



News Analysis (03 Jan, 2019)

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Important Cabinet Decisions

Merger of Vijaya Bank, Dena Bank, and Bank Of Baroda

- The Cabinet Committee on Economic Affairs (CCEA) has approved the merger of state-run **Vijaya Bank, Bank of Baroda and Dena Bank.**
- This marks the first-ever **three-way merger** in the country's banking sector. The merged entity will become the **third largest bank** in the country, after government-owned State Bank of India and private sector lender ICICI Bank.
- Bank of Baroda will be the transferee bank while the other two public sector banks will be transferor banks. That means the **businesses of Vijaya Bank and Dena Bank will be transferred to Bank of Baroda.**
- The board of Bank of Baroda will ensure that the interests of all transferring employees and officers of the transferor bank are protected.
- The merger will come into **force on April 1, 2019.**
- In September 2018, the 'Alternative Mechanism' (AM) headed by Finance Minister Arun Jaitley had decided to merge Dena Bank and Vijaya Bank with Bank of Baroda.

National Health Authority

- The Union Cabinet has approved the restructuring of existing **National Health Agency as "National Health Authority"** with an aim to efficiently implement Pradhan Mantri - Jan Arogya Yojana (PM-JAY).
- The National Health Authority will be an **attached office to the Ministry of Health & Family Welfare** and shall have full autonomy, accountability and the mandate to implement PM-JAY through an efficient, effective and transparent decision-making process.
- The NHA will be responsible for its operational guidelines, fixing the ceiling of premium amounts, and developing mechanisms for strategic purchase of healthcare from the private sector. It is also tasked with building a health information technology

platform, and working with the Insurance Regulatory and Development Authority.

- The post of the National Health Agency, CEO will be **upgraded** to that of a **Secretary to the Government** of India with full financial powers.

High-Level Panel to Safeguard Assamese Identity

- The Cabinet has approved the setting up of a High Level Committee for implementation of **Clause 6 of the Assam Accord** (provides for protection of the rights of indigenous people of the state).
- The panel will recommend how to provide constitutional, legislative and administrative safeguards to the indigenous people of Assam, including by reserving seats in the state assembly.

Background

- The government is facing criticism in Assam over the **Citizenship (Amendment) Bill, 2016**, which proposes to make **minority (non-Muslim) immigrants** from three neighbouring countries — Bangladesh, Afghanistan and Pakistan — **eligible for Indian citizenship**.
- But as per the Assam Accord, any person who came to the state after the midnight of March 24, 1971, will be identified as a foreigner.
- So the proposed Bill is seen to violate the Assam Accord by **differentiating between migrants on the basis of religion**.

Assam Accord

- The historic Assam Accord was **signed in 1985** to end a six-year-long mass movement demanding detection and deportation of illegal immigrants, mostly from Bangladesh, who threatened the culture, identity and economic future of the indigenous people of Assam.
- Successive central and state governments have failed to implement key clauses of the agreement.
- The accord was signed between the **central and Assam governments on one side and the All Assam Students' Union (AASU) and the now defunct All Assam Gana Sangram Parishad (AAGSP)**, who spearheaded the movement, on the other, in the presence of then Prime Minister Rajiv Gandhi.
- According to the accord, all those foreigners who had entered Assam between **1951 and 1961 were to be given full citizenship, including the right to vote**; the entrants between **1961 and 1971 were to be denied voting rights for ten years** but would enjoy all other rights of citizenship; and those who had **done so after 1971 were to be deported under the provisions of the Foreigners Act, 1946 and the Foreigners (Tribunals) Order, 1964**.
- However, it has been felt that Clause 6 of the Assam Accord has not been fully

implemented, and therefore the Committee shall examine the **effectiveness of actions since 1985** to implement Clause 6 of the Assam Accord.

This high level committee will **also look into issues of the Bodo people**, especially the measures mentioned in the Memorandum of Settlement signed between the Government of India, Assam government and the Bodo Liberation Tigers Force in 2003.

