



News Analysis (03 Nov, 2018)

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Support and Outreach Initiative for MSME Sector

The Prime Minister, launched support and outreach programme for the Micro, Small and Medium Enterprises (MSME) sector.

- The programme includes **12 key initiatives** which will help the growth, expansion and facilitation of MSMEs across the country.
- There are **five key aspects** for facilitating the MSME sector, viz. **access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees**. The 12 initiatives will address each of these five categories.
- The announcement comes when the Government is already working on **steps to improve liquidity** in the financial markets to provide **relief to the Non Banking Financial Companies (NBFCs)**, which have a high exposure to the MSME sector. After banks, NBFCs are major lenders to the MSMEs.
- MSME entrepreneurs are facing several problems i.e. Poor infrastructure, Access to modern technology, Access to markets, Getting statutory clearances related to power, environment, labour etc.

Access to Credit

1. Launch of the **59 minute loan portal** to enable easy access to credit for MSMEs.
 - The loans **upto Rs. 1 crore** can be granted in-principle approval through this portal, in just 59 minutes.
 - The link to this portal will be available through the GST portal.
2. A **2% interest subvention** for all GST registered MSMEs, on fresh or incremental loans.

Increase in interest rebate from 3% to 5% for exporters who receive loans in the pre-shipment and post-shipment period.

3. All companies with a **turnover more than Rs. 500 crore**, must now **compulsorily** be brought on the **Trade Receivables e-Discounting System (TReDS)**.

- Joining this portal will enable entrepreneurs to access credit from banks, based on their upcoming receivables.
- This will resolve their problems of cash cycle.
- Trade Receivables Discounting System (TReDS) is the institutional mechanism for facilitating the **financing of trade receivables of MSMEs from corporate and other buyers**, including Government Departments and Public Sector Undertakings (PSUs), through multiple financiers. It has been set up under the **regulatory framework set up by RBI under Payment and Settlement Systems Act 2007**.

Access to Markets

4. Public sector companies have now been asked to **compulsorily procure 25%**, instead of 20% of their total purchases, from MSMEs.

5. Out of the 25% procurement mandated from MSMEs, **3%** must now be reserved for **women entrepreneurs**.

6. All public sector undertakings of the Union Government must now compulsorily be a part of **Government e-Marketplace (GeM)**. They should also get all their vendors registered on GeM.

Government e-Marketplace (GeM)

- GeM is an Online Market platform to facilitate procurement of goods and services by the government ministries, departments, public sector undertakings (PSU) etc.
- It has been envisaged as **National Procurement Portal** of India.
- It has been developed by Directorate General of Supplies and Disposals (Ministry of Commerce and Industry) with technical support of National e-governance Division (Ministry of Electronic and Information Technology).
- It functions under Directorate General of Supplies and Disposals (DGS&D), **Ministry of Commerce and Industry**.
- GeM is a completely **paperless, cashless** and system driven e-market place that enables procurement of common use goods and services with minimal human interface.

Technology Upgradation

7. 20 hubs, and 100 spokes in the form of tool rooms will be established across the country to **facilitate product design**.

A toolroom is a room where tools are stored or, in a factory, a space where tools are made and repaired for use throughout the rest of the factory.

Ease of Doing Business

8. **Clusters of pharma MSMEs** will be formed and 70% cost of establishing these clusters will be borne by the Union Government.

9. In order to **simplify the government procedures**, the return under 8 labour laws and 10 Union regulations must now be filed only once a year.

10. The establishments to be visited by an Inspector will be decided through a **computerised random allotment**.

11. Environmental Clearance under air pollution and water pollution laws, have been **merged into one**. Also, the return will be accepted through self-certification.

12. For minor violations under the Companies Act, the entrepreneur will no longer have to approach the Courts, but can correct them through simple procedures.

