

# WEEKLY NEWS

July 14-20, 2024

## Article 341



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## Inverse ETFs




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## HIGHLIGHTS

- MANAS Helpline
- CITES  
Rosewood
- Money Bill

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# UN-led Conference on Afghanistan

## ● **Why in News?**

- ⇒ India is among 25 countries participating in the third UN-led conference aimed at improving the lives of Afghan people under Taliban rule.
- ⇒ The conference supplements previous efforts like the Delhi Regional Security Dialogue and Moscow Format consultations.
- ⇒ The Taliban were allowed to position themselves as the sole representative of Afghanistan during the conference.

## ● **Background**

- ⇒ The Taliban returned to power in 2021 after waging an insurgency against the U.S.-backed government since 2001.

## ● **Significance of a Peaceful and Stable Afghanistan**

- ⇒ **Regional Connectivity:** Afghanistan serves as a gateway to the Central Asian Region.
- ⇒ **Security:** Reduced insurgency and cross-border terrorism can lead to a more secure environment for India's northern and western borders. An unstable Afghanistan may become a safe haven for terrorists.
- ⇒ **Energy and Resources:** Stability could pave the way for the Turkmenistan–Afghanistan–Pakistan–India (TAPI) pipeline.
- ⇒ **Curbing Drug Trafficking:** A stable government can better tackle drug trafficking. Afghanistan is part of the Death Crescent along with Pakistan and Iran, affecting Indian states like Punjab.

## ● **India-Afghanistan Relations Post-Taliban Takeover**

- ⇒ **Official Recognition:** India has not officially recognized the Taliban but is helping Afghans through various means.
- ⇒ **Humanitarian Aid:** Supplied several shipments of humanitarian assistance, including wheat, medical aid, and earthquake relief.
- ⇒ **Education:** Continued its Indian Council for Cultural Relations (ICCR) scholarship scheme for Afghan students.
- ⇒ **Trade and Commerce:** Ongoing trade and commerce through the Chabahar port.
- ⇒ **Technical Assistance:** India's technical team in Kabul monitors the status and functioning of projects built by it.



● **Way Forward**

- ➔ **Continued Diplomatic Engagement:** Maintain diplomatic efforts to ensure regional stability and support the Afghan people.
- ➔ **Enhanced Humanitarian Assistance:** Increase humanitarian aid and support for education and healthcare in Afghanistan.
- ➔ **Economic Collaboration:** Promote trade and infrastructure projects to aid Afghanistan's economic recovery and regional integration.



# CITES Rosewoods: The Global Picture Report

## ● Why in News?

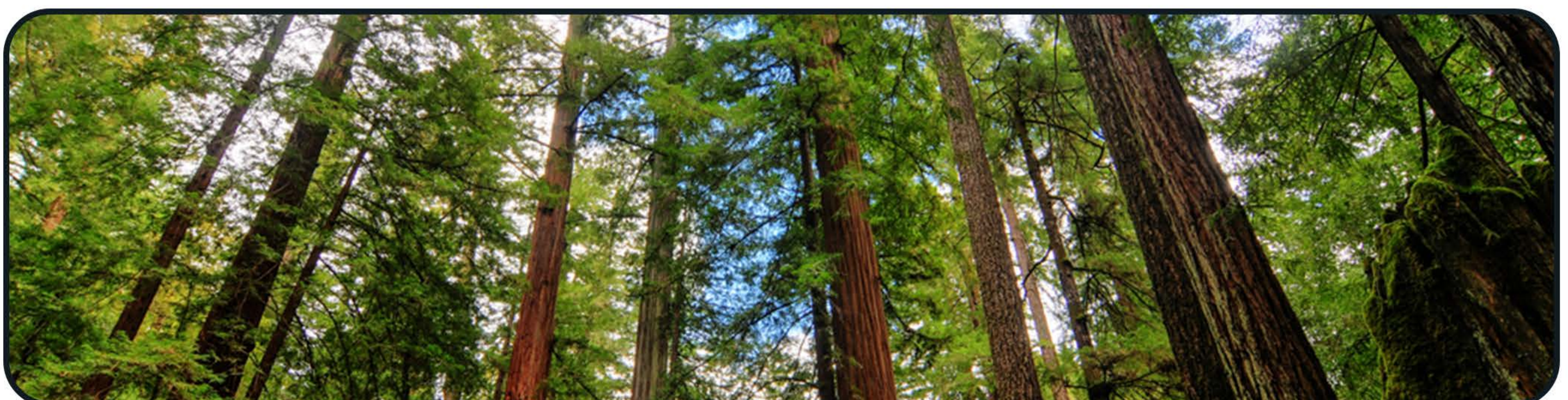
- ➡ CITES launched "CITES Rosewoods: The Global Picture" report.
- ➡ The report provides details on CITES-listed rosewood species, their characteristics, ecosystem roles, regeneration rates, and threats.
- ➡ Aims to help CITES parties make informed **non-detriment findings (NDFs)**.

## ● Key Points on Rosewood

- ➡ **About Rosewood:** Known as "**palisander**," it includes various tropical hardwoods in the Fabaceae (Leguminosae) family.
- ➡ **Species in Appendix II of CITES:**
  - Dalbergia latifolia (Malabar rosewood):** Found in India, listed as Vulnerable on the IUCN Red List.
  - Dalbergia Sissoo (Shisham):** Found in India, listed as Least Concern on the IUCN Red List.
  - African Rosewood:** Native to West African countries, listed as Endangered on the IUCN Red List.
- ➡ **Utility:** Widely used in crafting furniture and musical instruments.

## ● Ecosystem Roles of Rosewood

- ➡ **Soil Improvement:** Dalbergia species enhance degraded soil through fast decomposing leaf litter rich in nitrogen, phosphorus, and carbon.
- ➡ **Nitrogen Fixation:** Some species form symbiotic associations with soil bacteria to fix atmospheric nitrogen.



## ● **CITES Overview**

- ➡ **About:** An international legally binding agreement between governments to ensure that international trade in wild animal and plant specimens does not threaten species survival.
- ➡ **Genesis:** Drafted in 1963 following an IUCN resolution, it came into force in 1975.
- ➡ **Parties:** 184, including India.
- ➡ **CITES Appendices:** Contains lists of species afforded different levels or types of protection from over-exploitation.

## ● **Way Forward**

- ➡ **Informed Decision-Making:** Use the report to make scientifically backed NDFs to ensure sustainable trade and conservation.
- ➡ **Conservation Efforts:** Strengthen conservation measures for rosewood species listed in CITES Appendices.
- ➡ **International Collaboration:** Enhance cooperation among CITES parties to prevent illegal trade and promote sustainable use of rosewood species.



