

9 September, 2023

Financial Inclusion in India

Context: India shortened financial inclusion targets from 47 to 6 years using digital payments, says G20 World Bank report.

- The World Bank's G20 document highlights India's impressive achievements in financial inclusion through digital payment infrastructure (DPI).
- The total value of UPI transactions in the last financial year reached nearly 50% of India's nominal GDP.
- The cost of onboarding customers for banks in India decreased significantly from \$23 to \$0.1 due to DPI.
- As of March 2022, India saved \$33 billion, equivalent to approximately 1.14% of GDP, through Direct Benefit Transfer (DBT).
- The India Stack, which combines digital ID, interoperable payments, digital credentials ledger, and account aggregation, contributed to an 80% financial inclusion rate within six years.
- The Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts tripled from 147.2 million in March 2015 to 462 million by June 2022, with 56% owned by women.
- The adoption of Fast Payment System (FPS) like UPI has been transformative in India, with over 9.41 billion transactions valued at about Rs 14.89 trillion in May 2023.
- In the financial year 2022-23, the total value of UPI transactions was nearly 50% of India's nominal GDP.

Schemes for Financial inclusion

➤ Pradhan Mantri Jan Dhan Yojana (PMJDY):

- Launched on August 28, 2014, by Prime Minister Narendra Modi.
- Aims to expand affordable access to bank accounts, credit, insurance, and pensions.
- Over 318 million bank accounts opened in the first four years.
- Promotes financial inclusion and offers free bank account access, especially for females.

➤ MUDRA Yojana:

- Launched on April 8, 2015, to boost the economy.
- Provides affordable loans to micro and small enterprises.
- Aims to bring the target audience into the formal financial sector.
- Offers loans through various financial institutions.

➤ PM Jeevan Jyoti Bima Yojana:

- Provides life insurance coverage for a year, subject to annual renewal.
- Launched on May 9, 2015, by Prime Minister Narendra Modi.
- Availed by more than 5 crore people by 2018.
- Ensures financial security for families in case of the breadwinner's death.

➤ PM Suraksha Bima Yojana:

- Launched on May 9, 2015, for accidental death insurance.
- Offers financial aid in case of accidents.
- Managed by both private and public sector insurance companies.

➤ Atal Pension Yojana (APY):

- Launched on May 9, 2015, for unorganized sector workers.
- Aims to provide old-age security.
- Replaced the previous Swavalamban Yojana.
- Government contributes 50% of total funds deposited by the worker.

➤ Stand Up India Scheme:

- Provides bank loans from 10 lakh to 1 Crore to SC/ST and female entrepreneurs.
- Promotes entrepreneurship in manufacturing, services, agriculture, and trading.
- Requires SC/ST or female entrepreneurs to hold a majority stake in non-individual enterprises.

➤ Pradhan Mantri Vaya Vandana Yojana (PMVVY):

- A pension scheme for citizens above 60 years.
- Offers a guaranteed pension for 10 years.
- Launched in 2017, extended until March 2023.
- Allows investors to choose their pension amount.

➤ Varishtha Pension Bima Yojana (VPBY):

- A senior citizen pension scheme with annuity pay-outs.
- First announced in 2003-04 and revived in subsequent years.
- Provides social security for senior citizens.

➤ Sukanya Samriddhi Yojana:

- Launched on January 22, 2015, as part of the Beti Bachao Beti Padhao campaign.
- Aims to secure the future of girl children.
- Allows saving for a girl's future education and marriage.
- Valid for 21 years or until the girl reaches the age of marriage after turning 18.

➤ National Strategy for Financial Inclusion:

- RBI's strategy for 2019-2024.

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- Aims to strengthen digital financial services in Tier II to Tier VI centres.
- Six strategic objectives include universal access, financial services, livelihood support, financial literacy, customer protection, and effective coordination.

World's First Global Stocktake

Context: Eight years after the Paris climate agreement, the first official report card reveals limited progress in combating the most dangerous effects of global warming.

- The global stocktake is part of the Paris Agreement, where countries meet every five years to assess progress in combating climate change, starting in 2023.
- The first official report of this stocktake, after nearly two years of preparation, will set the foundation for COP28, a United Nations climate negotiation event in Dubai.
- COP28, scheduled for late November, will address how countries respond to the findings of the global stocktake and what additional actions they can take.
- The report does not single out specific countries for success or failure in climate efforts, highlighting a challenge in global climate talks.
- Disagreements persist over which countries should do more to cut emissions, with developing nations urging wealthy emitters like the U.S. and Europe to reduce fossil fuel use, while the U.S. emphasizes China's role as the largest emitter.
- Sultan al-Jaber, overseeing this year's negotiations, holds dual roles in the UAE's renewable energy and national oil sectors, leading to criticism regarding potential impartiality.

