



**UPSC
Mentorship**
A Unit of Mentorship India

DAILY CURRENT AFFAIRS

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SOURCES



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GS II

1. Resilience of Russian Economy

Source: IE, Page 14

Prelims: Russian Economy Status

Mains: Effect of Policies and Politics of Developed and Developing Countries on India's interests

News: Despite facing more individual sanctions than Iran, Cuba, and North Korea combined, Russia continues its offensive in Ukraine. The war, now in its third year, has seen a significant Russian offensive in east and northeast Ukraine.

Russia's Economic Resilience

- Russia's economy has shown resilience, with the International Monetary Fund (IMF) noting signs of overheating in its latest assessment.
- Key economic indicators include a strong job market, record low unemployment, rising wages, and economic growth of 3.6% in 2023.
- Russia's economy has performed better than expected despite Western sanctions.
- A small contraction of 1.2% in 2022 was followed by a growth of 3.6% in 2023.
- Factors contributing to this resilience include strong consumer spending, corporate investments, and relatively lenient sanctions on the energy sector.

Five Possible Factors

- 1. Energy Sector Sanctions:**
 - Sanctions on Russia's energy sector are less strict compared to those on Iran or Venezuela.
 - The West designed sanctions to avoid a significant surge in oil prices, maintaining Russia's fossil fuel production.
 - Russia's oil exports have remained stable, with significant exports to China and India.
- 2. Corporate Investment:**
 - Corporate investments recovered post-2022, significantly contributing to GDP growth.
 - Increased investment in defense and manufacturing sectors, substituting imports with domestic production.
- 3. Private Consumption:**
 - Strong recovery in private consumption driven by buoyant credit and a strong labor market.
 - Record low unemployment at 3% and rising wages have propelled consumer spending.
- 4. Government Spending:**
 - Government spending, particularly on defense, has modestly added to growth.
 - Defense spending is estimated at 7% of GDP, though overall spending has not increased significantly in real terms.
- 5. Experience with Sanctions:**
 - Russia had prior experience with sanctions imposed in 2014, aiding in maneuvering around new punitive measures.

CHART 1: RUSSIA'S ECONOMY: CONTRIBUTIONS TO GDP GROWTH

	2020	2021	2022	2023
GDP	-2.7	6.0	-1.2	3.6
Private Consumption	-3.0	6.1	-0.6	2.9
Public Consumption	0.4	0.4	0.5	0.6
Gross Capital Formation	-1.0	2.8	0.3	4.5
Net Exports	1.3	-3.1	-1.1	N/A



- Long-term crisis management experience by Russian technocrats.

Role of Central Bank

- The Bank of Russia, led by Governor Elvira Nabiullina, has played a crucial role in maintaining economic stability.
- The central bank's hawkish monetary policies have helped blunt the impact of Western sanctions.
- The policy rate was raised from 7.5% to 16% in response to economic conditions.
- The IMF projects slower growth due to tightened monetary policy and reduced fiscal stimulus, with growth expected to decelerate to around 2.6% annualized throughout 2024.
- Experts note that while the Russian economy appears stable, it faces long-term challenges, including maintaining higher inventories and reduced potential growth rates.



GS III

2. RBI's proposed framework to administer project financing

Source: The Hindu, Page 10

Prelims: Recent changes in Frameworks

Mains: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

News: The Reserve Bank of India (RBI) issued draft regulations to strengthen the regulatory framework for long-gestation period financing in infrastructure, non-infrastructure, and commercial real estate sectors. The draft regulations were opened for consultation earlier this month, with comments solicited until June 15.

Need for Frameworks

- Infrastructure projects typically have long gestation periods and a higher probability of not being financially viable.
- These projects often require long-tenure loans and face multiple obstacles like land acquisition delays, obtaining clearances, and changes in scope, leading to delays and cost overruns.
- The Ministry of Statistics and Programme Implementation's review of 1,837 projects found 779 delays and 449 cost overruns, dampening banks' risk pricing.

