

GENERAL STUDIES-1

INDIAN CULTURE

JANADRIYAH FESTIVAL

Saudi is celebrating the annual Janadriyah festival. India is this year's guest of honor.

Janadriyah is the annual national heritage and culture festival named after the village on the northern outskirts of Riyadh. The festival encourages Saudis to celebrate their heritage and to bolster cultural exchange.

KAILASH YATRA

Why in news?

China has confirmed restarting of the Kailash Mansarovar Yatra through the Nathu La pass.

Kailash Manasarovar Yatra:

The annual pilgrimage holds religious importance for Hindus, Jains and Buddhists. The Yatra is organized by the government of India in close cooperation with the Government of the People's Republic of China.

Mansarovar Lake is said to be the highest freshwater lake in the world. It is located in the Tibet Autonomous Region, China. To the west of it is Lake Rakshastal and to the north is Mount Kailash.

Nathu La is a mountain pass in the Himalayas. It connects the Indian state of Sikkim with China's Tibet Autonomous Region. It is also one of the four officially agreed BPM (Border Personnel Meeting) points between the Indian Army and People's Liberation Army of China for regular consultations and interactions between the two armies, which helps in defusing stand-offs.

The four BPMs are: Chushul in Ladakh, Nathu La in Sikkim, Bum La Pass in Tawang district of Arunachal Pradesh, and Lipulekh Pass in Uttarakhand.

INTERNATIONAL KALA MELA

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Why in news?

The First ever International Kala Mela is being in New Delhi.

<u>Organised by</u>; Lalit Kala Akademi in partnership with IGNCA of the Ministry of Culture.

Objective: To focus on direct interaction between the artist and the connoisseur and also educating and raising awareness about art, which has been the mandate of Lalit Kala Akademi. This comprehensive outreach shall include the participation of National, International level Artists/ Art Critics of repute from all over the Globe, showcasing art works.

Lalit Kala Akademi:

The Lalit Kala Akademi or National Academy of Art is India's National Academy of Fine Arts. It is an autonomous organization, established at New Delhi in 1954 to promote and propagate understanding of Indian art, both within and outside the country. It does so through providing scholarships, a fellow program, and sponsoring and organizing numerous exhibitions in India and overseas.

PRACHI VALLEY

Why in news?

The Archaeological Survey of India (ASI) has discovered pottery pieces, and tools made of stones and bones believed to be of the pre-Christian era from a mound in Jalalpur village of Cuttack district, Odisha.

Significance

Discoveries of ancient artefacts indicated that a rural settlement might have thrived in that period. These settlements could have had cultural and trade ties with other settlements in the Prachi Valley that had come up around the Prachi river, which gradually disappeared.

Backgrounder

Prachi Valley civilisation is believed to be earlier than that of Harappa and Mohenjo-Daro flourished on the banks of Prachi river. Prachi Valley civilisation has contributed a lot towards amalgamation, assimilation and proliferation of different religious faiths and cults.

The Prachi river, a tributary of Mahanadi, originates near Bhubaneswar. The river flows through Puri, Khurda, Cuttack and Jagatsinghpur districts and it is this region that is called the Prachi Valley.

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CONFERENCE ON DEMETRIOS GALANOS AND HIS LEGACY

Organised by: Indira Gandhi National Centre for the Arts (IGNCA)

Venue: Delhi and Varanasi, in addition to organizing the exhibition and folk music of Greece.

<u>Details</u>

The conference is being organized under the Bharat Vidya Prayojana, a long term academic program of the IGNCA.

<u>Aim:</u> To focus on academic and cultural exchanges between India and Greece made by scholars and artists both Indian and Greek, in modern times since Demetrios Galanos.

Who is Demetrios Galanos?

Demetrios Galanos (1760–1833) has a special place among the European Indologists of the nineteenth century.

- ➤ He was the only one who stayed in India for 47 years, and except for the first seven years when he lived in Calcutta, for 40 years he lived in the city of Varanasi, mastering Sanskrit, Hindi and Persian, from local scholars.
- ➤ He translated the Bhagvad Gita into Greek among many other Sanskrit texts.
- ➤ His major contribution was the compilation of a Sanskrit-English-Greek lexicon of about 9000 words.

GENERAL STUDIES-2

POLITY

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SHOULD STATES HAVE THEIR OWN FLAGS?

The Karnataka state government recently set up a panel to explore if the state can have its own separate flag. The Panel includes bureaucrats and academics to advice on the legality of the issue and also suggest a design for the state flag.

The only state in India so far to have a separate state official flag is Jammu and Kashmir, which enjoys special status under Article 370 of Indian constitution.

<u>Is there any provision in the constitution prohibiting a state from having its own flag?</u>

The Indian National flag represents the hopes and aspirations of the people of India. Supreme Court said that there is no prohibition in the Constitution for the State to have its own flag. However, the manner in which the state flag is hoisted should not dishonour the national flag. Under the Constitution, a flag is not enumerated in the Seventh Schedule. However, Article 51A rules that every citizen shall abide by the Constitution and respect its ideals and institutions, the national flag, and the national anthem.

Is it regulated under any parliamentary Act?

The Emblems and Names (Prevention of Improper Use) Act, 1950 and The Prevention of Insults to National Honour Act, 1971 regulates the hoisting of the national flag.

Emblems and Names (Prevention of improper use) Act 1950 prohibits the use of National Symbols for commercial use in India. Under the 1971 Act, insulting the national flag by burning it, mutilating it, defacing it, is prohibited.

Even the Flag Code of India, 2002 does not impose prohibitions on a State flag. The Code expressly authorises the flying of other flags under the condition that they should not be hoisted from the same masthead as the national flag or placed higher than it. By implication, the Code provides space for a State flag as long as it does not offend the dignity and honour of the national flag.

Can states have their own flags?

Assertion of regional identity has always been a tricky issue in a country as diverse as India. People against state flags say that the tricolour binds India together and any move to allow states to have flags would reduce

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the standing of the national flag. Allowing one state to have its own flag could trigger demands from other states too.

Arguments in favour of the decision stresses on the fact that states in both Germany and USA have their own flags without any danger of their imminent disintegration.

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A committee

The committee that is being setup has to look into legal ramifications of having a separate state flag. State government's move to have a committee to look into the possibilities of having a state flag is anything that would amount to the threat of national integrity.

However, there should be clear rules that flag of state cannot be substitute of national flag and it should be smaller and fly lower.

GOVERNANCE ISSUES AND POLICIES

SC STAYS NEW TRIBUNAL RULES

The Supreme Court has paved the way for appointment of chairpersons, judicial and others members of all 19 tribunals including CAT and NGT that were stalled due to pendency of pleas challenging the 2017 Finance Act and the rules governing the panels.

Backgrounder:

The Finance Act and the Tribunal, Appellate and other Authorities (Qualifications, Experience and other conditions of Service of Members) Rules, which govern appointments, tenure, removal and other service conditions of chairpersons and members of tribunals, had been challenged on grounds including that they gave more powers to the executive and interfered with the judicial independence of the panels.

Interim arrangement:

The court has asked the government to form an interim search-cum-selection committee during the pendency of the petitions to appoint judicial and administrative members in tribunals. The search panel would be headed by the CJI or his nominee. The chairpersons of tribunals to which appointments will be made and two secretaries, nominated by the central government, would be the members of the committee.

What's the main concern now?

Tribunals, Appellate Tribunals and Other Authorities (qualifications, experience and other conditions of service of members) Rules, 2017', framed under the Finance Act, provides that the search-cum-selection committee to select its administrative members will be headed by a nominee of the central government.



Earlier, the Chief Justice of India (CJI) or his nominee had a role in the selection of administrative members of CAT.

It is argued that the new law would destroy independent functioning of tribunals as they give primacy to the executive in deciding the constitution, qualifications of members, their appointments and removal.

The Central Administrative Tribunal

The Central Administrative Tribunal was established by an Act of Parliament namely Administrative Tribunals Act, 1985 as sequel to the 42nd amendment of the Constitution of India inserting Article 323 A. The Principal seat of Central Administrative Tribunal is at New Delhi and it has 16 Outlying Benches scattered all over the Country.

The tribunal adjudicates disputes and complaints with respect to Recruitment and Conditions of Service of the persons appointed to the Public Services and Posts in connection with the affairs of the Union or any State or of any other Local Authorities within the territory of India or under the control of the Government of India. The Tribunal is headed by the Chairman and 65 Members, 33 from Judicial (including Chairman) and 33 from the Administrative stream. The Chairman is normally a retired Chief Justice of a High Court.

WELFARE SCHEMES AND DEVELOPMENTAL GROUPS

INDIA HEALTH FUND

Initiative by: Tata Trusts, in collaboration with the Global Fund

Why in news?

It has come forward to financially support innovations and technologies designed to combat tuberculosis and malaria.

Aim

The IHF aims to support individuals and organisations with already germinated innovative strategies, services, products, such that they become sustainable and scalable solutions in addressing TB and malaria.

