

### NEWSPAPER HIGHLIGHT

India has demanded a trillion dollars over the next decade from developed countries to adapt to, and mitigate, the challenges arising from global warming, and has kept this as a condition for delivering on climate commitments made by Prime Minister Narendra Modi, a senior official who is part of ongoing climate agreement negotiations in Glasgow. India's five fold plan aims at reducing the carbon intensity of its economy and eventually achieving net zero by 2070. Net zero is when a country's carbon emissions are offset by taking out equivalent carbon from the atmosphere, so that emissions in balance are zero. However, achieving net zero by a specific date means specifying a year, also called a peaking year, following which emissions will begin to fall.

China's Communist Party adopted only the third "historical resolution" in its 100year history, concluding a four day plenum by enshrining President Xi Jinping's place among the party's tallest leaders and boosting his status ahead of a congress next year that will mark the start of his third term. A communique adopted after the annual meeting of the Central Committee, called a plenum, said the party had adopted a "Resolution on the Major Achievements and Historical Experience of the Party over the Past Century", which devoted considerable space to praising Mr. Xi's leadership. It also called for the party to "resolutely uphold his core position".

The armed forces cannot surrender the nation's defence to threats of landslips caused by widening of Himalayan roads for quickly moving military hardware to the "very vulnerable" Indo-China border, the Union Government said in the Supreme Court on Thursday. Appearing before a three judge Bench led by Justice D.Y. Chandrachud, Attorney General K.K. Venugopal said that crucial defence equipment such as the BrahMos or Vajra missile launchers and the Smerch rocket carriers needed room to manoeuvre the tough terrain and reach the border. "There is a Chinese buildup in the Tibetan region... Today we are facing a situation that the country has to be defended. All three wings of the armed forces have to combine to defend the nation. We have to ensure that every physical,

### THE LAW ON GENERAL CONSENT

1.The Supreme Court has expressed concern over a CBI report that stated that since 2018, around 150 requests for sanction to investigate have been pending with 8 state governments that have withdrawn general consent. **What is general consent?** The CBI is governed by The Delhi Special Police Establishment (DSPE) Act, 1946, and must mandatorily obtain the consent of the state government concerned before investigating a crime in a state. The consent of the state government can be either case-specific or general. A "general consent" is normally given by states to help the CBI in seamless investigation of cases of corruption against central government employees in their states. In the absence of general consent, the CBI would have to apply to the state government in every case, and before taking even small actions.

2.Which states have withdrawn general consent? Eight states have currently withdrawn consent to the CBI - Maharashtra, Punjab, Rajasthan, West Bengal, Jharkhand, Chhattisgarh, Kerala, and Mizoram. At the time of withdrawing consent, all states alleged that the central government was using the CBI to unfairly target the opposition.

3.**What is the view of the judiciary in this aspect?** Calcutta High Court recently ruled that the central agency cannot be stopped from probing an employee of the central government in another state which has been challenged in the Supreme Court In Vinay Mishra vs the CBI, Calcutta HC ruled that corruption cases must be treated equally across the country, and a central government employee could not be distinguished just because his office was located in a state that had withdrawn general consent. The court also said that withdrawal of consent would apply in cases where only employees of the state government were involved. In 2018, Delhi High Court ruled that the agency could probe anyone in a state that has withdrawn general consent, if the case was not registered in that state.

4.**What are the powers of CBI in these states?** The withdrawal of general consent means that the CBI will not be able to register any fresh case involving officials of central government or a private person in the state without the consent of state government. But the CBI retained the power to investigate cases that had been registered before consent was withdrawn. The agency can use the Calcutta HC order to its advantage. A case registered anywhere else in the country, which involved individuals stationed in these states, allowed the CBI's jurisdiction to extend to these states. Also, the CBI has the option to get a warrant from a local court in the state and conduct the search in connection with an old case. In case the search requires an element of surprise, Section 166 of CrPC allows a police officer of one jurisdiction to ask an officer of another to carry out a search on their behalf. The consent of state governments does not apply in cases where someone has been caught red-handed taking a bribe.

