

Food Subsidy

❖ Context

- The food subsidy has been slashed by **more than 27 per cent**, to Rs 2,06,831 crore in the Budget estimate for 2022-23 from Rs 2,86,469 crore in the revised estimate for 2021-22.

❖ Key Highlights

- Food subsidy has three elements
 - **Consumer subsidy**
 - **Buffer carrying cost/Buffer subsidy** - It is the operation cost in respect of buffer stocks required in relation to food security or government intervention to stabilize the prices
 - **Subsidy on coarse grains, regularization of losses to FCI** etc

❖ Consumer subsidy

- It is the difference between the economic cost to FCI and the central issue price
- **Central Issue Price** is the price at which foodgrains are made available to beneficiaries, under different schemes of Gov. Foodgrains under NFSA are made available at subsidized prices of Rs.3/2/1 per kg for rice, wheat and coarse grains respectively

❖ Economic Cost

- $EC = \text{Acquisition cost} + \text{Distribution cost}$
- $AC = \text{Procurement Price (MSP)} + \text{Procurement Incidentals}$
- Procurement Incidentals are the expenses incurred during procurement till the foodgrains reach the first point of godown.
- Breakup of PI is as follows:

Statutory /Obligatory cost	Mandi /Statutory charges,Commission to Arthiya & Societies,Gunny Cost,Milling Charges & Driage Allowance
Labour & Transport charges	Mandi Labour, Forwarding charges, Internal Movt.
Storage & Interest charges paid to State Agencies	Storage Charges, Interest

- Distribution cost is sum total of freight, handling charges, Storage charges, Interest charges, losses during transport & Establishment charges

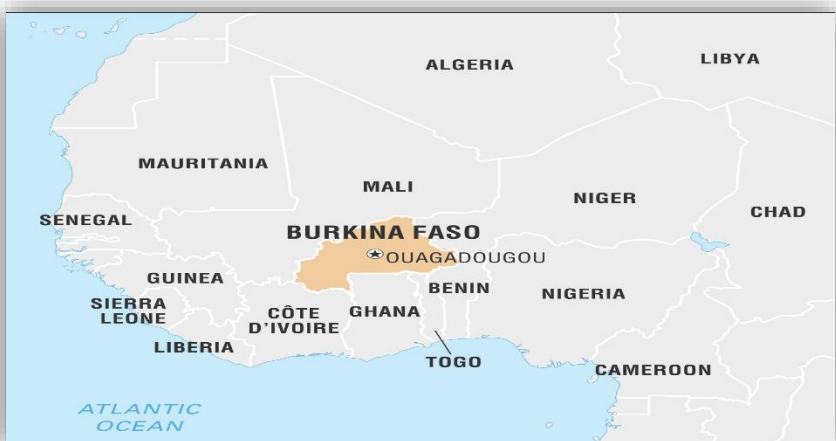
African Union

❖ Context

- The **African Union (AU)** has **suspended Burkina Faso's participation** in the organization's activities **until the country restores constitutional order** after the military mutiny. **ECOWAS** was the first to suspend Burkina Faso.

❖ About Issue

- On January 24, rebel soldiers **detained president Kabore** amid rising public anger at his **failure to stem jihadist violence ravaging the impoverished nation**.
- They later released a handwritten letter in which he **announced his resignation** — a document that a member of his party said was authentic.
- The junta has dissolved the government and parliament and suspended the constitution, vowing to **re-establish "constitutional order" within a "reasonable time"**.



- The coup is the latest bout of turmoil to strike **Burkina Faso, a landlocked state** that has suffered chronic instability since gaining independence from France in 1960.
- Mr. Kabore was **elected in 2015**.

❖ About Africa Union

- The African Union (AU) is a **continental union** consisting of **55 countries** of the continent of Africa, with the **exception of various territories of European possessions located in Africa**.
- The bloc was **founded on 26 May 2001** in Addis Ababa, Ethiopia and launched on 9 July 2002 in South Africa.
- The AU's secretariat, the African Union Commission, is based in Addis Ababa.



❖ About Economic Community of West African States (ECOWAS)

- It is a **regional political and economic union of fifteen countries** located in West Africa.
- **Established in 1975**, with the signing of the Treaty of Lagos.
- The goal of ECOWAS is to achieve **"collective self-sufficiency" for its member states** by creating a single large trade bloc by building a full economic and trading union.
- It also **serves as a peacekeeping force** in the region.
- Considered one of the pillar **regional blocs of the continent-wide African Economic Community (AEC)**.

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Digital Rupee - A Central Bank Digital Currency (CBDC)

❖ Context

- Recently, the Finance Minister announced the **launch of the Digital Rupee** — a central bank digital currency (CBDC) — 2022-23 onwards.