About India Health Fund:

It is a pioneering vehicle by Tata Trusts, designed to not only influence philanthropic capital within India, but also serve as a trusted mechanism to generate significant impact in addressing key health challenges in the country – starting with malaria and tuberculosis.

 Addressing infectious diseases like TB and malaria, the India Health Fund plans to support programs and projects that develop new products or strategies for innovative business models and innovative partnerships or financing mechanisms that significantly scale existing effective solutions. Page | 6



• The investments made by the IHF will be aligned to national strategies and link to clear pathways of scale including government platforms, private health networks, open source technology or sustainable organization growth.

NATIONAL DEWORMING INITIATIVE

Why in news?

In a bid to tackle the countrywide public health threat of intestinal worm infections in children and related morbidity, all states and Union territories conducted the National Deworming Day on February $10^{\rm th}$, as mandated by the Union ministry of health and family welfare.

Details

The National Deworming Day is a single fixed-day approach to treating intestinal worm infections in all children aged 1- 19 years, and is held on 10 February and 10 August each year.

- ➤ It will mobilize health personnel, state governments and other stakeholders to prioritize investment in control of Soil Transmitted Helminth (STH) infections one of the most common infections.
- ➤ All the children are provided deworming tablet in schools and anganwadis. Besides the deworming tablet, various health promotion activities related to Water, Sanitation and Hygiene (WASH) are organised in schools and anganwadis.

Backgrounder:

India carries the highest burden of worm infestation, especially Soil Transmitted Helminths (STH) or worms' infestation (WHO). Soil Transmitted Helminths (STH) interferes with nutrients uptake in children; can lead to anaemia, malnourishment and impaired mental and physical development.

Intestinal parasitic worms:

They are large multicellular organisms, which when mature can generally be seen with the naked eye. They are also known as Helminths. They are often referred to as intestinal worms even though not all helminths reside in the intestines.

Parasitic worms in children interfere with nutrient uptake, and can contribute to anaemia, malnourishment, and impaired mental and physical development. Parasitic worms have also debilitating consequences on the health and education of children, and on their long-term earning potential.

According to the 2012 report 'Children in India', published by the Ministry of Statistics and Programme Implementation, 48% of children under the age of 5 years are stunted and 19.8% are wasted, indicating that half of the country's children are malnourished

In conclusion

Anganwadi and school-based mass deworming program is safe, cost-effective, and can reach crores of children quickly. Deworming has been shown to reduce absenteeism in schools; improve health, nutritional, and learning outcomes; and increase the likelihood of higher-wage jobs later in life. Deworming with the safe and beneficial Albendazole tablet is an evidence-based, globally-accepted, and effective solution to controlling worm infections. National Deworming Day has,

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thus, been designed to reach all children, regardless of socio-economic background.

SWADHAR GREH SCHEME

The Swadhar scheme was launched by the Union Ministry of Women and Child Development in 2002 for rehabilitation of women in difficult circumstances. The scheme provides shelter, food, clothing and care to the marginalized women/girls who are in need.

- The beneficiaries include widows deserted by their families and relatives, women prisoners released from jail and without family support, women survivors of natural disasters, women victims of terrorist/extremist violence etc.
- The implementing agencies are mainly NGOs.

SHE-BOX

Why in news?

So far, 107 complaints have been received through portal 'SHe-box'. The government has all concerned authorities to take appropriate actions.

Launched by: the Ministry of Women and Child Development.

What is it?

It is an online complaint management system for registering complaints related to sexual harassment at workplace.

- ➤ The complaint management system has been developed to ensure the effective implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act (the SH Act), 2013.
- ➤ Once a complaint is submitted to the portal, it will be directly sent to the Internal Complaints Committee (ICC) of the concerned Ministry/Department/PSU/Autonomous Body etc. having jurisdiction to inquire into the complaint. Through this portal, WCD as well as complainant can monitor the progress of inquiry conducted by the ICC.

Significance

This portal is an initiative to provide a platform to women working or visiting any office of Central Government (Central Ministries, Departments, Public Sector Undertakings, Autonomous Bodies and Institutions etc.) to file complaints related to sexual harassment at workplace under the SH Act.

Those who had already filed a written complaint with the concerned Internal Complaint Committee (ICC) constituted under the SH Act are also eligible to file their complaint through this portal. It is also an effort to provide speedier remedy to women facing sexual harassment at workplace as envisaged under the SH Act.

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"HEALTHY STATES, PROGRESSIVE INDIA" REPORT

Released by: NITI Aayog with technical assistance from the World Bank, and in consultation with the Ministry of Health and Family Welfare (MoHFW).

Details about the report

The report ranks states and Union territories innovatively on their year-on-year incremental change in health outcomes, as well as, their overall performance with respect to each other. It is the first attempt to establish an annual systematic tool to measure and understand the heterogeneity and complexity of the nation's performance in Health.

Index and Ranking

States and UTs have been ranked in three categories namely, Larger States, Smaller States, and Union Territories (UTs), to ensure comparison among similar entities.

➤ The Health Index is a weighted composite Index, which for the larger States, is based on indicators in three domains: (a) Health Outcomes (b) Governance and Information (c) Key Inputs and Processes

Why was it developed?

Health Index has been developed as a tool to leverage co-operative and competitive federalism to accelerate the pace of achieving health outcomes. It would also serve as an instrument for "nudging" States & Union Territories (UTs) and the Central Ministries to a much greater focus on output and outcome based measurement of annual performance than is currently the practice. With the annual publication of the Index and its availability on public domain on a dynamic basis, it is expected to keep every stakeholder alert to the achievement of Sustainable Development Goals (SDGs) Goal number 3.

Performance of states:

Among the Larger States, Kerala, Punjab, and Tamil Nadu ranked on top in terms of overall performance, while Jharkhand, Jammu & Kashmir, and Uttar Pradesh are the top three ranking States in terms of annual incremental performance.

Among Smaller States, Mizoram ranked first followed by Manipur on overall performance, while Manipur followed by Goa were the top ranked States in terms of annual incremental performance.

Among UTs:

- Lakshadweep showed both the best overall performance as well as the highest annual incremental performance.
- Lakshadweep showed the highest improvement in indicators such as institutional deliveries, tuberculosis (TB) treatment success rate.

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A rejoinder

The Health Index report notes that while States and UTs that start at lower levels of development are generally at an advantage in notching up incremental progress over States with high Health Index scores, it is a challenge for States with high Index scores to even maintain their performance levels.

The incremental measurement reveals that about one-third of the States have registered a decline in their performance in 2016 as compared to 2015, stressing the need to pursue domain-specific, targeted interventions.

Common challenges

For most States and UTs the need to focus on addressing vacancies in key staff, establishment of functional district Cardiac Care Units (CCUs), quality accreditation of public health facilities and institutionalization of Human Resources Management Information System (HRMIS) are the challenges. Additionally, almost all Larger States need to focus on improving the Sex Ratio at Birth (SRB).

MAKING HEALTH INSURANCE WORK

Why in news?

A flagship National Health Protection Scheme – Ayushman Bharat to cover nearly 10 crore poor and vulnerable families providing coverage up to 5 lakh rupees per family per year for hospitalization, is on the cards(Budget)

Government says that the scheme is going to be the world's largest government funded health care programme and it will provide adequate funds for its implementation.

Introduction:

Healthcare has become one of the largest sectors in India in terms of revenue and employment. Booming population, rising income levels, growth in infrastructure, increased awareness, insurance policies and India's emergence as a hub of medical tourism and clinical trials have contributed to the development of health care sector in India. As the needs of this sector are increasing, to provide up to date medical facilities is very essential. Government funded health insurance would enable poor in India to get benefited from timely care without the burden of out of pocket expenditure.

Major problems

After the independence the focus has been increased significantly on Health status of people. As a result there has been a significant increase in life expectancy of people from 35 years to 65 years. However, it is

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unevenly distributed in different parts of the country. The health problems in India are still a cause of concern.

As the income levels of the people have increased there is spurt in noncommunicable or life style diseases which accounted for nearly half of the deaths.

The existing healthcare infrastructure is just not enough to meet the needs of the population. The central and state governments do offer universal healthcare services and free treatment and essential drugs at government hospitals. However, the hospitals are understaffed and under-financed. People living below poverty line continue to rely on insufficient health care facilities in rural areas.

India has one of the lowest per capita healthcare expenditures in the world. The high out-of-pocket expenses in India stem from the fact that majority of Indians do not have health insurance.

Moreover, majority of the skilled health care professionals happen to be concentrated in urban areas. This is the main reason for rural- urban disparity in terms of healthcare.

Some Major Government initiatives:

High Level Expert Group (HLEG) on Universal Health Coverage (UHC) has suggested an integrated health policy with multiple targets in terms of greater equity, improved health outcomes, Efficient, accountable and transparent health system, reduction of poverty, greater productivity and financial protection.

The National Health Mission (NHM) encompasses its two Sub-Missions, the National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM). The mission envisages achievement of universal access to equitable, affordable & quality health care services that are accountable and responsive to people's needs. NRHM especially deals with vulnerable groups.

"Mission Indradhanush", was launched to fully immunise children who are either unvaccinated or partially vaccinated.