# India's Energy Storage Landscape Report

## ● Why in News?

➡ **Mercom India Research** released the 'India's Energy Storage Landscape' report.

➡ **Key Findings (as of March 2024):**

**Cumulative Installed Capacity:** India's Battery Energy Storage System (BESS) capacity is 219.1 Megawatt-hours (MWh).

**Top Contributor:** Chhattisgarh holds the highest BESS capacity, accounting for 54.8% of the total.

**Integration with Solar:** Solar photovoltaic (PV) systems, combined with BESS, represent 90.6% of the installed capacity.

## ● About BESS

➡ **Definition:** Electrochemical devices that store renewable energy (like solar and wind) for later use.

➡ **Types of Batteries Used:**

Lithium-ion (Li-ion) batteries

Lead-acid batteries

Sodium-sulfur batteries

## ● Significance of BESS

➡ **Environmental Impact:** Minimizes greenhouse gas emissions, aiding in achieving the Panchamrit target of net zero emissions by 2070.

➡ **Economic Benefits:** Reduces energy costs by storing energy for use during peak hours when prices are highest.

➡ **Grid Benefits:** Reduces dependency on the grid and improves grid stability by balancing supply and demand.



## ● **Concerns with BESS**

- ➡ **Maintenance and Monitoring:** Increased need for ongoing maintenance and monitoring.
- ➡ **High Initial Costs:** High upfront costs may deter users from investing in BESS.
- ➡ **Environmental Impact of Raw Material Extraction:** Extraction of raw materials like lithium is energy-intensive and can cause water pollution and land degradation.

## ● **Initiatives to Promote BESS**

- ➡ **Viability Gap Funding (VGF):** Scheme for the development of 4,000 MWh of BESS projects by 2030-31.
- ➡ **Inter-State Transmission Charges Waiver:** Waiver for BESS projects commissioned up to June 2025.
- ➡ **Production Linked Incentive Scheme:** For the National Programme on Advanced Chemistry Cell Battery Storage.
- ➡ **National Framework:** Promoting Energy Storage Systems by the Ministry of Power.

## ● **Way Forward**

- ➡ **Enhanced Research and Development:** Encourage innovation in BESS technologies to reduce costs and improve efficiency.
- ➡ **Government Support:** Continued support through policies, incentives, and funding to foster BESS adoption.
- ➡ **Sustainable Practices:** Promote sustainable extraction and recycling of raw materials to mitigate environmental impact.



# Report of India's G20 Task Force on DPI

## ● Why in News?

- ➡ The G20 Task Force on **Digital Public Infrastructure (DPI)** released its report.
- ➡ Established in **2023** under India's G20 Presidency, the task force aims to prioritize DPI and financial inclusion and support global DPI adoption.

## ● About Digital Public Infrastructure (DPI)

- ➡ **Definition:** DPI consists of platforms like digital identity, financial infrastructure, and data exchange solutions that aid governments in empowering individuals and improving lives through digital inclusion.
- ➡ **India Stack:** India's DPI, known as India Stack, has three foundational layers:
  - Digital Identification (Aadhaar)**
  - Real-Time Fast Payment (UPI)**
  - Platform for Secure Personal Data Sharing (DigiLocker)**

## ● Achievements

- ➡ **UPI Transactions:** 10 billion transactions per month.
- ➡ **DigiLocker Usage:** Over 6 billion documents stored by 211 million people.
- ➡ **Bank Account Ownership:** Reduction in the rich-poor divide in bank account ownership from 14% to 1% (2011-2022).

## ● Significance

- ➡ **Empowerment and Protection:** Provides individuals control over their money and data.
- ➡ **Market Innovation:** Reduces transaction costs, maintains competition through interoperability, and attracts private capital.
- ➡ **Access for Vulnerable Groups:** Enables remote populations and women to access services, reducing disparities like gender gaps.

**Gender Gap:** Reduction in bank account ownership gender gap from 18% to almost 0% (2011-2022).



● **Way Forward**

- ➔ **Global Adoption:** Promote the adoption of DPI globally to enhance financial inclusion.
- ➔ **Sustainable Infrastructure:** Continue developing and maintaining robust digital infrastructure.
- ➔ **Inclusivity:** Ensure digital services are accessible to all, especially vulnerable and marginalized groups.
- ➔ **Innovation and Collaboration:** Foster innovation and collaboration between the public and private sectors to enhance and expand DPI solutions.



# Article 341

## ● Why in News?

- ➡ The Supreme Court ruled that **state governments cannot alter the Scheduled Caste (SC) list published under Article 341** of the Constitution.
- ➡ The Court struck down a resolution by the Bihar government to merge the Economically Backward Class (EBC) community into the SC list.

## ● About Article 341

- ➡ **Designation of Scheduled Castes:** The President can officially designate certain groups as Scheduled Castes for specific States or Union Territories.
- ➡ **Consultation Requirement:** For States, this designation is made after consulting the Governor.
- ➡ **Scope of Designation:** The designation may include entire castes, races, tribes, or subgroups within these categories.
- ➡ **Parliamentary Authority:** Parliament can include or exclude groups from the list of Scheduled Castes by law.

## ● Significance

- ➡ **Constitutional Adherence:** The ruling emphasizes adherence to the constitutional process outlined in Article 341.
- ➡ **Preventing Arbitrary Changes:** It prevents arbitrary changes to the SC list by state governments, ensuring that any modifications go through the proper legislative process.

## ● Way Forward

- ➡ **Legal Process:** Any changes to the SC list should follow the legislative process, involving consultation with the President and Parliament.
- ➡ **Awareness and Education:** State governments should be educated about the constitutional provisions and procedures related to the designation of Scheduled Castes.
- ➡ **Monitoring and Compliance:** Ensure strict monitoring and compliance with constitutional provisions to prevent unauthorized alterations to the SC list.

# Money Bill

## ● Why in News?

- ➔ The Supreme Court has agreed to hear petitions challenging the use of the Money Bill route by the Union Government to pass certain bills in Parliament.

## ● About Money Bill

- ➔ **Definition:** Defined under Article 110 of the Indian Constitution, a bill is considered a Money Bill if it contains provisions related to:
  - Imposition, abolition, remission, alteration, or regulation of any tax.
  - Regulation of borrowing money or providing guarantees by the Government of India.
- ➔ **Speaker's Decision:** The decision of the Speaker of the Lok Sabha is final on whether a bill is a Money Bill.
- ➔ **Introduction:** As per Article 109, a Money Bill can only be introduced in the Lok Sabha.