The Cabinet also approved the establishment of a **Bodo Museum-cum-language and cultural study center**, modernization of existing All India Radio Station and Doordarshan Kendra at Kokrajhar and naming a Superfast Train passing through BTAD as **ARONAI Express**.

Bodo Accord

- The **Bodo Accord** was signed in **2003** which resulted in the establishment of an **autonomous administrative unit- Bodoland Territorial Council (BTC) under Sixth Schedule of the Constitution of India**.
- The Bodoland Territorial Council has been divided into **four districts viz. Kokrajhar, Chirang, Baska, and Udalguri**.
- The sixth schedule of the constitution provides provisions for the administration of Tribal Areas in the States of **Assam, Meghalaya, Tripura and Mizoram**.

Exotic Trees Eating up Western Ghat's Grasslands

As per the study published recently in the international journal Biological Conservation, the **Western Ghats have lost almost one-fourth of high-altitude grasslands** over four decades, primarily due to exotic invasive trees, such as pine, acacia, and eucalyptus.



Invasive Alien Species

Invasive alien plant species are non-native species that spread and interfere in a new ecosystem by posing a serious threat to the native biodiversity, leading to economic loss. Invasive species don't allow local species to grow and wildlife to move through.

Major Findings

- The satellite images reveal that **60% of the shola-grassland landscape has changed**; almost 40% (516 km²) of native high-elevation grasslands have disappeared.
- Even though no plantations were established between 2003 and 2017, **invasion by existing trees increased areas under exotic plantations**(acacia, pine, and eucalyptus) by 27% in the Palanis and 17% in the Nilgiris.
- Satellite images show how shola-grasslands across the Ghats – **from the Baba Budan Hills in Karnataka to Tamil Nadu's Ashambu Hills** – changed in extent between 1972 and 2017. Broadly, shola-grassland ecosystems in Tamil Nadu showed the highest rates of invasion.
- Most of this loss occurred on the **mountain tops of the Nilgiri, Palani and Annamalai hill ranges**, which comprise more than half of the Ghat's shola-grassland ecosystems, primarily due to the expansion of exotic trees (pine, acacia, and eucalyptus).
- However, shola forests have remained “relatively unchanged” over these years. The Annamalai-Munnar areas have also remained stable during this time.

International Convention on Invasive Species

Convention on Biological Diversity (CBD) was **adopted in 1992** and came into force in 1993. It aims to prevent the introduction of, control or eradicate those alien species which threaten ecosystems, habitats or species.

Shola Forests

- The **Sholas are a mosaic of montane evergreen forests and grasslands**. They are found only in high altitude (>1500 meters) regions within the tropics and are limited to the southern part of the western ghats.
- They are characterized by undulating grassland patches, interspersed with thickets of stunted evergreen tree species, and are home to a host of endemic and endangered plants and animals. They are also vitally important in keeping water cycles alive.

Way Forward

- All possible efforts must be made to conserve the remaining grassland tracts, as per scientists at IISER Tirupati, as very little research is focussed on grasslands and mechanisms to restore them are also few, unlike forests.
 - The immediate reaction would be to remove all exotics including mature plantations from grasslands but that should not be done, as this would disrupt the ecosystem abruptly.
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RBI sets up MSME Panel

The Reserve Bank of India (RBI) has set up an eight-member expert committee under **former SEBI chairman U.K. Sinha** to understand the structural bottlenecks and **factors affecting the performance of the Micro, Small and Medium Enterprises (MSME)**.

- The panel will suggest **long-term solutions for the economic and financial sustainability** of the MSME sector.
- Recently, RBI has also allowed a one-time restructuring of existing debt up to ₹25 crore for the MSMEs.
- The government has also established an Export Promotion Cell (EPC) for MSME with an aim to create a sustainable ecosystem for entire MSME development.

