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# CURRENT AFFAIRS

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**GS 2 : Polity, Governance, International Relations**

**1. Inter-State Boundary Disputes in India**

The Union Home Ministry (MHA) has informed that 11 States and one Union Territory have boundary disputes between them.

- There are disputes arising out of the demarcation of boundaries and claims and counterclaims over territories.
- Occasional protests and incidents of violence are reported from some of the disputed border areas.

*Major boundary disputes include:*

**[1] Karnataka-Maharashtra**

- The Belgaum district is arguably part of one of the biggest inter-state border disputes in India.
- The district has a large Marathi and Kannada-speaking populations and has been at the centre of a dispute for a long time.
- The area came under Karnataka in 1956 when states were reorganized and till then it was under the Bombay presidency.

**[2] Assam-Mizoram**

- The border dispute between Assam and Mizoram is a legacy of two British-era notifications of 1875 and 1933, when Mizoram was called Lushai Hills, a district in Assam.
- The 1875 notification differentiated Lushai Hills from the plains of Cachar and the other demarcated boundary between Lushai Hills and Manipur.
- While Mizoram became a state only in 1987 following years of insurgency, it still insists on the boundary decided in 1875.
- Assam, on the other hand, wants the boundary demarcated in 1986 (based on the 1933 notification).
- In that case, entire Mizoram was part of Assam before the Independence," Assam Chief Minister Himanta Biswa Sarma said on July 27.
- Mizoram says the 1986 agreement is not acceptable as the Mizo civil society was not consulted at that time.

### **[3] Haryana-Himachal Pradesh**

- The Parwanoo region has had the spotlight over the border dispute between the two states.
- It is next to the Panchkula district of Haryana and the state has claimed parts of the land in Himachal Pradesh as its own.

### **[4] Himachal Pradesh-Ladakh**

- Himachal and Ladakh lay claim to Sarchu, an area on the route between Leh and Manali.
- It is considered a major point where travellers stop when travelling between the two cities.
- Sarchu is in between Himachal's Lahul and Spiti district and Leh district in Ladakh.

### **[5] Arunachal Pradesh-Assam**

- Arunachal's grievance is that the re-organisation of North Eastern states unilaterally transferred several forested tracts in the plains that had traditionally belonged to hill tribal chiefs and communities to Assam.
- After Arunachal Pradesh achieved statehood in 1987, a tripartite committee was appointed which recommended that certain territories be transferred from Assam to Arunachal.
- Assam contested this and the matter is before the Supreme Court.

### **[6] Meghalaya-Assam**

- The problem between Assam and Meghalaya started when the latter challenged the Assam Reorganisation Act of 1971, which gave Blocks I and II of the Mikir Hills or present-day Karbi Anglong district to Assam.
- Meghalaya contends that both these blocks formed part of the erstwhile United Khasi and Jaintia Hills district when it was notified in 1835.
- Meghalaya bases its case on survey maps of 1872 and 1929 and certain notifications of 1878 and 1951, while Assam wants to go by the rejected recommendations of the Churachand Committee.

### **[7] Assam-Nagaland**

- The longest-running border dispute in the North East is between Assam and Nagaland, which began soon after Nagaland became a state in 1963.
- The Nagaland State Act of 1962 had defined the state's borders according to a 1925 notification when Naga Hills and Tuensang Area (NHTA) were integrated into a new administrative unit.

- Nagaland, however, does not accept the boundary delineation and has demanded that the new state should also have all Naga-dominated areas in North Cachar and Nagaon districts.
- Since Nagaland did not accept its notified borders, tensions between Assam and Nagaland flared up soon after the latter was formed, resulting in the first border clashes in 1965.
- This was followed by major clashes between the two states along the border in 1968, 1979, 1985, 2007, 2014 and 2021.

## 2. Fathoming the new world disorder

It may be too early to say how the American withdrawal from Afghanistan would shape regional geopolitics in Asia and the great power contest between the United States and its competitors. But it is certainly one of those developments that will have a far-reaching impact on global politics.

### *Two narratives about the US withdrawal from Afghanistan*

- There are two dominant narratives about the American withdrawal.
- **Realignment in foreign policy:** The first narrative is that the U.S. exited the country on its own will as it is undertaking a larger realignment in its foreign policy.
- **Failure to win the war:** The other one is that the U.S. failed to win the war in Afghanistan and, like in the case of Vietnam, was forced to withdraw from the country.
- **Focus on China:** The reorientation that is under way in American foreign policy, focused on China, certainly played a role in the Afghan withdrawal.
- But that does not obscure the fact that the world's most powerful military and economic power failed to win the war in Afghanistan against the Taliban even after fighting them for 20 years.

### *Erosion of the US's ability in shaping geopolitical outcomes*

- The gradual erosion of the U.S.'s ability in shaping geopolitical outcomes in faraway regions has already shaken up the **structures of American unipolarity**.
- **Withdrawal from Afghanistan is not an isolated incident:** The Afghan withdrawal was **not an isolated incident**.
- In Iraq and Libya, it failed to establish political stability and order after invasions.