## ● Significance

- ➔ **Constitutional Adherence:** Ensures that the use of the Money Bill route aligns with the constitutional definition and provisions.
- ➔ **Parliamentary Integrity:** Maintains the integrity of the parliamentary process by preventing the misuse of the Money Bill designation.

## ● Way Forward

- ➔ **Judicial Review:** The Supreme Court's decision will provide clarity on the correct application of the Money Bill provisions.
- ➔ **Legislative Clarity:** Potential for clearer guidelines and checks to prevent the misuse of the Money Bill route in the future.
- ➔ **Parliamentary Procedures:** Emphasize the importance of adhering to constitutional procedures and maintaining the separation of powers.



# Inverse ETFs

## ● Why in News?

- ➡ The Securities and Exchange Board of India (SEBI) has proposed the introduction of a new asset class for investors, which includes investment strategies such as long-short equity funds and inverse ETFs.

## ● About Inverse ETFs ('Short ETF' or 'Bear ETF')

- ➡ **Definition:** An Exchange Traded Fund (ETF) designed to profit from a decline in the value of an underlying benchmark using various derivatives.
- ➡ **ETFs:** Marketable securities that track an index, a commodity, bonds, or a basket of assets similar to an Index Fund.
- ➡ **Purpose:** Gains from a drop in the value of an underlying benchmark.
- ➡ **Holding Period:** Only intended for short holding periods.

## ● Significance

- ➡ **Investment Diversification:** Provides investors with additional tools to diversify their investment strategies.
- ➡ **Risk Management:** Allows investors to hedge against market downturns.
- ➡ **Market Opportunities:** Enables investors to profit from declining markets.

## ● Way Forward

- ➡ **Regulatory Framework:** SEBI to establish a clear regulatory framework for the new asset class.
- ➡ **Investor Education:** Initiatives to educate investors about the risks and benefits of inverse ETFs and other strategies.
- ➡ **Market Integration:** Smooth integration of the new asset class into existing financial markets to ensure liquidity and stability.

## ● Conclusion

- ➡ SEBI's proposal aims to enhance the investment landscape by introducing innovative asset classes, offering new opportunities and strategies for investors to manage risk and diversify their portfolios.



# ADB Supports Rooftop Solar Systems in India

## ● Why in News?

- ➔ The **Asian Development Bank (ADB)** has approved financial support for India's Rooftop Solar Systems through the **Multi-tranche Financing Facility (MFF) Solar Rooftop Investment Programme**.
- ➔ ADB will provide funds from its Clean Technology Fund and Ordinary Capital Resources.
- ➔ Loans will be available through the **State Bank of India (SBI)** and the **National Bank for Agriculture and Rural Development (NABARD)**.

## ● Current Status of Rooftop Solar Power in India

- ➔ **Installed Capacity:** As of December 2023, India's rooftop solar capacity stands at approximately 11.08 GW, with only 2.7 GW in the residential sector.
- ➔ **State Leaders:** Gujarat leads with 2.8 GW, followed by Maharashtra with 1.7 GW.
- ➔ **Potential:** Over 25 crore households in India have the potential to deploy 637 GW of rooftop solar power (as per the Council on Energy, Environment and Water (CEEW)).

## ● Significance of Rooftop Solar Schemes

- ➔ **Reducing Technical and Operational Burden:** Localized electricity generation reduces the need for long-distance power supply, thereby minimizing system losses.
- ➔ **Achieving Panchamrit Targets:** Contributes to India's goal of meeting 50% of its energy requirements from renewable sources by 2030.
- ➔ **Energy Security:** The International Energy Agency (IEA) predicts India will experience the largest energy demand growth over the next 30 years.



## ● **Rooftop-Related Schemes in India**

- ➔ **PM Surya Ghar Muft Bijlee Yojana:** Aims to provide free electricity to one crore households that install rooftop solar units.
- ➔ **Pradhan Mantri Suryodaya Yojana:** Targets installing rooftop solar on one crore houses to provide electricity to low and middle-income individuals.
- ➔ **Grid Connected Rooftop Solar Programme:** Aims to achieve a cumulative installed capacity of 40,000 MW from Grid Connected Rooftop Solar (RTS) projects.

## ● **Way Forward**

- ➔ **Increased Financing and Support:** Continued financial support and subsidies from national and international agencies to expand rooftop solar installations.
- ➔ **Public Awareness and Participation:** Enhanced public awareness campaigns to encourage residential adoption of rooftop solar systems.
- ➔ **Policy and Infrastructure Development:** Strengthening policies and infrastructure to support the seamless integration of rooftop solar systems into the national grid.
- ➔ **Monitoring and Evaluation:** Regular monitoring and evaluation to ensure the effectiveness and efficiency of rooftop solar schemes and to make necessary adjustments.



# e-Mobility R&D Roadmap for India

## ● Why in News?

- ➔ The Principal Scientific Adviser to the Government of India launched the 'e-Mobility R&D roadmap for India' report to help achieve net-zero targets by identifying future cutting-edge technological requirements in four key areas: Energy Storage Cells, EV Aggregates, Materials and Recycling, and Charging and Refueling.

## ● Current Scenario in India

- ➔ **Dependence on Imports:** India's growing electric vehicle sector heavily relies on lithium imports from other countries.
- ➔ **Lack of Manufacturing Base:** The unavailability of a hardware manufacturing base pushes Original Equipment Manufacturers (OEMs) and suppliers to import parts.
- ➔ **Battery Recycling:** Approximately 90% of used batteries are processed by the unorganized industry or end up in landfills and garbage dumps.
- ➔ **Charging Infrastructure:** Currently, there are 2,000 charging stations in India (NITI Aayog Report, 2021).

## ● Proposed R&D Roadmap

### ➔ Energy Storage Cell:

Accelerate the process of discovering more lithium reserves.

Implement globally available, established extraction technologies for lithium.

Utilize existing supply-chain strategies in Li-battery/cell production.

### ➔ EV Aggregates:

Emphasize Hybrid Energy Storage Systems (HESS) combining different energy storage technologies such as batteries and supercapacitors.

### ➔ Materials and Recycling:

Conduct an economic analysis of the recycling value-chain.

Implement methods for monitoring and reporting the environmental impact.

### ➔ Charging and Refueling:

Develop proper road infrastructure for installing a transmitting pad underneath the road.

Design scalable systems for dynamic wireless charging technology.

Design and develop adaptive charging techniques for different power ranges of EVs and battery chemistries.



● **Way Forward**

- ➔ **Research and Development:** Continue investing in R&D to innovate and implement advanced technologies in energy storage, EV components, materials, and recycling.
- ➔ **Infrastructure Development:** Enhance charging infrastructure to support the growing EV market.
- ➔ **Sustainable Practices:** Promote sustainable practices in battery recycling and materials management to minimize environmental impact.





