

“No one has ever achieved greatness without dreams.” Roy T. Bennett

INTERNATIONAL AND BILATERAL**ISA PLANS GLOBAL SOLAR BANK TO FINANCE \$150 BILLION OF POWER PROJECTS**

The International Solar Alliance (ISA) plans to approach multilateral development banks (MDBs) such as Asian Infrastructure Investment Bank (AIIB) to create a special purpose vehicle (SPV) to specifically finance solar projects.

This SPV aimed at financing \$150 billion would become a World Solar Bank.

The concept note for the solar bank will be shortly circulated by ISA to all eight MDBs with which the first treaty-based international government organization based in India has signed joint declarations.

Proposed World Solar Bank

The proposal for a World Solar Bank comes against the backdrop of ISA's mission to undertake joint efforts required to reduce the cost of finance and the cost of technology.

It needs to mobilize more than \$1,000 billion of investments by 2030 for massive deployment of solar energy and pave the way for future technologies.

ISA has inked joint declarations with the World Bank, African Development Bank, Asian Development Bank, AIIB, New Development Bank, European Investment Bank, European Bank for Reconstruction and Development and the Green Climate Fund (GCF) for enhancing cooperation in the solar energy area.

Seeking help from AIIB:

China has a 31.02% stake in AIIB, while India, with 8.72% stake, is the second-largest stakeholder.

ISA also plans to leverage AIIB's reach to build a global solar energy ecosystem.

According to the contours of the initial plan, five common member countries between ISA and AIIB will be identified for financing more solar projects by the Beijing-headquartered bank.

ISA also plans to draw up a two-year playbook for training manpower, thereby creating local employment in countries where AIIB has financed solar projects.

ISA has also been working on a \$300-billion risk mitigation fund as part of a strategy to create a sustainable financing architecture for solar projects worldwide.

India has sought project financing totaling \$2.40 billion from the AIIB. The bank will also invest \$200 million in the National Investment and Infrastructure Fund (NIIF) of India.

The fund will be used to insure solar power projects against risks such as default in payment by electricity procurers, foreign exchange fluctuations and regime change.

This, in turn, will help attract investors to space.

The idea is that ISA aims to tie up with those member countries, where AIIB has sanctioned projects for the training of people who will look after these projects.

Why projects fail is because there is nobody to take care of them. Hence ISA is establishing backward linkages.

ISA is trying to identify their member countries of AIIB and ISA member countries that are common.

Out of those countries, it will select five countries, where AIIB can actually give more projects (financing).

International Solar Alliance

The International Solar Alliance (ISA) is an alliance of more than 121 countries, most of them being sunshine countries, which lie either completely or partly between the Tropic of Cancer and the Tropic of Capricorn

The primary objective of the alliance is to work for efficient exploitation of solar energy to reduce dependence on fossil fuels.

The alliance is a treaty-based inter-governmental organization.

The International Solar Alliance (ISA) is headquartered in India.

NATIONAL
GLOBAL POLL SAYS INDIA MOST DANGEROUS COUNTRY FOR WOMEN

India has been ranked as the most dangerous country out of the world's 10 worst countries for women, behind Afghanistan, Pakistan and Somalia.

This is as per a poll conducted by the Thomson Reuters Foundation.

The same poll conducted in 2011 had placed India at the fourth place.

The findings are based on perceptions of experts on women's issues.

Respondents were asked to name the five most dangerous countries for women and then asked to name the worst country under six different categories.

India has been ranked as the most dangerous on three of the topic questions:

- the risk of sexual violence and harassment against women
- the danger women face from cultural, tribal and traditional practices, and
- the country where women are most in danger of human trafficking including forced labour, sex slavery and domestic servitude

The question on cultural practices targeting women included offences such as infanticide, acid attacks, female genital mutilation, child marriage, forced marriage, physical abuse or mutilation as a form of punishment

DOES INDIA NEED A FINANCIAL POLICY COMMITTEE?
Diversified banking problems:

Varied kinds of banking and finance problems seem to be spreading around the world.

There has been London Inter-bank Offered Rate (LIBOR) fraud; Bank of Italy officials are grappling with non-performing assets problems in their economy.

India's central bank governor has highlighted that the Reserve Bank of India (RBI) needs

more powers to regulate ailing public sector banks.

Financial Policy Committee (FPC):

Its mandate was to look at the financial sector in a holistic manner and assess macro prudential risks.

It was instituted in the UK in the wake of 2008 financial crisis.

FPC is a 12-member committee with diverse representation from the Bank of England, Financial Conduct Authority, private sector and academia.

The committee meets four times a year and releases its flagship financial stability report twice in those meetings.

Just like India's monetary policy committee sets interest rates, the FPC sets the countercyclical capital buffer rate, which basically tweaks the capital requirements for banks.

