

### ECONOMY

**Context: SEBI had issued a consultation paper with the objective to restrict the association of SEBI registered intermediaries an regulated entities with Unregistered Fininfluencers**

Financial influencers, also known as Finfluencers, are people who advise and suggest investments to investors on social media.

#### Action taken by SEBI

- SEBI barred the Finfluencer from dealing in the security market.
- It had also ordered Finfluencer to pay back Rs 17.2 crore which he had allegedly made by luring clients through “misleading/false information” and “influencing” them to deal in securities.

#### Concerns pertaining to finfluencers

- They lack understanding of the complexities and inner workings of markets, despite their self-proclaimed expertise.
- Some of these finfluencers make outrageous claims in an attempt to attract attention, entice users to subscribe to their services, and make money.
- To force equities down the throats of credulous investors, they have turned to unethical tactics.
- Controversial are these finfluencers' incentive schemes, some of which are commission-based, and their associations with different brokerages.

#### The beneficial role of finfluencers

- Finfluencers have the potential to help people who are unfamiliar with financial markets, goods, and services by sharing financial knowledge and guidance with them.

#### What Are the Functions and Powers of SEBI?

- Being a quasi-judicial and quasi-legislative body, SEBI has the authority to make rules, carry out investigations, issue verdicts, and apply sanctions.

**It serves to meet the demands of three categories:**

- **Issuers:** By offering a market place where issuers can raise more capital.
- **Investors:** By guaranteeing information that is precise and accurate and by providing safety.
- **Intermediaries:** Through creating a professional, competitive market for intermediaries.

#### What are the problems and associated worries?

- SEBI, the capital markets regulator, is facing a critical decision as a result of the complexity of its role in recent years.
- Prudent regulation is given less attention than excessive focus on market conduct regulation.
- Because SEBI has far more ability to cause significant economic harm than its counterparts in the US and the UK, it has stronger statutory enforcement powers.
- It is done on the basis of suspicion and places the onus of proving the suspicion on those impacted, thereby impeding economic activity to a considerable degree. This is akin to preventive detention.
- Due to the broad discretion granted by the SEBI Act to create subordinate legislation, its legislative powers are almost absolute.

#### The Way Ahead

- There is a need for a mindset shift; in fact, hundreds of suggestions that the market is rife with thieves and that a crackdown and severe intervention are required would be received.
- Clearing the policy space in this segment of the market ought to be SEBI's top priority.
- Organizational issues and human resources require SEBI's special attention. To attract the best talent, SEBI needs to promote lateral entry.
- There is still work to be done on senior employee alignment and fitment following the Forward Markets Commission's merger with Sebi.
- Enhancing market intelligence and maintaining ongoing surveillance can reinforce enforcement.
- The financial markets in India are still divided. When two regulators have similar authority over a financial product, one cannot be held accountable for the failure of the other.
- It is logical in this situation to eliminate boundaries that are excluded and areas of overlap by creating a single financial regulator.

#### Conclusion:

In the upcoming years, as the economy expands and more people invest in the stock market, it will be crucial to maintain the flow of accurate financial information, educate investors, and safeguard their interests.

### ENVIRONMENT AND ECOLOGY

#### CONTEXT:

## India's Coastal Ecosystems, Coastal Regulation Zone Notification 2019, Coastal Management Information System, Mangroves. Advantages Resulting from Coastal Adaptation, Indian Government Initiatives Related to Coastal Management.

### WHY IN NEWS?

According to a recent study that was published in the journal Nature Climate Change, efforts to adapt to coastal areas have been highlighted in a number of Indian coastal regions, including Mumbai, Ghoramara in the Sunderbans, Puri in Odisha, and the Konkan regions. These regions were classified as having "moderate-to-high" adaptation measures.

### What are the study's main Findings?

#### ✓ **Impact on Low-lying Coastal Regions:**

- Approximately 11% of the world's population lives in low-lying coastal areas, which are susceptible to flooding.
- These areas also account for 14% of the world's Gross Domestic Product (GDP).

#### ✓ **Global Variations in Regional Adaptation:**

- Nearly half of the regions surveyed showed significant adaptation gaps, concentrating on individual risks but ignoring the underlying causes of vulnerability.
- In about 13 percent of case studies, high-to-very-high adaptation was found; this was primarily observed in North America and Europe.
- The remaining countries, which included Australia and New Zealand, were classified as moderate.

