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**Page 04 : GS 2 : International Relations – Bilateral Relations**

Prime Minister Narendra Modi reaffirmed India's commitment to finalising an FTA with the UK during talks with Foreign Secretary David Lammy.

- The discussions focused on enhancing the Comprehensive Strategic Partnership, technology security, and global collaboration, while acknowledging India's growing global influence and economic significance.

# India committed to FTA with the U.K., says Modi

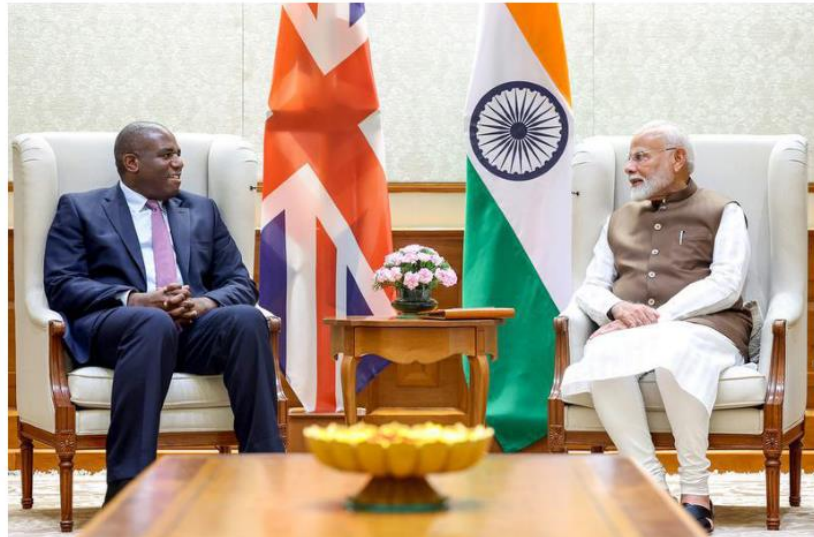
British Foreign Secretary David Lammy refers to 'unique living bridge' between the two countries, and says they are working together on climate action and creating opportunities for businesses

**Kallol Bhattacharjee**  
NEW DELHI

India is committed to concluding a Free Trade Agreement with the United Kingdom, said Prime Minister Narendra Modi on Wednesday, after meeting the visiting Secretary of State for Foreign, Commonwealth and Development Affairs David Lammy – the highest ranking official from the United Kingdom to visit India since the Labour government won a landslide victory in the recent election.

"[I] appreciate the priority accorded by PM Keir Starmer to broaden and deepen the Comprehensive Strategic Partnership. Remain committed to elevating the ties. Welcome the bilateral Technology Security Initiative and the desire to conclude a mutually beneficial FTA," Mr. Modi said.

Mr. Lammy was hosted by External Affairs Minister S. Jaishankar for a round of talks where the two sides exchanged ideas on a wide range of issues. Mr. Jaishankar said the two sides should cooperate on "global matters on global plat-



**Strengthening ties:** Prime Minister Narendra Modi in a meeting with U.K. Foreign Secretary David Lammy, in New Delhi on Wednesday. ANI/@NARENDRAMODI/X

forms", indicating that India is seeking collaboration with the U.K. to deal with globally relevant issues like climate action.

"We are both countries which have a big global presence in different ways. So I think it's also important India and the U.K. work together on global issues and in global platforms," said Mr. Jaishankar.

After meeting Mr. Modi, Mr. Lammy referred to the

"unique living bridge" that connects India with the United Kingdom and said the two sides are building on "climate action while creating opportunities for British and Indian businesses". India and the U.K. have been discussing the FTA for several years now and have been caught up in a protracted negotiation.

"I am travelling to India in my first month as Fo-

reign Secretary because re-setting our relationship with the Global South is a key part of how this government will reconnect Britain for our security and prosperity at home," Mr. Lammy had said in a statement ahead of his departure, calling India the "emerging superpower of the 21st century", one of the fastest growing economies, with the world's largest population.

## What is a Free Trade Agreement (FTA)?

- + FTA is an agreement between the countries or regional blocks to reduce or eliminate trade barriers, through mutual negotiations with a view to enhancing trade.
- + It includes goods, services, investment, intellectual property, competition, government procurement and other areas.
- + This concept of free trade is the opposite of trade protectionism or economic isolationism.
- + FTAs can be categorized as Preferential Trade Agreement, Comprehensive Economic Cooperation Agreement (CECA), and Comprehensive Economic Partnership Agreement (CEPA).

### Potential significance of India – UK FTA:

- + **Significance: Economic Growth:** An FTA could boost bilateral trade, opening up new markets for Indian and UK businesses, thus driving economic growth in both countries.
- + **Job Creation:** Enhanced trade opportunities could lead to job creation in sectors such as manufacturing, services, and technology.
- + **Investment Flow:** Increased investor confidence and reduced trade barriers could encourage more foreign direct investment (FDI) between the two nations.
- + **Technology Transfer:** Collaboration on technological advancements and innovation could be accelerated, benefiting sectors like IT, biotechnology, and clean energy.
- + **Market Access:** Indian exporters could gain greater access to the UK market, while UK companies could more easily enter the Indian market.
- + **Regulatory Cooperation:** Harmonisation of standards and regulations could simplify trade processes, reducing costs and increasing efficiency.
- + **Strategic Partnership:** Strengthening the economic relationship could also enhance geopolitical ties, allowing for greater cooperation on global issues such as climate change and security.
- + **Consumer Benefits:** Consumers in both countries could enjoy a wider variety of goods and services at competitive prices.

