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TODAY'S ANALYSIS

(07 September 2023)

TOPICS TO BE COVERED

- **COALITION FOR DISASTER RESILIENT INFRASTRUCTURE**
- **WHAT XI & PUTIN'S ABSENCE IN G20 SUMMIT MEANS FOR INDIA?**
- **E RUPEE (CENTRAL BANK DIGITAL CURRENCY)**

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COALITION FOR DISASTER RESILIENT INFRASTRUCTURE (CDRI)

- CDRI is an **India-backed international platform**, announced by the Prime Minister of India at the **UN Secretary General's Climate Action Summit in New York in 2019**.

Secretariat of CDRI would be based in New Delhi.

TASKS WITH CDRI

Taking forward the initiative of the **India-backed Coalition for Disaster Resilient Infrastructure (CDRI)**, the **World Meteorological Organisation (WMO)** announced a **5-year program to establish early warning systems** around the world.

The proposal calls for a **\$3.1 billion** investment between **2023-27** to increase infrastructure and capacity in **early warning systems**.

The above program was announced by the **UN Secretary General** at the **COP27** climate change conference at **Sharm el-Sheikh, Egypt**.

WHY IS EARLY WARNING SYSTEM IMPORTANT?

- Many countries, including India, have established robust disaster management practices that have **significantly reduced human casualties in disasters**.

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- However, the **economic costs of a disaster remain enormous**, owing primarily to the destruction of large infrastructure.
- According to the WMO, nearly half of the world's countries, the majority of which are least developed and small island states, **lack early warning systems**.
- Early warning systems save lives and give significant economic advantages. For example,
 - A mere **24 hours' notice of an upcoming hazardous occurrence can reduce the resulting harm by 30%**.
 - Spending roughly **\$ 800 million on early warning systems** might save up to **\$ 3-16 billion** in damages per year.

THE GLOBAL COOPERATION UNDER CDRI?

- CDRI is an attempt to bring countries together to **share and learn from the experiences** of one another to protect their key infrastructure - highways, railways, power stations, communication lines, etc., against disasters.
- It aims to assist member nations in **integrating disaster management policies** into all of their activities.

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- CDRI members include not just countries, but UN bodies, financial institutions, groups working on disaster management, etc.

SIGNIFICANCE

- **To identify and promote best practices:** This means, the platform is not meant to plan, execute or finance infrastructure projects.
- To provide **access to capacity building.**
- To work towards **standardisation of designs, processes and regulations** relating to infrastructure creation and management.
- To make **entire networks resilient**, as modern infrastructure is also a web of networked systems, not always confined to national boundaries.

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WHAT XI & PUTIN'S ABSENCE MEANS FOR INDIA?

Beijing has said **Premier Li Qiang** will lead the country's delegation at the G20 Summit, indicating **President Xi Jinping will skip the event** this weekend in New Delhi.

Russia's **Vladimir Putin** will also be absent. In his stead, **Russian foreign minister Sergey Lavrov** will attend the conclave.

WHAT XI'S ABSENCE MEANS?

Are there any reasons given by Chinese officials?

It **remains unclear** as to why Xi is **not attending** the G20 summit **for the first time** since coming to power in 2013.

The Chinese President had **attended last November's G-20 summit** in Indonesia's Bali, wherein he held talks with Prime Minister Modi and United States president Joe Biden.

EXPERT VIEWPOINTS ON THE ISSUE

- "If Xi decides not to attend the G20, this **could set back China's efforts to thaw relations with India** and harden New Delhi's position on the border dispute".
- Xi's absence **might make it easier for India to flex its global leadership muscles**.

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- As per New York-headquartered **Bloomberg**, Xi may be “snubbing” the G20 summit because of Beijing’s “**diplomatic sparring**” with India or probably because **he wants to stay back to handle the country’s economic troubles.**
- Xi enjoys a very high status when he receives foreign guests at home. He also received special treatment at the BRICS summit. He’s unlikely to get that at G20.
- Xi is now in an ‘**emperor mindset**’ and expects dignitaries to come to him.
- Xi does not seem to have an interest in attending an event that could bolster “**the global profile**” of its rival India.
- China seeks to dominate a group of smaller, less-developed states like BRICS or the Shanghai Cooperation Organization where China can dictate the agenda.

WHAT PUTIN’S ABSENCE MEANS?

Before the G20 summit, Putin **stayed away from the BRICS summit** in Johannesburg following an **International Criminal Court (ICC)** arrest warrant for him over alleged war crimes in Ukraine.

He addressed the bloc virtually, **blaming the unpredictability** in global markets for food and other products on **Western sanctions.**

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EXPERT VIEWPOINTS

- Some see these leaders' absence at the G20 as a blessing in disguise for India's presidency.
- Putin's absence will save India from **dealing with possible embarrassing situations**, such as a heated exchange between the Russian president and Western leaders.
- The Russian president's presence could have also created a tense situation or led to an acrimonious debate, which would deal **irreparable damage** to the **G20 and split the group**. Such a development under India's presidency would have been a major embarrassment for the host country.

WHAT INDIAN LEADERS SAY?

- X Jinping & Putin's absence will have no impact on the G20 summit. There have been instance in the past where the countries have not been represented by their leaders.

(Mr S. Jaishankar)

- The absence of these leaders would not have any impact on the summit. Most things that have been worked on are part of the declaration. It is those countries' prerogative to send whoever they wish and who will represent them. Both countries will be represented, respectively. I am sure there would be internal reasons of the countries.

(Mrs. Meenakshi Lekhi)

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e RUPEE

The Reserve Bank of India (RBI) launched a pilot project of **Central Bank Digital Currency (CBDC)**, referred to as **Digital Rupee (e₹)**, for specific use cases.



WHAT IS e RUPEE?

- e-RUPI is a **cashless and contactless** instrument for digital payment.
- It is a **QR code or SMS string-based e-Voucher**, which is delivered to the mobile of the beneficiaries.
- The users of this seamless one-time payment mechanism will be **able to redeem the voucher without a card, digital payments app or internet banking access**, at the service provider.
- The system is **pre-paid in nature** and hence, assures timely payment to the service provider without the involvement of any intermediary.

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It has been developed by **National Payments Corporation of India on its UPI platform**, in collaboration with the Department of Financial Services, Ministry of Health & Family Welfare and National Health Authority.

In effect, **e-RUPI is still backed by the existing Indian rupee** as the underlying asset and specificity of its purpose makes it different to a virtual currency and puts it closer to a voucher-based payment system.

According to the **Reserve Bank of India (RBI)**, there are at least **four reasons why digital currencies are expected to do well in India:**

- ❖ **Increasing Penetration:** There is **increasing penetration of digital payments** in the country that exists alongside sustained interest in cash usage, especially for small value transactions.
- ❖ **High Currency to GDP Ratio:** India 's high currency to **Gross Domestic Product (GDP)** ratio holds out another benefit of CBDCs.
- ❖ **Spread of Virtual Currencies:** The spread of private virtual currencies such as Bitcoin and Ethereum may be yet another reason why CBDCs become important from the point of view of central bank.
- ❖ **Will Act as a Cushion:** Central bank digital currencies might also **cushion the general public in environment of volatile private virtual currencies.**

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