

WEEKLY NEWS

July 01-07, 2025

Carbon Credit Trading



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HIGHLIGHTS

- National Sports Policy 2025: Khelo Bharat Niti
- Rise of Global South

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Carbon Credit Trading

● Why in News?

- ➡ Ministry of Environment, Forest & Climate Change (MoEFCC) issued Draft Greenhouse Gas (GHG) Emission Intensity Target Rules, 2025.
- ➡ Rules form part of the **compliance mechanism** under India's **Carbon Credit Trading Scheme (CCTS)**.

● About the Draft Rules

- ➡ **Emission Intensity Definition:** Tonnes of CO₂ equivalent emitted per unit of product/output.
- ➡ **Scope:** Applies to **400+ industrial units** in sectors like aluminium, steel, refining, petrochemicals, and textiles.
- ➡ **Implementing Agency:** Bureau of Energy Efficiency (BEE) will set targets.
- ➡ **Legal Penalties:** Non-compliance penalized under **Environment (Protection) Act, 1986**.

● About the Carbon Credit Trading Scheme (CCTS)

- ➡ **Goal:** Reduce GHG emissions via **carbon pricing** mechanisms.
- ➡ **Legal Basis:** Empowered by **Energy Conservation (Amendment) Act, 2022**.
- ➡ **Administrator:** BEE
- ➡ **Regulator:** Central Electricity Regulatory Commission (CERC)

● Key Components

- ➡ **Compliance Mechanism:**
Obligated entities that emit below targets earn **Carbon Credit Certificates**.
- ➡ **Voluntary Offset Mechanism:**
Other sectors may register GHG reduction/removal/avoidance projects.
Eligible for **Carbon Credit Certificates**.

● India's Carbon Market Experience

- ➡ **Perform Achieve Trade (PAT)**
Reduces Specific Energy Consumption (SEC) in energy-intensive sectors.
Entities receive **Energy Saving Certificates (ESCerts)**.

● **India's Carbon Market Experience**

➡ **Renewable Energy Certificates (REC)**

Helps meet **Renewable Purchase Obligations (RPO)**.

Allows trading of green energy's environmental attributes.

➡ **Rate-Based Emissions Trading (ETS)**

Focus on **emission intensity** rather than absolute reductions.

No total cap, but performance-based benchmarks are applied.

➡ **Clean Development Mechanism (CDM)**

Under Kyoto Protocol; allows developed nations to fund emission-reduction projects in developing countries.

Issues **Certified Emission Reduction (CER)** credits.

● **Global Context**

➡ **World Bank's 2025 Report** recognized India's rising influence in **global carbon pricing and climate finance frameworks**.

● **Way Forward**

➡ Finalize and notify the emission target rules.

➡ Build robust digital infrastructure for transparent carbon credit accounting.

➡ Enhance capacity of industries for compliance and innovation.

➡ Align efforts with India's Nationally Determined Contributions (NDCs) under the **Paris Agreement**.

Mobilising Private Capital for Sustainable Development

● Why in News?

- ➡ Finance Minister Nirmala Sitharaman proposed a **Seven-Point Strategy** to mobilise private capital for sustainable development.
- ➡ Proposal was made during the **4th International Conference on Financing for Development (FFD4)** held in Seville, Spain and organised by the United Nations.

● Seven-Point Strategy for Mobilising Private Capital

➡ Strengthening Domestic Financial Markets

Enhance the banking system

Deepen capital markets for financing infrastructure and industry

➡ Addressing Perceived Risks through Institutional Reforms

Establish independent regulators

Transparent bidding mechanisms

Improve ease of doing business

➡ Creating Investment Scale

Develop a pipeline of well-prepared, de-risked, and investment-ready projects

➡ Scaling Up Blended Finance

Combine public and concessional finance to de-risk private investments

Promote innovative instruments like **sovereign green bonds, impact investments**

➡ Role of Multilateral Development Banks (MDBs)