### Challenges:

- + **Regulatory Differences:** Divergent standards and regulations between India and the UK could complicate trade negotiations and implementation.
- + **Tariff Barriers:** Negotiating mutually acceptable tariff reductions on sensitive goods and services could be challenging.
- + **Non-Tariff Barriers:** Addressing non-tariff barriers, such as customs procedures and import quotas, may pose difficulties.
- + **Intellectual Property Rights (IPR):** Aligning IPR protections to satisfy both countries' industries could be contentious.
- + **Labour and Environmental Standards:** Reconciling differences in labour laws and environmental regulations could be a point of contention.
- + **Agricultural Sector:** Protecting domestic agricultural interests while opening markets could be a sensitive issue for both countries.
- + **Public Opinion:** Gaining support from domestic stakeholders, including businesses and labour unions, could be challenging.

- ✚ **Service Sector Concerns:** Addressing the movement of professionals and service sector regulations could be complex.
- ✚ **Political Will:** Sustaining political commitment amidst changing governments and priorities could impact the negotiation process.

### UPSC Prelims PYQ : 2017

**Ques : Consider the following statements:**

1. India has ratified the Trade Facilitation Agreement (TFA) of WTO
2. TFA is a part of WTO's Bali Ministerial Package of 2013
3. TFA came into force in January 2016

**Which of the statements given above is/are correct?**

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) 1, 2 and 3

**Ans : a)**

### Page 04 : GS 2 : International Relations

Despite consistent advocacy, India's efforts for UNSC reform and expansion have stalled. Frustration mounts ahead of the UN's Summit of the Future, with India and G-4 partners pressing for permanent seats.

✚ Transparent negotiations are ongoing, but substantial progress remains elusive, underscoring global dissatisfaction with the current multilateral system.

# No progress on UN Security Council expansion, say former Ambassadors

**Suhasini Haidar**  
NEW DELHI

Despite consistent efforts by India and other countries, the move for United Nations Security Council (UNSC) reform and expansion has made “no progress” so far, conceded two former Indian Ambassadors to the United Nations, stressing that India must, however, continue to push its demand for inclusion in the top global decision-making body.

The lack of progress has been the subject of considerable frustration ahead of this year’s Summit of the Future at the UN (September 22-23) that is expected to bring in more than 150 world leaders to discuss plans to “reboot” the UN, with India and its partners in the G-4 (Brazil, Germany



Since 2023, there has only been movement in making the Inter-Governmental Negotiations process on UN reforms transparent

**RUCHIRA KHAMBOJ**  
Former Indian Ambassador to UN

and Japan), all of whom claim a permanent seat at the UNSC, lashing out in recent statements about the proposed “Pact of the Future” that will be released.

“The short answer to whether there is progress in concrete terms, is no,” said India’s former Permanent Representative to the UN Ruchira Khamboj (2022-2024), who retired at the end of June, at a seminar organised at the India International Centre (IIC)

in Delhi. She added that since 2023, there has only been movement in making the Inter-Governmental Negotiations (IGN) process on UN reforms more transparent.

“You now have a live broadcast of the Inter-Governmental Negotiations. This wasn’t the case until last year, and there’s also a digital repository where you can put your proposals, and India’s proposals are very much there on ex-

pansion and reforms on their website, but in terms of real progress, let’s be very honest... the answer is no,” Ms. Khamboj said.

Last week, India’s Acting Permanent Representative R. Ravindra delivered a sharp address during an open debate at the UNSC, blaming the failure of the multilateral system on the “1945-vintage binary outlook reflected clearly in the composition of the Security Council”, referring to the fact that the five permanent members of the Security Council, or P5, are still those who are considered “victors” of the Second World War.

“Disillusionment with the existing multilateral system has led member states to consider various alternatives,” Mr. Ravindra said.

## Lack of Progress on UNSC Reform:

### ✚ No Concrete Progress:

- Despite continuous efforts, there has been “no progress” on the reform and expansion of the United Nations Security Council (UNSC).
- India and other countries, notably the G-4 (Brazil, Germany, Japan), continue to push for permanent seats but face stagnation in the reform process.

#### ✚ **Statements from Former Indian Diplomats:**

- Ruchira Khamboj, India's former Permanent Representative to the UN (2022-2024), highlighted the stagnation in reform efforts.
- While there has been movement in making the Intergovernmental Negotiations (IGN) process more transparent, such as live broadcasts and digital repositories for proposals, real progress on UNSC expansion remains absent.

#### ✚ **Disillusionment and Alternatives:**

- Disillusionment with the current multilateral system is leading member states to explore various alternatives, questioning the effectiveness of the existing UNSC structure.

### United Nation Security Council:

✚ **Formation and Purpose:** The United Nations Security Council (UNSC) is one of the six principal organs of the UN, established in 1945 under the UN Charter to maintain international peace and security.

✚ **Membership:** It has 15 members, consisting of 5 permanent members (P5) with veto power—China, France, Russia, the United Kingdom, and the United States—and 10 elected non-permanent members chosen for two-year terms by the General Assembly.

