

World Bank grants India \$1.75 bn loan for health, private investment

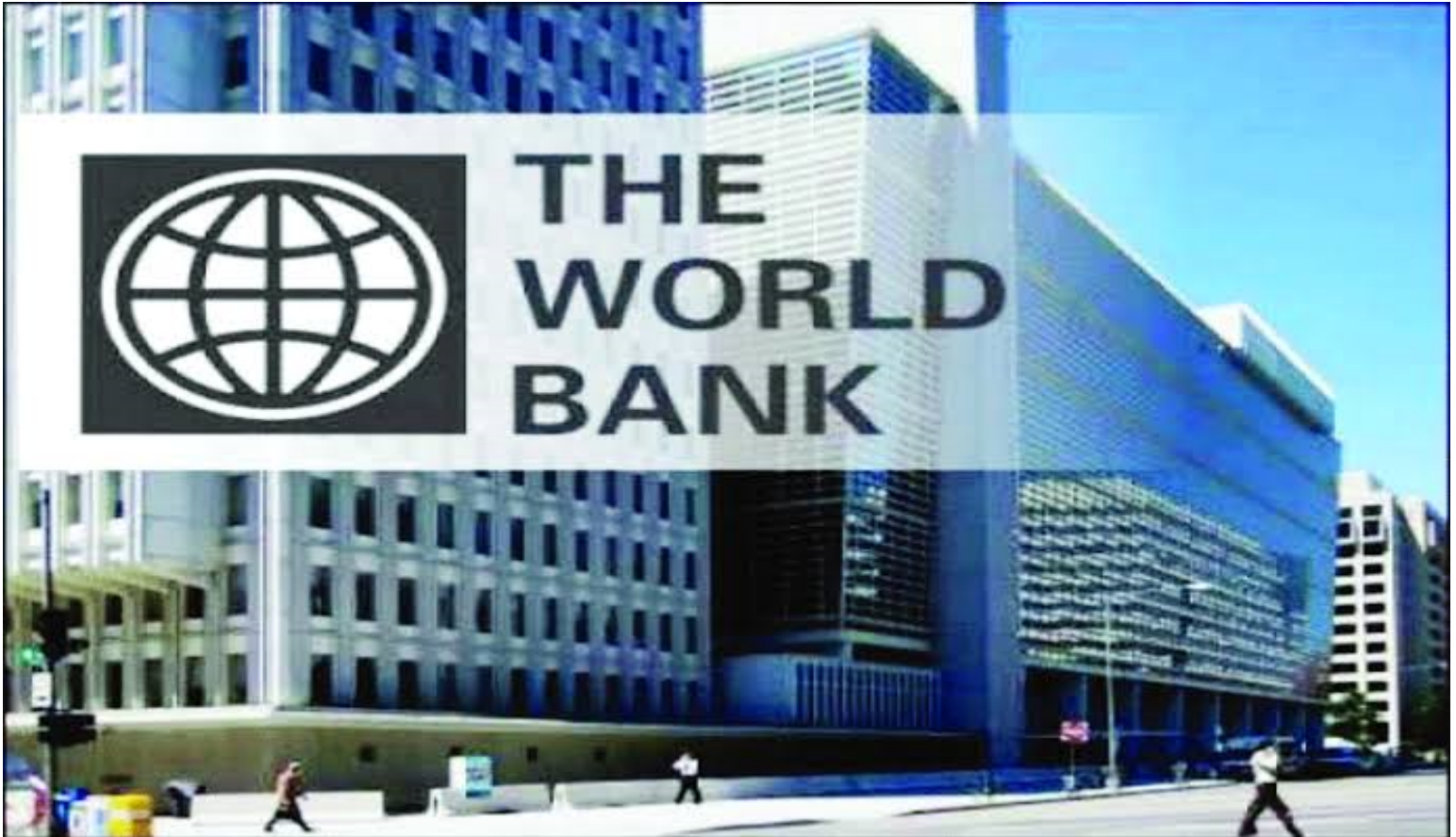
(GS Paper 3, Indian Economy)

Why in news?

- Recently, the World Bank has approved loans totalling USD 1.75 billion to fund India's PM Ayushman Bharat scheme and private investment to boost the economic growth.