Global Stocktake

- The Global Stocktake is a crucial component of the Paris Agreement.
- Its primary purpose is to monitor the implementation of the agreement and evaluate the collective progress made in achieving its goals.
- It serves as a linkage between the execution of nationally determined contributions (NDCs) and the broader objectives set forth in the Paris Agreement.
- One of its central aims is to encourage and enhance climate ambition on a global scale

Phases of Stocktake

Global Stocktake process outlined in the Katowice agreement:

- **Phase 1: Information Collection and Preparation**
 - Gathering and preparing information needed for the stocktake.
 - Data sources include nationally determined contributions (NDCs), IPCC scientific findings, and inputs from non-governmental stakeholders.
 - Information is made public and compiled into synthesis reports.
 - Individual reports cover focus topics like mitigation, adaptation, means of implementation, and global greenhouse gas emissions.
- **Phase 2: Technical Assessment of Information**
 - Involves assessing the collected information to gauge progress in implementing the Paris Agreement and its long-term goals.
 - Stakeholders engage in technical dialogues to discuss Phase 1 data.
 - Identifies opportunities to strengthen climate response measures.
 - Results are documented in various reports, including summary reports and a final synthesis report.
- **Phase 3: Political Messages from Technical Assessment**
 - Translates assessment outcomes into policy actions.
 - Aims to assist Parties to the Paris Agreement in improving their climate policies and actions.
 - Promotes international cooperation.
 - The specific documentation method, such as a political declaration or formal decision, remains unclear.

Year	COP Number	Venue
1995	COP 1	Berlin, Germany
1996	COP 2	Geneva, Switzerland
1997	COP 3	Kyoto, Japan
1998	COP 4	Buenos Aires, Argentina
1999	COP 5	Bonn, Germany
2000	COP 6	The Hague, Netherlands
2001	COP 6	Bonn, Germany
2001	COP 7	Marrakech, Morocco
2002	COP 8	New Delhi, India
2003	COP 9	Milan, Italy
2004	COP 10	Buenos Aires, Argentina
2005	COP 11	Montreal, Canada
2006	COP 12	Nairobi, Kenya
2007	COP 13	Bali, Indonesia
2008	COP 14	Poznan, Poland
2009	COP 15	Copenhagen, Denmark
2010	COP 16	Cancun, Mexico
2011	COP 17	Durban, South Africa
2012	COP 18	Doha, Qatar
2013	COP 19	Warsaw, Poland
2014	COP 20	Lima, Peru
2015	COP 21	Paris, France
2016	COP 22	Marrakech, Morocco
2017	COP 23	Bonn, Germany
2018	COP 24	Katowice, Poland
2019	SB50	Bonn, Germany
2019	COP 25	Madrid, Spain
2021	COP 26	Glasgow, United Kingdom
2022	COP 27	Sharm El Sheikh, Egypt
2023	COP 28	Dubai, United Arab Emirates

Indo-US Defence Relations

Context: The joint statement from India and the USA emphasizes agreements on various fronts, including jet engines, armed drones, and the WTO dispute settlement.

- Approval to manufacture GE F-414 jet engines in India through an agreement between General Electric Aerospace and Hindustan Aeronautics Ltd.
- Settlement of the final outstanding WTO dispute between India and the USA.

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- India's request to procure 31 General Atomics MQ-9B remotely piloted aircraft to boost military surveillance capabilities.
- Commitment to make India a hub for maintaining and repairing U.S. Navy assets and aircraft.
- Encouragement of further U.S. industry investments in India's aircraft maintenance and repair capabilities.

