VEDHIK CURRENT AFFAIRS

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ECOLOGY AND ENVIRONMENT

# INDIA OFFERS TO HOST 2028 CLIMATE MEET

**CONTEXT:** Prime Minister Narendra Modi in his address at COP-28 offered to host the 33rd edition of the annual summit due in 2028 in India.


**Prime Minister Narendra Modi speaks with COP-28 president Sultan Ahmed Al Jaber in Dubai on Friday.**

### India's call to world

Mr. Modi refraining from fresh commitments to contain global temperature rise underlined India's commitments made at Glasgow, in COP-26, of cutting the emissions intensity of India's GDP by 45 % and increasing the share of non-fossil fuels to 50 % by 2030, and achieving net zero by 2070. PM Modi asked developed countries to achieve "net zero" Green House Gas (GHG) emissions by 2070.

New Collective Quantified Goal (NCQG) refers to ongoing negotiations on a new climate finance commitment that developed countries must make to developing countries to accelerate the world's transition away from fossil fuels. The initial goal set in 2009, was to transfer nearly $ 100 billion a year to developing countries via the Green Climate Fund (GCF). Only a small fraction of this tranche was actually realised. The $100 billion commitment is set to expire in 2025.

### Green Credit initiative

Mr. Modi made a pitch for countries to join India on its "Green Credit initiative", an "innovative market-based mechanism designed to incentivise voluntary environmental actions across diverse sectors, by various stakeholders like individuals, communities, private sector industries, and companies". The global Green Credit scheme referenced on Friday expects to generate "credits" for plantations on waste or degraded lands and river-catchment areas, to rejuvenate and revive natural ecosystems.

### Loss and Damage Fund

Mr. Modi welcomed the approval of the Loss and Damage Fund by the COP-28 on Thursday, which has so far seen financial commitments worth at least $ 500 million. UAE has announced the $ 30-billion Climate Investment Fund.

A proposal to host the Conference of the Parties (COP) must be approved by other signatories to the United Nations Framework Convention on Climate Change (UNFCCC). India had previously hosted the summit in 2002. Though Mr. Modi described the Green Credit scheme as "non-commercial," a notification by the Environment Ministry last October, outlining the scheme described it as

Mr. Modi reiterated that new financial targets should not mean developed countries forget their commitments to the GCF and the Adaptation Fund, set up in 2001, which has so far raised money worth $800 million to create infrastructure in developing countries that will protect them from climate shocks. Multilateral Development Banks should work to ensure that affordable finance is made available to developing countries and developed countries should "eliminate" their carbon footprint before 2050, he added.

POLITY AND GOVERNANCE

# T.N. GOVERNOR CANNOT REFER RE-ENACTED BILLS TO PRESIDENT, SAYS SC

**CONTEXT:** The Tamil Nadu government in the Supreme Court on Friday criticised Governor R.N. Ravi for exhibiting "constitutional obstinacy" by referring 10 key Bills re-enacted by the State Assembly to the President for consideration on November 28.

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A three-judge Bench headed by Chief Justice of India D.Y. Chandrachud held that the Tamil Nadu Governor, having withheld his assent to the Bills on November 13, cannot now refer the Bills, re-passed by the legislature, to the President.

The Governor can send them back to the Assembly under the first proviso of Article 200. Consequently, if the Assembly re-passes the Bills, with or without amendments, the Governor has no choice left but to grant his assent to the Bills in the re-enacted form. The Chief Justice said this law has already been settled by the top court in its November 10 judgment.

Attorney-General R. Venkataramani, appearing for the Governor, countered that the Governor had “simply withheld assent” on November 13. He had not sent back the Bills, but had only communicated to the Assembly that he had refused consent to the Bills.

The Attorney-General said the first proviso operated at a level where the Governor, without withholding consent, sent a message back to the Assembly suggesting amendments to specific provisions or making recommendations to the Bills. The Assembly was free to reject the Governor’s suggestions, in which case the Governor had no option but to give his consent.