#### ✓ **Differentiating Adaptation Strategies in Particular Indian Coastal Areas:**

- India's Mumbai, Puri, Konkan, and Ghoramara region in the Sunderbans showed different adaptation strategies.
- Ghoramara presented generic adaptation plans that lacked tactics unique to the state agency.
- Additionally, the state's action plan ignored several coastal hazards in the Konkan region, which lacked adaptation plans.
- Mumbai has a climate action plan, but its adaptation measures fell short in assessing risks and meeting the needs of the city's most vulnerable citizens.
- Puri lacked sector-specific adaptation strategies and the identification of high-risk communities even with action plans in place.

#### ✓ **Coastal adaptation: what is it?**

##### About:

- Coastal adaptation is the process of addressing and mitigating the effects of climate change and natural hazards on coastal areas with the goal of safeguarding infrastructure and communities from extreme weather events, erosion, and rising sea levels.
- Furthermore, there is a chance that coastal adaptation measures will open up a variety of opportunities.

##### **The benefits of coastal adaptation include:**

#### ✓ **Economic Diversification**

- Putting coastal adaptation plans into action can boost the economy by launching new businesses in the eco-tourism, renewable energy, and climate-resilient infrastructure sectors.
- These ventures may also create jobs and business opportunities.

#### ✓ **Enhancement of Biodiversity:**

- Natural ecosystems can unintentionally be restored and preserved as a result of effective coastal adaptation.
- The development of habitats for vulnerable or endangered species is encouraged by this restoration, which also helps to preserve native species.

#### ✓ **Resilience building and disaster risk reduction:**

- Coastal adaptation is essential for lowering coastal communities' susceptibility to disasters.
- It assists in reducing the impact of natural disasters like storms, tsunamis, and sea level rise by putting into practice strategies like constructing resilient infrastructure, early warning systems, and natural barriers.
- By lowering the risks connected to these disasters, strengthening coastal resilience protects people's lives, property, and means of subsistence.

#### ✓ **Sustainable Food Sources and Livelihoods:**

- A consistent supply of seafood and agricultural products can be guaranteed through effective coastal adaptation, particularly through techniques like aquaculture, sustainable fishing, and integrated farming in coastal areas.

- This helps to ensure global food security and provides coastal communities with a stable means of subsistence.)
- Resilience building and disaster risk reduction: Coastal adaptation is essential for lowering coastal communities' susceptibility to disasters.

**Related challenges:**

✓ **Complex Stakeholder Coordination:**

- A variety of stakeholders, including businesses, government agencies, local governments, and environmental organizations, are involved in coastal adaptation.
- Due to varying priorities, it can be challenging to coordinate these disparate interests and ensure effective collaboration among them, which can cause delays and conflicts.

✓ **Uncertainty in Future Climate Projections:**

- It can be difficult to forecast future climate scenarios, such as sea level rise and extreme weather.
- Planning for long-term strategies while adjusting to uncertain climate projections can be difficult, which creates uncertainty in development and infrastructure planning.

✓ **Community Fragmentation and Social Cohesion:**

- Relocation or land use changes brought on by coastal adaptation initiatives may occasionally cause communities to become more dispersed.
- Population dispersal or relocation may have an adverse effect on a community's resilience and cultural practices by upsetting social structures and cohesiveness.

✓ **What Coastal Management Initiatives Are Undertaken by the Indian Government?**

- In order to control shoreline changes brought on by climate change, the Ministry of Environment, Forests, and Climate Change (MoEFCC) established the hazard line along India's coast.
- By designating No Development Zones and permitting erosion control measures, the Coastal Regulation Zone Notification, 2019 seeks to protect coastal ecosystems and human livelihoods.
- In order to build and maintain protective structures at vulnerable stretches of coastline, the Coastal Management Information System (CMIS) gathers near-shore coastal data.
- Puducherry and Kerala have shown how to effectively mitigate coastal erosion, which has aided in the restoration and preservation of coastal areas.

**Way forward**

✓ **Nature-Based Solutions (NBS):**

- Stress natural solutions that support rather than interfere with natural processes.
- Coastal protection that is both affordable and environmentally friendly can be achieved by putting strategies like the restoration of mangroves, salt marshes, and dunes into practice.