Rashtriya Swasthiya Bima Yojana has been launched by Ministry of Labour and Employment, Government of India to provide health insurance coverage for Below Poverty Line (BPL) families.

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Need for a new health insurance scheme

Considering the poor state of healthcare infrastructure, health insurance is a product that every Indian must acquire. A significant section of the Indian populace falls into poverty because of health ailments that necessitate high costs.

It provides protection to BPL households from financial liabilities arising out of health shocks that involve hospitalization.

Existing government insurance scheme Rashtriya Swasthya Bima Yojana (RSBY), provided limited coverage of only ₹30,000, usually for secondary care. Though it improved access to health care, it did not reduce out-of-pocket expenditure (OOPE). The new flagship scheme aimed to address these problems.

However, health care is not just a matter of health insurance, involving as it does many other elements such as the availability of a multi-layered, multi-skilled health workforce.

What is National Health Protection Scheme (NHPS)?

2018-19 Union Budget has laid foundation of the flagship scheme National Health Protection Scheme (NHPS) – Ayushman Bharat which offers various health benefits to the people. This scheme will overcome the flaws of the existing scheme RSBY.

- ➤ The scheme will provide cost coverage, up to ₹5 lakh annually, to a poor family for hospitalisation in an empanelled public or private hospital.
- ➤ It is expected that the scheme is set to cover more than 10 Cr poor and unsecured families under NHPS.
- ➤ The beneficiaries will be able to take the treatments with in the country in private as well as government hospital and health care centres.
- ➤ It would be a cashless and Aadhaar enabled scheme.
- The NHPS will pay for the hospitalisation costs of its beneficiaries through 'strategic purchasing' from public and private hospitals.
- ➤ Though implementation on this scale will be a challenge, hospitals in the affordable healthcare space will benefit.

How will it work financially?

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Under the NHPS, the government pays most of the money on behalf of the poor. However, the scheme operates around the insurance principle of 'risk pooling'. When a large number of people subscribe to an insurance scheme, only a small fraction of them will be hospitalised in any given year.

- ➤ The NHPS will be financially viable, despite a high coverage offered to the few who fall sick in any year, because the rest in the large pool do not need it that year.
- ➤ At present 2000 Cr allocated under NHPS scheme and it is expected to require ₹5,000-6,000 crore to get it going in the first year and ₹10,000-12,000 crore annually as it scales up.
- ➤ It will draw additional resources from the Health and Education Cess and also depend on funding from States to boost the Central allocation.
- ➤ The premiums are expected to be in the range of ₹1,000-1,200 per annum. Unlike RSBY, the NHPS policyholders will have a fully prepaid smartcard that will allow for maximum deductions of Rs 5 lakh per year.

What are the execution concerns?

The major concern was expressed over putting healthcare in the hands of private healthcare providers and insurance companies when they are poorly regulated.

Universal health insurance through private hospitals has not worked for the poor earlier.

Predecessor scheme RSBY has been plagued with problems of transparency and poor service delivery. Given the low coverage private healthcare providers kept away from the scheme.

The fund allocations for RSBY remained unutilised and number of states participating dwindled, with only eight states utilising the money disbursed to them under the scheme. Shortage of medicines, lack of infrastructure and skilled manpower such as nurses, technicians and doctors in semi-urban and rural areas will be a huge challenge in rolling out NHPS.

Experts expressed concern that the government is turning into a payer from provider. The NHPS addresses the health concerns by sharply raising the coverage cap. But like RSBY the outpatient care is not covered which accounts for the largest fraction of Out of pocket expenditure.

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What will the States do?

With respect to NHPS, there have been indications that States need to contribute to the flagship scheme as State governments have the main responsibility of health service delivery. However, it needs to be seen whether states with tight fiscal situation will be able to contribute such high expenditure.

The NHPS needs a buy-in from the States, which have to contribute 40% of the funding. Even with the low cost coverage of the RSBY, several States opted out. Some decided to fund their own State-specific health insurance programmes, with distinctive political branding.

In a federal polity with multiple political parties sharing governance, an all-India alignment around the NHPS requires a high level of cooperative federalism, both to make the scheme viable and to ensure portability of coverage as people cross State borders.

In conclusion

NHPS scheme involves private hospitals and insures as the major stakeholders. It is important to address the concerns of misuse by private hospitals.

This calls for a well-defined list of conditions that will be covered, adoption of standard clinical guidelines for diagnostic tests and treatments suitable for different disorders, setting and monitoring of cost and quality standards, and measuring health outcomes and cost-effectiveness.

Both Central and State health agencies will have to develop the capacity for competent purchasing of services from a diverse group of providers to avoid hospitals to undertake unnecessary tests and treatments to tap the generous coverage. Primary health services will reduce the need for advanced care. Hence along with providing insurance coverage, there is also a need for proactively strengthening primary health services and public hospitals.

LAGHU UDYOG BHARATI

A national level meeting was recently convened by the Government of India with the members of Laghu Udyog Bharati.

What is it?

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Laghu Udyog Bharati is a registered all India organization of Micro and Small Industries in India since 1994. In a genuine effort to organise MSE sector Laghu Udyog Bharati is fighting the various ills plaguing the sector and to remove impediments coming in the way to MSEs.

Laghu Udyog Bharati render assistance to small scale industries as follows:

- Removal of inspector raj & simplification procedures.
- Availability & distribution of power.
- Guidance for improving productivity.
- Quality & technological upgradation & modernisation.
- Sales promotion & marketing assistance.
- Encouraging women entrepreneurs.
- Participation in Trade-Fairs and Exhibitions for better product exposure.

Significance of MSE sector:

Worldwide, micro and small enterprises (MSEs) have been accepted as the engine of economic growth and for promoting equitable development. MSEs constitute over 95% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports. It contributes more than 45% of total manufacturing production and 40% of exports, while employing 10 crores people, it suits the Indian conditions in the following manner:

- It is only source which has the potential to absorb about 10 million new youths which enter the workforce every year, as there are hardly any job opportunities in Government sector; the agriculture sector is already saturated; and the large / corporate sector has had less employment growth in last 2 decades.
- For country like India which has very scarce capital, promoting MSE is essential as only one tenth of capital investment is required to generate one employment in MSE sector as compared to investment required per capita employment in large sector. It mitigates the problem of migration to cities and slum dwellings in urban areas. It also ensure inclusive growth.

INDIA AND ITS INTERNATIONAL RELATIONS

ATAL DOCTRINE

Why in news?

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The J&K government has asked the Centre to revisit former Prime Minister Atal Bihari Vajpayee's doctrine to defuse tension with Pakistan. The state government believes that dialogue and reconciliation is the only way to restore peace along the borders and on the mainland.

Atal Doctrine:

The Atal doctrine on Kashmir called for peace, progress and prosperity in the Valley by imbibing the spirit of Insaniyat (Humanity), Jamhuriyat (Democracy) and Kashmiriyat (Identity of the people of Kashmir).

- ➤ The doctrine was universally acclaimed by all segments across of political spectrum in the state, including the extremist elements in the Valley.
- ➤ Vajpayee's mantra included resolving all outstanding issues with Pakistan, including that of Jammu and Kashmir issue in a peaceful manner through bilateral dialogue without any third party intervention.
- Vajpayee extended a hand of friendship on the basis of reciprocity and mutual trust and called for collective fight against poverty in the Indian subcontinent devoid of terrorism and drug-trafficking.

Vajpayee also signed a Lahore Declaration with Prime Minister of Pakistan in 1999. As part of the declaration, Pakistan agreed to resolve all bilateral issues between the two countries, including the issue of Jammu and Kashmir in a peaceful manner and through dialogue and to promote people to people contact.

INTERNATIONAL AFFAIRS

UN DEVELOPMENT PARTNERSHIP FUND

Why in news?

India has contributed an additional \$1 million to the India-UN Development Partnership Fund earmarked for South-South cooperation. The contribution aims to intensify its partnerships with other developing countries.

About the Fund:

It was set up as a partnership between India and the United Nations Office for South-South Cooperation (UNOSSC).

Managed by UNOSSC, the fund will support Southern-owned and led, demand-driven, and transformational sustainable development projects across the developing world. Focusing on Least Developed

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- Countries (LDCs) and Small Island Developing States, United Nations agencies will implement the Fund's projects in close collaboration with partnering governments.
- Focus areas include reducing poverty and hunger, improving health, education and equality, and expanding access to clean water and energy.

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UNOSSC:

The United Nations Office for South-South Cooperation (UNOSSC) was established to promote, coordinate and support South-South and triangular cooperation globally and within the United Nations system. UNOSSC, hosted by UNDP since 1974, was established by the UN General Assembly with a mandate to advocate for and coordinate South-South and triangular cooperation on a global and UN system-wide basis.

<u>Functions</u>: UNOSSC receives policy directives and guidance from the General Assembly and through its subsidiary body, the High-level Committee on South-South Cooperation. UNOSSC submits its strategic planning frameworks to the UNDP, UNFPA and UNOPS Executive Board for approval and funding.