5.**To what extent is the CBI "its master's voice"?** After the 2018 amendments to the Prevention of Corruption Act, 1988, the Centre has come to exercise power over the CBI not just administratively, but also legally. In 2018, the amendments to Section 17A of the Act, made it mandatory for the CBI to seek the Centre's permission before registering a case of corruption against any government servant. This means that the 2018 amendment virtually means the agency can investigate only the officers that the government of the day wants investigated. In fact, corruption cases registered by the CBI dropped by over 40 % between 2017 and 2019.

### DOES INDIA HAVE A RIGHT TO BURN FOSSIL FUELS

1.With a lot of debate on India's dependence on coal, the Government of India has for the first time made a commitment to achieve the net zero target by 2070. Why was India hesitant to commit to net zero target earlier? India has neither historically emitted nor currently emits carbon anywhere close to what the global North has or does in per capita terms. India's per capita emissions is lower than the global average. It stressed for a higher and fairer share in the global carbon budget. There

**technological and financial facility is made available to the armed forces.**

**Chinese President Xi Jinping warned against letting tensions in the Asia-Pacific region cause a relapse into a Cold War mentality. His remarks on the sidelines of the annual summit of the Asia-Pacific Economic Cooperation (APEC) forum came weeks after the U.S., Britain and Australia announced a new security alliance in the region which would see Australia build nuclear submarines. China has harshly criticised the deal. And in a separate illustration of strains within APEC, one Southeast Asian delegate said the group had so far failed to reach agreement on a U.S. bid to host the 2023 summit due to unmet demands from Russia.**

**The world's top carbon polluters, China and the United States, agreed on Wednesday to increase their cooperation and speed up action to rein in climate damaging emissions, signalling a mutual effort on global warming at a time of tension over their other disputes. In back to back news conferences at UN climate talks in Glasgow, Chinese climate envoy Xie Zhenhua and U.S. counterpart John Kerry said the two countries would work together to accelerate the emissions reductions required to meet the goals of the 2015 Paris Agreement on climate change.**

**Belarus's strongman leader Alexander Lukashenko vowed to respond to any new sanctions imposed over the migrant crisis on the country's border with Poland, including by potentially cutting off the transit of natural gas to Europe. "If they impose additional sanctions on us... we must respond," Mr. Lukashenko said in comments to officials released by the presidency.**

**The United Arab Emirates and Bahrain are holding their first joint naval exercise with Israel, a year after normalising ties with the Jewish state, the U.S. Navy said on Thursday. The five day manoeuvres in the Red Sea, which is linked to the Mediterranean through the Suez Canal, are intended to "enhance interoperability between participating forces", a statement said.**

**The Taliban have replaced the statue of a Hazara leader declared a national martyr by the former government with a replica of the Koran, Bamiyan residents said on Thursday — a move they warned could trigger violence. The original**

were arguments that since India was colonised, it has a right to burn and stopping the country from doing that is injustice.

**2. What are the injustices in terms of a carbon budget? Global injustice in terms of a carbon budget happens at the level of the nation-states, between the rich and the poor within nations and between humans and non-human species.** The Global South is not only made primarily responsible for climate change, but also has to bear the effect of climate change because of its tropical climate and high population density along the coastal lines. For development, the countries in the global South need not increase their share in the global carbon budget.

**3. What major areas have to be focused for development? Cleaner forms of energy - The economic development requires energy and coal is favoured on account of its cost, reliability and domestic availability. But recent data show that the levelized cost of electricity from renewable energy sources like solar, hydro and onshore wind is already less than fossil fuel-based electricity generation.** The frontier renewable energy technologies have managed to address the question of variability of sources with technological progress. Also, India is among the largest importers of coal in the world, whereas it has no scarcity of solar energy. Development model - The two significant issues under discussion in the post-colonial development were control over technology and choice of techniques to address the issue of surplus labour.

