

Time: 45 min

Date: 3-11-2023

EU's Carbon Border Adjustment Mechanism (CBAM)

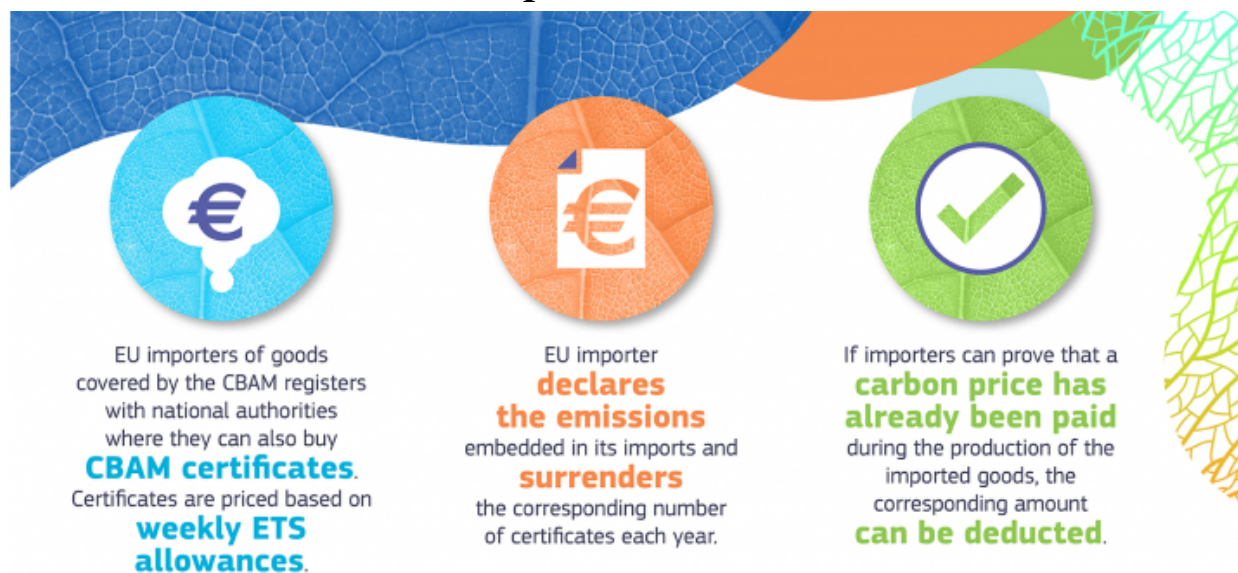
Syllabus: GS3/ Environment, Conservation/Economy

In News

- The Minister of Commerce and Industry has said that the CBAM is “**unfair**” as carbon could not be priced the same in India and Europe.

What is CBAM?

- As part of a plan to **decarbonize its economy by 2050**, the European Union introduced a carbon border adjustment mechanism (CBAM).
- It is a **duty on imports** based on the amount of carbon emissions resulting from the production of the product in question.
- Its primary objective is to **avert ‘carbon leakage’**. It refers to a phenomenon where a **EU manufacturer moves carbon-intensive production** to countries outside the region with less stringent climate policies.
 - In other words, **replace EU-manufactured products with more carbon-intensive imports.**



Need for the CBAM

- The idea here is to **avert the possibility of carbon leakage** alongside encouraging producers in non-EU countries to green their manufacturing processes.
- To ensure a **level playing field** between imports and EU products.
- This would also form part of the continent's **broader European Green Deal** which endeavours to achieve **55% reduction in carbon emissions** compared to 1990 levels by 2030 and become a **climate neutral continent by 2050**.

Latest developments

- On 1 October 2023, the CBAM entered into application in its transitional phase, with the first reporting period for importers ending 31 January 2024.
 - The CBAM will **initially apply to imports of certain goods and selected precursors** whose production is carbon intensive and at most significant risk of carbon leakage: **cement, iron and steel, aluminium, fertilisers, electricity and hydrogen**.

Challenges for India

- **Acting as a trade barrier:** With the CBAM in effect from 1 October, India's exports of carbon-laden products to Europe—mainly aluminium and iron-and-steel—have been burdened with green reporting rules which is a trade barrier in itself.
- **Uncompetitive exports:** India's products have a higher carbon intensity than its European counterparts, the carbon tariffs imposed will be proportionally higher **making Indian exports substantially uncompetitive**.
 - EU being India's third largest trade partner and given the latter's projected growth trajectories, the size of exports (including in the CBAM sectors) will invariably rise.
- **May push for similar regulations worldwide:** International climate policies (including CBAM) will compel **other countries** to impose similar regulation eventually translating to 'a significant impact' on India's trading relationships and balance of payments.

