

# NEWS TODAY

## International Centre for Audit of Local Governance (iCAL) inaugurated in Rajkot, Gujarat

It is the first in country and aims to **set global standards for auditing local governance bodies.**

### About iCAL

- ▶ Collaborative platform for **policymakers and auditors** and would **serve as a centre of excellence** for capacity building of auditors.
- ▶ Enhance **independence of local government auditors** to ensure improved financial performance assessment, and service delivery.
- ▶ Act as a **knowledge centre and think-tank for addressing governance issues** at grassroots levels.

### Need for iCAL in India

- ▶ **To enhance collaboration among** 2.5 lakh panchayats and 8,000 Urban Local Bodies (ULBs), and exchange knowledge, promote best practices etc. (CAG)
- ▶ **Aligned with Global practices** as 40 countries have their respective Supreme Audit Institutions (SAI).
- ▶ **Inefficiencies in fund utilization**, as most municipalities do not use their audited financial statements for **cash flow management.** (RBI)

### Current auditing mechanism of Local Bodies

- ▶ Through **Examiner of Local Fund Accounts (ELFA) or Director of Local Fund Accounts (DLFA)** in most states.
  - ⊕ It **audits utilization of funds** granted by state government to local bodies.
- ▶ Audit is also done by other institutions like **Comptroller and Auditor General (CAG).**
  - ⊕ CAG exercises **control and supervision** over proper maintenance of accounts and auditing for all three levels of PRIs/ULBs.
  - ⊕ CAG **advises and supports ELFA/DLFA.**

### Local Governance in India

- ▶ **73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act, 1992**, added **Parts IX (Eleventh Schedule) and IX-A (Twelfth Schedule)** which contains provisions on Local Governance.
- ▶ It is a **State subject in List II of Seventh Schedule**
- ▶ **Article 243 G** enshrines the basic principle for devolution of power to Local Bodies.
- ▶ **Article 243J** states that **Legislature of a State may, by law, make provisions with respect to maintenance of accounts by Panchayats and auditing of such accounts.**

## NITI Aayog released Report on “Electronics: Powering India’s Participation in Global Value Chains (GVCs)”

### Key Findings

- ▶ Electronics market is estimated at **US\$ 4.3 trillion globally** and **US\$ 155 billion in India (2022).** China is world's largest electronics producer (**60% of worldwide production**).
- ▶ India **exports approximately US\$25 billion** annually, representing **less than 1% of global share.**
- ▶ India to achieve **US\$ 500 billion in electronics production** by 2030.
- ▶ **Over 75% of electronics exports** are part of GVCs. It is not confined to a particular country. E.g. Mobile phone export.

### Driving Factors

- ▶ **Rising demand** in developing countries due to increasing broadband penetration.
- ▶ **Diversifying supply chain beyond China** due to excessive concentration risks as observed during Covid-19, ongoing trade tensions between China-USA etc.

### Challenges in India’s Electronics Production

- ▶ **Relatively high import tariffs** compared to China, Vietnam etc., making products uncompetitive in global markets.
- ▶ **Lack of robust electronics component ecosystem.** E.g. Ecosystem of semiconductors, discrete actives, etc. does not exist in India.
- ▶ **High cost of capital (9%- 13%).** In contrast, countries like **China, Vietnam, and Taiwan** enjoy much **lower interest rates of 2%-7%** due to specific interest subsidies.
- ▶ **Other challenges include** inadequate infrastructure facilities (logistics, high cost of land lease etc.), lack of R&D and design ecosystem, shortage of skilled engineers and trained workforce etc.

### Recommendations

- ▶ **Fiscal Interventions:** Capital expenditure support for high-complexity components; Innovation scheme to promote R&D; Provision for localized regulations (e.g. labor laws) etc.
- ▶ **Non- Fiscal Interventions:** Tariffs simplification and rationalization of Taxes; Supporting Industries for skilling and setting up Electronics skills training hubs; Simplify process of Tech Transfer & increased ease of doing business.

### Steps taken by India to promote Electronic Sector

- ▶ Electronics Manufacturing Cluster (EMC) 2.0 scheme, 2020; Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS); Design Linked Incentive Scheme; India Semiconductor Mission etc.

## WEF releases 'The Future of Financial Advice' report

The report emphasises Importance of **traditional financial advisors amidst rising popularity for finfluencers**.