ECONOMICS AND DEVELOPMENT

# GST REVENUES RISE TO ₹1.68 LAKH CR. IN NOVEMBER; FASTEST GROWTH THIS FISCAL

**CONTEXT:** India’s gross Goods and Services Tax (GST) revenues grew 15.1 % in November to hit nearly ₹ 1.68 lakh Cr., the third highest monthly tally so far from the indirect tax.

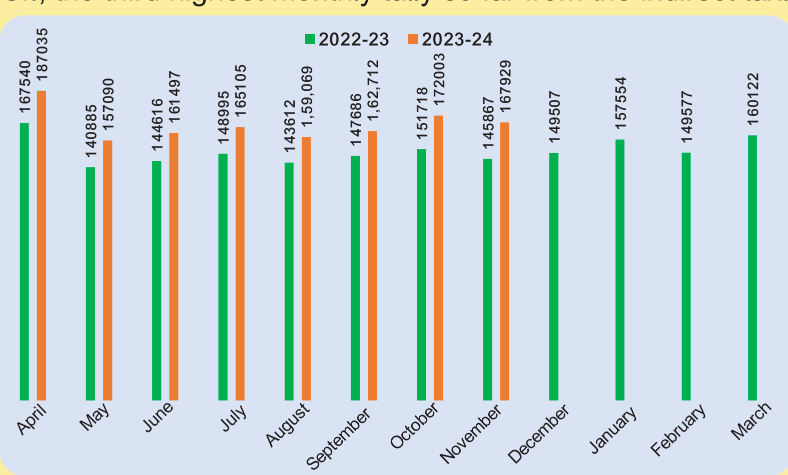



**FIGURE:** Column chart representation of Goods & Services Tax (GST) receipts (Cr.) **(on Y-o-Y basis).**

November’s revenues included Central GST of ₹ 30,420 Cr, State GST of ₹ 38,226 Cr and Integrated IGST of ₹ 87,009 Cr, which included ₹ 39,198 Cr collected on import of goods. GST Compensation Cess inflows stood at ₹ 12,274 Cr, including ₹ 1,036 Cr collected on import of goods.

The GST collections surpassed the 10-month high growth of 13.4 % in October. Taxes from domestic transactions and services imports rose over 20 %, noting the sixth time in this fiscal year that revenues have crossed ₹ 1.6 lakh Cr. Between April and November 2023, GST revenues are now up 11.9 % compared to the same period of 2022-23.

Among the States, Manipur was the only one to record a negative growth in revenues as GST collections fell 21 %, while the Union Territory of Lakshadweep saw a 15 % drop. Revenues of 13 States grew at or higher than the 20 % pace averaged nationally from domestic transactions, led by Nagaland (99 %), Arunachal Pradesh (48 %) and Haryana (44 %).

INTERNATIONAL RELATIONS

# ISRAEL RESUMES BOMBING AS WEEK-LONG GAZA TRUCE ENDS

**CONTEXT:** Israel resumed its deadly bombardment of Gaza on Friday, vowing to destroy suspected Hamas positions in the densely-inhabited Palestinian territory after a week-long truce expired despite global calls for its extension.

Israel accused militants of firing a rocket shortly before the pause was due to come to an end, but the UN expressed dismay at the resumption of hostilities. The Hamas-run Health Ministry in the Gaza Strip said 109 Palestinians had been killed after the truce ended.

Combat resumed shortly after Israel’s Army intercepted a rocket fired from Gaza, the first from the territory since a missile launched minutes into the truce on November 24. Hamas’s armed wing had received “the order to resume combat” and to “defend the Gaza Strip”.

ECOLOGY AND ENVIRONMENT

# FINDING FUNDS

**CONTEXT:** The Loss and Damage (L&D) Fund is a corpus of money and technologies that will be replenished by developed countries and used by the rest to respond to the more unavoidable effects of climate change.

On the first day of the COP28 climate talks underway in the United Arab Emirates (UAE), representatives of the member-states agreed to operationalise the Loss and Damage Fund. At the end of the COP27 talks in Egypt last year, member-states agreed to launch a Loss and Damage Fund.