Way Ahead

- Transparency and non-discrimination should remain key principles of any global understanding, and that should also ensure that carbon-related measures do not unnecessarily restrict trade.
- It remains to be seen, however, to what degree the CBAM will succeed in incentivizing deeper decarbonization and whether it will spur a virtuous policy cycle among global trading partners or, on the contrary, if it will start another round of trade wars.

Source: [TH](#)

Adaptation Gap Report 2023

Syllabus: GS3/ Environment, Conservation

In News

- **The UN Environment Programme (UNEP)** has released its **annual Adaptation Gap Report 2023**.

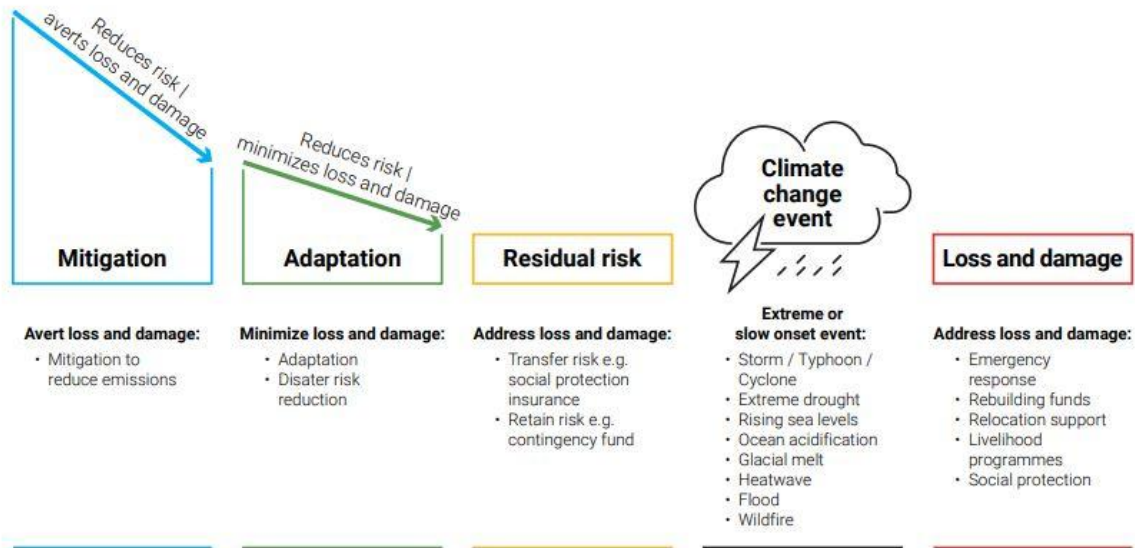
About the Report

- The first edition was released in **2014**.
- The aim of the reports is to **inform national and international efforts to advance adaptation**.
- The Adaptation Gap Report consists of two main parts:
 - Assessment of global progress on **adaptation in three areas: planning, financing and implementation**.
 - A second part that provides a deeper assessment of the **status of adaptation within a particular sector or theme**, but still framed around the same three elements.
 - The **focus of the second part should change from year to year**.

Findings of the Report

- **Gap between Need and Action:** There is a **growing divide between need and action** when it comes to **protecting people from climate extremes**.
 - In 2023, temperature records toppled, while storms, floods, droughts and heatwaves caused devastation.
 - However, **progress on adaptation is slowing** across all three areas assessed: **finance, planning and implementation**.
- **Adaptation finance needs of developing countries** are 10-18 times as big as international public finance flows. This is over 50 percent higher than the previous range estimate.
 - The adaptation finance gap is the difference between the **estimated costs of adapting to climate change** in developing countries and the **amount of finance available** to meet these costs.
- **Climate adaptation finance flows** from public multilateral (like the World Bank) and bilateral sources (from a developed to a developing nation) **declined by 15 percent**.
 - **Domestic budgets** seem to be the largest source of funding for adaptation in many developing countries.
- **Neither domestic nor private funding sources** could help bridge the adaptation finance gaps, especially in low-income countries.

