



News Analysis (19 Jan, 2021)

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India-Nepal Joint Commission Meet

Why in News

Recently, the **6th India-Nepal Joint Commission** meeting was held where in Nepal raised the **Kalapani boundary dispute** with India. The two sides also **discussed cooperation in a range of areas**, including power, oil and gas, water resources, capacity building and tourism among others.

India distanced itself from discussing the matter at the Joint Commission level as there is a **dedicated Foreign Secretary-level mechanism to discuss boundary disputes**.

Key Points

- Nepal's requirement for vaccines to fight the **Covid-19** pandemic was discussed as it has approved **Serum Institute of India's (SII) Covishield vaccine**.
- Both the delegations reviewed the development partnership and discussed the benefit of the **Integrated Check Posts (ICP) at Birgunj and Biratnagar** (Nepal). The Posts have helped in seamless movement of people and trade between the two countries.

Third and Fourth ICP at Nepalgunj and Bhairahawa respectively to be started.

- India to build **two cultural heritage projects in Nepal** on the '**Pashupatinath Riverfront Development**' and the '**Bhandarkhal Garden Restoration in Patan Durbar**' through grant assistance.
- Nepal's Foreign Minister also delivered a speech in **Indian Council of World Affairs (ICWA)**.

The Indian Council of World Affairs was established in **1943 as a think tank**. It is devoted exclusively for the **study of international relations and foreign affairs**. The **Vice President of India** is the **ex-officio President of ICWA**.

India - Nepal Relations

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- **Historical Ties:**
 - Nepal is an important neighbour of India and occupies special significance in its foreign policy because of the **geographic, historical, cultural and economic linkages/ties that span centuries.**
 - India and Nepal share similar ties in terms of **Hinduism and Buddhism** with Buddha's birthplace Lumbini located in present day Nepal.
 - The two countries not only share an open border and unhindered movement of people, but they also have **close bonds through marriages and familial ties, popularly known as Roti-Beti ka Rishta.**
 - The India-Nepal **Treaty of Peace and Friendship of 1950** forms the bedrock of the special relations that exist between India and Nepal.
 - Importance for India can be studied from two different angles: a) **their strategic importance for India's national security;** and b) **their place in India's role perception in international politics.**
 - Rivers originating in Nepal feed the **perennial river systems** of India in terms of ecology and **hydropower potential.**
 - **Trade and Economy:**

India is Nepal's **largest trade partner** and the **largest source of foreign investments**, besides providing transit for almost the entire third country trade of Nepal.
 - **Connectivity:**
 - Nepal being a landlocked country, it is surrounded by India from three sides and one side is open towards Tibet which has very **limited vehicular access.**
 - India-Nepal has undertaken various **connectivity programs** to enhance people-to-people linkages and promote economic growth and development.
 - MOUs have been signed between both the governments for laying electric **rail track linking Kathmandu with Raxaul** in India.
 - India is looking to develop the **inland waterways** for the movement of cargo, within the framework of trade and transit arrangements, providing additional access to sea for Nepal calling it linking **Sagarmatha (Mt. Everest) with Sagar (Indian Ocean).**
 - **Defence Cooperation**
 - Bilateral defence cooperation includes assistance to Nepalese Army in its modernization through provision of equipment and training.
 - The **Gorkha Regiments** of the Indian Army are raised partly by recruitment from hill districts of Nepal.
 - India from 2011, every year undertakes joint military exercise with Nepal known as **Surya Kiran.**

- **Cultural**
 - There have been initiatives to promote people-to-people contacts in the area of art & culture, academics and media with different local bodies of Nepal.
 - India has signed three **sister-city agreements** for twinning of **Kathmandu-Varanasi, Lumbini-Bodhgaya and Janakpur-Ayodhya**.
- **Humanitarian Assistance**

Nepal lies in a sensitive ecological fragile zone which is prone to earthquakes, floods causing massive damage to both life and money, whereby it remains the biggest recipient of India's humanitarian assistance.
- **Multilateral Partnership**