CRISIS IN MALE

Why in news?

Political unrest continued in the strategically located Maldives in the Indian Ocean , after the Supreme Court ordered the release and retrial of opposition leaders including exiled former President Mohammed Nasheed.

On the other hand, Maldives government has shown no intent to release the opposition leaders and begin retrial. This has led to constitutional breakdown and military is seen all over the capital city of Male.

Backgrounder:

Till 2008, Maldives was marked by autocratic rule, human rights abuses and corruption by then-President Maumoon Gayoom. After the internal protests and international pressure, elections were held for the first time and Mohammad Nasheed became first democratically elected president in 2008. During his tenure, Maldives had faced major rise in inflation, tough economic crisis.

In 2011, opposition held mass symposium in the name of protecting the 'Islam' which they believed that Nasheed's government was unable to maintain in the country. The mass event became the foundation of a campaign that brought about social unrest within the capital city



In 2012, the Maldives military arrested SC judge on charges he was blocking the prosecution of corruption and human rights cases against allies of former President Gayoom. It resulted into weeks of protests and demonstrations.

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Short lived democratic regime

To contain these protests, Nasheed ordered police and army to subdue the anti-government protesters. But police came out to protest against the government instead. It was followed by Nasheed's resignation on the same day as president. Nasheed's vice president, Mohammed Waheed , was sworn in as president.

The protesters demonstrated against the coup and in favour of Nasheed. Supporters of Nasheed's political party, the Maldivian Democratic Party (MDP), led massive demonstrations. Amnesty has raised concerns of human rights abuses during this round of protests. The Commonwealth suspended the Maldives from its democracy.

In February 2013, a court ordered Nasheed's arrest in the same case, and he took refuge in the Indian High Commission in Male. India had intervened in the crisis urged all parties to maintain peace and calm. In November 2013, Nasheed lost the presidential election to current President Abdulla Yameen Abdul Gayyoom, a half-brother of Maumoon Abdul Gayyoom. Nasheed was booked under tougher anti-terror laws and was sentenced to thirteen years in prison on charges of terrorism. Nasheed is now in exile.

What is the reason for recent crisis?

The worst political crisis to have hit the archipelago in the past few years with President Abdulla Yameen showing no sign of implementing the Supreme Court ruling which ordered the release of all political prisoners, including former President Mohamed Nasheed.

The ruling said all political prisoners must be released as the trials against them violated the Maldives' Constitution and international law. After the court ruling, Nasheed has declared that he can and will contest the elections which should take place this year.

What is the response from other countries?



Western countries including the US and UK have welcomed the Supreme Court verdict. India has said, in the spirit of democracy and rule of law, it is imperative for all organs of the Government of Maldives to respect and abide by the order of the apex court.

Delhi's leverage in the Maldives is less than it has ever been. Three years ago Indian Prime Minister cancelled his visit to Male. This has singled Maldives out as the only country in the South Asian and Indian Ocean Region that he hasn't visited.

What is needed?

Concerted action from the international community is required to persuade Mr. Yameen to steer the Maldives out of this crisis, without taking recourse to coercive means.

As the Maldives is in the midst of a constitutional crisis, calling fresh elections, which are in any case due later this year, may be the best way out.

Being largest neighbouring nation and SAARC member, India also has a moral responsibility to facilitate "inclusive, free and fair elections in the Maldives" in 2018.

Maldives location

Maldives is a South Asian island country, located in the Indian Ocean, situated in the Arabian Sea. It lies southwest of Sri Lanka and India. The chain of 26 atolls stretches from Ihavandhippolhu Atoll in the north to the Addu City in the south.

- Maldives is one of the world's most geographically dispersed countries, as well as the smallest Asian country by both land area and population. It is the world's lowest country, with even its highest natural point being the lowest in the world.
- The Maldives archipelago is located atop the Chagos-Maldives-Laccadive Ridge, a vast submarine mountain range in the Indian Ocean, which also forms a terrestrial ecoregion, together with the Chagos and the Lakshadweep.

UN WORLD FOOD PROGRAMME

Why in news?

Sweden and the United Nations World Food Programme have signed a Strategic Partnership Agreement committing an unprecedented \$370 million dollars.

The World Food Programme (WFP)

It is the food assistance branch of the United Nations and the world's largest humanitarian organization addressing hunger and promoting food

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security. The WFP strives to eradicate hunger and malnutrition, with the ultimate goal in mind of eliminating the need for food aid itself. It is a member of the United Nations Development Group.

- ➤ Born in 1961, WFP pursues a vision of the world in which every man, woman and child has access at all times to the food needed for an active and healthy life.
- ➤ The WFP operations are funded by voluntary donations from world governments, corporations and private donors.
- ➤ WFP food aid is also directed to fight micronutrient deficiencies, reduce child mortality, improve maternal health, and combat disease, including HIV and AIDS.

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GENERAL STUDIES-3

INDIAN ECONOMY

MOUNTING FISCAL RISKS

The Fiscal Responsibility and Budget Management (FRBM) Act was enacted in 2003 which set targets for the government to reduce fiscal deficits. The targets were breached time and again.

Finance Minister deferred the fiscal deficit target of 3.2% due to several factors such as low GST collections, spike in oil prices and pressure to spend more.

Why FRBM became necessary?

The financial health of the government was eroded by excessive government borrowing and its resultant debts. High revenue deficit due to higher expenditure on subsidies, salaries, defence etc. compelled the government to make big borrowing. The borrowing again produced high interest payments. Interest payments became the largest expenditure item of the government. The Government introduced FRBM Act, 2003 to check the deteriorating fiscal situation.

What is FRBM Act?

The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) was passed with an aim to institutionalize financial discipline, reduce India's fiscal deficit and improve macroeconomic management by moving towards a balanced budget.

➤ The main purpose was to eliminate revenue deficit of the country and bring down the fiscal deficit to a manageable 3% of the GDP by March



- 2008. Fiscal deficit occurs when the government's expenditure outgrows its revenues.
- ➤ However, the deadlines for the implementation of the targets in the act were postponed due to the 2007 international financial crisis and later it was suspended.
- ➤ In later amendments, Concept of Effective Revenue Deficit was introduced and additional <u>Medium-term Expenditure Framework</u>" statement should be prepared by government and laid before both Houses of Parliament.
- ➤ In Budget 2016-17, a panel under the chairmanship of N.K Singh was constituted to review the Fiscal Responsibility and Budget Management Act.

Recommendations of NK Singh committee

Committee recommended that the combined debt-to-GDP ratio of Centre and States should be brought down to 60% by 2023(40% Centre and 20 % States) as against existing 49.4% of centre and 21% of states.

- For fiscal consolidation, the centre should reduce its <u>fiscal deficit</u> from the current 3.5% (2017) to 2.5% by 2023.
- The central government should reduce its <u>revenue deficit</u> steadily by 0.25 percentage (of GDP) points each year, to reach 0.8% by 2023.
- ➤ The committee has recommended an <u>Escape Clause</u> to accommodate counter cyclical fluctuations such as Boom or Recession or in case of any natural calamities.

The Committee proposed to create an autonomous <u>Fiscal Council</u> with a role of preparing multi-year fiscal forecasts, recommending changes to the fiscal strategy, improving quality of fiscal data, advising the government if conditions exist to deviate from the fiscal target, and advising the government to take corrective action for non-compliance with the Bill.

Proposed changes to FRBM Act in the Budget 2018-19

Budget 2018-19 has proposed amending the FRBM Act again, which will shift the target of 3% fiscal deficit-GDP ratio to end-March 2021. No target has been set for revenue deficit and combined and central debt-GDP ratios are to be reduced to 60% and 40% of GDP by 2024-25.

- ➤ The current Budget has retained the fiscal deficit at 3.5% of GDP, missing the budgeted target of 3.2% which was itself a deviation from the stipulated target of 3% for 2017-18 in the amended FRBM Act.
- ➤ In the absence of improvement in the fiscal deficit level in 2017-18, the debt-GDP ratio has increased to 49.1% in 2017-18 from 48.7% in 2016-17 rather than falling.
- ➤ The NK Singh committee had recommended a target at which the fiscal deficit to GDP ratio was to be stabilised set at 2.5%. The government apparently did not accept this framework and continued with the 3% target. However, government has to abide by this 3% mandate beyond 2020-21 to bring down debt to GDP ratio to 40% by 20124-25.

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- ➤ The committee had specified a revenue deficit glide path, reaching 0.8% by 2022-23. This too was not accepted. Unless government dis-savings are eliminated, it will be difficult to reverse the trend of a falling savings rate
- The Central government did not accept the recommendation of setting up a fiscal council.

Higher reliance on extra budgetary resources may lead to Fiscal risks

Fiscal risks may be higher with the reliance on extra-budgetary resources for financing a number of ambitious government spending programmes.