- It could not stop Russia taking Crimea from Ukraine in 2014. In Syria, it was outmanoeuvred by Vladimir Putin.
- Finally, the way American troops were withdrawn from Afghanistan and the return of the Taliban to power strengthened this perception of great power fatigue and emboldened America's rivals to openly challenge the U.S.-centric "rules-based order."

### *Three geopolitical challenges facing the US*

- **[1] Aggressive Russia:** Russia has amassed about 175,000 troops on its border with Ukraine.
- Western intelligence agencies claim that Russian President Vladimir Putin could order **an invasion of Ukraine**.
- **Russian sphere of influence:** From the migrant crisis in Belarus to the troop mobilisation in Ukraine, Russia is unmistakably sending a message to the West that the region stretching from the **Baltic Sea to the Black Sea**, the eastern flank of the North Atlantic Treaty Organization, is a **Russian sphere of influence**.
- **[2] Iran issue:** Iran, which has stepped up its nuclear programme after the Trump administration unilaterally withdrew the U.S. from the 2015 nuclear deal, **has refused to hold direct talks with the U.S.**
- Iran insists that the U.S. should first remove the sanctions and give assurance that a future President would not violate the terms of the agreement.
- **[3] Assertive China:** China is sending dozens of fighter jets into the so-called **Taiwan Air Defence Identification Zone** almost on a weekly basis, triggering speculation on whether Beijing was considering taking the self-ruled island by force.
- As the U.S. is trying to shift its focus to the Indo-Pacific region to tackle China's rise, China is becoming more and more assertive in its periphery, **seeking strategic depth**.

### *Implications*

- **Limited choice:** The pivot to Asia has limited America's options elsewhere. For example, what could the U.S. do to deter Mr. Putin from making the next military move in Europe.
- With regard to Iran, if the U.S. blinks first and lifts the sanctions, it could be read as another sign of weakness.
- If it does not and if the Vienna talks collapse, Iran could continue to enrich uranium to a higher purity, attaining a de facto nuclear power status without a bomb (like Japan), which would be against America's declared goals in West Asia.

- The Afghan withdrawal and the downsizing in West Asia suggest that America's strategic focus has shifted towards China.

### *Conclusion*

This transition, from American unipolarity into something that is still unknown, has put America in a strategic dilemma: Should it stay focused on China, preparing itself for the next bipolar contest; or continue to act as a global policeman of the liberal order that is under attack from multiple fronts?

### **3. India votes against Resolution on Climate Change at UNSC**

India has voted against a draft resolution at the United Nations Security Council (UNSC) linking climate to security.

#### *About United Nations Security Council*

- The UNSC is one of the six principal organs of the United Nations and is charged with the maintenance of international peace and security.
- Its powers include the establishment of peacekeeping operations, the establishment of international sanctions, and the authorization of military action through Security Council resolutions.
- It is the only UN body with the authority to issue binding resolutions to member states.

#### **Its members**

- The Security Council consists of fifteen members. Russia, the United Kingdom, France, China, and the United States – serve as the body's five permanent members (P5).
- These permanent members can veto any substantive Security Council resolution, including those on the admission of new member states or candidates for Secretary-General.
- The Council also has 10 non-permanent members, elected on a regional basis to serve two-year terms.
- The body's presidency rotates monthly among its members.

#### *What was the recent draft about?*

- The objective of the draft was to examine how terrorism and security risks could be linked to climate change.

### *Reasons cited by India*

- **Deviation from UNFCCC:** The draft was an attempt to shift climate talks from the UN Framework Convention on Climate Change (UNFCCC) to the Security Council and a “step backward” for collective action on the issue.
- **Evasion of responsibility:** The attempt to discuss climate action and climate justice issues at the UNSC was “motivated by a desire to evade responsibility in the appropriate forum.”
- **Veto hegemony over Climate Action:** Countries are attempting to bring climate talks to the UNSC so that decisions could be taken without consensus or the involvement of most developing countries.
- **Historic pollutants:** Many of the UNSC members were the primary contributors to climate change due to historical emissions.
- **Overtly ambitious targets:** Indian officials had said at the conclusion of COP26 that India alone would need a trillion dollars by 2030 to achieve its climate ambitions.

### *Significance of UNFCC*

- The UN already has a specialized agency, the UNFCCC, for discussing all matters related to climate change.
- The parties to the UNFCCC – over 190 countries – meet several times every year, including at a two-week year-ending conference like the one at Glasgow, to work on a global approach to combat climate change.
- It is this process that has given rise to the Paris Agreement, and its predecessor the Kyoto Protocol, the international instrument that is designed to respond to the climate change crisis.