Encourage MDBs and Development Finance Institutions to catalyse and complement private capital

➡ Reform in International Credit Rating Methodologies

Advocate for long-term resilience of **Emerging Markets and Developing Economies (EMDEs)** in credit assessments

➡ Unlocking Grassroots-Level Capital

Improve access to finance for **MSMEs**, especially **women-led enterprises** and **rural entrepreneurs**

- **Significance of Private Capital in Sustainable Development**

- ➡ **Catalytic Impact:** Boosts innovation, productivity, and demand across sectors
- ➡ **Bridging the Finance Gap:** UNCTAD estimates an annual \$2.5 trillion shortfall in critical areas like **health, education, climate**
- ➡ **Promotes Inclusion:** Expands financial access to underserved groups and fosters local entrepreneurship

- **Way Forward**

- ➡ Implement structural and financial reforms to attract long-term private investments
- ➡ Leverage partnerships with international financial institutions
- ➡ Ensure regulatory certainty and transparent governance to build investor confidence
- ➡ Promote innovative financial products to direct funds into priority development areas.



UNCTAD Report 2025: Global Debt Crisis Deepens

● Why in News?

- ➡ UNCTAD released its “**A World of Debt Report 2025**”, highlighting the alarming surge in global public debt and its disproportionate impact on developing countries.

● Key Findings of the Report

➡ Global Public Debt (GPD) Trends

Record High: GPD reached **\$102 trillion** in 2024.

Future Projection: Could hit **100% of global GDP** by the end of the decade if current trends persist.

➡ Disproportionate Impact on Developing Countries

Developing economies hold **less than one-third** of the debt (\$31 trillion).

Debt in developing nations has grown **twice as fast** as in developed economies since 2010.

Regional Debt Share:

Asia & Oceania: **24%**

Latin America & Caribbean: **5%**

Africa: **2%**

➡ Debt Servicing Burden

Developing countries face **borrowing costs 2–4 times higher** than those for the USA.

61 developing countries spend over **10% of government revenues on interest payments**.

➡ Impact

Widening development financing gaps

Decline in aid flows

Reduced spending on critical sectors like **education** and **health**



● **Recommendations for Sustainable Debt Management**

➡ **Multilateral Reforms**

Institutionalize **debt service pauses** during crises.

Reform G20 Common Framework for debt treatment.

Re-channel Special Drawing Rights (SDRs) through IMF's **Resilience and Sustainability Trust**.

➡ **Global Cooperation**

Create a **shared information hub** for technical assistance and innovative financing tools.

➡ **National Level Measures**

Strengthen institutional capacity for:

Managing liquidity risks

Tackling currency mismatches

Improving quality of investment projects

Enhancing impact of debt-for-development swaps

● **Significance of Public Debt**

➡ **Development Financing:** Crucial for funding infrastructure, health, and education.

➡ **Foreign Exchange Support:** External debt complements domestic savings.

➡ **Economic Stimulus:** A tool to manage downturns and promote growth.

● **Way Forward**

➡ Build consensus on **equitable debt restructuring** and **relief frameworks**.

➡ Promote **transparency and accountability** in borrowing.

➡ Leverage **blended finance** and **green bonds** to fund sustainable development.

➡ Strengthen **regional debt resolution mechanisms** to reduce reliance on global financial intermediaries.

Employment Linked Incentive (ELI) Scheme Approved

● Why in News?

- ➡ The Union Cabinet has approved the **Employment Linked Incentive (ELI) Scheme**, announced in **Budget 2024–25** as part of the PM's five flagship employment and skilling initiatives.
- ➡ Aims to stimulate job creation, improve employability, and expand formal workforce participation.