India and Nepal share multiple multilateral forums such as **BBIN** (Bangladesh, Bhutan, India, and Nepal), **BIMSTEC** (Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation), **Non Aligned Movement**, and **SAARC** (South Asian Association for Regional Cooperation) etc.
- **Issues & Challenges**
 - **China's Intervention:**
 - As a landlocked nation, Nepal depended for many years on Indian imports, and India played an active role in Nepal's affairs.
 - However, in recent years, Nepal has **drifted away from India's influence**, and China has gradually filled the space with investments, aid and loans.
 - China considers Nepal a key partner in its **Belt and Road Initiative** (BRI), and wants to **invest in Nepal's infrastructure** as part of its grand plans to boost global trade.
 - Rising Nepal and China cooperation can undermine Nepal's distinction of **buffer state** between India and China.
 - China on the other hand wants to avoid the formation of any **Anti-China stance by the Tibetans living in Nepal**.
 - **Border Dispute:**

The **issue erupted in November 2019** when Nepal had released a new political map that claims **Kalapani, Limpiyadhura and Lipulekh of Uttarakhand as part of Nepal's territory**. The area of **Susta** (West Champaran district, Bihar) can also be noted in the new map.

Way Forward

- India should negotiate diplomatically to resolve the boundary dispute with Nepal under the aegis of **International law on Trans-boundary Water Disputes**. In this case, boundary dispute resolution between **India and Bangladesh should serve as a model**.
- India should engage more proactively with Nepal in terms of **people to people engagement, bureaucratic engagement as well as political interactions**.

- Mere **differences shall not turn into disputes** and both the countries should resolve the issues peacefully.

Source: TH

India- Sri Lanka

Why in News

Recently, the Government of Sri Lanka decided to rebuild a demolished memorial at **Jaffna University** after the High Commissioner of India's concerns.

The demolition of a memorial paying tribute to Tamil civilians killed during the civil war between LTTE and the Sri Lankan Army in 2009 has brought attention to unaddressed issues of **minority rights** of Tamilians in Sri Lanka again in the **India-Sri Lanka relations**.



Key Points

- **Issues of Tamilians in Srilanka**

- **Denial of Citizenship:** The problem of the Srilankan Tamils began earlier than the 1950s. After independence in 1948 the **Srilankan government felt that the Tamils were not Srilankan** because they had Indian ancestry.

The majority of the Tamils were **denied Srilankan citizenship** due to which most of the Tamils continued to live in poverty in the tea estates of Srilanka.

- **Linguistic Discrimination:** The conflict between Sinhalese and Tamils in Sri Lanka started in 1956 when **Sinhala was made the official language** by the country's President and large scale discrimination began against the Tamils.
- **Religious Discrimination:** The discrimination against the Tamil population continued throughout the 1960s as **Buddhism was given the primary place in the state** and the number of Tamils employed by the state and admitted into institutions of higher learning was greatly restricted.
- **Intensified Movements:** During this period the Tamils responded to their oppression largely through a political and a non-violent protest movement. In the 1970s, however, there was an increased trend towards Tamil separatism and militancy that gave rise to a terrorist organization called LTTE.
- **Liberation Tigers of Tamil Eelam (LTTE):** It was formed in 1976 as the self-styled "national freedom movement of the people of Tamil Eelam" and began a guerilla war on the government and administration.
 - It undertook numerous terrorist activities in Srilanka especially against the Sinhalese and executed the **assassination of Rajiv Gandhi (the ex Prime Minister of India)**.
 - After a long strife, and millions of casualties, the civil war with LTTE ended in 2009. India played an important role in helping Srilankan to uproot terrorism from its homeland.

- **Concerns for India:**

- **Rehabilitation of Refugees:** A lot of Srilankan Tamils who evaded from Srilankan civil war (2009) are seeking refuge in Tamil Nadu. They are not returning in fear of being targeted again. It is a challenge for India to rehabilitate them.
- **Sentiments of Indian Tamils:** A number of protests and criticism is drawn at the end of Indian Government for overlooking the plight of Srilankan Tamils to maintain good relationship with Srilanka.
- **Strategic interests vs Tamil question:** Often India has to trade off on the question of Tamilian minority rights over strategic issues to protect its economic interests in its neighborhood and to counter Chinese influence in Indian Ocean.

