



Syndicated Loan

[Source: TH](#)

Recently, a private **Non-Banking Financial Company (NBFC)** announced that it has raised USD 425 million and EURO 40 million through a syndicated loan.

- It is a three-year **external commercial borrowing** facility structured as a social loan that would be used to **empower small entrepreneurs** and [vulnerable groups](#) across India.
- A **syndicated loan** is financing offered by a syndicate made up of a **group of lenders** that work together to provide funds for a borrower.
 - The borrower can be a corporation, a large project, or a sovereign government.
 - Syndicated loans **involve large amounts of money**, spreading the risk among several financial institutions to reduce the impact if the borrower fails to repay.
- [External Commercial Borrowings \(ECBs\)](#) denote Indian companies **borrowing funds from foreign sources**, such as loans, bonds, or financial instruments, to finance business expansion, asset acquisition, or existing debt repayment.

Read more: [External Commercial Borrowings \(ECBs\)](#), [Non-Banking Financial Company \(NBFC\)](#)

Skilling Potential of Tourism

[Source: BL](#)

The **Ministry of Tourism has been implementing the [Hunar se Rozgar Scheme \(skill to employment\)](#) since 2006** and it needs to relaxation in bureaucratic norms to boost participation.

Hunar se Rozgar Scheme:

- The **Hunar se Rozgar** scheme has significant potential to skill and employ youth in the tourism sector.
- The **primary goal of the scheme** is to offer **short-term vocational training to non-literate, semi-literate, and educated unemployed youth** aged **18-28 years** to improve their skills and employability.
- It enables **less-educated youth** to **pursue formal employment** after brief training.
- This scheme gives **economic importance to tourism** and the **potential to promote cultural heritage**.
- The scheme primarily attracts participants from **northern states**.

[Read More...](#)