● Key Features of ELI Scheme

- ➡ **Nodal Ministry:** Ministry of Labour & Employment
- ➡ **Duration and Budget**
 - Total Outlay:** ₹99,446 crore
 - Duration:** 2025–2027
- ➡ **Target**
 - Job creation:** 3.5 crore jobs (Includes **1.92 crore first-time employees**)

● Structure of the Scheme

➡ Incentives to First-Time Employees

Eligibility:

First-time EPFO-registered employees

Monthly salary up to ₹1 lakh

Incentive Amount:

One-month EPF wage (max ₹15,000) in **two instalments:**

1st instalment: After 6 months of continuous employment

2nd instalment: After 12 months + completion of financial literacy training

Savings Provision: A portion of the incentive deposited in a **savings instrument** with a **lock-in period** to instil saving habits

Payment Mechanism: Direct Benefit Transfer (**DBT**) through Aadhar Bridge Payment System (ABPS)

● **Incentives for Employers**

➡ **Focus:** Promote **additional hiring**, particularly in the **manufacturing sector**

Eligibility Criteria:

Must be EPFO-registered

Hiring at least:

2 new employees (if workforce < 50)

5 new employees (if workforce ≥ 50)

➡ **Incentive Amount:**

Up to **₹3,000/month per new hire**

For **2 years** (extendable to **4 years** for manufacturing)

➡ **Salary Cap:** Applicable to employees earning up to ₹1 lakh/month

➡ **Employment Requirement:** Minimum **6 months** continuous employment

➡ **Payment:** Sent directly to employers' **PAN-linked accounts**

➡ **Estimated Impact:** Creation of **~2.6 crore jobs**

● **Way Forward**

➡ Ensure **transparent implementation** and **robust verification systems**.

➡ Encourage **industry participation** through outreach and awareness.

➡ Monitor job quality and retention to achieve long-term employment goals.

➡ Consider extension beyond 2027 based on performance metrics.

National Sports Policy 2025: Khelo Bharat Niti

● Why in News?

- ➡ The **Union Cabinet** approved the **National Sports Policy (NSP) 2025**, replacing the existing 2001 policy.
- ➡ Aims to harness the power of sports for the **holistic development of the nation**.

● Background

- ➡ India's **first National Sports Policy** was launched in **1984**.
- ➡ NSP 2025 aligns with the **National Education Policy 2020** and the **Viksit Bharat 2047 vision**.

● Key Pillars of NSP 2025

➡ Excellence on the Global Stage

- Strengthen sports programs from **grassroots to elite levels**.
- Improve governance and capacity of **National Sports Federations (NSFs)**.
- Develop **high-performance centres** and promote sports science and technology.

➡ Economic Development through Sports

- Promote **sports tourism**, startups, and entrepreneurship.
- Develop **sports infrastructure** to attract investments.
- Leverage sports for **job creation** and GDP contribution.

➡ Sports for Social Development

- Ensure **inclusive participation** across gender, region, and weaker sections.
- Use sports for **community development** and **youth engagement**.

➡ Sports as a People's Movement

- Foster **mass participation** and **fitness culture**.
- Universal access to sports facilities and **Fit India Movement**.
- Drive behavioural change via campaigns and **local sports events**.

➡ Integration with Education

- Integrate sports into **school curricula**.
- Train **physical education teachers and coaches**.
- Build partnerships with **educational institutions**.

● **Strategic Framework for Implementation**

➡ **Governance Reforms**

Develop a **robust legal and regulatory framework** for transparency and accountability.
National-level **Monitoring and Evaluation** mechanisms.

➡ **Private Sector Participation**

Encourage **Public-Private Partnerships (PPP)** and **CSR funding** in sports.
Incentivise investment in **sports infrastructure and talent development**.

➡ **Technology Integration**

Use **AI, data analytics**, and digital tools for performance tracking, injury prevention, and fan engagement.

● **Institutional Framework**

➡ **Constitutional Status:** Sports is a **State subject** under the Seventh Schedule.

➡ **Ministry:** Ministry of Youth Affairs and Sports (MYAS) with two departments – Youth Affairs and Sports.

➡ **Key Body:** **Sports Authority of India (SAI)**, established in 1984 under the Societies Act, 1860.