✚ **Responsibilities:** The UNSC is responsible for addressing threats to peace, enforcing sanctions, and authorising the use of force. It can establish peacekeeping operations, impose sanctions, or authorise military action.

✚ **Decision-Making:** Resolutions require nine votes from the 15 members, including the unanimous consent of the P5. Permanent members have veto power, allowing any of them to block resolutions.

✚ **Meetings and Reporting:** The UNSC meets regularly and can convene for emergency sessions. It reports annually to the General Assembly on its activities.

#### **Conclusion**

- ✚ The United Nations serves as a vital platform for addressing contemporary crises and adapting to evolving challenges. While the need for reform is evident, the UN's continued role in global governance, humanitarian assistance, and crisis management demonstrates its enduring importance.
- ✚ As the international community grapples with complex global issues, the United Nations stands as an essential institution capable of fostering cooperation, dialogue, and collective action for the betterment of humanity.

### UPSC Prelims PYQ : 2022

**Ques : With reference to the "United Nations Credentials Committee", consider the following statements:**

1. It is a committee set up by the UN Security Council and works under its supervision.
2. It traditionally meets in March, June and September every year.
3. It assesses the credentials of all UN members before submitting a report to the General Assembly for approval.

**Which of the statements given above is/are correct?**

- a) 3 only
- b) 1 and 3
- c) 2 and 3
- d) 1 and 2

**Ans: (a)**

## Page 06 : Prelims Fact

The DRDO successfully tested its Phase-II Ballistic Missile Defence (BMD) system, capable of intercepting missiles with ranges up to 5,000 km.

**INBRIEF**

## DRDO tests Phase-II ballistic missile defence system

The DRDO on Wednesday successfully flight-tested the Phase-II Ballistic Missile Defence (BMD) system demonstrating the indigenous capability to defend against ballistic missiles of 5,000-km class. Phase 1 of the BMD, which can intercept ballistic missiles with a range of 2,000 km, has already been deployed. The maiden test of the Phase-II BMD was carried out in November 2022. “The Target Missile was launched from LC-IV Dhamra at 1620 hrs mimicking adversary ballistic missile, which was detected by weapon system radars deployed on land and sea and activated the Air Defence (AD) interceptor system,” DRDO said in a statement.

- ✚ The test demonstrated the capability to intercept ballistic missiles with a range of up to 5,000 km.
- ✚ Phase-I BMD, which intercepts missiles with ranges up to 2,000 km, is already deployed.
- ✚ The maiden test for Phase-II BMD was conducted in November 2022.
- ✚ During the test, a target missile was launched from LC-IV Dhamra at 1620 hrs to simulate an adversary’s ballistic missile.
- ✚ Weapon system radars on land and sea detected the target missile.
- ✚ The Air Defence interceptor system was activated to engage the target.

**Ballistic Missile**



- ✚ It is a rocket-propelled self-guided strategic-weapons system that follows a parabolic trajectory to deliver a payload from its launch site to a predetermined fixed target.
- ✚ Ballistic missiles can carry conventional high explosives as well as chemical, biological, or nuclear munitions.

### **Ballistic Missile Defence System in India**

- ✚ A Ballistic Missile Defence system (BMD) is a missile defence system that acts as a shield against ballistic missile attacks.
- ✚ India's BMD development began in 1999, after the Kargil war.
- ✚ The primary aim was to augment India's defence against possible nuclear attack from Pakistan.
- ✚ India seeks to deploy a functional 'iron dome' ballistic missile defence (BMD), incorporating both low-altitude and high-altitude interceptor missiles.
- ✚ India's BMD is primarily developed by DRDO with help of many public and private firms like BEL, Astra Microwave, L&T, etc.
- ✚ **Ballistic missiles of India:** Agni, K-4 (SLBM), Prahaar, Dhanush, Prithvi and Trishul.

## **UPSC Prelims PYQ : 2023**

### **Ques : Consider the following statements**

1. Ballistic missiles are jet-propelled at subsonic speeds throughout their flights, while cruise missiles are rocket-powered only in the initial phase of flight.
2. Agni-V is a medium-range supersonic cruise missile, while BrahMos is a solid-fuelled intercontinental ballistic missile.

### **Which of the statements given above is/are correct?**

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**Ans: d)**

## **Page 06 : Prelims Fact**

As part of **Project Cheetah**, some cheetahs may be relocated to a new breeding centre in Banni, Gujarat, with Gandhi Sagar as the preferred site.

- ✚ While Banni offers ample space, prey availability is a concern. Cheetahs at Kuno are set for release in October, with future imports planned.

# Grasslands in Kutch likely to host cheetahs from Africa

While the Gandhi Sagar sanctuary in Madhya Pradesh is the preferred location for the next lot of imports, Banni in Gujarat is also getting readied to house some of the big cats to land in India

**Jacob Koshy**  
NEW DELHI

Some of the next batch of cheetahs being brought in from Africa, as part of the next phase of Project Cheetah, may be sent to a cheetah-breeding and conservation centre being built in the sprawling grasslands of Banni in the Rann of Kutch in Gujarat, senior officials in the Environment Ministry told *The Hindu*.

While the Gandhi Sagar sanctuary in Madhya Pradesh is the preferred location for the next lot of wild cats, with Banni being considered a potential habitat for over a decade, officials say there is a surge in activity to set up basic infrastructure in Banni and get it ready this year.

