21st Oct, 2024

1. Climate Finance to Developing Nations GS 3 (Environment)

Why in News:

- The issue of **climate finance** is a critical topic in global discussions on climate change.
- As the world faces increasingly severe environmental challenges, the burden falls disproportionately on developing nations. On climate finance to developing nations
- These countries often bear the brunt of climate impacts, such as floods, droughts, and extreme weather events, while having contributed the least to global emissions.
- scheduled held to be in Baku, inequality.

The 29th Conference of the Parties (COP29), Azerbaijan from November 11 to 22, 2024, will focus heavily on climate finance, making it a crucial meeting for addressing this global

What is Climate Finance?

- According to the United Nations Framework Convention on Climate Change (UNFCCC), climate finance refers to local, national, or transnational financial flows that support efforts to mitigate and adapt to climate change.
- These funds can come from public, private, and alternative sources.
- Key uses of climate finance include:
 - **Mitigation**: Reducing or preventing greenhouse gas emissions.
 - Adaptation: Helping vulnerable regions and communities adapt to the impacts of climate change.
- Developed countries are expected to contribute the bulk of climate finance, given their historical responsibility for emissions, while developing nations need this support to manage both their developmental needs and climate action.

Why Do Developing Nations Need Climate Finance?

- Developing countries are among the **most vulnerable** to climate change due to:
 - Geographical factors: Many are located in regions more prone to extreme weather conditions
 - Economy reliance on agriculture: Sectors like agriculture, which are particularly sensitive to climate change, are often the backbone of their economies.
 - Limited resources: These nations have fewer financial and technological resources to adapt to climate change or recover from climate-related disasters.
- For example, the International Energy Agency (IEA) reported that in 2021, around 675 million people in the developing world lacked access to electricity.
- These countries face not only developmental challenges but also the urgent need for climate-friendly energy solutions, which are often more expensive

About Copenhagen Accord:

- The Copenhagen Accord is a political agreement that was reached in 2009 at the 15th session of the UNFCCC.
- At the Copenhagen Accord, developed nations pledged to provide \$100 billion annually in climate finance by 2020 to help developing countries combat climate change.
- However, this goal has not been fully realized. Key issues with this commitment include:
 - Over-reporting: Developed nations often report commitments rather than actual disbursals of funds.
 - Reclassification of aid: Existing development aid is sometimes rebranded as climate finance, reducing the impact of new and additional funding.

- Loans vs. Grants: A significant portion of the reported climate finance consists of loans, not grants, adding to the debt burden of developing countries.
- For instance, in **2022**, **69.4%** of international public climate finance was in the form of loans, with only **28%** provided as grants.
- Developing nations argue that climate finance should be predominantly grants or at least concessional loans (loans with low-interest rates), to avoid increasing their financial burdens.

• India's Climate Finance Needs:

- India is a prime example of a country with ambitious climate goals but significant financial needs. India's climate targets include:
 - 500 GW of non-fossil fuel capacity by 2030.
 - 5 million metric tonnes of green hydrogen (GH2) production capacity annually.
 - Electric Vehicle (EV) penetration across various categories by 2030.
- The cost to achieve these goals is enormous:
 - An estimated ₹16.8 lakh crore will be required for renewable energy projects by 2030.
 - India's Green Hydrogen Mission alone requires an additional ₹8 lakh crore in investments.
 - To meet its electric vehicle (EV) targets, consumers will need to spend ₹16 lakh crore on EVs .
- Looking further ahead, India requires ₹850 lakh crore in investments between 2020 and 2070 to meet its net-zero emissions

New Collective Quantified Goal (NCQG):

- As the current \$100 billion climate finance target expires in 2025, there is a push for a new, more ambitious goal, called the New Collective Quantified Goal (NCQG). The NCQG must include:
 - Actual disbursals, not just commitments.
 - New and additional funding, beyond existing aid.
 - Public capital in the form of direct grants.
 - Mobilized private capital that results from public funding initiatives.
- A high-level expert group at COP26 and COP27 determined that developing countries (excluding China) will need around \$1 trillion in external climate finance annually by 2030.

Challenges in Climate Finance:

- The road to securing adequate climate finance for developing countries is fraught with challenges:
 - High capital costs: Developing countries often face twice the cost of capital for green technologies, such as solar photovoltaics, compared to developed nations.
 - Competing developmental needs: Developing nations need to balance economic growth with climate action, often needing external financial support to do so.

