

# NEWS TODAY

## INDIA'S FOREX RESERVES SURGE TO RECORD HIGH AT \$493.48 BILLION AMID COVID ECONOMIC CRISIS

- Forex reserves include **gold, SDRs (special drawing rights of the IMF) and foreign currency assets** (capital inflows to the capital markets, FDI and external commercial borrowings).
- **RBI functions as the custodian and manager of forex reserves** and operates within the overall policy framework agreed upon with the government.
- **Reasons for current rise in Forex:**
  - > Rise in investment of Foreign Portfolio Investors in Indian stocks and Foreign Direct Investments (FDIs).
  - > Fall in crude oil prices has brought down the oil import bill.
  - > Decline in overseas remittances and foreign travels causing a decline in dollar outflows.
- **Significance of rising forex reserves**
  - > Current level of foreign exchange reserves to GDP ratio (around 15%) provides comfort to government and RBI in managing India's external and internal financial issues in ongoing COVID-19 crisis.
    - For instance, it **limits external vulnerability** by maintaining foreign currency liquidity to absorb shocks during times of crisis or when access to borrowing is curtailed.
  - > Enough to **cover the import bill of the country for a year.**
  - > Helped the **rupee to strengthen against the dollar.**

## CENTRE TO TWEAK VIABILITY GAP FUNDING (VGF) MODEL TO BOOST HEALTH INFRA FUNDING

- As part of **Atma Nirbhar Bharat Abhiyaan**, Government enhanced the VGF to 30% of the total project cost (from earlier 20%) for **creation of social infrastructure.**
- It was aimed at enhancing the presence of private healthcare facilities in tier-2 and 3 cities. However, it is **still unattractive for the private sector because**
  - > VGF is offered **only for capital expenditure**, while the healthcare sector needs funding support for **operational expenditures** too.
  - > High cost of manpower, poor availability of quality manpower and low paying capabilities are other reasons.
- As India will need 600,000 beds more over the next 10 years, Health Ministry suggested following measures in the existing guidelines to facilitate private hospitals in tier-2 and 3 towns-
  - > earmarking and providing unencumbered land on lease or through bidding,
  - > special windows for clearances and permissions,
  - > compulsory empanelment of hospitals for Ayushman Bharat Pradhan Mantri Jan Arogya Yojana and other government schemes,
  - > **timely payments** for services provided,
  - > restoration of **status of hospitals as industry**
  - > **permit states to design their own models** to make the process easier and lucrative.

## TREASURY SINGLE ACCOUNT (TSA) FOR MINISTRIES, DEPARTMENTS ON THE CARDS

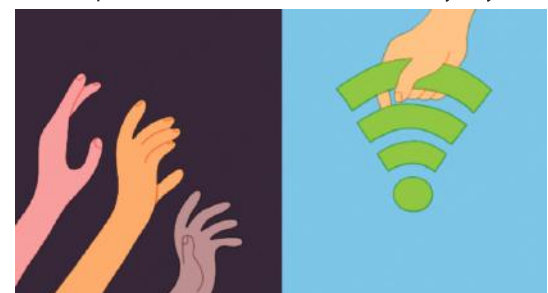
- Government proposal is aimed to **minimise cost of borrowing** and to **enhance efficiency in fund flows.** A pilot is on to implement TSA for some autonomous bodies.
- **Under existing process**, after approval, funds are allocated and disbursed to various ministries, departments, autonomous bodies and States.
  - > It has been observed that **funds are not being utilised** and **kept idle in other bank accounts.**
  - > Budget makes a provision for borrowing and **given the borrowing cost** such a system **puts further strain on exchequer.**

### What is TSA?

- **TSA is a unified structure of government bank accounts** that **gives a consolidated view** of government cash resources.
- TSA is a bank account or set of linked accounts through which government transacts all its receipts and payments.
  - > While it is necessary to distinguish individual cash transactions for control and reporting purposes, this purpose is achieved through the accounting system and not by holding/depositing cash in transaction specific bank accounts.
  - > This enables treasury to delink management of cash from control at a transaction level.
- This ensures **effective aggregate control** over government cash balances and minimising borrowing costs.

## STATES FLAG DIGITAL DIVIDE FOR ONLINE CLASSES

- A meeting was held between the Centre and the States to discuss the **Standard Operating Procedure (SOP) for digital education** and **for reopening of schools** amid Covid-19 outbreak.
- Several states raised **concern over online classes.** Reasons include-
  - > **Digital Divide:** Those with no access to internet may be excluded from quality learning. Further, classes at times get disturbed due to connectivity issues.
    - According to **2017-18 National Sample Survey**, less than **15% of rural households have access to internet** as opposed to **42% in urban households.**
    - As per NSSO data, **only 4.4% of rural households and 23.4% of urban households have computer/laptop.**
  - > **Gender divide:** Increased domestic responsibilities especially for girls is impairing the atmosphere of learning.
  - > **Lack of vernacular content:** Most of the content and existing lectures on internet are in English.
  - > **Difficulties for teachers:** Without adequate training, many teachers are not comfortable with using technology.
- **States were advised to-**
  - > Utilise **Samagra Shiksha Abhiyan funds** under ICT head and girl education head to bridge digital divide
  - > Use **direct-to-home education channels** run by Union government
  - > Cap online classes at three hours every day.



