



DAILY NEWS PAPER ANALYSIS

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Centre's investment body flagged Nicobar port as lacking in 'strategic goals'

EXCLUSIVE

Jacob Koshy
NEW DELHI

The Public Investment Board (PIB), a Finance Ministry body that appraises large public investments, had on August 2024 termed the proposed International Container Transshipment Port (ICTP) at Galathea Bay in Great Nicobar Island as lacking in "strategic objectives".

Following the August meeting, it had advised the Ministry of Ports, Shipping and Waterways (MoPSW) to include a strategic case in its proposal. A little over a year later, the same project was formally notified as a "strategic project" by the Ministry of Defence, according to records of a March 2026 meeting viewed by *The Hindu*.

The "strategic" nature of the proposed ₹81,000-crore Great Nicobar Project, which consists of the ICTP, a township, airport, a gas-powered power plant, and a tourism zone, has been the Centre's excuse, since at least 2022, for not making public the contents of a report by a High Powered Committee (HPC) on the cumulative environmental impact of the project.

It has also denied Right To Information requests on environmental clearances for the project on the same grounds.

The PIB's view surfaces in records of meetings held on March 17 and 19, 2026, by another Finance Ministry body—the Public-Private Partnership Appraisal Committee (PPPAC)—tasked with vetting project proposals worth ₹500 crore and above involving a partnership with private players.

The Hindu has viewed

The Nicobar question

The "strategic" nature of the project has been the Centre's excuse for not making public the contents of a report by a High Powered Committee on the environmental impact of the project

The Public Investment Board, a Finance Ministry body, termed the port-complex on the Nicobar project as "lacking strategic objectives" in August 2024.

A year later, the Ministry of Defence labels it as a "strategic project".

In the last year or so, the ₹12,230 crore project is being cast in a maritime security lens, centred around the threat from China.

the PPPAC meeting records and reached out to the Finance Ministry for comment, but has not received one till press time.

The proposal, sponsored by the MoPSW with the Kamarajar Port Limited (KPL) in Chennai as the implementing agency, sought PPPAC clearance to build the port in two phases and, crucially, approval for ₹12,230 crore as Viability Gap Funding (VGF) to make the commercially marginal project bankable.

VGF is a one-time grant given to support infrastructure projects that are economically justified but fall short of commercial (financial) viability.

Shift in narrative

The PPPAC cleared the proposal "unanimously" though it refused the VGF, recommending instead that the MoPSW use its internal budget for the same.

Earlier this week, Congress MP Jairam Ramesh wrote to Environment Minister Bhupendra Yadav that "...the narrative on the Great Nicobar Island Project has suddenly shifted... faced with incontrovertible evidence of its hugely adverse ecological impacts, the Union Government is now emphasising its supposed strategic rationale."

He added that "...the Great Nicobar Island Project as presently conceived is overwhelmingly a com-

mercial enterprise".

"Until the environment clearance (succeeded in November 2022) there was no real reference by the Government of it being a strategic project... and even then it was only the airport (with civilian and military use)," researcher and author Pankaj Sekhsaria, who has extensively documented the project's environmental threat, told *The Hindu*.

The ICTP is a significant component of the much bigger Great Nicobar Island Development Project and is a Ministry of Home Affairs initiative, with the Andaman and Nicobar Islands Integrated Development Corporation Limited (ANIIDCO) as the proponent of the overall project and holder of environmental clearance.

The 2021 documents that conceived the Great Nicobar programme and the January 2023 Expression of Interest for the port described it as a means of capturing transshipment cargo currently routed through Colombo, Singapore, and Port Klang, with the government estimating annual foreign exchange savings of about \$200 million, cumulatively reaching around \$1 billion by 2047.

In the last year or so, the project has valuably been cast in a maritime security lens, centred around the threat from China.

Strategic Importance

- Located near the Malacca Strait, one of the world's busiest maritime chokepoints.
- Strengthens India's presence in the Indo-Pacific Region.
- Supports maritime surveillance in the Indian Ocean Region (IOR).
- Enhances India's role in regional logistics and transshipment trade.

Economic Significance

- Aims to reduce dependence on foreign transshipment hubs such as:
 - Colombo (Sri Lanka)
 - Singapore
 - Port Klang (Malaysia)
- Expected to improve India's port-led development strategy.
- Supports objectives of Maritime India Vision 2030 and Sagarmala Programme.

Viability Gap Funding (VGF)

- Proposed VGF: ₹12,230 crore
- VGF is financial assistance provided to infrastructure projects that are:
 - Economically desirable,
 - Socially beneficial,
 - But financially unviable.

Environmental Concerns

- Diversion of large forest areas.
- Impact on:
 - Leatherback Sea Turtle nesting habitats.
 - Coastal and marine ecosystems.
 - Endemic biodiversity of Nicobar Islands.
- Concerns regarding cumulative environmental impact assessment.

Static Linkages

Important Geography

- Great Nicobar is the southernmost island of India.
- Indira Point is India's southernmost point.
- Located near:
 - Malacca Strait
 - Six Degree Channel
 - Andaman Sea

Environment

- Part of a biodiversity-rich island ecosystem.
- Habitat of:
 - Leatherback Sea Turtle
 - Nicobar Megapode
 - Saltwater Crocodile

Governance

- Article 48A – Protection and improvement of environment.

KEY HIGHLIGHTS:

Context

- In March 2026, the proposed International Container Transshipment Port (ICTP) at Galathea Bay, Great Nicobar Island was officially designated a Strategic Project by the Ministry of Defence.
- Earlier, in August 2024, the Public Investment Board (PIB) had observed that the project lacked clearly defined strategic objectives and sought further justification.
- The project is part of the ₹81,000 crore Great Nicobar Island Development Project, comprising:
 - International Container Transshipment Port (ICTP)
 - Greenfield International Airport
 - Township Development
 - Gas-based Power Plant
 - Tourism Infrastructure
- The project has generated debate over its strategic importance, environmental implications, and economic viability.

Key Points

Great Nicobar Project

- Implementing Agency: ANIIDCO
- Port Implementing Agency: Kamarajar Port Limited (KPL)
- Environmental Clearance: November 2022
- Proposed location: Galathea Bay, Great Nicobar Island

- Article 51A(g) – Duty of citizens to protect the environment.
- Environmental Impact Assessment (EIA) mechanism.
- Forest (Conservation) Act, 1980.
- Wildlife (Protection) Act, 1972.

Infrastructure

- Public-Private Partnership (PPP) Model.
- Viability Gap Funding (VGF).
- Port-led development under Sagarmala.

Critical Analysis

Arguments in Favour

- Strengthens India's strategic footprint in the Indo-Pacific.
- Enhances maritime security near critical sea lanes.
- Reduces dependence on foreign transshipment ports.
- Supports Blue Economy and port-led growth.
- Improves connectivity and infrastructure in island territories.

Concerns

- Ecologically sensitive island ecosystem may face irreversible damage.
- Threat to endemic species and turtle nesting sites.
- Questions regarding commercial viability of the port.
- Potential displacement and impact on indigenous communities.
- Transparency concerns regarding environmental assessments.