### *Arguments in favor of UNSC in climate talks*

- **Preventing conflicts:** The UNSC exists primarily to prevent conflicts and maintain global peace.
- **International security:** A few EU countries, led by Germany, have been pushing for a role for UNSC in climate change discussions citing international security dimensions.
- **Climate-led conflicts:** Climate change-induced food or water shortage, loss of habitat or livelihood, or migration can exacerbate existing conflicts or even create new ones.
- **UN Peacekeeping:** This can have implications for the UN field missions that are deployed across the world in peacekeeping efforts.

### *Issues with UNSC*

- **Veto by Russia and China:** These two permanent members have always been opposed to the move to bring climate change on the Security Council agenda.
- **Lack of expertise:** The opposing countries claim that the UNSC does not have the expertise as compared to UNFCCC.
- **Lack of consensus:** Unlike UNFCCC, where decisions are taken by consensus of all the 190-plus countries, the UNSC would enable climate change decision-making by a handful of developed countries.

### *India is in highlight again*

- This was the second time that India went against the tide to block a climate change-related proposal that it did not agree with.
- At the Glasgow COP, India had forced a last-minute amendment in the final draft agreement to ensure that a provision calling for “phase-out” of coal was changed to “phase-down”.

## **4. Women Judges**

Chief Justice of India N.V. Ramana has promised to take up with the Supreme Court Collegium the demand for more women judges.

### **Status of women in Indian judiciary:**

- In the 71 years of history of the SC, there have been only eight women judges – the first was Justice Fathima Beevi, who was elevated to the bench after a long gap of 39 years from the date of establishment of the SC.
- There are only 80 women judges out of the sanctioned strength of 1,113 judges in the High Courts and the Supreme Court.
- There are six High Courts – Manipur, Meghalaya, Patna, Tripura, Telangana, and Uttarakhand – where there are no sitting women judges.

### **Benefits of diversity and gender representation in Supreme court:**

1. The entry of women judges into spaces from which they had historically been excluded has been a positive step in the direction of judiciaries being perceived as being more transparent, inclusive, and representative.



2. By their mere presence, women judges enhance the legitimacy of courts, sending a powerful signal that they are open and accessible to those who seek recourse to justice.
3. They could contribute far more to justice than improving its appearance: they also contribute significantly to the quality of decision-making, and thus to the quality of justice itself.
4. By elucidating how laws and rulings can be based on gender stereotypes, or how they might have a different impact on women and men, a gender perspective enhances the fairness of the adjudication.
5. Women judges bring those lived experiences to their judicial actions, experiences that tend toward a more comprehensive and empathetic perspective.
6. Improving the representation of women could go a long way towards a more balanced and empathetic approach in cases involving sexual violence.

#### Challenges to women's entry into judiciary:

- A major barrier to women's recruitment as district judges are the eligibility criteria to take the entrance exams.
- Lawyers need to have seven years of continuous legal practice and be in the age bracket of 35-45.
- This is a disadvantage for women as many are married by this age.
- Further, the long and inflexible work hours in law, combined with familial responsibilities, force many women to drop out of practice and they fail to meet the requirement of continuous practice.

#### 5. Public Accounts Committee:

The centennial celebrations of Parliament's **Public Accounts Committee** was recently held.

#### PAC

1. The PAC is formed every year with a strength of not more than 22 members of which 15 are from Lok Sabha and 7 from Rajya Sabha.
2. The term of office of the members is one year.
3. The Chairman is appointed by the Speaker of Lok Sabha. Since 1967, the chairman of the committee is selected from the opposition.
4. Its chief function is to examine the audit report of Comptroller and Auditor General (CAG) after it is laid in the Parliament.

### Limitations of the Public Accounts Committee:

1. Broadly, it cannot intervene in the questions of policy.
2. It can keep a tab on the expenses only after they are incurred. It has no power to limit expenses.
3. It cannot intervene in matters of day-to-day administration.
4. Any recommendation that the committee makes is only advisory. They can be ignored by the ministries.
5. It is not vested with the power of disallowance of expenditures by the departments.
6. Being only an executive body; it cannot issue an order. Only the Parliament can take a final decision on its findings.

## GS 3 : Economy, Science and Technology, Environment

### 6. Co-Lending Model- Bank-NBFC co-lending

In September 2018, the RBI had permitted the banks to co-lend with all registered NBFCs (including HFCs) to increase lending to the priority sector based on a prior agreement.

- Following this, several banks have entered into co-lending 'master agreements' with NBFCs, and more are in the pipeline.

#### What's the concern now?

This has led to **unusual tie-ups between banks and NBFCs**. For instance, SBI signed a deal with Adani Capital, a small NBFC, for co-lending to farmers to help them buy tractors and farm implements.

**Greater risk in co-lending:** NBFCs are required to retain at least a 20 per cent share of individual loans on their books. This means 80 per cent of the risk will be with the banks – who will take the big hit in case of a default.

**Corporates in banking:** While the RBI hasn't officially allowed the entry of big corporate houses into the banking space, NBFCs – mostly floated by corporate houses – were already accepting public deposits. They now have more opportunities on the lending side through direct co-lending arrangements.