❖ Key Highlights

- The announcement in the Budget essentially expresses the **government's intention on cryptocurrencies and other virtual currencies.**
- The RBI has on several occasions flagged **concerns of money laundering, terror financing, tax evasion**, etc with private cryptocurrencies like Bitcoin, Ether, etc and had planned to announce its own CBDC.

❖ About CBDC

- CBDC is a **legal tender** issued by a central bank in a **digital form.**
- It is similar to a fiat currency issued in paper and is interchangeable with any other fiat currency.
- One chief difference will be that a **Digital Rupee transaction will be instantaneous** as opposed to the current digital payment experience.

❖ A Key Difference Between Cryptocurrencies Like Bitcoin and Digital Rupee

- Bitcoin which operates in a decentralised environment, where all the **data is stored in a wide network of computers.**
- In Digital Rupee, the **controlling position lies with the Reserve Bank of India (RBI)** which will set up its own network with other banking entities.

❖ Features of CBDC

- **High-security instrument:** CBDC is a high-security digital instrument; like paper banknotes, it is a means of payment, a unit of account, and a store of value.
- **Uniquely identifiable:** And like paper currency, each unit is uniquely identifiable to prevent counterfeit.
- **Liability of central bank:** It is a liability of the central bank just as physical currency is.
- **Transferability:** It's a digital bearer instrument that can be stored, transferred, and transmitted by all kinds of digital payment systems and services.
- Digital Rupee will be **powered by blockchain technology** which makes currency management cheaper, allowing the Government to print less notes in the future.

News in Between the Lines

PM- DeVINE



❖ Context

- Recently, A new scheme, **Prime Minister's Development Initiative for North-East, PM-DevINE** was announced by the Union Minister for Finance & Corporate Affairs, while presenting the Union Budget 2022-23.

❖ About PM-DevINE Scheme

- PM-DevINE will **fund infrastructure, in the spirit of PM GatiShakti**, and social development projects based on felt needs of the North-East states.
- **Objectives-**
 - To **enable livelihood activities** for youth and women
 - To **filling gaps in various sectors**
- **Implementing Agency:** PM-DevINE scheme will be implemented through the North-Eastern Council.
- An **initial allocation of Rs. 1,500 crore** will be made for the new scheme.
- Under PM-DevINE scheme, **projects can be recommended by Centre and North East States** as well but priority will be given to projects posed by the states.
- **Significance-**
 - Government is committed to **reduce the cost of logistics** to ensure
 - Competitiveness of our manufacturing sector,
 - Better realisation of prices to farmers
 - Availability of goods at cheaper prices to consumers.

Core Banking System (CBS)

❖ Context

- Recently the Finance Minister announced that all **150,000 post offices in India will be connected to the core banking system.**

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Core Banking



❖ Key Highlights

- Currently, post offices provide savings account services and payments bank services through the India Post Payments Bank.
- In 2022, **100% of 1.5 lakh post offices** will come under the core banking system.
 - It will **enable financial inclusion** and **access to accounts** through net banking, mobile banking ATMs and also provide online transfer of funds between post office accounts and bank accounts,
- This will be **helpful especially for farmers and senior citizens** in the rural areas **enabling interoperability and financial inclusion**.

❖ About CBS

- Core Banking Solution (CBS) is a **network of bank branches**, which allows customers to manage their accounts, and use **various banking facilities from any part of the world**.
- It is a centralized backend system that efficiently processes banking transactions across the various branches of a bank.
- Core Banking Solution (CBS) **helps in speeding up banking transactions** and to **expand the presence of banking in rural & remote areas**.
- The core banking solution of the Reserve Bank of India (RBI) is the **E-kuber**.

National Commission for Women (NCW)



❖ Context

- Recently, Prime Minister Narendra Modi addressed the 30th National Commission for Women (NCW) Foundation Day program.

❖ Key Highlights

- The PM emphasized that
 - In light of evolving needs of women in the country the **National Commission for Women (NCW) must broaden its ambit**.
 - there was a need to promote women entrepreneurs in the country.

❖ About NCW

- The National Commission for Women was **set up as a statutory body** in January 1992 under the **National Commission for Women Act, 1990**.
- The commission consists of a **chairperson, a member secretary and five other members**.
 - The chairperson of the **NCW is nominated by the Central Government**.
 - The Central Government also nominates the member secretary.
 - The member secretary should be an **expert in the field of management**.
- **Mission-** To strive towards enabling women to achieve equality and equal participation in all spheres of life by securing her due rights and entitlements through suitable policy formulation, legislative measures, effective enforcement of laws etc.
- National Commission for Women (**NCW**) is entrusted with-
 - Reviewing the Constitutional and **Legal safeguards for women**;
 - Recommending **remedial legislative measures**;
 - Facilitating **redressal of grievances** and
 - **Advising the Government** on all policy matters affecting women.