Way Forward

- Adopt a balance between strategic development and ecological sustainability.
- Conduct periodic cumulative environmental impact assessments.
- Strengthen biodiversity conservation measures.
- Ensure disaster-resilient infrastructure due to seismic vulnerability.
- Promote transparent and evidence-based decision-making.
- Integrate island development with Blue Economy principles.
- Ensure protection of indigenous communities and their habitats.

Monsoon sets in over Kerala three days late amid concerns over El Niño impact

Jacob Koshy
NEW DELHI

The southwest monsoon set in over Kerala on Thursday, the India Meteorological Department announced. The monsoon has arrived three days later than the normal onset date of June 1 and five days behind the date forecast by the department.

On May 15, the IMD forecast that the monsoon would arrive over Kerala on May 26, with a model error of plus or minus four days. The onset on June 4 overshoot even the upper bound of that window (May 30) by five days.

The IMD said conditions were 'favourable for further advance of southwest monsoon into some more parts of central Arabian Sea, entire Goa, some parts of Maharashtra and Andhra Pradesh, some more parts of Karnataka, remaining parts of Tamil Na-



Motorists ride in the rain at a locality decked up with FIFA World Cup posters in Thiruvananthapuram on Thursday. NIRMAL HARINDRAN

du" and much of the Bay of Bengal "during next two to three days."

The monsoon's arrival comes under the shadow of a strengthening El Niño.

The World Meteorological Organisation now puts the chance of El Niño conditions developing at about 80% for July and August, the core of the monsoon and the months that matter most for kharif sowing. The IMD has already pegged the season at a be-

low-normal 90% of the long-period average.

A poor monsoon would tighten reservoir discharge, slow groundwater recharge, and strain farm sector, where over half the cropped area is rain-fed.

Convective cloudiness

The department declared the onset only after its formal criteria were met. Convective cloudiness over the southeast Arabian Sea had increased over the preced-

ing two days; westerly winds extended up to 4.5 km above mean sea level, blowing at 20-25 knots in the lower levels; and Kerala had recorded widespread rainfall, with isolated heavy falls, over the same period.

The IMD's threshold requires that, after May 10, at least 60% of 14 designated stations across Kerala and the adjoining coast report 2.5 mm or more of rain on two consecutive days, alongside the wind-depth and cloudiness conditions – a set of tests designed to rule out a false, pre-monsoon onset.

It is the first time since 2015 that the department has missed its onset call beyond the error margin. Meteorologists caution against reading too much into the late start. The onset date, they note, historically has little bearing on how much rain the season ultimately delivers.

- Reduced rainfall

- Drought-like conditions

- However, the relationship is not always direct due to influence of other climatic factors such as the Indian Ocean Dipole (IOD).

Static Linkages

- Southwest Monsoon consists of:
 - Arabian Sea Branch
 - Bay of Bengal Branch
- Driven by:
 - Differential heating of land and sea
 - Northward shift of ITCZ
 - Tibetan Plateau heating
 - Seasonal reversal of winds
- Important climate phenomena affecting Indian monsoon:
 - ENSO (El Niño Southern Oscillation)
 - Indian Ocean Dipole (IOD)
 - Madden-Julian Oscillation (MJO)
 - Jet Streams

Critical Analysis

Significance

- Timely monsoon is crucial for Kharif sowing operations.
- Determines agricultural output and rural demand.
- Influences inflation, food prices, and economic growth.

Challenges

- Possibility of El Niño-induced rainfall deficiency.
- High dependence of rain-fed agriculture on monsoon.
- Uneven spatial and temporal rainfall distribution.
- Increasing climate variability affecting forecast accuracy.

Limitation

- Delayed onset alone is not a reliable indicator of seasonal rainfall.
- Distribution and frequency of rainfall are more important than onset date.

Way Forward

- Strengthen climate-resilient agriculture.
- Expand micro-irrigation coverage.
- Improve monsoon forecasting and last-mile dissemination.
- Promote drought-resistant crop varieties.
- Enhance groundwater recharge and watershed management.
- Strengthen crop insurance and climate adaptation measures.

KEY HIGHLIGHTS:

Context

- The Southwest Monsoon set in over Kerala on 4 June 2026, three days later than the normal onset date (1 June).
- The onset occurred beyond the IMD's forecast window, marking the first such miss since 2015.
- The onset comes amid increasing probability of El Niño conditions during the crucial monsoon months (July–August).
- IMD has forecast below-normal seasonal rainfall (90% of Long Period Average) for 2026.
- Meteorologists note that the date of onset does not necessarily determine the overall monsoon performance.

Key Points

IMD Criteria for Monsoon Onset

- Rainfall of 2.5 mm or more at at least 60% of 14 designated stations for two consecutive days.
- Presence of deep westerly winds up to 4.5 km altitude.
- Wind speeds of 20–25 knots in lower atmospheric levels.
- Sustained convective cloudiness over the Arabian Sea region.

Importance of Southwest Monsoon

- Provides nearly 75% of India's annual rainfall.
- Supports Kharif crop cultivation.
- Critical for:
 - Food security
 - Reservoir storage
 - Groundwater recharge
 - Hydropower generation
 - Rural livelihoods

El Niño Concern

- El Niño refers to abnormal warming of waters in the equatorial Pacific Ocean.
- Generally associated with:
 - Weaker Indian monsoon

Funding India's climate future, a trillion-dollar question

There is one figure that should command the attention of every policymaker, banker, and financial expert in India. India will require \$162.5 trillion – roughly \$1.5 trillion – by 2030 to meet its Nationally Determined Contributions. Over the longer term, the cost of achieving net-zero emissions by 2070 is estimated at \$10.1 trillion, nearly three times India's current GDP. This is not a cause of despair. India has more tools to bridge this gap than it has deployed so far. But doing so requires a clear financing strategy and the institutional resolve to build mechanisms that can mobilise capital at scale.



Balakrishna Prasad
Head of the United Nations Environment Programme (UNEP) office in India

climate-finance landscape in 2025 did not occur at a climate conference but in Mint Street. In 2025, the RBI's Climate Finance and Management of Climate Change Risks Directions for Commercial Banks and Small Finance Banks established a comprehensive framework requiring banks to integrate climate risks into their lending and risk-management practices. Importantly, eligible green activities can qualify as priority sector lending (PSL), while investments in sovereign green bonds are also recognised under the framework.



Where the finance gap is most acute

This is a bigger deal than it looks. PSL requirements are one of the most powerful levers that the RBI holds over bank behaviour. Currently, for every \$10,000 crore in loans, banks must ensure \$4,000 crore of PSL.

The RBI can and must go further. It has proposed accepting sovereign green bonds as collateral with more flexibility in margin requirements and adjusting reserve requirements to support credit flows to green sectors. The next frontier is differentiated capital requirements based on climate risk – essentially, making brown lending more capital-intensive and green lending less so.

The RBI's Climate Risk Information System on climate-related financial risks for commercial banks, and its inclusion of sustainable finance in its regulatory sandbox, are steps in the right direction.