Suggestions as per Report



- Every billion invested in **adaptation against coastal flooding** leads to a USD 14 billion reduction in economic damages.
- Meanwhile, USD 16 billion per year invested in agriculture would prevent approximately 78 million people from starving or chronic hunger because of climate impacts.
- The report identifies **seven ways to increase finance**, including through domestic expenditure, international finance, and the private sector.
 - Additional avenues include remittances, increasing and tailoring finance to small and medium enterprises, and a reform of the global financial architecture.

Source: [DTE](#)

Biosphere reserves- Pockets of hope

Syllabus: GS3/Environment

News

- World Biosphere Reserve Day is celebrated on November 3 each year to raise awareness of the importance of biosphere reserves and to promote their conservation and sustainable use.
 - It was designated by UNESCO in 2022.

Biosphere reserves

- Biosphere reserves are **‘learning places for sustainable development’**.
- They are sites for testing interdisciplinary approaches to understanding and managing changes and interactions between social and ecological systems, including conflict prevention and management of biodiversity.

- They are nominated by national governments and remain under the sovereign jurisdiction of the states where they are located.
- According to UNESCO, there are currently **738 biosphere** reserves across **134** countries, including **22 transboundary sites**.
- **In India** there are **12 biosphere reserves** recognised under **UNESCOs Man and the Biosphere Programme**.

Zones of Biosphere reserves

- **Core Zone:** In the heart of each biosphere reserve lies the strictly protected core zone, providing habitat for flora and fauna, and protecting water, soil, air, and biota as a whole ecosystem.
- **Buffer zone:** They surround or adjoin the core area, and are used for activities compatible with sound ecological practices that can reinforce scientific research, monitoring, training and education.
- **Transition zone:** The outermost edge is the transition zone where communities practice socio-culturally and ecologically sustainable human activities.

Significance of Biosphere reserves

- They are home to a wide variety of ecosystems — from tropical rainforests to alpine deserts, and thereby provide home to countless unique and endangered plants and animals species. They also provide opportunities for sustainable economic development also.
- **Climate Change:** Biosphere reserves are crucial in the fight against climate change, as these areas are home to many of the world's carbon sinks helping to absorb carbon dioxide from the atmosphere.

Threats

- They are vulnerable to climate change, be it through invasive species or extreme weather events.
- Surface water pollution.
- inadequate financial resources
- uncontrolled development

Related initiatives

- **World Network of Biosphere Reserves (WNBR)**
 - The UNESCO World Network of Biosphere Reserves (WNBR) was formed in **1971**.
 - It covers internationally designated protected areas, known as biosphere reserves, which are meant to demonstrate a balanced relationship between people and nature. They are created under the **Man and the Biosphere Programme (MAB)**.
- **Man and the Biosphere Programme (MAB)**
 - MAB is an intergovernmental scientific program, launched in 1971 by UNESCO.

- The programme enhances the human-environment relationship through combining natural and social sciences to improve livelihoods, safeguard ecosystems, and promote sustainable economic development.
- **The Asian meet**
 - UNESCO in partnership with the Ministry of Environment, Forests and Climate Change and the National Centre for Sustainable Coastal Management, concluded the **10th South and Central Asian Biosphere Reserve Network Meeting (SACAM) in Chennai**, India.
 - The SACAM provided a platform for exchanging knowledge and fostering collaborations in the realm of sustainable environmental practices in the South and Central Asia Region.
 - **Theme:** Ridge to Reef.

Suggestions

- There is a need to protect them from the impact of climate change while also undertaking research and other activities to mitigate the effects of climate change
- There is a need to share new knowledge and innovative practices with others sites confronting similar challenges, in order to accelerate progress towards the Sustainable Development Goals.
- We could also explore the potential for joint management plans and joint fundraising to support these global networks’.

Source:[TH](#)

Report by Financial Action Task Force (FATF)

Syllabus:GS 3/Internal Security

News

- A latest report by the Financial Action Task Force (FATF) has highlighted that a violent extremist organization in India collected funds through well-structured networks.