VAGIR



❖ Context

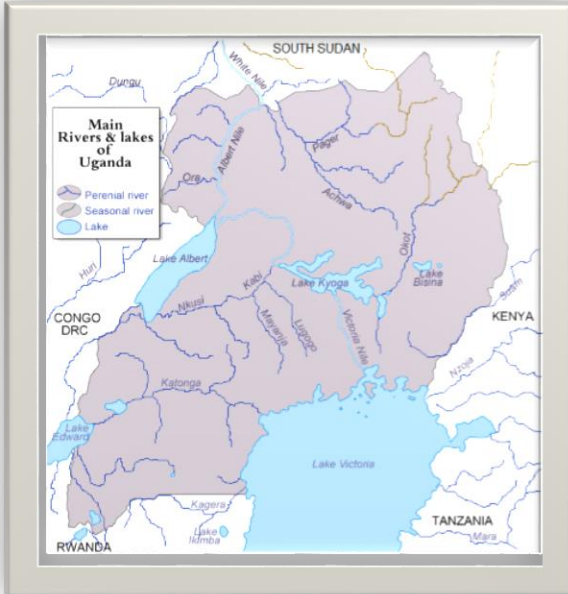
- Indian Navy's **Kalvari class submarine** commenced sea trials

❖ Key Highlights

- It is the **fifth submarine of Project 75** being designed by French firm DCNS and built by Mazagon Docks Shipbuilders Ltd
- The submarine is scheduled for delivery to the Indian Navy in the year 2022 after completion of these trials
- Under the project, **six conventional diesel electric attack submarines** are being supplied to Indian navy
- The names of submarines are - **Kalvari, Khanderi, Karanj, Vela, Vagir & Vagsheer**



Murchison Falls



❖ Context

- Chinese and French oil companies sealed a landmark \$10 billion deal to develop Uganda's energy resources and build a vast regional oil pipeline, a megaproject that has incensed environmental groups.

❖ Key Highlights

- The project aims to exploit the **huge crude oil reserves at Lake Albert**, a **160 km (100-mile) natural border between Uganda and the Democratic Republic of Congo**.
- Lake Albert lies atop an estimated **6.5 billion barrels of crude**, of which about **1.4 billion barrels** are currently considered **recoverable**. In Uganda, the drilling is located in several natural reserves, one of which extends to **Murchison Falls**.
- Murchison Falls, **also known as Kabalega Falls**, is a waterfall between Lake Kyoga and Lake Albert **on the R. Victoria Nile** in Uganda. Whitel Nile river, a tributary of Nile river, originates from Lake Victoria. It is known as Victoria Nile from Lake Victoria to Lake Albert
- **Lake Albert** is part of the complicated system of the upper Nile. Its main sources are the **White Nile**, ultimately coming from **Lake Victoria** to the southeast, and the **Semliki River**, which issues from **Lake Edward** to the southwest.
- The lake's outlet, at its northernmost tip, is the **Albert Nile** section of the White Nile.

Vibrant Villages Programme



❖ Context

- Announced by FM during budget speech

❖ Key Highlights

- It intends to cover the **northern border villages** with sparse population, limited connectivity and infrastructure often left out from development gains.
- Activities will include construction of village infrastructure, housing, tourist centres, road connectivity, provisioning of decentralized renewable energy, direct-to-home access for Doordarshan and educational channels, and support for livelihood generation
- The **Border Management funds** allocated to the MHA have seen more than **42 per cent jump** to Rs 2,517.02 cr from Rs 1921.39 cr last year.
- **China** has been not only improving infrastructure along the 3,488-km border with India, but is also building more than **600 "model villages"**, which Indian security experts believe can also be used by the Chinese army. Building of these villages has also been mentioned in China's new land border law that came into force from January 1.

Saffron bowl project



❖ Context

- North East Centre for Technology Application and Reach (**NECTAR**) under Saffron Bowl project has identified few locations in Arunachal Pradesh and Meghalaya for saffron cultivation

❖ Key Highlights

- **Saffron production** has long been restricted to a limited geographical area in the Union territory of **Jammu & Kashmir**. **Pampore region**, in India, commonly known as Saffron bowl of Kashmir, is the main contributor to saffron production, followed by Budgam, Srinagar, and Kishtiwari districts.
- North East Centre For Technology Application and Reach (NECTAR), an **autonomous body under the Department of Science & Technology**, Government of India supported a pilot project to explore the feasibility of growing saffron in the North East region of India, with the same quality and higher quantity.
- In **Arunachal Pradesh**, there is a good growth of organic saffron with flowers. In Meghalaya, sample plantations were grown at **Cherrapunji, Mawsmai, Barapani, Shillong and Lalingtop sites**.
- Earlier, plants from seeds transported from Kashmir to Sikkim and acclimatized there are now flowering in **Yangyang** in the Southern part of the **Sikkim**.

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