- ➤ In the Budget for 2018-19, the total outlays for three focus areas, namely, agriculture and rural livelihoods, infrastructure and education, and health and social sectors, amount to 11.6% of GDP.
- ➤ These are to be funded using budgetary and extra-budgetary resources. Budgetary resources constitute only 16.4% of the total outlay. The balance, 83.6%, is to be raised as an extra-budgetary resource by the public sector enterprises concerned, special purpose vehicles and other similar institutions.
- Any dependence on borrowing for these extra-budgetary resources while the saving rate is falling can put considerable pressure on interest rates.
- Another year of slippage can be damaging. Interest payments to revenue receipts of the Centre stand at 35.3%. This restricts the space for other development expenditures.

In conclusion

The fiscal rules adopted by government have generally not been followed by the Central Government, especially after 2008 mainly because of the global crisis. In this context, an important question is whether there is need for stiff fiscal rules and should these be adhered strictly or prudently in the welfare of the society.

In view of the changing circumstances in the economy, probably, there is a <u>need</u> for a regular and constant review of the fiscal policy and targets contained in <u>FRBM</u>, as circumstances can change in the economy.

There is need to have <u>transparency in macroeconomic forecasting</u> on the basis of which growth rates are projected as well as different types of deficits are computed in the Union budget.

Budget deficits should not only be confined to a single year computation but preferably balanced over a medium term. Therefore, the Government should consider a <u>medium-term framework for fiscal policy</u> and ensure that over the medium term targets are met.

In the FRBM, the <u>Golden Rule of revenue neutral</u>, preferably surplus, should be strictly followed.

To achieve fiscal discipline and meet targets there is need to <u>raise tax to GDP</u> <u>ratio</u>. The use of technology can be considered to ensure effective and efficient

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tax collection. The current drive of adopting GST and digitalizing India can help in higher tax collections.

Interest payments obstruct a substantial part of revenue receipts. Given the limitations of enhancing tax collection, the Government increasingly resorts to borrowing. Therefore, there is a need to <u>rationalize interest expenditure</u> of the Central Government.

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SEPARATE DEBT OFFICE AT CENTRE

Why in news?

NITI Aayog has made a strong case for setting up an independent debt management office, quipping that better servicing of loans could lead to substantial reduction in India's interest payments.

The need

At present, government debt is managed by the Reserve Bank of India (RBI). However, for better management of India's debt servicing obligations, an independent debt management office must be set up. Interest payment is such a large part of the revenue expenditure that better management of debt servicing could substantially reduce interest payment.

A separate agency, which assigns specific responsibilities and is accountable on its own, will lead to a more transparent and efficient system. This is also seen as a necessary step towards deepening of the bond market.

Looking ahead

The merits of setting up an independent Debt Management office has been adequately debated for more than two decades now and there is very little scope left for any new deliberations on this. Many developed countries have shifted to independent agencies over the years. And the fact that none of these countries have revisited their decision or have asked central banks to reassume the responsibilities of debt management further reinforces the sustainable advantages of such a transition.

GLOBAL IP INDEX

Why in news?

The US Chamber of Commerce's intellectual property rights advocacy arm, Global Innovation Policy Centre, has released Intellectual Property Index. The index ranks economies based on 40 unique indicators that benchmark activity critical to innovation development surrounding patent, trademark, copyright, and trade secrets protection.

• The US tops the list followed by United Kingdom and Sweden.



New Delhi, however, gives no formal recognition to such rankings and has in the past even dismissed criticism heaped on its IPR regime by the US government as part of its annual US 301 report.

Performance of India:

- India has improved its performance both in relative and absolute terms. The index showed that India ranked 44th of 50 economies a jump from 43rd of 45 economies one year ago improving its performance both in relative and absolute terms.
- India improved its score as it passed guidelines to strengthen the
 patentability environment for technological innovations, improved the
 protection of well-known marks, and initiated IP awareness and
 coordination programs, thereby implementing some tenets of the 2016
 National IPR Policy.

In conclusion

In what is otherwise a very challenging environment for IP rights holders, India has demonstrated a long-standing and clear commitment to increasing awareness of the importance of IP rights and respect for creators and innovators.

However, India has a long way to go. Among key areas of weaknesses are limited framework for protection of life sciences IP; patentability requirements outside international standards; lengthy pre-grant opposition proceedings; previously used compulsory licensing for commercial and nonemergency situations; limited participation in international IP treaties. Additional, meaningful reforms are still needed to incentivize domestic innovation, attract foreign investors, and improve access to innovation.

CCI SLAPS FINE ON GOOGLE

The Competition Commission of India has imposed a fine on search engine major Google for unfair business practices in the Indian market for online search.

It was alleged that Google was indulging in abuse of dominant position in the market for online search through practices leading to search bias and search manipulation, among others.

About CCI:

Competition Commission of India is a body responsible for enforcing The Competition Act, 2002 throughout India and to prevent activities that have an adverse effect on competition in India.

Established in 2003, became fully functional in 2009.

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<u>Composition:</u> CCI consists of a Chairperson and 6 Members appointed by the Central Government.

<u>Functions:</u> The duty of the Commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India. The Commission is also required to give opinion on competition issues on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.

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RBI TO LINK BASE RATE WITH MCLR

The Reserve Bank of India (RBI) has proposed to link the base rate for loans with the marginal cost of funds-based lending rate (MCLR) from 1 April to improve monetary policy transmission. This is likely to narrow the gap between the base rate and MCLR, and benefit borrowers who are still using the base rate.

What necessitated this?

A large portion of bank loans remain linked to the base rate despite the introduction of the MCLR in 2016. Weak monetary transmission during a rate cut cycle has been one of the central bank's headache.

The MCLR is more sensitive to monetary policy transmission and is closely linked to the actual deposit rates. MCLR is calculated on the basis of incremental cost of funds, making it a more reliable benchmark rate as compared to the base rate, usually calculated by taking into account average cost of funds.

What is MCLR?

The Marginal Cost of Funds based Lending Rate (MCLR) system was introduced by the Reserve Bank to provide loans on minimal rates as well as market rate fluctuation benefit to customers. This system has modified the existing base rate system of providing home loans. In this system, banks have to set various benchmark rates for specific time periods starting from an overnight to one month, quarterly, semi-annually and annually.

How is it different from base rate regime?



MCLR is based on the risk taking capacity of borrowers, where banks prepare marginal cost of funds lending rates. Unlike base rate regime, these rates are expected to get revised on monthly basis along with the repo rate including other borrowing rates. Banks decide the actual lending rate based on the floating rate by adding the component of spread to MCLR which becomes the final lending rate.

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LTCG TAX ON EQUITY

Why in news?

The government has re-introduced LTCG tax on equity shares. Investors have to pay 10% LTCG tax on gains exceeding ₹ one lakh on the sale of shares or equity mutual funds held for more than one year. Previously, short-term capital gains (STCG) tax of 15% was levied.

What is LTCG?

LTCG or long-term capital gains refer to the gains made on any class of asset held for a particular period of time.

➤ If the shares are bought and held for more than a year before selling, then the gains, if any, on the said sale are referred to as long term capital gains or LTCG.

Benefits of LTCG tax

- ➤ One, it corrects, somewhat, the prevailing imbalance on market investments because though investment instruments are taxed, gains from holding shares for long are not. Even short-term capital gains money made by selling shares after holding for less than a year are taxed at 15%.
- Two, investors who park wealth in the stock markets would be encouraged to deploy the capital in ways that are more economically productive, say, in manufacturing activities.
- ➤ Three, it makes the government seem a little less pro-rich, little more benevolent towards the no-so-rich as much of the capital gains are collected by corporates, not individuals.

CLASSIFICATION OF MSME

Why in news?

The Union Cabinet has approved change in the basis of classifying Micro, Small and Medium enterprises from 'investment in plant & machinery/equipment' to 'annual turnover'.

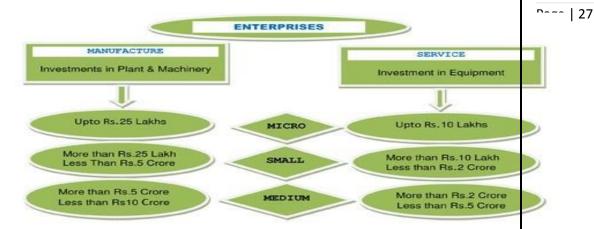
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The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 will accordingly be amended to define units producing goods and rendering services in terms of annual turnover as follows:



Additionally, the Central Government may, by notification, vary turnover limits, which shall not exceed thrice the limits specified in the MSMED Act.

Significance

The change in the norms of classification will enhance the ease of doing business. The consequent growth will pave the way for increased direct and indirect employment in the MSME sector of the country. This will also encourage ease of doing business, make the norms of classification growth oriented and align them to the new tax regime revolving around GST (Goods & Services Tax).

CRISIDEX

CriSidEx, India's First MSE Sentiment Index, has been launched by CRISIL and SIDBI. CriSidEx is a composite index based on a diffusion index of 8 parameters and measures MSE business sentiment on a scale of 0 (extremely negative) to 200 (extremely positive).

CriSidEx will have 2 indices, one for the 'survey quarter' and another for the 'next quarter' once a trend emerges after few rounds of the survey, providing independent time series data.