The Terms of Reference (TOR) of the Committee

- The TOR of the Committee are:
 - To review the **current institutional framework** in place to support the MSME sector;
 - To study the **impact of the recent economic reforms** on the sector and identify the structural problems affecting its growth;

- To examine the factors affecting the **timely and adequate availability of finance** to the sector;
- To study the **global best practices with respect to MSMEs** and recommend its adoption in India, wherever appropriate;
- To review the **existing MSME focused policies** and its impact on the sector;
- To propose **measures for leveraging technology** in accelerating the growth of the sector;
- To suggest **long-term solutions for the economic and financial sustainability** of the MSME sector;
- The Expert Committee will **submit its report by the end of June 2019**.

Problems faced by the MSME sector

- **Lack of adequate capital:** The MSME`S are presently facing the problems of credit from the banks. The banks are not providing the adequate amount of loan to the MSME`S.
 - **Poor infrastructure:** MSME`S are developing rapidly but their infrastructure is very poor. With poor infrastructure, their production capacity is very low while production cost is very high.
 - **Access to modern technology:** The owners of MSME's are either not aware of advanced technologies of production or they are very expensive. Thus, their methodology is outdated and the cost of production is high.
 - **Access to markets:** Their advertisement and sales promotion are comparatively weaker than the multinational companies. The ineffective advertisement and poor marketing channels lead to very poor selling and they are not able to compete with big firms.
 - **Getting statutory clearances related to power, environment, labor etc:** All the laws related to all aspects of manufacturing and service concern are very complex and compliance with these laws are practically difficult.
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Umbrella Scheme for Family Welfare and Other Health Interventions

Cabinet has approved the continuation of umbrella scheme for "Family Welfare and Other Health Interventions" during 2017-18 to 2019-20.

The scheme is **funded 100% by Central Government**. The government has allocated an overall outlay of around Rs. 2300 crore for the scheme.

Schemes are as follows

- **Swastha Nagrik Abhiyan(SNA):** It aims to create a social movement for health, create awareness among citizens of India and to encourage healthy lifestyles and empower the citizens.
 - SNA was **proposed in National Health Policy, 2017.**
 - According to NHP, 2017 'Swastha Nagrik Abhiyan' is based on coordinated action in seven core areas:
 - The **Swachh Bharat Abhiyan**
 - A balanced, **healthy diet and regular exercise**
 - Addressing **tobacco, alcohol and substance abuse**
 - **Yatri Suraksha** - preventing deaths due to rail and road traffic accidents
 - **Nirbhaya Nari** - action against gender violence
 - Reduced stress and improved **safety in the workplace**
 - **Reducing** indoor and outdoor **air pollution**
- **Population Research Centres (PRC):** For third-party evaluation of the scheme on PRCs and especially of those centers which are being considered for continuation will be carried out.

The **Ministry of Health and Family Welfare (MoHFW)** has established a network of Population Research Centres (PRC) with the mandate **to provide research-based inputs related to the Health and Family Welfare Programs and Policies** at the national and state levels.
- **Health Surveys and Health Research (HSHR):** For **sourcing of data on population, health and nutrition for India and its States** including through periodically conducted National Family Health Survey. The NFHS provides valuable data for policy and programmes right up to the district level.
- **Social Marketing of Contraceptives:** For **branding, attractive packaging, marketing and selling of products and services related to Family Planning** for low-income groups at affordable prices.
- **Free Supply of Contraceptives:** For providing a **free supply of contraceptives including condoms, Oral Contraceptive Pills, Pregnancy Test Kits, other contraceptives, etc.** to States.

