



News Analysis (20 Feb, 2019)

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National Policy on Electronics 2019

The Union Cabinet gave its approval to the **National Policy on Electronics 2019 (NPE 2019)**, proposed by the **Ministry of Electronics and Information Technology (MeitY)**.

The Policy envisions positioning India as a global hub for **Electronics System Design and Manufacturing - (ESDM)** by

- encouraging and driving capabilities in the country for developing core components, including chipsets, and
- creating an enabling environment for the industry to compete globally.

Background

- The implementation of the Schemes/ Programmes under the aegis of the **National Policy on Electronics 2012 (NPE 2012)** has successfully consolidated the foundations for a competitive Indian ESDM value chain.
- The National Policy of Electronics 2019 (NPE 2019) replaces the National Policy of Electronics 2012 (NPE 2012).
- NPE 2019 proposes to build on that foundation to propel the growth of ESDM industry in the country.

Salient Features of NPE 2019

- **Creation of ecosystem for globally competitive ESDM sector** by promoting domestic manufacturing and export in the entire electronics system value-chain.
- Providing incentives and support for **manufacturing of core electronic components**.
- **Providing special package of incentives for mega projects** which are extremely high-tech and entail huge investments, such as semiconductor facilities display fabrication, etc.
- **Formulation of suitable schemes and incentive** mechanisms to encourage new

units and expansion of existing units.

- **Promotion of Industry-led R&D and innovation** in all sub-sectors of electronics, including grass root level innovations and early stage Startups in emerging technology areas such as **5G, Internet of Things (IoT)/ Sensors, Artificial Intelligence (AI), Machine Learning, Virtual Reality (VR), Drones, Robotics, Additive Manufacturing, Photonics, Nano-based devices**, etc.
- Providing incentives and support for significantly **enhancing availability of skilled manpower, including re-skilling**.
- Providing special thrust on Fabless Chip Design Industry, Medical Electronic Devices Industry, Automotive Electronics Industry and Power Electronics for Mobility and Strategic Electronics Industry.
- Creation of **Sovereign Patent Fund (SPF)** to promote the development and acquisition of Intellectual Properties(IPs) in ESDM sector.
- Promotion of trusted electronics value chain initiatives to improve national cyber security profile.

Note:

- **Sovereign Patent Fund (SPF)** is a state-led investment vehicle intended to strategically acquire important IP assets, thereby promoting national economic objectives.
- SPFs are a relatively new phenomenon, having only emerged in the past five years in countries such as South Korea, France, Taiwan, Japan and China.

Implementation Strategy and Targets

- **Implementation strategy:**

The Policy will lead to the formulation of several schemes, initiatives, projects and measures for the development of ESDM sector in the country as per the roadmap envisaged therein.
- **Targets:**
 - Promote domestic manufacturing and export in the entire value-chain of ESDM for economic development to achieve a turnover of USD 400 billion (approximately INR 26,00,000 crore) by 2025.
 - This will include targeted production of 1.0 billion (100 crore) mobile handsets by 2025, valued at USD 190 billion (approximately INR 13,00,000 crore), including 600 million (60 crore) mobile handsets valued at USD 110 billion (approximately INR 7,00,000 crore) for export.

Major Impact

- The NPE 2019 when implemented will lead to formulation of several schemes,

initiatives, projects, etc., in consultation with the concerned Ministries/ Departments, for the development of ESDM sector in the country.

- It will **enable flow of investment and technology**, leading to higher value addition in the domestically manufactured electronic products, **increased electronics hardware manufacturing in the country and their export**, while generating substantial employment opportunities.

National Rural Economic Transformation Project

The Union Cabinet has approved the implementation of an externally aided project namely **National Rural Economic Transformation Project (NRETP)** under the **Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)** through loan assistance from **World Bank**.

Note:

- Deendayal Antyodaya Yojana - National Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in 2011.
- NRLM has set out with an agenda to cover 7 Crore rural poor households, across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8-10 years.
- The Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.

Salient features

- DAY-NRLM lays special emphasis on **targeting the poorest of the poor** and the most vulnerable communities and their financial inclusion.
Innovative projects will be undertaken under NRETP to pilot alternate channels of financial inclusion, creating value chains around rural products, introduce innovative models in livelihoods promotion and access to finance and scale-up initiatives on digital finance and livelihoods interventions.
- DAY-NRLM provides for mutually beneficial working relationship and formal platforms for consultations between Panchayati Raj Institutions (PRIs) and Community Based Organizations (CBOs).
NRLM has also developed **activity map to facilitate convergence in different areas of interventions where NRLM institutions and PRIs could work together** which has been disseminated to all state Rural Livelihood Missions.