- **India - Sri Lanka Confidence Building Measures:**

- **Currency Swap Agreements:** **The Reserve Bank of India** (RBI) had signed an agreement for extending a **USD 400 million currency swap** facility to Sri Lanka to boost the foreign reserves and ensure financial stability of the country, which is badly hit by Covid-19 pandemic.
- **High Level Exchanges:** Political relations between India and Sri Lanka have been marked by high-level exchanges of visits at regular intervals.
- **India's Support against Terrorism:** During the course of the civil war, India supported the right of the Government of Sri Lanka to act against terrorist forces.
- **The Indian Housing Project:** It is Government of India's flagship project of developmental assistance to Sri Lanka. Its initial commitment is to build 50,000 houses for those affected by the civil war as well as for the estate workers in the plantation areas.
- **Addressing Fishermen Issue:** Given the proximity of the territorial waters of both countries, especially in the **Palk Straits** and the **Gulf of Mannar**, incidents of straying of fishermen are common.

Both countries have agreed on certain practical arrangements to deal with the **issue of bona fide fishermen** of either side crossing the **International Maritime Boundary Line**.
- **Joint Exercises:** India and Sri Lanka conduct joint Military (**Mitra Shakti**) and Naval exercise (**SLINEX**).
- **Participation in Groupings:** Sri Lanka is also a member of regional groupings like **BIMSTEC** (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and **SAARC** in which India plays a leading role.
- **SAGAR:** Sri Lanka supports India's concern for the security of Indian ocean with its 'Neighbourhood First' policy and **SAGAR (Security and Growth for all in the Region)**.
- **Line of Credit:** India has extended a \$400 million line of credit to Sri Lanka to help strengthen its infrastructure and economy. An additional \$50 million to help Sri Lanka combat terrorism.

Source:TH

CVC on Delay in Investigations

Why in News

The **Central Vigilance Commission** (CVC) has recently directed all Ministries/Departments of the Union government to strictly **adhere to the time limits for various stages of disciplinary proceedings in vigilance cases** since delays were causing undue advantage or harassment to the charged officials.

Key Points

- **Issue:**
 - The CVC has earlier also expressed concerns that despite clear guidelines issued by the CVC and the **Department of Personnel & Training**, investigators were not adhering to the **prescribed time limit**, resulting in **investigations taking a much longer time**.
 - **The Supreme Court** has also ordered for limiting the **period of stay granted by a court of law to six months**, barring exceptional cases.
- **Reasons for Pendency:**
 - Stay granted by a court of law
 - Case pending in a court of law
 - Case kept in abeyance since official had been terminated from service
- **Impact:**
 - **Set's Poor Precedent:**

Undue delay provided **prolonged opportunities to a corrupt public servant** to indulge in inappropriate activities.
 - **Disincentives honest officials:**

Any delay in the conclusion of vigilance related matters is detrimental for an honest public servant, who may have got involved in a vigilance case.

Central Vigilance Commission (CVC)

- Central Vigilance Commission is the **apex vigilance institution**, free of control from any executive authority, monitoring all vigilance activity under the **Central Government** and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.
- **Formation:**

The CVC was set up by the Government in 1964 on the recommendations of the Committee headed by **Shri K. Santhanam**. In 2003, the Parliament enacted **CVC Act** conferring **statutory status on the CVC**.
- **Functions:**
 - The CVC receives complaints on **corruption or misuse of office** and to recommend appropriate action. Following institutions, bodies, or a person can approach to CVC:
 - Central government
 - Lokpal
 - Whistle blowers
 - It is not an **investigating agency**. The CVC either gets the investigation done through the **Central Bureau of Investigation** or through **Chief Vigilance Officers** (CVO) in government offices.