"The next [lot of] animals will go to Gandhi Sagar. However, the Gujarat government is setting up suitable enclosures in Banni where cheetahs can be bred. If all goes to plan, there is no reason (the site) cannot be readied in the next six months and some animals sent there," an official told *The Hindu*.

Banni is a vast grassland in the southern part of Kutch and extends to near-



Banni is a vast grassland in the southern part of Kutch and extends to nearly 3,500 sq.km. VIJAY SONEJI

ly 3,500 square kilometres. While that is plenty of space, more than that available in Kuno and Gandhi Sagar, there is barely enough prey to sustain a viable population.

Antelope species such as chinkara and blackbuck – the prey for the cheetah – are present in the Banni landscape but not enough for the big cat. "It will take years for enough prey, and practically this means chital – the main prey for the cheetahs in India – needs to be brought into these grasslands. There isn't an official plan yet but it is a site that is under consideration," the official added.

While the Madhya Pradesh Forest Department is tasked with managing the

cheetahs at Kuno in Madhya Pradesh, an expert steering committee gives scientific input on managing the programme. This includes recommending future sites for introducing fresh batches of cheetahs at regular intervals.

Of the 20 adult cheetahs brought to Kuno since September 2022, 13 survive. Additionally there are 13 cubs, making it 26 animals overall. However, the maximum capacity (in terms of available prey) of the Kuno reserve is for 21 adult animals.

The government's estimate is that India will need to import anywhere between 10 and 12 adult cheetahs every year for the next five years to groom a sus-

tainable breeding population. "One attractive aspect of Banni is that there are no leopards. So with enough prey, we can over-time sustain a larger population. But this is a long-term plan," an official said.

In October, all of the cheetahs in Kuno are expected to be released into the wild. Currently, most of them are in the bomas, or large enclosures that are a kilometre wide and long. These animals were brought in after infections and acclimatisation problems led to fatalities. Following the release of all the animals into the wild, preparations for the next batch are expected to begin – again from South Africa and Namibia.

- ✚ Some cheetahs from the next batch may be sent to a new conservation centre in Banni, Gujarat, part of Project Cheetah's next phase.
- ✚ Gandhi Sagar in Madhya Pradesh is currently the preferred location for the next group of cheetahs.
- ✚ The Gujarat government is working to prepare Banni by setting up necessary infrastructure, aiming to complete it within six months if possible.
- ✚ Banni, covering around 3,500 square kilometres, has ample space but lacks sufficient prey to support a viable cheetah population.

- ✚ Antelope species like chinkara and blackbuck are present but not in adequate numbers; chital may need to be introduced to ensure a sustainable prey base.
- ✚ At Kuno, 20 cheetahs were introduced since September 2022, with 13 surviving and 13 cubs born, totaling 26 animals. The reserve's capacity is 21 adults.

## UPSC Prelims PYQ : 2012

**Ques: Consider the following:**

1. Black-necked crane
2. Cheetah
3. Flying squirrel
4. Snow leopard

**Which of the above are naturally found in India?**

- a) 1, 2 and 3 only
- b) 1, 3 and 4 only
- c) 2 and 4 only
- d) 1, 2, 3 and 4

**Ans: b)**

## Term In News : Angel Tax

Recently, the Union Minister for Finance proposed to abolish 'angel tax' for all classes of investors, while presenting the Union Budget 2024-25 in Parliament.



### About Angel Tax:

- + It was levied on the capital raised via the issue of shares by unlisted companies from an Indian investor if the share price of issued shares is seen in excess of the fair market value of the company.
- + The excess funds raised at prices above fair value are treated as income, on which tax is levied.
- + It derives its genesis from section 56(2) (viib) of the Income Tax Act, 1961.
- + It was first time introduced in 2012 to prevent black money laundering through share sales.
- + It was levied at a rate of 30.9% on net investments in excess of the fair market value.
- + In 2019, the Government announced an exemption from the Angel Tax for startups on fulfillment of certain conditions. These are:
  - o The startup should be recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) as an eligible startup.
  - o The aggregate amount of paid-up share capital and share premium of the Startup cannot be more than ₹25 crores. This amount does not include the money raised from Non-Resident Indians (NRIs), Venture Capital Firms, and specified companies.
  - o For angel investors, the amount of investment that exceeds the fair market value can be claimed for a 100% tax exemption.
  - o However, the investor must have a net worth of ₹2 crores or an income of more than ₹25 Lakh in the past 3 fiscal years.

**UPSC Prelims PYQ : 2020**

**Ques : Start-ups registered with the Department of Industrial Policy and Promotion of the Government of India are exempted from the payment of the "Angel Tax" with conditions. This tax refers to:**

- a) Tax payable on capital raised by new listed start-up companies via issuance of shares where the share price is seen in excess of fair market value of shares sold.
- b) The tax that start-up were supposed to pay if they receive a loan at a discounted rate of interest because of higher success ratio.
- c) Tax payable on capital raised by unlisted companies via issuance of shares where the share price is seen in excess of fair market value of shares sold.
- d) The tax that start-ups were supposed to pay when their annual income would cross the specified threshold as per their fair market valuation

**Ans : c)**

# An outlining of urban transformation strategies

Cities are home to about 50 crore people, accounting for about 36% of India's population. The urban population has been growing at a steady pace of 2% to 2.5% annually. The ever-growing pace of urbanisation in India calls for sustained investments, with a vision and determination. The maiden Budget of the new government has recognised cities as the growth hubs and offered many options and opportunities for the planned development and the growth of cities.