# Global Education Monitoring Report 2024

## ● Why in News?

- ➔ UNESCO has published the **Global Education Monitoring (GEM) Report 2024**, focusing on the interplay between education and climate change. The report is part of UNESCO's mandate under the '**Education 2030 Incheon Declaration and Framework for Action**' to monitor and report on **SDG 4** (Quality Education) and other SDGs.

## ● Key Findings

- ➔ **Disruption of Education Systems:** In the past 20 years, schools were closed in at least 75% of extreme weather events, affecting over 5 million people.
- ➔ **India Specific Findings:** A study in India found that rainfall shocks in the first 15 years of life negatively impacted vocabulary at age five and mathematics & non-cognitive skills at age 15.
- ➔ **Education's Role:** The role of education in combating climate change is underrepresented in international agendas. SDG 4 was addressed in only 2 out of 72 transnational climate initiatives.

## ● Impact of Climate Change on Education

- ➔ **Infrastructure & Life:** Direct effects include the destruction of educational infrastructure and injuries or loss of life among students, parents, and school staff.
- ➔ **Displacement:** Indirect effects include displacement of people, affecting their livelihoods and health.
- ➔ **Educational Vulnerability:** Marginalized populations and low- or lower-middle-income countries are more vulnerable to climate-induced educational disruptions.
- ➔ **Educational Outcomes:** Exposure to heat negatively affects children's educational outcomes, such as reducing test performance.



## ● **Key Recommendations**

- ➔ **Integrate Climate Education:** Climate change education should be more deeply integrated into the curriculum across multiple subjects, with adequate support for educator training.
- ➔ **Climate-Resilient Infrastructure:** Prioritize the development of climate-resilient educational infrastructure.
- ➔ **Mitigation and Adaptation Solutions:** Recognize education's role in developing solutions to climate change challenges.
- ➔ **Climate Finance Programs:** Include investment in education under climate finance programs.
- ➔ **Engage Non-Education Stakeholders:** Ensure education is included in climate plans and financing by engaging with non-education stakeholders.

## ● **Way Forward**

- ➔ **Enhanced Curriculum Integration:** Strengthen the integration of climate change topics in educational curricula.
- ➔ **Infrastructure Development:** Invest in building and maintaining climate-resilient educational infrastructure.
- ➔ **Multisectoral Collaboration:** Foster collaboration between educational and non-educational stakeholders to enhance the role of education in climate action.
- ➔ **Increased Funding:** Advocate for increased funding and resources for climate education through climate finance initiatives.



# Landmark White Paper on Glacial Geoengineering

## ● Why in News?

- ⇒ A group of scientists have released a landmark white paper on glacial geoengineering, focusing on strategies to slow the melt of ice shelves and reduce sea level rise.

## ● Proposed Glacial Geoengineering Strategies

- ⇒ **Ocean-Heat Transport Interventions:** Set up sediment berms or fibrous curtains along the seabed in front of ice shelves to block the flow of warm circumpolar deep water.
- ⇒ **Basal-Hydrology Interventions:** Slow the flow of streams carrying meltwater off ice sheets by drilling holes through glacier beds to create drainage channels, diverting meltwater streams and slowing ice sheet loss.

## ● About Geoengineering

- ⇒ **Definition:** The deliberate, large-scale manipulation of Earth's climate systems to counteract anthropogenic global warming.

### ⇒ Categories:

#### **Solar Geoengineering / Solar Radiation Management (SRM):**

Aims to limit the sun's radiation onto the Earth's surface and reduce global average temperature.

Strategies include Aerosol Injection, Marine Cloud Brightening, Albedo Improvement, Ocean Mirror, etc.

#### **Carbon Geoengineering / Carbon Dioxide Removal (CDR):**

Aims to reduce the concentration of CO<sub>2</sub> in the atmosphere by removing it.

Strategies include Carbon Capture and Storage, Ocean Alkalinity Enhancement, Ocean Fertilization, etc.