• Conclusion:

- As the world prepares for COP29, climate finance remains at the forefront of global negotiations.
- o Developing countries, including India, need substantial external financial assistance to meet their climate goals and adapt to the growing impacts of climate change.
- The ongoing debate around the \$100 billion commitment and the push for a more ambitious NCQG highlights the urgency for developed countries to fulfil their responsibilities and ensure that vulnerable nations have the resources they need to fight climate change effectively.

2. Lady Justice Statue GS 2 (Judiciary)

 Why in News: The Supreme Court has recently unveiled a new statue of "Lady Justice", reimagining the image

More on News:

- Old version The lady justice statue typically a blindfolded woman holding a set of scales in one hand and a sword in the other is synonymous with legal practice around the world.
- The blindfold in the classic rendition has been to represent the impartiality of justice.

What is the symbolism behind the change? How many cases are perchained before courts in India? What is the symbolism behind the change? How many cases are perchained before courts in India? More than the symbolism behind the change? How many cases are perchained before courts in India? More than the symbolism behind the change? How many cases are perchained before courts in India? More than the symbolism behind the change? How many cases are perchained before courts in India? More than the symbolism behind the change? How many cases are perchained before courts and admitted the symbolism behind the change? How many cases are perchained by a short relation to the symbolism behind the change? How many cases are perchained by a short relation to the symbolism behind the change? How many cases are perchained by a short relation to the symbolism behind the court many well plot the level of the symbolism behind the court many well plot the level of the symbolism behind the court many well plot the level of the symbolism behind the court many well plot the level of the symbolism behind the court many well plot the level of the symbolism on the other. What is the behind all any inter-. The ever area in the symbolism of the symbol

• History - The imagery of Lady Justice can be traced back to Greek and Roman mythology.

o Themis, one of the 12 Titans born to Gaea and Uranus according to works of the Greek poet Hesiod who

lived circa 700 BCE, is known as the goddess of justice, wisdom, and good counsel.

- The first Roman emperor Augustus (27 BCE-14 CE) introduced the worship of Justice in the form of a goddess known as Justitia (or Justitia). Justitia, like Themis, did not wear a blindfold.
- The blindfold was added during the Renaissance period (14th century) probably as a satire on the corrupt state of legal systems with judicial institutions turning a blind eye.
- o In India The British Raj also introduced the iconography of Lady Justice.
 - At the Calcutta High Court first constructed in 1872 images of Lady Justice were carved into the pillars supporting the building.
- New one It is a 6-foot-tall statue of a saree-clad woman with no blindfold, holding scales a copy of the Constitution of India.
 - o The new statue with unimpeded vision is meant to signify that Law is not blind, it sees everyone equally.
 - Designed by Vinod Goswami.

3. <u>Vitiligo</u> GS 2 (Health)

• Why in News: A new Kannada film, 'Bili Chukki, Halli Hakki' is attempting to take the veil of stigma off from Vitiligo, disease that is usually the subject of stereotypes and ignorance in India.

• More on News:

- Vitiligo is a *chronic auto-immune skin disorder* that results in the loss of pigment in patches, causing white areas to appear on the skin.
- This condition arises due to the *malfunction or destruction of melanocytes*, the cells responsible for producing melanin, the pigment that gives skin its colour.
- **Symptoms** Those affected develop depigmented patches that may occur anywhere on the body, including the skin, hair, and even the lining of the mouth.
- Causes The *cause of vitiligo is unknown*, but it may be related to immune system changes, genetic factors, stress, or sun exposure.
- Triggering factors Potential triggers could include oxidative stress, physical trauma, severe sunburn, or chemical exposure.

- o **Frequency** Vitiligo is a common disorder that affects between 0.5% and 2% of the population worldwide.
- It occurs with similar frequency in all ethnic groups, but may be more noticeable in darkskinned people.
- Risk factors People with a family history of certain autoimmune diseases have a higher risk of getting this disease.
- The pale areas of skin caused by vitiligo are more vulnerable to sunburn, so it's important to take extra care when in the sun and use a sunscreen with a high sun protection factor (SPF).
- Treatment There is no cure for vitiligo, but treatments can help stop the progression and reverse its effects.
- Options include topical corticosteroids, calcineurin inhibitors, and phototherapy, which work to slow depigmentation and encourage the regeneration of melanocytes.