First, the World Bank will host Loss and Damage (L&D) Fund for an interim period of four years and will be overseen by an independent secretariat. Developing countries resisted this proposition at first before yielding, in exchange for some concessions significant overhead fees expected to be charged by the World Bank.

The committed amounts are insufficient, totalling $ 450 million (for now) against an actual demand of several billion dollars. The periodic replenishment of committed amounts to the fund — from $ 10 million by Japan to $ 100 million each by Germany and the UAE. Developed countries promised to mobilise a $100 billion in climate finance by 2020 and managing to deliver only $ 89.6 billion in 2021. The contributions are voluntary even as every country has been invited to contribute.

ECONOMICS AND DEVELOPMENT

# PATCHY EXPANSION

**CONTEXT:** The National Statistical Office downgraded the real economic growth for the second quarter from the 7.8 % to 7.6 %.

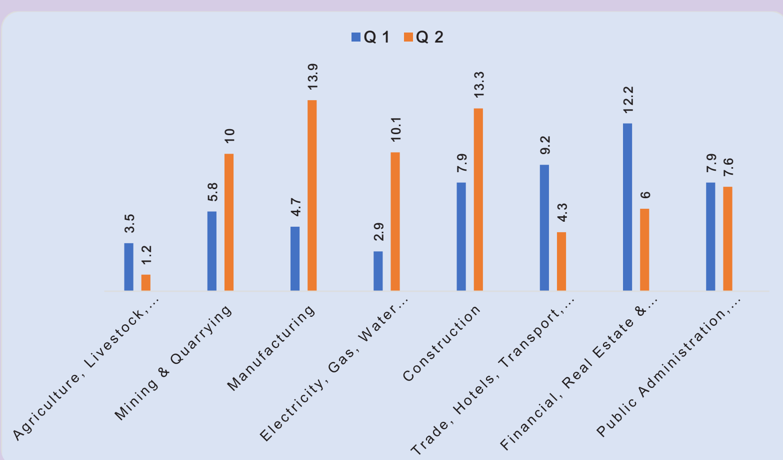
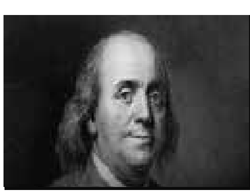



**FIGURE:** Column chart representation of the Quarterly Estimates of sectorial GVA growth rates.



*"If you invest more in your education, then you are likely to get more interest in it."*
*–Benjamin Franklin*

POLITY AND GOVERNANCE

# IMPROVING THE CAPABILITY OF THE INDIAN STATE

**CONTEXT:** The Indian state is relatively small on the other metrics, such as the tax-GDP ratio and public expenditure-GDP ratio. Be it public goods provisions, welfare payments, or the justice system, it is a story of scarcity rather than surplus.

In the G-20 group, the country has the smallest number of civil servants per capita. The public sector share in total employment in India (at 5.77 %) is half the corresponding figures for Indonesia and China, and just about a third of that in the United Kingdom. With approximately 1,600 per million, the number of central government personnel in India pales in comparison to 7,500 in the United States. Similarly, the per capita number of doctors, teachers, town planners, police, judges, firefighters, inspectors for food and drugs, and regulators is the lowest even among countries at a similar stage of development.

For instance, there is an extreme concentration of policymaking and implementation powers within departments. Experiences of countries such as Australia, Malaysia and the United Kingdom show that separating policymaking and implementation responsibilities expedites execution and encourages innovations, making the programmes better suited to local contexts. The Indian case in point is the National Highways Authority of India, which is tasked with executing national highway projects, while policy decisions are made at the ministry level. This arrangement has drastically reduced delays and cost overruns.

**The technocratic gap**

The top policymakers exhibit a lack of technocratic skills to govern an increasingly complex economy. In the absence of adequate capability to deal with economic, financial, contract and other technical matters, the Centre and the States hire consultancy firms. According to media reports, the central government paid over ₹500 crore in the last five years to outsource crucial tasks to the big five consultancy firms, i.e., PricewaterhouseCoopers, Deloitte, Ernst & Young, the KPMG and McKinsey.