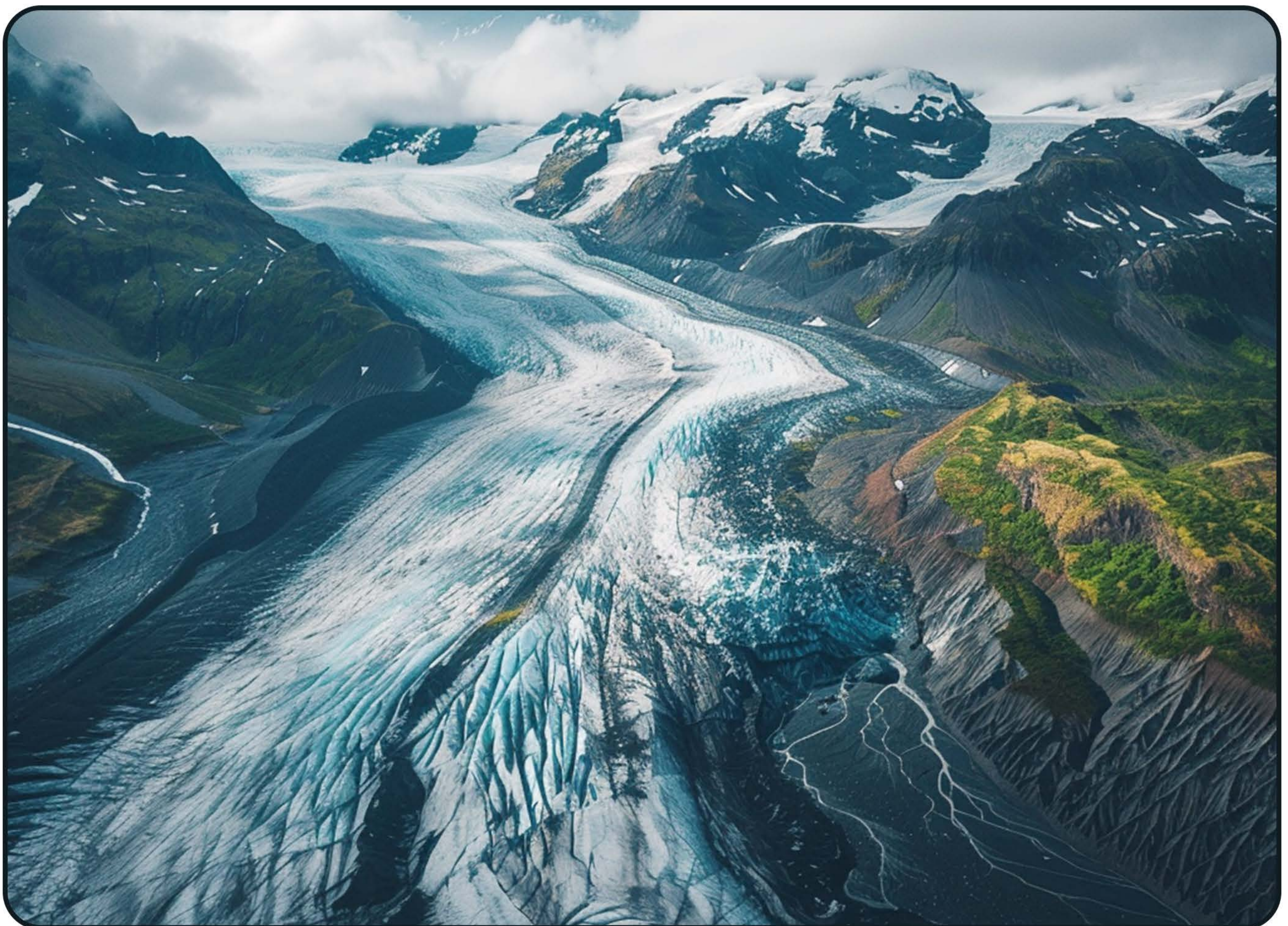


## ● **Concerns Associated**

- ➡ **Financial Costs:** Involves huge financial costs with potentially little effect.
- ➡ **Ecosystem Disturbances:** May cause major disturbances to ecosystems and might also cause termination shock (rapid rise in global temperatures after technology pause).
- ➡ **Potential Extreme Events:** Can lead to potential extreme events, acid rain, and altered precipitation patterns.

## ● **Way Forward**

- ➡ **Research and Development:** Increase investment in research and development to refine geoengineering techniques and assess their long-term impacts.
- ➡ **Regulatory Framework:** Develop international regulatory frameworks to govern the use and deployment of geoengineering technologies.
- ➡ **Public Engagement:** Engage the public and stakeholders to ensure transparency and address ethical concerns associated with geoengineering.
- ➡ **Complementary Approaches:** Integrate geoengineering with traditional climate mitigation strategies to create a balanced approach to combating global warming.



# Relaxation of Area Limits for Critical Minerals

## ● Why in News?

- ➡ The Central Government has relaxed maximum area limits for critical minerals under the **Mines and Minerals (Development and Regulation) Act (MMDRA), 1957**.
- ➡ The area limit for **Prospecting License** (exploration) increased to **100 sq.km**.
- ➡ The area limit for **Mining Lease** (extraction) increased to **50 sq.km**.
- ➡ These changes aim to prevent cartelization and boost mineral exploration and extraction.

## ● About Critical Minerals

- ➡ **Definition:** Essential for economic development and national security; their scarcity or concentration in specific regions can lead to supply chain vulnerabilities.
- ➡ **Examples:** Cobalt, Vanadium, Beryllium, Tungsten, etc.
- ➡ **MMDRA Provisions:** Empowers the central government to auction mining leases and composite licenses for 24 critical minerals.

## ● Significance of Critical Minerals

- ➡ **Reducing Carbon Emissions:** Vital for renewable energy technologies and electric mobility.
- ➡ **National Security:** Crucial for critical defense equipment like submarines, missiles, aircraft, and smart bombs.
- ➡ **Industrial Advancement:** Used in magnets, catalysts, metal alloys, and more.

## ● Challenges to India

- ➡ **Global Supply Chain:** Dominated by China, leading to supply concentration in a few regions.
- ➡ **Import Dependency:** India's reliance on imports for critical minerals.
- ➡ **Exploration and Extraction:** Limited domestic exploration and extraction capabilities.

## ● **India's Initiatives**

- ➡ **Centre of Excellence on Critical Minerals (CECM):** Established to periodically update the critical minerals list.
- ➡ **Khanij Bidesh India Ltd. (KABIL):** A joint venture company ensuring consistent supply of critical minerals.
- ➡ **Mineral Security Partnership (MSP):** Membership to strengthen supply chains.
- ➡ **International Collaborations:** Agreements with countries like Argentina for exploring and mining lithium blocks.

## ● **Way Forward**

- ➡ **Enhanced Exploration:** Increase domestic exploration activities for critical minerals.
- ➡ **Technological Advancements:** Invest in technology to improve extraction processes.
- ➡ **Strengthen Partnerships:** Foster more international and bilateral partnerships to secure mineral supply chains.
- ➡ **Policy Support:** Develop policies to support the sustainable and efficient mining of critical minerals.



# International Centre for Audit of Local Governance (iCAL)

## ● Why in News?

- ➔ The International Centre for Audit of Local Governance (iCAL) was inaugurated in Rajkot, Gujarat.
- ➔ It is the first such centre in India, aiming to set global standards for auditing local governance bodies.

## ● About iCAL

- ➔ **Collaborative Platform:** Aims to bring together policymakers and auditors.
- ➔ **Centre of Excellence:** Focuses on capacity building for auditors.
- ➔ **Enhanced Independence:** Strives to improve the financial performance assessment and service delivery of local government auditors.
- ➔ **Knowledge Centre:** Functions as a think-tank addressing grassroots governance issues.

## ● Need for iCAL in India

- ➔ **Collaboration:** Enhances collaboration among 2.5 lakh panchayats and 8,000 Urban Local Bodies (ULBs) to exchange knowledge and promote best practices (CAG).
- ➔ **Global Alignment:** Aligns with global practices as 40 countries have their respective Supreme Audit Institutions (SAI).
- ➔ **Inefficiencies:** Addresses inefficiencies in fund utilization, as most municipalities do not use their audited financial statements for cash flow management (RBI).