### What is the Co-Lending Model?

Co-Lending Model allows for a joint contribution of credit at the facility level by both the lenders, as also sharing of risks and rewards.

- **AIM:** to improve the flow of credit to the unserved and underserved sector of the economy.

### Significance of the model:

- The lower cost of funds from banks and greater reach of the NBFCs will make available funds to the beneficiary at an affordable cost.
- It will help banks to expand customer base and enables them to provide last mile banking services.

## 7. The Unlawful Activities (Prevention) Act

As per the information given by the Union Home Ministry in Lok Sabha:

- Nearly 57% of those arrested in the country under the Unlawful Activities (Prevention) Act between 2018 and 2020 were below 30 years of age.
- Uttar Pradesh not only accounted for the highest arrests of those below 30 (931) under the anti-terror law in the past three years but also 70% of the total arrests made in the state under **UAPA** over this period were in the sub-30 age group.

### About the Unlawful Activities (Prevention) Act:

Passed in 1967, the law aims at **effective prevention of unlawful activities associations in India.**

The Act assigns **absolute power to the central government**, by way of which if the Centre deems an activity as unlawful then it may, by way of an Official Gazette, declare it so.

- It has death penalty and life imprisonment as highest punishments.

### Key points:

Under UAPA, **both Indian and foreign nationals can be charged.**

- It will be **applicable to the offenders in the same manner, even if crime is committed on a foreign land, outside India.**
- Under the UAPA, **the investigating agency can file a charge sheet in maximum 180 days after the arrests and the duration can be extended further after intimating the court.**

### As per amendments of 2019:

- The Act empowers the Director General of **National Investigation Agency (NIA)** to grant approval of seizure or attachment of property when the case is investigated by the said agency.
- The Act empowers the officers of the NIA, of the rank of Inspector or above, to investigate of terrorism in addition to those conducted by the DSP or ACP or above rank officer in the state.
- It also included the provision of **designating an individual as a terrorist.**

## 8. Delhi High Court defines the contours of UAPA

In June 2021, delivering a judgment defining **the contours of the otherwise “vague” Section 15 of the Unlawful Activities (Prevention) Act, 1967, (UAPA)**, the Delhi High Court laid down some important **principles upon the imposition of Section 15, 17 & 18 of the Act.**

### Sections 15, 17 and 18 of UAPA:

1. S. 15 **engrafts the offence of ‘terrorist act’.**

2. S. 17 lays-down **the punishment** for raising funds for committing a terrorist act.
3. S. 18 engrafts **the offence of 'punishment for conspiracy etc.** to commit a terrorist act or any act preparatory to commit a terrorist act'.

#### **Key observations made by the court:**

1. "Terrorist Act" Should not be used lightly so as to trivialise them.
2. Terrorist activity is that which travels beyond the capacity of law enforcement agencies to deal with under ordinary penal law (**Supreme Court's decision in the case of Hitendra Vishnu Thakur**).

### **THE INDIAN EXPRESS**

## **GS 2 : Polity, Governance, International Relations**

### **1. Public Distribution System (PDS) and E-Governance in Panchayati Raj Institutions**

**Under End-to-End computerization of Targeted PDS:** To improve the efficiency & transparency of the distribution of food grains system and to address other challenges, such as leakages and diversion of food grains, elimination of fake and bogus ration cards etc.

- ration cards/beneficiaries database have been completely digitized in all States/UTs,
- transparency portal and online grievance redressal facilities/ toll-free numbers have been implemented
- online allocation has been implemented
- Supply chain has been computerized in 31 States/UTs.
- Automation of Fair Price Shops (FPS) is also being done by installing electronic Point of Sale (ePoS) devices at the FPSs for the distribution of food grains in a transparent manner (electronically) and for unique identification

of genuine beneficiaries through biometric/Aadhaar authentication on the ePoS device.

### **Under Digital India Programme**

- Ministry of Panchayati Raj is implementing e-Panchayat Mission Mode Project, in the country to revamp the functioning of Panchayats and to make them more transparent, accountable and effective.
- Ministry launched eGramSwaraj a simplified work-based Accounting application to address various aspects of Panchayat functioning viz. planning, accounting, budgeting.
- Further, Ministry has also integrated e-Gram SWARAJ with Public Financial Management System for Gram Panchayats to make real time payments to vendors/service providers.

### **Note:**

According to the **seventh** schedule, local government is a **State subject**.

- **Article 243** of Part IX of the Constitution, which contains provisions dealing with Panchayat, does not differentiate amongst persons on the basis of their sex.
- Under Article 243D of the constitution, provisions have been made for reservation of Scheduled Castes, Scheduled Tribes and Women. Legislatures of States have also been empowered to make provision for reservation of seats in any Panchayat or offices of Chairpersons in the Panchayats at any level in favour of backward class of citizens in terms of clause (6) of Article 243D of the constitution.
- Transgenders belonging to these categories are accordingly eligible to participate in the decision-making process of Panchayats.

