

23 FEBRUARY 2019

1. Terror monitor keeps Pak. on grey list, seeks action

In News:

Condemning the Pulwama February 14 attack, the Financial Action Task Force (FATF), issued a stern statement to Pakistan to comply with an action plan on terror financing or face further action, according to a decision taken at its plenary session in Paris.

FATF:

It is an inter governmental policy making body aims to establish international standards for combating money laundering and terrorist financing.

It was established in 1989 during the G7 Summit in Paris (France) to combat the growing problem of money laundering.

It comprises over 39 countries in which India is also a member

FATF Secretariat is housed at the headquarters of the OECD in Paris.

Initially it was only dealing with developing policies to combat money laundering. But in 2001 its purpose was expanded to act against terrorism financing.

FATF releases report on **Emerging Terrorist Financing Risks (ETFR)**

Impact of Grey Listing to Pakistan:

It will endanger Pakistan's handful of remaining banking links to outside world, causing real financial pain to the economy.

It will squeeze Pakistan's economy and make it harder to meet its mounting foreign financing needs, including potential future borrowings from International Monetary Fund (IMF).

Also it will lead to downgrading of Pakistan's debt ratings by international banking and credit rating agencies, making it more difficult to tap funds from international bond markets.

It will also suspend international funds and aid to Pakistan such as Coalition Support Funds (CSF), money which US owes to Pakistan for military operations.

Shadow of terror

The Financial Action Task Force decided to continue 'grey' listing of Pakistan for its failure to stop funding of terror groups

- The International terror financing watchdog urged Pakistan to swiftly complete its action plan, particularly those with timelines of May 2019. Following this, a review will be carried out in June 2019
- In June 2018, Pakistan was placed in the 'Grey' list and given a 27-point action plan by the FATF. This plan was reviewed as the last Plenary in October 2018 and for the second time in this week-long meeting that just ended
- The listing means downgrading of the country by multilateral lenders like IMF, World Bank, ADB, EU and also a reduction in risk rating by Moody's, S&P and Fitch

Note



2. Travel on a jet, using a little cooking oil

In News:

Dehradun-based Indian Institute of Petroleum has successfully finished a pilot test to convert used cooking oil into bio-aviation turbine fuel (Bio-ATF), which can be blended with conventional ATF and used as aircraft fuel.

Explained:

The Institute collected used cooking oil from caterers and hotels in Dehradun for the pilot, which has now set the platform for commercial use of the technology.

The chemical composition of the used cooking oil is identical to other plant-based oils that have been converted to Bio-ATF.



Repurpose Used Cooking Oil (RUCO) Initiative:

The Food Safety and Standards Authority of India (FSSAI) launched RUCO (Repurpose Used Cooking Oil), an initiative that will enable collection and conversion of used cooking oil to bio-diesel.

The initiative has been launched nearly a month after the food safety regulator notified standards for used cooking oil.

FSSAI may also look at introducing regulations to ensure that companies that use large quantities of cooking oil hand it over to registered collecting agencies to convert it into biofuel.

Under this initiative, 64 companies at 101 locations have been identified to enable collection of used cooking oil.

For instance: McDonald's has already started converting used cooking oil to biodiesel from 100 outlets in Mumbai and Pune.

The food safety body says that by 2020, it should be possible to recover about 220 crore litres of used cooking oil for conversion into bio-fuel.

Reducing the re-use of cooking oil in the food industry will have positive public health outcomes and its conversion into Bio-ATF will help the aviation sector reduce its carbon footprint.

3. Girls marry early for want of schools: study

In News:

Girls are forced into marriage for want of access to education closer home.

Facts about the study:

The study, conducted among women in the 19-25 age group in 10 districts by an NGO found that girls had to marry as higher secondary schools were located far, sometimes as much as 22 km away from their homes.