Benefits:



The crucial benefit of CriSidEx is that its readings will flag potential headwinds and changes in production cycles and thus help improve market efficiencies. And by capturing the sentiment of exporters and importers, it will also offer actionable indicators on foreign trade.

Significance of MSME:

MSME sector is backbone of the economy. It is one of the largest employer in the country and with the vast population where employment either in government or in the large industry itself has limited potential.

This is one sector where people not only exhibit their entrepreneurial skills, become part of large value chains but also become job creators in the process. And that is the reason why a bulk of the jobs in manufacturing, trading has been created in this particular sector.

BIOLOGICS, PATENTS AND DRUG PRICES

Pharmaceutical R&D is an expensive, time consuming and uncertain process that may take many years to complete. The useful new drugs are patented, protecting them from competition and allowing them to charge high prices. When the patent ends, other companies are allowed to supply the previously patented drug. These are known as generics.

Evergreening and Humira

The prices of generic drugs are much lower than the prices of in-patent drugs. However, Pharmaceutical companies through ever-greening continue to seek extra patents on variations of the original drug. Such is the case with the world's best-selling prescription drug, Humira, continue to grow even after the expiry of the patent over its main ingredient, adalimumab, and a biologic used for the treatment of arthritis by Secondary Patents.

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Indian Patent Act

Indian patent law helps thwart ever-greening practices by pharmaceutical companies. This has dramatically expanded access to medicines for important health problems such as cancer, AIDS, asthma and cardiovascular diseases. The basic principle of the Patent Law in our country is that patent is granted only for an invention which must be new and useful.

- > The product in question must feature a technical advance over what came before that's not obvious to a skilled person.
- Section 3(d) necessitates a demonstration of improvement in its therapeutic efficacy. The provision also bars patents for new uses and new properties of known substances.
- Section 3(e) ensures that patents for combinations of known substances are allowed only if there is synergistic effect.
- Section 3(i) ensures that no exclusivity can be claimed over methods of treatment.

Together, Sections 3(d), 3(e) and 3(i) have been instrumental in rejecting hundreds of secondary patents for pharmaceuticals.

The U.S. recognises and encourages secondary patents. India, however, does not. India's rejection of secondary patents has kept blockbuster medicines affordable for many.

What is 'Blockbuster Drug'?

A blockbuster drug is an extremely popular drug that generates annual sales of at least \$1 billion for the company that sells it. Examples of blockbuster drugs include Humira and Lipitor.

- Blockbuster drugs are commonly used to treat common medical problems like high cholesterol, diabetes, high blood pressure, asthma and cancer.
- Pharmaceutical companies through ever-greening continue to make profits by seeking extra patents on variations of the blockbuster drug.

What are secondary patents?

Patents offer their owners market exclusivity for a limited period of time, typically 20 years. However, pharmaceutical companies find new ways to postpone their exclusivity by filing secondary patents making small changes to an original drug with a new formulation, a dosage regimen, or a new method of administering the medicine. This practice is called evergreening.

Not in India

Patent holder attempts to exploit the loopholes in patent laws and related regulatory processes in order to maximize their monopoly.

In India, couple of years ago, Swiss company Novartis filed a new patent on its drug Glivec, a drug used to fight leukaemia. But

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- Supreme Court refused to grant Novartis a patent for a new version of its cancer drug as the drug was not substantially different from original one. SC alleged new drug Glivec was only a 'beta-crystalline' form of the already existing cancer drug Imatinib.
- Likewise, Spiriva, a medicine for asthma, enjoys patent protection until 2021 in the U.S., largely due to secondary patents. All of these secondary patents were rejected in India.

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Does Indian Patent act extend to Biologics?

A biologic is manufactured in a living system such as a microorganism, or plant or animal cells. It is used in the prevention, diagnosis, or treatment of cancer and other diseases. Biological drugs include antibodies and vaccines.

Indian Patent Act provisions also extend to biologics as biologics are no stranger to the lure of secondary patenting for extending patent terms.

AGRICULTURE AND CROPPING PATTERNS

COMMISSION FOR AGRICULTURAL COSTS AND PRICES (CACP)

Based on recommendations of Commission for Agricultural Costs and Prices (CACP), the Cabinet Committee on Economic Affairs has given its approval for increase in the Minimum Support Price (MSP) for Fair Average Quality (FAQ) of "Milling Copra".

CACP:

The Commission for Agricultural Costs & Prices (CACP) is an attached office of the Ministry of Agriculture and Farmers Welfare, Government of India.

<u>Composition:</u> Chairman, Member Secretary, one Member (Official) and two Members (Non-Official). The non-official members are representatives of the farming community and usually have an active association with the farming community.

Mandate: To recommend minimum support prices (MSPs) to incentivize the cultivators to adopt modern technology, and raise productivity and overall grain production in line with the emerging demand patterns in the country.



However, the Cabinet Committee on Economic Affairs (CCEA) of the Union government takes a final decision on the level of MSPs and other recommendations made by CACP.

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VILLAGE RESOURCE CENTRES

Established by: ISRO

Purpose

To demonstrate the potential of satellite technology for development of rural areas. The project is running in association with selected NGOs, Trusts and State Government Departments.

Village Resource Centres program:

To provide the space based services directly to the rural areas-- tele-healthcare, tele-education, natural resources information, advisories related to agriculture, career guidance to rural students, skill development and vocational training etc.

The parameters for selecting NGOs and Trusts as partners in VRC include experience in community organisation and social work, availability of required infrastructure for housing the VRC facility, requisite manpower for day-to-day operation and capacity for conducting programmes of relevance for the development of rural areas.

INDUSTRY, INFRASTRUCTURE AND INVESTMENT

KUSUM SCHEME

Why in news?

As part of Union Budget 2018-19, the government has announced Kisan Urja Suraksha evam Utthaan Mahaabhiyan or KUSUM scheme.

About the scheme

It is a scheme for promoting decentralised solar power production of up to 28,250 MW to help farmers.

- ➤ It would provide extra income to farmers, by giving them an option to sell additional power to the grid through solar power projects set up on their barren lands.
- ➤ It would help in de-dieselising the sector as also the DISCOMS.



Components of the scheme:

- ➤ Building 10,000 MW solar plants on barren lands and providing sops to DISCOMS to purchase the electricity produced
- > 'solarising' existing pumps as well as government tube wells
- ➤ The 60% subsidy on the solar pumps provided to farmers will be shared between the Centre and the States while 30% would be provided through bank loans. The balance cost has to be borne by the farmers.

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Significance of the scheme:

- Promotion of decentralised solar power production
- Reduction of transmission losses
- Providing support to the financial health of DISCOMs by reducing the subsidy burden to the agriculture sector.
- Promote energy efficiency and water conservation and provide water security to farmers.

JAL MARG VIKAS PROJECT

Why in news?

Inland Waterways Authority of India (IWAI) has inked pact with the World Bank for Jal Marg Vikas Project to enhance navigation on National Waterway-1.

About the project

The Jal Marg Vikas Project seeks to facilitate plying of vessels with capacity of 1,500-2,000 tonnes in the Haldia- Varanasi stretch of the River Ganga.

➤ The major works being taken up under JMVP are development of fairway, Multi-Modal Terminals, Digital Global Positioning System (DGPS), night navigation facilities, modern methods of channel marking etc.

Implementation: The JMVP, which is expected to be completed by 2023, is being implemented with the financial and technical support of the World Bank.

Benefits:

- ➤ Alternative mode of transport that will be environment friendly and cost effective.
- Bringing down the logistics cost in the country.
- Mammoth Infrastructure development like multi-modal and intermodal terminals.



- ➤ Roll on Roll off (Ro-Ro) facilities, ferry services, navigation aids.
- Socio-economic impetus; huge employment generation.

Environmental challenges:

Though the project is ambitious in its intent, it does not account for the monetary value of the environmental costs that are imposed upon society.

The river Ganga meanders across the landscape and spreads over its riverbed making pools and shallow areas. Fish and turtles lay eggs in these shallow areas. But thanks to dredging, which is already being done in the Ganga under the NW-1 project, the river is now channelised in one deep channel. The river no longer meanders and no longer has pools and shallow areas, destroying the habitat of fish and turtles.

The stretch of the Ganga near Varanasi has been declared as a turtle sanctuary and studies in other countries indicate that large numbers get hit by fast-moving tourist boats because turtles move slowly.

The stretch of the Ganga near Bhagalpur has been declared a wildlife sanctuary for the conservation of the Ganges Dolphin. This animal does not have eyes. It navigates and catches its prey by the sound made by the movement of other aquatic creatures. The plying of large barges will create a high level of sound and make it difficult for them to survive. The paint on ships and barges will also pollute the water. The carbon dioxide released by the ships will be is absorbed more by the water because of its proximity and this too pollutes the river.

Minimizing the impact

- ➤ A ban on dredging in protected habitat areas.
- ➤ In other areas that are known to be the habitat of valued aquatic species, no dredging should be allowed in the breeding and spawning seasons.
- ➤ The speed of barges travelling along the protected areas of the sanctuaries should be restricted to 5km per hour. All vessels plying on the Ganga should be fitted with noise control and animal exclusion devices so that aquatic life is not unduly disturbed.
- ➤ All vessels will also have to comply with `zero discharge' standards to prevent solid or liquid waste from flowing into the river and affecting its biodiversity.