● **Government Schemes Supporting NSP**

➡ **TOPS (2014)** – Target Olympic Podium Scheme

➡ **Khelo India (2017)** – Grassroots talent identification and training

➡ **Fit India Movement (2019)** – Mass fitness awareness campaign

● **Significance of NSP 2025**

➡ Establish India as a **global sporting powerhouse**.

➡ Assert India's **soft power** and **regional leadership**.

➡ Align sports with the goal of **Viksit Bharat by 2047**.

➡ Strengthen India's bid for hosting the **2036 Olympic Games**.

➡ **Leverage** India's **demographic dividend** by empowering youth through sports.

● **Way Forward**

➡ Ensure **effective implementation** through coordination between Centre and States.

➡ Regular performance audits of sports federations.

➡ Promote **research and innovation** in sports science and infrastructure.

➡ Encourage **community-level sports participation** across all districts.

RDI Scheme Approved by Cabinet

● Why in News?

- ➡ The **Union Cabinet** approved the **Research Development and Innovation (RDI) Scheme** with an outlay of **₹1 lakh crore**.
- ➡ Aimed at encouraging **private sector participation in R&D**, especially in sunrise sectors, economic security, and strategic technologies.

● Objective of the Scheme

- ➡ Promote **long-term concessional financing or refinancing** for private sector-led innovation.
- ➡ Spur investments in **high Technology Readiness Levels (TRL)** and **critical technology acquisition**.

● Key Features of the RDI Scheme

➡ Target Sectors

- Sunrise sectors
- Strategic and economic security technologies
- Self-reliance-oriented innovation areas

➡ Financial Support

- Long-tenure financing at **low or nil interest rates**
- Aimed at **transformative projects** with significant technological advancement

➡ Support for Innovation Ecosystem

- Funding for **critical technology acquisition**
- Creation of a **Deep-Tech Fund of Funds** to boost private R&D and startup participation

● Funding Structure

➡ Special Purpose Fund (SPF)

- Hosted within the **Anusandhan National Research Foundation (ANRF)**
- Acts as the **custodian of RDI scheme funds**
- Governing Board chaired by the **Prime Minister**
- SPF channels funds to secondary fund managers

● **Funding Structure**

➡ **Second Level Fund Managers**

Receive allocations from SPF

Disburse funds via:

Concessional loans

Equity support (especially for startups)

● **Institutional Framework**

➡ **Anusandhan National Research Foundation (ANRF)**

Created under the **ANRF Act, 2023**

Merged with the **Science and Engineering Research Board (SERB)**

Central body to promote, seed, and scale R&D in India

➡ **Nodal Department:** Department of Science and Technology (DST)

● **Significance**

➡ Strengthens India's position in **cutting-edge innovation and technological self-reliance**

➡ Addresses gaps in **private sector R&D investment**

➡ Boosts India's capacity in **deep-tech** and **high-end innovation**

➡ Supports **Make in India, Startup India, and Viksit Bharat** goals

● **Way Forward**

➡ Ensure timely **disbursement of funds** with performance-linked outcomes

➡ Promote **collaborations between academia, industry, and government**

➡ Foster **startups and MSMEs** in technology-driven sectors

➡ Develop mechanisms for **technology transfer** and **IP protection**

WHO Report on Loneliness and Social Connection

● Why in News?

- ➡ WHO Commission on Social Connection released the report titled “**From Loneliness to Social Connection: Charting a Path To Healthier Societies.**”
- ➡ Highlights the global impact of **social isolation and loneliness** on health, well-being, and societal development.

● Understanding Social Connection

- ➡ **Social Connection:** Refers to the ways individuals interact and build relationships with others (family, friends, neighbours, coworkers).
- ➡ **Social Disconnection:**
 - Loneliness:** Gap between desired and actual social interactions.
 - Social Isolation:** Having very few or infrequent social relationships.

