



Current Affairs of the Day

GS Paper - II

- Health data shows India does not need a two-child policy:
PCI

GS Paper - III

- Western Ghats home to 3,387 leopards
- 'Centre to set up a development finance entity in 3-4 months'



Western Ghats home to 3,387 leopards

Highlights:

1. The Western Ghats region is home to 3,387 against India's population of 12,852. Karnataka tops the list with 1,783 leopards, followed by Tamil Nadu with 868, according to the Status of Leopards in India 2018 report.
2. The leopard population was counted during the tiger population assessment undertaken in 2018. The leopard population was estimated to be within the forested habitats in tiger-occupied States, the report said.
3. While noting that the leopard population had increased in most of the tiger reserves in the Western Ghats landscape, the report cautioned that the growing human population and increasing fragmentation of landscape led to increased human-wildlife interactions in the region.

Health data shows India does not need a two-child policy: PCI

Highlights:

1. The latest data from the National Family Health Survey-5 (NFHS-5) provide evidence of uptake in the use of modern contraceptives in rural and urban areas, an improvement in these demands being met, and a decline in the average number of children borne by a woman, and prove that the country's population is stabilising and fears over a "population explosion" and calls for a "two-child policy" are misguided, experts say.
2. The analysis of the data shows that the total fertility rate (number of children born per woman) has decreased across 14 of 17 States and is at 2.1 children per woman or less.

Background: Replacement level fertility

This also implies that most States have attained replacement level fertility — the average number of children born per woman at which a population exactly replaces itself from one generation to the next.



'Centre to set up a development finance entity in 3-4 months'

Highlights:

1. The government plans to set up a Development Finance Institution (DFI) in the next three to four months with a view to mobilising the ₹111 lakh crore required for funding of the ambitious national infrastructure pipeline, according to Financial Services Secretary Debasish Panda.
2. India needs a development financial institution as infra financing needs patient capital, and banks are currently not suited for lending for long-term projects which do not generate any cash for years.
3. To provide funding, to enhance the credit rating of projects, a DFI is needed. The DFI will be a catalyst and would fund projects where others are not willing to enter because of the risks involved.
4. The DFI would have a key developmental role apart from the financing role. Prior to liberalisation, India had DFIs engaged in the development of the industry. ICICI and IDBI, in their previous avatars, were DFIs. The country's oldest financial institution IFCI Ltd. too had acted as a DFI.
5. Even deepening the bond market with regard to infrastructure financing was a matter receiving the Centre's attention and there was a need to do something more in order to have a robust bond market for infrastructure financing.

Background:

DFI

Development Financial Institutions are specialized institutions set up primarily to provide development/ Project finance, especially in developing countries. These development banks are usually majority-owned by national governments. The source of capital of these banks is national or international development funds. This ensures their creditworthiness and their ability to provide project finance at a very competitive rate.

The difference from Commercial Banks

DFIs differentiates itself from commercial banks as it strikes a balance between commercial operational norms as followed by commercial banks on one hand and developmental responsibilities on the other. They provide long-term loans, guarantees and underwriting functions. DFIs provide long term finance to fund



the activities to those sectors where the risk is higher for the commercial banks to finance. So, DFIs are not just plain lenders like commercial banks but they act as companions in the development of significant sectors of the economy. After independence, as the role of commercial banks were limited to providing working capital financing for short periods, the DFIs were set up to finance the development on a long term basis for the significant sectors of the economy like infrastructure sector.

Classification

Development Finance Institutions can be classified into four categories:

1. National Development Banks Ex: IDBI, SIDBI, ICICI, IFCI, IRBI, IDFC
2. Sector-specific financial institutions Ex: TFCI, EXIM Bank, NABARD, HDFC, NHB
3. Investment Institutions Ex: LIC, GIC and UTI
4. State-level institutions Ex: State Finance Corporations and SIDCs.