An institutionalised and regular lateral entry at the mid and senior levels can help fill the civil services' size and technocratic gap. Qualified officers in non-IAS services (such as the Indian Revenue, Economic and Statistical Services) should get a fair shot at high-level positions if they have the talent and the expertise required. Civil servants at different levels can be provided subject-specific training under Mission Karmayogi (National Programme for Civil Services Capacity Building).

Similarly, there is a need to augment the strength of professional staff with market watchdogs, the Securities and Exchange Board of India, and the Reserve Bank of India (RBI). The first has just about 800 professionals, whereas its counterpart in the U.S., the U.S. Securities and Exchange Commission, has more than 4,500 experts to govern the corporates. Similarly, the professional staff strength of the RBI, less than 7,000, is tiny when compared to the US Federal Reserve which is assisted by 22,000 odd professionals.

The narrowly scoped audits by the Comptroller and Auditor General of India. It encourages the finance and administrative divisions in government to focus on compliance with rules rather than policy objectives. The tendency of the other oversight agencies, i.e., the Central Vigilance Commission, the Central Bureau of Investigation and courts to use hindsight information without appreciating the context has made the bureaucrats averse to exercising discretion in policy matters. Officials prefer to cancel big contracts even when granting extensions would be better. The net outcome is delayed procurement of goods and services and unnecessary contractual disputes. Appealing against arbitration and court awards have become the default mode by officials, making the government the biggest litigator. To fix this, the oversight agencies must be sensitised to appreciate the context of policy decisions. They should factor in the costs associated with the actual decisions as well as their alternatives.

The political will is required to address other issues, such as the appointment of retired officers to regulatory bodies and tribunals. The beneficiaries of such appointments enjoy hefty salaries without compromising the pensionary benefits from past services. This makes civil servants susceptible to political manipulation and influences their in-service decisions. The problem can be fixed by increasing the retirement age to say 65, and making an absolute upper limit for all appointments.

**Public versus private sector**

The performance-linked pay and incentive schemes such as bonuses, which work well in the private sector, are not very effective in the public sector. The public sector must attract intrinsically motivated individuals to contribute to the social good. Paradoxically, the relatively high salaries in the public sector reduce its effectiveness. Because of job security and better working conditions, the risk and skill-adjusted pay in the public sector should be lower than what it is in the private sector. In India, however, the opposite is true due to the substantial salary hikes by the 6th Pay and the 7th Pay Commissions. Except at the top, for most of the skill spectrum, public sector salaries are much higher than private wages. It breeds corruption in appointments as it makes government jobs very lucrative for all, socially driven or not.

The solution lies in moderate pay raises by the future Pay Commission and a reduction in the upper age limit for government jobs. Moreover, high economic growth that throws up many lucrative jobs in the private sector will make government jobs less appealing for those who are money minded. Put together, these measures can reduce corruption and increase the chances of socially-driven individuals joining the government.

INTERNATIONAL RELATIONS

# THE PROCESS OF MYANMAR'S ACTUAL UNIFICATION HAS BEGUN

**CONTEXT:** In 2022, the parallel governance system set up by the National Unity Consultative Council organised an online "People's Assembly convened in January 2022", which adopted the Federal Democracy Charter (FDC) declared on March 31, 2021 by the Committee Representing Pyidaungsu Hluttaw (CRPH), thereby leading to the formation of the National Unity Government (NUG) and in shaping "Myanmar's Spring Revolution".

**Charter, a political guideline**

The National Unity Consultative Council is a decision-making political alliance of pro-democracy forces and ethnic armed organisations established with more than 400 diverse representatives on March 8, 2021. NUG which has representatives from the National League for Democracy, Kachin Political Interim Coordination Team, Chin National Front/Interim Chin National Consultative Council, New Mon State Party, Shan Nationalities League for Democracy, Karenni National People's Liberation Front, Ta'ang National Party, Kayan New Land Party, All Burma Federation of Trade Unions, and many individual representatives. It is a political feat while the country is still having an armed revolution and an active civil disobedience movement, and is also working on interim arrangements on a consensual basis.