● Drivers of Social Isolation and Loneliness

- ➡ Poor physical or mental health
- ➡ Marginalisation or social stigma
- ➡ Low income and low educational attainment
- ➡ Living alone
- ➡ Weak community infrastructure
- ➡ Life transitions (e.g. retirement, bereavement)
- ➡ Unhealthy use of digital technology

● Key Findings of the Report

- ➡ **Prevalence:**
 - 1 in 6 people globally felt lonely (2014–2023)
 - Up to 1 in 3 older adults (1990–2022)
 - 1 in 4 teenagers reported social isolation (2003–2018)
- ➡ **Regional Disparity:** 24% people in low-income countries feel lonely vs 11% in high-income countries

● **Impacts of Social Disconnection**

➡ **Health Impacts:**

Around 871,000 global deaths (2014–2019) linked to loneliness
Higher risk of depression, anxiety, dementia

➡ **Socio-Economic Effects:**

Poor academic performance
Reduced workplace productivity and innovation

● **Roadmap for Enhancing Social Connection**

➡ **Policy:** National strategies to promote social connection (e.g., Denmark, Finland, Germany)

➡ **Research:** Launching global and national Grand Challenges on social connection

➡ **Interventions:**

Creating an “intervention accelerator”
Enhancing social infrastructure like community spaces and services

➡ **Measurement:** Developing a **Social Connection Index** for global comparison

➡ **Public Engagement:**

Public awareness campaigns
Encouraging participation in group events and activities
Promoting **social prescribing** (e.g., doctors recommending community participation)

● **Way Forward**

➡ Recognize social connection as a **global public health priority**

➡ Integrate social well-being into **national health policies**

➡ Invest in infrastructure and programs that foster **inclusive community participation**

➡ Encourage cross-sectoral collaboration across health, education, and urban development sectors

C-FLOOD: Unified Flood Forecasting System Launched

● **Why in News?**

- ➡ **Union Minister of Jal Shakti inaugurated C-FLOOD**, a new flood forecasting and disaster management support platform.
- ➡ Aimed at enhancing preparedness and reducing flood-related damages across India.

● **About C-FLOOD**

- ➡ **C-FLOOD** stands for **Comprehensive Flood Forecasting System**.
- ➡ A **web-based platform** providing **village-level flood forecasts** with **2-day advance warning**.
- ➡ Uses **2-D hydrodynamic modelling** to simulate various flood scenarios.
Offers **flood inundation maps** and **water level predictions** for decision-makers.

● **Key Developers**

- ➡ **Centre for Development of Advanced Computing (C-DAC), Pune**
- ➡ **Central Water Commission (CWC)** – Nodal agency for flood forecasting.
- ➡ **Department of Water Resources, River Development & Ganga Rejuvenation**, Ministry of Jal Shakti.
- ➡ **National Remote Sensing Centre (NRSC)** – Contributed to spatial mapping and flood modelling.

● **Execution Framework**

- ➡ Part of the **National Supercomputing Mission (NSM)**, launched in **2015**.
- ➡ NSM is jointly steered by:
Ministry of Electronics and Information Technology (MeitY)
Department of Science and Technology (DST)

● **Current and Future Coverage**

- ➡ Presently covers: **Mahanadi, Godavari, and Tapi river basins**
- ➡ Future expansion: Coverage to be extended to **all river basins across India**
- ➡ Forecasts will be **integrated with the National Disaster Management Emergency Response Portal (NDEM)**.

● **Significance**

- ➡ Addresses flood risk across **12% of India's land area** (~40 million hectares).
- ➡ Strengthens India's capacity in **early warning, disaster response, and climate resilience**.
- ➡ Enables **timely evacuation, infrastructure protection, and resource planning**.

● **Way Forward**

- ➡ **Expand real-time data collection** and ground validation in high-risk flood zones.
- ➡ Ensure **inter-agency coordination** and capacity building for disaster response teams.
- ➡ Promote **community awareness and training** using forecast outputs.
- ➡ Leverage **AI and machine learning** to improve prediction accuracy and dynamic modelling.

