DAILY CURRENT AFFAIRS ANALYSIS

27 NOVEMBER 2023

1 - INDUS-X programme:

GS II

Government Policies and Interventions

- **Context:**

- The inaugural INDUS-X Investors Meet was arranged by Innovations for Defence Excellence (iDEX) recently.

- **About the initiative:**

- A defence innovation bridge called the India-U.S. Defence Acceleration Ecosystem (INDUS-X) is intended to strengthen defence industry cooperation between the two countries.
- The two nations have released a roadmap outlining possible areas of defence collaboration, even though they haven't yet decided specific defence technology to work on together under INDUS-X. Among them are:

- intellect,
- platforms for monitoring and reconnaissance, and
- knowledge of underwater domains.

- Defence industry cooperation might be furthered by providing startup companies operating in these domains with funding from a cooperative innovation fund.
- Fundamentally, INDUS-X is an initiative that benefits all parties equally.
- It helps India strengthen its own defence capabilities and accelerate its attempts to modernise its armed forces.
- It supports the United States' defence industrial arsenal.
- Co-development and, eventually, co-production of defence systems with nations like India may be a long-term solution to restock these capacities.

- ***Source → The Hindu***

2 - Value of "loss and damage" funds:

GS III

Environmental Conservation related issues

- **Context:**

- Two concepts are receiving a lot of attention as the climate problem worsens: adaptation and "loss and damage" (L&D).

- **About Adaptation, Loss, and Damage:**

- The proactive reaction to climate change is adaptation, the art of survival through which nations and communities consciously choose how best to anticipate and manage climate-related difficulties.
- L&D, on the other hand, stands for the irreversible effects of climate change—i.e., those that cannot be lessened or prevented through adaptation measures.
- They include the actual losses that go beyond financial gain and strike at the very foundation of wellbeing and human rights.

- **L&D consists of:**

- financial losses
- human casualties, and
- the decline of cultural heritage and ecosystems.

- **What is the fund for losses and damages?**

- **Historical contamination:**

- It has been more than thirty years since the demand that wealthy countries accept responsibility for past pollution occurred.

- The average surface temperature of the planet has increased by more than 1 degree Celsius due to historical pollution, which is today causing harm everywhere, but particularly in the world's poorest countries.

- **Establishing an L&D fund:**

- Members of the United Nations Framework Convention on Climate Change (UNFCCC) formally decided to establish the L&D fund in 2013 during the 19th Conference of the Parties (COP 19) in Warsaw, Poland.
- It was established to offer technical and financial support to economically developing countries experiencing loss and damage as a result of climate change.

- **Following COPs and the state of the L&D fund:**

- The Santiago Network for L&D was established during COP 25, but no funding commitment was made by any nation.
- The Glasgow Dialogue on funding for L&D was formed at COP 26 to carry on the fund's deliberations over the following three years.
- After protracted talks, representatives of the UNFCCC's member states finally decided to establish the L&D fund and a Transitional Committee (TC) to oversee the operation of the fund's new funding mechanisms at COP 27 in 2022.
- Additionally, the TC was tasked with preparing proposals that, by COP 28, governments would review, discuss, and perhaps accept.
- The TC has convened four times thus far and has not produced any definitive recommendations.

- **The TC5 conference and its aftermath:**

- A series of proposals from the TC5 meeting in Abu Dhabi have been written and sent to COP 28.
- Developing countries agreed at the TC5 summit to have the fund managed by the World Bank Financial Intermediary Fund for a four-year transitional phase, under the direction of a new, independent secretariat.
- It is noteworthy that the World Bank levies a hefty overhead cost, even though it has not yet indicated that it is willing to assist.
- The wealthy countries, especially the United States, have rejected references to the CBDR, equality, and liability in the draught and have been hesitant to commit to being the fund's key donors.
- Their assistance is therefore entirely optional.
- The size of the fund is now unknown because the U.K. put pressure on the statement to be withdrawn. and Australia.
- The present draught only asks and begs wealthy countries to donate funds.

- **Consequences of this result:**

- In addition to the short-term consequences for diplomacy and confidence, the L&D fund's reduction has far-reaching effects.

- **Endangers the fairness of climate justice:**

- It worsens the suffering of vulnerable communities in developing countries and puts climate justice in jeopardy.
- Despite having made very little contribution to global emissions, these populations are currently most affected by climate change.

