

# NEWS TODAY

## RBI ANNOUNCES ADDITIONAL MEASURES FOR STRENGTHENING ECONOMY

### Objectives of measures

- > to **keep financial system and financial markets sound**, liquid and smoothly functioning
- > to ensure **access to finance** to all
- > to **preserve financial stability**

### Key measures (also see infographic)

- > **Special refinance facility of ₹15,000 crore to SIDBI** at RBI's policy repo rate has now been extended by another 90 days. (Earlier announced for 90 days in April, 2020).
  - ⇒ This will enable increased supply of affordable credit to small industries
- > **Relaxation of Rules for Foreign Portfolio Investment under Voluntary Retention Route (VRR):** VRR is an investment window provided by RBI to Foreign Portfolio Investors, which provides easier rules in return for a commitment to make higher investments.

### Assessment of Economy

- > Global economy is headed into a recession.
- > GDP growth in 2020-21 is estimated to remain in **negative territory**.

## CONTAINING THE ECONOMIC FALLOUT

RBI announced more measures to revive an ailing economy hit by the Covid-19 pandemic

### FOR BORROWERS

#### KEY RATES REDUCED

##### Repo rate

The rate at which banks borrow from RBI has been reduced by 40 basis points from **4.4% to 4.0%**

##### Reverse repo rate

The rate at which RBI borrows from banks -- reduced from **3.75% to 3.35%**

##### Marginal Standing Facility rate

(rate at which scheduled banks can borrow funds overnight from RBI against government securities) and Bank rate have been reduced from 4.65% to **4.25%**.

- > **Will make loans cheaper and give borrowers a break from monthly loan repayment**

#### MORATORIUM ON PAYMENT OF LOANS

Moratorium on payment of term loans extended by another 3 months to August 31. (Interest for six months from March to Aug - will be treated as a loan to be repaid in this financial year)

#### Provision to convert Interest on Working Capital into Interest Term Loan

**Maximum credit which banks can extend to a particular corporate group has been increased from 25% to 30% of bank's eligible capital base.**

### FOR STATES

Rules relaxed for states to borrow more from the Consolidated Sinking Fund -- a buffer fund maintained by states

- > **Will release an additional ₹13,300 crore for states to repay their borrowings**

### FOR EXPORTS AND IMPORTS

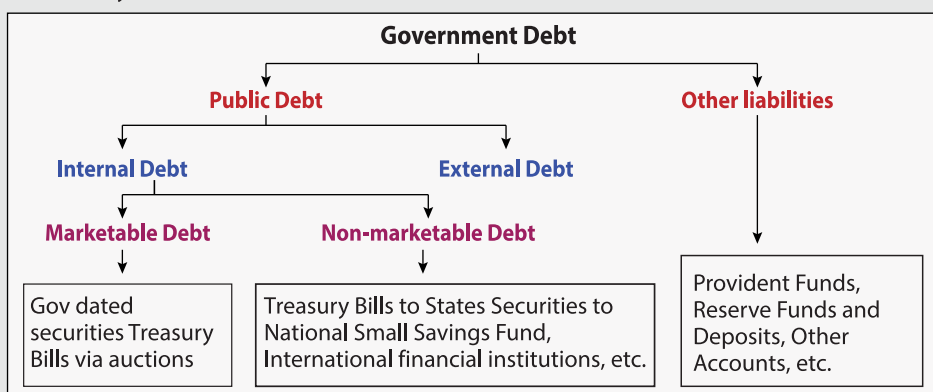
- Maximum period of loans sanctioned by banks to exporters increased from 1 year to 15 months
- Line of credit of ₹15,000 crore to EXIM Bank to facilitate and promote foreign trade
- Time to make import payments extended
- > **Will help spur imports and exports that were down by 58% and 60% in April**

## 9TH EDITION OF THE STATUS PAPER ON GOVERNMENT DEBT

- This provides detailed analysis of **Overall Debt Position of Government of India**.
- It also contains **Debt Management Strategy (DMS) of Central Government** for the financial years from 2019-20 to 2021-22 which will guide the borrowing plan of Government.
  - > Objective is to ensure that government's financing requirements and payment obligations are met at lowest possible cost, consistent with prudent degree of risk.
- **Conventional indicators of debt sustainability**, i.e., Debt/GDP ratio, interest payment to revenue receipts, shares of short-term Debt/ External Debt/ Floating Rate Bonds in total debt are analysed in document.