About the report

- **The FATF report on Crowdfunding for Terrorism Financing** said that the funds were used to procure arms and ammunition and for training the cadres of the violent extremist organization, among other purposes.
- The report highlighted four main ways in which crowdfunding platforms can be abused for terrorist financing purposes;
 - Abuse of humanitarian, charitable or non-profit causes;
 - Use of dedicated crowdfunding platforms or websites;
 - Use of social media platforms and messaging apps; and
 - Interaction of crowdfunding with virtual assets.

Financial Action Task Force (FATF)

- **The Financial Action Task Force (FATF)** is an intergovernmental organization which leads global action to tackle money laundering, terrorist and proliferation financing.
- **History:** FATF was established in **1989** by the **G7** to examine and develop measures to combat money laundering. It originally included the G7 countries, the European Commission and eight other countries. **In 2001**, the FATF expanded its mandate to also combat terrorist financing.
- **Members:** FATF has **40** members including **India**. Recently **Indonesia** has become a member of FATF.
- FATF has the authority to issue warnings and sanctions against countries that fail to comply with its standards, such as suspension of membership and blacklisting.

FATF ‘Grey list’ and ‘Blacklist’

- **Black List:** Countries known as Non-Cooperative Countries or Territories (NCCTs) are put on the Blacklist. These countries support terror funding and money laundering activities. The FATF revises the blacklist regularly, adding or deleting entries.
 - As of October **2023** **North Korea, Iran and Myanmar** are in the Blacklist.
- **Grey List:** Countries that are considered a safe haven for supporting terror funding and money laundering are put in the FATF Grey list. This inclusion serves as a warning to the country that it may enter the blacklist.
 - As of October 2023 there are **23 countries** in the list including Türkiye, United Arab Emirates and South Africa.

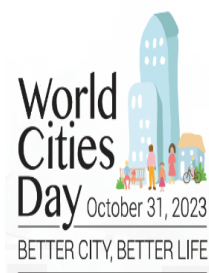
Source: [IE](#)

UNESCO List of Creative Cities

Syllabus: GS1/Art and Culture

Context:

- **Gwalior (‘Music’ category) and Kozhikode (‘Literature’ category)** from India are among the 55 new cities added to the Creative Cities Network (UCCN) of UNESCO on **World Cities Day**.



World Cities Day:

- It is designated by the **United Nations** falls on October 31 each year and was first celebrated in 2014.
- **The Global Observance of World Cities Day** of 2023, under the **theme Financing sustainable urban future for all**, focusing to *unlock transformative investment in urban planning and achieve adequate fiscal decentralisation.*

About

- **Kozhikode:** It is a permanent venue for the **annual Kerala Literature Festival** and hosts several other book festivals.
 - Kozhikode decided to work for the 'City of Literature' tag in 2022 based on a proposal by the Kerala Institute of Local Administration.
 - The Kozhikode Corporation formed a **collaborative partnership** with Charles University in **Prague**, the capital of the Czech Republic.
 - **Prague was the first city** to be honoured with the title of 'City of Literature' by UNESCO in 2014.
- **Gwalior: Gwalior's Musical Legacy:** Gwalior gave the world the legendary musician Tansen, who has been bestowed with the prestigious **title of 'City of Music'** by UNESCO.
 - It has a rich and diverse musical heritage encompassing classical **Hindustani music, folk music, and devotional music**. It has some prestigious music institutes and hosts popular festivals.
 - **Gwalior Gharana:** It is **one of the oldest Hindustani musical Gharanas**, is believed to have originated in this very place, solidifying its status as the birthplace of this iconic musical style.
 - The Scindias, erstwhile royal family of Gwalior, have diligently preserved and propagated music for centuries, adding to the city's musical legacy.

Other Cities of India:

- Before Kozhikode and Gwalior, UNESCO listed **Mumbai, Chennai, Hyderabad, Varanasi, Jaipur, and Srinagar** to the Creative Cities Network (UCCN).

The UNESCO Creative Cities Network (UCCN)

- The UCCN was created in 2004 to promote cooperation among cities that have identified creativity as a strategic factor for sustainable urban development. It now includes 350 cities in over a hundred countries.

- The network is aimed at leveraging the creative, social, and economic potential of cultural industries.
- It was launched to promote UNESCO's goals of cultural diversity and strengthen resilience to threats such as climate change, rising inequality, and rapid urbanisation.
- It encourages a culture of creativity in urban planning and solutions to urban problems.

Why Creativity Cities?