- Term '**Finfluencers** (or financial influencers)' refers to individuals who uses **social media to share information, recommendations, or guidance** on financial advice, news or other related matters.
  - ⊕ They have potential to **shape the financial decisions of individuals**.

### Key highlights of report

#### Reasons for rise in finfluencers

- **Accessibility of social media:** Around 60% of the global population uses social media.
- **Feeling of inclusivity in content:** Creators with **diverse backgrounds** across language, geography, race, ethnicity, and lived experience caters to a wider audience.
- **Engaging content:** learning about financial **topics is more engaging for novice investors** through short, entertaining videos, memes and metaphors, to explain financial concepts.

#### SEBI actions for regulating Finfluencers

- Recently, SEBI reportedly approved the proposal to **ban the association of regulated entities with unregistered 'Finfluencers'**.
- It was aimed to **protect investors** as many finfluencers have been linked to **often misleading investors with false profit claim**.

#### Importance of traditional financial advisors

- **Risk associated with finfluencers' advice:** Due to **opaque algorithms**, catchy posts may be prioritized over quality.
- **Ensuring individuals wellbeing:** Traditional financial advisors and institutions have a critical role in ensuring access to **holistic, personalized advice, risk management and education** to enable successful investor outcomes.
  - ⊕ This holds significance as **retail investing volume doubled in the past decade**, with 19.5% of stock market shares traded by retail investors in 2020 (Globally).

## "Enabling e-commerce exports from India" report released by ASSOCHAM

Report recognised that India is **one of the fastest-growing e-commerce markets**.

- E-commerce (electronic commerce) is the **exchange of goods and services** and the **transmission of funds and data over the Internet**.

### Key findings

- **Global:**
  - ⊕ **Crossborder e-commerce** is driving global business-to-consumer (B2C) market.
  - ⊕ **Global B2C market** is valued at **US\$6 trillion** and is projected to reach **over US\$8 trillion by 2026**.
- **India:**
  - ⊕ **Domestic e-commerce market:** It stands at **US\$83 billion as of FY22**, which is expected to reach **US\$150 billion by FY26**.
    - ◆ **Growing middle class, rising internet penetration, digitization of payments** through UPI, etc. are the key drivers.
  - ⊕ **E-commerce exports:** For FY2023, export was between **US\$4-US\$5 billion** (0.9% to 1.1% of India's total merchandise exports).
    - ◆ E-commerce exports need **50-60 times increase** to reach the **\$200-300 billion target by FY 2030**.

### Key challenges highlighted

- Regulatory ecosystem is inclined towards **B2B exports**
- **No separate law** for e-commerce exports
- **Lack of demarcation of responsibilities** between sellers and e-commerce operator
- **Complex customs procedures**

### Key Recommendations

- Implement and expand the scope of **E-commerce Export Hubs (ECEH)**
- Increase **courier consignment limit** and streamline **clearance**.
- Create **Customs Supervision Codes**

#### India's Initiatives for promoting e-commerce

- **Foreign Trade Policy 2023:** Dak Niryat Kendra, extension of export benefits to e-commerce exports among others
- **GST:** E-commerce exports are zero-rated supplies and are eligible for GST refund
- **State level:** Telangana, Gujarat, Uttar Pradesh etc., have Signed MOUs with different marketplaces to initiate capacity building of the MSMEs.

## Telangana Government announced Crop Loan Waiver upto Rs. 1 lakh

Government instructed bankers to **prevent diversion of crop loan waiver funds**, warning of action against those depositing released fund in other accounts of farmers.

### About Farm Loan Waiver

- Farm loans are either **crop loans or investment loans taken from banks** to buy **inputs or agricultural equipment**.
- Centre/State government can offer a waiver of penal or loan interest or a full waiver of outstanding farm loans.

### Need for farm Loan Waiver

- **Tackle agriculture distress** caused by deteriorating soil/ water quality, increasing input costs, low productivity, etc.
- **Poor production** due to natural calamities, poor monsoon etc. impacting loan repayment capability of farmers.
- **Curb farmer's suicide** due to indebtedness e.g. Vidarbha region (Maharashtra).