- **Humanitarian emergency:**

- In addition to increasing the likelihood of humanitarian crises—such as food shortages, displaced people, and conflicts—the watering down can also make it more difficult for communities to adapt to the effects of a worsening climate on their own.

- **Financial crisis:**

- Lack of assistance has an impact on the economy of both industrialised and developing countries.
- Because the world economy is interrelated, financial crises and economic downturns in one area can have far-reaching effects.
- Without sufficient funding for research and development, it will also be difficult to solve issues like ecosystem loss and environmental degradation, which will exacerbate environmental crises and do irrevocable damage to the planet.

- **Concerns about security:**

- Instability brought on by climate change can also have an impact on security as tensions and conflicts arise in weaker countries and have the potential to spread internationally.

- **The next step:**

- L&D and adaptation are not mutually exclusive ideas.
- Both have a place in our combined efforts to tackle climate change, and they both fall on a continuum of climate resilience.
- In order to effectively combat climate change, we must strike a balance between the proactive adaptation measures and the moral and financial obligations of resolving the losses and damages that are an unavoidable aspect of a world with changing climate conditions.
- Since some of the effects of climate change are irreversible and beyond the ability of vulnerable nations to address, the L&D fund was envisioned as a crucial part of global climate action.

- Thus, in order to attain climate justice, wealthy nations must fulfil their commitments to cut emissions and provide funding in a way that is just and respect the values of justice, equality, and solidarity in the face of climate change.
- If not, global climate action will falter, adding further strain to the already troubled COP 28 negotiations.

- ***Source → The Hindu***

3 - The Leap Ahead Initiative:

GS II

Government Policies and Interventions

- **Context:**

- LEAP AHEAD was initiated by the Ministry of Electronics & Information Technology (MeitY).

- **Important information:**

- The Indus Entrepreneurs (TiE) Delhi-NCR and Software Technology Parks of India (STPI) are working together on this project.
- Under the Ministry of Electronics and Information Technology, STPI is an organisation that supports the ecosystem of tech startups and promotes software exports.
- With its Next Generation Incubation Scheme (NGIS), STPI has been actively contributing to the development of the Indian startup ecosystem.
- For tech startups who are seeking to expand into new geographic areas or who are in the scaling or growing stages of their business, this effort will be a game-changer.
- They stand to gain from a thorough three-month mentorship programme that blends virtual and in-person sessions for a well-rounded learning experience, as well as monetary support of up to ₹ 1 crore.
- Through one-on-one mentorship sessions with seasoned investors and industry professionals, the programme will give start-ups access to a wide network and customised counsel.

- **Through this programme, the startups will be able to:**

- determine if a product is marketable

- determine the segments of customers
- develop hacking techniques
- business adherence
- recruiting for leadership roles and
- obtaining funds.

- ***Source → The Hindu***

4 – Production Gap Report:

GS III

Environmental Conservation related issues

- **Context:**

- Many governments want to produce twice as much fossil fuel in 2030 as would be necessary to keep global warming to 1.5 degrees Celsius, and 69% more than that would be necessary to keep warming to 2 degrees Celsius, according to a recent analysis.

- **Important information:**

- In 2019, the Production Gap Report made its debut.
- It monitors the difference between the amount of fossil fuels that nations aim to produce globally and the amount that would allow warming to be kept to 1.5°C or 2°C.
- The paper claims that major fossil fuel companies want to continue extracting fossil fuels despite their pledges to reduce global temperatures in line with the Paris Agreement's temperature target.

- **Who prepares the Production Gap Report?**

- the Environment Institute in Stockholm (SEI),
- Climate Information
- E3G
- The International Institute of Sustainable Development in addition to
- UNEP (United Nations Environment Programme).

- **Goal:**

- The goal of the report is to evaluate countries' planned and projected production of gas, oil, and coal in relation to global levels that align with the temperature target set forth in the Paris Agreement.
- The study examines the changes in emissions for 20 significant nations that produce fossil fuels:
- Australia, Brazil, China, Colombia, Germany, India, Indonesia, Kazakhstan, Kuwait, Mexico, Nigeria, Norway, Qatar, Saudi Arabia, South Africa, the UAE, the U.K., and the U.S., among other countries.