## **2. Amendment to the NDPS Act**

The Narcotic Drugs and Psychotropic Substances (Amendment) Bill, 2021 was passed by Lok Sabha.

### ***About NDPS Act***

- The Narcotic Drugs and Psychotropic Substances Act, commonly referred to as the NDPS Act was promulgated in 1985.

- It prohibits a person from the production/ manufacturing/ cultivation, possession, sale, purchasing, transport, storage, and/or consumption of any narcotic drug or psychotropic substance

#### *What is the 2021 amendment?*

- The 2021 Bill amends the Narcotic Drugs and Psychotropic Substances Act, 1985 and seeks to rectify a drafting “anomaly” created by a 2014 amendment to the parent legislation.
- It contains a legislative declaration about what one section refers to.
- It says Section 2 clause viii(a) corresponds to clause viii(b) in Section 27, since 2014 when the provision was first brought in.
- Section 27A of the NDPS Act, 1985, prescribes the punishment for financing illicit traffic and harbouring offenders.

#### *Earlier amendment in 2014*

- In 2014, a substantial amendment was made to the NDPS Act to allow for better medical access to narcotic drugs.
- It defined “essential drugs”; under Section 9 and allowed the manufacture, possession, transport, import inter-State, export inter-State, sale, purchase, consumption and use of essential narcotic drugs.
- But before the 2014 amendment, a Section 2(viii)a already existed and contained a catalogue of offences for which the punishment is prescribed in Section 27A.

#### *What is Section 21A?*

- Section 27A reads: Whoever indulges in financing, directly or indirectly or harbours any person engaged in any of the aforementioned activities, shall be punishable with rigorous imprisonment.
- The term shall **not be less than ten years** and **may extend to twenty years**.
- The accused shall also be liable to fine which shall not be less than one lakh rupees but which may extend to two lakh rupees.

#### *What was the drafting “anomaly”?*

- While defining “essential drugs” in 2014, the legislation re-numbered Section 2.
- The catalogue of offences, originally listed under Section 2(viii)a, was now under Section 2(viii)b.
- In the amendment, Section 2(viii)a defined essential narcotic drugs.
- However, the drafters missed amending the enabling provision in Section 27A to change Section 2(viii)a to Section 2(viii)b.

*What was the result of the drafting error?*

- Section 27A punished offences mentioned under Section 2(viia) sub-clauses i-v.
- However, Section 2 (viia) sub-clauses i-v, which were supposed to be the catalogue of offences, does not exist after the 2014 amendment. It is now Section 2(viib).
- This error in the text meant since 2014, Section 27A was inoperable.

*When was the error noticed?*

- In June this year, the Tripura High Court, while hearing a reference made by the district court, flagged the drafting error, urging the Centre to bring in an amendment and rectify it.
- In 2016, an accused had sought bail before a special judge in West Tripura in Agartala, citing this omission in drafting.

*Why can't it be applied retrospectively?*

- Article 20(1) of the Constitution says that no person shall be convicted of any offence except for violation of the law in force at the time of the commission.
- The person shall not be subjected to a penalty greater than that which might have been inflicted under the law in force at the time of the commission of the offence.
- This protection means that a person cannot be prosecuted for an offence that was not a "crime" under the law when it was committed.

*Does the latest amendment make it retrospective?*

- In September, the government brought in an ordinance to rectify the drafting error, which Lok Sabha. "It shall be deemed to have come into force on the 1st day of May 2014," the Bill reads.
- Retrospective application is permitted in clarificatory amendments.
- This 2021 amendment is not a substantive one, that is why the retrospective is allowed.

### **3. Climate Change and UNSC**

A contentious proposal to authorise the UN Security Council to deliberate on climate change-related issues was rejected after veto-wielding Russia and India voted against it.



- The draft resolution, **piloted by Ireland and Niger**, had been in the making for several months, and sought to create a formal space in the Security Council for discussions on climate change and its **implications on international security**.
- This was the second time in weeks that India went against the tide to block a climate change-related proposal that it did not agree with.

### What is the issue?

- The UN already has a specialised agency, the **UN Framework Convention on Climate Change or UNFCCC**, for discussing all matters related to climate change.
- The parties to the UNFCCC – over 190 countries – meet several times every year, including at a two-week year-ending conference like the one at Glasgow, to work on a global approach to combat climate change.
- It is this process that has given rise to the Paris Agreement, and its predecessor the Kyoto Protocol, the international instrument that is designed to respond to the climate change crisis.
- The Security Council, on the other hand, **exists primarily to prevent conflicts and maintain global peace**.
- For the last few years, however, a few European countries, led by Germany, have been pushing for a role for Security Council in climate change discussions as well, arguing that **climate change had an international security dimension**.
- **Climate change-induced** food or water shortage, loss of habitat or livelihood, or migration can exacerbate existing conflicts or even create new ones. This can have implications for the UN field missions that are deployed across the world in peacekeeping efforts.