Note



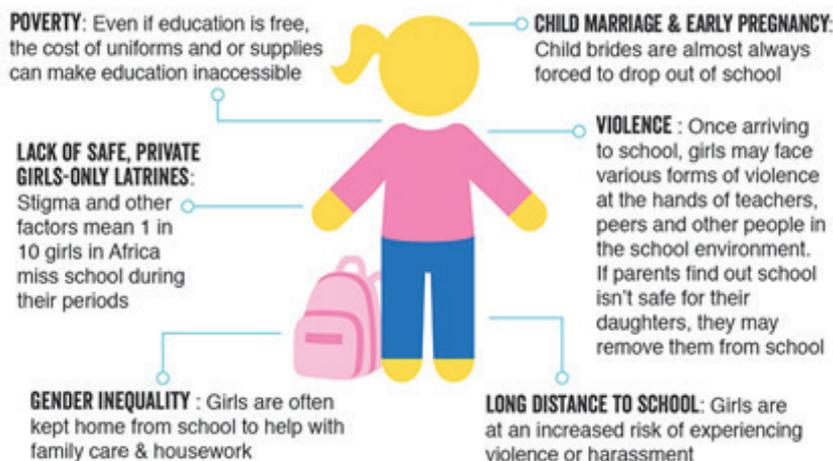
The child rights organisation took a sample of 210 girls, all dropouts and married before they turned 18, and found that 50% of them had dropped out after Class VIII and another 48% after classes IX and X.

Eighty per cent of the respondents were not aware of the legal age of marriage for girls, though they knew about some of the government initiatives such as anganwadi, the mother and child protection card and government scholarships.

The tragic path:

- At least 10 girls were married to men aged 35 years and 60% of the respondents' husbands were aged between 26 and 30 at the time of marriage.
- As much as 17% of them lived in broken homes after marriage as they were either abandoned by their husbands or had left due to domestic violence.
- The aim was to understand the impact of early marriage on the health of the women.
- It is found that 30.5% of the girls had complicated deliveries leading to poor health.
- Nearly 75% of the respondents experienced frequent abortions.
- It is found that 89% of the respondents were interested in studying and 87% said they wouldn't have married had there been a higher secondary school.
- There are 12,450 panchayats and each of them should have a higher secondary school.

6 BARRIERS TO GIRLS' EDUCATION:



4. India, Russia close to inking multi-billion agreement for AK-103 assault rifles

In News:

King of assault

The AK-103 assault rifle is the third generation of the Kalashnikovs, an upgrade of the AK-47 and AKM

- Weight: 3.6 kg
- Length: 943 mm
- Barrel length: 415 mm
- Cartridge: 7.62*39mm
- Caliber: 7.62 mm
- Rate of fire: 600 rounds/min
- Effective firing range: 500 m

▪ Forearm, magazine, butt stock, and pistol grip are made of high strength plastic and feature great durability to stress. Protective coatings ensure excellent corrosion resistance of metal parts

▪ The AK-103 can carry a 40 mm grenade launcher or a bayonet

Users: Countries which use variants of Ak-103 include Russia, Ethiopia, India, Iran, Libya, Namibia, Pakistan, Saudi Arabia, Syria and Venezuela

Source: Kalashnikov Concern

India and Russia are close to concluding an Inter-Governmental Agreement (IGA) for a multi-billion deal to locally bulk manufacture AK-103 assault rifles.

Note



Need for Procurement:

Since India has many open borders with Pakistan, Afghanistan, China, Nepal, Bhutan, Bangladesh and Myanmar, a vigilant watch is required always.

Modernization of the army is necessary at the time of growing contention.

Indian Army is looking to replace the indigenous INSAS (Indian National Small Arms System) rifles in use with a modern rifle.

The AK-103 will be bulk produced by the OFB with technology transfer.

The Army has recently signed a contract for 72,400 assault rifles from Sig Sauer of the U.S. and another tender for 93,895 Close Quarter Battle (CQB) carbines is in advanced stage of conclusion.

These rifles are for frontline troops deployed in forward areas.

Assault Rifle:

Defence Acquisition Council

The DAC is Defence Ministry’s highest decision making body for capital acquisition proposals forwarded by the Indian armed forces.