## The issue of housing

The Pradhan Mantri Awas Yojana (Urban) has been under implementation since 2015 and has provided as many as 85 lakh housing units for the Economically Weaker Sections (EWS)-Middle Income Groups (MIG) categories of population, with an investment of about ₹8 lakh crore. Of this, a quarter has been provided by the central government and the remaining by the beneficiaries and State governments. The Budget has proposed to give a further push to the scheme by announcing support for the construction of another one crore such units in urban areas with an investment of ₹10 lakh crore, which will include central assistance of ₹2.2 lakh crore in the next five years, against which ₹30,171 crore has been provided in the Budget for the current year. A part of this allocation will be available to provide interest subsidy to facilitate loans at affordable rates.

The migrant population working in industries has been surviving in general in slums and yearning for a roof over their heads and a functional housing unit close to their workplaces. The Budget has announced new rental housing with dormitory-type accommodation for industrial workers. This is envisaged to be developed in public-private partnership (PPP) mode with upfront financial support under the Viability Gap Funding (VGF) scheme. This is to the extent of 20% from the central government, with the possibility of similar support from the State government.

The core infrastructure requirement for cities includes water supply, sanitation, roads and sewerage systems. Specific to the cities, the Atal



**Sudhir Krishna**

former Secretary,  
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Government of India

State governments, their municipalities and also citizens will have to take forward the provisions outlined in the Budget

Mission for Rejuvenation and Urban Transformation (AMRUT) provides ₹8,000 crore, which, by itself, may not appear to be very substantial. However, the Finance Minister has announced the availability of the VGF window, provided that the project is taken up as a commercial venture in PPP Mode. Most cities have, over the years, got exposed to the PPP model, and it should be possible to speed up the development of such core infrastructure, where it is unavailable and upgrade it where it exists but is inadequate.

The Budget Speech also mentions a huge investment of ₹11.11 lakh crore for capex in infrastructure. While this would include highways and many other sectors, cities can also make efforts to partake a share in it. Similarly, a provision of ₹1.50 lakh crore is made available to States as an interest-free loan for infrastructure development. States could use this window also, for cities.

The Smart Cities Mission, that was launched in 2015, was provided budgetary support of ₹8,000 crore in 2023-24, which has been scaled down to ₹2,400 crore in 2024-25, to take care of the remnant commitments. However, a new window, the National Urban Digital Mission (NUDM), has been opened in this Budget, with a provision of ₹1,150 crore, with a focus on the digitisation of property and tax records and their management, with GIS mapping. These will help urban local bodies in managing their finances better, and also help property owners.

## On city planning

The Budget has declared the intention of focusing on the planned development of cities. Municipalities would get the normal 'Finance Commission Grant' of ₹25,653 crore. In addition, a provision of ₹500 crore has been made for the incubation of new cities. With the development of mass rapid transit systems, cities can embark on transit-oriented development, wherein transit hubs can be surrounded by denser development without creating a traffic overload on roads. Moreover, a well-designed mobility plan can conveniently connect cities with their peri-urban areas and 'new cities'. Accordingly, the Budget

has announced an enhanced focus on economic and transit planning, with the orderly development of peri-urban areas utilising town planning schemes. The Budget has also proposed encouraging electric bus systems for cities and has provided ₹1,300 crore for it. E-buses offer an economical and eco-friendly operating system, but the main challenge is their higher upfront cost. However, with this budgetary support, it should get going.

## Solid waste management

Solid waste management (SWM) is perhaps the biggest challenge that most cities face today. The Budget has announced a special thrust to introduce bankable projects for SWM in collaboration with State government and financial institutions. States and municipalities can also make use of the VGF for this purpose. Cities such as Indore, Madhya Pradesh, have shown the way in making SWM a financially viable proposition.

The Street Vendors Act, 2014, was enacted by Parliament to regulate street vendors in public areas and protect their rights. It also envisaged the preparation of street-vending plans and the creation of street-vending zones, with a view to make street-vending a healthy and safe option for consumers and vendors. The Budget has proposed to develop 100 weekly 'haats' or street food hubs in select cities. Perhaps States need not feel constrained with the number and can facilitate all cities in preparing street-vending plans and developing street vending 'haats' in various parts of the city, according to felt needs.

While the Budget has made a slew of provisions, financial as well as procedural, to push for planned urbanisation, cities, represented by the municipalities, and guided by the respective State governments, will have to show the vision and the determination to incorporate all the resources coming not only from the Union Budget but also augmented by their own resources.

Above all, the participation of citizens would remain the bedrock for the success of any city's development strategy.

*The views expressed are personal*

**GS Paper 03 : Indian Economy – Infrastructure**

**PYQ : (UPSC CSE (M) GS-3 2016): Distinguish between Capital Budget and Revenue Budget. Explain the components of both these Budgets.**

**Mains Practice Question : Discuss the key urban development measures announced in the FY25 Union Budget, highlighting their implications for housing, infrastructure, and city planning.**

**(250 w/15m)**

- ✚ The FY25 Budget underscores urban development by focusing on housing, infrastructure, and city planning.
- ✚ It proposes new investments in housing and infrastructure, supports the Smart Cities Mission and digital urban management, and addresses solid waste and street vendor issues.
- ✚ Effective implementation and citizen engagement are crucial for success.