The next critical step is a comprehensive climate stress-testing framework for Indian banks – one that assesses the flood risk of a loan portfolio in Bihar as rigorously as it evaluates credit risk.

The taxonomy unlocks everything else
Finance Minister Nirmala Sitharaman announced in the Union Budget 2024-25 that India would develop a climate-finance taxonomy. This is the foundation of the entire ecosystem. Without a clear legal definition of what counts as "green", green bonds cannot be credibly verified, PSL classifications remain questionable, international investors cannot make compliance claims, and regulators cannot effectively curb greenwashing.

The Ministry of Finance's Climate Finance Taxonomy and the Ministry of Steel's Green Steel Taxonomy will facilitate standardised sustainable investments and boost investor confidence.

The international climate finance system has one instrument that India has chronically underused: blended finance – the strategic use of public or concessional funds to de-risk private investment. Financial instruments such as green bonds, climate funds, and blended finance models are important in mobilising capital for sustainability initiatives, and unlocking

investment at scale will help drive long-term resilience in India's most climate-sensitive sectors.

Here is the arithmetic that makes blended finance so compelling. A first-loss guarantee of \$100 million from a public source can unlock \$500 million to \$1 billion in private co-investment in solar, offshore wind, green hydrogen, or climate-resilient agriculture, because it absorbs the risk that private capital finds unacceptable. It needs a capitalisation injection and an expanded mandate to get there.

One dimension of India's climate finance challenge that receives almost no attention is its federally disaggregated nature. Climate adaptation – the kind of finance that protects coastal villages in Odisha, drought-proofing in Vidarbha, or spring rejuvenation in the Himalayas – is delivered at the State level. But States have neither the borrowing capacity nor the institutional infrastructure to access international climate finance. Tamil Nadu and Kerala have shown that ambitious State-level climate programming is possible. The financing architecture needs to catch up with the ambition.

There are four things that India must do now. First, finalise and enact the Climate Finance Taxonomy without further delay. It is the single most leveraged action available. Second, the RBI must move from enabling green finance to mandating it – through differentiated capital requirements, mandatory climate stress testing for banks, and expanded PSL targets that include climate adaptation alongside mitigation.

Third, establish a State Climate Finance Facility, capitalised for example, by the Union, National Bank for Agriculture and Rural Development (NABARD), and international sources, to give States and municipalities genuine access to green debt markets.

Fourth, scale sovereign green bond issuances rapidly and embed them in the SLR framework to deepen the domestic market and attract foreign capital.

India's climate-finance challenge is large and urgent, but not insurmountable. The instruments exist, the regulatory framework is taking shape, and capital is available. What is missing is not money, but the institutional capacity to deploy it at scale. Fixing that is the work of the Budget cycles. The country that solves this challenge fastest will shape the future of climate finance in the developing world.

The views expressed are personal

- Infrastructure Investment Trusts (InvITs)
 - Blended Finance Mechanisms
- ### Progress Made
- India issued approximately \$55.9 billion worth of sustainable debt instruments by the end of 2024.
 - Green debt accounts for nearly 83% of total sustainable debt issuance.
 - Sovereign Green Bonds worth about ₹47,700 crore have been issued.

RBI Initiatives

- Climate risks integrated into banking supervision.
- Certain green activities made eligible under Priority Sector Lending (PSL).
- Climate Risk Information System (CRIS) under development.
- Sustainable Finance included in RBI's Regulatory Sandbox framework.

Climate Finance Taxonomy Objectives:

- Define eligible green activities.
- Prevent greenwashing.
- Improve transparency and disclosure.
- Facilitate domestic and international investments.
- Standardize sustainable finance practices.

Blended Finance

- Uses public/concessional capital to de-risk private investments.
- Useful for:
 - Renewable Energy
 - Green Hydrogen
 - Offshore Wind
 - Climate-resilient Agriculture
 - Energy Storage Technologies

Static Linkages

- Principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC) under UNFCCC.
- Paris Agreement (2015) and Nationally Determined Contributions (NDCs).
- Article 48A: Protection and improvement of environment.
- Article 51A(g): Fundamental duty to protect the environment.
- Sustainable Development principle recognized by the Supreme Court.
- Polluter Pays Principle.
- Precautionary Principle.
- Fiscal federalism and cooperative federalism.
- Priority Sector Lending framework of RBI.
- Green GDP and sustainable development concepts.

KEY HIGHLIGHTS:

Context of the News

- India requires ₹162.5 trillion (approximately \$2.5 trillion) by 2030 to achieve its Nationally Determined Contributions (NDCs) under the Paris Agreement.
- The estimated investment needed to achieve Net Zero emissions by 2070 is around \$10.1 trillion.
- The Reserve Bank of India (RBI) has recently strengthened the climate finance ecosystem through its Climate Finance and Management of Climate Change Risks Directions, 2025.
- The Union Budget 2024-25 announced the development of a Climate Finance Taxonomy to standardize sustainable investments.
- The debate highlights the need for a robust domestic climate finance architecture as international climate finance commitments remain inadequate.

Key Points

Climate Finance Requirement

- India needs additional green investments equivalent to 2.5% of GDP annually till 2030 (RBI Report on Currency and Finance).
- Decarbonisation of steel, cement, power, and road transport sectors alone requires approximately \$467 billion between 2022 and 2030.
- These sectors account for over 50% of India's greenhouse gas emissions.

Green Finance Instruments in India

- Green Bonds
- Sovereign Green Bonds (SGRBs)
- Sustainability-linked Bonds
- Transition Finance Instruments

India's bottleneck is not funding, but the institutional architecture needed to move it where it is needed

The most significant shift in India's

Critical Analysis

Significance

- Facilitates achievement of India's NDC and Net Zero targets.
- Accelerates clean energy transition.
- Promotes green industrialization.
- Enhances energy security.
- Generates employment in emerging green sectors.
- Attracts global ESG and sustainable investments.

Challenges

- Huge financing gap relative to available resources.
- Insufficient international climate finance.
- High capital costs for green technologies.
- Absence of finalized climate finance taxonomy.
- Risk of greenwashing.
- Limited climate finance access for States and Urban Local Bodies.
- Weak climate-risk assessment capacity in financial institutions.
- Adaptation finance remains significantly underfunded.
- Balancing development priorities with climate commitments.
- High transition costs and competitiveness concerns.
- Climate-related credit and transition risks.
- Limited fiscal capacity for adaptation projects.
- Need for transparency, certainty, and standardized frameworks.

Way Forward

- Finalize and operationalize Climate Finance Taxonomy.
- Expand Sovereign Green Bond issuances.
- Introduce mandatory climate stress testing for banks.
- Develop climate-sensitive prudential regulations.
- Strengthen blended finance mechanisms.
- Establish a dedicated State Climate Finance Facility.
- Improve access of States and municipalities to green debt markets.
- Promote adaptation finance alongside mitigation finance.
- Deepen domestic green capital markets.
- Enhance public-private partnerships in climate investments.

A national environmental survey whose time came

Anthropologist Anna Tsing writes, "Anthropocene, <is> the epoch in which human disturbance outranks other geological forces.... Although some interpreters see the name as implying the triumph of humans, the opposite seems more accurate: without planning or intention, humans have made a mess of our planet." It is in this precise predicament that India finds itself: environmental damage has slipped beyond intention and control, belonging to no one entirely and to everyone at once.