### What was the proposal?

- The draft resolution piloted by Ireland and Niger was **not the first attempt** at bringing climate change on Security Council's agenda.
- In 2020, a similar, stronger resolution was proposed by **Germany**. However, it was never put to vote because of possible objections from the United States, which had made it clear that it would block any such attempt with a veto.
- Germany's two-year term at the Security Council was in 2020 but the proposal had other backers, and Ireland and Niger agreed to refresh the draft resolution.
- On the face of it, the draft resolution seemed academic in nature.
- It called for UN Secretary General to **submit a report on security aspects** of climate change in the next two years.

- It also asked the Secretary General to appoint a **special envoy for climate security**.
- Further, it asked UN field missions to regularly **report on climate change assessments in their areas of operation** and take the help of climate experts in carrying out their routine functions.

### **Does that mean that UNSC has not discussed climate change at all?**

- **Existence of Precedence:** Although it is not the forum to discuss climate change, the Security Council and its secretariat has hosted a few debates and informal discussions on the subject in the past.
- **Increased Traction in recent years:** According to a recent research report, the frequency of such discussions has increased significantly since 2017, with climate change finding a mention in several Security Council decisions as well.
  - It said several European countries, initially led by Sweden and the Netherlands, began to make efforts towards integration of the security implications of climate change in the Security Council's work.
- **Nigeria Case Study:** One of the UN's visiting missions in Lake Chad region heard from Nigerian President about how the shrinking of Lake Chad, a direct consequence of climate change, had contributed to the rise of the Boko Haram.
  - Issoufou told the mission that the lake had lost 90 per cent of its surface area since the 1960s, which had destroyed livelihoods of local communities which became fertile ground for Boko Haram to grow.
  - This account of the Nigerian President left an impression on several UNSC members.

### **Which countries are opposing the inclusion of Climate change discussion in UNSC?**

- Russia and China, two permanent members with veto powers, have always been opposed to the move to bring climate change on the Security Council agenda.
- US was earlier opposing it but it has switched sides this year.
- India, which started a two-year term in January 2021, joined ranks with Russia and China. Brazil, which will join the Security Council next year, is also known to be against this move.
- While the draft resolution was said to have the support of more than 100 countries, Russia said many developing countries had been backing it in the hope that they would get some assistance in fighting climate change.

### **What are the objections raised?**

- **Dedicated Forum will lose its relevance:** The opposing countries have been arguing that the UNFCCC must remain the appropriate forum for addressing all climate change-related issues, and claim the Security Council does not have the expertise to do so.
- **Consensual Decision Making will be lost:** Opposition countries have also been pointing out that unlike UNFCCC, where decisions are taken by consensus of all the 190-plus countries, the UNSC would enable climate change decision-making by a handful of developed countries.
- **Accountability of Developed Countries diluted:** Also, many of the UNSC members are the main contributors of climate change due to historical emissions. If the Security Council indeed takes over the responsibility on this issue, a few states will then have a free hand in deciding on all climate related issues which is clearly neither desirable nor acceptable.

## GS 3 : Economy, Science and Technology, Environment

### 4. Prompt Corrective Action (PCA) Framework for NBFCs

The Reserve Bank of India announced a Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs), to strengthen applicable supervisory tools.

#### Key takeaways

- This will take effect October 1, 2022.
- This is in line with the PCA framework for banks
- Aim is to help improve their financial condition and governance issues.
- The framework will apply to all deposit-taking NBFCs, all non-deposit taking NBFCs in the middle, upper and top layers,
- It has excluded NBFCs not accepting or not intending to accept public funds, primary dealers and housing finance firms, along with government-owned ones.

#### Non-Banking Financial Company

- It is a financial institution that does not have a full banking license or is not supervised by a national or international banking regulatory agency.
- The most important difference between non-banking financial companies and banks is that NBFCs don't take demand deposits.

## 5. Wholesale Price Index (WPI)

Wholesale inflation, based on the Wholesale Price Index, jumped to 14.23% in November from 12.54% in October (on a year-on-year basis)

### Key takeaways

- It was primarily due to rise in food prices especially of vegetables, and minerals and petroleum product
- This is the highest level of wholesale inflation in the 2011-12 series and eighth consecutive month in which it has stayed at a double-digit level.
- Retail inflation also showed an increase 4.91% despite a cut in excise duty on fuels.

### Gap between WPI and CPI inflation

- Despite not being a policy tool, the surge in the WPI is a cause of worry.
- While the CPI-based retail inflation looks at the price at which the consumer buys goods, the WPI tracks prices at the wholesale, or factory gate/mandi levels.
- Between the wholesale price and the retail price, the difference essentially is the former only tracks basic prices devoid of transportation cost, taxes and the retail margin etc.
- WPI takes only goods into account, not services.
- WPI is primarily used as a GDP deflator

## 6. National Livestock Mission

The National Livestock Mission (NLM) scheme is being implemented in the country since 2014, and has been realigned during 2021-22 –

- Employment generation
- Entrepreneurship development
- Increase in per animal productivity and thus targeting increased production of meat, goat milk, egg and wool.

