

GOVERNANCE**National Bank for Financing Infrastructure and Development Bill, 2021**

Recently, the Rajya Sabha cleared the National Bank for Financing Infrastructure and Development (NBFID) Bill, 2021.

- The Bill seeks to establish the National Bank for Financing Infrastructure and Development (NBFID) as the principal Development Financial Institution (DFIs) for infrastructure financing.
- NBFID was announced in the Budget 2021.

Key Points

NBFID will be set up as a corporate body with authorised share capital of one lakh crore rupees.

Objective:

- To directly or indirectly lend, invest, or attract investments for infrastructure projects located entirely or partly in India.
- Includes facilitating the development of the market for bonds, loans, and derivatives for infrastructure financing.

Functions of NBFID:

- Extending loans and advances for infrastructure projects.
- Taking over or refinancing such existing loans.
- Attracting investment from private sector investors and institutional investors for infrastructure projects.
- Organising and facilitating foreign participation in infrastructure projects.
- Providing consultancy services in infrastructure financing.

Source of Funds:

- It may raise money in the form of loans or otherwise both in Indian rupees and foreign currencies, or secure money by the issue and sale of various financial instruments including bonds and debentures.
- It may borrow money from the central government, Reserve Bank of India (RBI), scheduled commercial banks, mutual funds, and multilateral institutions such as the World Bank and Asian Development Bank.
- Initially, the central government will own 100% shares of the institution which may subsequently be reduced up to 26%.

Management of NBFID:

- NBFID will be governed by a Board of Directors. The Chairperson will be appointed by the central government in consultation with RBI.
- A body constituted by the central government will recommend candidates for the post of the Managing Director and Deputy Managing Directors.
- The Board will appoint independent directors based on the recommendation of an internal committee.
- Support from the Central Government:
- The central government will provide grants worth Rs. 5,000 crore to NBFID by the end of the first financial year.
- The government will also provide guarantee at a concessional rate of up to 0.1% for borrowing from multilateral institutions, sovereign wealth funds, and other foreign funds.
- Costs towards insulation from fluctuations in foreign exchange (in connection with borrowing in foreign currency) may be reimbursed by the government in part or full.
- Upon request by NBFID, the government may guarantee the bonds, debentures, and loans issued by NBFID.

Other Development Financial Institutions:

- The Bill also provides for any person to set up a DFI by applying to RBI.
- RBI may grant a licence for DFI in consultation with the central government.
- RBI will also prescribe regulations for these DFIs.

INDIAN ECONOMY**Business Responsibility and Sustainability Report**

The Securities and Exchange Board of India (SEBI) has decided to introduce new requirements for business sustainability reporting by listed entities.

This new report will be called the Business Responsibility and Sustainability Report (BRSR) and will replace the existing Business Responsibility Report (BRR).

Key Points

- SEBI, in 2012, mandated the top 100 listed entities by market capitalisation to file Business Responsibility Reports (BRR) as per the disclosure requirement emanating from the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs).
- In 2019, the Ministry of Corporate Affairs revised NVGs and formulated the National Guidelines on Responsible Business Conduct (NGRBC).
- In December 2019, SEBI extended the BRR requirement to the top 1000 listed entities by market capitalisation, from the financial year 2019-20.
- Listed Entity: A company whose shares are traded on an official stock exchange.
- Market Capitalization: It refers to how much a company is worth as determined by the stock market. It is defined as the total market value of all outstanding shares.
- To calculate a company's market cap, multiply the number of outstanding shares by the current market value of one share.

About Business Responsibility and Sustainability Report (BRSR):

- BRSR, which is from an Environmental, Social and Governance (“ESG”) perspective, is intended to enable businesses to engage more meaningfully with their stakeholders.
- It will encourage businesses to go beyond regulatory financial compliance and report on their social and environmental impacts.
- The BRSR will be applicable to the top 1000 listed entities (by market capitalization), for reporting on a voluntary basis for FY 2021 – 22 and on a mandatory basis from FY 2022 – 23.