An unfolding crisis
A survey by the Yale School of the Environment of 10,751 Indians (December 2024-February 2025) found that most respondents had experienced at least one extreme event, including heat waves (71%), agricultural pests and diseases (62%), power outages (59%), water pollution (53%), droughts and water shortages (52%), and air pollution (52%). Based on Indian meteorological department and State of India's Environment findings, nearly half of the 37% of 870 river-monitoring stations recorded alarming levels of toxic heavy metals. Air pollution in 2022 reduced average life expectancy by about three years, while some parts of the country experienced extreme weather for nearly 88% of the year. The Desertification and Land Degradation Atlas of India estimates that 29.7% of the country's land is degraded. Yet, despite this mounting environmental crisis, India still lacks a comprehensive understanding of the state of its environment.

In India, the environment sits on the back bench - starved of funds, with only 0.07% of the annual budget allocated to the Ministry of Environment, Forest and Climate Change (MoEFCC), understaffed, and intellectually neglected. Its custodians often work in silos with overlapping jurisdictions. The result is ignorance masquerading as knowledge. The MoEFCC's annual reports outline forest restoration



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A credible environmental survey is essential for informed policymaking

initiatives such as the National Afforestation Programme (NAP) and REDD+ (reducing emissions from deforestation and forest degradation in developing countries) - additional forest-related activities that protect the climate), yet say little about the scale of State-wide deforestation, its impact on biodiversity and livelihoods, or the country's preparedness for future environmental challenges. Beyond these omissions, the reports often obscure the nuances behind impressive plantation figures, sidestep scrutiny of fund utilisation and environmental compliance, and overlook findings from global assessments.

The case for EnvSI
Much of this information is already measured by governments, think tanks, educational institutions and private actors, but it remains fragmented. What is missing is not data, but a system that brings it together. The remedy is to have an Annual Environmental Survey of India (EnvSI): a unified platform that aggregates evidence, conducts independent audits, issues actionable assessments and grades performance. EnvSI must provide an unsparring account of environmental reality - however uncomfortable. The objective is not merely to document what has been lost, but to identify what can still be protected.

Drafting an EnvSI would require a clear statutory mandate, functional autonomy and protected tenure for an expert-led body. It should integrate data from government agencies, independent researchers, the private sector and field-based evidence. Its methodology must combine quantitative indicators with livelihood assessments, using cross-verified datasets and rigorous analysis. Some may question the cost.

The answer is simple: the cost of not doing it is far greater, and doing it would bring some reason to the redundancy of surveying efforts. An EnvSI

could deliver four key benefits. First, it would help prevent further environmental degradation, temper climate-driven disasters, and build resilient responses through coordinated action and better resource use. Second, it would support the timely achievement of climate targets, enhance credibility and unlock climate finance. Third, it would better align economic development with conservation, while protecting tribal rights, traditional livelihoods and the interests of displaced communities. Finally, it would strengthen the commons by recognising and safeguarding the interdependence between ecosystems, species and human societies.

Finally, the template for an EnvSI already exists. The Economic Survey of India offers the Environment Ministry its clearest model: an integrated report prepared by experts under the Chief Economic Adviser, independent enough to present inconvenient truths. It draws on multiple sources, rigorously scrutinises evidence, rejects comforting narratives, and alerts policymakers to emerging challenges and necessary reforms. India constantly faces difficult trade-offs between development and conservation.

Keeping nature in sight
Home to one-sixth of humanity on just 4% of the earth's land area, India must pursue growth while meeting climate commitments. In such circumstances, environmental concerns are often pushed to the margins. An independent and audacious EnvSI can help balance growth, sustainability, livelihoods and justice. Without India's full commitment, global climate goals will remain elusive. More importantly, an EnvSI can make visible the environmental changes that have become normalised, helping build the awareness needed to protect what remains.



KEY HIGHLIGHTS:

Context of the News

- Amid rising concerns over climate change, pollution, biodiversity loss, and ecosystem degradation, experts have proposed the establishment of an Annual Environmental Survey of India (EnvSI).
- The proposal seeks to create a comprehensive environmental assessment framework on the lines of the Economic Survey, providing policymakers with a holistic picture of India's environmental health.
- The need for such a mechanism has been highlighted by increasing incidences of extreme weather events, deteriorating air and water quality, land degradation, and challenges in achieving India's climate commitments.

Key Points

Environmental Concerns in India

- 71% of Indians reported experiencing heat waves.
- 60% reported agricultural pests and diseases.
- 59% experienced power outages.
- 53% faced water pollution.
- 52% reported droughts and water shortages.
- 52% experienced severe air pollution.

Status of Environmental Degradation

- Around 29.7% of India's geographical area is affected by land degradation/desertification.
- Nearly half of monitored polluted river stretches show alarming levels of heavy metal contamination.
- Air pollution reduces average life expectancy by nearly 3 years in India.
- Several regions face extreme weather conditions for a significant part of the year.

Why an EnvSI?

- Environmental data are currently fragmented across multiple institutions.

- Existing reports focus on sector-specific indicators without providing an integrated assessment.

- Lack of a centralized environmental evaluation framework hampers informed policymaking.

Proposed Features

- Annual nationwide environmental assessment.
- Integration of data from government agencies, research institutions, and independent bodies.
- State-wise environmental performance evaluation.
- Independent audits and environmental accounting.
- Evidence-based recommendations for policy reforms.

Static Linkages

Constitutional Provisions

- Article 48A - Protection and improvement of environment.
- Article 51A(g) - Fundamental duty to protect the natural environment.
- Article 21 - Right to life includes the right to a clean and healthy environment (judicial interpretation).

Environmental Principles

- Sustainable Development.
- Polluter Pays Principle.
- Precautionary Principle.
- Public Trust Doctrine.
- Inter-generational Equity.

Important Institutions

- Ministry of Environment, Forest and Climate Change (MoEFCC).
- Central Pollution Control Board (CPCB).
- National Green Tribunal (NGT).
- National Biodiversity Authority (NBA).

International Commitments

- Paris Agreement.
- Convention on Biological Diversity (CBD).
- UN Convention to Combat Desertification (UNCCD).
- Sustainable Development Goals (SDGs).

Significance of EnvSI

1. Strengthening Environmental Governance
 - Provides a scientific basis for policymaking.
 - Improves transparency and accountability.
 - Enables informed decision-making.
2. Supporting Climate Commitments
 - Tracks progress towards:
 - Nationally Determined Contributions (NDCs).
 - Net Zero Target (2070).
 - Land Degradation Neutrality Goals.

3. Enhancing Disaster Preparedness
 - Identifies environmental vulnerabilities.
 - Facilitates risk-based planning for floods, droughts, heat waves, and cyclones.
4. Balancing Development and Conservation
 - Supports sustainable infrastructure development.
 - Protects ecological resources and local livelihoods.
5. Improving International Credibility
 - Strengthens India's position in climate negotiations.
 - Facilitates access to global climate finance.