Brief of Defence Relations

- **Defence Relationship Highlights**
 - Defence relationship is a major pillar of the India-U.S. strategic partnership.
 - Intensification in defense trade, joint exercises, personnel exchanges, and maritime security cooperation.
- **Bilateral Exercises:**
 - India conducts more bilateral exercises with the U.S. than any other country.
 - **Notable exercises include:**
 - **Tiger Triumph:** Indian Army, Navy, and U.S. Navy.
 - **Vajra Prahar:** United States Army Special Forces and Para SF.
 - **Yudh Abhyas:** The largest ongoing joint military training between India and the U.S.
 - **Cope India:** Involving Air Force units.
 - **Malabar Exercise:** A quadrilateral naval exercise with India, USA, Japan, and Australia.
- **Defence Trade and Initiatives:**
 - Aggregate worth of defense-related acquisitions from the U.S. exceeds \$15 billion.
 - The India-U.S. Defence Technology and Trade Initiative (DTTI) promotes co-development and coproduction.
 - India recognized as a "Major Defence Partner" by the U.S. in 2016, facilitating technology sharing.
 - India's elevation to Tier I of the Strategic Trade Authorization (STA) license exception in 2018 for advanced technology interactions.
- **Foundational Agreements:**
 - **Four agreements strengthen cooperation:**
 - **GSOMIA (2002):** Ensures protection of shared classified information and promotes interoperability.
 - **LEMOA (2016):** Facilitates military logistics sharing.
 - **COMCASA (2018):** Allows secure communications using U.S. proprietary equipment.
 - **BECA (2020):** Provides India real-time access to American geospatial intelligence.
- **Cooperation Mechanisms:**
 - Defence cooperation involves various mechanisms:
 - Defence Policy Group.
 - Military Cooperation Group.
 - Defence Technology and Trade Initiative with Joint Working Groups.
 - Executive Steering Groups

NEWS IN BETWEEN THE LINES

Cryptocurrency



What is Cryptocurrency?

Cryptocurrency is a type of digital or virtual currency that uses cryptography for security. It operates on decentralized technology called blockchain.

Bitcoin: Bitcoin is the first and most well-known cryptocurrency, created in 2009 by an anonymous person or group of people using the pseudonym Satoshi Nakamoto.

Decentralization: Cryptocurrencies are typically decentralized, meaning they are not controlled by any central authority, government or financial institution.

Blockchain Technology: Cryptocurrencies rely on blockchain, a distributed ledger technology that records all transactions across a network of computers.

Digital Wallets: Users store their cryptocurrencies in digital wallets, which can be software-based (online) or hardware-based (physical devices).

Transactions: Cryptocurrencies allow direct peer-to-peer transactions, bypassing the need for intermediaries like banks. These transactions are securely recorded on a decentralized ledger called the blockchain.

Central Bank Digital Currencies (CBDCs): Several central banks are considering the issuance of their own digital currencies, known as CBDCs, as a response to compete with cryptocurrencies.

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GE F-414 jet engines



GE F414 Fighter Jet Engine:

- The GE F414 is a high-performance axial-flow turbofan engine, primarily used to power military aircraft such as the F/A-18E/F Super Hornet, JAS 39 Gripen and Tejas Mark II.
- It is a derivative of the GE F404 engine, which was originally developed in the 1970s and it has been in service with the U.S.
- This engine is not limited to the United States; it is used or ordered for use in various fighter jets in countries like Sweden, Australia, Kuwait, Brazil, South Korea, India and Indonesia.

Key Features:

- It includes its ability to provide up to 35% more thrust compared to its predecessor, a simple and modular design that enhances reliability and ease of maintenance and the use of Full Authority Digital Electronic Control (FADEC) for precise engine control.
- The FADEC system improves fuel efficiency and reduces emissions, making the engine more environmentally friendly.
- The engine incorporates an integrated electronic engine instrumentation (IEE) system, providing real-time data on its performance to assist pilots in making informed decisions during flight.

Pearl Millet



Pearl Millet (Bajra):

- Pearl Millet, scientifically known as Pennisetum glaucum, is a drought-resistant, annual cereal crop.
- It belongs to the Poaceae family and is a warm-season crop.

Geographical Distribution:

- Pearl Millet is primarily cultivated in arid and semi-arid regions.
- It is grown in various parts of India, including Rajasthan, Haryana, Gujarat, Uttar Pradesh and Madhya Pradesh.

Nutritional Value: Pearl Millet is highly nutritious grain, rich in iron, calcium, magnesium and fiber.

Shift in Pearl Millet Production Zones: Core pearl millet production areas in India moved from arid regions to 18 districts in eastern Rajasthan and Haryana between 1998 and 2017.

Classification of Pearl Millet Zones: India categorizes pearl millet cultivation zones based on rainfall and soil types.

- Zone 'A1' includes arid regions in Rajasthan with less than 400 mm of rainfall.
- Zone 'A' covers semi-arid areas in northern and central India with over 400 mm of annual rainfall.
- Zone 'B' includes semi-arid regions with heavy soils in southern and central western India.

Revised Zones: The study revised 'A' into three subzones: 'G' (Gujarat), 'AE1' (eastern Rajasthan and Haryana), and 'AE2' (12 districts in UP and MP).