## ● **Current Auditing Mechanism of Local Bodies**

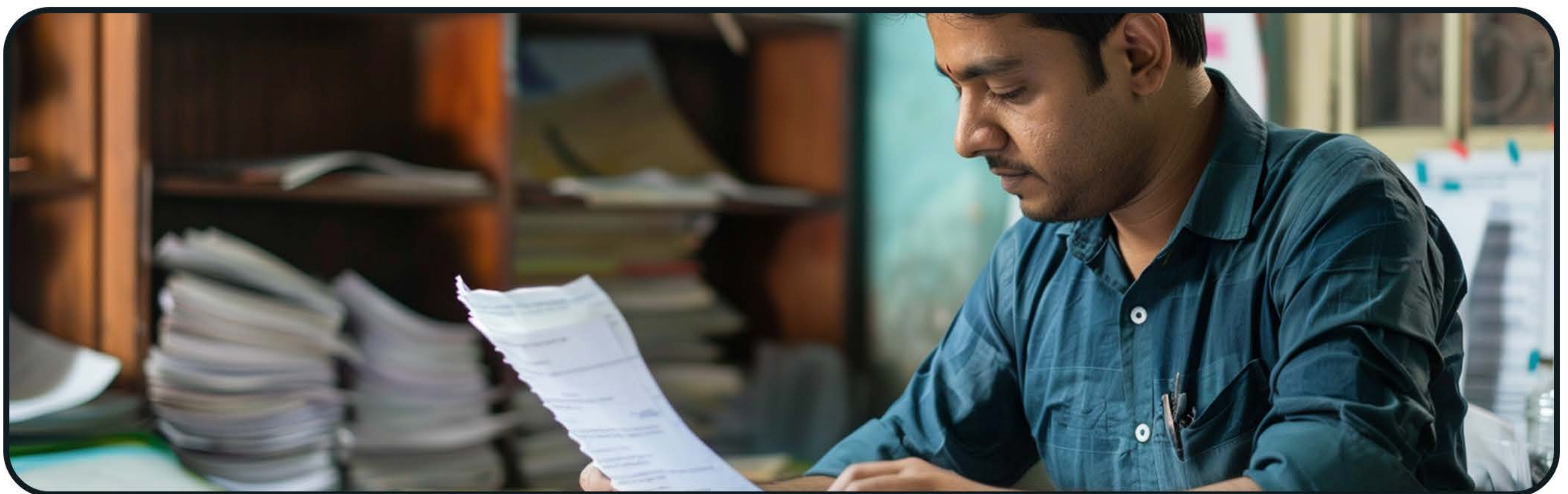
- ➔ **ELFA/DLFA:** Audits utilization of funds granted by state governments to local bodies in most states.
- ➔ **CAG Role:** The Comptroller and Auditor General (CAG) supervises and advises ELFA/DLFA and ensures proper maintenance of accounts and auditing for all three levels of Panchayati Raj Institutions (PRIs)/ULBs.

## ● **Local Governance in India**

- ➔ **Constitutional Amendments:** The 73rd and 74th Constitutional Amendment Acts, 1992, added Parts IX (Eleventh Schedule) and IX-A (Twelfth Schedule) containing provisions on Local Governance.
- ➔ **State Subject:** Local governance is listed under State subjects in List II of the Seventh Schedule.
- ➔ **Devolution of Power:** Article 243G enshrines the principle for devolution of power to Local Bodies.
- ➔ **Maintenance of Accounts:** Article 243J states that the Legislature of a State may make provisions for the maintenance of accounts by Panchayats and the auditing of such accounts.

## ● **Way Forward**

- ➔ **Strengthening Capacities:** Focus on capacity building for auditors to improve local governance audits.
- ➔ **Promoting Best Practices:** Enhance collaboration and knowledge exchange among local bodies to implement best practices.
- ➔ **Ensuring Transparency:** Improve the independence and effectiveness of local government audits to ensure better financial management and service delivery.





# Electronics: Powering India's Participation in GVCs

## ● Why in News?

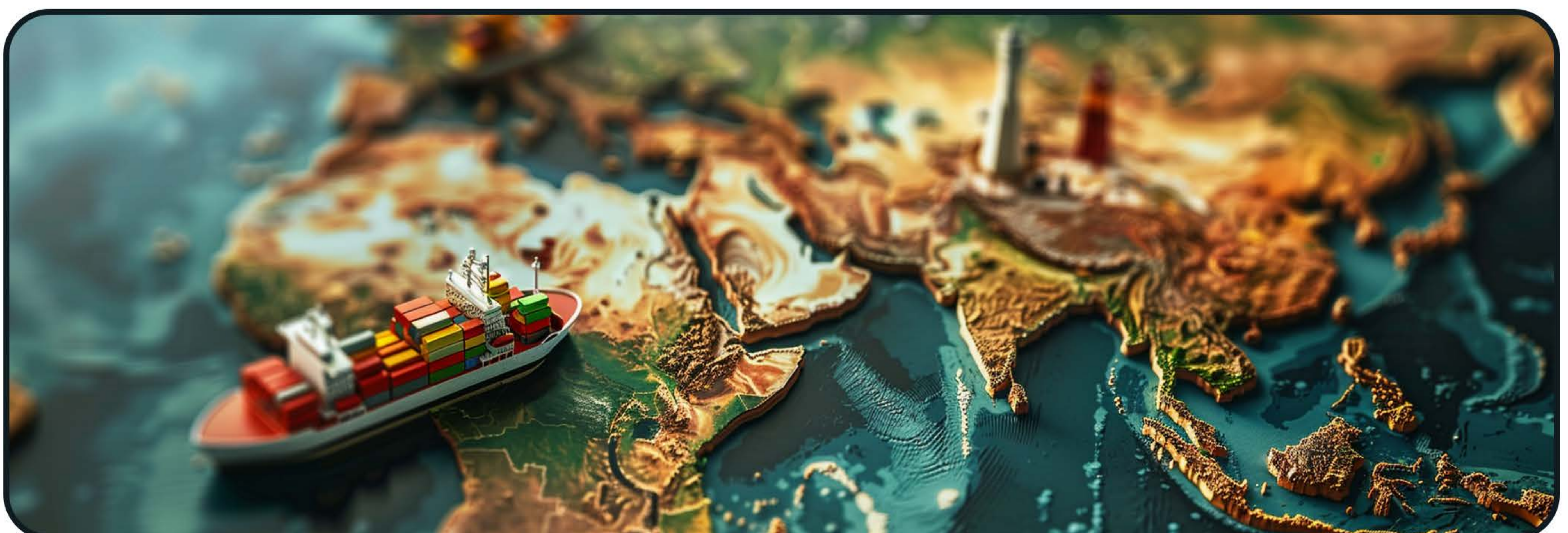
- ➔ NITI Aayog released a report on India's electronics industry, focusing on its role in **global value chains** (GVCs).

## ● Key Findings

- ➔ **Global Market:** The global electronics market is estimated at US\$ 4.3 trillion, with India's market at US\$ 155 billion (2022).
- ➔ **China's Dominance:** China is the largest electronics producer, accounting for 60% of global production.
- ➔ **India's Export Share:** India exports approximately US\$ 25 billion annually, representing less than 1% of the global share.
- ➔ **Future Goals:** India aims to achieve US\$ 500 billion in electronics production by 2030.
- ➔ **GVC Participation:** Over 75% of electronics exports are part of GVCs, with mobile phone exports being a notable example.