Key Revisions

- The RBI aims to mitigate credit events such as defaults, delays in the Date of Commencement of Commercial Operations (DCCO), and the need for additional debt.
- A significant revision concerns provisioning, with a recommended 5% general provision during the construction stage, up from 0.4%.
- Mandatory prerequisites for financial closure include environmental, regulatory, and legal clearances, along with a clear DCCO.
- Financial disbursements and equity infusion progress must align with completion stages, certified by an independent engineer or architect.
- A positive Net Present Value (NPV) is required for project finance, with annual independent re-evaluations to prevent stress buildup.

Key Observations

- Higher provisioning requirements may impact the near-term profitability of non-banking financial companies and infrastructure financing companies.
- Ratings agency ICRA noted the potential negative impact on profitability.



3. IIT Jodhpur Publish Groundbreaking Research on Air Pollution

Source: PIB

Prelims: NCAP, PM_{2.5}

Mains: Conservation, Environmental Pollution and Degradation

News: Researcher from Indian Institute of Technology (IIT) Jodhpur has published ground-breaking research shedding light on the sources and composition of particulate matter (PM) in Northern India that are harmful to human health.

About the Research

- It highlights the importance of addressing local inefficient combustion processes - such as biomass and fossil fuel burning, including traffic exhaust in effectively reducing PM-related health exposure and their associated impacts in Northern India.
- Leveraging the power of advanced aerosol mass spectrometry techniques and data analytics, the study was conducted at five Indo-Gangetic Plain sites, both within and outside Delhi.
- The chemical composition varies considerably as the local emission sources and formation processes dominate the PM pollution.
- Within Delhi, ammonium chloride, and organic aerosols originating directly from traffic exhaust, residential heating, and the oxidation products of fossil fuels emissions produced in the atmosphere dominate PM pollution.
- Outside Delhi, ammonium sulphate and ammonium nitrate, as well as secondary organic aerosols from biomass burning vapours, are the dominant contributors.
- The study addresses three critical scientific questions crucial for consideration of Indian Policymakers in devising data-driven, effective mitigation strategies under the ongoing National Clean Air Programme (NCAP).
 - Fine PM (PM_{2.5}) source identification and their absolute contribution, with unprecedented clarity between their local and regional geographical origin.
 - A comprehensive and unequivocal distinction between directly emitted PM and those formed in the atmosphere. This is the first time such a distinction is clearly made over a large spatial and temporal scale.
 - Determination of the harmfulness of PM by correlating its oxidative potential with local and regional sources within the study region.



Editorials, Opinions and Ideas

4. The risks of Russia's nuclear posturing

Source: The Hindu, Page 9

This article discusses how Russia's actions during the war with Ukraine are altering the nuclear dynamics and the potential dangerous outcomes of these changes.