Benefits

The technical assistance provided by NRETP and the higher level interventions facilitated by the project will

- enhance the livelihoods promotion and access to finance, and
 - scale-up initiatives on digital finance and livelihood interventions.
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Grid-Connected Rooftop Solar Programme

The union cabinet has approved **Phase-II of Grid Connected Rooftop Solar Programme** for achieving a cumulative capacity of 40,000 MW from Rooftop Solar Projects by the year 2022

- Central Financial Assistance (CFA) under residential category will be provided for 4000 MW capacity and the same will be provided on the basis of benchmark cost or tender cost, whichever is lower.
- Central financial support will not be available for other categories i.e., institutional, educational, social, government, commercial, industrial, etc.
- **The increased role of Distribution Companies**
 - Under Phase-II Programme, performance-based incentives will be provided to DISCOMs based on capacity achieved in a financial year.
 - DISCOMs and its local offices shall be the nodal points for implementation of the programme.

Benefits of Programme

- **Environment:** The Programmes will have a substantial environmental impact in terms of savings of CO2 emission. The addition of 38 GW solar rooftop plants under Phase-II by the year 2022 will result in a CO2 emission reduction of about 45.6 tonnes per year.
- **Employment Generation:** The programme is likely to generate employment opportunity for skilled and unskilled workers for the addition of 38GW by the year 2022.

Grid-Connected Rooftop Solar Programme

- In grid-connected rooftop or small SPV system, the DC power generated from the SPV panel is converted to AC power using the power conditioning unit and is fed to the grid.
- The major objective of the programme includes:
 - To promote the grid-connected SPV rooftop and small SPV power generating plants among the residential, community, institutional, industrial and commercial establishments.

- To mitigate the dependence on fossil fuel based electricity generation and encourage environment-friendly Solar electricity generation.
 - To create an enabling environment for investment in the solar energy sector by the private sector, state government and the individuals.
 - To create an enabling environment for the supply of solar power from rooftop and small plants to the grid.
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New Initiative SWAYATT

Recently the Union Minister of Commerce & Industry has launched an initiative termed SWAYATT.

- SWAYATT is an initiative to promote **Start-ups, Women and Youth Advantage through e-Transactions on Government e Marketplace (GeM)**.
- This will bring together the key stakeholders within the Indian entrepreneurial ecosystem to Government e-Marketplace the national procurement portal.
- The government also launched **GeM Start-up Runway-an initiative of GeM in association with Start -up India to facilitate Start-ups registered with Start -up India to access the public procurement market** and sell innovative products and services to government buyers.
- GeM Start-up Runway seeks to support **technology development, spur research and innovation** by ensuring a conducive policy environment for industrial diversification and value addition to commodities.
- GeM Start-up Runway will address goals and objectives under **United Nations Sustainable Development Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**.

Government e-Marketplace (GeM)

- GeM is an **Online Market platform was setup in 2016** to facilitate procurement of goods and services by the government ministries, departments, public sector undertakings (PSU) etc.
 - It has been envisaged as **National Procurement Portal of India**.
 - It has been developed by **Directorate General of Supplies and Disposals (Ministry of Commerce and Industry)** with technical support of **National e-governance Division (Ministry of Electronic and Information Technology)**.
 - It functions under **Directorate General of Supplies and Disposals (DGS&D), Ministry of Commerce and Industry**.
 - GeM is a completely **paperless, cashless and system driven e-market place** that enables procurement of common use goods and services with minimal human interface.
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Women's Livelihood Bond

The **World Bank, UN Women (a United Nations entity dedicated to gender equality and empowerment of women), and Small Industries Development Bank of India (SIDBI)** have come together to launch a five-year tenor **women's livelihood bond (WLB)**.

- The proceeds from these social impact bonds will be used to help rural women in the country's poorest States to set up or scale up their own enterprises.
- WLB's will be unsecured and unlisted.

Unsecured and Unlisted Bonds

- **Unlisted Securities:** Unlisted securities are shares, bonds or any other securities that are not traded on a stock exchange but through the over-the-counter (OTC) market.
- **Unsecured Bonds:** Unsecured bonds, also called debentures, are not backed by any collateral, or mortgages on real estate. Instead, the issuer promises that they will be repaid. This promise is frequently called "full faith and credit."

