Year End Review - Union Cabinet Decisions - 2017 Part I

All Major Decisions by the Union Cabinetbetween 1st January to 31st June

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MoUs that India has entered into:

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The Union cabinet approved the following MoUs for bilateral co-operation that the Indian government or its departments are going to sign or have signed earlier:

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- **Armenia -** in the peaceful uses of outer space
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- **Armenia -** on cooperation on youth matters
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- **Australia -** in civil aviation security, combating terrorism and transnational organized crime, and in the textiles, clothing and fashion
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- **Bangladesh -** in Aids to Navigation (AtoNs), in Information Technology and Electronics, for fairway development in select stretches of Kushiyara and Jamuna rivers, and in defence personal training (signed by defence training colleges in Wellington and Dhaka).
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- Also, a third Line of Credit of US $ 4.5 billion to Bangladesh was approved for implementation of developmental projects
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- **European Union -** on matters pertaining to securities markets (signed between India's SEBI and EU's "European Securities and Markets Authority").
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- **France -** in Science, Technology and Innovation
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- **Iran –** on matters pertaining to securities markets (signed between India's SEBI and "Securities and Exchange Organization, Iran").
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- **Israel -** for Water Conservation in India

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- **Japan -** for cooperation in rail safety, and in the field of outer space (Signed by India's ISRO and Japan's Space agency JAXA)
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- **Kenya -** in agriculture and allied sectors
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- **Malaysia -** in Urea manufacturing; India plans establishing a Urea manufacuuring Plant in Malaysia and wishes to import the surplus to India.
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- **Mali -** for standardization and conformity assessment (signed by "Bureau of Indian Standards" and "Direction Nationale De Industries, Mali")
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- **Netherlands -** in water resources management
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- **Palestine -** on agriculture cooperation
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- **Portugal -** in agriculture and allied sectors, and in Public Administration and Governance Reforms
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- **Russia -** for cooperation on Youth matters, and to facilitate exchange programs for better people to people contact and cultural synthesis.
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- **Serbia -** in Information Technology and Electronics
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- **South Korea -** for export credit of USD 9 billion (Signed between Export-Import Bank of India (EXIM Bank) and Export-Import Bank of Korea.
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- This will be used for infrastructural development in India and for the supply of goods and services as part of projects in third countries.
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- **Spain -** in Civil Aviation and Organ Transplant Services
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- **Sri Lanka -** in Traditional Systems of Medicine and Homoeopathy
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- **Tunisia -** in the justice (judicial) domain
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- **UAE -** Road Transport and Highways sector, Mutual Recognition of Certificates of Competency, Maritime Transport, agriculture and allied sectors, MSMEs and Innovation.
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- **Uruguay -** for Mutual assistance for Customs Matters
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- **USA -** on Homeland Security
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- **Vietnam -** in cyber security.

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Other International Engagements:

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The following were approved/ratified by the union cabinet:

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Bilateral Engagements with India:

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- **Cyprus –** Agreement on Merchant Shipping
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- **Germany -** Joint Declaration of Intent (JDI) regarding cooperation in the sector of alternative medicine.
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- **Greece -** Signing of “Air Services Agreement” was approved.
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- **Netherlands -** Amendment of existing **Social Security Agreements** by incorporating the “Country of Residence” Principle into the said SSA.
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- **Portugal -** An amended protocol was approved for signing between India and Portugal for avoidance of Double Taxation
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- **Somalia –** Agreement on transfer of sentenced persons
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- **Tajikistan -** for signing an agreement for cooperation and Mutual Assistance in Customs Matters was given.
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- **UAE –** “**Agreement on Oil Storage and Management**” between ‘Indian Strategic Petroleum Reserve Ltd’ (ISPRL) and ‘Abu Dhabi National Oil Company’ (ADNOC) of UAE was approved by the cabinet.
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Multi-lateral Agreements:

