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# 2-Minute Series

*A compilation of foundational topics prerequisite for Civil Services*

For the 4th Week of

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# 1. Geography

## 1.1. Ayushman Sahara Scheme

- A unique scheme to assist cooperatives play an important role in creation of healthcare infrastructure in the country formulated by the apex autonomous development finance institution under the Ministry of Agriculture and Farmers welfare, the National Cooperative Development Corporation (Major financial institution for cooperatives).
- The NCDC will provide loans of Rs. 10,000 crores to the cooperatives under the scheme.
- NCDC will extend term loans to prospective cooperatives. A fund will be created for the purpose.
- The scheme will provide funds to assist cooperative hospitals. It will also cover health insurance, medical, nursing education and paramedical education.

### Examples

- There are about 52 hospitals across the country run by cooperatives. They have cumulative bed strength of more than 5,000. The NCDC fund would give a boost to provision of healthcare services by cooperatives.
- Any cooperative society with suitable provision in its byelaws to undertake healthcare related activities would be able to access the NCDC fund.
- NCDC's scheme is going to be a step towards strengthening farmers welfare activities by the Central Government. The scheme would revolutionize the way healthcare delivery takes place in rural areas.
- It specifically covers establishment, modernisation, expansion, repairs, renovation of hospital and healthcare and education infrastructure.
- This includes financial assistance and working capital to meet operational requirements in health sector.
- The scheme also provides 1% interest subvention to the cooperatives where women are in majority.
- NCDC assistance will flow either through the state governments/ UT administrations or directly to the eligible cooperatives.

### National Cooperative Development Corporation (NCDC)

- NCDC was set up under an Act of Parliament in 1963 for promotion and development of cooperatives.
- Since 1963, it has extended around Rs. 1.60 lakh crore as loans to cooperatives. ( PIB).

### Additional Points

- NCDC's scheme aligns itself with the focus of the National Health Policy, 2017, covering the health systems in all their dimensions- investments in health, organization of healthcare services, access to technologies, development of human resources, encouragement of medical pluralism, affordable health care to farmers etc.
- It has a comprehensive approach-hospitals, healthcare, medical education, nursing education, paramedical education, health insurance and holistic health systems such as AYUSH.

- Ayushman Sahakar scheme fund would also assist cooperative hospitals take up medical / AYUSH education.
- In line with National Digital Health Mission, NCDC's Ayushman Sahakar would bring transformation in rural areas. By virtue of their strong presence in rural areas, cooperatives utilising the scheme would bring revolution in comprehensive health care services.

## 1.2. Blue Dot Network

- Led by the US's International Development Finance Corporation (DFC), the Blue Dot network was jointly launched by the US, Japan (Japanese Bank for International Cooperation) and Australia (Department of Foreign Affairs and Trade) in November 2019 on the side-lines of the 35th ASEAN Summit in Thailand.
- It is meant to be a multi-stakeholder initiative that aims to bring governments, the private sector and civil society together to promote "high quality, trusted standards for global infrastructure development".
- This means that as part of this initiative, infrastructure projects will be vetted and approved by the network depending on standards, as per which, the projects should meet certain global infrastructure principles.
- The projects that are approved will get a "Blue Dot", thereby setting universal standards of excellence, which will attract private capital to projects in developing and emerging economies.

### Additional Info

- The proposal for the Blue Dot network is part of the US's Indo-Pacific strategy, which is aimed at countering BRI.
- While Blue Dot may be seen as a counter to BRI, it will need a lot of work for two reasons:
- First, there is a fundamental difference between BRI and Blue Dot – while the former involves direct financing, giving countries in need immediate short-term relief, the latter is not a direct financing initiative and therefore may not be what some developing countries need. "The question is if Blue Dot is offering first-world solutions to third world countries?"
- Secondly, Blue Dot will require coordination among multiple stakeholders when it comes to grading projects. ( Note : Remember QUAD)
- Therefore, it remains to be seen how Blue Dot fares in the long run.

## 2. Polity & Governance

### 2.1. One Stop Centre Scheme

- In India, gender based violence has many manifestations; from the more universally prevalent forms of domestic and sexual violence including rape, to harmful practices such as, dowry, honour killings, acid attacks, witch-hunting, sexual harassment, child sexual abuse, trafficking for commercial sexual exploitation, child marriage, sex selective abortion, sati etc.
- Ministry of Women and Child Development (MWCD), has formulated a Centrally Sponsored Scheme for setting up One Stop Centre, a sub - scheme of Umbrella Scheme for National Mission for Empowerment of women including Indira Gandhi Matritrav Sahyaog Yojana.
- Popularly known as Sakhi, the scheme is being implemented since 1st April 2015.
- These Centres are being established across the country to provide integrated support and assistance under one roof to women affected by violence, both in private and public spaces in phased manner.