Importance of Micro, Small and Medium Enterprises (MSME) sector

- **Backbone of Indian economy:** The importance of MSMEs is attributable to their calibre for (a) employment generation (b) low capital and technology requirement (c) promotion of industrial development in rural areas (d) use of traditional or inherited skill (e) use of local resources (f) mobilization of resources and exportability of products.
- **Contribution to growth parameters:** The sector contributes around 38% to the country's gross domestic product (GDP), 40% to overall exports and 45% to overall manufacturing output.
- **Contribution to job creation:** The MSME sector generates around 100 million jobs through over 46 million units situated throughout the geographical expanse of the country. MSME sector is the second largest employment providing sector in India after agriculture.
- **Diversity:** The MSME sector in India is quite diverse in terms of its size, level of technology employed, range of products and services provided and target markets.

Other Recent Initiatives to Promote MSME Sector

- **Udyog Aadhaar Memorandum (UAM):** It is a simple one-page registration form to promote ease of doing business for MSMEs in India.

- A Scheme for Promoting Innovation, Rural Industry and Entrepreneurship (**ASPIRE**): The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start up creation in the agro-based industry.
- **Credit Guarantee Fund Scheme**: To facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.
- Prime Minister's Employment Generation Programme (**PMEGP**): is a credit linked subsidy scheme, for setting up of new micro-enterprises and to generate employment opportunities in rural as well as urban areas of the country.
- Scheme of Fund for Regeneration of Traditional Industries (**SFURTI**): The scheme aims to make **traditional industries** more productive and competitive by organizing the traditional industries and artisans **into clusters**.
- **Credit Linked Capital Subsidy Scheme (CLCSS)** for Technology Upgradation: CLCSS aims at facilitating technology upgradation of Micro and Small Enterprises (MSEs) by providing **15% capital subsidy** for purchase of plant & machinery.

Net Zero Energy Buildings

The **Indian Green Building Council (IGBC)** has come out with Net Zero Energy Buildings rating system in collaboration with the **World Green Building Council** and **the United States Agency for International Development (USAID)**.

- IGBC also launched '**Green Building Rating System for Hill Habitats**' intended for hill cities, differentiating the sustainability needs of urban development in hills as compared to cities in the plains.
- The theme for Green Building Congress 2018 is '**Green Built Environment for People & the Planet**'.
- IGBC plans to promote the **concept of 'Net Zero'** in India. Under this initiative, the focus is **reducing the annual energy consumption by 40-50%** with respect to national baseline and cut down energy cost by about 30 per cent.
- The rating system launched during the IGBC's 16th Green building Congress 2018 seeks to complement the National Mission for Enhanced Energy Efficiency and the National Solar Mission.

Net Zero Energy Buildings (NZEB)

- A net-zero energy building is one that **relies on renewable sources to produce as much energy as it uses**, usually as measured over the course of a year.
- Homes and other structures that create almost as much energy as they use are sometimes called near-zero energy buildings.

- It is also possible for a building to produce an energy surplus, sending excess back to the electrical grid.
- Net-zero energy buildings start with **energy-conscious design**. Many features work without an energy source. For example:
 - In cold climates, south-facing buildings with large expanses of windows on that side can produce heat through passive solar gain.
 - On the cold north side of the building, smaller windows can angle to wider openings, permitting more light while limiting heat loss.
 - In warmer seasons, passive ventilation systems can pull cool air up from the lower levels and vent it through the building's highest point.
 - Rooftop systems can collect rainwater to reduce usage of treated water.
- **Solar panels, heat recovery systems, geothermal heating and wind turbines** are among the other technologies used to achieve net-zero status.

Indira Paryavaran Bhavan

- Indira Paryavaran Bhavan in **New Delhi** is **India's first net zero energy building** that has been constructed with the adoption of solar passive design and energy-efficient building materials.
- It is one of the exemplary projects to be rated under Green Rating for Integrated Habitat Assessment (GRIHA) and has set standards that can be emulated by upcoming buildings.
- The design allows for **75% of natural daylight to be utilised to reduce energy consumption**.
- The entire building has an **access friendly design for differently-abled persons**.
- The building is fully **compliant with** the requirements of the **Energy Conservation Building Code of India (ECBC)**.
- Total energy savings of about 40% have been achieved through the adoption of energy efficient system of air-conditioning.
- Green materials like **fly ash bricks, regional building materials, materials with high recyclable content, high reflectance terrace tiles and rock wool insulation** of outer walls have been used.