Sustainability Reporting:

- It is the disclosure and communication of environmental, social, and governance (ESG) goals— as well as a company’s progress towards them.
- The benefits of sustainability reporting include improved corporate reputation, building consumer confidence, increased innovation, and even improvement of risk management.

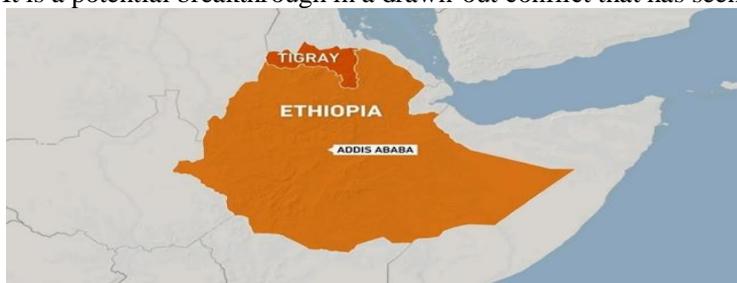
Environmental, Social, and Governance Goals:

- Environmental, social, and governance (ESG) goals are a set of standards for a company’s operations that force companies to follow better governance, ethical practices, environment-friendly measures and social responsibility.
- Environmental criteria consider how a company performs as a steward of nature.
- Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates.
- Governance deals with a company’s leadership, executive pay, audits, internal controls, and shareholder rights.

INTERNATIONAL RELATIONS

Place in news: Tigray

Eritrea will pull its troops out of Ethiopia’s northern Tigray region, It is a potential breakthrough in a drawn-out conflict that has seen atrocities carried out against civilians.



Key Points

- The Tigray Region is the northernmost of the nine regions (kililat) of Ethiopia.
- It is the homeland of the Tigrayan, Irob and Kunama peoples.
- It is also known as Region 1 according to the federal constitution.
- Capital and largest city: Mekelle.
- It is bordered by Eritrea to the north, Sudan to the west, the Amhara Region to the south and the Afar Region to the east and south east.

Do you know?

- The Tigray War is an ongoing armed conflict that began in November 2020 in the Tigray Region of Ethiopia.
- It is fought between the Tigray People’s Liberation Front (TPLF)-controlled Tigray Regional Government, and the Ethiopian National Defense Forces (ENDF).
- The conflict escalated in September, when Tigray held local elections in insubordination of the Ethiopian federal government.
- These elections were considered “illegal” by the federal government, further leading to conflict with Tigray authorities.

NATIONAL DEVELOPMENT

Launch of Tribal TB Initiative

‘Tribal TB Initiative’ in pursuit of TB Mukht Bharat was launched recently.

Ministry: Ministry of Health



Key Points

- A Guidance Note on Joint Action Plan for Tuberculosis (TB) Elimination, a Special Edition of Tribal Ministry’s Publication ‘ALEKH’ on TB, and a document on Tribal Tuberculosis (TB) Initiative was also released.
- Over 104 million tribal population lives in India, across 705 tribes, accounting for 8.6 % of India’s population.
- 177 tribal districts were identified as high priority districts where physical remoteness, malnutrition, poor living conditions and lack of awareness contribute to the vulnerability of the tribal population to TB.
- Initially, the activities of the joint plan will focus on 161 districts across 18 identified States.
- This would involve periodic TB active case finding drives and provision of TB Preventive Therapy (IPT) to identified vulnerable population and develop long term mechanisms for vulnerability reduction.

Do you know?

- Lakshadweep and district of Badgam in Jammu and Kashmir have been declared TB Free on World TB Day 2021.
- The government has already increased the Budget allocation for TB in India a four-fold in the last 5 years.