#### The objectives of the Scheme are:

- ✓ To provide integrated support and assistance to women affected by violence, both in private and public spaces under one roof.
- ✓ To facilitate immediate, emergency and non - emergency access to a range of services including medical, legal, psychological and counselling support under one roof to fight against any forms of violence against women.
- The OSC will support all women including girls below 18 years of age affected by violence, irrespective of caste, class, religion, region, sexual orientation or marital status.
- A woman affected by violence can access OSC in the following manner:
  - ✓ By herself; or
  - ✓ Through any person including any public spirited citizen, public servant (as defined under section 21 of Indian Penal Code, 1860), relative, friend, NGO, volunteer etc. , or
  - ✓ Through Women Helpline integrated with police, ambulance and other emergency response helplines.

#### Services offered in OSCs

- The Centres will be integrated with a Women Helpline to facilitate access to following services.
  - ✓ Emergency Response and Rescue Services
  - ✓ Medical assistance
  - ✓ Assistance to women in lodging FIR /NCR/DIR
  - ✓ Psycho - social support/ counselling
  - ✓ Legal aid and counselling
  - ✓ Shelter
  - ✓ Video Conferencing Facility

## **Funding:**

The Scheme will be funded through Nirbhaya Fund. The Central Government will provide 100% financial assistance to the State Government /UT Administrations under the Scheme.

## **Nirbhaya Fund**

- Government of India has set up a dedicated fund called Nirbhaya Fund for implementation of initiatives aimed at enhancing the safety and security of women in the country.
- Under the Nirbhaya Fund, the proposed projects should have the features like direct impact on safety and security concerns of women, optimum use of existing infrastructure, innovative use of technology, no duplication of existing government schemes/ programmes, provision for real time intervention as far as possible strict privacy and confidentiality of women's identity and information and defined monitoring mechanism.
- The Central Ministries/Departments, States/UTs, Autonomous and other Government Bodies can submit proposals as per the prescribed procedure.
- As per the guidelines issued by Ministry of Finance, Ministry of Women and Child Development is the nodal authority for appraisal of the schemes/proposals received under Nirbhaya Fund.
- An Empowered Committee of officers (EC) under the Chairperson ship of Secretary, Ministry of Women and Child Development has been set up for appraising various schemes/projects proposed to be funded from the Nirbhaya Fund.

## 3. Economy

### 3.1. Capital Formation

#### What is Capital Formation

- Seems Slightly Tough But It is Not.
- Capital is the key driver of growth in the economy.
- Investment or Gross Capital Formation (GCF) includes three elements:
  - ✓ Gross Fixed Capital Formation (GFCF)
  - ✓ Change in stocks
  - ✓ Valuables (gold)

#### Components of Gross Fixed Capital Formation

#### Components of gross fixed capital formation (Per cent to GDP)

	Government	Household sector	Private sector	Public sector
2012-03-31	3.48	15.75	11.23	3.86
2013-03-31	3.41	14.63	11.79	3.61
2014-03-31	3.53	12.52	11.68	3.56
2015-03-31	3.55	12.06	11.02	3.45
2016-03-31	3.57	9.13	12.01	3.76
2017-03-31	3.76	9.09	12.29	3.40

Source: National Accounts Statistics, various years

#### GFCF - Gross Fixed Capital Formation

- The most important component is GFCF which means capital expenditure on machinery, equipment and dwellings.

#### Broad Categories of Fixed Assets

- Broadly two types of fixed assets namely:
  - ✓ Construction and Machinery & Equipment (including transport equipment, software, breeding stock, draught animals, dairy cattle and the like) are covered.

#### Construction Activity

- It covers all new constructions, major alterations and repairs.
- These could be related with buildings, highways, streets, bridges, culverts, railroad beds, railroads, subways, airports, parking areas, dams, drainages, wells and other irrigation sources, water and power projects, communication systems such as telephone and telegraph lines, land reclamations, bunding and other land improvements; planting and cultivating new orchards (tea, coffee, rubber, mango, cashew nut, areca nut, coconut, citrus, grapes and Sapota plantations); afforestation projects; installation of wind energy systems etc.

## Downturn in Investments in Dwellings and Structures

- A sharp downturn in investments in dwellings and structures leads to slowdown in construction sector activities, which then feeds into slowdown in various allied sectors, such as steel and cement.