### Argument against farm waivers

- **Fiscal strain e.g.** Maharashtra government decision to waive off crop loans cost about Rs 45,000 crore (2020).
- It is a **temporary relief** and can lead to wilful default by farmers.
- **Doesn't address root cause** such as low productivity, lack of formal credit etc.
- **Poor implementation, e.g.** SBI study (2022), only half of the beneficiaries of the nine farm loan waivers announced by State governments since 2014 have actually received **write-offs**.

### Way forward

- Access to formal credit; Investment in infrastructural development; Enhancing crop insurance; and Remunerative prices for produce.

## India's first overseas Jan Aushadhi Kendra (JAK) inaugurated in Mauritius

This initiative **exemplifies deepening relations** between **India and Littoral and island nations** of the Indian ocean region (IOR).

- The Indian Ocean countries comprise of **36 littoral and 11 hinterland states**.

### Importance of IOR's littoral and Island nations for India

- **Strategic Location:** Their proximity to sea lines of communications like Malacca strait is crucial for **global trade, preventing piracy & ensuring maritime security**.
  - ⊖ **80% of India's external trade and 90% of energy trade** happens through IOR.
- **Vision of regional Leadership:** IOR is emerging as new theatre for geo-political competition between global powers e.g. USA, France etc.
  - ⊖ Hence, it is crucial for pursuing India's vision of a **net security provider**, while also **containing the rising footprint of China**.
- **Blue Economy:** Marine fisheries in IOR supplies about **15% of world fish catch** (FAO, 2020). IOR is also important for sustainable **deep sea mining**.
- **Climate Security:** Indian Ocean has warmed faster than any other **ocean since 1950s** (IPCC report 2021).
  - ⊖ Rapid population growth & rising climate disasters requires collective action for **preventing human vulnerability and regional insecurity**.

### India's Initiatives

- **Information Fusion Centre – Indian Ocean Region (IFC-IOR)** hosted by Indian navy to further maritime safety and security in IOR.
- **Humanitarian Assistance and Disaster Relief (HADR):** Vaccine Maintri, Operation Karuna etc.
- **Indian Navy's outreach initiative MAHASAGAR** (Maritime Heads for Active Security and Growth for All in the Region).
- **SAGAR doctrine & Neighbourhood First Policy.**

## Also in News



### Foreigners Tribunals

Supreme Court recently overturned the decision of Assam Foreigners' Tribunal and declared a resident of the State as Indian citizen.

### Foreigners Tribunals

- **Establishment:** These are **quasi-judicial bodies** established under the Foreigners (Tribunals) Order, 1964 by the Central Government, according to Section 3 of The Foreigners Act, 1946.
- **Authority:** Only Foreigners Tribunals have the power to declare a person as a foreigner.
- Thus, being **excluded** from the **National Register of Citizens (NRC)** in Assam **does not automatically classify** a person as a foreigner.
  - ⊖ **Power:** Powers of a **civil court** under the Code of Civil Procedure, **1908**.
- **Set up by: State government**



### United Nations Water Convention

**Ivory Coast joined the United Nations Water Convention** (Convention on the Protection and Use of Transboundary Watercourses and International Lakes).

### United Nations Water Convention

- **Genesis:** Adopted in Helsinki (Finland) in 1992 and entered into force in 1996.
- **Legally binding:** Requires Parties to use transboundary waters reasonably and equitably and ensure their sustainable management.
- **Members:** India is not a party

**NOTE: UN Watercourses Convention** (UN Convention on the Law of the Non-Navigational Uses of International Watercourses) was adopted in 1997. **Indus Waters Treaty** (1960) aligns with it.



### Coal in India

**Gevra and Kusunda coal mines (Chhattisgarh)** have secured 2nd and 4th spot in list of world's 10 largest coal mines released by WorldAtlas.com.

#### Coal in India:

- **Status:** World's **second largest coal producer and 5th largest country** in terms of coal deposits.
- **Type of coal:** About **80% of coal deposits** are bituminous type and are of non-coking grade.
- **Characteristics of coal:** **High in ash content** but low in **sulfur content** with **high ash fusion temperature**.
- **Import:** India imports coal particularly **coking coal**.



### Transiting Exoplanet Survey Satellite (TESS)

A new study based on TESS observation has discovered smaller black hole orbiting large black hole at the **center of the galaxy OJ 287** (located four billion light years away)

- **Scientists from 10 countries including India** were involved in the study.
- **A black hole** is a space region with **such strong gravity that not even light can escape**.