As trade gap with UAE, ASEAN widens, India pauses talks with others

RAVIDUTTA MISHRA

NEW DELHI, OCTOBER 20

AFTER A series of free trade agreements (FTAs) that have proved more beneficial to partner countries, India is adopting a more cautious negotiating strategy, temporarily pausing talks for trade pacts with smaller countries such as Oman and Peru,

The Commerce Ministry is working on developing a fresh Standard Operating Procedure (SOP) aimed at addressing the "lack of consistent and streamlined" procedures for negotiating future trade agreements.

This comes after several trade agreements, including the pact with the UAE that came into effect in February 2022 and the one with the Association of Southeast Asian Nations (ASEAN) signed way back in 2010, have resulted in significantly higher imports of goods compared to exports, and concerns over potential breaching of

CONTINUED ON PAGE 2

o In advanced cases surgical interventions like skin grafting or depigmentation therapy may be considered to even out skin tone.

4. India's Shift to a Cautious Approach in Trade Negotiations GS 3 (Economy)

Why in News:

- o India is adopting a more cautious strategy in its trade negotiations, halting talks for free trade agreements (FTAs) with smaller countries like Oman and Peru. This shift is due to concerns that past FTAs have disproportionately benefitted partner countries.
- The pause in negotiations comes not only due to the widening trade gap but also concerns over the outflow of investment from the country.

Widening Trade Deficit with FTA Countries

Background

 India's trade agreements with countries like the UAE and ASEAN have resulted in surging imports, widening the trade deficit

Deficit with ASEAN

- ASEAN remains a crucial trading partner for India, accounting for 11 percent of its global trade, with bilateral trade reaching US\$ 122.67 billion during 2023-24.
- India's trade with ASEAN experienced astounding growth after signing the ASEAN-India Trade in Goods Agreement (AITIGA).
- However, the trade disproportionately benefits the ASEAN region.
- Between FY 2009 and FY 2023, imports from ASEAN to India grew by 234.4 percent while exports from India rose only by 130.4 percent.
- As a result, India's trade deficit expanded from US\$ 7.5 billion annually when the agreement was enacted in 2011 to approximately US\$ 44 billion in 2023.

Deficit with UAE

- India's trade deficit with the United Arab Emirates (UAE) widened after the signing of the Comprehensive Economic Partnership Agreement (CEPA) in May 2022
- Within eight months of the CEPA coming into effect, India's trade gap with the UAE widened by more than \$5 hillion
- India's exports to the UAE grew by 11% to \$20.25 billion, while imports climbed 24.4% to \$36.23 billion.

• Strategies employed by India to address the issue

Development of a New SOP

- The Commerce Ministry is drafting a fresh Standard Operating Procedure (SOP) to streamline future trade negotiations.
- The SOP will include modern chapters on labor, environment, and trade-offs, with a clear focus on human resource mobilisation and the hierarchy of negotiating teams.
- The draft also includes input from the Ministry of External Affairs (MEA) and the Department of Economic Affairs (DEA), referencing consultancy private group.

Shift in Focus to Larger Markets and Geopolitically Important Countries

- India is now focusing on trade deals with larger markets such as the European Union and the UK, and countries of geopolitical importance like the Maldives.
- Negotiations with smaller countries are paused, as India feels it has not received commensurate returns in past agreements.
- India opens a large market for the partner country, but there is a sense that it is not receiving commensurate returns

Reviewing Past FTAs and Tariff Asymmetry

- India is reviewing the ASEAN trade agreement, which has led to significant trade deficits post-Covid.
- The review is expected to be completed by next year, focusing on resolving tariff asymmetry, which has disadvantaged India in these deals.

Stringent norms for Rule of origin and imposition of anti-dumping duties

- The rising influx of Chinese investments and goods into ASEAN has sparked concerns over the rerouting of Chinese products into India through the region.
- The Economic Survey highlighted that Chinese firms are increasingly rerouting supply chains through countries like Mexico and Vietnam.
- In response, India's Ministry of Commerce and Industry launched an anti-dumping investigation on various goods imported.
- India is also taking a tough stand on the issue of rule of origin while negotiating with other countries.