Critical Analysis

Arguments in Favour

- Creates a unified environmental database.
- Reduces information gaps.
- Promotes coordination among ministries and States.
- Facilitates integrated resource management.
- Enables timely corrective interventions.
- Improves monitoring of environmental schemes.
- Encourages transparency in environmental governance.
- Helps assess implementation outcomes.

Challenges

- Different agencies follow varying methodologies.
- Multiple agencies with overlapping responsibilities.
- Environmental monitoring requires significant investment.
- Variation in environmental capacity among States.
- Survey outcomes must remain free from political influence.

Way Forward

- Establish EnvSI through a statutory framework.
- Ensure institutional autonomy and professional leadership.
- Develop a National Environmental Data Repository.
- Integrate satellite imagery, GIS mapping, and real-time monitoring systems.
- Strengthen environmental auditing and compliance mechanisms.
- Promote citizen participation and community-based monitoring.
- Link environmental performance indicators with climate finance and green budgeting.
- Publish annual State-wise environmental scorecards.

Data hygiene

Census enumerators should not face difficulties in the name of re-verification

It is disturbing that some Census 2027 enumerators in States such as Rajasthan and Uttar Pradesh are facing issues for extremely unusual reasons. In these two States where the first phase of the Census – Houselisting and Housing Census (HLO) – is under way, they have been advised to “revisit households and correct the data discrepancies” and “not to select options that may show the government in a poor light”. Re-verification is a legitimate part of any study or survey but this must be done to reflect reality accurately, not to manage perceptions. In Rajasthan, the issue arises from a circular of the Director of Census Operations to district-level officials regarding discrepancies identified in field data. Apparently, the objective is to ensure that data are accurately recorded, using appropriate options in the questionnaire. However, in some cases, enumerators have been told to record data based on assumptions. For example, if some households do not have toilets, enumerators have been told to check whether toilets are available nearby, on the basis of which the entry can be changed from “open defecation” to “[having] access to latrine”. In Uttar Pradesh, the message seems to be not to present facts as they are, raising concerns about data integrity and reliability for a crucial and sensitive exercise.

The present episode brings to the fore the efficacy of programmes such as the country’s long-running campaign against open defecation. While many States have made tangible progress, it would be unrealistic to conclude that the problem has been eliminated. For administrative purposes, including funding, it is reasonable to classify cities and villages on the basis of certain parameters as Open Defecation Free (ODF), ODF Plus and ODF Plus Model. But, the critical question is whether such a classification reflects reality and comes into conflict with the enumerators’ work. It is the responsibility of policymakers to ensure that Census data are accurate and credible. They must also sensitise people to provide correct information, as public policies and welfare schemes are formulated on the basis of these data and ultimately benefit them. The authorities must recognise and resolve the legitimate difficulties faced by enumerators. As the significance of the Census hardly needs any reiteration, the Union government should be quite liberal in enhancing allowances for enumerators to ensure efficient and timely work. It should not only be conscious of the financial outlay involved – about ₹1,718 crore for the entire country – but also of the need to make reliable data publicly available for purposes such as targeted and inclusive policymaking. The government should send a clear message that data sanitisation must not be undertaken under the guise of re-verification.

KEY HIGHLIGHTS:

Context

- During the ongoing Houselisting and Housing Census (HLO) phase of Census 2027, reports from Rajasthan and Uttar Pradesh indicated that some enumerators were allegedly instructed to revisit households and modify entries relating to sanitation and housing facilities.
- Concerns have emerged regarding the possibility of presenting administrative achievements more favourably than ground realities.
- The episode has sparked debate on the credibility, reliability, and neutrality of Census data, which form the basis of governance, welfare delivery, and development planning in India.

Key Points

- Census is conducted under the Census Act, 1948.
- Census falls under Entry 69 of the Union List.
- The exercise is conducted by the Registrar General and Census Commissioner of India (RGI) under the Ministry of Home Affairs.
- Census 2027 will be India's first digital Census with provisions for self-enumeration.
- Census data are used for:
 - Delimitation of constituencies.
 - Welfare targeting.

- Resource allocation.
- Infrastructure planning.
- Social and economic policymaking.
- Re-verification of data is a legitimate statistical process but must aim at correcting errors rather than altering facts.
- Data manipulation can adversely affect policy outcomes, governance quality, and public trust.

Static Linkages

- Census Act, 1948.
- Entry 69, Union List (Seventh Schedule).
- Registrar General and Census Commissioner of India.
- Evidence-based policymaking.
- Transparency and accountability in public administration.
- Directive Principle under Article 47 regarding improvement of public health.
- Decentralised planning under the 73rd and 74th Constitutional Amendments.
- Principles of official statistics: accuracy, reliability, objectivity, and integrity.

Critical Analysis

Importance of Accurate Census Data

- Enables evidence-based policymaking.
- Facilitates efficient targeting of welfare schemes.
- Supports equitable allocation of public resources.
- Strengthens democratic representation and planning.
- Enhances credibility of official statistics.

Concerns

- Data sanitisation may distort socio-economic realities.
- Misreporting can lead to policy errors and exclusion of beneficiaries.
- Undermines trust in government statistics.
- Creates discrepancies between administrative claims and actual outcomes.
- Weakens accountability mechanisms.

Ethical Concerns

- Conflict between truthfulness and image management.
- Violation of principles of integrity and objectivity.
- Erosion of public confidence in institutions.
- Compromises professional ethics of public servants.

Governance Implications

- Inaccurate data affects welfare planning and resource distribution.
- Weakens monitoring and evaluation of flagship schemes.
- Limits effectiveness of targeted interventions.

Way Forward

- Ensure strict adherence to Census guidelines and statistical protocols.
- Strengthen independent verification and audit mechanisms.
- Provide adequate training and support to enumerators.
- Enhance remuneration and logistical assistance for field staff.
- Promote awareness regarding accurate disclosure by citizens.
- Leverage digital tools for real-time validation and quality checks.
- Establish accountability for deliberate data distortion.

Fire and furor

Poor compliance and weak enforcement have led to deaths in fires

Indian cities rely on an economic ecosystem in which businesses often operate beyond the approved limits while enforcement remains sporadic. A fire *per se* is not odd, but a slew of deadly fires in urban areas, from the Uphaar Cinema fire in 1997 to the Arpora nightclub fire in 2025, has involved the same vulnerabilities: overcrowding, blocked escape routes, unapproved modifications to interior spaces, poor compliance, and weak enforcement. Prior inquiries, court rulings, and promises of reform have not prevented similar safety failures from recurring. Many of the victims of the B&B fire in Delhi on June 3 were medical tourists, lodged there due to the proximity to South Delhi's hospitals. Many were also infirm and could not act quickly to escape heat or suffocation – a situation that likely prevailed in the ICU fire at a Muzaffarpur hospital on June 4, which claimed four lives, including two elderly individuals. According to the Delhi Fire Services and the Municipal Corporation, the B&B lacked a fire department clearance, violated fire safety norms, and had more than thrice as many rooms as allowed for B&Bs. These bodies are also answerable to how the facility operated in this way, especially since the Delhi High Court had directed the municipality in January to audit the city's hospitality hubs. The building had been rebuilt in 2013 and reportedly exploited land-use exemptions to bypass municipal bylaws that required wider roads for fire tenders.