## Components of household sector investment (Percent to GDP)

	Dwellings and buildings	Equipment
2012-03-31	12.85	2.82
2013-03-31	11.61	2.96
2014-03-31	11.11	1.34
2015-03-31	10.24	1.75
2016-03-31	7.27	1.79
2017-03-31	6.77	2.24

Source: National Accounts Statistics, various years

### Exceptions

- Construction for military purposes (other than construction or alteration of family dwellings for military personnel), defence equipment, durable goods in the hands of the households and increase in the stocks of defence materials are excluded from the scope of gross capital formation.
- However, capital outlays of defence enterprises on ordinance and clothing factories are included.

### Change in Stocks

- Change in stocks during a period of account means the increase in stocks of inventories.

### 3 stages of Capital Formation

- Creation of Savings
- Effective Mobilization of Savings
- Investment of Savings

### Some Important Points to Remember - 1

- The estimation follows the domestic concept, whereby, only additions made to stocks of fixed assets and inventories within the geographical boundary of the country have been taken into account.
- Accordingly, the GCF refers to gross domestic capital formation (GDCF).

### Details

- The estimates of GCF for the economy as a whole, include all relevant items of new capital goods which are produced domestically (exclusive of exports) and new and second-hand imported goods.
- According to internationally accepted accounting principles, imports should include the outlays of the embassies, consulates and other extra-territorial establishments of the government of the given country, on new fixed assets reduced by the net sales of their second-hand and scrapped assets in foreign countries.



- Similarly, the net outlays of foreign embassies, consulates and other diplomatic bodies located in a country, on fixed assets produced within the country, are to be recorded in the exports and not in the gross fixed capital formation (GFCF) of the given country.
- The fixed capital outlays of international agencies located in the country are to be treated in an identical manner.

### Some Important Points to Remember - 2

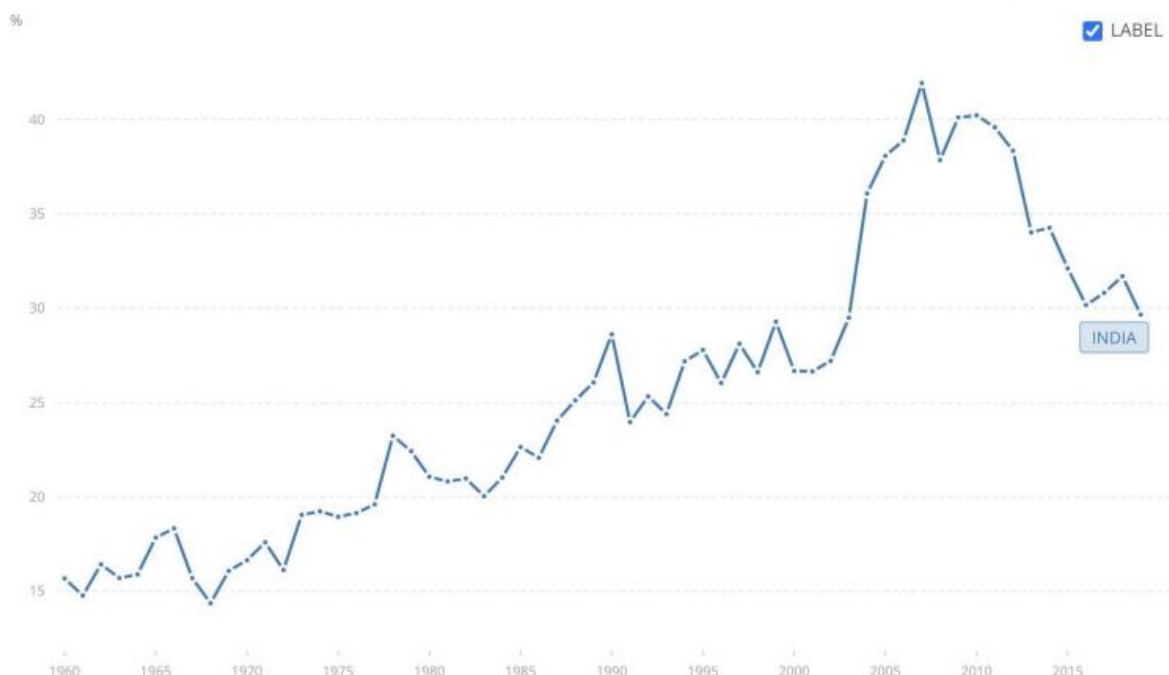
- Additions to non-reproducible tangible assets such as land, mineral deposits and the natural growth of standing timber or crops have not been included in GCF.
- However, outlays on improvement of land and development or extension of mining sites, timber tracts and plantations are taken as part of capital formation.
- The outlays on incomplete construction works incurred during the period are included in the estimates of fixed assets.

