

**INTERNATIONAL AFFAIRS- BILATERAL, GROUPINGS, ORGANISATIONS****Nature Risk Rising Report**

The World Economic Forum (WEF) released a report titled Nature Risk Rising, the first in the series of New Nature Economy (NNE) reports.

**New Nature Economy (NNE) reports:**

- The World Economic Forum is launching a series of New Nature Economy (NNE) reports in 2020, making the business and economic case for safeguarding nature.
- The series of reports is being developed under the umbrella of the Nature Action Agenda (NAA), a platform for committed actors to catalyse public-private momentum in the run-up to the UN Convention on Biological Diversity COP15 – in Kunming, China, in October 2020.
- The series will span three reports that focus on the following priorities:
  - Make the case for why the nature crisis is crucial to business and the economy
  - Identify a set of priority socioeconomic systems for transformation
  - Scope the market and investment opportunities for nature-based solutions to environmental challenges

**Nature Risk Rising:**

- Nature Risk Rising is the first report in the NNE series.
- It has been produced by World Economic Forum in collaboration with PwC.
- The report explains how nature-related risks matter to business and why they must be urgently mainstreamed into risk management strategies.

**Key findings:**

- Around \$44 trillion of economic value generation – more than half of the world's total GDP – is moderately or highly dependent on nature and its services and is therefore exposed to nature loss.
- Together, the three largest sectors that are highly dependent on nature generate close to \$8 trillion of gross value added (GVA): construction (\$4 trillion); agriculture (\$2.5 trillion); and food and beverages (\$1.4 trillion), the report says.

**Global Investment Trend Monitor Report**

The United Nations Conference on Trade and Development (UNCTAD) released the Global Investment Trend Monitor report.

**Foreign Direct Investment (FDI):**

- The global Foreign Direct Investment (FDI) remained flat in 2019 at \$1.39 trillion, a one % decline from a revised \$1.41 trillion in 2018 against the backdrop of weaker macroeconomic performance and policy uncertainty for investors, including trade tensions.
- The FDI flows to developed countries remained at a historically low level, decreasing by a further six % to an estimated \$643 billion.
- Developing economies continue to absorb more than half of global FDI flows. South Asia recorded a 10 % increase in FDI to \$60 billion.
- India was among the top 10 recipients of FDI in 2019, attracting \$49 billion in inflows, a 16 % increase from the previous year, driving the FDI growth in South Asia. The majority went into services industries, including information technology.
- The United States remained the largest recipient of FDI, followed by China with flows of \$140 billion and Singapore with \$110 billion. China saw zero-growth in FDI inflows.

**Cross-border M&As**

- The report showed that cross-border M&As declined 40% in 2019 to \$490 billion – the lowest level since 2014.
- The fall in global cross-border M&As sales was deepest in the services sector which declined 56% to \$207 billion, followed by a 19% fall in manufacturing to \$249 billion and a 14% decrease in primary sector to \$34 billion.
- The decline in M&A values was driven also by a lower number of mega deals. In 2019, there were 30 mega deals above \$5 billion compared to 39 in 2018.

**SOCIO-ECONOMIC DEVELOPMENT****National Startup Advisory Council**

The Central Government has notified the structure of the National Startup Advisory Council to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country. The individual names will be notified later.

#### About:

- The National Startup Advisory Council will be chaired by Minister for Commerce & Industry.
- Joint Secretary, Department for Promotion of Industry and Internal Trade will be the Convener of the Council.
- The nominees of the concerned Ministries/Departments/Organisations, not below the rank of Joint Secretary to the Government of India, will be ex-officio members of the Council.
- The Council will consist of the non-official members, to be nominated by Central Government for a period of two years, from various categories like founders of successful startups and persons capable of representing interests of investors into startups.

#### Halwa Ceremony

The Union Finance Ministry held its traditional Halwa ceremony in its headquarters at North Block. The function was presided over by Finance Minister Nirmala Sitharaman.