Challenges faced by India in trade negotiation

Current Negotiating Capabilities

- One of the main challenges for India is the lack of subject matter expertise and institutional memory in trade negotiations.
- In contrast, foreign negotiators tend to have more experience, putting India at a disadvantage.
- Foreign negotiators are battle-hardened with years of expertise in negotiations, unlike in India where officials are rotated periodically.

Exit from RCEP and Concerns over Rising Imports from China

- India exited the China-led Regional Comprehensive Economic Partnership (RCEP) negotiations due to concerns over rising imports from China.
- Meanwhile, trade between China and ASEAN grew after RCEP came into effect in 2022, increasing competition for India in the region.

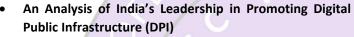
Other challenges

• Global economic slowdown, the rise of tariffs and non-tariff barriers, and new trade policies such as the EU's Carbon Border Adjustment Mechanism and Deforestation Rules as major challenges.

5. <u>Digital Way Forward in Governance</u> GS 2 (Governance)

• Why in News:

- The adoption of the Global Digital Compact (GDC) at the United Nations Summit marks a pivotal moment in the realm of digital governance.
- This initiative aligns with the multi-phase Universal Safeguards for Digital Public Infrastructure (DPI) launched in 2023 by the Office of the UN Secretary-General's Envoy on Technology (OSET) and the United Nations Development Program (UNDP).
- As digital governance evolves, the GDC sets the stage for global cooperation, with India taking a leading role in championing the cause of DPIs, especially for the Global South.



- Pioneering Initiatives: Aadhaar and UPI
 - At the heart of India's leadership in DPIs is the Aadhaar program, the world's largest digital identity system, which provides unique identification numbers to over 1.3 billion residents.
 - Launched in 2009, Aadhaar was designed to ensure that every Indian has a secure and verifiable identity, which in turn facilitates access to various public services.
 - Aadhaar has enabled more efficient delivery of social welfare schemes reducing leakages and ensuring that subsidies reach the intended beneficiaries directly.
 - In addition to Aadhaar, India's Unified Payments Interface (UPI) has revolutionised the digital payments landscape.
 - UPI, launched in 2016, is an interoperable real-time payment system that allows seamless transactions between banks and payment platforms
 - As of August 2024, UPI has facilitated a staggering 14.96 billion digital transactions in a single month, making it one of the largest digital payment systems globally.
 - By leveraging this digital identity, India has built an extensive ecosystem that connects people to services like banking, health, and education, driving financial and social inclusion across the country.

The Modular Open-Source Identity Platform (MOSIP)

- India's commitment to promoting DPIs on a global scale is further demonstrated by its development of the Modular Open-Source Identity Platform (MOSIP).
- MOSIP is a not-for-profit initiative designed to help countries build their own digital identity systems.
- It is a customisable, open-source platform that provides the technological infrastructure needed for digital identity programs.
- By offering MOSIP to other nations, India has empowered governments to create secure and interoperable digital identity systems, without the burden of high licensing costs or the need for proprietary software.

Driving Economic Inclusion through DPIs

Ph: 9100791003

- India's focus on digital public infrastructure is deeply tied to its goal of fostering economic inclusion.
- By providing digital identities, promoting cashless transactions, and creating digital ecosystems for financial services, India has made significant strides in bringing marginalised communities into the economic fold.



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India's confidence in DPIs is not misplaced. However, by emphassing on impaassessments and institutionalising th process, corrective and timely action, when necessary, can be taken. This will help accomplish the promise of DPIs in not only tranforming economies, but millions of lives. The journey has begun well, but it's only half don

edia is Senior Fellow, ICRIER and Vang Research Assistant, ICI

Website: https://delhiiasinstitution.com/ Email: iasncsc@gmail.com

- One of the key successes has been the rapid expansion of bank account ownership under the Pradhan Mantri Jan Dhan Yojana (PMJDY), which uses Aadhaar to verify identities.
- As a result, bank account ownership among Indian adults increased from 25% in 2008 to over 80% in recent years.

• Existing Challenges and the Need for Impact Assessments

- Existing Challenges
 - Despite the enthusiasm surrounding DPIs, there are critical challenges that must be addressed.
 - The UN's safeguard framework stresses the importance of managing and regulating the deployment of DPIs to ensure that they remain inclusive, accessible, and effective.
 - This is **especially crucial as DPI initiatives become more widespread, both in foundational areas such as digital identity and payments and in sectoral applications** like healthcare and education.