✓ **Community-Based Methods:**

- Involve the community in the planning and execution of coastal adaptation strategies.
- Provide them with the scientific resources and expertise to support their decision-making, since they already have significant traditional knowledge in the field.

✓ **Application of Advanced Technology:**

- To better understand and anticipate coastal changes, make use of cutting-edge technologies like artificial intelligence, remote sensing, and predictive modelling.
- Real-time data can be obtained from these tools for more precise planning and reaction.

✓ **Hybrid Engineering Solutions:**

- Blend cutting-edge hybrid engineering solutions with conventional hard infrastructure.
- For instance, incorporating natural elements into conventional constructions, such as artificial reefs, can improve coastal protection and support biodiversity.

**Conclusion:**

A strict coastal policy must be implemented in order to protect nature and the population. To ensure the continued use of coastal zones, the govt should to create comprehensive legislation for coastal regions and encourage a larger role for local organisations and more community involvement in coastal area governance.

**PRELIMS FACTS**

**1. Pink Bollworm**

**Context:** Farmers in cotton-growing regions are fighting to control the pink bollworm (PBW) pest, which is creating havoc and causing significant economic losses.

**About Pink Bollworm (PBW):**

- Pink Bollworm (*Pectinophora Gossypiella*) is a major insect that mostly attacks cotton crops.
- It harms developing cotton fruit parts such as the square (flower bud) and the boll (circular sac of seeds with cotton fibers).

**Concerns:**

- Since the mid-2000s, when scientists discovered that the bug had developed resistant to the Cry1Ac gene and the genetically modified cotton variety, Indian farmers have seen consistent losses of Bt cotton crops owing to pink bollworm infestations.
  - Following its success in the United States and Australia in 1996, Bt cotton was introduced to India in 2002.
- The Fruit borer is another significant pest of cotton.

**Solution:**

- Cotton insect Dynamics is the study of the population behavior of pests that harm cotton crops, which includes understanding the factors that govern insect populations and designing efficient pest management measures.

**2.The Global Preparedness Monitoring Board (GPMB) has issued the report "A Fragile State of Preparedness: 2023 Report on the State of the World's Preparedness."**

**Context:** The GPMB Monitoring Framework for Preparedness (published in May 2023) provides a solid, evidence-based mechanism for assessing worldwide pandemic preparedness.

**Key findings :**

- The world's ability to deal with a potential new pandemic danger is still insufficient.
- A downward trend has been noticed in areas of preparedness such as global coordination of R&D efforts to combat misinformation, community engagement, participation of low- and middle-income countries in decision-making, independent monitoring, and so on.
- Improving trend noticed in areas such as R&D capacity-building, civil society and commercial sector involvement, funding socioeconomic response, and so on.

**Recommendations:**

- Enhance evidence-based monitoring to improve effectiveness, accountability, and trust.
- Reform the global financial structure for pandemic prevention, preparation, and response (PPPR).
  - PPPR is a global benefit that improves all countries' ability to detect and respond to pandemics.
- Increase regional R&D and supply capacity to overcome inequities in global access to medical countermeasures.
- Increase multi-sectoral and multi-stakeholder engagement.

**3.The United Nations Environment Programme (UNEP) has announced the Champions of the Earth Award for 2023**

**Context:**

- The Champions of the Earth award recognizes individuals, groups, and organizations whose efforts have a significant impact on the environment.
- It is the UN's highest environmental honor, presented yearly since its creation in 2005, and acknowledges outstanding leaders from government, civil society, and the commercial sector.

**To eliminate plastic pollution, 2023 award recognized in four categories**

- **Category of policy leadership:** Mayor Josefina Belmonte of Quezon City (Philippines) has proposed a ban on single-use plastics, as well as a trade-in program for plastic pollution.
- **Category of Insight and Action:** The Ellen MacArthur Foundation (United Kingdom) is helping to mainstream the lifecycle strategy, which includes plastics.
- **Category of Entrepreneurial Vision:**
  - **Blue Circle (China)** tracks and monitors the entire lifespan of plastic pollution using blockchain technology and the internet of things.
  - **José Manuel Moller (Chile)** is the founder of Algramo, a social enterprise dedicated to offering refill services that minimize plastic pollution and lower the cost of basic necessities.
- **Category of Science and Innovation:** The Council for Scientific and Industrial Research (South Africa) develops technologies to combat plastic pollution using cutting-edge technology and multidisciplinary research.