#### About:

- The tradition, which goes back several years, involves preparing the 'halwa' sweet dish in a big 'kadhai' (large frying pot) and serving it to the entire staff in the ministry.
- The ceremony marks the commencement of the printing process of the Central government's budget.
- After Halwa is served, the officials and support staff, who are directly associated with the Budget making and printing process, are required to stay in the Budget Press (situated inside North Block) and remain cut off from their families until the presentation of the Union Budget in the Lok Sabha.
- The "lock-in" which follows the 'halwa ceremony' is observed to maintain the secrecy of the Budget preparation process.

#### Electoral Bonds

Chief Justice of India (CJI) Sharad A. Bobde orally made it clear that if the Supreme Court had found it unnecessary to stay the electoral bonds scheme earlier, it might not stay the scheme even now.

#### Arguments against the scheme:

- Both the Election Commission (EC) and the Reserve Bank of India (RBI) had strongly objected to the scheme and raised the red flag against it.
- According to critics, the scheme was being frequently opened to allow funds to fill the coffers of the ruling party. The government's scheme was meant for Lok Sabha elections, but the sale window had been opened before State Assembly elections repeatedly. Instead of opening the scheme exclusively for the Lok Sabha election, as envisaged, it had become a mechanism to funnel benami funds to fuel political parties.
- In April 2019, the Supreme Court passed an interim order directing political parties to provide complete information to the EC in sealed covers on every single donor and contribution received by them till date through electoral bonds. However, it did not stay the operation of the scheme.

#### Related Info :

- Background: The Finance Bill, 2017 introduced "electoral bonds" scheme, which was notified on January 2, 2018.
- What are they? Electoral bonds are interest-free bearer bonds that are used to donate money anonymously to political parties.
- Buyers: The bonds are issued in multiples of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh and Rs 1 crore which can be bought by Indian citizens or companies incorporated or established in India.
- Eligible Parties: Only political parties registered under Section 29A of the Representation of the Peoples Act, 1951 and has secured no less than one per cent votes in the last Lok Sabha elections are eligible to receive electoral bonds.
- Issuer: The State Bank of India (SBI) is the only bank authorised to sell them.
- Anonymity: Buyers of the bonds have to submit full KYC details at the time of buying. But the beneficiary political party is not required to reveal the identity of the entity that has given it the bond(s).

#### REITs; InvITs

The Securities and Exchange Board of India (SEBI) announced guidelines pertaining to rights issue of units by listed real estate investment trusts (REITs) and infrastructure investment trusts (InvITs).

#### Key highlights of guidelines:

- The issuer will have to disclose objects of the issue, related-party transactions, valuation, financial details, review of credit rating and the grievance redressal mechanism in the placement document.

- The investment manager on behalf of the REIT and InvIT, in consultation with lead merchant banker(s), will decide the issue price before determining the record date.
- The minimum subscription to be received in the rights issue should be 90% of the issue size through the letter of offer.

#### Related Info:

- Real Estate Investment Trusts (REITs): They are like mutual funds in the stock market in the field of real estate sector. REITs sell units to investors. This money is invested in real estate projects to earn rental income. This income is then distributed to unit holders and the units are listed and traded on stock markets like any other equity share.
- Infrastructure Investment Trusts (InvITs): It is a modified REITs type structure for infrastructure projects. It will attract long term finance from foreign and domestic sources including the NRIs. An InvIT would be a trust with parties such as sponsor, investment manager, trustee and project manager.
- Timeline: The Securities and Exchange Board of India (SEBI) had first notified REITs and InvIT Regulations in 2014. Since then, the market witnessed listing of two public and three InvITs. On the other hand, Embassy Office Parks REIT is the only listed real estate investment trust.

### **ENVIRONMENT- CONSERVATION, BIO-DIVERSITY AND ISSUES**

#### Wollemi Pine

The prehistoric Wollemi Pine grove, which exists in a secret location within the Wollemi National Park northwest of Sydney, has been saved from Australian bushfires in a covert firefighting mission.

#### About:

- Family: Wollemia is a genus of coniferous tree in the family Araucariaceae.
- Distribution: Wollemi National Park in New South Wales is the only place in the world where these trees are found in the wild. The genus is named after the National Park.
- Common name: The tree has been almost universally referred to as the Wollemi pine, although it is not a true pine (genus Pinus) nor a member of the pine family (Pinaceae)
- Timeline: The Wollemi Pine is one of the world's oldest and rarest plants dating back to the time of the dinosaurs. The oldest fossil of the Wollemi tree has been dated to 90-200 million years ago.
- Conservation Status: With less than 200 left, the Wollemi pine is classified as critically endangered (CR) on the IUCN's Red List. prior to 1994 it was thought to be extinct.