The tolerance of hazardous conditions with a high fire risk persists because cost-cutting entities, whether establishments or governments, overlook the value of safety measures when there is no fire, even if the measures prevented a fire. The state must inculcate fire safety using principled inspections, incentives, and sanctions, and sustain a culture in urban centres to practise it as a matter of course. Local authorities often blame owners for 'clandestine' modifications; the Delhi police have charged the B&B's owner with culpable homicide not amounting to murder. But the implication that long-standing negligence was the distal cause must extend to the absence of enforcement. The particular charge also results inconsistently in convictions, undermining the penal system's ability to deter such incidents. The misuse of provisions for B&Bs finally points to failures that the Tourism Department should investigate; the city's decision to rescind them is not adequate as an answer. Political blame-games are a red herring; a deadly fire is a product of the incidental causes on that day and systemic factors that preserved the risk. In the same vein, the government's response must encompass these factors or they may amount, once more, to little.

KEY HIGHLIGHTS:

Context

- A major fire in a B&B establishment in South Delhi (June 2026) and a hospital fire in Muzaffarpur exposed serious deficiencies in urban fire safety and regulatory enforcement.
- Investigations revealed absence of mandatory fire clearances, unauthorized structural modifications, overcrowding, and violation of safety norms.
- The incidents highlight recurring patterns seen in previous urban fire disasters such as the Uphaar Cinema Fire (1997), AMRI Hospital Fire (2011), and Surat Coaching Centre Fire (2019).

Key Points

- Fire Services fall under the State List of the Seventh Schedule.
- Fire safety regulation involves coordination among Fire Departments, Urban Local Bodies, Development Authorities, and State Governments.
- The National Building Code (NBC), 2016 provides standards for fire and life safety.
- Unauthorized constructions, land-use violations, and poor compliance remain major causes of urban fire disasters.

- Hospitals, hotels, educational institutions, and commercial establishments are categorized as high-risk occupancy structures requiring strict safety compliance.
- Weak enforcement and irregular inspections reduce the deterrent effect of existing regulations.
- Rapid urbanization and congested urban infrastructure increase fire vulnerability.

Static Linkages

- Article 21: Right to Life includes safe and dignified living conditions.
- 74th Constitutional Amendment and urban local governance.
- National Building Code (NBC), 2016.
- Disaster Management Act, 2005.
- Disaster Risk Reduction (DRR) approach.
- Principle of Prevention over Cure.
- Rule of Law and Regulatory Accountability.
- Urban Planning and Land-Use Management.

Critical Analysis

Significance

- Strengthens citizen safety and protection of life.
- Reduces disaster-related fatalities and economic losses.
- Enhances urban resilience and sustainable development.
- Promotes trust in public institutions.

Concerns

- Weak regulatory enforcement.
- Unauthorized land-use conversion and construction.
- Inadequate fire audits and inspections.
- Shortage of trained personnel and equipment.
- Poor inter-agency coordination.
- Lack of accountability for regulatory failures.

Stakeholders

- Urban Local Bodies.
- State Fire Departments.
- Tourism and Licensing Authorities.
- Property Owners and Businesses.
- Hospitals and Hospitality Sector.
- Residents and Vulnerable Groups.

Way Forward

- Mandatory periodic third-party fire safety audits.
- Digital monitoring of fire safety compliance.
- Strict enforcement of National Building Code provisions.
- Accountability mechanism for both violators and regulators.
- Integration of fire-risk assessment in urban planning approvals.
- Regular mock drills and public awareness campaigns.
- Capacity enhancement of fire services.
- Adoption of smart technologies for early detection and response.
- Risk-based inspection framework for high-occupancy buildings.
- Strengthening urban disaster preparedness and resilience.

Dear students struggling with exam chaos and scams

I WISH, as educators, we could look you in the eye and say what the government will not, that we are sorry for all the exam-related stress India causes you. Exams are stressful, and the latest NEET and CBSE scandals will add to the stress by diminishing trust in the system. But you see, we cannot say sorry. After all, the Prime Minister himself wrote an inspiring book for you called *Exam Warriors*. You are warriors in the service of the nation. In case you had any doubts, the Hindi translation of the Prime Minister's book also uses the English term "warrior". War is a cruel business. Battlefield chaos is never pretty; there are glitches, casualties, and setbacks. The Prime Minister himself gave you recipes for reducing exam stress, making yourself physically fit by doing yoga and pranayama, and sage advice if you do believe exams are like wars.

The education system might seem to you like organised and systematic cruelty. It is, and it is by design. But it is preparing you for the battlefield that is Indian society. It tests your endurance. To prosper things up, we have injected an element of chaos. Like warriors, we do not expect you to get upset, to complain, to hold the highest authorities accountable, to ask questions. Like what is the whole point of this cruel system. Like warriors, you take this on the chin, be stoic about it, and get ready for battle again. You see, all we can offer you is a character-building exercise. After all, India's foundations are built on that. When the economy you will enter is in distress with



PRATIK BHANU MEHTA

fewer jobs, we will ask you to sacrifice for the sake of the economy. Even our actual warriors, the soldiers, have to rely largely on defence, the budget for procurement was stagnant for a decade. And look, real soldiers also work under conditions where there are procurement delays and maybe even scams. Now this has happened in exams. Think of a dysfunctional OSM system, that is the equivalent of our brave Air Force not getting planes on time. Defence needs character. So does higher education. We could reduce the stress on you by increasing investment in higher education, by making sure that the stakes in every marginal mark in these exams were not so high as to drive you to despair. If you had more options, perhaps the stress would be less. But then what would happen to your character? Notice the pattern here: Economic reforms on the cheap. No real investment and attention to systems that will make the economy attractive. Defence on the cheap. And higher education, even exam systems, on the cheap. But the country marches on, built on your endurance, stiff upper lip, national pride, and a few bottles of yoga.

Our education ministers, at both the Centre and the states, have been among the greatest gifts we could have given to China and our competitors

pedagogical purpose whatsoever. But the purpose is not pedagogy. It is metrics. Does a soldier ever complain about "excessive" exercise? Does a warrior complain about the Centre you get? Think of the distant Centre as a posting in tough terrain. The testing industry is also a big boost to GDP; the same education shows up as a "value good" and boosts your GDP numbers. The total spending on private tuition now exceeds the entire central government allocation for higher education, and this may be understating the problem. The Comprehensive Modular Survey, based on the NSS's 80th round, shows not just that slightly under half of all students are in private tuition, but remarkably, 11 per cent of kids in pre-school are in private tuition. Don't get angry at the government if you don't make it. Direct your anger at parents who did not start this whole process early enough. Warriors are, after all, built at home.

The writer is contributing editor. The Indian Express

- Educational outcomes are increasingly linked to examination performance rather than holistic learning.