Every year, up to 23 million tonnes of plastic waste goes into aquatic ecosystems, thus polluting lakes, rivers and seas.

**4.Aralam Wildlife Sanctuary.**

- It is reported that Maoists opened fire at forest watchers in Aralam Wildlife Sanctuary.
- About Aralam Wildlife Sanctuary Established in 1984, located at northern most protected area of Kerala (Kannur district).
- Forest Types: West Coast tropical evergreen forest, West coast semi-evergreen forests, South Indian moist deciduous forest, Southern hilltop evergreen forest and plantations.

- Fauna: Nilgiri Wood- Pigeon *Columba elphinstonii*, Lion-tailed Macaque, etc.
- Forms watershed area of Cheenkannipuzha and Uruttipuzha rivers, tributaries of River Valapattanam

### **5. Light Combat Helicopter (LCH) Prachand**

- Army successfully test-fires rocket and turret guns of indigenous LCH Prachand (means fierce).
  - It was inducted into Indian Air Force in 2022.
- LCH Prachand is a multi-role combat helicopter, designed and developed by Hindustan Aeronautics Ltd.
  - Only attack helicopter in the world that can land and take off at an altitude of 5,000 metres.
  - Capable of firing air-to-ground and air-to-air missiles.
  - Fitted with 5.8-tonne twin-engine named Shakti engine, primarily designed for deployment in high-altitude areas (like Siachen glacier).
  - It has best stealth features, armored-shield systems, and dark-mode attack capability.

### **6. Norman Pritchard (First Olympic medalist for India)**

- India took part in its first-ever modern Olympic Games during the second edition of the Summer Olympic Games held in Paris in 1900.
- Norman Pritchard was the only athlete representing India at the Olympic Games in 1900 who competed in the Men's 200-meter and 400-meter hurdles.
- He finished second in both the events and won India its first medals ever in Olympic Games history.
- However, he is considered a "controversial" Olympian as he is claimed by both Britain and India

## **ANSWER WRITING**

### **Q. Analyse the role of the Comptroller and Auditor General of India (CAG) as the guardian of the public purse and in ensuring the accountability of the government.**

The Comptroller and Auditor General of India (CAG) is an independent office established by Article 148 of the Indian Constitution. He is the department head of Indian Audit and Accounts. He is in charge of overseeing the nation's entire financial system at both the federal and state levels and is the custodian of the public coffers. Upholding the Indian Constitution and Parliamentary laws pertaining to financial administration is his responsibility.

#### **The following are the responsibilities of the Comptroller and Auditor General of India (CAG) in maintaining government accountability and acting as the custodian of the public coffers:**

- **Executive accountability:** The CAG's audit reports ensure that the Parliament is held accountable for the financial administration decisions made by the executive, or the council of ministers. As the parliament's representative, the CAG audits spending on the parliament's behalf. He only has to answer to the Parliament, therefore.
- **Performs an audit to verify the funding provision:** In order to confirm that there is a valid voucher or proof of payments, the audit looks at the accuracy and completeness of the accounts. The purpose of an audit against the funding provision is to determine if the funds indicated in the accounts as having been disbursed were suitable and lawfully available for the use or purpose for which they had been charged or applied.
- **Propriety audit:** To guarantee financial vigilance, CAG is able to carry out the propriety audit in addition to the legal and regulatory audits. This implies that he can examine the "wisdom, faithfulness and economy" of government spending in addition to making observations about its wastefulness and extravagance. Any expenditure that breaks the law or the Constitution may be prohibited by the CAG.
- **Stopping monetary losses:** Financial irregularities, losses, frauds, unnecessary spending, and the precision of budgeting control of expenditures, savings, etc. are all briefly covered in the CAG audit report. The audit report's goal is to stop financial losses of any kind. They draw attention to deals that haven't shown to be profitable yet.
- **Ensures effective check:** The rules and procedures in place are made to ensure an effective check on the assessment, collection, and proper distribution of revenue, and he audits the Centre's and each state's receipts and outlays to confirm this.
- **Keeping an eye out for corruption:** Political scandals and corruption have guaranteed the exchequer unthinkable losses. One such instance is the coal scam, in which the CAG's work was crucial in identifying the irregularities. In a similar vein, delays in work and the awarding of contracts to unfit contractors were mentioned in the CAG report on corruption in the Mumbai civic body.
- **Function in guaranteeing efficiency:** The CAG evaluates the effectiveness with which government agencies and establishments have carried out their designated tasks. Additionally, it observes the operation of government projects in various industrial sectors.
- **Role in good governance:** The CAG finds instances of financial mismanagement through audits, which advances good governance and advances the nation's development as a whole. The CAG's function in

