not need “detailed scrutiny” by the Expert Committee, nor do they need EIA studies and public consultation.

## Russian Navy will soon get hypersonic n-weapons, says Putin

- Russian President Vladimir Putin said on Sunday that the Russian Navy would be armed with hypersonic nuclear strike weapons and underwater nuclear drones, which the Defence Ministry said were in their final phase of testing. The weapons, some of which have yet to be deployed, include the Poseidon underwater nuclear drone, designed to be carried by submarines, and the Tsirkon (Zircon) hypersonic cruise missile, which can be deployed on surface ships.

### Significance:

- The combination of speed, manoeuvrability and altitude of hypersonic missiles, capable of travelling at more than five times the speed of sound, makes them difficult to track and intercept.

## China asked U.S. to shut Chengdu consulate

- China ordered the U.S. to shut Chengdu consulate in retaliation for one of its missions in the US being shuttered.



- U.S. China ties have deteriorated sharply this year over issues ranging from the pandemic and telecoms-gear maker Huawei to China's territorial claims in the South China Sea and its clampdown on Hong Kong
- Recent issues – arrests of Chinese researchers at U.S. universities and closure of consulates from both countries.