SCIENCE AND TECHNOLOGY

AEG12 inhibits family of viruses

According to scientists at the US National Institutes of Health (NIH) and their collaborator, a mosquito protein, called AEG12, strongly inhibits the family of viruses that cause yellow fever, dengue, West Nile, and Zika, and also weakly inhibits coronaviruses,

Key Points

- The researchers found that AEG12 works by destabilising the viral envelope, breaking its protective covering.
- The protein does not affect viruses that do not have an envelope.
- At the molecular level, AEG12 rips out the lipids
- The findings could lead to therapeutics against viruses that affect millions of people around the world.
- While the researchers demonstrated that AEG12 was most effective against flaviviruses — the family of viruses to which Zika, West Nile, and others belong — they felt it is possible AEG12 could be effective against SARS-CoV-2.
- But, it will take years of bioengineering to make AEG12 a viable therapy for Covid-19.

INDIAN POLITY

Electoral Bonds

The Supreme Court flagged the possibility of misuse of money received by political parties through electoral bonds for ulterior objects like funding terror or violent protests.

- The court also asked the government whether there is any “control” over how these donations were used by political parties.

Key Points

- **Background:** The Electoral Bond Scheme acts as a check against traditional under-the-table donations as it insists on cheque and digital paper trails of transactions, however, several key provisions of the scheme make it highly controversial.
- **Misuse of Electoral Bonds as Pointed Out in the Supreme Court:**
- **Anonymity:** Neither the donor (who could be an individual or a corporate) nor the political party is obligated to reveal whom the donation comes from.
- **Asymmetrically Opaque:** Because the bonds are purchased through the State Bank of India (SBI), the government is always in a position to know who the donor is.
- This asymmetry of information threatens to colour the process in favour of whichever political party is ruling at the time.
- **Chanel of Blackmoney:** Elimination of a cap of 7.5% on corporate donations, elimination of requirement to reveal political contributions in profit and loss statements and also the elimination of the provision that a corporation must be three years in existence, undercuts the intent of the scheme.
- A shell company can donate an unlimited amount anonymously to a political party giving it a convenient channel for business to round-trip its cash parked in tax havens for a favour or advantage granted in return for something.

Government’s Defence:

Conditions for Electoral Bonds: Only parties registered under the Representation of the People Act 1951 could receive donations through electoral bonds, and they also should not have secured less than 1% of the votes polled in the previous elections.

To Take on the Menace of Black Money in Politics: Only white money is involved in the Bonds as the amounts are paid only through cheque or demand draft. KYC norms are also followed.

Election Commission of India’s Support: ECI was not opposed to the bonds but was only concerned about the aspect of anonymity.

It also urged the court not to stay the bonds and said the scheme is one step forward compared to the old system of cash funding, which was unaccountable.

Way Forward

- There is a need for effective regulation of political financing along with bold reforms to break the vicious cycle of corruption and erosion of quality of democratic polity.

ENVIRONMENT AND BIODIVERSITY

“India: Transforming to a Net-Zero Emissions Energy System” Report : TERI

Recently, The Energy and Resources Institute (TERI) and Shell have released a report titled “India: Transforming to a Net-Zero Emissions Energy System”.

- It set up a pathway to steer the domestic energy system towards net-zero emissions by 2050, while achieving India’s sustainable economic development ambitions.

Key Points

- **Possible yet Challenging:** India needs a suitable policy and innovation-driven context to deploy clean energy technologies on a massive scale.
- **Increase Renewables:** The share of renewables in the power mix needs to increase to 90% for India to meet its net-zero goal. This is around 11% in 2019-2020.
- **Coal-fired Power Plants:** India must phase out its coal-fired power plants and remove it altogether by 2050.
- **Technology Access:** The availability, or absence, of Carbon Capture and Storage (CCS) would define the shape of India’s energy systems. If CCS technology were commercially unviable:
- Biofuels would have to account for 98% of India’s oil, compared to a negligible share currently.

- Over two-thirds of India's industrial and transport energy use would have to be electrified, compared to less than 20% share of electricity in industrial energy use and negligible share in transport energy use as of now.

Suggestion by TERI:
Focus on Energy Efficiency:

- Will need energy efficient buildings, lighting, appliances and industrial practices to meet the net-zero goal.