### Objectives are:

- Employment generation through entrepreneurship development in small ruminant, poultry, piggery and Fodder sector.
- Increase of per animal productivity through breed improvement

- Increase in production of meat, egg, goat milk, wool and fodder.
- Increasing availability of fodder and feed to substantially reduce the demand – through strengthening the fodder seed supply chain and availability of certified fodder seeds.
- Encouraging establishment of fodder processing units to reduce the demand supply gap
- Promoting risk management measures including livestock insurance for farmers.
- Promoting applied research in prioritized areas of poultry, sheep, goat, feed and fodder
- Capacity building of state functionaries and livestock owners through strengthened extension machinery to provide quality extension service to farmers
- Promoting skill-based training and dissemination of technologies for reducing cost of production and improving production of livestock sector.

## 7. Neo Banks Vs Traditional Banks

### What are Neo-banks?

Neo-banks are online-only financial technology (fintech) companies that operate solely digitally or via mobile apps. Simply put, neo-banks are digital banks without any physical branches.

### How are they different from the traditional banks?

- Neo-banks are disrupting the traditional banking system by **leveraging technology and artificial intelligence (AI)** to offer a range of **personalised services to customers**.
- On the other hand, traditional banks follow an omni-channel approach i.e. having both physical (through branches and ATMs) and digital banking presence to offer a multitude of products and services.
- Right from customer acquisition to traditional banking services such as remittances, money transfers, utility payments and personal finance, neo-banks offer a wide range of offerings to customers across retail and small-to-medium enterprise (SME) categories.
- Typically, neo-banks apply a design thinking approach to a particular banking area and tailor their products and services in a manner that **makes banking simpler and convenient to the end consumers**.

### How are they evolving?

- The term 'Neo-bank' started gaining prominence globally in 2017 as they emerged as a new challenger to the traditional banks in terms of customer engagement, connectivity and reach, and most importantly, the user experience.
- That is why neobanks are also called '**challenger banks**'.
- The market potential for neo-banks is driven by the **rising penetration of the internet** and smartphones across the globe.
- The global neo-banking market size is expected to reach \$333.4 billion by 2026, rising at a compounded annual growth rate (CAGR) of 47.1 per cent.
- There are around a dozen neo-banks in India including Razorpay X, EpiFi, Open, NiYo, Jupiter among others.

### What are the advantages of neo-banks?

- **Low costs** – Fewer regulations and the absence of credit risk allow neo-banks to keep their costs low. Products are typically less expensive, with no monthly maintenance fees.
- **Personalised services**– These banks offer customers personalised services according to the needs of customers by leveraging technologies
- **Speed** – Neo-banks allow customers to set up accounts quickly and process requests speedily. Innovative strategies are employed to determine the credit value of the person while offering loans thereby cutting the usual time-consuming verification process.

### Can they replace traditional banks?

- **Not entirely.** Neo-banks offer only a small range of products and services as compared to a whole gamut of services that traditional banks offer.
- Besides, since neo-banks are **highly digital focused**, they may not be able to cater to the banking needs of non-tech savvy consumers or **people from the rural parts** of the country, who believe in face-to-face interaction with their financial custodians.
- As of 2020, India had a smartphone penetration rate of just about 54 per cent.

### What are the challenges that they face?

- First and foremost is **building trust**. Unlike traditional banks, neo-banks don't have a physical presence, so customers cannot literally 'bank upon' them in case of any issues/challenges.
- Secondly, neo-banks are **yet to be recognised by the Reserve Bank of India (RBI)**. So, they have to engage with regulated banks and financial institutions to offer financial products and services.

- Due to the absence of enabling regulations, neo-banks **cannot accept deposits or offer lending products** on their own books.
- That is why some fintechs have a non-banking financial company (NBFC) **as their parent to engage in lending** activities while most others partner with banks and financial institutions.

### Prelims Practice Questions

#### 1. Consider the following statements:

1. Article 23 of the Indian constitution prohibits trafficking in human beings and forced labour.
2. The Palermo convention deals with the trafficking of human beings.

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C Both 1 and 2
- D Neither 1 nor 2

Answer : C

Explanation

- **Article 23 (1)** in the constitution of **India prohibits trafficking in human beings and forced labour. Hence, statement 1 is correct.**
  - The Immoral Traffic (Prevention) Act, 1956 (ITPA) penalizes trafficking for commercial sexual exploitation.
  - India also prohibits bonded and forced labour through the Bonded Labour System (Abolition) Act 1976, Child Labour (Prohibition and Abolition) Act 1986, and Juvenile Justice Act.
  - Sections 366(A) and 372 of the Indian Penal Code, prohibits kidnapping and selling minors into prostitution respectively.

