



# IAS PARLIAMENT

*Information is Empowering*  
A Shankar IAS Academy Initiative

## Union Cabinet Decisions - Year End Review, 2017 - Part II

### Memorandum of Understanding

\n\n

The Union cabinet approved the following MoUs for bilateral co-operation that the Indian government or its departments have entered into:

\n\n

- \n
- **Afghanistan** - in Police Training and Development
- \n
- **Armenia** - in Disaster Management
- \n
- **Bangladesh** - for cyber security cooperation
- \n
- **Belarus** - in the oil and gas sector and “Vocational Education and Training”
- \n
- **Brazil** - in Zebu Cattle Genomics and Assisted Reproductive Technologies
- \n
- **Canada** - for jointly issue of postage stamps on the theme of Diwali (signed between India’s department of Posts and Canada Post).
- \n
- **Colombia** - in the field of agriculture and fisheries
- \n
- **Cuba** - in Health and Medicine
- \n
- **Gibrtaltar** - Technical assistance on financial matters (to be signed between SEBI and Financial Services Commission (FSC) of Gibraltar)
- \n
- **Israel** - on Indo-Isreal Industrial R&D and “Technological Innovation Fund”
- \n
- **Italy** - in Agriculture and Phytosanitary issues.
- \n
- **Italy** - in Health and Medicine
- \n
- **Japan** - for collaborative research in the field of silkworm and silk industries

\n

- **Kuwait** - Technical assistance on financial matters (to be signed between SEBI and Capital Markets Authority (CMA), Kuwait).

\n

- **Morocco** - in health and water resources.

\n

- **Myanmar** - for the Conservation of Earthquake-Damaged Pagodas at Bagan, Myanmar and “upgradation of the Women’s Police Training Centre” at Yamethin, Myanmar

\n

- **Nepal** - on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics and Psychotropic Substances and precursor chemicals and related matters.

\n

- Also, MoU for construction of a new Bridge over Mechi River near the border was approved.

\n

- **Netherlands** - in space technology

\n

- **Palestine** - in Health and Medicine, IT, Electronics, youth affairs and sports

\n

- **Philippines** - on agriculture and related fields

\n

- **Poland** - for the promotion of Civil Aviation Cooperation

\n

- **Spain** - in renewable energy

\n

- **Sweden** - on cooperation in Intellectual Property Rights (IPRs).

\n

- **Switzerland** - on Technical Cooperation in Rail Sector

\n

\n\n

### **Other International Engagements**

\n\n

During the same period, the cabinet also approved the following international engagements that India entered into or plans to enter in the near future:

\n\n

### **Bilateral Deals**

\n\n

\n

- **Armenia** - Agreement on mutual assistance in customs matters

\n

\n\n

\n

- **Bangladesh** - Joint Declaration of Intent for Promotion and Protection of Investments

\n

- **Belarus** - Agreement on Scientific and Technological Cooperation for mutual benefit in the areas of science, technology, agriculture, etc.

\n

- Also, a “Bilateral Investment Treaty” (BIT) between on investments

\n

\n\n

\n

- **Brazil** - “Investment Cooperation and Facilitation Treaty” (ICFT).

\n

\n\n

\n

- **Colombia** - Approval for “Joint Interpretative Declaration” regarding the Promotion and Protection of Investments.

\n

- **Ethiopia** - Agreement on Cooperation in Information, Communication and Media and trade for promoting economic co-operation.

\n

- **Germany** - Joint Declaration of Intent on Health care and establishment of Indo-German “Centre for Sustainability”

\n

\n\n

\n

- **Hong Kong Special Administrative Region** - Cabinet approved entering into a “Double Taxation Avoidance and the Prevention of Fiscal Evasion”.

\n

- **Japan** - Cabinet has approved the signing of "Memorandum of Cooperation (MoC)" with Japan on the "Technical Intern Training Program (TITP)".

\n

- Also, Memorandum of Cooperation on establishing a Liquid, Flexible LNG Market was signed.

\n

- **Kyrgyzstan** - Approval for amending the “Double Taxation Avoidance Agreement” DTAA, and “Prevention of Fiscal Evasion w.r.t. incomes”.

\n

- **Lithuania** - Cabinet approves the Extradition Treaty between India and Lithuania

\n

- **Philippines** - Approval for signing an agreement on co-operation and mutual assistance in customs matters.