Necessity of Impact Assessment

- The necessity of impact assessments for DPIs is particularly significant in India, where these infrastructures have driven notable advancements.
- For instance, the rate of bank account ownership among adults in India rose from 25% in 2008 to over 80% in recent years, with women owning 56% of these accounts.
- Furthermore, digital transactions have become a major economic driver, contributing to nearly 50% of India's nominal GDP in the fiscal year 2022-23.
- These achievements have also facilitated access to credit through pre-sanctioned loans on platforms like UPI.
- However, beneath these impressive figures lie complex questions about the true impact of DPIs on people's lives, especially regarding their livelihoods, income, and social agency.
- Necessary Measures to Overcome the Challenges Associated with Impact Assessments
 - Integration of Impact Assessment During Design Phase
 - Integrating impact assessment mechanisms during the design phase of DPIs can ensure that data is collected systematically from the outset.
 - Much like privacy and security considerations, data collection capabilities must be built into DPI systems to create a continuous feedback loop.
 - This approach would allow for regular monitoring and adjustments, ensuring that DPIs remain effective and equitable.
 - Transparent and Secure Data Collection System
 - The second pillar, data, involves making relevant information accessible through trusted and well-governed mechanisms.
 - Government agencies often prioritise data minimisation to prevent misuse, but this caution can hinder effective assessments.
 - By building trust with citizens and the private sector through transparent and secure data collection systems, higher quality assessments can be achieved.
 - Moreover, technical advancements are necessary to enhance data discoverability and utility, enabling more precise evaluations of DPI impacts.
 - Dialogue Among Stakeholders
 - Creating an atmosphere of dialogue among stakeholders is essential for building a community that includes policymakers, third-party assessment agencies, the private sector, and civil society.
 - Engaging these actors in regular conversations can facilitate participative governance, fostering accountability and encouraging shared responsibility for the success of DPIs.
 - **Establishing clear protocols for such engagement will ensure that all voices are heard,** driving continuous improvement in the design and implementation of digital infrastructures.
- India's Influence on Global Digital Policies, Future Role and the Path Forward
 - India's Influence on Global Digital Policies
 - India's success with Aadhaar and UPI has positioned it as a thought leader in global discussions on DPIs.

- During its G20 presidency, India has championed the idea that DPIs can be a powerful tool for accelerating development in low- and middle-income countries.
- By sharing its experience and best practices, India has sought to encourage other nations to adopt similar

approaches to building digital infrastructures that are inclusive, scalable, and secure.

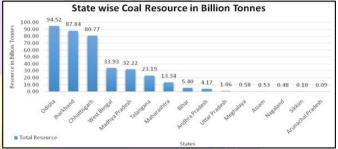
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- Influence Beyond Policy Advocacy
 - The World Bank's

 ID4D (Identity for Development) initiative, which supports nearly 60 countries in building foundational identification systems, draws on lessons from India's Aadhaar model.

Similarly, the G2Px program, which focuses on digitising government-to-person payments, benefits from India's experience with direct benefit transfer schemes that leverage digital identity.

These initiatives reflect a growing recognition of the need to create inclusive digital ecosystems, where foundational infrastructure like digital identity and payment systems serve as the bedrock for broader digital transformation.



- India's Future Role and the Path Forward
 - India's confidence in the transformative potential of DPIs is well-founded, but it must also be matched with a commitment to thorough and regular impact assessments.
 - By institutionalising such assessments, India can take timely corrective actions when needed, ensuring that the promise of DPIs is fully realized.
 - This approach will not only help in transforming economies but also in improving the lives of millions of people across the country and beyond.

Conclusion

- The adoption of the Global Digital Compact represents a significant step towards global cooperation in digital governance.
- As DPIs gain prominence, India's leadership and experience provide a valuable blueprint for other nations.
- Yet, the path forward requires careful attention to the challenges of impact assessments, data collection, and inclusive governance.

6. The Huge Cost of Moving Away From Coal GS 3 (Economy)

Why in News: A recent study by iForest (International Forum for Environment, Sustainability and Technology)
reveals that India will need over \$1 trillion (Rs 84 lakh crore) over the next 30 years for a just transition away from
coal. The study, the first of its kind, estimates the costs of phasing down coal mines and plants while ensuring
socio-economic stability in coal-dependent regions.