encouraging accountability and transparency in governance is essential to fostering citizen-government trust and guaranteeing the effective use of public funds.

**Conclusion:**

According to Dr. B.R. Ambedkar, the most significant official in accordance with the Indian Constitution is the Comptroller and Auditor General of India (CAG). The CAG is always striving to protect the hard-earned tax payers' money and has developed its role as the public's friend and representative. He is therefore one of the cornerstones of India's democratic political system.

**MCQs**

- Consider the following statements regarding SIM-Swap Scam, recently seen in the news:
  - In the SIM-Swap Scam, fraudsters are able to obtain passwords and OTPs that allow them to access their targets' bank accounts.
  - Fraudsters always require direct communication with the victims to carry out a SIM-Swap Scam.

Which of the statements given above is/are Incorrect?

a) 1 only                      **b) 2 only**  
c) Both 1 and 2              d) Neither 1 nor 2
- With reference to Haemoglobin (Hb), consider the following statements:
  - It is an iron-containing protein found in the red blood cells.
  - Women usually have higher levels of haemoglobin than men.
  - A low haemoglobin level is referred to as anaemia.

How many of the above statements are correct?

a) Only one                      **b) Only two**  
c) All three                      d) None
- Candolleomyces albosquamosus, recently seen in the news, is a:
 

a) Bacteria                      b) Algae  
c) Virus                          **d) Mushroom**
- The Aralam Wildlife Sanctuary recently seen in the news is located in:
 

a) Maharashtra              **b) Kerala**  
c) Tamil Nadu                d) Karnataka
- Consider the following statements regarding Toll Operate Transfer (TOT) Model:
  - The Operation and maintenance (O&M) obligations of projects under the TOT Model lie with the Government.
  - The proceeds received by the Government under the TOT Model shall be utilized for future development of highways.

Which of the statements given above is/are correct?

a) 1 only                      **b) 2 only**  
c) Both 1 and 2              d) Neither 1 nor 2
- Consider the following statements regarding photocopying technology:
  - It contains a photoconductive surface which is negatively charged for its operation.
  - It uses a positively charged toner which melts and fuses with the paper.

Which of the statements given above is/are correct?

a) 1 only                      b) 2 only  
c) Both 1 and 2              d) Neither 1 nor 2
- Which of the following best describes Hostile Activity Watch Kernel (HAWK) system, recently seen in the news?
 

**a) It is a Cloud Based Information Management System to manage wildlife crime.**  
b) It is a system to identify phishing activities.  
c) It is a radar system developed by the Indian Space Research Organisation.  
d) It is a new system to monitor crypto currency transactions.
- With reference to coastal management in India, consider the following statements:
  - The Ministry of Environment, Forest & Climate Change (MoEFCC) sets the hazard line for India's coast to manage shoreline changes.
  - The Biological Diversity Act, 2002 aims to conserve coastal areas and livelihoods, allowing erosion control measures while defining No Development Zones.
  - The Coastal Management Information System (CMIS) collects near-shore coastal data for designing and maintaining protection structures.

How many of the statements given above are correct?

a) Only one                      **b) Only two**  
c) All three                      d) None
- With reference to Hamas, consider the following statements:
  - Hamas is a Palestinian political armed group that was founded in 1987.
  - The United States has designated Hamas a terror organization since 1997 whereas no other country sees it the same way.

Which of the statements given above is/are correct?

**a) 1 only**                      b) 2 only  
c) Both 1 and 2              d) Neither 1 nor 2
- Consider the following nations:
  - Turkmenistan
  - Uzbekistan
  - India
  - Kazakhstan

How many of the above nations are participants of Exercise KAZIND-2023?

a) Only one                      **b) Only two**  
c) Only three                    d) All four