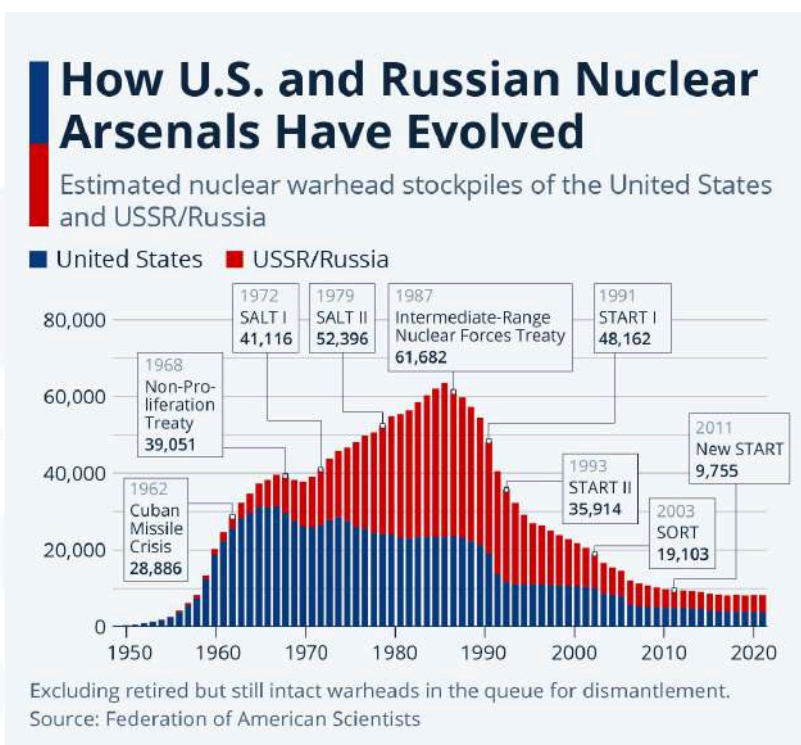
Russia Changing Nuclear Dynamics

- **Escalation in Nuclear Posturing:** Russia announced drills simulating the use of tactical nuclear weapons along the Ukraine border and plans to station nuclear weapons in Belarus.
- **Rationale Behind Actions:** Russia cites statements by Western leaders, such as France's Macron and the UK's Cameron, as reasons for its nuclear posturing, although these statements do not pose an existential threat to Russia.
- **Brinkmanship and Coercion:** Russia's nuclear posturing appears to be aimed at deterring further intervention by Ukraine and its allies, rather than addressing genuine threats to its survival.
- **Shifts in Nuclear Deterrence Logic:** The traditional logic of nuclear deterrence, based on mutually assured destruction and use only in existential threats, is being challenged as Russia lowers the threshold for nuclear use.

Dangerous Outcomes

- **Precedent for Other Nuclear Powers:** Russia's explicit nuclear threats at lower levels of conflict could encourage other nuclear-armed nations to adopt similar tactics, undermining global security.
- **Impact on Non-Proliferation Efforts:** This new precedent threatens efforts towards nuclear non-proliferation and disarmament, as non-nuclear states may seek nuclear capabilities for deterrence.
- **Proliferation Risks:** Countries like Iran and North Korea may feel emboldened to retain or develop nuclear weapons, fearing aggression from nuclear-armed states.
- **Nuclear Instability:** Lowering the nuclear use threshold raises the risk of nuclear conflict, undermining the distinction between conventional and nuclear warfare and increasing global proliferation anxieties.

Russia's recent actions in the Ukraine war have dangerously altered the established norms of nuclear deterrence, potentially leading to increased global nuclear instability and proliferation.



InBrief

5. Joint culture in the armed forces is way forward: CDS

Source: The Hindu, Page 4

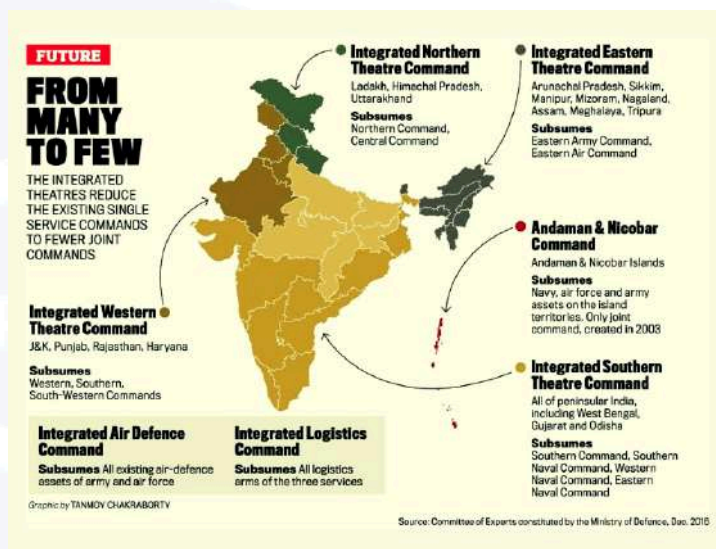
Chief of Defence Staff (CDS), General Anil Chauhan highlighted jointness and integration are prerequisites to the creation of functional Integrated Theatre Commands (ITC).