If the FPC sees that risks could be high in the future, it asks banks to increase its capital ratio.

It also analyses debt of households and firms and takes suitable measures.

Institutional measures in India

India already has some institutional arrangements that require reporting on the financial sector

The Banking Regulation Act (1949) mandates that the RBI release an annual report, "Trend and Progress of Banking in India"

The RBI also started the "Report on Currency and Finance", which was not mandatory but nevertheless gave us an overview of developments in the financial sector

In its monetary policy decisions, the RBI also releases a document on regulation developments, which contains proposed changes in banking regulations

The government established a financial stability and development council (FSDC) to bring greater coordination among financial market regulators

In 2010, the RBI also started releasing its biannual “Financial Stability Report” (FSR), which has become the flagship report

It is only a matter of time before problems in Indian financial markets start to resemble those in the West.

India is poised to have its own sub-prime moment in the near future.

The alternative is to appoint a new FPC and reallocate the finance-related decisions, responsibilities and publications to it.

The MPC can focus on macroeconomics and interest rates.

FPC and MPC would have common members like the RBI governor and deputy governors but FPC would have more specialists in the domain of finance.

Way Forward:

Finance has become heavily specialized and interconnected in recent years and warrants attention from specialists.

We may not be able to prevent a future financial crisis but can at least try mitigating its damaging effects.

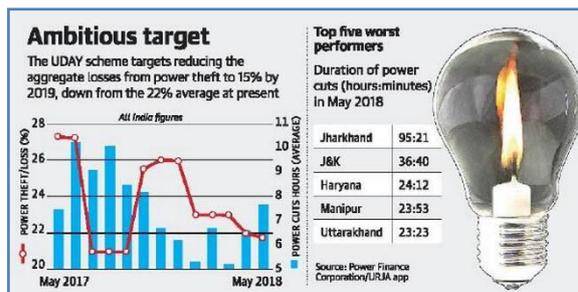
FPC could be one of the ways to achieve this.

CENTRE CANNOT GUARANTEE POWER SUPPLY TO ALL VILLAGES, SAYS OFFICIAL

The Centre has claimed 100% electrification of all villages and 83% of all households across the country. It has said that all households will be electrified by the year-end.

While it is the Centre’s responsibility to connect households and villages to the power grid or provide them alternative sources of electricity, it cannot guarantee the supply of electricity to them.

Access to electricity also means consistent supply but that has to be done by the State governments and the DISCOMS, said Power Ministry official.



In some cases, the electrification infrastructure such as cables and transformers were stolen days after they were installed, leaving the target village unelectrified in reality but connected on paper.

In other cases, electricity was supplied for just a few hours a day.

Despite the government pegging India as a power surplus nation, almost every State in the country reels under power cuts, especially during peak summer.

This, according to power sector analysts, is because DISCOMS are still very inefficient, with the costs they incur in the transmission far outweighing revenue.

Government data show DISCOMS across the country, on an average, lose Rs. 0.22 a unit of electricity supplied.

Way Forward:

While the performance of DISCOMS is improving, they are still not at the performance level to supply electricity 24x7. The only hope of the utilities is continued assistance from the State governments.

On their own, the many of the DISCOMS right now are not ready to provide 24x7 power, for two reasons

The first is their financial health. Most of them are not financially capable to do this.

Secondly, only some of the DISCOMS have the infrastructure to supply good quality power on a sustained basis.

But if the respective State governments continue to give financial support and assurances to the DISCOMS, then this could definitely improve.

TOXIC AIR IS CAUSING MALNUTRITION IN TREES

Air pollution is causing malnutrition in Trees as per the new study published in the Nature.

Important facts:

2. The study examined 40,000 roots from 13,000 soil samples at 137 forest sites in 20 European countries to determine the fungi's tolerance to pollution.
3. The key highlights of the study are given below:
 - a) Mycorrhizal fungi is hosted by the trees in their roots to receive nutrients from the soil.
 - b) These fungi provide essential nutrients like nitrogen, phosphorous and potassium from soil in exchange for carbon from the tree.
 - c) This plant-fungal symbiotic relationship is crucial for the health of the tree.
 - d) However, high levels of the nutrition elements like nitrogen and phosphorus in the mycorrhizae changes them to act as pollutants rather than nutrients, the findings showed.

Sign of malnutrition:

It can be seen in the form of discoloured leaves and excessive falling of leaves.

There is an alarming trend of tree malnutrition across Europe, which leaves forests vulnerable to pests, disease, and climate change.

Reasons

Ecosystem changes are negatively affecting the tree health.

Air pollution impacts trees by harming fungi that is important for providing mineral nutrients to tree roots.

The researchers suggested that the results should be used to design new studies into the link between pollution, soil, mycorrhizae, and tree growth.