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- **International Vaccine Institute (IVI) -** India's Membership to IVI, which is based in Seoul in South Korea, was approved by the cabinet.
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- The move involves payment of annual contribution of US $ 5,00,000 to the Seoul based institute.
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- **Kyoto Protocol Ratification -** Second Commitment of Kyoto Protocol on containing the emission of Green House Gases (GHGs) was ratified.
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- This second commitment period was adopted in 2012 and till now, 75 countries have ratified it.
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- **Minimum Age Convention** - This was steered by International Labour Organisation (ILO) and was for the abolition of worst forms of child labour.
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- **Customs Convention on International Transport of Goods -** Cabinet has approved India's accession to the concention.
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- **Belmont Forum Secretariat -** Collaboration Agreement to support the secretatriat at a total estimated expenditure of Euro 40,000, along with France.
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- **Multilateral Convention against 'BEPS' -** This was to implement various 'Tax Treaty Related Measures" to "Prevent Base Erosion and Profit Shifting".
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- Its signing was approved by the union cabinet in May.
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All Legislations that were approved:

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The following bills have been cleared by the union cabinet and will be introuduced in the parliament as government legislations in subsequent sessions.

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- **Repealing and Amending Bill, 2017 –** This was for repealing of about 105 obsolete and redundant laws, that remains on the statute books.

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- **Indian Institute of Management Bill, 2017 –** This provided for IIMs to be declared as Institutions of National Importance.
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- This will enable them to grant degrees to their students instead of diplomas that are being granted now.
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- **IIIT (Amendment) Bill, 2017 –** Approval for public-privatre partnerships in running the institution.
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- Also, declaring all 'Indian Institute of Information Technology' IIITs as institutions of national importance was approved.
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- **Constitution (Scheduled Castes) Order -** A proposal to amend this was approved by the Cabinet to modify the list of Scheduled Castes in Odisha.
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- **GST related Legislations:**
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  - Central Goods and Services Tax Bill 2017 (The CGST Bill)
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  - Integrated Goods and Services Tax Bill 2017 (The IGST Bill)
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  - Union Territory Goods and Services Tax Bill 2017 (The UTGST Bill)
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  - Goods and Services Tax (Compensation to the States) Bill 2017
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- **RTE (Amendment) Act –** A proposal to amend the "Right of Children to Free and Compulsory Education (RTE) Act, 2009" was approved.
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- This is to ensure that all teachers, acquire the minimum qualifications prescribed by the academic authority by 2019 (4 year extension).
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- **Companies (Amendment) Bill, 2016 –** was approved.
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- **Customs and Excise Act –** Amendments regarding the abolition of cesses and surcharges on various goods and services has been approved.
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- This is to facilitate implementation of GST Regime
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- **Ancient Monuments and Archaeological Sites (Amendment) Bill –** has been approved by the cabinet to amend the 1958 act.
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- **Central Road Fund Act, 2000 -** A proposed amendment to provide for 2.5% of Central Road Fund for development and maintenance of National Waterways (NWs) has got cabinet approval.
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- **Financial Resolution & Deposit Insurance Bill, 2017 –** This provides for a comprehensive resolution framework for financial sector entities
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- Banks, insurance firms and specified other financial sector entities are covered under this framework and proposed to deal with bankruptcy situations.
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All the Public Oriented Schemes that were sanctioned:

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The following are the schemes that been cleared by the cabinet along with funding and other structural requirements.

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- **Interest waiver -** for the two months of November and December, 2016 for farmers accessing short term crop loans from Cooperative Banks.
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- Significantly, Interest subvention has also been provided to NABARD on additional refinance to Cooperative Banks.
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- Also, short term market borrowing by 'National Bank for Agricultural and Rural Development' (NABARD) for lending to Cooperative Banks was allowed.
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- **Housing -** The Government would provide interest subsidy under the scheme for all Middle Income Group (MIGs) for rural housing projects.
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- All projects that aren't part of "Pradhan Mantri Aawas Yojana" (Grameen) can apply for this scheme.
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- Also, the tenure of loans under the Credit Linked Subsidy Scheme (CLSS) of Pradhan Mantri Awas Yojana (PMAY) was extended from 15 to 20 years.
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- **Varishtha Pension Bima Yojana -** It is a part of Government's commitment for financial inclusion and social security.
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- The scheme will be implemented through LIC to provide a social security to the elderly aged 60 and above.
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- Those depositing under the scheme will get a guaranteed 8% rate of return irrespective of the market conditions that alter the rate of returns.
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- **PM Gramin Digital Saksharta Abhiyan –** This scheme plans to cover 6 crore rural households and endeavours to make them digitally literate by 2019.
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- The outlay for this project is Rs.2,351.38 crore.
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- **Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY) -** This was set up in 2012 to address the social security issues of workers going abroad.
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- It has now been abolished by the cabinet.
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- **Maternity Benefit Program -** approval for the Pan-India implementation of the scheme to all districts of the country.
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- **Interest Subvention Scheme -** ISS for farmers was given cabinet approval for which the government has allocated Rs.20,400 crores for the current year.
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- This will help farmers getting short term crop loan up to Rs. 3 lakh payable within one year at only 4% per annum.
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Initiatives Related to Research and Industry:

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These cover all the industry specific initiatives that were sanctioned by the union cabinet.

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- **Modified Special Incentive Package Scheme** – Ammending this to further incentivize investments in Electronic Sector has been approved.
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- This is in line with the policy of moving towards the goal of 'Net Zero imports' in electronics by 2020.
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- **Credit Guarantee Trust Fund for MSEs**- approval for augmenting the already existing corpus to supporting Micro and Small Enterprises (MSEs).
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- **Indian Agricultural Research Institute -** Cabinet approves the Establishment of IRAI in Hazaribag district of Jharkhand with 200 crore fund.
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- **Fund of Funds of Start-ups (FFS) -** Cabinet approves FFS which was established in June, last year with a corpus of Rs. 1,000 crores.
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- **Food Legumes Research Platform –** FLRP platform is being established at Sehore, Madhya Pradesh with Satellite Hubs in West Bengal and Rajasthan.
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- This would be done through "International Center for Agricultural Research in Dry Areas".
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- **Indian Institute of Petroleum and Energy (IIPE) –** Approved to be setup at Visakhapatnam in Andhra Pradesh.
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- **Iron & Steel -** Cabinet approves Policy for providing preference to domestically manufactured iron & steel products in government procurement
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- A new "National Steel Policy" was also subsequently released.
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- **Pressurized Heavy Water Reactors -** Cabinet approves the construction of 10 units of India's indigenious PHWRs, in a move to fast-track nuclear power programs.
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- **Government Procurement -** A policy for providing preference to domestic produce in government procurements has been mooted.
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- This is in line with the "Make in India" initiative and is expected to substantially boost domestic domestic industry and thereby create more employment opportunities.
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- It will also stimulate the flow of capital and technology into domestic manufacturing and services and further thrust towards manufacture of parts,

components, sub-components etc.
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- **Renewable Energy -** Union Cabinet has given its approval to Raising of Bonds of Rs. 2360 crores for Renewable Energy.
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- **Foreign Investment Promotion Board -** Cabinet has approved phasing out FIPB and allowing administrative Ministries/Departments to process applications for FDI directly.
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Other Miscellaneous Measures:

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The rest of the cabinet decisions that don't fit into the above mentioned categories have been tabled here.

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- **Legacy Food Cash Credit Accounts -** Approval for settlement of accounts of Punjab Government for food procurement operations.
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- **Polavaram project -** Special assistance measure for Andhra Pradesh by allowing for "Externally Aided Projects" for the irrigation component of Polavaram project.
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- **Government eMarketplace -** Cabinet approves setting up of a Special Purpose Vehicle to be called GeM
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- **Voter Verifiable Paper Audit Trail -** approval for procurement of VVPAT Units for use in the General Elections in 2019 was given.
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- **Greater Noida Metro Rail Project -** Which covers a length of around 30 km and is estimated to cost about 5,500 crores has been approved.
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- **AIIMS at Kamrup, Assam –** Approval for setting up of new AIIMS in Assam at the cost of Rs.1123 crore was given.
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- This will be set up under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY).

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- **National Small Savings Fund -** Cabinet approves the exclusion of States/UTs from investments of National Small Savings Fund from April 2016.
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- Notably, Arunachal Pradesh, Delhi, Kerala and Madhya Pradesh were exempted.
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- Also, a one-time loan of Rs. 45,000 crore from NSSF to Food Corporation of India (FCI) to meet its food subsidy requirements was approved.
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Source: PIB

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