About Integrated Theatre Commands (ITC)

- An integrated theatre command envisages a unified command of the three Services, under a single commander, for geographical theatres (areas) that are of strategic and security concern.
- This is different from the current model followed by the military in India, wherein service-specific commands are there. The Indian Army, Navy and the Air Force have their own commands all across India.

Current Commands in India

- The Indian armed forces currently have 17 commands.
- There are seven commands each of the Army (Northern, Eastern, Southern, Western, Central, South-western and Army Training Command)
- The Air Force has seven commands (Western, Eastern, Southern, Southwestern, Central, Training and Maintenance).
- The Navy has three commands (Western, Eastern and Southern).



6. 30 flamingos fall dead, rammed by jet on glide path to Mumbai airport

Source: The Hindu, Page 4

Hit by an aircraft on its way to the international airport here, over 30 flamingos were found dead in Mumbai.

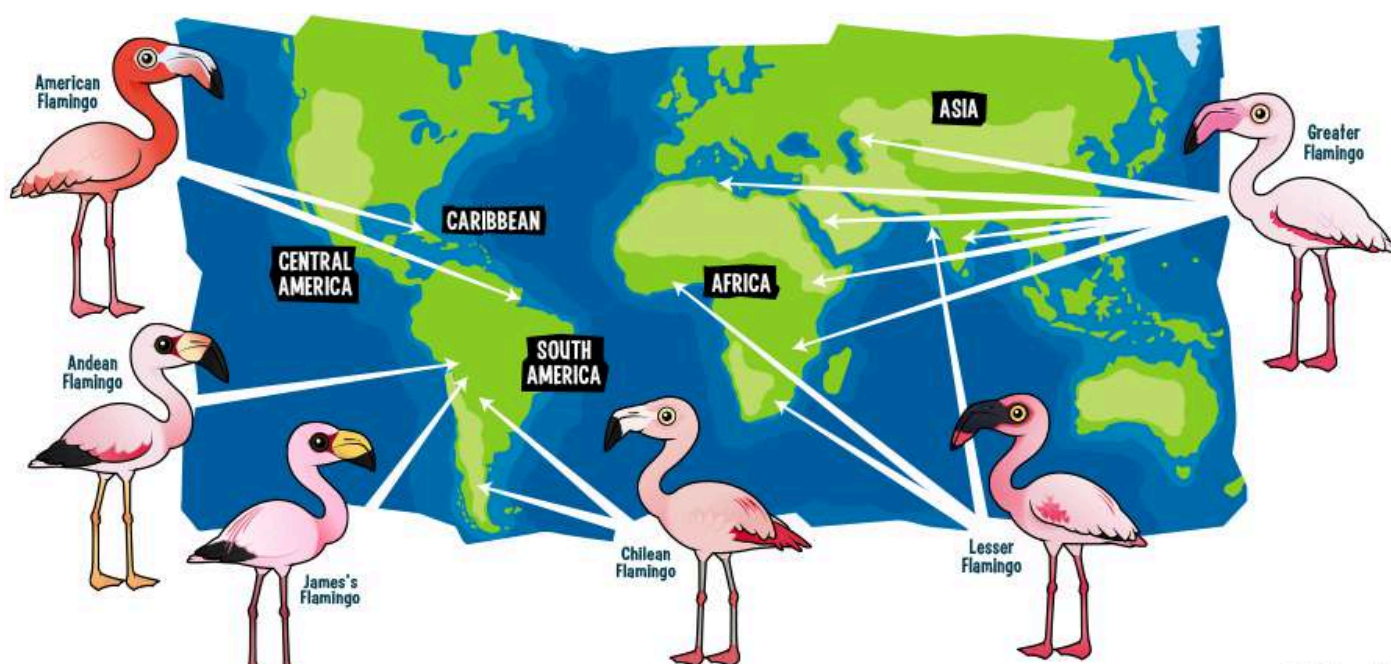
About Flamingos

- Flamingoes are large wading birds known for their striking pink plumage, long legs, and necks. India is home to two main species of flamingoes: the Greater Flamingo and the Lesser Flamingo.