- Urban areas are today's principal **breeding grounds for the development of new strategies, policies and initiatives.**
- It aimed at making **culture and creativity a driving force for sustainable development** and urban regeneration through the stimulation of growth and innovation and the promotion of social cohesion, citizen well-being and inter-cultural dialogue.
- In this way cities respond to the major challenges with which they are confronted, such as the ***economic crisis, environmental impacts, demographic growth and social tensions.***

Latest Developments

- UNESCO has shared the full list of the new 55 cities which include ***Bukhara – Crafts and Folk Art, Casablanca – Media Arts, Chongqing – Design, Kathmandu – Film, Rio de Janeiro – Literature, and Ulaanbaatar – Crafts and Folk Art.***
- With the latest additions, according to UNESCO, the **UCCN now counts 350 cities** in more than a hundred countries, **representing seven creative fields:** *Crafts and Folk Art, Design, Film, Gastronomy, Literature, Media Arts and Music.*
- The newly designated Creative Cities are **invited to participate in the UCCN Annual Conference (2024) in Braga, Portugal, under the theme 'Bringing Youth to the Table for the Next Decade'.**

United Nations Educational, Scientific and Cultural Organization (UNESCO):

- It was formed in 1945, is a specialised agency of the United Nations (UN) based in Paris.
- It has 194 member states and ten associate members. **India is a founding member of the Organisation.**

Role:

- It contributes to **peace and security** by promoting international cooperation in **education, sciences, culture, communication and information.**
- It promotes **knowledge sharing** and the **free flow of ideas** to accelerate mutual understanding and a more perfect knowledge of each other's lives.
- The programmes of UNESCO contribute to the achievement of the Sustainable

Development Goals defined in the 2030 Agenda.

[Source: TH](#)

Worker Productivity and Economic Growth

Syllabus: GS3/Changes in Industrial Policy and their effect

Context:

- The Infosys founder Narayana Murthy suggested that the young generation should work 70 hours a week.

About worker productivity:

- **At a micro level**, productivity of an activity is usually measured as the quantum of output value per unit of labour (time) cost.
- **At a macro level**, it is measured in terms of the labour-output ratio or change in Net Domestic Product (NDP) per worker in each sector (where working hours are assumed to be 8 hours per day).
 - However, in certain types of services measuring the value of the output independently is very difficult, so the income of workers is usually taken as proxies to suggest productivity.

Is it the same as labour productivity?

- The **only conceptual difference** between worker and labour is that the ‘work’ in worker productivity describes **mental activities** while the ‘work’ in labour productivity is mostly associated with **manual activities**.

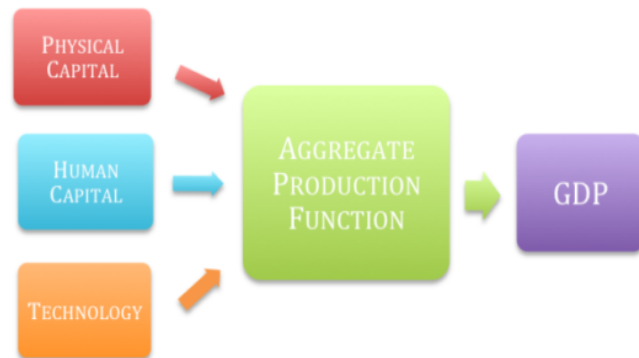
Worker Productivity (Developed and Developing Economies):

- Worker productivity varies significantly between developed and developing economies because of a variety of factors, including differences in technology, education, infrastructure, and institutional quality.
- In a study of major developing and developed economies in the Asia-Pacific region, it was found that institutional quality, productivity of the other sector, and financial openness significantly affect worker productivity.
- **For developed economies:**
 - Capital deepening, human capital, government size, institutional quality, productivity of the other sector, government size, and trade openness are significant determinants of productivity of all sectors.
 - However, the impact of technological progress is stronger for the manufacturing sector than services and its components.

Link between worker productivity and economic growth:

- Labour productivity grows with a *positive interaction between investment in physical capital, human capital, and new technologies*.

- **Physical capital:** It includes the plant and equipment used by firms but also infrastructure, things like roads and other components of transportation networks that contribute to the economy.



- **Human capital:** It is the accumulated knowledge (from education and experience), skills, and expertise that the

average worker in an economy possesses. Typically the higher the average level of education in an economy, the higher the accumulated human capital and the higher the worker productivity.