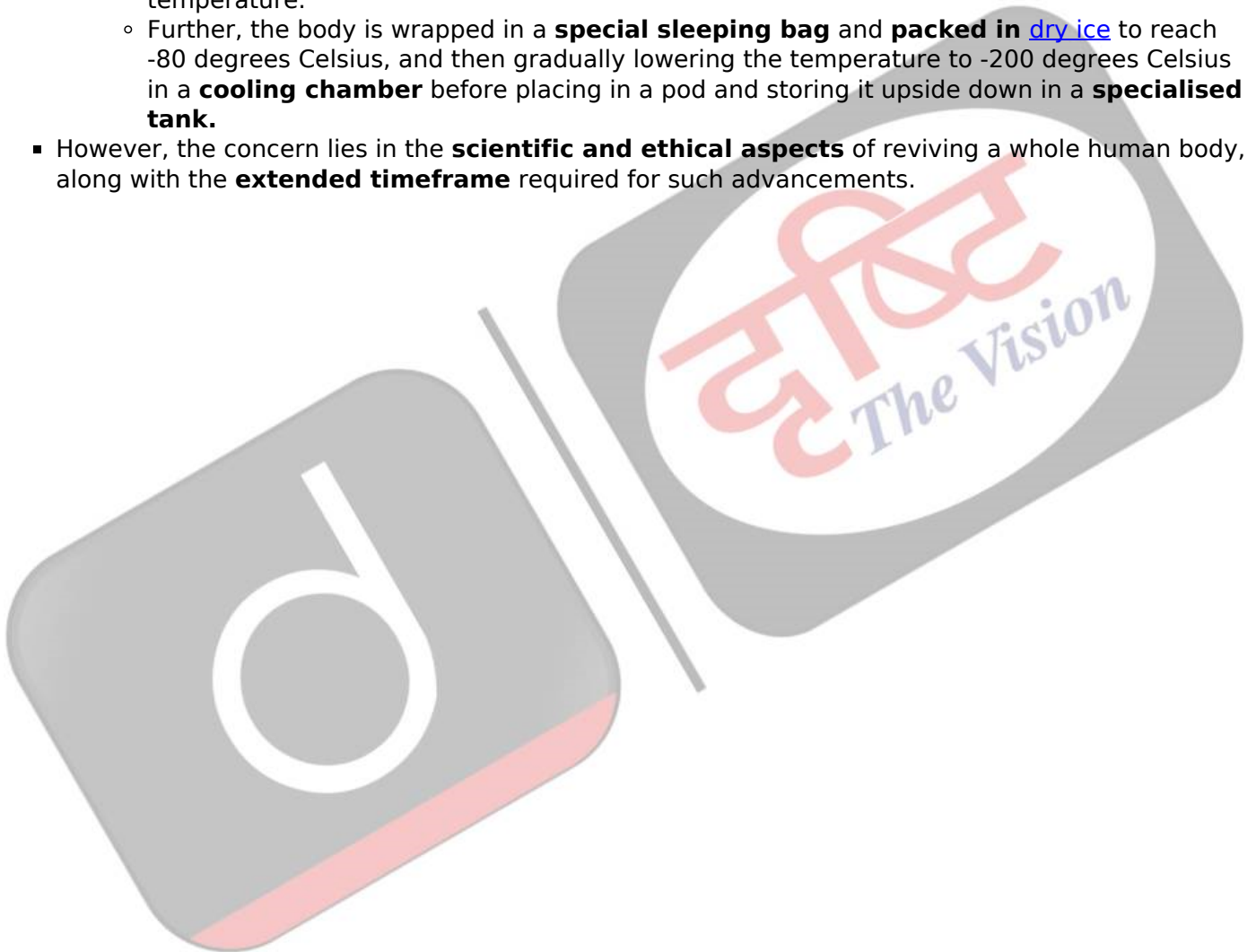
Cryonics

[Source: LM](#)

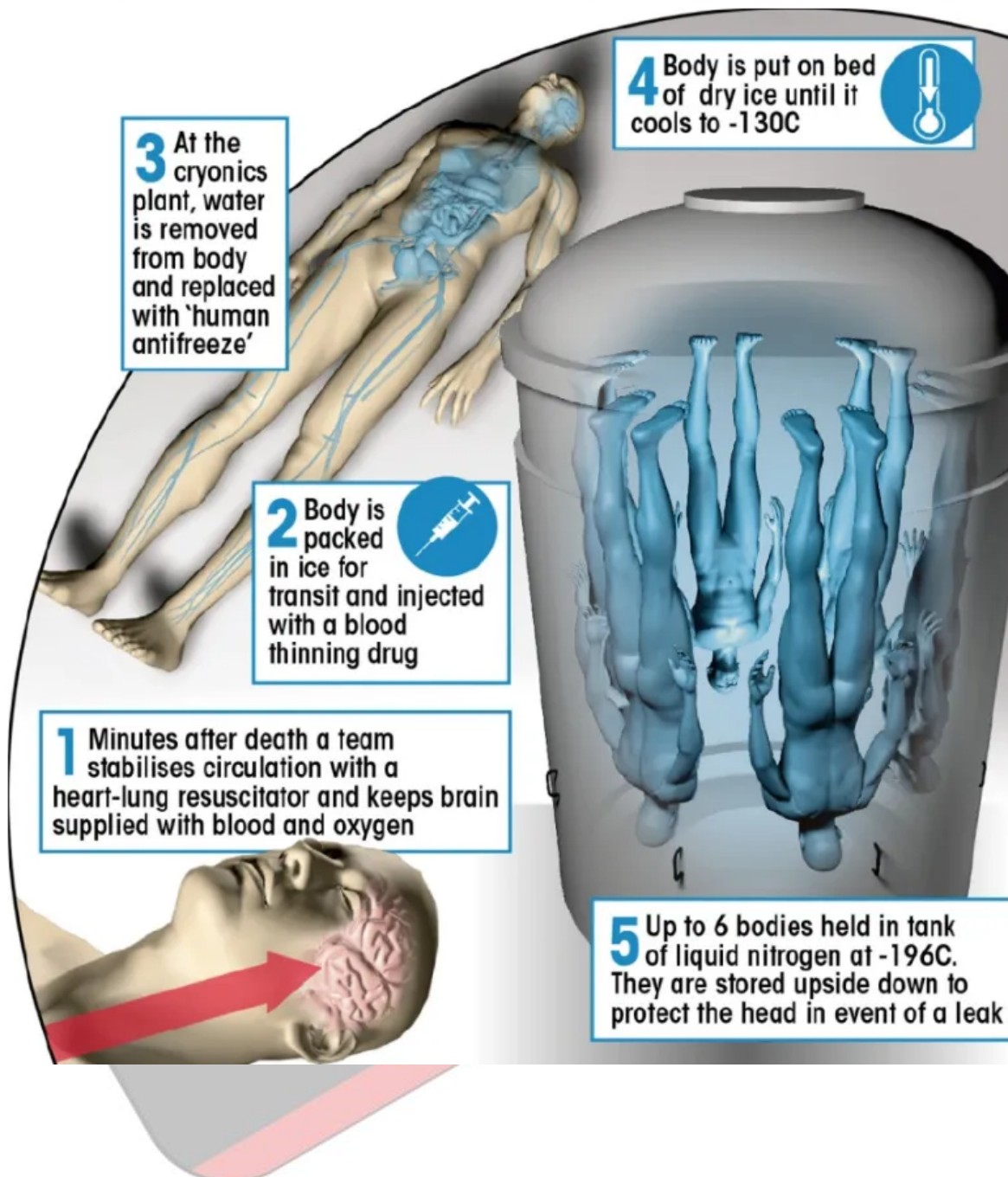
Recently, **Southern Cryonics (a company in Australia)** announced that it has successfully **frozen its first client**, with the hope of bringing him back to life in the future.