Social Impact Bond

- A **social impact bond (SIB) is a contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas** and passes on the part of the savings achieved to investors.
- A social impact bond is not a bond, per se, since repayment and return on investment depend upon the achievement of desired social outcomes; **if the objectives are not achieved, investors receive neither a return nor repayment of principal.**
- The bonds will be placed with leading wealth managers and corporates in the country on a private placement basis.
- The return on these bonds will be 3% per annum.
- **SIDBI has also put together its own ₹1,000 crore social-impact fund 'Prayaas' for providing funding support to women entrepreneurs.**
- The proposed bond will enable individual women entrepreneurs in sectors like food processing, agriculture, services, and small units to borrow around Rs 50,000 to Rs 3 lakh at an annual interest rate of around 13%-14% or less.
- **SIDBI will act as the financial intermediary** and channel funds raised to women entrepreneurs through participating financial intermediaries like banks, NBFCs or microfinance institutions.

Khadi Gramodyog Vikas Yojana

The Cabinet Committee on Economic Affairs has approved the following:

- 8 different schemes of Khadi & Village Industries are now merged under two heads i.e. 'Khadi Vikas Yojana' and 'Gramodyog Vikas Yojana':
 - **Khadi Vikas Yojana** includes Market Promotion & Development Assistance (MPDA), Interest Subsidy Eligibility Certificate (ISEC), Workshed, Strengthening Weak Infra, Aam Aadmi Bima Yojana, Khadi Grant.
 - **Gramodyog Vikas Yojana** [Village Industries Grant].
- To bring in a new component of '**Rozgar Yukt Gaon**' to introduce enterprise-based operation in the Khadi sector and to create employment opportunities.

MPDA

- The **Market Promotion and Development Assistance Scheme (MPDA)** was launched as a unified scheme by merging different schemes implemented by the Khadi sector including publicity, marketing, market promotion, and marketing development assistance.
- Grant/subsidy was also provided for construction of Khadi plazas. The overall objective of the scheme is to ensure increased earnings for artisans.

Interest Subsidy Eligibility Certificate

- Interest Subsidy Eligibility Certificate Scheme was **launched in May 1977** to help Khadi and Polyvastra producing institutions in **mobilizing the capital funds from banking institutions.**
- Under the Scheme, **implementing agencies can avail of bank loan as per the ISEC issued by the KVIC on payment of only 4 percent of interest** and **difference** between the actual interest charged by the bank and 4 percent **is borne by KVIC as interest subsidy.**

Rozgar Yukt Gaon

- **Rozgar Yukta Gaon (RYG)** aims at introducing an '**Enterprise-led Business Model**' in place of '**Subsidy-led model**' through a partnership among 3 stakeholders- Khadi Reform and Development Programme (KRDP)-assisted Khadi Institution, Artisans and Business Partner.
- It will be **rolled out in 50 Villages by providing 10,000 Charkhas, 2000 looms & 100 warping units** to Khadi artisans, and would create direct employment for 250 Artisans per village.

Important Facts for Prelims (20th February 2019)

Re-promulgation of Triple Talaq Ordinance

Recently the Union cabinet approved the promulgation of **Muslim Women (Protection of Rights on Marriage) Ordinance, 2019**, for the third time.

The First 'Climate Change Extinction'

- Recently the government of **Australia has officially declared the first known extinction of a mammal** as a result of human-induced climate change.



- The **rat-like Bramble Cay melomys**, whose only known habitat was a **tiny sand island in the Torres Strait**, near the coast of Papua New Guinea (PNG) has not been spotted in a decade.
- The key factor in its disappearance was the **dramatic habitat loss because of repeated ocean inundation of the cay**. A cay is a small, low-elevation, sandy island on the surface of a coral reef.
- The Melomys, considered the **Great Barrier Reef's** only endemic mammal species, **was first discovered on the cay in 1845** by Europeans who shot them for sport.

Continuation of Pradhan Mantri Awaas Yojana – Gramin

- The Union Cabinet has approved the implementation of **Phase-2 of the Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)**, under which the government has set a target of constructing 1.95 crore houses by 2022.
 - The PMAY-G in Phase-2 till 2019-20 will continue as per the existing norms of PMAY-G Phase-I, with a target of 60 lakh houses involving financial implication of Rs 76,500 crore shared between Centre and States.
 - **Launched in 2016**, PMAY-G aims to fill the gaps in **rural housing programme by providing a pucca house, with basic amenities**, to all homeless householders and those households living in kutcha and dilapidated house, **by 2022**.
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