\n

\n\n

## Multilateral Engagements

\n\n

\n

- **BRICS** - to set up BRICS Agriculture Research Platform

\n

- **BRICS Interbank Cooperation** - cabinet approved the signing of “Inter-bank Local Currency Credit Line Agreement” and MoC relating to “Credit Ratings by EXIM Bank”.

\n

- **BRICS MOC** - Memorandum of Cooperation (MOC) was approved in tax matters between India and BRICS countries (Brazil, Russia, China and South Africa) and India.

\n

- **Election Management Bodies** - Cabinet approved the MoU signed by the Election Commission of India with the Election Management Bodies of other countries and International Agencies.

\n

- **European Bank for Reconstruction & Development** - Cabinet has approved India's Membership for “EBRD”.

\n

- **IRDAI's admission to IAIS** - The admission of “Insurance Regulatory and Development Authority of India” (IRDAI) admission to International Association of Insurance Supervisors (IAIS), has been approved.

\n

- **Status of IALA** - Cabinet has approved for “International Association of Marine Aids to Navigation and Lighthouse Authorities” (IALA) to change its status from Non-Governmental Organization (NGO) to Inter-Governmental Organization (IGO).

\n

\n\n

## Research and Industry

\n\n

Cabinet approvals relating to setting up educational/research institutions and industry specific initiatives have been enlisted here:

\n\n

\n

- **International Rice Research Institute** - Cabinet granted approval for the establishment of IRRI's "South Asia Regional Centre" at the campus of "National Seed Research and Training Centre" in Varanasi.

\n

\n\n

\n

- **International Training Centre for Operational Oceanography** - Cabinet approved the signing of an agreement with the UNESCO for the establishment of "ITCOO" in Hyderabad.

\n

\n\n

\n

- **Leather and Footwear Sector** - Cabinet has approved the special package for employment generation in leather and footwear sector for employment generation.

\n

- The package involves implementation of Central Sector Scheme "Indian Footwear, Leather & Accessories Development Programme" with Rs. 2600 Crore funds till 2020.

\n

- **National Rail and Transportation University** - Cabinet has approved the initiative of the Ministry of Railways to set up the first ever NTRU at Vadodara.

\n

- **National Ayush Mission (NAM)** - Cabinet has approved the continuation of Centrally Sponsored Scheme of National Ayush Mission (NAM) till 2020.

\n

- The scheme has an outlay of Rs. 2400 crore over the 3 year period.

\n

\n\n

## **Legislations**

\n\n

The following legislations were approved by the Union cabinet. These will subsequently have to be passed by the parliament to take effect:

\n\n

\n

- **CGST (Extension to J&K) Amendment Bill** - Cabinet has approved a bill for the replacement of the “Central Goods and Services Tax” (extension to J&K) ordinance with a CGST (Amendment) Bill, 2017.

\n

- **IGST (Extension to J&K) Amendment Bill** - Cabinet has approved a bill for the replacement of the “Integrated Goods and Services Tax” (extension to J&K) ordinance with a CGST (Amendment) Bill, 2017.

\n

- **Legislative order for J&K** - Cabinet has given its approval for amendment of the Constitution (Application to J&K) Order, 1954.

\n

- This was done to pave the way for GST implementation and is done by a presidential order after getting the approval of the J&K assembly.

\n

- **GST Compensation Ordinance** - Cabinet approves promulgation of GST (Compensation to States) Ordinance, 2017

\n

- **Dentists (Amendment) Bill, 2017** - Cabinet has given its approval for introduction of the Bill in Parliament to amend the Dentists Act, 1948 to reduce redundancies.

\n

- **Payment of Gratuity (Amendment) Bill, 2017** - Cabinet approved the introduction of this bill in the Parliament.

\n

- **National Council for Teacher Education (Amendment) Act, 2017** - Cabinet has given its approval for introduction of a Bill in Parliament to amend the National Council for Teacher Education Act, 1993.

\n

- This is to grant recognition to the Central/State/Universities that are found to be conducting teacher education courses without NCTE permission.

\n

\n\n

## **Schemes**

\n\n

The following schemes got cabinet clearance -

\n\n

\n

- **Sovereign Gold Bonds (SGB) Scheme** - was approved after revision of

guidelines to achieve its intended objectives.

\n

- **Scheme of Modernisation of Police Forces** - The Union has given its approval for implementation of the umbrella scheme for years 2017-18 to 2019-20.