- The first patient was an 80-year-old man, who died in May 2024 at a hospital in Sydney.
- **Cryonics involves** keeping the **human body** at **cryogenic temperatures (-196°C)** in the hopes that one day, **medical science** will be able to **repair the molecular damage caused by ageing and disease** and bring the patient back to full health.
 - The process involves initially cooling the man's body to 6 degrees Celsius with ice, using a **heart-lung bypass machine** to circulate a **preserving solution** and lower the temperature.
 - Further, the body is wrapped in a **special sleeping bag** and **packed in dry ice** to reach -80 degrees Celsius, and then gradually lowering the temperature to -200 degrees Celsius in a **cooling chamber** before placing in a pod and storing it upside down in a **specialised tank**.
- However, the concern lies in the **scientific and ethical aspects** of reviving a whole human body, along with the **extended timeframe** required for such advancements.

//



HOW THE PROCESS OF CRYONICS WORKS



Leader of Opposition

Source: TH

Recently, the Congress Working Committee (CWC) has unanimously adopted a resolution to select the Leader of the Opposition (LoP) in the [18th Lok Sabha](#). **Leader of the Opposition (LOP):**

- The leader of the **largest opposition party** having **not less than one-tenth seats** of the total

strength of the Lok Sabha is recognised as the leader of the Opposition.

- He will be a **member** of crucial committees such as [Public Accounts \(Chairman\)](#), [Public Undertakings](#), [Estimates](#) and also a member of several [Joint Parliamentary Committees](#).
- He is entitled to be a member of various **selection committees** responsible for appointing heads of statutory bodies like the [Central Vigilance Commission](#), the [Central Information Commission](#), the [CBI](#), the [NHRC](#), and the [Lokpal](#).
- He provides constructive criticism of the government policies and to provide an alternative government.
- The leader of Opposition in **both the Houses** were accorded **statutory recognition under the Salaries and Allowances of Leader of Opposition in Parliament Act, 1977** and are entitled to the salary, allowances and other facilities equivalent to that of a **cabinet minister**.
- The office of the leader of the opposition is **not mentioned in the Constitution**.

[Read more...](#)

UN Report on Global Debt Crisis

For Prelims: Global [Debt](#) Trends and Implications, Debt, [Recession](#), [Gross Domestic Product \(GDP\)](#), [International Monetary Fund \(IMF\)](#).

For Mains: Global Debt Trends and Implications.