- **Governance**

- The Central Vigilance Commission has its own **Secretariat, Chief Technical Examiners' Wing (CTE)** and a **wing of Commissioners for Departmental Inquiries (CDI)**. For investigation work, CVC has to depend on two external sources **CBI and Chief Vigilance Officers (CVO)**.
- **The Central Vigilance Commission:**
 - The Multi-member Commission consists of a **Central Vigilance Commissioner** (Chairperson) and not more than **two Vigilance Commissioners** (Member).
 - The Central Vigilance Commissioner and the Vigilance Commissioners are appointed by the **President** on the recommendations of a Committee consisting of the **Prime Minister** (Chairperson), the **Minister of Home Affairs** (Member) and the **Leader of the Opposition** in the House of the People (Member).
 - **Chief Vigilance Officers (CVO):**
 - Vigilance administration in Departments/Organisations is headed by the **Chief Vigilance Officers (CVO)** and the Commission's activities concerning inquiry or causing inquiry are supported by/carried out through the **CVOs**.
 - **CVOs in all Departments/organisations** are appointed after prior consultation with the Commission.
 - **Term:**

Their term is **4 years or 65 years**, whichever is earlier.
 - **Removal:**

The Central Vigilance Commissioner or any Vigilance Commissioner can be removed from his office only by **order of the President** on the ground of **proved misbehavior or incapacity after the Supreme Court**, on a reference made to it by the President, has, **on inquiry**, reported that the Central Vigilance Commissioner or any Vigilance Commissioner, as the case may be, ought to be removed.

Source:TH

Bad Bank

Why in News

Recently, the **Reserve Bank of India (RBI)** Governor has agreed to look at a proposal for creating a **Bad Bank**.

Key Points

- **About:**

- A bad bank conveys the impression that it will **function as a bank but has bad assets to start with.**
- Technically, a **bad bank is an Asset Reconstruction Company (ARC)** or an Asset Management Company (AMC) that **takes over the bad loans of commercial banks, manages them and finally recovers the money** over a period of time.
- The bad bank is not involved in lending and taking deposits, but **helps commercial banks clean up their balance sheets and resolve bad loans.**

The **takeover of bad loans is normally below the book value** of the loan and the bad bank tries to recover as much as possible subsequently.

- US-based Mellon Bank created the **first bad bank in 1988**, after which the concept has been implemented in other countries including Sweden, Finland, France and Germany.
 - The **Troubled Asset Relief Programme (TARP)** in the US.
 - In Ireland, the **National Asset Management Agency** was established in 2009 to respond to the financial crisis.

- **Need in India:**

- **Economic Recovery:**

- With the **pandemic** hitting the banking sector, the RBI fears a spike in bad loans in the wake of a six-month moratorium it has announced to tackle the economic slowdown.

- **Government Support:**

- Professionally-run bad banks, funded by the private lenders and supported by the government, can be an effective mechanism to deal with **Non-Performing Assets (NPA)**.

- The **presence of the government** is seen as a means to **speed up the clean-up process**.

- **Rising NPAs:**

- **Financial Stability Report (FSR)**: The RBI noted in its recent **FSR** that the gross NPAs of the banking sector are expected to shoot up to 13.5% of advances by September 2021, from 7.5% in September 2020.

- **K V Kamath Committee**: Noted that corporate sector debt worth Rs 15.52 lakh crore has come under stress after **Covid-19** hit India, while another Rs 22.20 lakh crore was already under stress before the pandemic.

- The committee noted that **companies in sectors such as retail trade, wholesale trade, roads and textiles are facing stress**.

- Sectors that have been under **stress pre-Covid include Non-Banking Financial Company (NBFC), power, steel, real estate and construction**.

- **International Precedents**: Many other countries had set up institutional mechanisms to deal with a problem of stress in the financial system.

Why NPAs occur?

Bad Lending Practices

When banks neglect basic factors like repaying capacity etc.