Details:

- Of the total loan, USD 1 billion will go towards the health sector, while the rest USD 750 million will be in the form of development policy loan (DPL) to fill the financing gaps through private sector investment in the economy.
- The World Bank Board of Executive Directors approved two complementary loans of USD 500 million each to support and enhance India's health sector.



Boost to health sector:

- Through this combined financing of USD 1 billion, the World Bank will support India's flagship **Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)**, launched in October 2021.
- The funds will be used to improve public healthcare infrastructure across the country.
- In addition to the national-level interventions, **one of the loans will prioritize seven states** namely Andhra Pradesh, Kerala, Meghalaya, Odisha, Punjab, Tamil Nadu, and Uttar Pradesh.

Private sector:

- Separately, its board approved the DPL to the union government to support reforms critical to addressing financing gaps by leveraging private sector investment in infrastructure, small businesses, and the green finance markets.
- Indian government has taken several measures over the past decade to improve financial inclusion as well as the stability of the financial sector and the domestic capital markets. This has resulted in a more efficient and resilient sector in the face of the COVID-19 crisis and other external shocks.

Pressure on public resources and financing:

- Despite this progress, pressure on public resources and financing needs for key sectors of the economy remain high. For infrastructure and micro, small and medium enterprises (MSMEs), the **annual finance gap is estimated at 4 per cent of GDP** and between Rs 1825 lakh crore, respectively.

- In addition, the World Bank estimates show that the energy transition required to meet the government's COP26 commitments will require an annual cumulative investment of 1.5 per cent of GDP.

Health sector outcomes in India:

- India's performance in the health sector has improved over time. It has estimated India's life expectancy at 69.8 in 2020, up from 58 in 1990, higher than the average for the country's income level.
- The **under-five mortality rate** (36 per 1,000 live births), **infant mortality rate** (30 per 1,000 live births), and **maternal mortality ratio** (103 per 1,00,000 live births) are all close to the average for India's income level, reflecting significant achievements in access to skilled birth attendance, immunizations, and other priority services.
- These advances in the health sector, COVID-19 has underscored the need for revitalizing, reforming, and developing capacity for core public health functions, as well as for improving the quality and comprehensiveness of the health service delivery.

PHSPP & EHSDP:

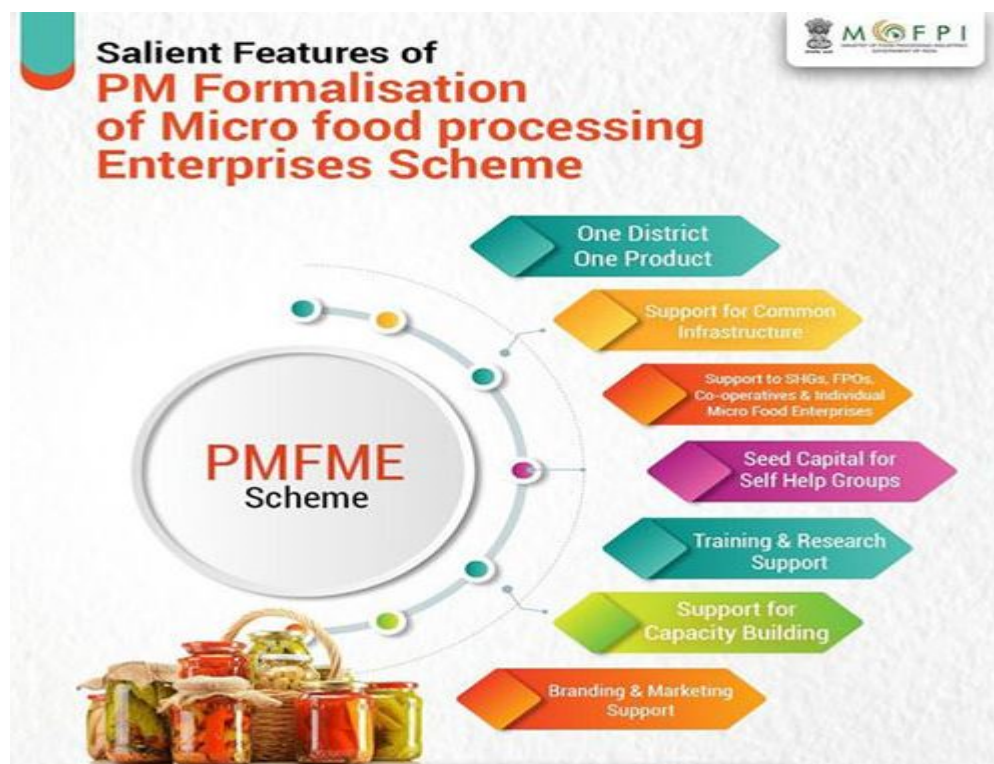
- Under health, two loans; **Public Health Systems for Pandemic Preparedness Programme (PHSPP)** and **Enhanced Health Service Delivery Programme (EHSDP)** are designed to be complementary and transformational in impact.
- It will support the Indian government's reform agenda to accelerate universal coverage, improve quality, and increase the resilience and preparedness of the health system.
- **PHSPP will support the government's efforts to prepare India's surveillance system** to detect and report epidemics of potential international concerns; enhancing capacity to detect pathogens, including zoonotic diseases and strengthen coordination and build institutional capacity of core public health institutions.
- **EHSDP will support the government's efforts to strengthen service delivery** through a redesigned primary health care model; improve quality of care by supporting the National Quality Assurance Standards certification across Health and Wellness Centres (HWCs); and transform the health sector governance and accountability by strengthening implementation capacity.

Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme

(GS Paper 2, Government Policies and Intervention)

Why in news?

- Recently, the centrally sponsored Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme completed its two years.



About:

- It was launched on 29th June, 2020 by the Ministry of Food Processing Industries, Government of India under the Aatmanirbhar Bharat Abhiyan.
- The PMFME Scheme is currently being implemented in 35 States and Union Territories.
- Under the scheme, the submission process for the applicants to apply for the credit-linked subsidy is done through the online portal.

Digital GIS One District One Product (ODOP):

- The digital GIS One District One Product (ODOP) map of India has been developed to provide details of ODOPs of all the States and UTs.
- The digital map also has indicators for Tribal, SC, ST, aspirational districts and Incubation Centers approved under the PMFME Scheme.
- It will enable stakeholders to make concerted efforts for its value chain development.

Nodal Bank:

- An agreement has been signed with the Union Bank of India as the Nodal Bank for the PMFME Scheme and MoUs have been signed with 15 banks as official lending partners for the scheme.

Capacity Building component:

- Under the Capacity Building component of the scheme, the **National Institute of Food Technology Entrepreneurship and Management, Kundli (NIFTEM-K)** and the National Institute of Food Technology Entrepreneurship and Management, **Thanjavur (NIFTEM-T)** have been performing a key role in providing training and research support to food processing enterprises/groups/clusters in partnership with the State Level Technical Institutions and private training partners.
- Training of beneficiaries is being conducted on food product processing including Food Safety & Hygiene and Entrepreneurship Development Programme (EDP).

Marketing support to State-level brands:

- Under the scheme, MoUs have been signed with NAFED and TRIFED to take up the marketing and branding activities for supporting and handholding the beneficiaries along the entire value chain.
- Under the component 10 ODOP Brands in association with NAFED have been launched.
- The scheme also envisages marketing support to State-level brands. As of now, 2 State-level brands have been successfully launched, including the brand “AASNAA” from the State of Punjab and the brand “BHIMTHADI” from the State of Maharashtra and many others in the pipeline.

75 Unique One District One Product (ODOP):

- To commemorate 75 years of India's Independence, under the Azadi Ka Amrit Mahotsav initiative, the Ministry is conducting **75 Unique One District One Product (ODOP)** webinars/offline workshops across the country in collaboration with States/UTs and NIFTEM.
- “**Kahaani Sukshma Udyamon Ki**” a series of success stories is also being published under this initiative wherein the inspiring stories feature the journey of the Micro Enterprises and Self Help Groups in the food processing sector, create awareness about the opportunities in the sector and encourage the existing and aspiring entrepreneurs to take the opportunity of availing the PMFME Scheme benefits to upscale their food processing business.