### **PRELIMS SPECIFIC FACTS- INDICES, DAYS, EVENTS, AWARDS ETC**

#### Global Risks Report 2020

The World Economic Forum (WEF) released the 15th edition Global Risks Report.

#### Key findings:

- The top 5 risks in terms of likelihood over the next decade are environmental. These are:
  - Extreme weather events with major damage to property, infrastructure and loss of human life
  - Failure of climate-change mitigation and adaptation by governments and businesses.
  - Human-made environmental damage and disasters, including environmental crime, such as oil spills, and radioactive contamination.
  - Major biodiversity losses and ecosystem collapse
  - Major natural disasters like earthquakes, tsunamis, volcanic eruptions and geomagnetic storms
- These are the top 5 risks by severity of impact over the next 10 years:
  - Failure of climate change mitigation and adaptation
  - Weapons of mass destruction
  - Major biodiversity loss and ecosystem collapse
  - Extreme weather events (e.g. floods, storms, etc.)
  - Water crises
- These are the top most strongly connected global risks:
  - Extreme weather events + failure of climate change mitigation and adaptation
  - Large-scale cyberattacks + breakdown of critical information infrastructure and networks
  - High structural unemployment or underemployment + adverse consequences of technological advances

- Major biodiversity loss and ecosystem collapse + failure of climate change mitigation and adaptation
- Food crises + extreme weather events
- Short-term risks: % of respondents who think a risk will increase in 2020:
  - Economic confrontations = 78.5%
  - Domestic political polarization = 78.4%
  - Extreme heat waves = 77.1%
  - Destruction of natural resource ecosystems = 76.2%
  - Cyberattacks: infrastructure = 76.1%

#### Related Info:

- The Global Risks Report is an annual study published by the World Economic Forum ahead of the Forum's Annual Meeting in Davos, Switzerland.
- The report is based on the perception of global experts and decision-makers about the likelihood and impact of global risks.

#### **Ramnath Goenka Excellence In Journalism Awards**

The President of India, Ram Nath Kovind, presented the 14th Ramnath Goenka Excellence in Journalism Awards.

#### About:

- The Awards honour journalists from print, broadcast and digital media recognising their strength of character and integrity while covering news in adverse circumstances.
- Named after Ramnath Goenka, the awards have been held annually since 2006.

#### Ramnath Goenka:

- Ramnath Goenka (1904–1991) was an Indian newspaper publisher. He launched The Indian Express Newspaper in 1932.
- During the Emergency Period of India, he was one of the few independent businessman journalists that stood up to the government opposing Indira Gandhi.
- He became the Lok Sabha Member in 1971 under the banner of Bhartiya Jan Sangha.

### DAILY ANSWER WRITING PRACTICE

#### **Qns: Discuss the significance of space power for India.**

Space missions can seriously impact the future of cooperation between space powers. Space has now become a major frontier for warfare. All major powers are eyeing to take lead in the development of their capabilities in space warfare including India with Mission Shakti (Anti Satellite Mission).

#### 3 types of space warfare:

- Auxiliary system: to assist warfare on different terrain
  - Eg. Satellites communication to support the Army to conduct its operation
- Defensive system: to protect space assets
  - The early warning system against any anti-satellite missile.
- Weaponized system: purely offensive in nature
  - ASAT, Laser targeting, cyber targeting comes in this domain

#### Steps Taken By India

##### Mission Shakti:

- Under Mission Shakti, India conducted an anti-satellite missile test against a live satellite in low earth orbit (LEO). India is only the 4th country to acquire this capability. MEA underlines the rationale behind the test as a means 'to safeguard our space assets'.
- Creation of Defence Space Agency (DSA) with command over the space assets of the Army, Navy and Air Force.
- Indian government conducted a tabletop war game called 'IndSpaceEx' involving stakeholders from the military and scientific establishments.
- A similar exercise has been conducted by various thinktanks like Observers Research Foundation SIMEX (Simulation Exercise)
- DRDO has created Electro-Magnetic Intelligence Satellite (EMISAT) for surveillance and other satellites like CARTOSAT-3, GSAT-7, etc.