• Coal Resource in India

- Statistics
 - According to the National Coal Inventory of 2023, the total estimated coal reserve (resource) of India is 378. 21 billion tonnes as of 01.04.2023.

Coal Production

The all India Production of coal during 2023-24 was 997. 83 MT with a positive growth of 11.71%

Coal Import

- As per the present Import policy, coal can be freely imported (under Open General Licence) by the consumers themselves considering their needs based on their commercial consideration.
- Coking Coal is being imported by Steel sector mainly to bridge the gap between the requirement and indigenous availability and to improve the quality.
- Other sectors like Power sector, cement etc. and coal traders are importing non-coking coal.
- Total coal import during 2023-24 was 261 million tonnes.

Ensuring a Just Energy Transition in India

o About Just Energy Transition and challenges associated

- A "just" energy transition refers to an equitable and inclusive shift towards a low-carbon economy that takes into account the needs of workers and communities dependent on fossil fuels.
- As the world's second-largest coal producer, India employs a vast number of individuals in coal mining, thermal power plants, logistics, and related sectors.
- Public sector coal companies alone employ over 3.6 lakh workers, with many more in the private sector
- As India aims for net-zero emissions by 2070, growing its renewable energy capacity will be crucial.
- However, ensuring that coal-dependent workers and regions are not left behind in this transition poses a major financial challenge.
- Balancing economic stability with climate goals will require significant investment.

Costs associated with a just transition

- A study on India's just transition from coal, based on assessments of coal-dependent districts and international examples from South Africa, Germany, and Poland, identified eight key cost components.
- These include:
 - mine closures and site repurposing,
 - retiring coal plants and converting them to clean energy,
 - skilling workers for green jobs,
 - fostering new businesses,
 - community support,
 - green energy investments,
 - compensating states for revenue loss, and
 - planning costs.
- Nearly 48% of the estimated \$1 trillion required over the next 30 years will be needed for green investments to replace coal-based energy infrastructure with cleaner alternatives.

Source of funds for this transition

- Funding India's just transition away from coal will require a mix of public and private investments.
- Public funding, through grants and subsidies, will primarily address "non-energy" costs such as community support, skilling coal workers for green jobs, and aiding new businesses.
- India's \$4 billion District Mineral Foundation funds, collected from miners, along with Corporate Social Responsibility (CSR) funds, can be used to support new businesses and coal-dependent communities.
- Private investments, on the other hand, are expected to cover most of the "energy costs," focusing on developing clean energy projects and green infrastructure.

International Support for Coal Phase-Down – Case Studies

- South Africa's Just Energy Transition
 - South Africa's Just Energy Transition Investment Plan (JET-IP) will receive international financial support from countries such as the UK, France, Germany, the US, the EU, the Netherlands, and Denmark.
 - The plan requires \$98 billion over two decades, with \$8.5 billion to be provided between 2023-2027.
 - Most of the funds will go towards green energy investments, with financing through concessional loans, grants, and public-private partnerships.

Germany's Legislative Action on Coal Phase-Out

- Germany has enacted legislation to phase out coal power by 2038, with over \$55 billion allocated to close coal mines and power plants.
- The funds will also be used to support coal-dependent regions by fostering economic development.

Findings from the Study of Coal-Dependent Districts in India

- The study focused on four coal-dependent districts: Korba (Chhattisgarh), Bokaro and Ramgarh (Jharkhand), and Angul (Odisha), to assess their reliance on coal and estimate the costs of a just transition.
- In Bokaro, coal-based industries contribute 54% of the district's domestic product, employing around
 1,39,000 workers in coal mining, power plants, and related sectors like steel and cement.
- The study estimates that a full coal phase-down in Bokaro will begin after 2040 and will require Rs 1.01 lakh crore over 30 years to rehabilitate workers, repurpose coal sites, and develop green energy infrastructure.

7. Rising Dependence on Agriculture for Livelihoods in India GS 3 (Agriculture)

Why in News:

The landscape of rural India is undergoing a significant transformation, as indicated by the recent All India

Rural Financial Inclusion Survey for 2021-22.

Comeback of krishi in Bharat

This survey (commissioned by NABARD) reveals a noteworthy increase in the proportion of rural households reliant on agriculture for their livelihoods, signifying a break from a decades-long pattern of dwindling rural agricultural links.