### **Urban Population Growth and Need for Investment**

- ✚ India's urban population, approximately 50 crore, represents 36% of the total population, growing at 2% to 2.5% annually.
- ✚ The FY25 Budget acknowledges the importance of cities as growth hubs and outlines a strategic vision for their development.

### **Housing Initiatives**

- ✚ The Pradhan Mantri Awas Yojana (Urban) has been in effect since 2015, providing 85 lakh housing units for Economically Weaker Sections (EWS) and Middle Income Groups (MIG) with an investment of ₹8 lakh crore.
- ✚ The Budget proposes the construction of an additional one crore housing units in urban areas, with a total investment of ₹10 lakh crore.
- ✚ Central assistance for this initiative amounts to ₹2.2 lakh crore over the next five years, with ₹30,171 crore allocated for the current year.
- ✚ New rental housing for industrial workers will be developed in public-private partnership (PPP) mode with Viability Gap Funding (VGF) support of 20% from the central government and potential matching support from State governments.

### **Core Infrastructure Investments**

- ✚ Core infrastructure needs for cities include water supply, sanitation, roads, and sewerage systems.
- ✚ The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) provides ₹8,000 crore, with the VGF window available for projects undertaken in PPP mode.
- ✚ The Budget allocates ₹11.11 lakh crore for overall capex, including infrastructure, with ₹1.50 lakh crore provided to States as interest-free loans for infrastructure development, which could benefit urban areas.

### **Smart Cities Mission and New Initiatives**

- ✚ The Smart Cities Mission budget has decreased from ₹8,000 crore in 2023-24 to ₹2,400 crore in 2024-25.
- ✚ However, the new National Urban Digital Mission (NUDM) has been introduced with ₹1,150 crore allocated for digitising property and tax records, and GIS mapping, aiding urban local bodies in better financial management.

### **City Planning and Transit Development**

- ✚ The Budget emphasises planned city development with a Finance Commission Grant of ₹25,653 crore and ₹500 crore allocated for incubating new cities.
- ✚ Enhanced focus is given to economic and transit planning, encouraging transit-oriented development around transit hubs.
- ✚ Funding of ₹1,300 crore is provided for electric bus systems, aiming to make public transport more economical and eco-friendly.

### **Solid Waste Management (SWM)**

- ✚ Solid waste management is highlighted as a critical issue. The Budget introduces special measures to develop bankable SWM projects in collaboration with State governments and financial institutions, utilizing the VGF where applicable. Indore, Madhya Pradesh, serves as an example of successful SWM implementation.

### **Street Vendors and Public Spaces**

- ✚ The Budget proposes the development of 100 weekly 'haats' or street food hubs in select cities to support street vendors, building on the Street Vendors Act, 2014, which regulates street vending and aims to make it a safe and viable option for vendors and consumers.

### **Challenges and Call to Action**

- ✚ Despite the Budget's provisions, there is a call for cities and municipalities, guided by State governments, to demonstrate vision and determination to utilise the resources effectively.
- ✚ Citizen participation is essential for the success of urban development strategies.

### **Conclusion**

- ✚ The FY25 Budget provides a comprehensive framework for urban development, focusing on housing, infrastructure, city planning, and waste management.



- ✚ The success of these initiatives will depend on effective implementation, collaboration with State governments, and active citizen involvement.

## Budget and Constitutional Provisions

- ✚ According to Article 112 of the Indian Constitution, the Union Budget of a year is referred to as the Annual Financial Statement (AFS).
- ✚ It is a statement of the estimated receipts and expenditure of the Government in a financial year (which begins on 01 April of the current year and ends on 31 March of the following year). In addition to it, the Budget contains:
  - Estimates of revenue and capital receipts,
  - Ways and means to raise the revenue,
  - Estimates of expenditure,
  - Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
  - The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.
- ✚ **In Parliament, the Budget goes through six stages:**
  - Presentation of Budget.
  - General discussion.
  - Scrutiny by Departmental Committees.
  - Voting on Demands for Grants.
  - Passing of Appropriation Bill.
  - Passing of Finance Bill.
- ✚ The Budget Division of the Department of Economic Affairs in the Finance Ministry is the nodal body responsible for preparing the Budget.