- **Technological change:** It is a combination of invention – advances in knowledge – and innovation, which is putting that advance to use in a new product or service.

Relation b/w working hours and Productivity

- Productivity is **an attribute of skill** not of time.
- **Human capital** including *education, training, nutrition, health etc.*, **enhances the ability of workers to become more productive.**
- The **reduction in the number of working hours** does not hamper the value of output produced, but in turn **enhances the leisure and quality of life** of workers in real terms.

Working Hours in India:

- The **first Indian Factories Act** came into force in **1891** to address the working-age and conditions of children.
 - It was not until 1911 that an amended (Factories) act was enforced to reduce the **working duration per day to 12 hours, with a single weekly off.**
- **Post World War I**, in 1922, with recommendations from the **International Labour Organisation (ILO)**, the maximum **weekly hour for an adult worker was brought down to 60 hours.**
- A revised **Factories Act of 1948** further reduced this to **48 hours per week and 9 hours a day**, as the maximum permissible working duration for an adult worker in India.
- The **new Labour Codes** brought the following changes in the working hours in India:
 - **Weekly and daily working hours** are capped at **48 hours and 12 hours, respectively.**
 - Maximum overtime hours for workers increased from 50 hours in the Factories Act to 125 hours through the new codes.

What does the data say?

- India Labour Productivity Growth data is updated yearly, available from Dec 1992 to Dec 2022, **averaging at 4.23%**.
- The data reached an all-time high of 9.15 % in Dec 2016 and a record low of 0.54 % in Dec 2000.
- As of December 2022, India's Labour Productivity **dropped by 2.53% YoY**, compared with a growth of 3.54% in the previous year.

Policies to Improve Worker Productivity:

- **Investment in physical capital:** Increasing the investment in capital goods including infrastructure from governments and the private sector can help productivity while lowering the cost of doing business.
- **Quality of education and training:** Offering opportunities for workers to upgrade their skills, and offering education and training at an affordable cost, help raise a corporation's and an economy's productivity.
- **Technological progress:** Developing new technologies, like computerization or robotics and new modes of organising a business or pro-free market reforms in government policy can enhance worker productivity.

Conclusion:

- Worker productivity is an important economic indicator that is closely linked to economic growth, competitiveness, and living standards within an economy. An increase or decrease in worker productivity can also be indicative of cyclical or short-term changes in the economy.
 - It needs to provide a forward-looking framework for strengthening linkages between skills, productivity, employment, development and decent work.

[Source: TH](#)

Facts In News

British Academy Book Prize

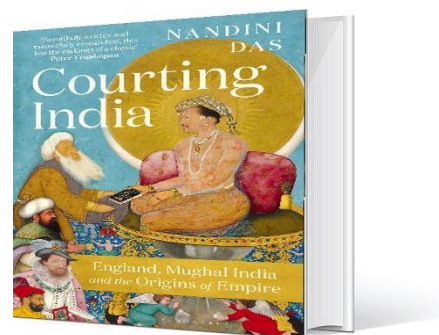
Syllabus: Current Events

In News

- India-born author Nandini Das won the 2023 British Academy Book Prize for her book 'Courting India: England, Mughal India and the Origins of Empire'.

Nandini Das and her work

- She is 49-year-old and is English Professor at the University of Oxford.



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- She has sought to present a new perspective on the origins of the empire through the story of the arrival of the first English ambassador in India, Sir Thomas Roe, in the early 17th century.

British Academy Book Prize

- Earlier known as the Nayef Al-Rodhan Prize, it was established in 2013.
- The British Academy Book Prize, worth 25000 British pounds sterling, is awarded annually for a non-fiction book that promotes global cultural understanding for a wider public audience.
- The prize covers various subjects within the social sciences and humanities.
- It aims to promote cross-cultural dialogue and appreciation of diverse cultures.
- It encourages a deeper understanding of global issues and human experiences.
 - eligible books come from the subjects that fall within those disciplines, from archaeology, history and psychology to philosophy, languages and cultural studies.

Source: [TH](#)

National Efficient Cooking Programme

Syllabus: GS3/ Science & Technology/Environment

In News

- Energy Efficiency Services Limited (EESL) launched the National Efficient Cooking Programme (NECP).