**4. The abundance of renewable natural resources in the tropical climate can give India a head start in this competitive world of technology. South-South collaborations can help India avoid the usual patterns of trade between the North and the South, where the former controls technology and the latter merely provides inputs. The high-employment path that the green energy provides may help address the issue of surplus labour while providing decentralised access to clean energy to the poor and the marginalized. It simultaneously addresses the issues of employment, technology, energy poverty and self-reliance.**

**5. What is the path ahead? Global North needs to pay for the energy transition in the South. Creating an independent, greener path to development may give the South the moral high ground to force the North to come to the table, like South Africa did at Glasgow.** The need of the hour is a global progressive agenda that wants working people of the world as a whole against the global ruling elite in its aggressive and dangerous model of competitive emissions. The transition to economic growth coupled with increased efficiency of renewable resources can aid India in achieving its goal of inclusive growth and sustainable development.

#### **A SUNSET CLAUSE FOR BAD BANKS**

**1. The RBI recently gave license to National Asset Reconstruction Company Limited (NARCL), popularly known as a bad bank but the absence of a clause about the lifespan of NARCL may lead to a moral hazard problem. Technically, a bad bank is an asset reconstruction company (ARC) or an asset management company that takes over the bad loans of commercial banks, manages them and finally recovers the money over a period of time. The bad bank is not involved in lending and taking deposits.** It just helps commercial banks clean up their balance sheets and resolve bad loans. The takeover of bad loans is normally below the book value of the loan and the bad bank tries to recover as much as possible subsequently. US-based Mellon Bank created the first bad bank in 1988. The role of the bad bank is to establish a liquid market for NPAs to enable the banks to sell their NPAs at a fair value.

**2. Currently, the Indian banking system has one of the highest gross non-performing assets (GNPA) to total asset ratio globally. Post-covid stress scenarios estimated by the RBI pegs it at an aggregate GNPA ratio in the range of 12.5- 14.7 %.**

**3. Debt recovery tribunals - under the Recovery of Debts Due to Banks and Financial Institutions (RDDBFI) Act in 1993. Asset Reconstruction Companies (ARCs) - a part of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI Act) in 2002. Insolvency and Bankruptcy Code (IBC) in 2016.**

**4. The NARCL is essentially an Asset Reconstruction Company (ARC) with only two distinguishing features NARCL is intended for dealing in big sized tickets NARCL has a partial government guarantee.** The effectiveness of ARCs hinges on a focused mandate for setting up the ARCs Limited

**statue depicted Abdul Ali Mazari, a leader of the mostly Shia minority killed while he was a prisoner of the Taliban during their first stint in power. The statue was decapitated by a rocketpropelled grenade soon after the Taliban returned to power in August, in an incident residents blamed on the hardline Islamists. The Taliban's strict interpretation of Islam forbids the human form to be depicted in paintings and sculpture — and printed photographs in extreme cases. Many businesses have removed or covered up billboards and posters featuring people since the group's takeover.**

lifespan of the ARC Market-based resolution of NPAs.

**5.**The absence of a clause about the lifespan of NARCL may lead to a moral hazard problem. Propagation and evergreening of bad loans - Public sector banks (PSBs) which own 51 % stake in NARCL may continue buying their own stressed assets through NARCL. There are question marks over the government guarantee of Rs 30,600 crore in providing liquidity and creating a market for the NPAs.

**6.**The government should address the lifespan issue of NARCL in the form of a sunset clause to increase the effectiveness of the NARCL. There should be a fair and transparent mechanism while setting the haircut on the stressed assets by the NARCL. The net asset value of the Security Receipts must be fairly priced to boost the participation and liquidity in the security receipts market. There needs to be a strong political will to recognise bad loans and support legal infrastructure to address wilful defaulters.