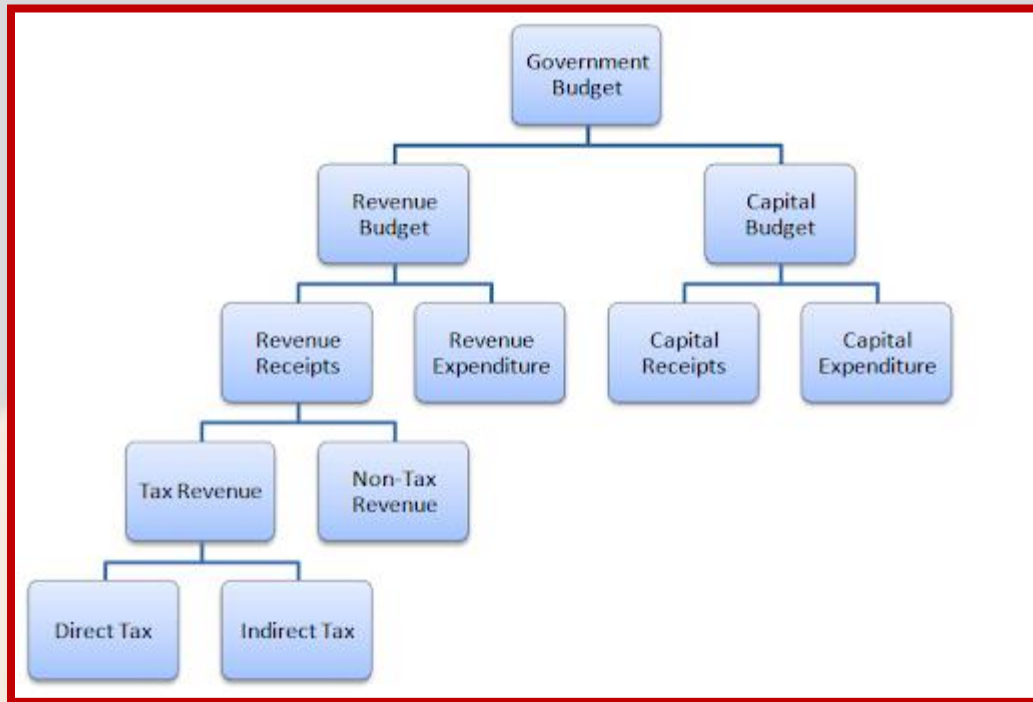
## Changes Introduced in 2017

- ✚ Advancement of Budget presentation to February 1 (earlier presented on the last working day of February),
- ✚ Merger of Railway Budget with the General Budget, and
- ✚ Doing away with plan and non-plan expenditure.

## Key Words

- + **Receipts:** It indicates the money received by the government. This includes:
  - o the money earned by the government
  - o the money it receives in the form of borrowings or repayment of loans by states.
- + **Plan Expenditure:** All expenditures done in the name of planning (i.e. Five Year Plans) were called plan expenditures. For example expenditure on electricity generation, irrigation and rural developments, construction of roads, bridges, canals, etc.
- + **Non-plan Expenditure:** All expenditures other than plan expenditure were known as non-plan expenditure. For example interest payments, pensions, statutory transfers to States and Union Territories governments, etc.

### Components of Government Budget



- + **Revenue Budget**– It consists of the Revenue Expenditure and Revenue Receipts.
  - o Revenue Receipts are receipts which do not have a direct impact on the assets and liabilities of the government. It consists of the money earned by the government through tax (such as excise duty, income tax) and non-tax sources (such as dividend income, profits, interest receipts).

- Revenue Expenditure is the expenditure by the government which does not impact its assets or liabilities. For example, this includes salaries, interest payments, pension, and administrative expenses.

✚ **Capital Budget**– It includes the Capital Receipts and Capital Expenditure.

- Capital Receipts indicate the receipts which lead to a decrease in assets or an increase in liabilities of the government. It consists of: (i) the money earned by selling assets (or disinvestment) such as shares of public enterprises, and (ii) the money received in the form of borrowings or repayment of loans by states.
- Capital expenditure is used to create assets or to reduce liabilities. It consists of: (i) the long-term investments by the government on creating assets such as roads and hospitals, and (ii) the money given by the government in the form of loans to states or repayment of its borrowings.

### Other Types of Budgets

✚ **Zero Based Budgeting:** Zero-based budgeting is a method of budgeting in which all expenses are evaluated each time a Budget is made and expenses must be justified for each new period.

- Zero budgeting starts from the zero base and every function of the government is analysed for its needs and cost. Budget is then made based on the needs

✚ **Outcome Budget:** Outcome Budget analyses the progress of each ministry and department and what the respected ministry has done with its Budget outlay. It measures the development outcomes of all government programs. It was first introduced in the year 2005.

✚ **Gender Budgeting:** The gender-budgeting is defined as “gender-based assessment of Budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality”. It is actually budgeting for gender equity.

- Through Gender Budget, the Government declares an amount to be spent over the development, Welfare, Empowerment schemes and programmes for Females.

### Balanced, Surplus and Deficit Budget

✚ **Balanced Budget** – A government Budget is assumed to be balanced if the expected expenditure is equal to the anticipated receipts for a fiscal year.