Use of Biofuels:

- Can help reduce emissions from light commercial vehicles, tractors in agriculture.
- In aviation, the only practical solution for reducing emissions is greater use of biofuels, until hydrogen technology gains scale.

Carbon Sequestration:

- India will have to rely on natural and man-made carbon sinks to soak up those emissions. Trees can capture 0.9 billion tons, the country will need carbon capture technologies to sequester the rest.

Carbon Pricing:

- India, which already taxes coal and petroleum fuels, should consider putting a tax on emissions to drive change.

Deploying lower-carbon Energy:

- There are four main types of low-carbon energy: wind, solar, hydro or nuclear power. The first three are renewable, which means these are good for the environment – as natural resources are used (such as wind or sun) to produce electricity.
- Deploying lower carbon energy would help address both domestic and international climate challenges while simultaneously improving the economic well-being of India's citizens.

Net-Zero Emissions

- 'Net zero emissions' refers to achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.
- First, human-caused emissions (like those from fossil-fueled vehicles and factories) should be reduced as close to zero as possible. Second, any remaining GHGs should be balanced with an equivalent amount of carbon removal, for example by restoring forests.
- Time-Frame:
- The time frame for reaching net-zero emissions differs significantly if one is referring to CO₂ alone, or referring to all major GHGs (including methane, nitrous oxide, and HFCs).
- For non-CO₂ emissions, the net-zero date is later because some of these emissions — such as methane from agricultural sources — are somewhat more difficult to phase out.
- In scenarios that limit warming to 1.5 degrees C, carbon dioxide (CO₂) reaches net-zero on average by 2050. Total GHG emissions reach net-zero between 2063 and 2068.

Global Scenario:

- As of June 2020, twenty countries and regions have adopted net-zero targets. This list only includes countries that adopted a net-zero target in law or another policy document.
- The Kingdom of Bhutan is already carbon-negative, i.e. absorbs more CO₂ than it emits.
- Indian Scenario:
- Emissions: India's per capita CO₂ emissions – at 1.8 tonnes per person in 2015 – are around a ninth of those in the USA and around a third of the global average of 4.8 tonnes per person.
- However, overall, India is now the planet's third-largest emitter of CO₂, behind China and the USA.
- Debate around Commitment: There is global pressure on India to commit net-zero emissions by 2050.
- On one hand, few argue that India should pledge to reduce its "net" emissions (emissions minus uptake of emissions) to zero by 2050, backed by a climate law. This will make India "hypercompetitive", attract investment and create jobs.
- For example, more ambitious policies to promote electric vehicles along with cleaner electricity and hydrogen electrolysis can create jobs in the auto manufacturing industry and in the electricity and construction sectors
- While, on the other hand, there is a long-standing principle of "common but differentiated responsibility" that requires richer countries to lead and argue against any pledge that risks prematurely limiting Indian energy use for development.

Sectors that are the largest emitters:

Energy>Industry>Forestry>Transport>Agriculture>Building

Way Forward

A vital step should be explicitly including policies for climate mitigation in the government budget, along with energy, roads, health and education. Specifically, growth targets should include timelines for switching to cleaner energy.

IMPORTANT FACTS FOR PRELIM**N.V. Ramana: 48th Chief Justice of India**

N.V. Ramana, the senior most judge of the Supreme Court, has been recommended as the next top judge by the present Chief Justice of India (S A Bobde).

- Justice Ramana will take over as the 48th Chief Justice of India (CJI) from 24th April 2021. He would be the CJI till 26th August, 2022.

Key Points**Appointment of the CJI:**

- The Chief Justice of India and the Judges of the Supreme Court (SC) are appointed by the President under clause (2) of Article 124 of the Constitution.
- As far as the CJI is concerned, the outgoing CJI recommends his successor.
- The Union Law Minister forwards the recommendation to the Prime Minister who, in turn, advises the President.
- SC in the Second Judges Case (1993), ruled that the senior most judge of the Supreme Court should alone be appointed to the office of the CJI.
- The Supreme Court collegium is headed by the Chief Justice of India and comprises four other senior most judges of the court.
- The collegium system is the system of appointment and transfer of judges that has evolved through judgments of the Supreme Court (Judges Cases), and not by an Act of Parliament or by a provision of the Constitution.