### Key highlights

- **Central Government Debt** (45.7 % of GDP in 2018-19, declined from 47.3 in 2012-13) includes following:
  - > **Public Debt** (Debt contracted against the Consolidated Fund of India): 40.0 % of GDP.
  - > **Other Liabilities:** 5.2% of GDP
- **Public debt** is classified into: **internal** and **external debt**.
  - > **Internal debt** has declined from last year: **37.3% of GDP**.
    - ⇒ **Marketable debt:** 31.5% of GDP
    - ⇒ **Non-marketable internal debt:** 5.8% of GDP
  - > **External debt:** **2.7% of GDP**.
- **General Government debt** (Consolidated debt of **Central and State Governments**): 68.6 % of GDP by March 2019.



## INTERNATIONAL DAY OF BIODIVERSITY (IDB)

- **UN has proclaimed May 22 as IDB** to increase understanding and awareness of biodiversity issues.
  - > It is celebrated to commemorate May 22, 1992 for adoption of text of **Convention on Biological Diversity (CBD)**.
- Theme for 2020: **Our solutions are in Nature**.
- Year 2020 is also "**Super Year for Biodiversity**", as
  - > **Strategic Plan for Biodiversity** with 20 global Aichi targets adopted in 2010 ends in 2020.
  - > End of 2011-2020 **UN Decade on Biodiversity** and start of other new biodiversity related decades for 2021-2030: **UN Decade of Ocean Science for Sustainable Development** and **UN Decade on Ecosystem Restoration**.
- **Few Initiatives launched on IDB-**
  - > **Biodiversity Samrakshan Internship Programme**
    - ⇒ To engage postgraduate students to support projects of National Biodiversity Authority in States & UTs.
  - > **UNEP Campaign on Illegal Trafficking of Endangered Species:** 'Not all Animals Migrate by Choice'
    - ⇒ Launched by **Wildlife Crime Control Bureau**
  - > **Webinar Series** on 'Biodiversity Conservation and Biological Diversity Act, 2002'
  - > **WWF Model Conference of Parties**
    - ⇒ Involve younger generation to engage in conversations around **impact of humanity's footprint on biodiversity**.
  - > **Awareness campaign supported by WWF.**

# MEASURES TAKEN BY STATE GOVERNMENT TO BRING REFORM IN AGRICULTURE

## Telangana to begin regulating crop pattern

- Government will **tell its farmers what they should grow, when and how much.**
- **Benefits:** Addressing skewed situation in agriculture (demand-supply mismatch), to make farmers produce what market wants, crop diversification.
- **Detailed cropping map** will be released and those who do not adhere to the pattern shall be deprived of benefits such as Rythu Bandhu.
- **Seed Regulatory Authority** will be setup to regulate sale and production of seeds to conform to the crop mandate.

## Odisha adopts contract farming

- Odisha government has promulgated an **ordinance allowing investors and farmers to enter into agreement for contract farming** to develop mutually beneficial and efficient contract farming system.
  - > **Contract farming** is defined as agreement between farmers and buyers for production and supply of agricultural products at predetermined prices.
- It will **improve production and marketing of agricultural produce** and livestock while promoting farmers' interest.

## Chhattisgarh launches Rajiv Gandhi Kisan Nyay scheme

- It is a **cash transfer scheme** to ensure 'minimum income availability' to farmers benefitting around 19 lakh farmers sowing 14 types of crops.
- **Rs 10,000 per acre** will be deposited in the bank accounts of farmers in four instalments.