It was set up in 2001 as part of the post-Kargil reforms in defence sector

It approves the long-term integrated perspective plan for the forces, accords acceptance of necessity (AON) to begin acquisition proposals, and grant’s its approval to all major deals through all their important phases.

It also has the power to approve any deviations in an acquisition, and recommends all big capital defence purchases for approval of the Cabinet committee on security (CCS) headed by Prime Minister.

5.Labour Bureau files MUDRA job report

Pradhan Mantri Mudra Yojana

The scheme was launched in April 2015 to extend affordable credit to micro and small enterprises

INTENDED BENEFICIARIES:

Small manufacturing units, service sector units, shopkeepers, fruits and vegetable vendors, truck operators, food-service units, repair shops, machine operators, small Industries, artisans, food processors and others in rural and urban areas

LOAN SIZE:

up to
₹10
lakh

Total disbursal:

15.56 crore loans worth a total of **₹7.23 lakh crore** have been disbursed

VALUE PROPOSITION:

Use of a variety of innovative financing means, including technology, to bring down the cost of funding

In News:

The Labour Bureau has completed its survey on employment generated by the MUDRA loan scheme, giving the Centre a potential data tool to combat other reports showing a dismal scenario on jobs.

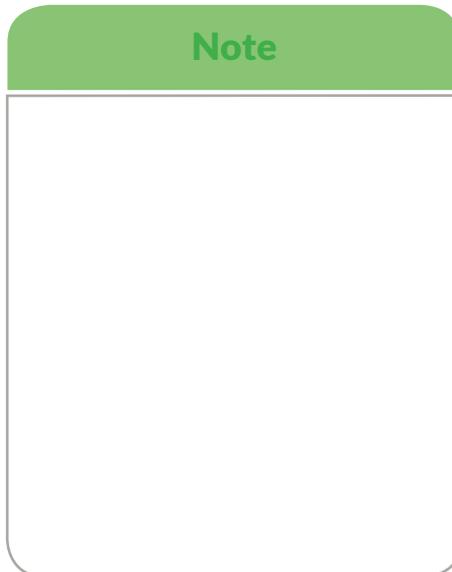
Explained:

The Pradhan Mantri Mudra Yojana was introduced in April

2015 as an effort to extend affordable credit to micro and small enterprises.

Loans up to Rs. 10 lakh are extended to these non-corporate, non-farm enterprises by the Micro Units Development and Refinance Agency

Note



(MUDRA) through last-mile financial institutions.

So far, 15.56 crore loans worth a total of Rs. 7.23 lakh crore have been disbursed.

Background of the Survey:

In December 2017, faced with mounting criticism on the failure to create job opportunities, the Labour Ministry had asked the Labour Bureau to initiate the survey on jobs created through the MUDRA scheme.

According to reports, findings showed that unemployment hit a 45-year high of 6.1% in 2017-18.

MUDRA Yojana:

Ministry/Department: Ministry of Finance

MUDRA stands for **M**icro **U**nits **D**evelopment and **R**efinance **A**gency

Objective of the Scheme:

The core objective of the bank is to fund the unfunded. It will finance to “Last Mile Financiers” of small/micro businesses. The lending priority will be given to SC/ST enterprises

MUDRA Bank

MUDRA Bank will be set up as a statutory body

It will regulate and refinance all MFI who lend to MSME engaged in small manufacturing, trade or services.

It will partner all state/regional level coordinators to provide easy finance to even the remote investors.

MUDRA Bank has rightly classified the borrowers into three segments:

The starters,

The mid-stage finance seekers and

The next level growth seekers.

To address the three segments, MUDRA Bank has launched three loan instruments:

Shishu: covers loans upto Rs 50,000/-

Kishor: covers loans above Rs 50,000/- and upto Rs. 5 lakh

Tarun: covers loans above Rs 5 lakh and upto Rs 10 lakh

It provides a loan at low rates to small entrepreneurs

The bank has been allotted a Refinance Fund of Rs. 20,000 Crores from the shortfalls of Priority Sector Lending.

Primary functions of MUDRA Bank are:

Frame policy guidelines for micro/small enterprise MFIs

Note