#### Significance of Space Power for India

- With US, Russia and China already in pursuit of becoming a Space power, India will need to equip itself appropriately to meet emerging security challenges.
- Space power has the ability to use space while denying reliable use to any foe.

- USA, China, and Russia have concluded Kinetic kill interceptor testing, and now focusing on co-orbital anti-satellite systems and directed energy (laser) systems.
- Countries are also working on cyber capabilities to disrupt communication links with satellites.
- US has launched the US Space Force while China has established the Strategic Support Force (PLASSF) in 2015 to integrate space, cyber and electronic warfare. Russia too tweaked its air force to include space force in its domain.
- Military around the world are working on C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance) capabilities along with ASAT technologies
- India already has a significant ability to use space. But it's the ability to deny space use to an adversary is, understandably, negligible.
- When it comes to satellites, India has a handful of military satellites in operation, compared to over 40 civilian ones. Our first dedicated military satellite was launched only in 2013.

#### Way Forward

- Creation of the comprehensive defence space security architecture
- Defense Space Command
- A dedicated space command is needed to cater to all services related to space.
- Defence Space Research Agency: Such an agency may be set up under the Defense Research and Development Organization. It should focus upon:
  - Space Situational Awareness
  - SIGINT/COMINT/ELINT/IMAGEINT satellites which will be used for intelligence gathering, communication mapping and imaging.
  - Directed Energy Weapons, which are alternative to ASAT
  - Electronics Warfare which includes jamming and spoofing technologies
  - Rogue satellites used to cause damage to adversaries satellites
- Defense Space Agency must work on the following initiatives:
  - India must protect two kinds of space assets—those that belong to us and those that are crucial to our economy and national security.
  - India must have the most reliable and accurate capabilities to track space objects
  - India must acquire a minimum, credible offensive capacity across the various types of space weapons, physical, electronic and cyber.
  - Improving launch capabilities and spacecraft design.
  - Comprehensive Space policy harnessing the potential of the private sector of India.

**Conclusion:** Since Space is a global common, India should seek the peaceful resolution of conflicts over space. But we also need to develop our capabilities to deter the wrong intentions of other states and we are moving in the right direction in that regard.

#### **DAILY CURRENT AFFAIRS MCQs**

1. With reference to the Ramnath Goenka Excellence in Journalism Awards by Indian express group, consider the following statements:
  1. The Awards honour journalists from print, broadcast and digital media recognising their strength of character and integrity while covering news in adverse circumstances.
  2. The awards have been held annually since 2006.
 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
2. With reference to the Global Investment Trend Monitor report, consider the following statements:
  1. It was released by World Economic Forum (WEF).
  2. India was among the top 10 recipients of FDI in 2019.
 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
3. 'Global Risks Report 2020' is an annual study published by:
  - (a) **World Economic Forum**



- (b) UN Human Rights Council
  - (c) UN Women
  - (d) World Health Organization
4. With reference to the Nature Risk Rising Report, consider the following statements:
- 1. It was released by IUCN.
  - 2. It is being developed under the umbrella of the Nature Action Agenda (NAA).
- 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
5. With reference to the “electoral bonds” scheme, consider the following statements:
- 1. Electoral bonds are interest-free bearer bonds that are used to donate money anonymously to political parties.
  - 2. All scheduled commercial banks are authorised to sell them.
- 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
6. Consider the following statements:
- 1. Real Estate Investment Trusts (REITs) are like mutual funds in the stock market in the field of real estate sector.
  - 2. Infrastructure Investment Trusts (InvITs) is a modified REITS type structure for infrastructure projects.
- 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
7. Wollemi National Park, often mentioned in news, is located in:
- (a) Australia**
  - (b) Japan
  - (c) China
  - (d) Russia
8. With reference to the National Startup Advisory Council, consider the following statements:
- 1. It will be chaired by Minister for Commerce & Industry.
  - 2. The Council will consist of the non-official members, to be nominated by Central Government for a period of two years.
- 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