Competition

When banks compete amongst themselves and provide unsecured loan



Incremental Components

When internal bank management like credit policy etc. is affected



Overhang Components

When environmental factors are the cause



Crisis

When banking sector witness a lower than average rate of revenues and profits



- **Challenges :**
 - **Mobilising Capital:**

Finding buyers for bad assets in a pandemic hit economy will be a challenge, especially when **governments are facing the issue of containing the fiscal deficit**.
 - **Not Addressing the Underlying Issue:**
 - Without governance reforms, the **Public sector banks** (accounted for 86%, of the total NPAs) may go on doing business the way they have been doing in the past and **may end up piling-up of bad debts again**.
 - Also, the bad bank idea is like **shifting loans from one government pocket (the public sector banks) to another (the bad bank)**.
 - **Provisioning Issue Tackled Through Recapitalization:**
 - Union Government, in the last few years, has **infused nearly Rs 2.6 lakh crore** in banks through **recapitalisation**.
 - Those who oppose the concept of bad banks hold that the government has on its part recapitalised the banks to compensate for the write-offs and hence, there is no need for a bad bank.
 - **Market-related Issues:**

The price at which bad assets are transferred from commercial banks to the bad bank will not be market-determined and **price discovery will not happen**.
 - **Moral Hazard:**

Former RBI Governor Raghuram Rajan had said that a bad bank may create a moral hazard and **enable banks to continue reckless lending practices, without any commitment to reduce NPAs**.
- **Previous Proposals:**
 - **In May 2020** the banking sector, led by the **Indian Banks' Association**, had submitted a proposal for setting up a bad bank to resolve the NPA problem, proposing equity contribution from the government and banks.
 - **In 2017** the **Economic Survey** suggested **Public Sector Asset Rehabilitation Agency or PARA**, to buy out the NPAs of high value from Indian banks.

Way Forward

- **Holistic Reforms:**

So long as Public sector banks managements remain beholden to politicians and bureaucrats, their deficit in professionalism will remain and subsequently, prudential norms in lending will continue to suffer. Therefore, the debate regarding setting up a bad bank must be preceded by **proper implementation of holistic reforms in the banking sector**, as envisaged under the **Indra Dhanush plan launched in 2015**.

- **Tailor Made Approach:**

It's a challenge that requires a response on multiple fronts. A **bad bank cannot be the sole response**. The most efficient approach would be to design solutions **tailor-made for different parts of India's bad loan problem** and use Bad Bank only as a last resort once all other methods fail.

Source:IE

Indian Railway Finance Corporation: IPO

Why in News

The **Initial Public Offering (IPO) of Indian Railway Finance Corporation (IRFC)** got 65% subscription on the first day of bidding.

Earlier, **Indian Railway Catering and Tourism Corporation Ltd. held an IPO** on the National Stock Exchange in 2019.

Key Points

- **First Issue:**

It is the **first IPO in the calendar year 2021** and the **first public issue by a railway non-banking financial company**.

- **Amount Raised:**

- Through the initial public offer, **the Centre, the promoter of IRFC, will offload 13.6% stake in the company.**
- At the higher price band of Rs 26 per share, **the government would raise Rs 3,243 crore** and the company will have a market cap of Rs 23,845 crore.

- **Objective:**

IRFC will use the IPO proceeds from the fresh issue to **boost its capital base and general corporate purposes.**

- **Other Government Interventions to Enhance Railway's Efficiency:**

- **Development of freight corridors**
- **High-speed railway**
- **Elevated corridors**

Indian Railway Finance Corporation

- **About:**

A **subsidiary of the Indian Railways**, it is the **dedicated market borrowing arm** of the Indian Railways.

- **Established:**

It was **incorporated in 1986.**

- **Finance Model:**

It follows a **financial leasing model** to finance the acquisition of rolling stock assets, which includes locomotives, coaches, wagons, trucks, flats, electric multiple units, containers, cranes, trollies, etc.

- **Finance Leasing Model:**

- Deriving revenues through the leasing model typically **involves three parties: the seller, the buyer (lessee) and the financier (lessor).**
 - In exchange for payment, **ownership of an item** (usually equipment) is **transferred from the seller to the lessor.**
 - The **lessee then contracts with the lessor for the use of the item in exchange for a periodic fee.**
 - The seller may or may not retake ownership of the item once the leasing contract has ended.

- **Contribution:**

It plays a **significant role in supporting the capacity enhancement of the Indian Railways** by financing the majority proportion of their annual plan outlay which gives a long term business visibility, the brokerage feels.