Need for NZEB along with Green Building

- Due to **increasing urbanisation**, it becomes imperative to plan and conceive the cities as green, right from the initial stages.
- While, various amenities like lighting, air conditioning, water heating provide comfort to building occupants, but also **consume enormous amount of energy and add to pollution**.

- Buildings have **enormous impact on environment, human health and economy**. The energy used to heat and power our buildings leads to consumption of large amounts of energy, mainly from burning of fossil fuels, oil, natural gases and coal, which generate significant amounts of carbon dioxide, the most widespread greenhouse gas.
- Further, building construction industry produces huge amount of demolition waste and greenhouse gases (35-40%).
- **Building green** is about creating buildings that optimize on the **use of local materials, local ecology** and most importantly they are **built to reduce power, water and material requirements**.
- Such sustainably built green buildings are **environmentally responsible** and **resource-efficient**, right from location selection to the demolition after its life cycle ends.
- According to TERI estimates, if all buildings in Indian urban areas were made to adopt green building concepts, India could save more than 8,400 megawatts of power, which is enough to light 550,000 homes a year.

Green Building Certifying Agencies

There are various certifying agencies that help building developers to implement these principles and get green certification. Some of them are:

- **LEED-India** – Leadership in Energy & Environmental Design (LEED) is an international recognized certification system for the green buildings. The LEED-India Green Building Rating System is an international benchmark for the design, construction and operation of high performance green buildings (provided by IGBC).
- **IGBC Ratings** – The Indian Green Building Council (IGBC) is a division of the Confederation of Indian Industry that works closely with the government and aims at sustainably built environment.
- **BEE-ECBC** – The Energy Conservation Building Code (ECBC) was established by the Indian Bureau of Energy Efficiency (BEE) to set energy efficiency standards for design and construction of buildings.
- **TERI GRIHA** – The Green Rating for Integrated Habitat Assessment (GRIHA) is a national rating system for green buildings that is adopted while designing and evaluating new buildings.

US Reimposes Sanctions on Iran

The US imposed sanctions on Iran will come under enforcement from November 5. This is the second round of sanctions targeting oil and petrochemicals.

The first sanction took effect from on August 7 targeting Iran's **aviation sector, auto industry, trade in gold and precious metals etc.**

Iran Nuclear Program and JCPOA

- In **2015, Iran with the P5+1** group of world powers - the US, UK, France, China, Russia, and Germany agreed on a long-term deal on its nuclear programme.
- The deal was named as **Joint Comprehensive Plan of Action (JCPOA)** and in common parlance as Iran Nuclear Deal.
- The deal came after years of tension over Iran's alleged efforts to develop nuclear weapons.
- Iran insisted that its nuclear programme was entirely peaceful, but the international community did not believe that.
- **Under the JCPOA**, Iran agreed to limit its nuclear activities by **stopping uranium enrichment** and allowing the **international agencies to inspect its nuclear facilities** in return for the lifting of economic sanctions.

US Withdrawal from JCPOA

- US has alleged that the deal with Iran fails to address the threat of Iran's missile programme and did not include a strong enough mechanism for inspections and verification of Iran's nuclear sites.
- **In May 2018, US pulled out of Iran Nuclear Deal** - JCPOA and threatened to impose sanctions on Iran and on nations doing the significant amount of trade with Iran.
- However, **no other signatory of the deal has supported the US stand on the deal** and even the **UN has expressed grave misgivings about the decision**. The **U.S. has given no evidence** that Iran in any way violated the terms of the JCPOA.
- The **International Atomic Energy Agency's June report concluded that Iran's stockpile of uranium and heavy water, as well as its implementation of additional protocols, were "in compliance" with the agreement.**

Impact on India

- Iran is the **third largest supplier of oil for India after Iraq and Saudi Arabia**. Though India has got a temporary waiver from sanctions, **sanctions can increase the price of oil in global markets** thus increasing India's import bill.
- India also has **strategic interests in Iran** which will be impacted by sanctions. India has made the economic investment in **Chabahar port and in International North-South Transport Corridor**.