Static Linkages

- Education placed in the Concurrent List through the 42nd Constitutional Amendment Act, 1976.
- Article 21A – Right to Education.
- Article 41 – Right to education within the State's economic capacity.
- Article 45 – Early childhood care and education.
- Article 46 – Promotion of educational interests of weaker sections.
- Equality of opportunity as a constitutional objective.
- Human capital formation as a determinant of economic growth.
- Demographic dividend and skill development.
- Social justice through equitable access to educational opportunities.
- Transparency, accountability and responsiveness as principles of good governance.
- National Education Policy (NEP) 2020 emphasis on competency-based learning and assessment reforms.

Concerns

Governance Issues

- Weak examination security.
- Administrative lapses and delays.
- Inadequate grievance redressal.
- Frequent judicial interventions.

Educational Issues

- Excessive focus on marks and rankings.
- Encouragement of rote learning.
- Neglect of critical thinking and creativity.

Social Issues

- Growth of coaching culture.
- Urban-rural and socio-economic disparities.
- Limited opportunities increasing competition.

Ethical Issues

- Fairness versus efficiency.
- Merit versus unequal access to resources.
- Accountability of public institutions towards students.

Way Forward

- Strengthen examination security and digital safeguards.
- Create independent oversight and audit mechanisms.
- Implement NEP 2020 assessment reforms effectively.
- Expand quality higher education institutions.
- Reduce dependence on single high-stakes examinations.
- Strengthen transparency and grievance redressal systems.
- Promote mental health and counselling support for students.
- Shift towards competency-based and continuous assessment.

KEY HIGHLIGHTS:

Context of the News

- Recent controversies involving NEET-UG, CUET and other national-level examinations have raised concerns regarding transparency, accountability and reliability of examination systems.
- Allegations of paper leaks, technical glitches, irregularities in evaluation and administrative lapses have intensified public debate on examination reforms.
- The issue has highlighted structural concerns such as excessive dependence on high-stakes examinations, coaching culture, limited higher education opportunities and institutional accountability.
- The debate assumes significance as India seeks to harness its demographic dividend and improve human capital outcomes.

Key Points

- India conducts some of the world's largest competitive examinations through centralized agencies.
- High-stakes examinations have become the primary gateway for higher education and public employment.
- Growing examination-centric competition has led to:
 - Expansion of coaching institutions.
 - Rising household expenditure on education.
 - Increased mental stress among students.
 - Greater socio-economic disparities.
- Examination irregularities undermine:
 - Meritocracy.
 - Institutional credibility.
 - Equality of opportunity.
 - Public trust in governance.
- Centralized testing improves standardization but increases systemic risks when failures occur.

This World Environment Day, let's broaden the conversation



PURVI MEHTA

WORLD ENVIRONMENT Day is an occasion to reflect on the growing threat posed by climate change. Recent weather extremes in Delhi — from 43°C heat to torrential rain and sharp temperature swings within days — underscore the growing unpredictability of our climate. The planet has already warmed by more than 1.1°C above pre-industrial levels, and its impacts are being felt across the world.

Climate-related disasters now inflict economic losses of roughly US\$300-320 billion annually worldwide, significantly above long-term averages, with weather-related events accounting for more than 90 percent of the damage. Key sectors like agriculture are coming under pressure from heat stress, droughts, floods, and shifting pest dynamics. Water scarcity already affects billions, while infrastructure designed for the 20th century is increasingly unfit for today's realities.

These challenges are creating unprecedented demand for recalibrations of technologies, resilient infrastructure, climate-smart manufacturing, water-efficient systems and innovative business models. The climate crisis is becoming one of the most powerful drivers of economic transformation in modern history. The world is now entering what is being called the "adaptation economy". Recent industry estimates place the global climate adaptation market at roughly US\$30-35 billion in 2025, encompassing climate-resilient infrastructure, water management systems, early-warning technologies, resilient agriculture, cooling technologies, climate analytics, and adaptation services. It is expected to grow to US\$95-140 billion by 2030 with an annual growth rate of roughly 10-16 per cent.

The transition to a low-carbon economy could create millions of new jobs across manufacturing, engineering, construction, digital services and energy management sectors

It offers a high return on investment. According to the Global Commission on Adaptation, investing \$1.8 trillion globally in climate adaptation by 2030 could generate more than \$7 trillion in net economic benefits. Meanwhile, the United Nations estimates that adaptation investment needs in developing countries could exceed \$300 billion annually by 2030 and rise further thereafter. These figures represent not merely costs of adaptation but opportunities for innovation, entrepreneurship, job creation and economic growth.

For India, the opportunity is significant. The country has committed to achieving net-zero emissions by 2070 while simulta-

neously pursuing rapid economic growth. According to NITI Aayog, it will require cumulative investments of approximately US\$2.7 trillion by 2070 to achieve its net-zero target. This is roughly US\$500 billion annually for the next four-and-a-half decades. This dual objective, often framed as a challenge, can equally be viewed as an economic opportunity.

India is already among the world's fastest-growing renewable energy markets. Its ambitious targets in solar energy, green hydrogen, battery manufacturing, electric vehicles, sustainable mobility and energy-efficient infrastructure have the potential to attract hundreds of billions of dollars in investment. The transition to a low-carbon economy could create millions of new jobs across the manufacturing, engineering, construction, digital services and energy management sectors. India has many of the ingredients required to become a global hub for climate solutions: Entrepreneurial talent, engineering capability, a large domestic market and a growing innovation ecosystem.

Agriculture, a crucial sector, is also the one most directly exposed to climate variability, requiring an entirely new generation of climate-resilient seeds, stress-tolerant varieties, irrigation infrastructure, cold storage, and thermostable vaccines. These are no longer scientific pursuits — they are major commercial opportunities. The same opportunity exists in infrastructure. There is now a vast market for climate-resilient construction materials, advanced cooling systems, water management technologies, climate-appropriate transportation systems and resilient urban planning. None of this reduces the urgency of climate action. Adaptation is not a substitute for mitigation. Reducing greenhouse gas emissions remains critical to avoid the consequences of climate change.

But this World Environment Day, perhaps we should broaden the conversation. The question is no longer whether the climate is changing. The question is how to adapt to it and optimise investments in building technologies, businesses and industries needed to make adaptation a driver of economic growth. Countries that view climate change as both a challenge and an opportunity will build the industries, create the jobs, and shape the economies of the future. India has every reason to be among them.

The writer is senior industry policy advisor. Views are personal

KEY HIGHLIGHTS:

Context of the News

- World Environment Day (5 June) has renewed focus on the increasing frequency of climate-induced extreme weather events globally and in India.
- Recent heatwaves, erratic rainfall, urban flooding, droughts, and temperature fluctuations have highlighted India's growing climate vulnerability.
- Global discourse is increasingly focusing on the "Adaptation Economy", which emphasizes investments in climate-resilient infrastructure, agriculture, water security, and disaster preparedness.
- India's commitment to achieve Net Zero emissions by 2070 and updated Nationally Determined Contributions (NDCs) necessitate large-scale investments in climate adaptation and mitigation.

Key Points

Global Scenario

- Global temperature has already increased by more than 1.1°C above pre-industrial levels.
- Climate-related disasters cause annual economic losses exceeding US\$300 billion.
- Adaptation investment is emerging as a major global economic sector.
- According to the Global Commission on Adaptation, every \$1 invested in adaptation can generate multiple-fold economic benefits.