- **Other Functions:**

It is also into **leasing railway infrastructure assets and national projects of the Government of India (project assets) and lending to other entities** under the Ministry of Railways (MoR).

Initial Public Offering (IPO)

- **About:**

- IPO is the **selling of securities to the public in the primary market.**
 - **Primary market deals with new securities** being issued for the first time. It is also known as the **new issues market.**
 - It is different from the **secondary market** where **existing securities are bought and sold.** It is also known as the stock market or **stock exchange.**
 - It is **when an unlisted company makes either a fresh issue of securities or an offer for sale** of its existing securities or both for the first time to the public.
 - **Unlisted companies** are companies that are not listed on the stock exchange.
 - It is generally **used by new and medium-sized firms that are looking for funds to grow and expand their business.**

- **Benefits:**

- The funds raised by IPO allows the company **to invest in new capital equipment and infrastructure.**
- An IPO paves way for **listing and trading of the issuer's securities on the Stock exchange market.**
- The IPO also allows the company to **attract top talent** because it **can offer stock options to its employees.** This enables the company **to pay its executives fairly low wages initially.** And later, in return, the employees as promised can cash out with the IPO.

Source: IE

Rooftop Solar Scheme

Why in News

Recently, the **Ministry of New and Renewable Energy (MNRE)** has released an advisory on the **rooftop solar scheme.**

Key Points

- **Objective:**

To generate solar power by installing **solar panels** on the roof of the houses, the Ministry of New and Renewable Energy is implementing **Grid-connected Rooftop Solar Scheme (Phase II).**

- **Grid-Connected Rooftop Solar Scheme (Phase II):**

- It aims to achieve a cumulative capacity of **40,000 MW from Rooftop Solar Projects by the year 2022.**
- In a grid-connected rooftop or small Solar Photovoltaic (SPV) system wherein **the DC power generated from the SPV panel is converted to AC power** using the power conditioning unit and is fed to the grid.
- The **major objective** of the programme includes:
 - To promote the **grid-connected SPV rooftop** and small SPV power generating plants among the residential, community, institutional, industrial and commercial establishments.
 - To **mitigate the dependence on fossil fuel based electricity generation** and encourage environment-friendly Solar electricity generation.
 - To create an **enabling environment for investment in the solar energy** sector by the private sector, state government and the individuals.
 - To create an enabling environment for the **supply of solar power from rooftop and small plants to the grid.**
- This scheme is being implemented in the state by **distribution companies (DISCOMs).**

Under this scheme the Ministry is providing a **40%** subsidy for the first 3 kW and **20%** subsidy beyond **3 kW** and upto **10 kW** of solar panel capacity.
- The **residential consumer has to pay the cost of rooftop solar plant by reducing the subsidy amount** given by the Ministry as per the prescribed rate to the vendor.

- **Other Schemes for Promoting Solar Energy:**
 - **Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM):**
The scheme covers grid-connected Renewable Energy power plants (0.5 – 2 MW)/Solar water pumps/grid connected agriculture pumps.
 - **Scheme for Development of Ultra Mega Renewable Energy Power Parks:**
It is a scheme to develop Ultra Mega Renewable Energy Power Parks (UMREPPs) under the existing Solar Park Scheme.
 - **National Wind-Solar Hybrid Policy:**
 - The main objective of the National Wind-Solar Hybrid Policy, 2018 is to provide a framework for **promotion of large grid connected wind-solar PV hybrid systems** for optimal and efficient utilization of wind and solar resources, transmission infrastructure and land.
 - The wind - solar PV hybrid systems will help in reducing the variability in renewable power generation and achieving better grid stability.
 - The policy also aims to encourage new technologies, methods and way-outs involving combined operation of wind and solar PV plants.
 - **Atal Jyoti Yojana (AJAY):**
The AJAY scheme was launched in September 2016 for the installation of **solar street lighting (SSL)** systems in states with less than **50%** households covered with **grid power** (as per Census 2011).
 - **International Solar Alliance:** The ISA, is an Indian initiative that was launched by the Prime Minister of India and the President of France on 30th November 2015 in Paris, France on the side-lines of the Conference of the Parties (COP-21), with 121 solar resource rich countries lying fully or partially between the tropic of Cancer and tropic of Capricorn as prospective members.
 - **One Sun, One World, One Grid (OSOWOG):** It focuses on a framework for facilitating global cooperation, building a global ecosystem of interconnected renewable energy resources (mainly solar energy) that can be seamlessly shared.
 - **National Solar Mission (a part of National Action Plan on Climate Change)**
 - **Suryamitra Skill Development Programme:** To provide skill training to rural youth in handling solar installations.

