

1. Financial Stability Report

Topic: Governance



In News: The Reserve Bank of India has released its Financial Stability Report.

More on the Topic:

- The gross non-performing assets (GNPA) ratio of scheduled commercial banks declined to a six-year low of 5.9 percent in March 2022 from 7.4 per cent in March 2021.
- Capital to risk weighted assets ratio (CRAR) of scheduled commercial banks (SCBs) rose to a new high of 16.7%. S
- Net non-performing assets (NNPA) ratio also fell by 70 basis points during FY22 and stood at 1.7 percent as on March-end.
- Provisioning Coverage Ratio (PCR) increased to 70.9% from 67.6%.

Report About Overall Banking Ecosystem:

- Indian banks are recovering from the pandemic that reduced borrowers' income.
- A combination of **measures by the RBI and credit guarantee schemes by the government** helped borrowers and banks throughout the pandemic.
- Banks made adequate provisions and raised capital to cushion their balance sheets.
- Non-performing assets of most banks have also declined.
- Banks' gross NPA ratio of large borrowers has been declining over the last two years to reach 7.7 percent in March 2022.

Risk Factors:

- **FinTech Companies:** the advent of FinTech has exposed the banking system to new risks which extend beyond prudential issues and often intersect with other public policy objectives relating to safeguarding of data privacy, cyber security, consumer protection, competition and compliance with anti-money laundering policies.
- Big techs can scale up rapidly and pose risk to financial stability, which can arise from increased disintermediation of incumbent institutions.
- **Crypto Currency:** Cryptocurrencies could result in instability over time and dollarisation (foreign money replacing domestic money) of the system as they create parallel currency systems, which can undermine sovereign control over money supply, interest rates and macroeconomic stability.

- The dangers posed by crypto assets to financial stability appear to be limited at the moment because the overall size of the crypto markets are small, just 0.4 per cent of global financial assets, and their interconnection with the traditional financial system is limited.

About Financial Stability Report:

- FSR is published twice each year by the RBI that presents an assessment of the health of the financial system. FSR details the current status of different financial institutions such as all the different types of banks and non-banking lending institutions.

Source: Indian Express

2. UN Habitat - World Cities Report 2022

Topic: Reports and Indices



UN-HABITAT

In News: The United Nations-Habitat's World Cities Report 2022 was released recently.

More on the Topic:

Indian Scenario:

- The global urban population is back on track to grow by another 2.2 billion by 2050.
- Rapid urbanisation was only temporarily delayed by the COVID-19 pandemic.
- By 2035, the percentage of population in India at mid-year residing in urban area will be 43.2 per cent.

Global Scenario:

- With existing urban populations continuing to grow naturally through rising birth rates, particularly in lower income countries, the urban population is forecast to grow from 56 per cent of the global total in 2021 to 68 per cent by 2050.
- **Urbanisation remains a powerful 21st century mega-trend.**
- In last two decades, **India and China experienced rapid urbanisation and economic growth.** As a result, number of people living in poverty reduced.
- **India's urban population is estimated to stand at 675 million in 2035, the second highest behind China's one billion.**

Challenges:

- **Urban poverty and inequality** are the most intractable and highly complex problems.
- **Overcrowded slums** in Mumbai, Nairobi, Rio de Janeiro, chronic homelessness in London etc highlights that, tackling urban poverty and inequality are key priorities to building inclusive and equitable urban futures.

UN-Habitat:

- The United Nations Human Settlements Programme is the United Nations programme for human settlements and sustainable urban development.
- It was established in 1978 as **an outcome of the First UN Conference on Human Settlements and Sustainable Urban Development (Habitat I)** held in Vancouver, Canada, in 1976.
- It is mandated by the United Nations General Assembly **to promote socially and environmentally sustainable towns** and cities with the goal of providing adequate shelter for all.

Source: The Hindu

3.Caspian Summit

Topic: International Relations



In News: The 6th Caspian Summit will begin today in Ashgabat, Turkmenistan.

More on the Topic:

- The group, made up of Turkmenistan, Russia, Iran, Kazakhstan, and Azerbaijan, aimed to formalize the legal status of the Caspian Sea following the USSR's collapse.
- The previous meeting in 2018 removed the requirement for prior approval to construct underwater gas pipelines through the sea.

- This removal enables the construction of projects such as **the Trans-Caspian Gas Pipeline**—a proposed gas pipeline connecting Turkmenistan to Azerbaijan – which could allow connections to existing pipelines in Georgia and Turkey. This prospect would allow Europe to meet its energy needs while bypassing Russia.