#### About TESS

- **Launch:** Launched in **2018 by NASA**
- **Objective:** To discover **exoplanets** in orbit around the brightest dwarf stars in the sky.
- **Significance:** Data from TESS will be used to study **formation and evolution of habitable worlds**.



### Mascho Piro (Mysterious tribe)

Recently, uncontacted indigenous Mashco Piro tribe was located in remote Peruvian Amazon, in Peru.

#### About Mascho Piro

- Numbering more than 750, they are believed to be **largest uncontacted tribes** living in jungles of **Amazon and Southeast Asia**.
- They are **nomadic hunter-gatherers**.
- Contact with them is **prohibited** fearing the **spread of a disease among population** to which it has no immunity.
- **Madre de Dios Territorial Reserve** was notified in 2002 to protect their territory. However, large parts of land have been sold to companies for timber and other produce.



### National Centre for Polar and Ocean Research (NCPOR)

NCPOR signed a contract with a Defence PSU for constructing Indigenous Ocean Research Vessel to unravel deep oceans.

#### About NCPOR (HQ: Goa)

- **Genesis:** Established as an autonomous **Research and Development Institution of Ministry of Earth Sciences** (formerly Department of Ocean Development) in 1998.
- **Composition:** Governing Body comprising 13 members.
  - ⊖ Chairman (ex-officio) of governing body is Secretary, Ministry of Earth Sciences.
- **Mandate:**
  - ⊖ Facilitatory role in scientific research activities being undertaken in **Antarctica, Arctic** and in **Indian Ocean sector of Southern Ocean**.
  - ⊖ Management of **Indian Antarctic Research Bases "Maitri" and "Bharati"**, and **Indian Arctic base "Himadri"**.



### Khelo India Rising Talent Identification (KIRTI) Program

**Ministry of Youth Affairs and Sports** to launch second phase of KIRTI Program in New Delhi.

#### About KIRTI Program

- **Objective:** Streamline whole process of **grassroots talent identification (age-group between 9 - 18 years)** on a single platform.
  - ⊖ Achieve **20 Lakh assessments in 2024-25** by onboarding all state to identify talent through notified Talent Assessment Centre.
- **Approach:** Based on an **athlete-centric approach**, process of talent Identification has been made more **broad-based, transparent and accessible**.
- **Significance:** Help achieve twin objectives of **Khelo India Scheme** i.e. excellence in sports, and mass participation in sports.



### Dual Tower Solar Thermal Plant

China has unveiled the **world's first dual-tower solar thermal power plant (TPP)**, which boosts **energy efficiency by 24%**.

#### Features of the Solar TPP

- **Tracking of Sunlight:** The plant features **two 200-meter tall towers**, each surrounded by **thousands of mirrors** which automatically **track the sun's movement** and achieve **94% reflection efficiency**.
- **Storage of excess heat:** The plant utilises **molten salt storage** as a **thermal battery**, allowing it to store excess heat collected during the day for continuous power generation at night.

## Place in news



### Malaysia (Capital: Kuala Lumpur)

India and Malaysia agreed to increase cooperation in Oil Palm and other sectors.

#### Political features

- **Southeast Asian Country**, separated by **South China Sea** into **Peninsular Malaysia** (West Malaysia) and **East Malaysia** (on Borneo Island).
- **Land Border:** Thailand, Brunei and Indonesia.
- **Maritime Border:** Philippines, Vietnam, Singapore.
- **Water bodies:** Strait of Malacca, Celeb Sea.
- **Membership in Foreign Groupings:** ASEAN, Organisation of Islamic Cooperation, APEC etc.

#### Geographical features

- **Climate:** Tropical climate.
- **Highest Peak:** Mount Kinabalu.
- **Major River:** Rajang, Pahang, Perak etc.
- **Major Lakes:** Natural (Bera Lake and Tasik Chini) and Artificial (Kenyer Lake)
- **Agriculture:** World's **2nd largest palm oil producer and exporter** after Indonesia.



AHMEDABAD



BENGALURU



BHOPAL



CHANDIGARH



DELHI



GUWAHATI



HYDERABAD



JAIPUR



JODHPUR



LUCKNOW



PRAYAGRAJ



PUNE



RANCHI