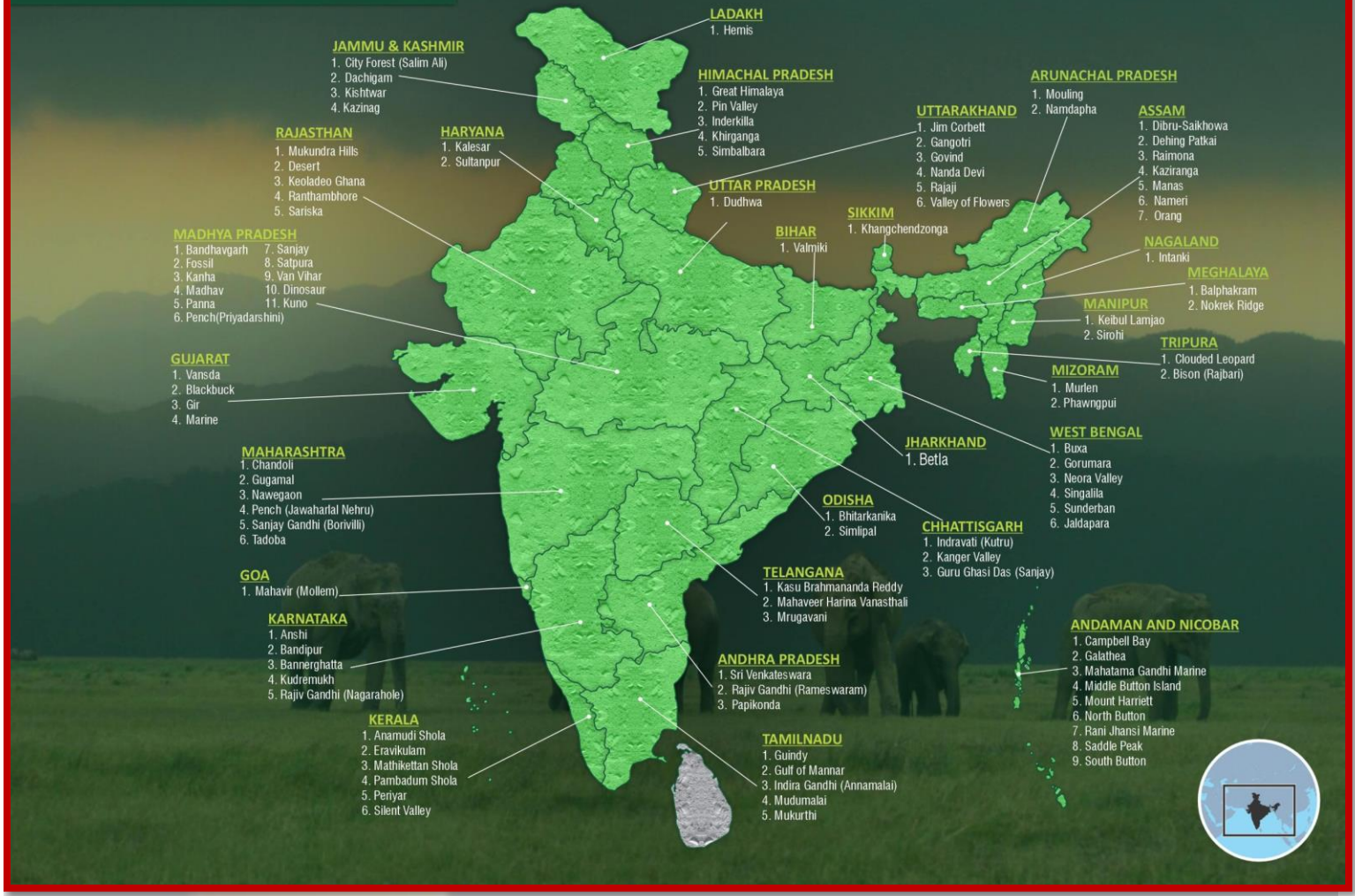
✚ **Surplus Budget** – A Budget is said to be surplus when the expected revenues surpass the estimated expenditure for a particular business year. Here, the Budget becomes surplus, when taxes imposed, are higher than the expenses.

- ✚ **Deficit Budget-** A Budget is in deficit if the expenditure surpasses the revenue for a designated year.

## Mapping : National Parks of India

- ✚ They are the areas that are set by the government to conserve the natural environment.
- ✚ A national park has more restrictions as compared to a wildlife sanctuary.
- ✚ Their boundaries are fixed and defined.
- ✚ The main objective of a national park is to protect the natural environment of the area and biodiversity conservation.

**NATIONAL PARKS OF INDIA**



**What is allowed and what is not allowed inside National Parks:**

- + Here, no human activity is allowed.
- + Grazing of livestock and private tenurial rights are not permitted here.
- + Species mentioned in the Schedules of the Wildlife Act are not allowed to be hunted or captured.
- + No person shall destroy, remove, or exploit any wildlife from a National Park or destroy or damage the habitat of any wild animal or deprive any wild animal of its habitat within a national park.
- + They cannot be downgraded to the status of a 'sanctuary'.

**Declaration of National Parks:**

- + National parks can be declared both by the Central Government and State governments. No alteration of the boundaries of a national park shall be made except on a resolution passed by the State Legislature.

### Important facts about the National Parks in India

- + Number of National 105
- + Total area covered 40,501 sq.km.
- + Maximum National Park state P. (9), Andaman & Nikobar (9)
- + First National Park Jim Corbett National Park
- + Largest National Park Hemis National Park
- + Smallest National Park South Button National Park
- + Latest National Park Kuno National Park

There are 104 existing national parks in India covering an area of 43,716 km<sup>2</sup>, which is 1.33% of the geographical area of the country

### State-wise National Parks list

Name of State	Name of Protected Area
Andhra Pradesh	Papikonda
	Rajiv Gandhi (Rameswaram)
	Sri Venkateswara
Arunachal Pradesh	Mouling

	<b>Namdapha</b>
<b>Assam</b>	<b>Dibru-Saikhowa</b>
	<b>Kaziranga</b>
	<b>Manas</b>
	<b>Nameri</b>
	<b>Rajiv Gandhi (Orang)</b>
	<b>Dehing Patkai</b>
	<b>Raimona</b>

**Bihar**

**Valmiki**

**Chhattisgarh**

**Guru Ghasidas (Sanjay)**

**Indravati (Kutru)**

**Kanger Valley**

Will be Contonue...