Administrative Powers of CJI (Master of Roster):

- It is common to refer to the office as primus inter pares – first amongst equals.
- Besides his adjudicatory role, the CJI also plays the role of the administrative head of the Court.
- In his administrative capacity, the Chief Justice exercises the prerogative of allocating cases to particular benches.
- The Chief Justice also decides the number of judges that will hear a case.
- Thus, he can influence the result by simply choosing judges that he thinks may favour a particular outcome.
- Such administrative powers can be exercised without collegial consensus, and without any stated reasons.

Recent Development:

In 2019, the SC ruled that the office of Chief Justice of India (CJI) comes under the purview of the Right to Information (RTI) Act, 2005.

DAILY ANSWER WRITING PRACTICE**Qns Discuss the schism between the developed and developing world in climate change negotiations and coming up with a collective global action. (150 words)**

Ans:

According to the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change), the intended nationally determined contributions announced by major economies of the world are radically insufficient to reach the well below 2 degrees Celsius limit.

One of the reasons for this failure can be attributed to a lack of consensus between developed and developing countries on various issues.

Conflict Between Developed and Developing Countries

- Conflict over CBDR: The developed countries are of the view that economic growth is being witnessed by developing nations like India and China. Thus the principle of CBDR has somehow become outdated.
- On the other hand, the developing countries argue that, though economic growth has taken place, global inequality remains quite high. Therefore, CBDR ensures their right to development.

- Conflict over Climate Mitigation Financing: In the matter of finance for climate action, the Copenhagen pledge (2009) by the developed countries of mobilizing \$100 billion annually by 2020. However, the total financial support that has been mobilized by 2016, amounted to \$37.5 billion only.
- Conflict over Article 6 of the Paris Deal: Article 6 of the Paris Agreement, which refers to carbon trading, has been not finalized yet.
- Developed countries insist on the adoption of this article, as it places no bar on countries upscaling their efforts at a drastic reduction in emissions through independent domestic action.
- However, other developing countries fear that the article may allow the developed countries to restrict advanced technology to developing countries.

Conclusion

As the earth is only home to human civilization, the challenge of climate change should only be met through global collective action based on equity, driven by a clear commitment to multilateralism by all nations.

DAILY QUIZ

1. Which of the following statements is/are not correct about Central Information Commission:

1. It is a constitutional body.
2. The members of the commission are appointed on the recommendations of the President of India.
3. The term of office or tenure of the Chief Information Commissioner is 5 years or till the age of 60 years.

Select the correct answer using the code given below:

- a) 1 and 2 only
- b) 2 only
- c) 2 and 3 only
- d) **1, 2 and 3**

2. The 'World Development Report 2021: Data for Better Lives' is published by which of the following?

- a) United Nations
- b) **World Bank**
- c) International Monetary Fund
- d) World Economic Forum

3. Consider the following statements:

1. There are two subspecies of African elephants, the Savanna (or bush) elephant and the Forest elephant.
2. African forest elephants are listed as critically endangered in IUCN Red List.
3. African elephants are keystone species.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) 2 and 3 only
- d) **1, 2 and 3**

4. Consider the following statements:

1. Earth Hour is an initiative of the United Nations Environment Programme (UNEP).
2. It aims to encourage people to turn off the lights for one hour to refrain from the use of non-essential lighting.

Which of the statements given above is/are not correct?

- a) **1 only**
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

5. Consider the following pairs:

- | Dynasty | Region |
|--------------------|---------------|
| 1. Katyuri Dynasty | Gujrat |
| 2. Chandela | Bundelkhand |
| 3. Pala | Bengal |

Which of the above pairs are correctly matched?

- a) 1 and 2 only
- b) **2 and 3 only**
- c) 1 and 3 only
- d) 1, 2 and 3