Growing Agricultural Households in India:

Statistical insights:

- According to survey, 57% of rural households were classified as "agricultural" in 2021-22, a considerable rise from 48% in 2016-17.
- The survey defines an agricultural household as one that produces crops or livestock worth more than Rs 6,500 (Rs 5,000 in the earlier survey) and has at least one member engaged in self-employment in agricultural activities.

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Income comparison:

- The average monthly income for agricultural households stood at Rs 13,661 in 2021-22, surpassing the Rs 11,438 for non-agricultural rural households.
- Notably, agricultural households have seen their income from farming rise to over 45% of their total income, an increase from 43.1% in 2016-17.
- This trend spans across various land sizes, illustrating a broad-based rise in agricultural income.

• How the COVID-19 Impacted this Trend of Rising Agricultural Households and Income?

Lockdown effects:

- The survey period coincided with the aftermath of COVID-19 lockdowns, which significantly impacted economic activities across sectors.
- Agriculture was exempt from many restrictions, potentially leading to an overestimation of its share in rural livelihoods.
- The favourable monsoon seasons from 2019 further supported agricultural productivity, suggesting a complex interplay between external factors and survey results.

Labour force dynamics:

- According to the National Sample Survey Office's (NSSO) Periodic Labour Force Surveys (PLFS), agriculture engaged 64.6% of the country's workforce in 1993-94.
- That share fell to 58.5% in 2004-05, 48.9% in 2011-12, and a low of 42.5% in 2018-19.
- However, post-2019, the farm sector's share of the employed labour force rebounded, with figures rising to 45.6% and 46.5% in the pandemic years.

Rising Agricultural Dependency Amid Economic Growth:

The paradox:

- Despite the Indian economy experiencing robust growth, with an annual GDP increase of 8.3% in recent years, agricultural dependency has persisted.
- The proportion of the rural workforce engaged in agriculture rose from 57.8% in 2018-19 to 59.8% in 2023-24.
- This trend presents a paradox: why is a growing economy relying more on agriculture?

Employment issues:

- This paradox can be partly explained by the **stagnation in manufacturing employment**, which accounted for only 11.4% of the workforce in 2023-24, down from previous years.
- The movement of surplus labour does not appear to be transitioning from agriculture to manufacturing; instead, it is shifting to informal sectors with similar low productivity and wage characteristics.

Regional disparities in agricultural employment:

- According to the PLFS data for 2023-24, States like Chhattisgarh (63.8%), MP (61.6%), and UP (55.9%) have high agricultural workforce shares, while states like Goa (8.1%) and Kerala (27%) exhibit much lower dependence on agriculture.
- These variations highlight regional economic conditions and the effectiveness of rural development initiatives.

Way Ahead to Address the Rising Dependence on Agriculture for Livelihoods in India:

- The rising dependence on agriculture for livelihoods in India necessitates a thorough examination of underlying causes.
- As the economy grows, the challenge remains to create sustainable employment opportunities outside of agriculture.
- Policymakers need to focus on strengthening the agricultural sector while simultaneously promoting diversification into higher productivity sectors.
- Understanding this paradox is crucial for crafting effective strategies that ensure balanced economic growth and improved livelihoods in rural India.

MCQ Current Affairs 21st Oct, 2024

- 1. Which one of the following is the best description of 'Coelogyne tripurensis', that was in the news recently?
- a) A critically endangered bird species.
- b) A rare species of butterfly
- c) A newly discovered species of orchid.
- d) A newly discovered species of fungus
- 2. "Izdeliye 305" is a helicopter-launched air-to-surface missile developed by which country?
- a) France
- b) Israel
- c) Turkey
- d) Russia
- 3. "Sri Singeeswarar Temple", recently seen in the news, is located in which one of the following states?
- a) Maharashtra
- b) Tamil Nadu
- c) Odisha
- d) Kerala
- 4. Zeilad Wildlife Sanctuary lies in which state?
- a) Manipur
- b) Rajasthan
- c) Arunachal Pradesh
- d) West Bengal
- 5. Exercise Naseem-Al-Bahr is held between India and:
- a) Saudi Arabia
- b) Japan
- c) Indonesia
- d) Oman



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- 1. c
- 2. d
- 3. b
- 4. a
- 5. d