Types of Flamingos in India:



Greater Flamingo (<i>Phoenicopterus roseus</i>)	Lesser Flamingo (<i>Phoeniconaias minor</i>)
Larger species with a height of up to 1.5 meters.	Smaller species, about 80-90 cm tall.
Pinkish-white plumage with bright pink wing coverts.	Deep pink plumage with crimson wings.
Black-tipped bill with a distinct downward curve.	Dark red bill that appears almost black.
Listed as "Least Concern"	Listed as "Near Threatened"



7. Imports of laptops, mobiles, other electronic goods: Govt reaffirms quality standards

Source: IE, Page 13

The Commerce and Industry ministry through a notification has reiterated its position that imports of certain electronic items including laptops and mobile phones will have to adhere to standards set by Bureau of Indian Standards (BIS).

About Bureau of Indian Standards (BIS)

- Through a legislative act dated 26 November 1986, the Bureau of Indian Standards (BIS) was established on 1 April 1987, functioning under the Ministry of Consumer Affairs, Food and Public Distribution.
- BIS is responsible for the harmonious development of the activities of standardisation, marking and quality



certification of goods and for matters connected therewith or incidental thereto.

- BIS has its Headquarters at New Delhi. It has 5 Regional Offices (ROs) located at Kolkata (Eastern), Chennai (Southern), Mumbai (Western), Chandigarh (Northern) and Delhi (Central).

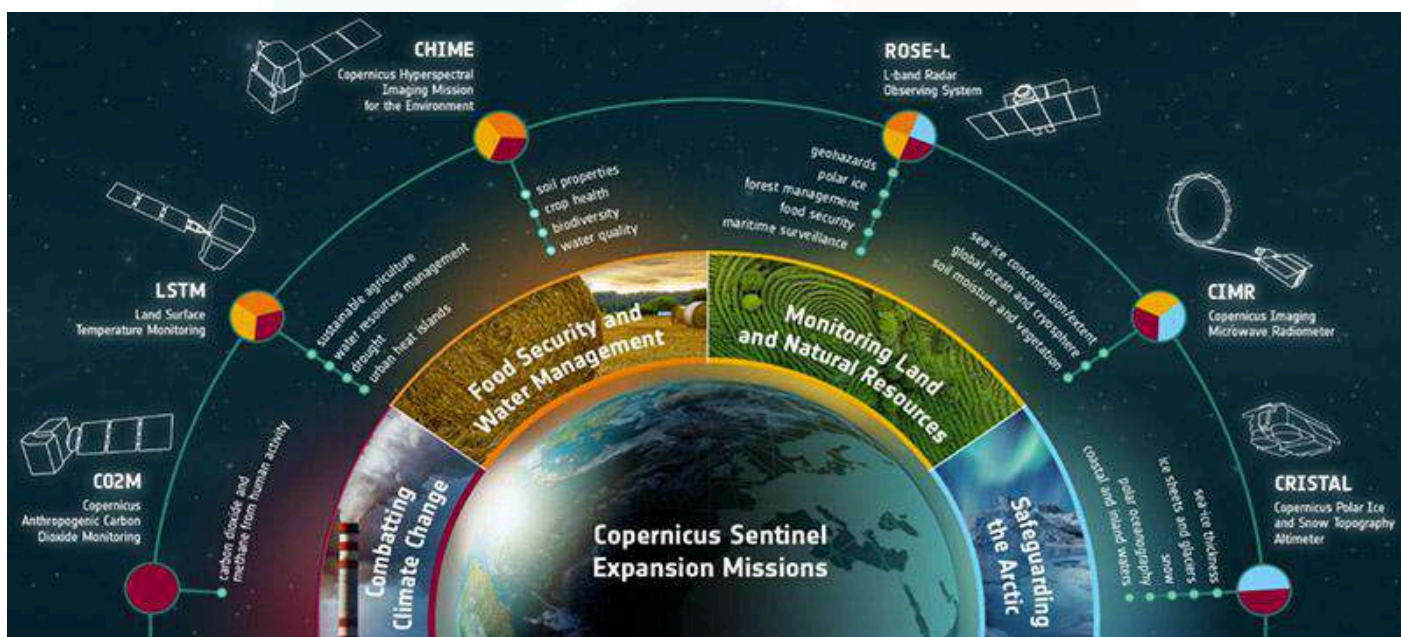
8. EU's Copernicus emergency service

Source: IE, Page 14

After Iranian President Ebrahim Raisi's helicopter crashed, the European Union (EU) activated its rapid satellite mapping service to help search efforts, following a request for assistance from Iran.