\n

- The financial outlay for the scheme over the three year's period is Rs.25,060 crore, out of which the Central Government share will be Rs.18,636 crore.

\n

- **Credit Linked Subsidy Scheme** - Cabinet approves the increase in the carpet area of houses eligible for interest subsidy under the CLSS

\n

- This scheme is focused on the Middle Income Group (MIGs) under Pradhan Mantri Awas Yojana (PMAY).

\n

\n\n

\n\n

\n

- **Scheme for Capacity Building in Textiles Sector** - Cabinet Committee on Economic Affairs, has given its approval for this new skill development scheme.

\n

- It covers the entire value chain of the textile sector excluding Spinning & Weaving in organized Sector and has an outlay for the next 3 years is Rs. 1300 crore.

\n

- The scheme will have National Skill Qualification Framework (NSQF) compliant training courses.

\n

- **National Nutrition Mission** - Cabinet has approved setting up of NNM with a three year budget of Rs.9046.17 crore.

\n

- **NLCPR scheme** - Cabinet has approved the continuation of the "Non Lapsable Central Pool of Resources" (NLCPR) scheme for the North East till 2020.

\n

- The funding pattern of 90:10 and an outlay of Rs.5300.00 crore will also be retained and the ongoing projects would be completed.

\n

- **Judicial Infrastructure Enhancement** - Cabinet has approved the continuation of the Centrally Sponsored Scheme (CSS) for Development of

Infrastructure Facilities for Judiciary beyond 12th Five Year Plan.

\n

- These are to be implemented in a Mission Mode through National Mission for Justice Delivery and Legal Reforms with an estimated outlay of Rs.3,320 crore.

\n

- **Scheme on Indian Institute of Corporate Affairs** - Cabinet has given its approval for continuation of the scheme beyond the 12<sup>th</sup> 5 year plan.

\n

- It has also provided a Grants-in-aid of Rs.18 crore to the Institute, which will make the Institute self-sustainable by the end of FY 2019-20.

\n

- **Revamped Khelo India Programme** - Approval for revamped “Khelo India programme” at a cost of Rs.1,756 crore for a 3 year period was given.

\n

- This marks a watershed moment as the Programme aims at mainstreaming sport as a tool for individual, community and national development.

\n

- **National Rural Drinking Water Programme** - approval for restructuring of “NRDWP” to make it outcome-based and competitive was given.

\n

- Focus is expected to be on better monitoring and sustainability of schemes to ensure good quality service delivery to the rural population.

\n

\n\n

## **Structural Changes**

\n\n

The following are the important structural changes that got cabinet approval:

\n\n

\n

- **Creating Equivalence** - Cabinet approves equivalence of posts in Central PSUs like Banks, Insurance Institutions with Posts in Government.

\n

- This will help children of those serving in lower categories in PSUs and other institutions to get their deserved benefit of OBC reservations.

\n

- This will also prevent children of those in senior PSU positions, who’ve got OBC status by virtue of non existence of parallel government postings.

\n

- **National Anti-profiteering Authority** - Cabinet approves the



establishment of the “NAPA” under GST

\n

- NAPA is mandated to ensure that the benefits of the reduction in GST rates are passed on to the ultimate consumers.

\n

- **Commission of Railway Safety** - Cabinet has approved the creation of the post of “Commissioner of Metro Railway Safety”.

\n

- The post would aid the functioning of “Commission on Railway Safety” as envisaged in the "Metro Railways (Operations and Maintenance) Act, 2002".

\n

- Notably, the “Commission of Railway Safety” falls under the Ministry of Civil Aviation.

\n

- **Railway Convention Committee (2014) Report** - Cabinet has accepted the suggestions in its 6<sup>th</sup> Report on "Rate of Dividend payable by the Railways to the General Revenues and other ancillary matters".

\n

- Payable revenues have been given a onetime waiver.

\n

- **Banks Consolidation** - Cabinet gives in-principle approval for Public Sector Banks to amalgamate through an Alternative Mechanism (AM)

\n

- The decision would facilitate consolidation among the Nationalised Banks to create strong and competitive banks.

\n

- **BSNL’s Tower Assets** - Cabinet approves hiving off mobile tower assets of Bharat Sanchar Nigam Limited into a separate company, fully owned by BSNL.