## ● Driving Factors

- ➔ **Rising Demand:** Increasing broadband penetration is driving demand in developing countries.
- ➔ **Supply Chain Diversification:** There is a push to diversify supply chains beyond China due to risks observed during the COVID-19 pandemic and ongoing trade tensions between China and the USA.



## ● **Challenges in India's Electronics Production**

- ➡ **High Import Tariffs:** India's relatively high import tariffs compared to countries like China and Vietnam make its products less competitive globally.
- ➡ **Lack of Component Ecosystem:** India lacks a robust ecosystem for electronics components such as semiconductors and discrete actives.
- ➡ **High Cost of Capital:** Interest rates in India (9%-13%) are significantly higher than in China, Vietnam, and Taiwan (2%-7%), where specific interest subsidies are available.
- ➡ **Infrastructure and Workforce:** Other challenges include inadequate infrastructure (logistics, high land lease costs), lack of R&D and design ecosystems, and a shortage of skilled engineers and trained workforce.

## ● **Recommendations**

### ➡ **Fiscal Interventions**

**Capital Expenditure Support:** Provide support for high-complexity components.

**Innovation Scheme:** Promote R&D through dedicated schemes.

**Localized Regulations:** Implement provisions for localized regulations, such as labor laws.

### ➡ **Non-Fiscal Interventions**

**Tariff Simplification:** Simplify and rationalize tariffs and taxes.

**Skill Development:** Support industries for skilling and establish electronics skills training hubs.

**Ease of Tech Transfer:** Simplify the process of technology transfer and increase the ease of doing business.

### ➡ **Steps Taken by India to Promote the Electronics Sector**

**EMC 2.0 Scheme (2020):** Electronics Manufacturing Cluster scheme.

**SPECS:** Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors.

**Design Linked Incentive Scheme:** To encourage electronics design and innovation.

**India Semiconductor Mission:** Focuses on building a semiconductor ecosystem in India.

## ● **Way Forward**

- ➡ **Strengthening Ecosystems:** Develop a robust electronics component ecosystem and provide financial incentives to lower the cost of capital.
- ➡ **Infrastructure Improvement:** Invest in infrastructure facilities to support logistics and reduce land lease costs.
- ➡ **R&D and Innovation:** Encourage R&D and design initiatives to foster innovation in the electronics sector.
- ➡ **Skill Development:** Establish training hubs and programs to address the shortage of skilled engineers and workforce.



# WEF's 'The Future of Financial Advice' Report

## ● Why in News?

- ➔ The World Economic Forum (WEF) released a report titled '**The Future of Financial Advice**,' highlighting the importance of traditional financial advisors amidst the rising popularity of fin-fluencers.

## ● About Fin-fluencers

- ➔ **Definition:** Fin-fluencers, or financial influencers, are individuals who use social media to share information, recommendations, or guidance on financial advice, news, and related matters.
- ➔ **Impact:** They have the potential to shape the financial decisions of individuals.

## ● Key Highlights of the Report

### ➔ Reasons for the Rise of Fin-fluencers:

**Accessibility of Social Media:** Around 60% of the global population uses social media.

**Feeling of Inclusivity in Content:** Creators from diverse backgrounds across language, geography, race, ethnicity, and lived experiences cater to a wider audience.

**Engaging Content:** Financial topics become more engaging for novice investors through short, entertaining videos, memes, and metaphors.

### ➔ Importance of Traditional Financial Advisors:

**Risk Associated with Fin-fluencers' Advice:** Opaque algorithms can prioritize catchy posts over quality content.

**Ensuring Individuals' Wellbeing:** Traditional financial advisors and institutions provide holistic, personalized advice, risk management, and education to enable successful investor outcomes.

**Significance:** Retail investing volume doubled in the past decade, with 19.5% of stock market shares traded by retail investors in 2020 globally.

## ● **SEBI Actions for Regulating Fin-fluencers**

- ➔ **Proposal Approval:** SEBI reportedly approved a proposal to ban the association of regulated entities with unregistered fin-fluencers.
- ➔ **Objective:** Protect investors from misleading information and false profit claims made by some fin-fluencers.

## ● **Way Forward**

- ➔ **Enhanced Regulation:** Strengthen regulatory frameworks to ensure fin-fluencers provide accurate and reliable financial advice.
- ➔ **Promote Financial Literacy:** Encourage initiatives to improve financial literacy among the public, enabling better decision-making.
- ➔ **Collaboration:** Foster collaboration between traditional financial advisors and fin-fluencers to create a balanced financial advice ecosystem.
- ➔ **Transparency and Accountability:** Ensure transparency in the algorithms used by social media platforms to prioritize quality financial content over catchy posts.



# Elephant Population Estimation Report

## ● Why in News?

- ➡ The Kerala Forest and Wildlife Department released the "Elephant Population Estimation in Kerala – 2024".
- ➡ Part of a synchronized elephant population estimation in the Southern States (Kerala, Karnataka, and Tamil Nadu).
- ➡ Mandated by an Interstate Coordination Committee (ICC) Charter to address rising Human-Elephant Conflict (HEC).

## ● Key Highlights

- ➡ **Population Decrease:** The elephant population in Kerala decreased to 1,793 from 1,920 in May 2023.
- ➡ **Juvenile Mortality:** High death rate (40%) among juvenile elephants (aged 10 and below) due to Elephant Endotheliotropic Herpesviruses (EEHVs).
- ➡ **HEC Mitigation:** Recommends socio-ecological studies on the behavior of crop-raiding elephants and establishing a permanent system to assess and monitor HEC.

## ● Indian Elephant (*Elephas maximus*)

- ➡ **Subspecies:** One of three subspecies of Asian elephants, alongside Sumatran and Sri Lankan elephants.
- ➡ **Population:** India is home to over 60% of the world's elephant population, with the highest numbers in Karnataka, followed by Assam and Kerala.

## ● Characteristics

- ➡ **Life Span:** 60-70 years.
- ➡ **Gestation Period:** 20-22 months.
- ➡ **Reproduction:** Females start calving at 18-20 years.
- ➡ **Group Leadership:** Led by a female.
- ➡ **Threats:** Habitat fragmentation and degradation, human settlements, expansion of agriculture and industry, human-elephant conflict, and poaching.



● **Conservation Status**

- ➡ **Wild Life (Protection) Act, 1972:** Schedule I.
- ➡ **IUCN Status:** Endangered.
- ➡ **CITES:** Appendix I.