[Source: DTE](#)

Why in News?

Recently, a report released by the [UN Trade and Development \(UNCTAD\)](#) titled "**A World of Debt 2024: A Growing Burden to Global Prosperity**," has revealed an **unprecedented global debt crisis** in the world.

- Approximately 3.3 billion people currently live in countries where the **payment of interest on debts surpasses the expenditure on either education or health**.

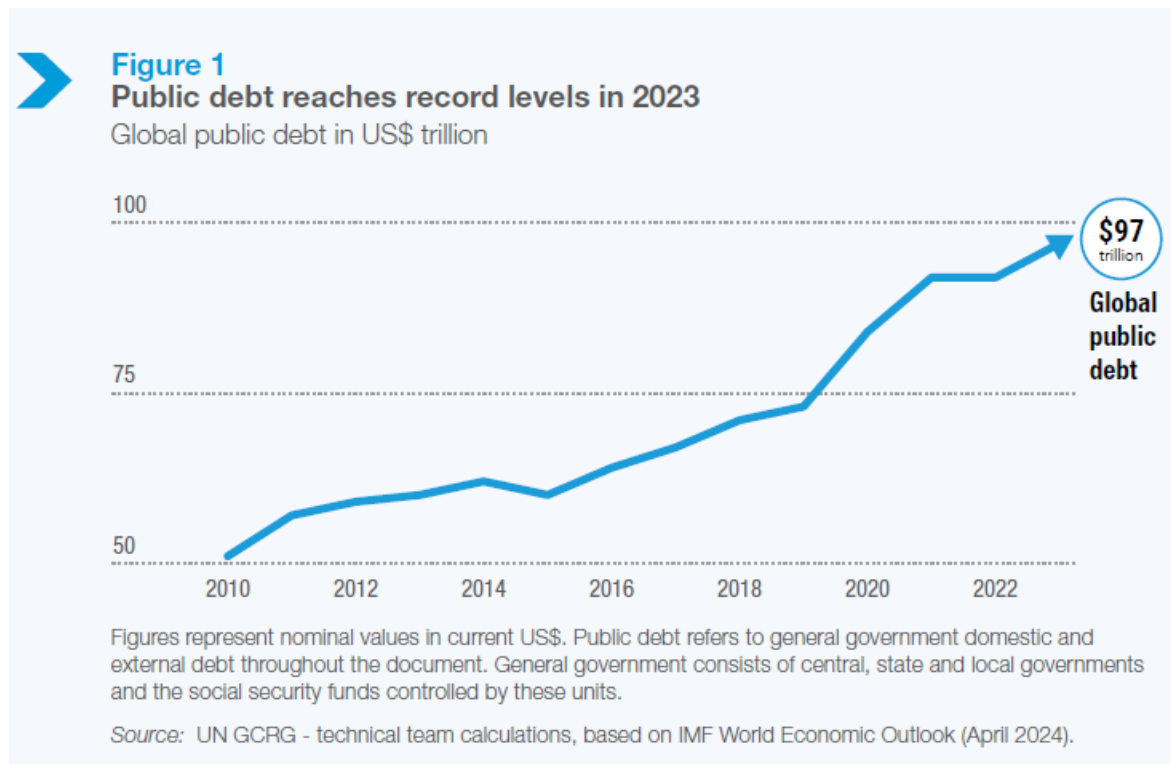
What is Global Debt?

- **About:** Debt is an amount of money one borrows and has to pay back later.
 - Global Debt refers to the **total outstanding amount** owed by governments, businesses, and individuals across the world.
 - It encompasses both public and private debt.
- **Composition of Global Debt:**
 - **Public Debt:** This is the **money owed by governments** to domestic and foreign creditors.
 - It is typically financed through issuing bonds, treasury bills, or loans from international organisations.
 - **Private Debt:** This is the **money owed by businesses and individuals** to banks, lenders, and other financial institutions.
 - It includes mortgages, corporate bonds, student loans, and credit card debt.

What are the Key Highlights of the Report?