UJJWALA YOJANA

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Why in news?

The Cabinet has approved the increase in the target for the Pradhan Mantri Ujjwala Yojana, meant to provide LPG connections to rural women, to eight crore from the earlier five crore, by 2020.

About the Pradhan Mantri Ujiwala Yojana:

<u>Aim:</u> To provide LPG (liquefied petroleum gas) connections to poor households. Under the scheme, an adult woman member of a below poverty line family identified through the Socio-Economic Caste Census (SECC) is given a deposit-free LPG connection with financial assistance of Rs 1,600 per connection by the Centre.

Eligible households will be identified in consultation with state governments and Union territories. The scheme is being implemented by the Ministry of Petroleum and Natural Gas.

LPG adoption

About 75 crore Indians, especially women and girls, are exposed to severe household air pollution (HAP) from the use of solid fuels such as biomass, dung cakes and coal for cooking. A report from the Ministry of Health & Family Welfare places HAP as the second leading risk factor contributing to India's disease burden. According to the World Health Organization, solid fuel use is responsible for about 13% of all mortality and morbidity in India (measured as Disability-Adjusted Life Years), causes pulmonary disorders, cataract incidences, and ischemic heart disease, lung cancer and lower respiratory infection.

<u> "DEVELOPMENT OF SOLAR CITIES"</u>

Scheme by: The Ministry of New and Renewable Energy

<u>Aim</u>: To reduce a minimum of 10% of the projected demand of conventional energy of the city through renewable energy installations and energy efficiency measures.

Details

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- ➤ Under the 60 Cities including 13 Pilot and 5 Model Cities up to 12th Five-year Plan period have been approved.
- ➤ The Master plan for each Solar City is being prepared to assess and utilize various renewable sources including Solar, Wind, Municipal Waste etc.
- ➤ The criteria set by the ministry for the identification of cities include a city having population between 50,000 to 50 lakh (with relaxation given to special category states including northeast states), initiatives and regulatory measures already taken along with a high level of commitment in promoting energy efficiency and renewable energy.

Need for Solar Cities:

- ➤ Urbanization and economic development are leading to a rapid rise in energy demand and GHG emissions.
- ➤ The local governments and the electricity utilities are finding it difficult to cope with this rapid rise in demand and as a result most of the cities/towns are facing electricity shortages.

The Solar City programme aims:

- To enable and empower Urban Local Governments to address energy challenges at City level.
- To provide a framework and support to prepare a Master Plan including assessment of current energy situation, future demand and action plans.
- To build capacity in the Urban Local Bodies and create awareness among all sections of civil society.
- To involve various stakeholders in the planning process.
- To oversee the implementation of sustainable energy options through public – private partnerships.

SCIENCE AND TECHNOLOGY

SPACEX FALCON HEAVY

Why in news?

SpaceX Falcon Heavy, the world's most powerful rocket, was recently launched from the Kennedy Space Centre in the United States' Florida toward an orbit near Mars. Falcon Heavy is being considered mainly as a potential equipment carrier to deep space destinations.

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The mission:

The mission is a test flight, pioneered by rocket firm SpaceX which is helmed by Tesla CEO Elon Musk. The rocket is loaded with Mr. Musk's own red Tesla roadster. At the wheel is a mannequin dressed in a spacesuit nicknamed Starman. It is the first time that a car is being sent to the space.

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If the Tesla roadster survives its five-hour journey through the Van Allen Belt – a region of high radiation where it will be pelted with charged particles – it will attempt a final burn toward Mars.

AGNI-I MISSILE

Indigenously developed Agni-I ballistic missile that can carry a nuclear payload was recently flight tested from a test range off the Odisha coast.

Agni 1 missile

- Surface-to-surface, single-stage nuclear capable missile.
- ➤ Developed by the Advanced Systems Laboratory or ASL in collaboration with the Defence Research Development Laboratory (DRDL) and the Research Centre Imarat (RCI).
- ➤ Weighing around 12 tonnes, the 15-metre-long Agni-I can carry payloads up to 1,000 kg
- > Capable of hitting a target beyond 700 km.
- Propelled by a solid rocket propellant system

PRITHVI-II

Why in news?

India has successfully test-fired its first indigenously-built ballistic missile as part of a user trial by the Army from a test range in Odisha.

Details

Inducted into the Armed forces of the country in 2003, it is a single-stage liquid-fuelled missile.

- ➤ First missile to have been developed by the DRDO under the Integrated Guided Missile Development Programme (IGMDP).
- ➤ Prithvi-II is capable of carrying 500-1,000 kilogram of warheads and is thrusted by liquid propulsion twin engines. The state-of-theart missile uses advanced inertial guidance system with manoeuvring trajectory to hit its target.



Nuclear-capable surface-to-surface. With a strike range of 350 km, it also uses advanced inertial guidance system with manoeuvring trajectory to hit its target.

THREE-PARENT BABIES

THREE PARENT BABIES: HOW THE PROCESS WORKS AND WHAT CAN GO WRONG Mother Donor Father Two eggs - one from the mother (with faulty mitochondrial DNA) and another from the donor (with healthy mitochondrial DNA) -are fertilised with sperm from the father. Diseased These form two pronuclei, which contain most of the genetic material. Father Healthy mitochondria Nuceli from the mother Nuceli from the dono it in the donor egg egg are removed -leaving egg cells with

Healthy

Mother pronuclei

Why in news?

In 1% - 2% of cases som diseased mitochondria

Regulators in the United Kingdom have given doctors the green light to perform mitochondrial donation therapy on two British women. The controversial form of IVF results in "three-parent babies".

Diseased

Father -

Details

The births will not be the first using this technique – that milestone was reached in New York, as revealed by scientists in 2016.

➤ However, the UK is the only country so far to have officially approved the use of a mitochondrial replacement therapy (MRT) technique, and only to prevent children from inheriting severe mitochondrial disorders.

MRT technique:

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MRT techniques essentially swap a woman's defective mitochondrial DNA with that of a donor. The resulting embryo's DNA will mostly come from the two parents who supplied the egg and sperm, but a tiny proportion – a fraction of a percentage – will come from the donor.

Concerns:

- ➤ Mitochondrial transfer passes on genetic changes from one generation to another. That raises ethical concerns because any unexpected problems caused by the procedure could affect people who are not yet born, and so cannot give their consent to have the treatment.
- Mitochondria are not completely understood, and the DNA they hold might affect people's traits in unknown ways. For that reason, some scientists believe mitochondria should be better understood before the procedures are legalised.
- Some people are opposed on religious or ethical grounds, particularly with pro-nuclear transfer technique which involves creating and then destroying a fertilised egg in order to treat another embryo.
- ➤ Others believe that there will be inevitable "carry over" of defective mitochondria from the affected mother's fertilised egg to the donor egg. These mutant mitochondria could multiply during embryonic development to cause disease, perhaps in way we do not yet understand.

BIG DISCOVERIES HAVE SMALL ORIGINS

Innovations in science and technology are integral to the long-term growth of any nation and have instrumental and intrinsic value for society. Though India can point to many contributions to global scientific knowledge, it underspends on R&D even relative to its development.

Economic Survey 2017-18 calls for doubling Research and Development expenditure from its current level of about 0.6% of GDP. However, it would still lag behind China, Israel, Korea and the U.S.

Reasons for low R&D spending in India

In India, government plays a dominant role in spending on R&D. As a fraction of GDP, public expenditures on research have been stagnant – between 0.6-0.7 percent of GDP – over the past two decades.

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- About Three-fifths of government's investment in R&D goes to missionoriented projects in the areas of defence, space, nuclear and environmental sciences. The government is not just the primary source of R&D funding but also it's the primary user of these funds.
- Even more, government expenditure on R&D is undertaken almost entirely by the central government. Private investments in research have severely lagged public investments in India.
- ➤ India's universities play a relatively small role in the research activities of the country. Publicly funded research in India concentrates in specialized research institutes under different government departments and largely plays a teaching role.
- ➤ It appears that fewer Indian students have been enrolling in recent years for Ph.D. degrees, whether due to more attractive options after a master's degree or rising work visa challenges for other counties like USA.
- ➤ In terms of publications trends reveal a fact that India is gradually improving its performance. However India produces fewer patents per capita. An undue delay in processing patents penalizes innovation and innovators within the country.
- India to catch up in the near future, there needs to be a greater focus on R&D in addition to rising income levels.

Possible solutions

India needs to redouble its efforts to improve science and R&D in the country by doubling national expenditures on R&D coming from both public and private sector and universities.