India-Specific Significance

- India requires substantial investments to achieve its Net Zero target by 2070.
- Key sectors driving climate adaptation:
 - Renewable Energy
 - Green Hydrogen
 - Electric Mobility
 - Climate-Resilient Agriculture
 - Water Resource Management
 - Urban Climate Resilience
 - Disaster Risk Reduction Systems
- Adaptation investments can create employment opportunities in manufacturing, construction, technology, and services.

Emerging Opportunities

- Climate-resilient seeds and precision agriculture.
- Water-efficient irrigation technologies.
- Green infrastructure and sustainable urban planning.
- Advanced cooling technologies.
- Early warning systems and climate analytics.
- Green finance and carbon markets.

Static Linkages

- Inter-generational equity and sustainable resource use.
- Precautionary principle and polluter-pays principle.
- Disaster risk reduction through preparedness and resilience.
- Ecosystem restoration as a tool for enhancing resilience.
- Importance of renewable energy in reducing fossil fuel dependence.
- Role of natural carbon sinks in climate regulation.
- Vulnerability of agriculture to monsoon variability and extreme weather.
- Need for climate-resilient infrastructure in development planning.

Critical Analysis

Positives

- Promotes sustainable and resilient economic growth.
- Reduces economic losses from climate disasters.
- Generates green jobs and entrepreneurship opportunities.
- Strengthens energy and water security.
- Enhances agricultural productivity under changing climatic conditions.
- Improves disaster preparedness and resilience.

Challenges

- Huge financing requirement for adaptation projects.
- Limited climate finance flows to developing countries.
- Technology and innovation gaps.
- Fragmented implementation across sectors.
- Urban infrastructure remains highly vulnerable.
- Small and marginal farmers face adaptation constraints.
- Capacity deficits at local governance levels.

Concerns for India

- High dependence on climate-sensitive sectors such as agriculture.
- Rapid urbanization increasing disaster risks.
- Water stress in several river basins.
- Growing frequency of heatwaves and extreme rainfall events.
- Balancing development objectives with climate commitments.

Way Forward

- Scale up climate-resilient infrastructure investments.
- Strengthen implementation of State Action Plans on Climate Change (SAPCCs).
- Promote climate-smart agriculture and micro-irrigation.
- Expand renewable energy and green hydrogen ecosystems.
- Develop innovative climate-finance instruments.
- Mainstream climate risk assessment into public expenditure planning.
- Enhance urban resilience through nature-based solutions.
- Strengthen early warning systems and disaster preparedness.
- Increase private sector participation in adaptation projects.
- Improve local-level institutional capacity for climate governance.

Trump tariff saga goes on, India must find way

ON TUESDAY, the US Trade Representative proposed tariffs on 60 countries under Section 301 of the US Trade Act, 1974 — economies that together account for 99.4 per cent of all US imports. That the proposal has come up now — the USTR will hold hearings on the proposed actions on July 7 — is no accident. After the US court struck down the policy of reciprocal tariffs brought through the International Emergency Economic Powers Act, Trump had imposed a 10 per cent levy on all trading partners through Section 122 of the Trade Act. This tariff could, however, be levied only for a maximum of 150 days, unless extended by the US Congress. That period will end on July 24. The USTR's investigation and its proposals now create space for White House to move ahead with its trade agenda.

Of the 60 countries, 54 are said to have failed "to impose a legal prohibition on the importation of goods" that have been produced by forced labour and have allegedly been unable "to effectively enforce such a prohibition". This category includes a wide range of countries — from China and India to Saudi Arabia, Australia, Switzerland, the UK, and others. Another six countries — EU, Canada, Indonesia, Mexico, Ecuador, and Pakistan — are said to have "failed to effectively enforce a forced labour import prohibition". The USTR has proposed two sets of tariffs — 10 per cent and 12.5 per cent. India falls in the latter category. However, this is not all. Attempts to reinforce the tariff wall are playing out across multiple arenas. Another investigation was launched in March to look into the issue of "structural excess capacity and production in manufacturing sectors" of 16 economies, including countries like India and China. All this suggests that, despite judicial setbacks, tariffs will likely remain key to the Trump agenda.

The Indian government has responded to the USTR's proposals by saying that it is engaging with the US on the issue, while also working towards finalising the framework agreement announced by the two countries earlier this year. On Wednesday, Sergio Gor, the US Ambassador to India, said that the negotiations had mostly wrapped up, with only a few points still to be ironed out. As India moves forward with its trade deal with the US, it must be mindful of the unpredictable nature of the White House administration. It should press for greater market access while safeguarding its interests.

KEY HIGHLIGHTS:

Context

- The United States Trade Representative (USTR) has proposed new tariff measures against nearly 60 economies under the US Trade Act, 1974.
- India has been placed in the category facing a proposed 12.5% tariff due to concerns related to enforcement of restrictions on imports allegedly linked to forced labour.
- The move comes amid ongoing India-US trade negotiations for a bilateral trade agreement.
- The development reflects the growing trend of trade protectionism and increasing use of tariffs as a strategic economic tool.

Key Points

- USTR proposes tariffs under provisions of the Trade Act, 1974.
- India falls under the higher tariff category (12.5%).
- US has also initiated investigations into manufacturing overcapacity in selected countries, including India.
- The US remains one of India's largest trading partners.
- The issue highlights the increasing linkage between trade policy, labour standards, and geopolitical interests.
- Indicates the shift from multilateral trade governance towards bilateral and unilateral trade measures.

Static Linkages

- **Tariff:** Tax imposed on imported goods.
- **Protectionism:** Policy of restricting imports to protect domestic industries.
- **WTO Principles:**
 - Most Favoured Nation (MFN)
 - National Treatment
 - Trade Liberalisation
- **Trade barriers:**
 - Tariff barriers
 - Non-tariff barriers
- **Global Value Chains (GVCs)** are highly sensitive to tariff increases.
- Labour standards in international trade are promoted through ILO conventions.
- Export diversification reduces vulnerability to external trade shocks.

Critical Analysis

Opportunities

- May accelerate conclusion of a comprehensive India-US trade agreement.
- Encourages India to improve labour compliance and supply-chain transparency.
- Pushes Indian exporters towards greater competitiveness.

Concerns

- Reduced competitiveness of Indian exports in the US market.
- Increased uncertainty for export-oriented sectors.
- Possibility of trade diversion and supply-chain disruptions.
- Rise of protectionist tendencies weakens the multilateral trading system.

For India

- Need to balance strategic partnership with economic interests.
- Safeguard sensitive sectors during trade negotiations.
- Avoid excessive dependence on a single export destination.

Way Forward

- Conclude a balanced India-US trade agreement.
- Strengthen export competitiveness through logistics and manufacturing reforms.
- Diversify export markets through FTAs and regional partnerships.
- Promote integration with Global Value Chains.
- Enhance labour and sustainability standards to meet emerging trade requirements.
- Continue advocating for a rules-based multilateral trading order through WTO reforms.