About

- **Ministry:** Ministry for Power and New & Renewable Energy
- **Aim:** To promote affordable and energy-efficient induction cookers
- NECP is a subset of the Clean Cooking Scheme.
- It focuses on Non-Solar/Electricity-based Induction Cookstoves, aligning with the Go- electric initiative by the Ministry of Power.
- It introduces induction-based cook-stoves that offer cost advantages of 25-30% over traditional cooking methods.
- By deploying 20 lakh (2 million) energy-efficient induction cook stoves across India, NECP seeks to reduce the environmental impact of cooking methods, resulting in cleaner air and improved health.
- EESL has partnered with Modern Energy Cooking Services (MECS) for the large-scale deployment of induction cooktops.
- The program is expected to accelerate the adoption of modern electric cooking devices in Indian households.

Benefits of Electric Cooking

- Energy Security and Reduced Dependence on Imports
- Cost Savings for Poor Families
- Comparable Food Quality
- Sustainable Practices and Energy Efficiency.
- Increased Share of Non-Fossil-Fuel Energy Sources
 - Panchamrit in COP-26 : Reach 500GW Non-fossil energy capacity by 2030.
- Enhanced Well-being and Environmental Impact

Do you know ?

- The Energy Efficient Fans Programme (EEFP) was launched and it focuses on deploying energy-efficient BLDC fans, with the goal of distributing 1 crore ceiling fans.

Source: [PIB](#)

Assembly of the International Solar Alliance (ISA)

Syllabus: **GS3/ Environment**

In News

- The 6th Assembly of the International Solar Alliance (ISA) was held in New Delhi.

About the ISA Assembly

- The ISA Assembly serves as the apex decision-making body of the ISA, where member countries come together to make decisions.
- The assembly focuses on key initiatives related to energy access, energy security, and energy transition.

Key Highlights of assembly:

- **Viability Gap Funding (VGF) Cap:** For developing countries VGF cap raised from 10% to 35% of project cost to support financially challenging projects.
- **ISA-Funded Projects:** Several solar projects were inaugurated
 - Solarization of the parliament building in Malawi.
 - Establishment of solar-powered healthcare centers in Fiji.
 - Solar-powered cold storage facility in Seychelles.
 - Installation of a solar PV rooftop system in Kiribati.
- **Role of Green Funds:** Assembly emphasized the importance of providing green funds by developed countries as per their commitments made during COP21.

- **Energy Access and Transition:** It underscored the significance of addressing the problem of energy access as a prerequisite for energy transition.

International Solar Alliance (ISA)

- The ISA was conceived as a joint effort by **India and France** to mobilize efforts against climate change through deployment of solar energy solutions.
- It was conceptualized on the sidelines of the 21st Conference of Parties (**COP21**) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Paris in 2015.
- ISA is an action-oriented, member-driven, collaborative platform for increased use of solar energy technologies.
- With the amendment of its **Framework Agreement in 2020**, all member states of the United Nations are now eligible to join the ISA.
- At present, 116 countries are signatories to the ISA Framework Agreement, of which 94 countries have submitted the necessary instruments of ratification to become full members of the ISA.

Source: [PIB](#)

COSTA SERENA

Syllabus :GS 3/Economy

Context:

The Union Minister of Ports, Shipping and Waterways launched the domestic sailing of the first International Cruise Liner ‘**COSTA SERENA**’ in India at Mumbai .

More About the News:

- Such cruise initiatives are part of ‘**Dekho Apna Desh**’, an initiative to the middle class to prefer domestic tourism over international tourism.

About Dekho Apna Desh Initiative:

- **Nodal Ministry:** The Ministry of Tourism spearheads the Dekho Apna Desh initiative.
- **Aim:**
 - The initiative's primary goal is to bolster tourism in India and inspire individuals to discover the country's rich cultural heritage and diversity.
 - Dekho Apna Desh provides financial assistance to travelers exploring various regions of India.
 - The government has allocated a substantial budget to implement the scheme, focusing on enhancing travel experiences and bolstering tourist infrastructure nationwide.
 - The program aims to boost domestic tourism by developing and promoting approximately 50 destinations across India, thereby enticing more tourists to explore the country.

Do you know ?

- Costa Cruises is expected to carry approximately 45,000 passengers in its next 2 months voyages. These passengers would have otherwise booked from international destinations. The biggest advantage is an International Cruising experience for Indians in Indian waters.