Federal Democracy Charter (FDC) underwent multiple processes of being drafted and approved by various representatives of the elected lawmakers, political parties, civil disobedience movement, protest/strike leaders, civil society organisations, women, gender and youth organisations/representatives and other political stakeholders, are a political milestone in Myanmar's post-colonial independence, nation formation process, with recognition of equality for diverse ethnic groups. The charter in itself is not a legal document and still needs to address many constitutional checks and balances.

**NUG formation is a political feat**

Myanmar's military has been hit by the sliding morale of and defections in the armed forces, and also hammered by coordinated attacks across the socio-political landscape on every front, politically and militarily, even when the Spring Revolution is fought in a very asymmetrical manner. Operation 1027 is creating a new political template for Myanmar's future. The ongoing increased coordinated armed offences against the military have only proven that the decades-old notion of the Myanmar military being essential for the future of the country has been proven false.

The military went on to claim widespread fraud in the general elections in 2020, and used the pretext of a threat to sovereignty and territorial integrity to stage a failed coup, while seizing power by force. In a few days, the whole country erupted in protest against the military coup, leading to widespread civil disobedience movement and a violent uprising once the military started its violent pogrom against its own people including Bamar people, irrespective of their ethnic background.

**Pushing back against the military**

The ongoing ensemble of coordinated and collective efforts by the revolutionary pro-democracy forces is pushing the military out of many ethnic- and Bamar-dominated areas. Stakeholders have shown an unprecedented and unwavering strong politico-public commitment to fight against the military and build a long-lasting politically sound, federal and democratic union — something which was not seen during the 8888 revolution.

The process of Myanmar's actual unification has just begun. The collective effort of the NUG is set to ensure that it completes the incomplete process of nation and state building left after colonial rule and shattered after the military took over the country for seven decades, even after the 8888 revolution. Public fury has been unleashed since February 1, 2021, on an unprecedented scale.

INTERNATIONAL RELATIONS

# AT INTERPOL MEET, INDIA ASKS MEMBER NATIONS TO DENY CRIMINALS SAFE HAVEN

**CONTEXT:** A high-ranking Indian delegation to the 91st Interpol General Assembly has urged other member countries to deny safe haven to crime, criminals, and the proceeds of crime.

The delegation was led by Central Bureau of Investigation (CBI) Director Praveen Sood and includes National Investigation Agency (NIA) Director-General Dinkar Gupta. Their plea comes against the backdrop of Indian efforts to ensure that alleged terrorists, including pro-Khalistan elements and other wanted persons, are extradited or deported from countries such as Canada, the United States, and the United Kingdom.

**Rising cooperation**

India has geo-located 184 criminals in various countries and initiated formal proceedings for their return. So far, 24 criminals and fugitives wanted by Indian agencies have been returned from abroad through close coordination via Interpol channels, one of the highest such annual tallies. The delegation pitched for coordinated strategies to crack down on criminal organisations operating across international jurisdictions. India also supported the adoption of Interpol's Vision 2030.