## ALSO IN NEWS

<p><b>National Beekeeping and Honey Mission (NBHM)</b></p>	<ul style="list-style-type: none"> <li>• <b>NBHM is a Central Sector Scheme</b> for overall <b>promotion &amp; development of scientific beekeeping</b> and production of <b>quality honey &amp; other beehive products.</b></li> <li>• It was launched considering importance of beekeeping and <b>to achieve goal of Sweet Revolution.</b></li> <li>• It has <b>3 components:</b> <ul style="list-style-type: none"> <li>&gt; <b>production &amp; productivity improvement</b> of various crops through pollination</li> <li>&gt; <b>post-harvest management</b> of beekeeping/ beehive products</li> <li>&gt; Research &amp; Technology generation for different Agro-Climatic and Socio-Economic conditions.</li> </ul> </li> <li>• Under this, <b>National Bee Board</b> has trained 30 lakh farmers in beekeeping.</li> </ul>
<p><b>Open Skies Treaty (OST)</b></p>	<ul style="list-style-type: none"> <li>• <b>U.S has given notice to exit OST</b> citing repeated <b>Russian violations</b> of its terms.</li> <li>• OST <b>allows each state-party</b> to carry out <b>short-notice, unarmed, reconnaissance flights</b> over the others territories to <b>collect data on military forces and activities.</b></li> <li>• OST <b>came into effect in 2002.</b> Currently there are <b>34 states that are party</b> to treaty. <b>India is not a member.</b></li> <li>• <b>Open Skies Consultative Commission (OSCC)</b>, comprised of representatives of <b>all states-parties</b>, is responsible for the implementation of the Open Skies Treaty.</li> </ul>
<p><b>United Nations Relief and Works Agency (UNRWA)</b></p>	<ul style="list-style-type: none"> <li>• India has given USD 2 million in aid to UNRWA working for the welfare of Palestinian refugees, amidst the coronavirus crisis.</li> <li>• UNRWA was <b>created in December 1949 by the UN.</b></li> <li>• UNRWA <b>provides shelter, basic food supplies, medical aid, education, and work opportunities for Palestine refugees</b> in its five fields of operations: Jordan, Lebanon, Syria, Gaza Strip and West Bank including East of Jerusalem.</li> </ul>
<p><b>Khudol (gift) initiative in Manipur</b></p>	<ul style="list-style-type: none"> <li>• It is a <b>crowdfunded initiative</b> of Ya_All, an Imphal-based NGO that had created India's <b>first transgender football team.</b></li> <li>• It entails <b>ensuring food, health and hygiene</b> of LGBTQI+ community, people living with HIV, daily-wage earners, children and adolescents.</li> <li>• <b>United Nations Secretary-General's</b> Envoy on Youth has listed Khudol among <b>top 10 global initiatives for an inclusive fight against the COVID-19 pandemic.</b></li> </ul>
<p><b>Unified Mobile Application for New-age Governance (UMANG)</b></p>	<ul style="list-style-type: none"> <li>• UMANG was launched in 2017 <b>to bring major government services on a single mobile app</b>, with a larger goal <b>to make government accessible on mobile phone</b> of citizens.</li> <li>• About <b>660 services from 127 departments &amp; 25 states</b> and about 180 utility bill payment services <b>are live on it.</b></li> <li>• <b>Recently, Ministry of Electronics and Information Technology</b> has brought <b>7 services of India Meteorological Department</b> on UMANG app.                     <ul style="list-style-type: none"> <li>&gt; <b>Services include:</b> Current weather, weather warnings, tourism forecast etc.</li> </ul> </li> </ul>
<p><b>Rht14; Rht18</b></p>	<ul style="list-style-type: none"> <li>• These are <b>two alternative dwarfing genes in wheat</b>, associated with <b>better seedling vigour and longer coleoptiles</b> (sheath protecting young shoot tip).</li> <li>• <b>Wheat lines with these genes</b> can <b>reduce crop residue burning</b> and can allow <b>deeper sowing of wheat seeds</b> to avail <b>advantage of residual moisture</b> in soil under dry environments.</li> <li>• <b>Developed by:</b> Agharkar Research Institute, an autonomous institute of Department of Science and Technology.</li> </ul>

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