Daily current affairs

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“Pradhan Mantri Annadata Aay SanraksHan Abhiyan’ (PM-AASHA)

- Giving a major boost to the pro-farmer initiatives of the Government and in keeping with its commitment and dedication for the Annadata, the Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved a new Umbrella Scheme “Pradhan Mantri Annadata Aay SanraksHan Abhiyan’ (PM-AASHA).
- The Scheme is aimed at ensuring remunerative prices to the farmers for their produce as announced in the Union Budget for 2018.

Components of PM-AASHA:

The new Umbrella Scheme includes the mechanism of ensuring remunerative prices to the farmers and is comprised of

- Price Support Scheme (PSS),
- Price Deficiency Payment Scheme (PDPS)
- Pilot of Private Procurement & Stockist Scheme (PPPS).

Price Deficiency Payment Scheme

- The Price Deficiency Payment Scheme is modelled on the Bhavantar experiment in Madhya Pradesh last year, where there is no physical procurement at all.
- Instead, farmers will sell their produce in the market, and the government will directly pay them the difference between the MSP and the average market rate.
- The cash payment will be deposited in their bank accounts.
- When this scheme was proposed by the NITI Aayog to the States in April 2018, a 60:40 split in costs between the Centre and the States was suggested; it is unclear how the burden will now be shared.
- The other option is a pilot scheme where selected private agencies will procure the commodity at the MSP, instead of the government. Maximum service charges up to 15% of the notified MSP will be payable, said the statement.

The **other existing schemes** of Department of Food and Public Distribution (DFPD) for procurement of paddy, wheat and nutri-cereals/coarse grains and of Ministry of Textile for cotton and jute **will be continued for providing MSP** to farmers for these crops. Cabinet has also decided that **participation of private sector in procurement operation** needs to piloted so that on the basis of learnings the ambit of private participation in procurement operations may be increased.

What is 'Non-Performing Asset (NPA)'?

- A nonperforming asset (NPA) refers to a classification for loans or advances that are in default or are in arrears on scheduled payments of principal or interest.
- In most cases, debt is classified as nonperforming when loan payments have not been made for a period of 90 days.
- While 90 days of nonpayment is the standard, the amount of elapsed time may be shorter or longer depending on the terms and conditions of each loan.

The Effects of NPAs

- Carrying nonperforming assets, also referred to as nonperforming loans, on the balance sheet places three distinct burdens on lenders.
- The nonpayment of interest or principal reduces cash flow for the lender, which can disrupt budgets and decrease earnings.
- Loan loss provisions, which are set aside to cover potential losses, reduce the capital available to provide subsequent loans.
- Once the actual losses from defaulted loans are determined, they are written off against earnings.

Confidence-building measures

- Confidence-building measures (CBMs) or confidence- and security-building measures are in actions taken to reduce fear of attack by both (or more) parties in a situation of tension with or without physical conflict.
- The term is most often used in the context of international politics, but is similar in logic to that of trust and interpersonal communication used to reduce conflictual situations among human individuals.
- CBMs emerged from attempts by the Cold War superpowers and their military alliances (the North Atlantic Treaty Organisation and the Warsaw Pact) to avoid nuclear war by accident or miscalculation.
- However, CBMs also exist at other levels of conflict situations, and in different regions of the world although they might not have been called CBMs

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