Source:PIB

Crowdfunding for Rare Diseases

Why in News

Recently, the Delhi **High Court** has ordered **the Ministry of Health and Family Welfare** to explore **Crowdfunding** to help two children, who are suffering from a **Rare Disease** known as **Duchenne Muscular Dystrophy**.

Key Points

- **Constitutional Provision Involved:**

The HC held that ‘**Right to Health and Healthcare**’ is a **fundamental right** which has been recognised by the Supreme Court to be a part of the ‘**Right to life**’ under **Article 21** of the Constitution.
- **Direction to the Society and Authorities:**
 - The **High Court** directed the **society in general and authorities in particular** to ensure that the **life of such children is not compromised**, even if there is a small window of improving their chances of survival or even providing a **better quality of life**.
 - Directed **the Ministry of Health and Family Welfare** to give a specific timeline in respect of the finalisation and notification of the **Draft Health Policy for Rare Diseases, 2020**. The draft policy has a section where the **government proposed crowdfunding for treatment of high-cost Rare Diseases**.

CrowdFunding

- **About:**
 - Crowdfunding is a **method of raising capital through the collective effort of a large number of individual investors**.
 - This approach taps into the collective efforts of a large pool of individuals, primarily online via social media and crowdfunding platforms and leverages their networks for greater reach and exposure.

- **Types:**
 - **Donation-Based Crowdfunding:** Donation-based crowdfunding is a way to source money for a project by asking a **large number of contributors to individually donate a small amount to it.** In return, the backers may receive token rewards that increase in prestige as the size of the donation increases. For the smallest sums, however, the funder may receive nothing at all.
 - **Rewards-Based Crowdfunding:** Rewards-based crowdfunding involves **individuals contributing to a business in exchange for a “reward,”** typically a form of the product or service which company offers. Even though this method offers backers a reward, it’s still generally considered a subset of donation-based crowdfunding since there is no financial or equity return.
 - **Equity-Based Crowdfunding:** Unlike the donation-based and rewards-based methods, **equity-based crowdfunding allows contributors to become part-owners of the company by trading capital for equity shares.** As equity owners, the contributors receive a financial return on their investment and ultimately receive a share of the profits in the form of a dividend or distribution.
- **Benefits:**
 - **Reach** – By using a crowdfunding platform, one has **access to thousands of accredited investors** who can see, interact with, and share the fundraising campaign.
 - **Presentation** – By creating a crowdfunding campaign, **one goes through the invaluable process of looking at the business from the top level**—its history, traction, offerings, addressable market, value proposition, with digestible packages.
 - **PR & Marketing** – From launch to close, one can share and **promote the campaign** through social media, email newsletters, and other online marketing tactics.
 - **Validation of Concept** – Presenting the concept or business to the masses affords an excellent opportunity to **validate and refine offering.**
 - **Efficiency** – One of the best things about online crowdfunding is its **ability to centralize and streamline fundraising efforts.**

Rare Diseases

- A rare disease is a **health condition of low prevalence** that **affects a small number of people** compared with other prevalent diseases in the general population. There is **no universally accepted definition of rare diseases** and the definitions usually vary across different countries.
- Though rare diseases are of low prevalence and individually rare, collectively they affect a considerable proportion of the population.
- **80% of rare diseases are genetic** in origin and hence disproportionately impact children.
- **In India there are 56-72 million people affected by rare diseases.**

Duchenne Muscular Dystrophy (DMD)

- **About:**

It is a **genetic disorder** characterized by **progressive muscle degeneration and weakness** due to the alterations of a protein called dystrophin that helps keep muscle cells intact.