Benefits

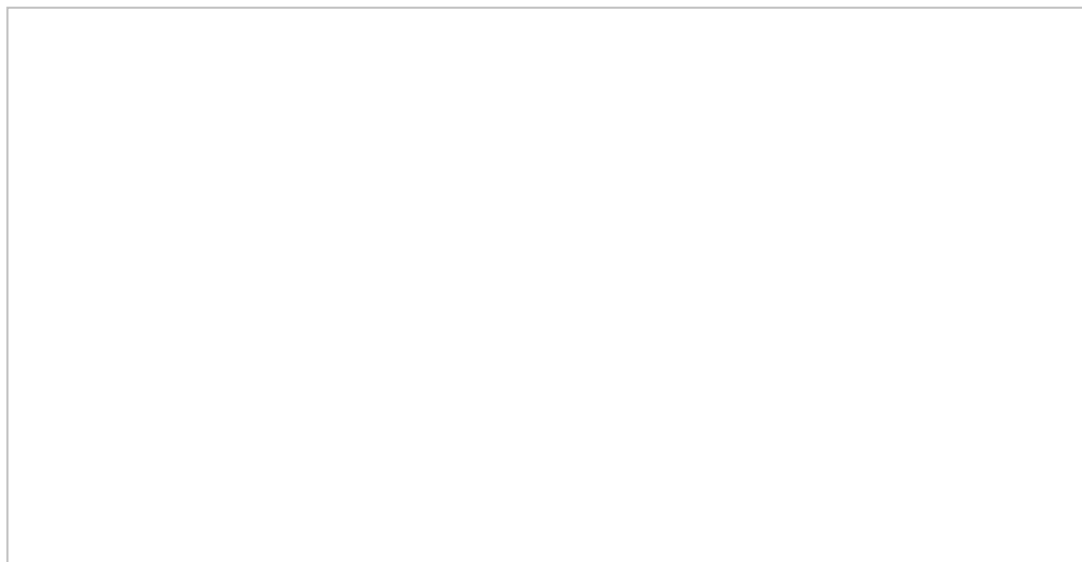
- The five schemes listed in the proposal are crucial to **attaining the goals and objectives** laid out in **National Health Policy (NHP) 2017**, and international commitments in the form of **Sustainable Development Goals (SDGs)**.
- The SNA scheme has a very **ambitious target of improving health-seeking behavior** of the population through increased awareness and enhanced uptake of health services.
- The **HSHR would assist in keeping a tab on the progress of the entire set of health programmes/schemes** run by the government of India and assisting in timely course corrections.

- The free and social marketing of contraceptives will **enable better child and mother health, besides population stabilization.**
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Important Facts for Prelims (3rd January 2019)

Climate Change Performance Index (CCPI)

- The Climate Change Performance Index is published by **German watch, CAN International and the New Climate Institute.**
- In 2019 index, no country performed well enough to reach the ranking very good, meaning that no country has yet made it to one of the top three places in the rankings. **However, Sweden leads the ranking, followed by Morocco and Lithuania.**
- On the basis of standardized criteria, **the index evaluates and compares the climate protection performance of 56 countries and the EU**
- The ranking results are defined by a country's aggregated performance regarding 14 indicators within the four categories "GHG Emissions", "Renewable Energy" and "Energy Use", as well as on "Climate Policy", in a globally unique policy section of the index.
- The CCPI is an instrument designed to enhance transparency in international climate politics.
- **India Score is 62.93 and ranked 11th in overall Index.**
- **India improved its performance by 3 places compared to last year in the Renewable Energy category, joining the group of medium performers.**



- The Cabinet has approved the continuation of **Rashtriya Yuva Sashaktikaran Karyakram Scheme** for the Period 2017-18 to 2019-2020.
 - The umbrella scheme of Rashtriya Yuva Sashaktikaran Karyakram subsumed the following **eight sub-schemes**:
 - Nehru Yuva Kendra Sangathan(NYKS);
 - National Youth Corps (NYC);
 - National Programme for Youth & Adolescent Development (NPYAD);
 - International Cooperation;
 - Youth Hostels (YH);
 - Assistance to Scouting & Guiding Organizations;
 - National Discipline Scheme (NDS); and
 - National Young Leaders Programme (NYLP).
 - The Rashtriya Yuva Sashaktikaran Karyakram Scheme is a **Central Sector Scheme of the Ministry of Youth Affairs & Sports** and has been continuing since the **12th Five Year Plan (2012-17)**.
 - It aims to **develop the personality and leadership qualities of the youth and to engage them in nation building activities**.
 - The Scheme beneficiaries are the youth in the age group of 15-29 years, in line with the definition of 'youth' in the National Youth Policy, 2014. In the case of programme components specifically meant for the adolescents, the age group is 10-19 years.
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