\n

- **Shared Communication Towers** - Cabinet approves revision of policy for providing certain Defence land to Communication Operators.

\n

- This will be based on “Department of Telecom” guidelines, for construction of Shared Communication Towers and allied Infrastructure

\n

- **Productivity Linked Bonus (PLB)** - Cabinet approved Productivity Linked Bonus for Railway Employees Payment before Festival seasons to Improve Productivity and Efficiency.

\n

- **National Testing Agency (NTA)** - Approval for Creation of “NTA” to conduct entrance examinations for higher educational institutions.

\n

- It is to be an autonomous and self-sustained premier testing organization to

conduct entrance examinations for higher educational institutions.

\n

\n\n

## **Fund Approvals**

\n\n

Cabinet sanctioned the following regarding the allocation of funds:

\n\n

\n

- **Indian Community Welfare Fund guidelines** - Cabinet has approved revision of the ICWF guidelines.

\n

- **Long term Irrigation Fund** - Cabinet approves raising Extra Budgetary Resources up to Rs. 9020 crore for Long Term Irrigation Fund for 2017-18.

\n

- This will be by NABARD through issuance of Bonds for ensuring lending rate of 6% per annum, in respect of borrowings for implementation of Accelerated Irrigation Benefits Programme (AIBP).

\n

- Works of 99 ongoing prioritized irrigation projects along with their command area development (CAD) works under PMKSY.

\n

- **Madhyamik and Uchchatar Shiksha Kosh** - The Non-lapsable corpus fund for Secondary and Higher education from the proceeds of Cess for Secondary and Higher Education levied under Finance Act, 2007

\n

- **15<sup>th</sup> Finance Commission** - Cabinet approves the setting up the 15<sup>th</sup> finance commission under article 280 of the constitution.

\n

- **MDR charges** - Cabinet has approved subsidising the Merchant Discount Rate (MDR) applicable on all debit cards, BHIM, UPI or Aadhaar enabled Payment System (AePS) transactions up to Rs. 2000.

\n

- The cost of such transactions would be borne by the Government for a period of two years from January, 2018 by reimbursing the banks.

\n

- **2nd National Judicial Pay Commission** - Approval for setting up of the Second NJPC for Subordinate Judiciary was given.

\n

\n\n

## **Infrastructure Related Sanction**

\n\n

\n

- **Inland Waterways Authority of India** - Got the approval for IWAI to revalidate permissions to raise Extra Budgetary Resource (EBRs) of Rs. 660 crore through Government of India Bonds.

\n

- **North Koel Reservoir** - Approval to complete the balance works of the North Koel Reservoir Project in Jharkhand and Bihar was given.

\n

- While work was stalled in 1993, the estimated expenditure is Rs.1622.27 crore during three financial years from now.

\n

- **New Metro Rail Policy** - Was approved with focus on compact urban development, cost reduction and multi-modal integration

\n

- The policy seeks to enable realization of growing metro rail aspirations of a large number of cities in a responsible manner.

\n

\n\n

## **Miscellaneous Issues**

\n\n

The following domains also got cabinet approval:

\n\n

\n

- **Vision Dwaraka** - Cabinet has approved the following proposals of the “Department of Industrial Policy and Promotion” (DIPP) for Dwaraka.

\n

- These include the development of Exhibition-cum-Convention Centre (ECC), Dwarka and allied infrastructure in PPP and non-PPP Mode.

\n

- The envisionments are estimate at 25,000 crores by 2025, and include an arena, trunk-infrastructure, Metro/NHAI connectivity, hotels, and office.

\n

- Incorporation of a new Government company as a Special Purpose Vehicle (SPV) for the implementation and development of the project.

\n

\n\n

\n

- **FM Phase-III e-auctions** - Cabinet has approved auctioning of 683 FM radio channels in 236 cities in subsequent batches.  
\n
- It will usher in new/enhanced experience of FM radio in more cities.  
\n
- **Renaming of Kandla Port** - Cabinet approves renaming of Kandla Port as Deendayal Port.  
\n
- **OBC Sub-categorization Commission** - Cabinet approved a proposal for setting up of a Commission under article 340 of the Constitution.  
\n
- This is to examine the issue of sub-categorization within the Other Backward Classes (OBCs).  
\n

\n\n

\n\n

**Source: PIB**

\n\n

\n



**IAS PARLIAMENT**  
*Information is Empowering*  
A Shankar IAS Academy Initiative