▪ Rapid Increase in Public Debt:

- **Institute of International Finance** (a global association of financial institutions) has estimated that global debt (**including borrowings of households, businesses and governments**) has reached **USD 315 trillion in 2024**, which is 3 times the global [Gross Domestic Product \(GDP\)](#).
 - Global public debt is rising rapidly, due to a combination of recent crises (such as **Covid-19**, rising food and energy prices, **climate change**, etc.) and a sluggish global economy (slowing growth of economy, rising bank interest rates etc).
- **Net interest payments on public debt** reached **USD 847 billion in 2023** in developing countries, a **26% increase** compared to 2021.



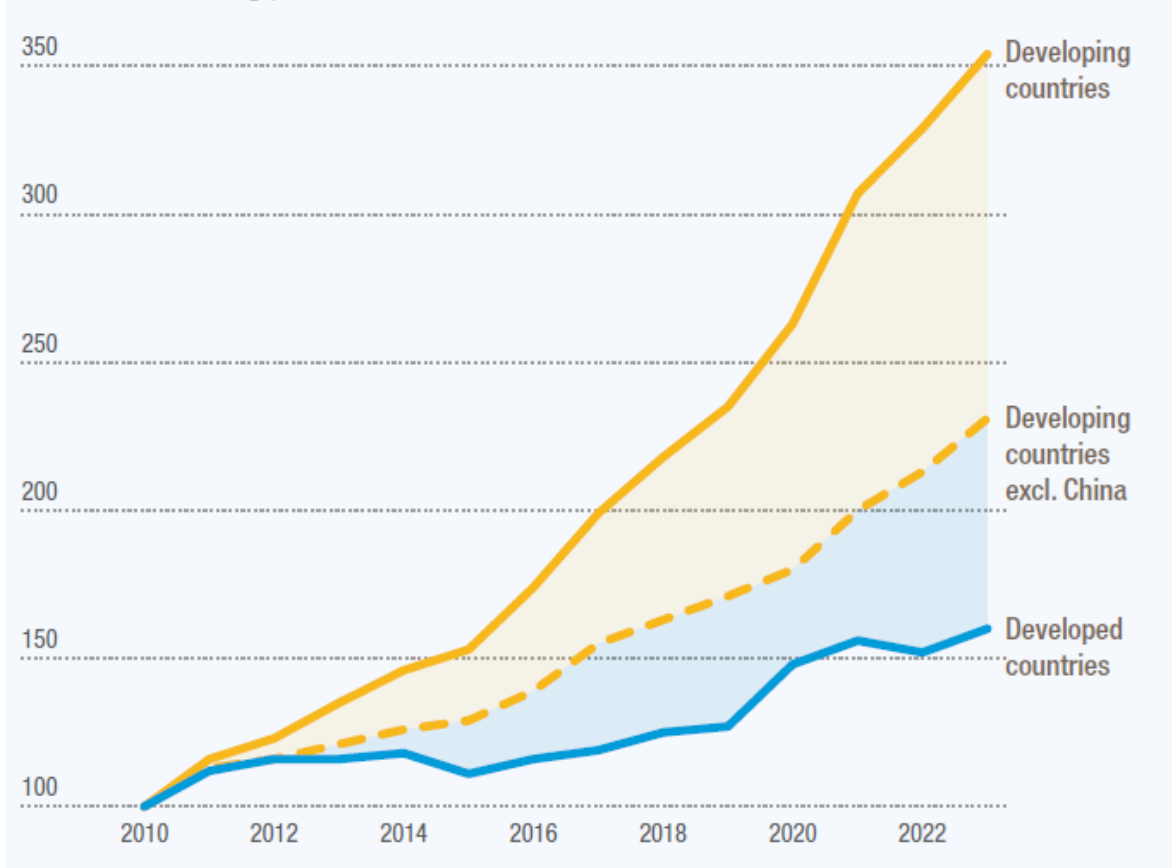
▪ Regional Disparity in Debt Growth:

- Public debt in **developing countries is rising at twice the rate** of that in developed countries.
 - It reached **USD 29 trillion (30% of the global total) in 2023**, increasing from **16% in 2010**.
- **Africa's debt burden** is growing **faster** than its economy leading to a **rise in the debt-to-GDP ratio**.
 - The number of **African** countries with **debt-to-GDP ratios above 60%** has increased from **6 to 27** between 2013 and 2023.
 - This is **due to unforeseen global issues** impacting their expansion and reduced domestic income as a result of a slow economy.