NASA's Dawn Mission

NASA's Dawn spacecraft (launched in 2007) which orbited the **two largest objects (Vesta and Ceres) in the asteroid belt** has run out of fuel, ending a historic 11-year mission that unravelled many mysteries of our solar system.

Mission managers of Dawn Mission concluded that the spacecraft finally ran out of **hydrazine, the fuel that enables the spacecraft to control its pointing.**

Significance of the Mission

- The astounding images and data that Dawn collected from Vesta and Ceres are critical to understanding the history and evolution of the solar system.
- In 2011, when Dawn arrived at Vesta, **the spacecraft became the first to orbit** a body in the **region between Mars and Jupiter.**
- In 2015, when Dawn went into orbit around Ceres, a dwarf planet that is also in the asteroid belt, the mission became the **first to visit a dwarf planet** and go into orbit around two destinations beyond Earth.
- The data Dawn beamed back to Earth from its four science experiments enabled scientists to compare two planet-like worlds that evolved very differently.
- Among its accomplishments, Dawn **showed how important location** was to the way objects in the early solar system formed and evolved.
- Dawn also reinforced the idea that **dwarf planets could have hosted** oceans over a significant part of their history and potentially still do.
- Dawn's data sets will be deeply mined by scientists working on **how planets grow and differentiate**, and when and where life could have formed in our solar system.
- Ceres and Vesta are **important to the study of distant planetary systems**, too, as they provide a glimpse of the conditions that may exist around young stars.

Important Facts for Prelims (3rd November 2018)

Delhi Durbar Painting

- One of the biggest and most iconic **oil paintings in the collection of Victoria Memorial Hall (VMH) depicting the Delhi Durbar of 1903, has been restored.**



- A few years ago, a termite attack had affected the painting and the conservation unit of the VMH took on the job of restoring the painting to its former glory.
- Titled 'State Entry Into Delhi', the painting was **commissioned by the then British government. Painted by British artist Roderick Mackenzie, the picture shows Viceroy Lord Curzon, seated on an elephant and leading the ceremonial procession of the Delhi Durbar followed by several Indian kings.**
- Delhi Durbar, as the term suggests, is borrowed from Mughal vocabulary and with all its pomp and grandeur was an attempt by the British to appropriate Mughal culture.
- The Delhi Durbar was an Indian imperial style mass assembly organized by the British in Delhi, to mark the succession of an Emperor or Empress of India. Also known as the Imperial Durbar, **it was held three times, in 1877, 1903, and 1911, at the height of the British Empire.**
- All three Imperial durbars celebrated coronations. The **first declared Queen Victoria** the Empress of India and was proclaimed with title "**Kaisar-i-Hind**". The **second confirmed her son King Edward VII** as Emperor of India and the third his son **King George V.**
- However, **King George V** was the **only monarch** to attend a durbar.
- Although Calcutta was then the capital of British India, Lord Lytton, Governor-General of India in 1877, chose a ground just outside old Delhi for the first durbar, believing that the former capital of the Mughals would have a greater cultural significance in the minds of Indians.

India's First Uterine Transplant Baby

- Recently, doctors in Pune have successfully delivered a child to a woman who had undergone a uterine transplant.

- **This is the first such birth in India and the 12th in the world.**
- The first successful transplant was performed in Saudi Arabia in 2002 but did not result in pregnancy. The first birth after a transplant, in 2014, happened in Sweden.

Uterine Transplant

- In India, about **17% of all women face issues relating to infertility**, and the reason is related to the uterus in 20% of such cases.
 - For women whose uterus is not healthy, or who do not have one since birth, a transplant of the uterus is the **newest form of infertility treatment**.
 - Usually, women related to the recipient are potential donors. **The donor may be either living or deceased, and is chosen from among women up to age 60.**
 - The transplanted uterus is removed after the woman has gone through one or two childbirths.
 - **Normal reproduction is not possible** with a transplanted uterus. Therefore, the egg is fertilised through in-vitro fertilisation.
 - The childbirth happens through **surgical intervention**.
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