US Supreme Court's EPA ruling

(GS Paper 3, Environment)

Why in news?

- Recently, the United States Supreme Court curbed the ability of **the Environmental Protection Agency (EPA)** to regulate the emission of greenhouse gases.

Concerns:

- The ruling, one of the last before the Court goes on recess till October, has been widely seen as a **setback in America's fight against climate crisis** and a blow to the current administration's efforts to transition to clean fuels.
- It was also criticised as a move that could make it difficult for the government to take the assistance of federal agencies in combating US President Joe Biden's campaign promise of cutting down on fossil fuels and transitioning to clean energy during his tenure.

The ruling:

- In a 6-3 ruling, the Justices of the Supreme Court reined back the EPA’s authority to regulate greenhouse gas emissions from existing coal and gas-fired power plants under the Clean Air Act.
- This is the second consequential move, earlier the Court overturned ‘Roe v. Wade’ which had affirmed the constitutional right to abortion.



West Virginia v Environmental Protection Agency:

- The current case, *West Virginia v Environmental Protection Agency*, is one of the most important climate change-related cases to appear before the top court in decades.
- The state’s core argument was that the unelected bureaucrats of the EPA, a federal agency should not be allowed to pass regulations that could significantly reshape its economy (West Virginia is the second-highest coal-producing state in the US).
- In his opinion, Chief Justice Roberts wrote that “capping carbon dioxide emissions at a level that will force a nationwide transition away from the use of coal to generate electricity **may be a sensible ‘solution to the crisis of the day’**”.
- But it is not plausible that Congress gave EPA the authority to adopt on its own such a regulatory scheme in Section 111(d). A decision of such magnitude and consequence rests with Congress itself, or an agency acting pursuant to a clear delegation from that representative body.”

Background:

- Enacted in 1963, the **Clean Air Act** is a landmark law that aimed to enhance public health by limiting air pollution from mobile and stationary sources.
- It also authorised the **EPA to establish National Ambient Air Quality Standards** to protect public health and public welfare and to regulate emissions of hazardous air pollutants.
- The law was necessitated by the presence of smog and particulates in the air following decades of industrialisation. It is considered a pivotal tool in the US’ fight against pollution and, by extension, climate change. Experts agree that the law was largely successful in curbing the number of small particles in the atmosphere.
- However, as the fight against climate change evolved, the attention shifted from the emission of pollutants and ozone to the emission of greenhouse gases like carbon dioxide and, by extension, the mining and burning of coal.

Regulating coal-burning:

- The politicisation of attempts to regulate coal-burning reached its zenith under the Obama administration, driven by lobbying by fossil fuel moguls and conservative leaders who viewed it as an overreach into the principles of capitalism.
- As attempts to legislate greenhouse gas emissions failed, then-President Barack Obama took to the EPA to push for regulations to ease the transition from coal to cleaner sources of energy like natural gas or fracking which had become cheaper due to technological advancements.
- However, this meant that states which were dependent on coal mining for revenue, job and economic stability (like West Virginia) were forced to pay a price.

The larger challenge:

- Currently, the **US government functions by a mix of executive and legislative actions**. This means that while certain issues are dealt with by elected representatives in Congress directly by debates and votes, others are handed over to established federal agencies which have the expertise and agility to regulate the issues under their purview.
- For instance, during the coronavirus pandemic, the Centers for Disease Control and Prevention (CDC) was able to spearhead the vaccination efforts in real-time without waiting for Congress to pass laws approving them. This is particularly crucial as lawmaking, as essential as it is, is often time-consuming and bogged down by deal-making and compromises.
- Experts fear that the essence of the new judgment could indicate future challenges to similar efforts to regulate issues by federal agencies.

What's next?

- The Biden administration has three options in front of them.
- First, using ambitious and shrewd executive action to advance carefully targeted emissions-cutting steps. Second, bringing together blue states like California which had challenged Trump's climate rollbacks in court and encouraging them to take action against climate change at state levels.
- The third option is voting in enough progressive Democrats during the midterm elections to gain a clear majority in Congress so that the rollbacks by the conservative arms of Congress and the Supreme Court can be overcome by the passage of laws.