Figure 2

Public debt grows twice as fast in developing countries

Index: Outstanding public debt in 2010 = 100



- **Higher Debt Servicing Share of Income & Impact on Climate Initiatives:**
 - Roughly 50% of developing countries are now **dedicating a minimum of 8% of their government revenues** to servicing their debts, a number that has increased twofold in the last ten years.
 - Currently, **developing nations are spending a greater portion of their GDP on paying off interest** (2.4%) than on climate efforts (2.1%).
 - Their **ability to address climate change is being constrained by debt**. In order to meet the **targets of the Paris Agreement**, there is a requirement to raise climate investments to **6.9% by 2030**.
- **3 Shifts in Official Development Assistance (ODA):**
 - ODA is **government aid** aimed at promoting economic development and welfare in developing countries.
 - Repaying loans has become **more difficult** for developing countries, due to recent changes made in nature of foreign aid such as:
 - **Decreasing Overall Aid:** ODA has been decreasing for two years in a row, dropping to **USD 164 billion** in 2022.
 - **More Loans and Less Grants:** The **proportion of aid given as loans** is increasing, rising from **28% in 2012 to 34% in 2022**. This **creates debt burdens** for developing countries.
 - **Less Help with Existing Debt:** Funds for dealing with debt, like **debt relief and restructuring**, have dropped significantly from **USD 4.1 billion in 2012** to just **USD 300 million** in 2022. This makes it harder for them to deal with their current borrowing and could limit their ability to access future loans.

What are the Initiatives Related to Solving Debt Crisis?

- **Heavily Indebted Poor Countries (HIPC) Initiative:**
 - The [IMF](#) and [World Bank's](#) initiative tackles debt crises in the world's poorest countries. It

recognises their struggle to repay debts without sacrificing crucial investments. By offering debt relief, the program frees up resources.

- This **allows these nations to invest in** healthcare, education, and poverty reduction, promoting long-term economic growth and social progress.

▪ **Debt Management and Financial Analysis System (DMFAS) Programme:**

- UNCTAD's DMFAS program helps developing countries manage debt responsibly. It provides **training and technical support** to improve their borrowing practices, including tools for recording debt, assessing risks, and negotiating effectively.
 - This program promotes **sustainable debt management** so these countries can borrow for development without creating future crises.

▪ **Global Sovereign Debt Roundtable (GSDR):**

- The roundtable is co-chaired by the IMF, World Bank and [G20](#) presidency, which aims to address debt challenges comprehensively. It brings together debtor countries and creditors with the **objective of fostering a greater common understanding among key stakeholders on issues related to debt sustainability**, debt restructuring challenges, and potential solutions.

What Measures should be taken to Address the Global Debt Crisis?

▪ **Inclusive Governance, Transparency and Accountability:**

- The **World Bank's 2022 International Debt Statistics report** highlights a concerning rise in public debt, particularly for low-income countries, thus increased participation for these nations in decision-making processes is essential.
- The **UN Office for Sustainable Development** emphasises that **financial transparency and accountability** are crucial for preventing debt crises.

▪ **Contingency Financing:**

- The **IMF** performs a vital role in providing emergency financial support.
- A 2019 IMF Report titled "**Three Steps to Avert a Debt Crisis**" proposed measures like increased access to [Special Drawing Rights \(SDRs\)](#) to bolster developing countries' reserves during emergencies.