ECOLOGY AND ENVIRONMENT

# UAE ANNOUNCES $30-BN FUND TO BOOST CLIMATE INVESTMENTS

**CONTEXT:** The UAE, host of the 28th Conference of Parties (COP-28) announced an investment fund called ALTÉRRA.


**ALTÉRRA**

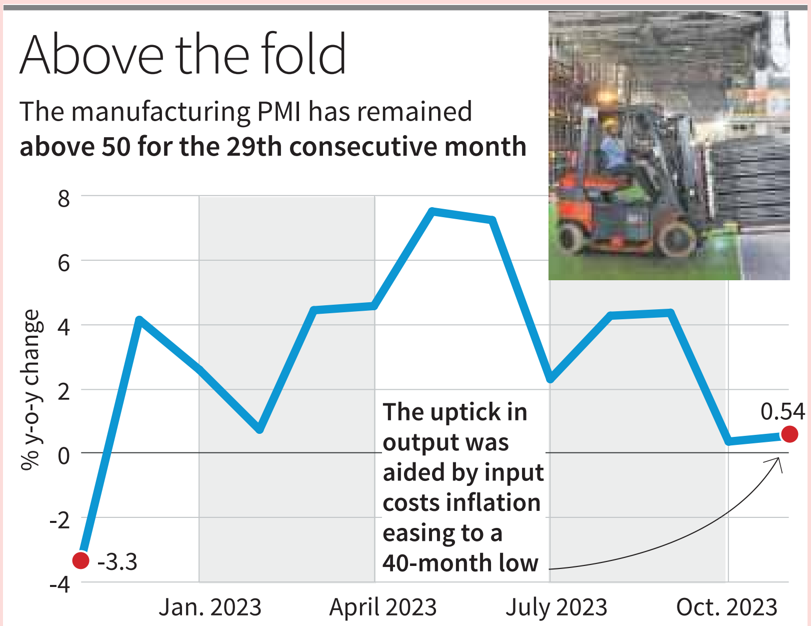
ALTÉRRA has been established by Lunate, an independent global investment manager, and is domiciled in the Abu Dhabi Global Market. ALTÉRRA provides a transformational solution for attracting private capital. Its scale and structure will create a multiplier effect in climate focused investment. Sultan Ahmed Al Jaber will chair the fund and Director-General Majid Al Suwaidi will serve as its chief executive officer. ALTÉRRA will have four key verticals namely: Energy Transition, Industrial Decarbonisation, Sustainable Living and Climate Technologies. The privately managed fund aims to mobilise $ 250 billion globally by 2030 and be the largest of its kind, geared towards climate investments and transforming emerging markets and developing economies. By 2030, developing economies will need $ 2.4 trillion a year to address climate change.

From the initial tranche, an unspecified amount has been earmarked for the development of over 6 GW of new clean energy capacity in India. This includes establishing 1,200 MW of wind and solar projects that will begin producing clean power by 2025.

ECONOMICS AND DEVELOPMENT

# MANUFACTURING PMI REBOUNDS IN NOV.

**CONTEXT:** Manufacturing sector activity rebounded slightly in November from October's eight-month low pace, as per the seasonally-adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) that rose to 56 from 55.5, but positive sentiment among firms dropped to the lowest level in seven months.




New orders improved at a better pace than October's one-year low, but the uptick in export orders was the slowest since June. Manufacturers scaled up production volumes and output expanded sharply and at an above-trend pace with total new sales rising and demand conditions remaining positive.

Manufacturing employment among firms surveyed for the index increased for the eighth successive month, but at a moderate pace. The uptick in output was aided by input costs inflation easing to a 40-month low and producers opted to raise output costs at the slowest pace in seven months.

Surveyed firms' outlook on future prospects remained favourable in November, with firms seeing opportunities in the form of demand strength, marketing initiatives and new client enquiries. However, overall positive sentiment slipped to a seven-month low amid rising inflation expectations.

Prices for raw materials and components still rose in November, but improved availability at suppliers amid subdued global demand for inputs led to a considerable retreat in cost pressures. While there were some concerns over prices increasing in the near-term, collectively India's manufacturing economy is in good shape.

ECONOMICS AND DEVELOPMENT

# STATES' DEBT TO STAY AT 31-32% IN FY24: CRISIL

**CONTEXT:** States' debt will remain elevated at 31-32% of their gross domestic product (GDP) amid higher capital outlays and moderate revenue growth this fiscal, with overall borrowings likely to rise by 9% to more than ₹87 lakh crore.

Indebtedness of a State is measured as the ratio of its debt to gross state domestic product (GSDP). Before COVID-19, the debt-GSDP ratio was at 28-29%. The Aggregate Gross Fiscal Deficit (GFD) as a ratio of GSDP is expected to remain at 2.5, well below the mandated level of 3 under the Fiscal Responsibility and Budget Management Act.

With lower-than-expected revenue growth, States are forced to borrow more to expand capital outlays, besides meeting high committed revenue expenditure related to salaries, pensions and interest costs. The debt-GSDP ratio is expected to hover at 31-32% of the gross domestic output. The report is based on the numbers available from the top 18 States accounting for 90% of the aggregate GSDP.



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