- **Symptoms:**

- Muscle weakness
- Enlargement of the calves
- A waddling gait
- Lumbar lordosis (an inward curve of the spine)

Source:TH

North East Venture Fund

Why in News

The Ministry of Development of North-East Region has recently **given an update on the scheme North East Venture Fund.**

Key Points

About:

- Set up by **North Eastern Development Finance Corporation Limited** (NEDFi) in association with the **Ministry of Development of North Eastern Region** (M-DoNER), the **North East Venture Fund** scheme was launched in September 2017.
- It is the **first dedicated venture capital fund** for the North Eastern Region (NER).
 - Venture capital is a form of **private equity** and a type of **financing** that **investors provide to startup companies** and small businesses that are believed to have **long-term growth potential**. Venture capital generally comes from **well-off investors, investment banks and any other financial institutions**.
- **Corpus Amount:**
 - Capital commitment of **Rs 100 crore**.
- **Objectives:**
 - To contribute to the **entrepreneurship development of the NER** and achieve **attractive risk-adjusted returns through long term capital appreciation** by way of investments in privately negotiated equity/ equity related investments.
 - The fund targets to invest in Start-Ups and unique business opportunities to provide resources for new entrepreneurships in Food Processing, Healthcare, Tourism, segregation of services, IT, etc.
- **Range of funds:**
 - The investment under this scheme ranges from **Rs. 25 lakh to Rs.10 crore per venture**, which is long term in nature with an investment horizon of **4-5 years**.

Other Initiatives for the Development of North-Eastern Region

- **North East Rural Livelihood Project (NELRP):**
 - Launched in 2012, the **NELRP** is a **World Bank** aided, multi-state project under the Ministry of Development of North Eastern Region (DoNER).
 - The project has been implemented in **11 districts of Mizoram, Nagaland, Tripura and Sikkim** with an aim to **improve rural livelihoods especially that of women, unemployed youth and the most disadvantaged**, in the four North Eastern States.
- **North Eastern Region Vision 2020 document** provides an overarching framework for the development of the North Eastern Region.
- **Science & Technology Interventions in the North East Region (STINER):**
 - STINER aims to bring **relevant technologies developed by the academic, scientific and research institutions to the artisans and farmers especially women**.

- **North Eastern Region Power System Improvement Project (NERPSIP):**
 - **The Scheme** was initially approved in December 2014 as a **Central Sector Scheme** of the Ministry of Power.
 - It aims to create a reliable **power grid** and improve NER States' connectivity to the upcoming load centers, and thus extend the benefits of the **grid connected power to all categories of consumers of beneficiaries in the North Eastern Region.**
- **Destination North East festival:**

The different facets of Northeast including the entrepreneurship avenues are replicated at **different locations across the country.** During these events also, an exclusive arrangement is made for offering counselling and assistance to potential entrepreneurs and business Start-Ups.

Source:PIB

Indian Star Tortoise

Why in News

Recently, **Indian star tortoises** were seized while being smuggled from Andhra Pradesh to Odisha.



Indian star tortoise

Key points

- **Habitat:**

Indian star tortoise is found across the **Indian sub-continent**, more specifically, in the **Central and Southern parts of India**, in **West Pakistan** and in **Sri Lanka.**

- **Protection Status:**
 - **Wild Life Protection Act 1972: Schedule IV**
Schedule IV: This list is for **species that are not endangered**. It includes **protected species but the penalty for any violation is less** compared to the Schedules I and II.
 - **Convention on International Trade in Species (CITES):** Appendix I
 - **IUCN Status:** Vulnerable
- **Threat:** The species faces two threats- **loss of habitat to agriculture** and illegal harvesting for the **pet trade**.
 - According to the **Wildlife Crime Control Bureau**, 90% of the trade of Star Tortoise occurs as part of the International pet market.
 - If their exploitation had continued at a similar pace or had expanded, a decline of greater than 30% was predicted by 2025.
- **Conservation Efforts:**
Recently India's **proposal to upgrade the protection status** of Star Tortoise from **Appendix II to Appendix I** was approved by the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**.

Source:TH