▪ **Managing Unsustainable Debt (Managing Debt Challenges):**

- Existing frameworks for debt restructuring, such as the [G20 Common Framework for Debt Treatment](#) should be improved.
- In addition, including automatic provisions for suspending debt payments for countries facing crises **would offer essential flexibility to help them stabilize their economies.**

▪ **Scaling up Sustainable Financing:**

- [Multilateral Development Banks \(MDBs\)](#) need to be transformed to play a more prominent role in long-term financing for [Sustainable Development Goals \(SDGs\)](#).
- Attracting **private investment towards sustainable projects** like clean energy is also crucial. Fulfilling existing commitments for aid and climate finance, particularly for developing countries, is essential for facilitating this transition.

G20 Common Framework for Debt Treatment

- It is an initiative established in 2020, endorsed by the [G20](#), in collaboration with the **Paris Club** to provide structural support to [Low-Income Countries \(LICs\)](#) facing unsustainable debt burdens.
- This framework aims to offer a coordinated and comprehensive approach to tackling the severe debt challenges faced by LICs, **which have been worsened by the [Covid-19](#) pandemic.**

Drishti Mains Question:

Q. Discuss the key factors contributing to the escalating global debt crisis and evaluate the possible measures that can be undertaken by both developed and developing economies to manage this crisis effectively.

Agnipath Scheme

For Prelims: Compensation to Agniveer, [Agnipath scheme](#), [Seva Nidhi](#), [Three services \(Army, Navy and Airforce\)](#), Armed Forces Battle Casualty Fund.

For Mains: Significance, Criticisms of Agnipath Scheme, Government Policies & Interventions

[Source: IE](#)

Why in News?

The ruling-party government's ambitious [Agnipath scheme](#), announced in June 2022, has been facing opposition from various political parties and Armed Forces veterans.

- Ongoing concerns highlight the scheme's impact on military recruitment and the welfare of soldiers.

What is Agnipath Scheme?

▪ About:

- The term "**Agniveer**" translates to "Fire-Warriors" and is a **new military rank**.
- It is a scheme of **recruiting army personnel below officer ranks** such as **soldiers, airmen, and sailors** who are not commissioned officers to the **Indian Armed Forces**.
- They are recruited for a period of **4 years**, after which, **upto 25%** of these recruits (called Agniveers), can join the services on a **permanent commission** (another 15 years), subject to merit and organisational requirements.
- At present, **all sailors, airmen, and soldiers**, except the technical cadre of the medical branch, are recruited to the services under this scheme.

▪ Eligibility Criteria:

- Candidates between the age of **17.5 years to 23 years** are eligible to apply (the upper age limit was increased from 21).
- **Girls under the given age limit are open for the agnipath entry**, while there is no such reservation for women under this scheme.

▪ Pay & Benefits:

- **Death on Duty:** The family gets a combined sum of **Rs 1 crore**, which includes both the **Seva Nidhi package** and the soldier's unserved salary.
- **Disability:** An Agniveer can receive compensation up to **Rs 44 lakh** depending on the severity of the disability. This amount is provided **only if the disability is caused** by or worsened due to military service.
- **Pensions:** Agniveers won't receive a regular pension after their 4-year service, unlike soldiers in the traditional system.
 - **Only the 25%** who get selected for permanent commission will be eligible for a pension.

▪ Goal of Agnipath:

- This scheme is designed to **keep the armed forces young** and **bring down the number of permanent soldiers in the military**, leading to a significant reduction in the government's pension spending on defense forces.

Why was the Agnipath Scheme Introduced?

- **Younger, Fitter Force:** The government believes Agnipath will create a **more agile fighting force** due to the emphasis on younger recruits, translating to faster response times and better adaptation on the battlefield.
 - The average age in the Armed Forces, currently **32 years**, will be reduced to **26 years** with Agnipath's implementation.
- **Reduce Pension Bill:** It also aims to **lessen the burden of the ever-growing defense pension bill**. The **Parliamentary Standing Committee on Defence report** in 2022 projected the Indian Armed Forces' pension bill to reach a staggering **Rs 2.5 lakh crore** by 2025.
 - Agnipath, with **its shorter service** duration for most recruits, could potentially help manage this expenditure.
- **Technological Integration:** The scheme aims to **leverage the tech-savviness of younger recruits** to better integrate emerging technologies into the Armed Forces.
- **Skilled Workforce for Civilian Sector:** The government envisions Agniveers transitioning to the civilian workforce with **valuable skills and discipline gained during their service**.
 - This could potentially contribute to a more skilled national workforce and economic growth.
- **More Employment Opportunities:** It will increase employment opportunities and because of the skills and experience **acquired during the four-year service such soldiers** will get employment in various fields.