About Copernicus Programme

- The Copernicus programme is part of the EU's space programme and aims to monitor the Earth and its environment by collecting data from a set of satellites known as the Sentinels.
- It also gets data from contributing missions (existing commercial and public satellites) and in situ or non-space sources such as ground stations.
- Launched in 1998, the Copernicus programme was earlier called Global Monitoring for Environmental Security (GMES). Currently, it is implemented by the European Commission (EC) with support from the ESA and the European Environment Agency (EEA).

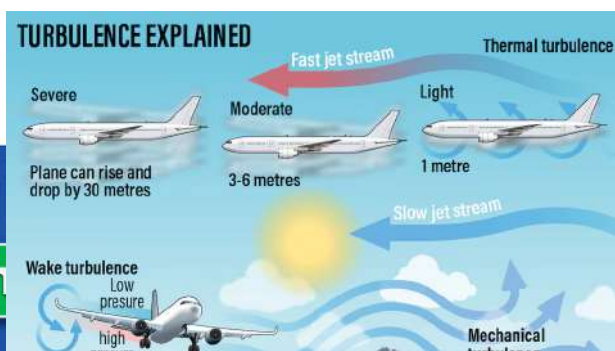


9. Turbulence

Source: IE, Page 14

One Person died and some injuries were reported after a Singapore Airlines flight (SQ321) from London to Singapore encountered "severe turbulence".

About Turbulence



- Turbulence means disruption of airflow over the wings of an aeroplane, which causes it to enter irregular vertical motion.
- There are at least seven kinds of turbulence that an aircraft can run into. 'Wind shear' happens when there is a sudden change in wind direction, typically occurring close to thunderstorms, jet streams, etc. In 'Mountain Waves', one of the most severe types of turbulence, oscillations form on the downwind side of mountains when strong winds flow towards mountains in a perpendicular fashion.

10. FAME-II 'violations' could put e2W firms in the blacklist

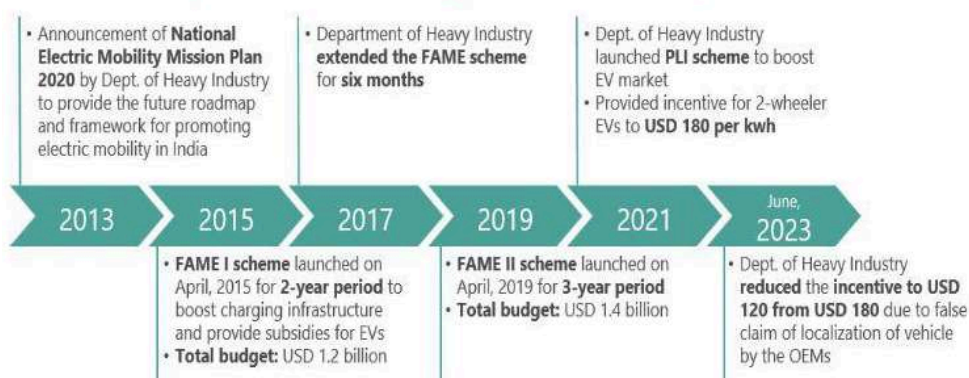
Source: The Hindu, Page 12

Three electric two-wheeler companies can be de-registered or blacklisted from future government schemes if they do not pay back the money they owe to the government under the FAME II Scheme:

About Faster Adoption of Manufacturing of Electric Vehicles (FAME)-II Scheme

- Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) Scheme Phase-II is being implemented by the Ministry of Heavy Industries for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore.
- This phase mainly focuses on supporting electrification of public & shared transportation, and aims to support through demand incentive 7090 eBuses, 5 lakh e-3 Wheelers, 55000 e-4 Wheeler Passenger Cars and 10 lakh e-2 Wheelers.
- Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles.