- Apart from this, the Factories Act, 1948 guaranteed the protection of rights of workers.
- **Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children** in 2000 as a part of the UN Convention Against Transnational Organised Crime (**Palermo Convention**). **Hence, statement 2 is correct.**
  - It entered into force on 25 December 2003. It is the first global legally binding instrument with an agreed definition on trafficking in persons.
  - Protocol against the Smuggling of Migrants by Land, Sea and Air.

**2. Who amongst the following is/are not a part of the collegium that recommends the appointment of judges in the Supreme Court to the President?**

1. Prime Minister
2. Chief Justice of India
3. Union Law Minister
4. 4<sup>th</sup> senior-most judge of the Supreme Court

**Choose the correct code:**

- a. 1 & 3 only
- b. 1, 3 & 4 only
- c. 2 & 4 only
- d. 3 & 4 only

**Answer: a**

**Explanation:**

- Collegium system is a system under which appointments and transfers of judges are decided by a forum of the Chief Justice of India and the four senior-most judges of the Supreme Court.

**3. The 'Blue Heart Campaign', often seen in the news, is related to?**

- A Global awareness raising initiative to fight human trafficking.  
B Awareness about the challenge the illicit drugs poses to society.  
C Campaign to support the people living with HIV.  
D Provide opportunity by ameliorating short-term poverty and hardship.



Answer : A

Explanation

- **Blue Heart Campaign** is a global awareness raising initiative to fight human trafficking and its impact on society. It seeks to encourage involvement from governments, civil society, the corporate sector and individuals alike, to inspire action and help prevent this heinous crime. **Hence, option A is correct.**

**4. Which amongst the following motions are moved against a member of Parliament for disregarding their rights and immunities granted to them so that they can effectively discharge their duties?**

- a. Calling attention motion
- b. Privilege motion
- c. Adjournment motion
- d. Cut motion

Answer: b

Explanation:

- All Members of Parliament (MPs) enjoy rights and immunities, individually and collectively, so that they can discharge their duties and functions effectively. Any instance when these rights and immunities are disregarded by any member of Lok Sabha or Rajya Sabha is an offence, called 'breach of privilege', which is punishable under the Laws of Parliament.
- Any member from either house can move a notice in the form of a motion against the member who he/she thinks is guilty of the breach of privilege. Both Houses of the Parliament reserve the right to punish any action of contempt (not necessarily breach of privilege) which is against its authority and dignity, as per the laws.

**5. The Chairmen of public sector banks are selected by the**

- a. Banks Board Bureau

- b. Reserve Bank of India
- c. Union Ministry of Finance
- d. Management of concerned bank

**Answer: a**

**Explanation:**

- The Chairmen of public sector banks are selected by the Banks Board Bureau (BBB) and appointed by the Finance Ministry. On the recommendation of the BBB, the Appointment Committee of Cabinet takes the final decision.

**6. Consider the following statements:**

1. The Great Indian Bustard (GIB) is the flagship grassland species.
2. The GIB is listed as critically endangered under IUCN Red List.
3. The population of GIB is confined only to the Desert National Park of Rajasthan.

Which of the statements given above is/are correct?

- A 1 and 2 only
- B 2 and 3 only
- C 1 only
- D 1, 2 and 3

**Answer : A**

**Explanation**

- **Great Indian Bustard (GIB) is the State bird of Rajasthan** and is considered India's most critically endangered bird.
  - It is considered the **flagship grassland species**, representing the health of the grassland ecology. **Hence, statement 1 is correct.**
  - Its population is **confined mostly to Rajasthan and Gujarat**. Small populations occur in Maharashtra, Karnataka and Andhra Pradesh. **Hence, statement 3 is not correct.**
  - The bird is **under constant threats due to collision/electrocution** with power transmission lines, hunting (still prevalent in Pakistan), habitat loss and alteration as a result of widespread agricultural expansion, etc.
- **Protection Status:**

- **International Union for Conservation of Nature Red List:** Critically Endangered. Hence, statement 2 is correct.
- **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES):** Appendix 1
- **Convention on Migratory Species (CMS):** Appendix I
- **Wildlife (Protection) Act, 1972:** Schedule 1

### **Mains Practice Questions**

**1Q. Examine the feasibility and challenges of having two time zones in India. (250 words)**

#### **Approach**

- Write briefly about the existing standard time zone and the problems associated with it in North eastern region.
- Write the benefits of two time zones.
- Write the problems associated with two time zones.
- Suggest a way forward to resolve the issue of two zones.

**2Q. "Businesses cannot be successful when the society around them fails." Analyse the need for Corporate Social Responsibility in light of the above statement. (250 words)**

#### **Approach**

- Introduce your answer by giving the relationship between society and businesses.
- Mention the need for CSR.
- Conclude your answer by giving an optimistic way forward.