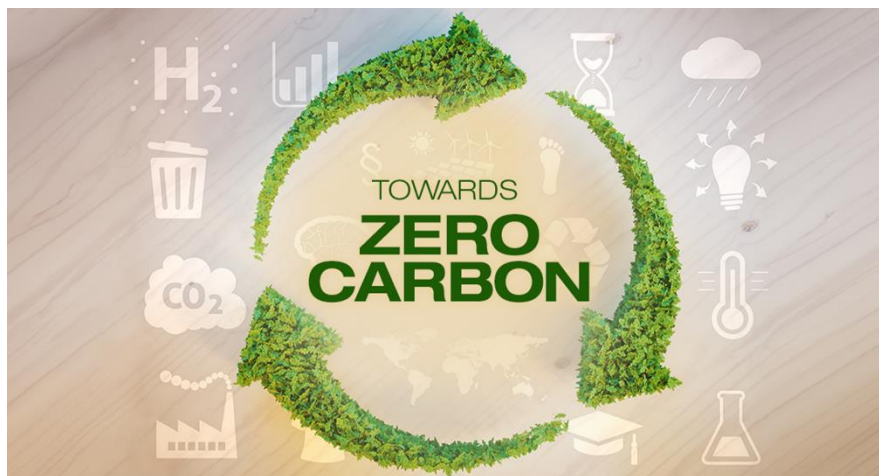
Caspian Sea:

- The Caspian Sea is the Earth's largest inland body of water, when measured by surface area.
- It lies at the **junction of Europe and Asia**, with the Caucasus Mountains to the west and the steppes of Central Asia to the east.
- It is bordered by Russia to the northwest, Azerbaijan to the west, Iran to the south, Turkmenistan to the southeast and Kazakhstan to the northeast.

Source: Hindu

4. Agrifood companies' carbon neutral Efforts

Topic: Environment and Ecology



In News: According to a report from the European Bank for Reconstruction and Development and the United Nations Food and Agriculture Organization Agrifood companies' efforts to achieve carbon neutrality have been uneven.

More on the Topic:

- Farmers and agribusinesses face barriers to carbon neutrality. These include land property rights, infrastructure and access to technology, adoption costs and access to finance.
- Another problem for carbon-neutral efforts is that **consumers are often unwilling to pay a premium for carbon-neutral products.**

- Besides technical and methodological problems, the lack of a clear governance framework hinders more decisive action on the part of agrifood businesses and also fails investors and consumers.

Global agrifood system-Statistics:

- Account for 21-37% of total anthropogenic GHG emissions
- Are affected by warming through changing rainfall patterns and supply chain disruptions.

The report identified five action areas to reduce the distance towards achieving carbon neutrality in agrifood systems:

- Strategically target carbon neutrality
- Improve tools and methods
- Develop and promote sound governance mechanisms for low-carbon pathways
- Direct support for decarbonisation efforts
- Develop capacities and share knowledge

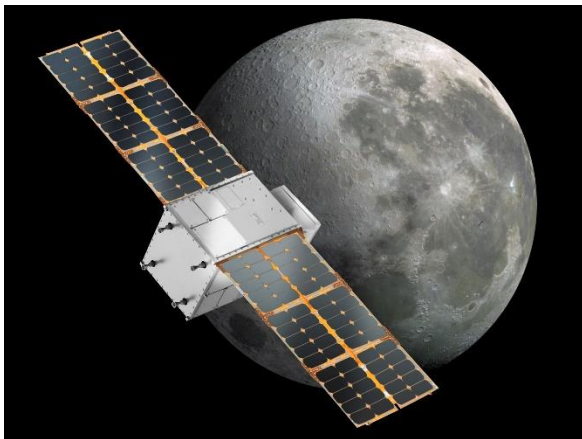
About Carbon Neutrality:

- Carbon neutrality is a state of net-zero carbon dioxide emissions. This can be achieved by balancing emissions of carbon dioxide with its removal or by eliminating emissions from society.

Source: Indian Express

5. NASA's Capstone Mission

Topic: Science and Technology



In News: NASA's CAPSTONE was Launched recently.

More on the Topic:

- **Cislunar Autonomous Positioning System Technology Operations and Navigation Experiment**, is designed to test a unique, elliptical lunar orbit known as a near-rectilinear halo orbit (NRHO) which is significantly elongated, and is located at a precise

balance point in the gravities of Earth and the Moon. This offers stability for long-term missions like Gateway.

- NASA's CubeSat designed to test a unique lunar orbit is safely in space and on the first leg of its journey to the Moon.
- The spacecraft is heading toward an orbit intended in the future for Gateway, a lunar space station built by the agency and its commercial and international partners that will support NASA's Artemis program, including astronaut missions.

Source: Business Standard

6. ISRO's POEM

Topic: Government Schemes



In News: ISRO's POEM programme was launched recently.

More on the Topic:

- The PSLV Orbital Experimental Module is a platform that will help perform in-orbit experiments using the final, and otherwise discarded, stage of ISRO's workhorse rocket, the Polar Satellite Launch Vehicle (PSLV).
- The PSLV is a four-stage rocket where the first three spent stages fall back into the ocean, and the final stage (PS4) — after launching the satellite into orbit — ends up as space junk.

Source: Hindu