Similar Programmes in Other Nations

- **Voluntary Tour of Duty:** Depending on the requirements of the military and the branch of service, **tours of voluntary duty in the US** can last anywhere from 6 to 9 months to a full year.
- **Required Military Service (Conscription):** **Israel, Norway, North Korea, Singapore** and **Sweden** are among the nations that use this practice.

What are the Issues Associated with Agnipath Scheme?

- **Lack of Retirement Benefits:** The scheme provides a one-time payment of **Rs 11.71 lakh** on completion of 4-year tenure, **but no gratuity or pension**.
 - This has caused **widespread discontent among aspirants** who were seeking job security and pension benefits.
- **Short Service Duration:** The **4-year term is seen as inadequate**, with concerns that recruits may **lack the same motivation and training as permanent soldiers**.
 - Also, this duration is **insufficient to train and skill soldiers in the long term** as it may lead to **skill and experience deficit** in armed forces.
- **Age Limit Issues:** The current upper age limit of **23 years** has **excluded many youth** who could not apply due to lack of recruitment during the pandemic.
- **Unemployment Concerns:** With **limited permanent absorption (only 25%)**, the scheme is seen as **exacerbating the already high youth unemployment** in the country.
 - This comes amidst wider economic challenges like rising inflation and inequalities.
- **Perceived Political Motives:** Experts believe the **scheme was rushed through without adequate consultation**, possibly as a political move ahead of elections. The lack of endorsement from defense forces also raises doubts.
- **Pension Bill Reduction:** The scheme is seen as a way for the government to reduce its rising defense pension expenditure, **prioritizing financial savings over long-term force building**.

Way Forward

- **Raising the Age Limit and Permanent Retention Quota:** There should be a longer **service period to 7-8 years for Agniveers**.
 - Also, the **entry age for technical roles should be increased to 23 years**, and **regular service retention rate** for Agniveers should be increased from current 25% to 60-70%.
- **Enhanced Entitlements and Benefits:** Agniveers should be **provided with a contributory pension scheme, generous gratuity, and ex-gratia** for disability during training.
 - They should be offered **opportunities in other security forces, veteran status**, and

preference for government jobs, with a **transparent, merit-based system** for retaining Agniveers.

- **Implement Robust Skilling and Resettlement Programs:** A **comprehensive skilling and resettlement programs** should be developed **in collaboration with the private sector** and government agencies to facilitate a smooth transition for Agniveers into civilian life.
 - A legislation should **also be made that mandates the compulsory absorption** of Agniveers by private employers and corporations.
- **Raising Educational Standards:** The educational **requirements for Agniveers to should be raised from 10 to 10+2** and a more rigorous national entrance exam should be implemented.

Conclusion

The Agnipath scheme in India is a major reform in defense policy that **changes the recruitment process for armed forces**. Initial implementation shows positive signs in the motivation, intelligence, and physical standards of Agniveers recruited under the scheme. Human element is **deemed more important than technological advancements in military** operations, highlighting the need for character development and psychological well-being of Agniveers to align with unit pride and cohesion.

Drishti Mains Question:

Discuss the significance and challenges of the Agniveer Scheme introduced by the Indian government for recruitment in the armed forces. What measures can ensure its success?

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. Department of Border Management is a Department of which one of the following Union Ministries? (2008)

- (a) Ministry of Defence
- (b) Ministry of Home Affairs
- (c) Ministry of Shipping, Road Transport and Highways
- (d) Ministry of Environment and Forests

Ans: (b)

Mains

Q1: Analyse the multidimensional challenges posed by external state and non-state actors, to the internal security of India. Also discuss measures required to be taken to combat these threats. **(2021)**