- **Important conclusions:**

- According to the most recent projections, the demand for coal, oil, and gas worldwide is expected to peak this decade, despite the governments' claims to the contrary in the 2015 Paris Agreement.
- According to their projections, even in the absence of new regulations, world output of coal would rise until 2030 and that of oil and gas until at least 2050, resulting in a gradually growing production gap for fossil fuels.

- **Dubai hosts the COP Summit:**

- The yearly Conference of the Parties, which will take place in Dubai, is anticipated to bring together at least 190 nations to negotiate deadlines for:

- reduce emissions from fossil fuels,
- hasten the use of renewable energy sources and
- compensate nations in need to assist them in enduring the consequences of climate change.

- ***Source → The Hindu***

5 - Contributory pension Scheme in Kerala:

GS II

Government Policies and Interventions

- **Context:**

- Following a ruling by the Supreme Court, the report of a committee established by the Kerala government to examine the state's contributory pension plan has been made available to the public.

- **Important information:**

- The three-person committee was established in 2018 with the goal of investigating the financial and legal ramifications of removing Kerala's contributory programme, which was put into place in 2013.
- The administration received the study in 2021, but it wasn't made public until the court got involved.

- **The National Pension System: What Is It?**

- The Union Government launched the NPS, or contributory pension programme, in 2004.
- Over the years, it encompassed workers in numerous states in addition to those employed by the federal government.
- According to the NPS Trust, within the past 20 years, 39 states and UT have adopted the NPS, the most of them before 2010.
- Kerala began implementing NPS in April 2013.
- It creates a fund with contributions made by both employers and employees while they are employed.
- This was not the case under the previous plan, which was financed by taxpayers and guaranteed a pension equal to 50% of the last drawn wage upon retirement.
- When an employee retires from NPS, she purchases an annuity scheme with the money registered in her name, and the annuity thereafter serves as her pension.
- When the programme was first launched in 2004, the government contributed an equal amount to the employee's pension, which was 10% of the employee's pay and benefits.
- It amounted to approximately 18% of the gross wage in actuality.
- The Central government increased its portion of the payment to 14% in 2019, bringing the total share to 21% of gross salary at the individual level.

- **What is the pension situation in Kerala?**

- The state's overall revenue receipts in cash-strapped Kerala have been under pressure due to the growing pension debt.
- Another significant component is a high life expectancy in the state beyond the retirement age, especially when considering the amount of years an employee has worked there.
- The previous retirement age for state employees in Kerala was 56.
- According to the state budget for fiscal 2023–24, committed expenditures are expected to be Rs 94,649 crore, or 70% of projected revenue receipts.

- A state's committed expenditures usually include money spent on paying salaries, pensions, and interest.

- **This includes:**

- salary expenditures (30% of revenue collections),
- pension (21%), as well as
- interest payments totaling 19%.

- **Arguments in favour of NPS in Kerala as stated in the evaluation report:**

- Revocation of the pension plan is not recommended by the review committee report.
- However, there is no legal obstacle to the plan's cancellation.
- The agreements that the Kerala government signed with the National Securities Depository Limited (NSDL) and the NPS Trust do not contain exit clauses, but it does not mean that the government cannot revoke the agreements.
- According to the research, starting in 2040, the state government's pension outlay as a percentage of total revenue would decrease if the NPS is maintained.
- Additionally, it recommended raising the state government's 10% contribution to the contributory pension plan to 14% and the dearness allowance to 14%, as has previously been done by the federal government and other states.
- It wanted workers who enrolled in the contributing pension plan to be eligible for death-cum-retirement gratuities.

- **Kerala's argument against NPS:**

- People who retired under the NPS claim their annuities are pitiful.
- There is a genuine risk that, in the event of a stock market meltdown, the asset value of the contribution made under the NPS may decline significantly because the contributions are invested in a variety of assets from which one can choose.
- Less than ten years of service precluded eligibility for pension under the statutory pension scheme; nonetheless, relief was granted to such individuals by the government through the introduction of the ex-gratia pension.
- There is no similar programme in NPS, which is still a cause for concern.

- **Way Forward:**

- A mandatory pension plan has been reinstated in five states: Rajasthan, Chhattisgarh, Jharkhand, Punjab, and Himachal Pradesh.
- Numerous states' government employees have been calling for a reinstatement of the previous pension plan.

- ***Source → The Hindu***