### Some Important Points to Remember - 3

- Inventories consist of materials and supplies; work-in-progress; finished products; and goods in the possession of producers and dealers.
- Stocks of strategic materials, grains and other commodities of special importance to the nation, in the possession of government are also included in the estimates of change in stocks.

Items	
<b>1</b>	<b>Gross capital formation</b>
1.1	public sector
1.2	private corporate sector
1.3	household sector
1.4	valuables
<b>2.</b>	<b>Gross fixed capital formation</b>
<b>2.1</b>	<b>public sector</b>
2.1.1	construction
2.1.2	machinery & equipment
<b>2.2</b>	<b>private corporate sector</b>
2.2.1	construction
2.2.2	machinery & equipment
<b>2.3</b>	<b>household sector</b>
2.3.1	construction
2.3.2	machinery & equipment
<b>3.</b>	<b>Change in stock</b>
3.1	public sector
3.2	private corporate sector
3.3	household sector
<b>4.</b>	<b>Less consumption of fixed capital</b>
4.1	public sector
4.2	private corporate sector
4.3	household sector
<b>5.</b>	<b>Net capital formation</b>
5.1	public sector
5.2	private corporate sector
5.3	household sector
<b>6.</b>	<b>Errors &amp; omissions</b>
<b>7.</b>	<b>Net capital formation adjusted for errors &amp; omission</b>
<b>8.</b>	<b>Gross capital formation adjusted for errors &amp; omission</b>

### Recent Trends



- Moderation in GFCF, a measure of fixed asset creation raises concerns about growth of output in the economy.

### **Other Aspects of Capital Formation**

- Capital formation does not only refer to the development of physical goods but also to the development of human capital. Like education, health, developing skills, etc

### **Important Related Terms**

- Capital Output Ratio (COR)
- Incremental Capital Output Ratio (ICOR)
- Which one is better: Low ICOR or High ICOR?

### **Capital Formation & UPSC**

#### **UPSC Mains 2020**

- Explain the meaning of investment in an economy in terms of capital formation. Discuss the factors to be considered while designing a concession agreement between a public entity and a private entity. (Answer in 250 words) 15 Marks.

## 4. Environment

### 4.1. Himalayan Serow

#### Introduction

- A Himalayan serow has been sighted for the first time in the Himalayan cold desert region.

#### What is a Himalayan Serow?

- A biologist has described a Himalayan serow as resembling a cross between a goat, a donkey, a cow, and a pig.
- It's a medium-sized mammal with a large head, thick neck, short limbs, long, mule-like ears, and a coat of dark hair.
- They are herbivores, and are typically found at altitudes between 2,000 metres and 4,000 metres (6,500 to 13,000 feet).
- It is considered a flagship species due to its specialized habitat requirements of dense and undisturbed forests.
- They are known to be found in eastern, central, and western Himalayas, but not in the Trans Himalayan region.
- There are several species of serows, and all of them are found in Asia.
- The Himalayan serow, or *Capricornis sumatraensis* thar, is restricted to the Himalayan region.
- Taxonomically, it is a subspecies of the mainland serow (*Capricornis sumatraensis*).

#### Why in news?

- The animal was spotted near Hurling village in Spiti, Himachal Pradesh.
- Spiti lies in the cold mountain desert region of the western Himalaya, and its valley floor has an average elevation of 4,270 metres above sea level, making the sighting special as Serows are generally not found at this altitude.
- This is the first recorded human sighting of the serow in Himachal Pradesh.
- The animal has been spotted a few times earlier in the state, but that has always been through camera traps.
- The animal has also been spotted in the Rupi Bhaba Wildlife Sanctuary, and in the higher reaches of Chamba.
- The Sanctuary is locally well known for its extensive alpine pastures as well as the numerous treks, trails and passes that connect it with the neighboring Great Himalayan National Park and Pin Valley National Park.

#### Conservation Status

- According to the International Union for Conservation of Nature (IUCN), Himalayan serows have experienced significant declines in population size, range size and habitat in the last decade, and this is expected to continue due to intensive human impact.



- Previously assessed as 'near threatened', the Himalayan serow is now been categorised as 'vulnerable' in the IUCN Red List of Threatened Species.
- It is listed under Schedule I of The Wildlife Protection Act, 1972, which provides absolute protection.
- CITES - Appendix I