Government policies to encourage electric mobility in India



Daily Quiz

1. Recently, RBI has updated the regulatory framework for financing long-term projects with respect to provisioning, with a recommended 5% general provision during the construction stage, up from 0.4%. Which of the following statements correctly describes the term 'Provisioning'?

- A. It refers to the process of setting aside funds to cover future liabilities or expenses.
- B. It is the act of supplying goods or services to a customer.
- C. It signifies the creation of a new law or regulation.
- D. It is the process of identifying and mitigating potential risks in a project.

2. Despite facing significant sanctions, Russia's economy has exhibited resilience, with the IMF noting signs of overheating. Which of the following factors most likely contributed to Russia's economic resilience in the face of sanctions?

- A. Stringent sanctions on Russia's energy sector, limiting its ability to generate export revenue.
- B. Increased government spending across all sectors, stimulating domestic demand.
- C. Relatively lenient sanctions on the crucial energy sector, allowing continued oil exports.
- D. A significant decline in private consumption due to rising unemployment and stagnant wages.

3. The National Clean Air Programme (NCAP) launched by the Indian government targets a reduction in Particulate Matter (PM) concentration in cities. What is the base year for measuring this reduction under NCAP?

- A. 2015
- B. 2019
- C. 2017
- D. 2020

4. Arrange the following nuclear treaties between the United States and Russia in chronological order, starting with the earliest:

- 1. Strategic Arms Reduction Treaty (START I)
- 2. New START Treaty
- 3. Anti-Ballistic Missile Treaty (ABM Treaty)
- 4. Intermediate-Range Nuclear Forces Treaty (INF Treaty)

Choose the correct option:

- A. 1, 3, 2, 4
- B. 3, 1, 4, 2
- C. 2, 4, 1, 3
- D. 4, 2, 1, 3

5. Consider the following statements about Greater and Lesser Flamingos:

Statement 1: Greater Flamingos are the smallest flamingo species and have a dark red bill.

Statement 2: Lesser Flamingos are found primarily in East Africa and have a pink bill with a black tip.

Which of the statements given above is/are correct?

- A. Both Statement 1 and Statement 2 are correct.
- B. Both Statement 1 and Statement 2 are incorrect.
- C. Statement 1 is correct only.
- D. Statement 2 is correct only.

6. The Bureau of Indian Standards (BIS) plays a vital role in the Indian economy. Which of the following is not a primary function of the BIS?

- A. Formulating and implementing product standards
- B. Granting licenses to manufacturers for using the BIS hallmark
- C. Protecting consumers from unsafe and sub-standard goods
- D. Regulating the import and export of goods



7. The concept of Integrated Theatre Commands (ITCs) in India aims to:

- Establish separate air force, army, and navy bases across the country to improve coordination.
- Create a unified military command structure for all branches of the armed forces.
- Increase the budget allocation for each individual service within the armed forces.
- Focus military training exercises solely on internal security threats.

8. Consider the following statements about the Copernicus Programme:

Statement 1: It is an Earth observation programme led by the European Union (EU) that provides satellite data and services for monitoring the environment and security threats.

Statement 2: It is a collaborative initiative between the EU and the United Nations to promote sustainable development goals.

Which of the following is/are correct?

- Statement 1 only
- Statement 2 only
- Both Statement 1 and Statement 2
- Neither Statement 1 nor Statement 2

9. Turbulence experienced during airplane flights is caused by which of the following phenomena?

- Differences in air pressure and wind shear at high altitudes.
- Fluctuations in the Earth's magnetic field affecting the aircraft.
- Variations in the gravitational pull from the moon and other celestial bodies.
- The aeroplane's engines causing disturbances in the airflow.