# OPERATIONAL GUIDELINES FOR SWACHH BHARAT MISSION (GRAMEEN) PHASE II RELEASED

- Phase – II of the SBM(G) was launched for **2020-21 to 2024-25** earlier this year.
  - It focusses on sustaining the gains made under SBM (G) in terms of **toilet access and usage**, ensuring that **no one is left behind** and **effective solid and liquid waste management (SLWM)** in every Gram Panchayat.
- Key guidelines**
  - Safe toilets, with proper **management of black and grey water**.
    - Blackwater** is any waste from toilets or urinals.
    - Greywater** is wastewater that has been used for washing, laundering, bathing or showering.
  - Building more toilets or community toilet complexes to **not leave anybody out**.
  - Ensuring **availability of adequate water or storage facilities** of water for these toilets.
  - Gram Panchayats to **converge Village Action Plans** for SBM and Jal Jeevan Mission (JJM), as part of overall gram panchayat development plans.
  - Financing of SBM II** will be done through **convergence of different Central and state schemes E.g.** JJM for greywater management, NREGA for dovetailing funds and functionaries, Finance Commission funds for co-financing of assets etc.
  - Guidelines **can be adapted according to local conditions** and requirements.

## ALSO IN NEWS

<b>Task force set up to examine maternal mortality rate, women's health</b>	<ul style="list-style-type: none"> <li>Headed by Jaya Jaitley, this task force is in pursuance of Budget announcement this year.</li> <li><b>Terms of Reference-</b> <ul style="list-style-type: none"> <li>To examine the <b>correlation of age of marriage and motherhood</b> with health, nutritional status of mother and child during pregnancy, childbirth and afterwards.</li> <li>To suggest measures for promoting higher education among women.</li> <li><b>Suggest suitable legislative instruments</b> and/or amendments in existing laws to support its recommendations.</li> </ul> </li> <li>It will be <b>assisted by NITI Aayog</b> and will give its recommendation by 31st July, 2020.</li> </ul>
<b>'Mera Pani Meri Virasat', Scheme</b>	<ul style="list-style-type: none"> <li>It is launched by Haryana to <b>address the issue of water shortage and support crop diversification</b> in the state.</li> <li>Under this scheme, <b>farmers taking up alternative crops other than paddy</b> during this season will get an incentive of Rs 7,000 per acre.</li> <li>Farmers can switch to crops that require less water like maize, bajra, pulses and cotton.</li> <li>Haryana government <b>will also provide an 85% subsidy to farmers adopting drip irrigation</b> or other micro-irrigation systems along with growing alternatives to paddy.</li> </ul>
<b>Discretionary fiscal stimulus</b>	<ul style="list-style-type: none"> <li>It refers to an increase in the fiscal deficit <b>caused by government policy</b>. It is distinct from an increase in fiscal deficit caused by slowing growth, which is called an <b>automatic stabiliser</b>.</li> </ul>
<b>Global Economic Prospects (GEP) Report</b>	<ul style="list-style-type: none"> <li><b>World Bank</b> releases WEP, June 2020 report.</li> <li>GEP examines <b>global economic</b> developments and <b>prospects</b>, with a <b>special focus on emerging market and developing economies</b>.</li> <li>It is issued <b>twice a year</b>, in January and June.</li> <li>It projects <b>India's economy to contract by 3.2%</b> in the 2020-21 due to stringent lockdown and spill overs from weaker global growth.</li> </ul>
<b>Solar Risk Mitigation Initiative (SRMI)</b>	<ul style="list-style-type: none"> <li><b>World Bank</b> has operationalised SRMI with \$333 million for 22 African countries.</li> <li>SRMI aims to <b>support countries in developing sustainable solar programs</b> that will attract private investments and so <b>reduce reliance on public finances</b>.</li> <li>It is developed by World Bank-Energy Sector Management Assistance Program (WB-ESMAP) in partnership with, Agence Française de Développement (AFD), International Renewable Energy Agency (IRENA) and International Solar Alliance (ISA).</li> </ul>
<b>Airborne Rescue Pod for Isolated Transportation (ARPIT)</b>	<ul style="list-style-type: none"> <li>Indian Air Force has designed, developed and inducted <b>Airborne Rescue Pod ARPIT</b>.</li> <li>This pod will be utilised for <b>evacuation of critical patients with infectious diseases</b> including COVID-19 from high altitude area, isolated and remote places.</li> <li>It will help to <b>prevent spread of infectious aerosol</b> from a COVID-19 patient during air travel.</li> <li><b>Supporting the "Atmanirbhar Bharat"</b> call by Prime Minister, <b>only indigenous materials</b> have been used to fabricate this pod.</li> </ul>
<b>India's first online waste exchange platform</b>	<ul style="list-style-type: none"> <li><b>Andhra Pradesh</b> launched the <b>country's first online waste exchange</b> for <b>safe disposal of toxic wastes and promoting recycling and reuse</b>.</li> <li>It will <b>track, scrutinise and audit the waste</b> besides <b>encouraging proper utilisation of waste and promoting 6Rs</b> -- reduce, reuse, recycle, refurbish, redesign and re-manufacturing of waste items.</li> </ul>
<b>Gairsain</b>	<ul style="list-style-type: none"> <li>Uttarakhand governor gave assent to make <b>Gairsain as Uttarakhand's summer capital</b>.</li> <li><b>Gairsain, a tehsil in Chamoli district</b>, lay between both the Kumaon and Garhwal regions and hence is convenient for people of both Garhwal and Kumaon divisions to access.</li> <li>It is located nearly 270 km from Dehradun, the existing capital.</li> </ul>

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