Production Impact:

- 'AE1' became India's primary pearl millet production area, witnessing a 46 kg per hectare increase (1,694 kg per hectare) due to higher rainfall and technological advancements..

Kaziranga Tiger Reserve



Location: Kaziranga Tiger Reserve is located in the Indian state of Assam, in the northeastern part of the country.

Establishment:

- It was established as a reserve forest in 1908 and later declared a wildlife sanctuary in 1950.
- It gained the status of a national park in 1974 and was designated as a UNESCO World Heritage Site in 1985.

Biodiversity:

- The reserve is renowned for its rich biodiversity, including the iconic Indian one-horned rhinoceros.
- It's also home to tigers, elephants, wild water buffalo and various bird species.

Conservation Success: Kaziranga has been successful in conserving the one-horned rhinoceros, and its population has shown significant growth over the years.

Floodplains: The reserve is situated on the floodplains of the Brahmaputra River and it is prone to annual flooding during the monsoon season.

World Intellectual Property Organization (WIPO)



Establishment: Founded in 1967, WIPO is a specialized UN agency.

Headquarter: Geneva, Switzerland

Purpose: Aims to promote global intellectual property protection and creative activity.

Membership: WIPO has 193 member states and India became a member in 1975.

Functions:

- It shapes international IP rules.
- It provides global IP protection and dispute resolution.
- It establishes technical infrastructure for knowledge sharing.

History:

- Key milestones include the Paris Convention (1883), Berne Convention (1886), and Madrid Agreement (1891).
- WIPO replaced BIRPI in 1970 and joined the UN in 1974.
- Introduced the Patent Cooperation Treaty (PCT) in 1978 and Arbitration and Mediation Centre (AMC) in 1994.

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Tonga Volcano



Location: The eruption occurred off the Pacific Island nation of Tonga.

Date: Record-Breaking Eruption: Occurred on January 15, 2022, the largest recorded eruption since Krakatoa in 1883.

Magnitude: It was one of the most powerful volcanic eruptions ever recorded with modern equipment.

New Island Formation: Created the world's youngest land mass, a new island about 65 kilometers northwest of Nuku'alofa.

Eruption Type: The eruption was characterized by a violent release of volcanic material, including rocks, ash, and gas.

Underwater Aspect: The eruption occurred underwater, specifically at the submerged Hunga Tonga-Hunga Ha'apai Volcano.

Fastest Underwater Currents: It resulted in the fastest underwater currents ever recorded, reaching speeds of 122 kilometers (76 miles) per hour.

Tsunami: The eruption triggered a deadly tsunami, which had devastating consequences.

Damage to Telecommunications: The powerful currents damaged underwater telecommunications cables that connected Tonga to the rest of the world.

Scientific Study: A research team, led by scientists from Britain's National Oceanography Centre (NOC), studied the eruption and its effects.

Place in News

South China Sea

Recently, the Philippines condemned "illegal" actions by Chinese vessels during a resupply mission in the disputed South China Sea.

Location:

The South China Sea is a marginal sea in the Pacific Ocean, bordered by several countries in Southeast Asia, including China, Vietnam, the Philippines, Malaysia, Brunei and Taiwan.

Territorial Disputes:

- The South China Sea is a hotspot for territorial disputes, primarily due to competing territorial claims made by multiple countries.
- China claims almost the entire sea, while other nations have overlapping claims.



Spratly Islands and Parcel Islands:

- These island chains in the South China Sea are at the center of territorial disputes.
- Multiple countries, including China, Taiwan, Vietnam, the Philippines and Malaysia, claim sovereignty over parts of these islands.

Exclusive Economic Zones (EEZs):

- Disputes often center around EEZs, areas where coastal states have special rights regarding the exploration and use of marine resources.
- These disputes impact fishing rights and access to potential oil and gas reserves.

UNCLOS Ruling:

- The United Nations Convention on the Law of the Sea (UNCLOS) is an international treaty that governs maritime rights and boundaries.
- In 2016, an international tribunal ruled against China's extensive claims in the South China Sea, stating they had no legal basis. However, China rejected this ruling.

POINTS TO PONDER

- ❖ With whom Union Ministry of Education signed an agreement to help children develop creative expression in classrooms using AI? - Adobe
- ❖ Justice Amitava Roy Committee is related to? - Prison Reforms
- ❖ Which firm has unveils India's first UPI-ATM? - Hitachi Payment Services
- ❖ From which country have found nearly 520 million-year-old fossil of *Kylinxia zhangii*? - China
- ❖ Which app will the Police use to communicate with each other during G20? - Sandes App

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