

Decisions taken by the Union Cabinet

Cabinet approves signing of Air Services Agreement between India and Greece

Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved the signing of Air Services Agreement (ASA) between India and Greece. The Agreement has the potential to spur greater trade, investment, tourism and cultural exchange between the two countries bringing it in tune with the developments in the civil aviation sector. It will provide enabling environment for enhanced and seamless connectivity while providing commercial opportunities to the carriers of both the sides ensuring greater safety and security.

The essential features of the ASA are as follows:

- i. Both countries shall be entitled to designate one or more airline.
- ii. The designated airlines of either country shall have the right to establish offices in the territory of the other country for the promotion and sale of air services.
- iii. The designated airlines of the two countries shall have fair and equal opportunity to operate the agreed services on specified routes.
- iv. The designated Airline of each party can enter into cooperative marketing arrangements with the designated carriers of same party, other party and third country,
- v. As per the Route Schedule, the Indian carriers can operate to Athens, Thessaloniki, Heraklion and any 3 points to be specified later in Greece from points in India, whereas the carriers of Hellenic Republic can establish direct operation to 6 metros viz. New Delhi, Mumbai, Bengaluru, Kolkata, Hyderabad and Chennai. Any points shall be available as intermediate and beyond point for the designated carriers of India as well as the designated carriers of Greece.

At present there is no ASA between India and Greece. The delegations of two sides met in New Delhi on 6-7th September, 2016 and finalized the text of ASA. The agreement is as per latest International Civil Aviation Organisation (ICAO) template keeping in view the latest developments in civil aviation sector and with an objective to improve the air connectivity between the two countries.

Cabinet approves MoU between India and Australia for promotion and development of cooperation in civil aviation security

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of a Memorandum of Understanding (MoU) between India and Australia for promotion and development of cooperation in civil aviation security. The MoU will provide an opportunity to Indian aviation security authorities to share the expertise of their Australian counterparts and enhance the overall aviation security environment in India. The MoU will provide compliance of international obligation as well as enhance promotion in the area of security cooperation between the two countries.

Cabinet approves signing of an Agreement between India and Poland on cooperation in the field of agriculture and allied sectors

The Union Cabinet chaired by the Hon'ble Prime Minister Shri Narendra Modi has given its approval for signing of an Agreement between India and Poland on cooperation in the field of agriculture and allied sectors. The agreement covers various activities in the field of agriculture and allied sector including exchange of information on the current situation in agriculture, the phytosanitary conditions of crops, threats posed by harmful organisms and the threats posed by animal infectious diseases. It also covers the participation in fairs, exhibitions, seminars and conferences related to agriculture and agri-food processing; undertaking and developing joint economic initiatives including the support or agrifood trade between the states of the Contracting Parties.

The Agreement provides for constitution of a Joint Working Group (JWG) comprising of representatives from both countries. The JWG will prepare plans of cooperation and to provide solutions to the problems arising during the implementation of the Agreement.

Cabinet approves the investment proposal for generation component of Arun-3 Hydro Electric Project in Nepal by SJVN Limited, a Central Public Sector Enterprises of Government of India

The Cabinet Committee on Economic Affairs chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved:

(i) Investment for generation component of Arun-3 HEP (900 MW) for an estimated cost of Rs. 5723.72 crore at May 2015 Price Level.

(ii) Completion period of the project shall be 60 months from the date of financial closure which is planned for September this year.

(iii) Ex-post facto approval for the existing implementing agency, already incorporated in the name of SJVN Arun-3 Power Development Company (P) Limited (SAPDC) registered in Nepal as a 100% subsidiary of SJVN Limited for implementing the project.

(iv) Any component of work already or being made by the Nepalese authorities shall be so certified by Central Electricity Authority (CEA) and shall be accordingly deducted from the project cost requirements,

The project is located on Arun River in Sankhuwasabha District of Eastern Nepal. The Run-of-River scheme envisages about 70 mtr. high concrete gravity dam and Head Race Tunnel (HRT) of 11.74 Km. with underground Power House containing four generating units of 225 MW each on Left Bank.

SJVN limited bagged the project through International Competitive Bidding. An MoU was signed between Government of Nepal and SJVN Limited for the project in March, 2008 for execution on Build Own Operate and Transfer (BOOT) basis for a period of 30 years including five years of construction period. The Project Development Agreement (PDA) signed on 25.11.2014, which provides 21.9% free power to Nepal for the entire concession period of 25 years. Employment generation of around 3000 persons is envisaged in construction of the project from both India and Nepal.

The project will provide surplus power to India strengthening power availability in the country and will also strengthening economic linkages with Nepal. The power from the project shall be exported from Dhalkebar in Nepal to Muzaffarpur in India.

Cabinet approves enhancement of capacity from 20,000 MW to 40,000 MW of the Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects

The Cabinet Committee on Economic Affairs, chaired by the Hon'ble Prime Minister, Shri Narendra Modi, today approved the enhancement of capacity from 20,000 MW to 40,000 MW of the Scheme for Development of Solar Parks and Ultra Mega Solar Power Projects. The enhanced capacity would ensure setting up of at least 50 solar parks each with a capacity of 500 MW and above in various parts of the country. Smaller parks in Himalayan and other hilly States where contiguous land may be difficult to acquire in view of the difficult terrain, will also be considered under the scheme. The capacity of

the solar park scheme has been enhanced after considering the demand for additional solar parks from the States.

The Solar Parks and Ultra Mega Solar Power Projects will be set up by 2019-20 with Central Government financial support of Rs.8100 crore. The total capacity when operational will generate 64 billion units of electricity per year which will lead to abatement of around 55 million tonnes of CO2 per year over its life cycle.

It would also contribute to long term energy security of the country and promote ecologically sustainable growth by reduction in carbon emissions and carbon footprint, as well as generate large direct & indirect employment opportunities in solar and allied industries like glass, metals, heavy industrial equipment etc. The solar parks will also provide productive use of abundant uncultivable lands which in turn facilitate development of the surrounding areas.

All the States and UTs are eligible for benefits under the scheme. The State Government will first nominate the Solar Power Park Developer (SPPD) and also identify the land for the proposed solar park. It will then send a proposal to MNRE for approval along with the name of the SPPD. The SPPD will then be sanctioned a grant of upto Rs.25 Lakh for preparing a Detailed Project Report (DPR) of the Solar Park. Thereafter, Central Financial Assistance (CFA) of up to Rs. 20 lakhs/MW or 30 percent of the project cost including Grid-connectivity cost, whichever is lower, will be released as per the milestones prescribed in the scheme. Solar Energy Corporation India (SECI) will administer the scheme under the direction of MNRE. The approved grant will be released by SECI.

The solar parks will be developed in collaboration with State Governments/UTs. The State Governments/UTs are required to select the SPPD for developing and maintaining the solar parks. Ministry of New and Renewable Energy (MNRE) is already implementing a scheme for development of at least 25 solar parks with an aggregate capacity of 20,000 MW, which was launched in December 2014. As on date, 34 solar parks of aggregate capacity 20,000 MW have been approved which are at various stages of development.

Please contact for any query related to this mail to Ms. Surbhi Sharma, Sr. Research Officer at surbhi@phdcci.in with a cc to Dr. S P Sharma, Chief Economist, PHD Chamber of Commerce & Industry.

Warm regards,

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