10. The Faster Adoption and Manufacturing of Electric Vehicles (FAME)-II Scheme is a Government of India initiative to promote electric vehicles. Consider the following statements:

- It is primarily focused on providing subsidies for electric two-wheelers only.
- It offers incentives for both manufacturing and demand creation of electric vehicles.
- The scheme exclusively targets public transport vehicles.

How many of the above statements are correct regarding FAME-II?

- Only 1
- Only 2
- All are correct
- All are incorrect



Solutions

Answer 1: A

Solution:

- Provisioning refers to the practice of setting aside funds to cover anticipated future expenses or liabilities. This is a common practice in accounting, where companies anticipate future costs like loan defaults, bad debts, or warranty claims.

Hence, Option A is correct.

Answer 2: C

Solution:

- Sanctions on Russia's energy sector are less strict compared to those on Iran or Venezuela.
- The West designed sanctions to avoid a significant surge in oil prices, maintaining Russia's fossil fuel production.

Hence, Option C is correct.

Answer 3: C

Solution:

The NCAP targets to achieve 20% to 30% reduction in concentrations of PM₁₀(particulate matter of diameter between 10 and 2.5 micrometer) and PM_{2.5}(particulate matter of diameter 2.5 micrometer or less) by the year 2024, keeping 2017 as the base year for comparison of concentration.

Hence, Option C is correct.

Answer 4: C

Solution:

- Intermediate-Range Nuclear Forces Treaty (INF Treaty): Signed in 1987, this treaty eliminated an entire class of

nuclear weapons: intermediate-range and shorter-range missiles.

- Strategic Arms Reduction Treaty (START I): Signed in 1991, this treaty aimed to reduce long-range nuclear weapons arsenals of both the US and Russia.
- Anti-Ballistic Missile Treaty (ABM Treaty): Signed in 1972, this treaty limited the development and deployment of anti-ballistic missile systems by both countries. It was ultimately abrogated by the US in 2002.
- New START Treaty: Signed in 2010, this treaty succeeded START I and further reduced the number of deployed strategic nuclear weapons.

Hence, option C is correct.

Answer 5: D

Solution:

- Statement 1 is incorrect. Greater Flamingos are the largest flamingo species, not the smallest. They also have a pink bill with a black tip, not a dark red bill.
- Statement 2 is correct. Lesser Flamingos are primarily found in East Africa and can be identified by their pink bill with a black tip.

Hence, option D is correct.

Answer 6: D

Solution:

- Regulating the import and export of goods is not a primary function of the BIS. While the BIS standards might influence import decisions, it's not directly responsible for regulating international trade. This function falls under agencies like the Directorate General of Foreign Trade (DGFT).



Hence, option D is correct.

Answer 7: B

Solution:

- Integrated Theatre Commands (ITCs) are a major defense reform initiative in India.
- The aim is to move away from the existing service-centric structure (Army, Navy, Air Force) towards a more integrated approach.
- Under ITCs, different branches of the armed forces would be geographically aligned under a single commander, improving joint planning, operational efficiency, and faster decision-making in the event of conflict.

Hence, option B is correct.

Answer 8: A

Solution:

- Statement 1 is correct: The Copernicus Programme is indeed an Earth observation programme led by the European Union.
- Statement 2 is incorrect: Currently, it is implemented by the European Commission (EC) with support from the ESA and the European Environment Agency (EEA).

Hence, Option A is correct.

Answer 9: A

Solution:

- Turbulence occurs due to variations in atmospheric conditions such as differences in air pressure and wind shear, which is the change in wind speed and direction over short distances.

Hence, option A is correct.

Answer 10: A

Solution:

- Statement 1 is incorrect: While FAME-II offers subsidies for electric two-wheelers, it also covers other categories like three-wheelers, electric buses, and four-wheeler passenger cars.
- Statement 2 is correct. FAME-II provides financial incentives for both manufacturers (to encourage domestic production) and consumers (to stimulate demand for electric vehicles). This two-pronged approach aims to accelerate the adoption of electric vehicles in India.
- Statement 3 is incorrect. FAME-II is not limited to public transport vehicles. It encompasses a wider range of electric vehicles for personal and commercial use.

Hence, Option A is correct.





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