- 1. Improve mathematics and cognitive skills at school level.
- 2. India needs to gradually move to investigator driven model funding science research. Science and Engineering Research Board (SERB), a statutory body of DST has sanctioned about three and half thousand new R&D projects to individual scientists. It is a step in the right direction.
- 3. Increase funding for research from private sector as well as from state governments. Government can also work with the private sector to create new R&D funding opportunities in line with 50:50 partnerships with SERB for industry relevant research under the Ucchatar Avishkar Yojana (UAY).
- 4. State governments too need to recognize the need to invest in application oriented research aimed at problems specific to their economies and populations.
- 5. Create a new knowledge eco-system by linking national labs to universities. This would facilitate qualified faculty from research institutes to work with bright young university students.
- 6. Mission driven approach would be helpful for the growth in R&D.

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- 7. Facilitate greater engagement of public in science and research establishments.
- 8. There are a number of government fellowship programs such as the Ramanujan Fellowship Scheme and the Innovation in Science Pursuit for Inspired Research (INSPIRE) Faculty Scheme that provide avenues to qualified Indian researchers residing in foreign countries, to work in Indian institutes/universities. These schemes could be enhanced according to the current needs.
- 9. Important innovations often result from the small-scale science research. Time and again, small science projects have demonstrated the potential to emerge as harbingers of technological changes. For instance, Higgs boson at CERN had its humble origins in seminal theoretical works of several scientists working independently.

ENVIRONMENT

21ST INDIAN BIRDING FAIR

The 21st Indian Birding Fair is happening at the Man Sagar Lake, Rajasthan. This year's fair is dedicated to the White Naped Tit bird, which is quite rare in Jaipur and are at the verge of extinction.

White-Naped is a robust, strongly patterned, mainly black-and-white coloured bird with yellow in the flanks and sides of the breast. The bird is found in Udaipur and in some regions of Kutch as well. It is considered vulnerable to extinction because of the scarcity of suitable habitats.

GREAT INDIAN BUSTARD

Why in news?

In a novel experiment, a group of farmers at the Lala Sanctuary in Kutch have decided not to use inorganic fertilizers and toxic pesticides so as to save the Great Indian Bustard (GIB).

According to experts, when farmers use pesticides, GIB loses a major portion of its food — insects, locust, lizard among others — and the bird is forced to look for smaller insects in the grains, resulting in damage to the crops.

Great Indian Bustard

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- ➤ It is listed in Schedule I of the Indian Wildlife (Protection)Act, 1972, in the CMS Convention and in Appendix I of CITES, as Critically Endangered on the IUCN Red List.
- ➤ It has also been identified as one of the species for the recovery programme under the Integrated Development of Wildlife Habitats of the Ministry of Environment and Forests, Government of India.
- This species was formerly widespread in India and Pakistan.

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COMPENSATORY AFFORESTATION (CA) FUNDS

Why in news?

The Ministry of Environment, Forest and Climate Change (MoEFCC) is in deliberation with the Ministry of Finance over the future of compensatory afforestation (CA) funds collected by the Centre.

Currently, the CA funds, amounting to roughly Rs 50,000 crore, are with the ad hoc Compensatory Afforestation Fund Management and Planning Authority (CAMPA). The ad hoc body was created by the order of Supreme Court in 2009.

Backgrounder:

Compensatory Afforestation Fund Act 2016 (CAF) has a provision for creating a national fund with contributions from user agencies—any person, organisation, company or department of the Central Government or state government making a request for diversion or de-notification of forest land for non-forest purpose.

According to the Act, the fund will be used for "compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value, catchment area treatment plan or any money for compliance of conditions stipulated by the Central Government while according approval under the provisions of the Forest (Conservation) Act, 1980."

About CAMPA:

The CAMPA was created as National Advisory Council under the chairmanship of the environment minister for monitoring, technical assistance and evaluation of compensatory afforestation activities.

Mandate:

- Lay down broad guidelines for State CAMPA.
- Facilitate scientific, technological and other assistance that may be required by State CAMPA.
- Make recommendations to State CAMPA based on a review of their plans and programmes.
- Provide a mechanism to State CAMPA to resolve issues of an inter-state or Centre-State character.



TAWANG GETS RHODODENDRON PARK

In a bid to conserve the dwindling rhododendron species of Tawang, a rhododendron park is being established in Tawang, Arunachal Pradesh. It will also have a modern nursery, an information centre, resting sheds, and a parking facility, among other things.

About Rhododendron: Found in varied habitats from subtropical forest to alpine shrubs, rhododendrons range from dwarf shrubs to large trees. The smallest are R. nivale and R. pumilum while the tallest species is R. arboretum.

Where they are found?

The cold, moist slopes and deep valleys of the eastern Himalayas form a conducive habitat for the luxuriant growth of Rhododendron species. Arunachal Pradesh is home to the highest number of the Rhododendron.

WORLD WETLANDS DAY 2018

World Wetlands Day is celebrated every year on 2 February. This day marks the date of the adoption of the Convention on Wetlands on 2 February 1971, in the Iranian city of Ramsar on the shores of the Caspian Sea.

Theme for 2018: "Wetlands for a Sustainable Urban Future".

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About Ramsar convention:

The Ramsar Convention is an international treaty for the conservation and wise use of wetlands. It is named after the Iranian city of Ramsar, on the Caspian Sea, where the treaty was signed on 2 February 1971.

Known officially as 'the Convention on Wetlands of International Importance especially as Waterfowl Habitat' (or, more recently, just 'the Convention on Wetlands'), it came into force in 1975.

Montreux Record:

Montreux Record under the Convention is a register of wetland sites on the List of Wetlands of International Importance where changes in ecological character have occurred, are occurring, or are likely to occur as a result of technological developments, pollution or other human interference.

It is maintained as part of the Ramsar List. The Montreux Record was established by Recommendation of the Conference of the Contracting Parties (1990). Sites may be added to and removed from the Record only with the approval of the Contracting Parties in which they lie.

Significance of urban wetlands:

Today, 50% of the world's population live in urban areas. Forecasts expect the urban population to rise to 6.3 billion by 2050. While the urban proportion of the world's population will more than double from 1950 to 2050, the number of the world's wetlands has already more than halved over the past 100 years.

However, wetlands play a vital role for cities and for the whole of humanity. For instance, they serve as a source of drinking water; they reduce flooding and the vegetation of wetlands filters domestic and industrial waste and improves water quality.

PELICAN FESTIVAL

'Pelican Bird Festival-2018' was recently organized at Kolleru lake.

Organised by: The Andhra Pradesh Tourism Authority (APTA) and Krishna district administration.

Backgrounder:

Thousands of pelicans, painted storks and other birds will visit the lake during winter season, roost, breed and fly with their off springs. Recently, officials identified that Atapaka is one of the largest pelicanry in the world.

Kolleru lake:

Kolleru lake is one of the largest fresh water lakes in the country. It is located between Krishna and Godayari delta. It was declared as a wildlife

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sanctury in 1999. It is a Ramsar site and is also listed as an Important Bird Area.

Grey Pelican

The lake is known to amateur birdwatchers and professional ornithologists as a Pelicanery — a location where the Grey Pelicans, a large magnificent bird, nest and breed. Grey pelicans had vanished from the lake in 1973 for nearly 35 years and returned to it to nest again in December 2006.

The Grey Pelican also called the Spot Billed Pelican is listed in Schedule I of the Wildlife Protection Act and in the Red Data Book. It is also considered a "globally threatened species" under the "vulnerable" category.

MINAMATA CONVENTION

Why in news?

The Union cabinet has approved a proposal for ratification of the Minamata Convention, a global treaty to protect human health and the environment from adverse effects of mercury. After joining the Convention, it will now be easier for India to get technological or financial assistance to address issues related to mercury.

About the convention

The Minamata Convention on Mercury is a multilateral environmental agreement that addresses specific human activities which are contributing to widespread mercury pollution. Implementation of this agreement will help reduce global mercury pollution over the coming decades.

- ➤ Ban on new mercury mines, the phase-out of existing ones, the phase out and phase down of mercury use in a number of products and processes, control measures on emissions to air and on releases to land and water, and the regulation of the informal sector of artisanal and small-scale gold mining.
- ➤ The Convention also addresses interim storage of mercury and its disposal once it becomes waste, sites contaminated by mercury as well as health issues.

Backgrounder

The Minamata Convention is named after the Japanese city of Minamata, which experienced a severe, decades-long incidence of mercury poisoning after industrial wastewater from a chemical factory was discharged into

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Minamata Bay. The wastewater contained methylmercury, which bioaccumulated in fish and shellfish in the bay. Local people who consumed seafood from Minamata Bay became very sick, and many died or were left severely disabled.

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RIVER SAL, GOA

Why in news?

The Ministry of Environment, Forest & Climate Change under the National River Conservation Plan has sanctioned a new project to control pollution in River Sal at Navelin town in Goa. Both the Centre and State will share the cost on 60:40 basis. Under the project, sewers and sewage treatment plant will be constructed.

Significance of the project:

The project will help in reduction of pollution load in the river and improvement in its water quality, besides improving the environment and sanitation in the town.

Location

The third largest river in Goa, the Sal River is based in South Goa and starts in Cavelossim. Being the only river that flows in a north-south direction prior to flowing in to the Arabian Sea at Betul, the Sal River is a geologically odd one because it runs parallel to the west of geological coast.