● **Role of Elephants in Ecosystem**

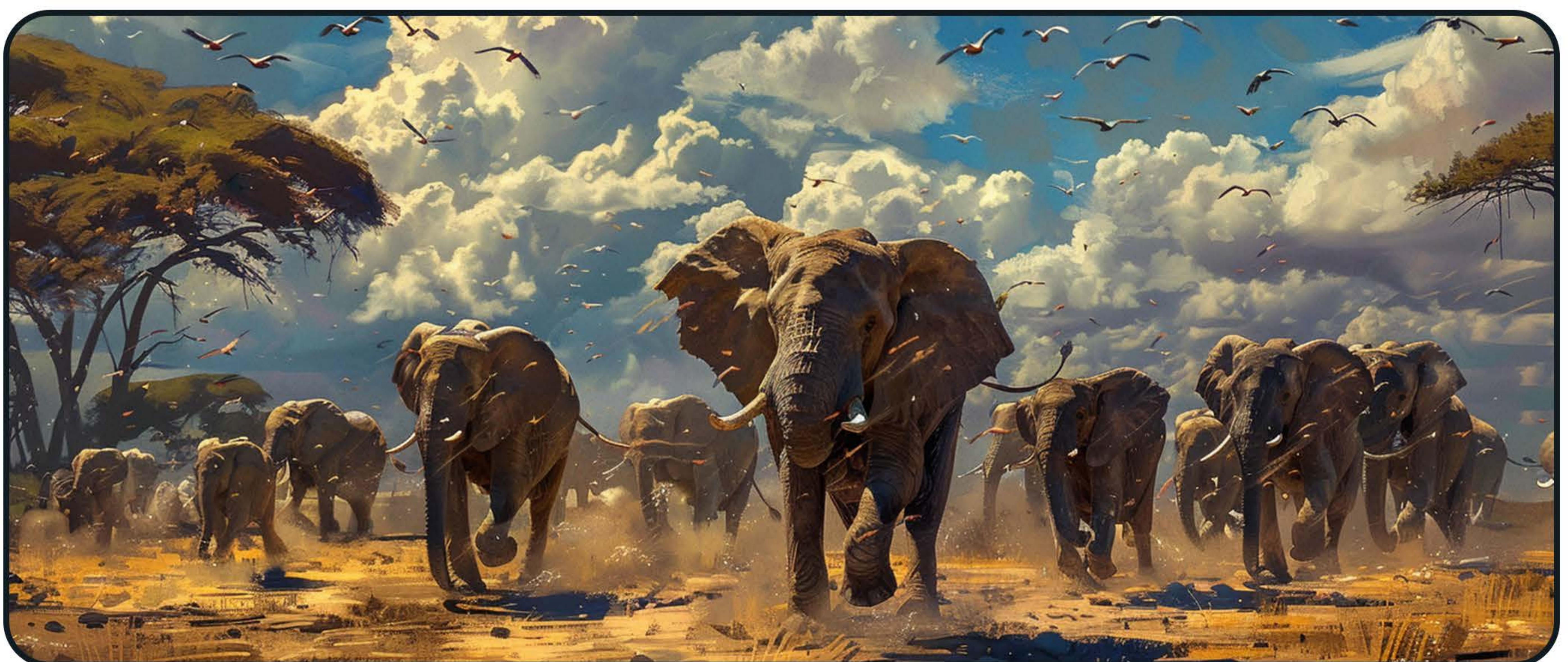
- ➡ **Ecological Balance:** Limit growth of vegetation, facilitate seed germination, and disperse plant seeds.
- ➡ **Soil Fertility:** Improve soil fertility through nutrient recycling and maintaining grasslands.
- ➡ **Keystone Species:** Positively influence the growth of numerous plant and animal species.

● **Conservation Measures**

- ➡ **Project Elephant:** Launched in 1992 to protect elephants, their habitat, and corridors.
- ➡ **Mitigate HEC:** Implementation of electric fences, early warning systems, beehive fences, etc.
- ➡ **Elephant Reserves:** 33 Elephant Reserves in 14 major elephant states.

● **Way Forward**

- ➡ **Socio-Ecological Studies:** Conduct comprehensive studies on the behavior of crop-raiding elephants to develop effective mitigation strategies.
- ➡ **Permanent Monitoring Systems:** Establish permanent systems to assess and monitor Human-Elephant Conflict.
- ➡ **Habitat Protection:** Strengthen measures to prevent habitat fragmentation and degradation.
- ➡ **Awareness and Education:** Increase awareness and education about the importance of elephants in the ecosystem and their conservation needs.



# Launch of MANAS Helpline and 7th NCORD Meeting

## ● Why in News?

- ➡ The Minister of Home Affairs chaired the 7th apex level meeting of the Narco-Coordination Centre (NCORD).
- ➡ During the meeting, the Ministry of Home Affairs launched a toll-free helpline called MANAS (Madak Padarth Nishedh Asuchna Kendra).  
This helpline allows citizens to anonymously share information on drug peddling and trafficking or consult on drug abuse and addiction-related issues with the Narcotics Control Bureau (NCB).

## ● Illicit Drug Trade in India

- ➡ **Seizures:** From 2014 to 2024, around 5.43 lakh kilograms of drugs worth Rs 22,000 crore were seized.
- ➡ **Manufacturing:** India is responsible for around 21% of global manufacturing of internationally controlled psychotropic substances.
- ➡ **Market:** India is the largest opiate market in South Asia.
- ➡ **Narco-Terrorism:** The drug trade funds terrorism, posing a significant threat to national security.

## ● Factors Facilitating Illicit Drug Trade

- ➡ **Internet and Social Media:** Facilitates connections between sellers and buyers at the local level.
- ➡ **Cryptocurrencies and Darknet:** Enable anonymous transactions and access to drug markets.
- ➡ **Synthetic Drugs:** Ease of manufacturing synthetic drugs aids the illicit trade.

## ● Challenges in Handling Drug Trade

- ➡ **Geographical Location:** Proximity to the "Death Triangle" (Thailand, Myanmar, Laos) and "Death Crescent" (Iran, Pakistan, Afghanistan).
- ➡ **Transnational Nature:** Involves illegal Hawala transactions and tax evasion.
- ➡ **Illicit Cultivation:** Ongoing illegal cultivation of drugs such as opium in India.



● **Measures Taken by India**

➡ **Legislation:**

Narcotics Drugs and Psychotropic Substances (NDPS) Act (1985).

The Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act (1988).

➡ **Task Forces:**

Anti-Narcotics Task Force in each state/UT.

Special Task Force on Darknet and Cryptocurrency.

➡ **Empowerment:** Border Guarding Forces, Indian Coast Guard, and Railway Protection Force empowered under the NDPS Act.

● **Way Forward**

➡ **International Cooperation:** Collaboration between international organizations, national governments, regulatory authorities, and private companies.

➡ **Strategic Approach:** Focus on demand reduction and disrupting the supply chain.








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