Quad Launches Critical Minerals Initiative

● Why in News?

- ➡ The **Quad countries** (United States, Japan, India, and Australia) have launched a Critical Minerals Initiative.
- ➡ Aimed at strengthening cooperation for **diversified and secure supply chains**, and **recovery of critical minerals from e-waste**.

● Objective of the Initiative

- ➡ **Enhance Supply Chain Resilience** for critical minerals.
- ➡ Promote **re-processing and recycling** of electronic waste for mineral recovery.
- ➡ Support **economic and national security goals** of member countries.

● Need for Critical Minerals Initiative

➡ Geopolitical Risks and Concentration of Supply

Global production and processing of critical minerals is **highly concentrated**:

DR Congo: Supplies ~70% of global **cobalt**.

China: Refines 68% of cobalt, 65% of nickel, and 60% of lithium.

➡ National Security Concerns

2024: China **banned exports** of gallium, germanium, etc., to the US.

Highlights risks of **weaponisation of mineral trade**.

➡ Economic and Infrastructure Risks

Global shortage and delayed supply impact: **EVs, solar panels, electronics, battery storage, etc.**

➡ Recycling and E-Waste Challenges

Inadequate infrastructure for critical mineral recovery from electronic waste.

● What are Critical Minerals?

➡ **Definition**: Naturally occurring elements or compounds like **lithium, cobalt, nickel**, etc.

➡ Criteria:

High economic importance.

High supply risk.

● **What are Critical Minerals?**

➡ Applications:

Industry: EVs, electronics.

Defence: Missiles, radars.

Energy: Solar modules, battery storage.

● **India's Steps Toward Securing Critical Minerals**

➡ Policy Measures

Mines and Minerals (Development and Regulation) Amendment Act, 2023: Allows exploration/mining of critical minerals.

National Critical Mineral Mission (NCMM).

National Mineral Policy, 2019.

➡ International Collaborations

Minerals Security Partnership (MSP): India joined in 2023.

Khanij Bidesh India Limited (KABIL) (2019):

Joint venture under Ministry of Mines.

Acquiring minerals overseas.

Example: India–Argentina agreement (2024) for lithium exploration.

● **Way Forward**

➡ **Strengthen domestic exploration** and processing capacity.

➡ **Expand international partnerships** for assured mineral access.

➡ **Invest in e-waste infrastructure** for sustainable mineral recovery.

➡ Promote **R&D and circular economy models** to reduce import dependence.

➡ Develop a **national inventory** of critical mineral reserves and potential.

● **Significance**

➡ Ensures **strategic autonomy** in critical sectors.

➡ Supports India's **green energy transition** and **manufacturing goals** under Atmanirbhar Bharat.

➡ Strengthens India's role in **global supply chain resilience** discussions.

WHO's "3 by 35" Health Tax Initiative

● Why in News?

- ➡ WHO launched the "3 by 35" initiative to significantly raise the prices of tobacco, alcohol, and sugary drinks by **at least 50% through health taxes over the next 10 years**.
- ➡ Expected to **mobilize US\$ 1 trillion in public revenue** globally by 2035.

● About the Initiative

- ➡ Functions as a **collaborative alliance** involving development partners, national governments, civil society, and academic institutions.
- ➡ Aims to **combat Non-Communicable Diseases (NCDs)** and promote public health through increased **taxation on unhealthy products**.

● What is a Health Tax?

- ➡ A **fiscal policy tool** levied on products harmful to public health (e.g., tobacco, alcohol, sugary beverages).
- ➡ Recommended by WHO as one of the **most cost-effective methods** to curb unhealthy consumption and reduce NCDs.

● Need for Health Tax

- ➡ **Health Impact:** Tobacco, alcohol, and sugary drinks significantly **contribute to the global NCD burden**, responsible for over **75% of global deaths**.
- ➡ **Economic Burden**
These products **create negative externalities** (costs borne by society) and **internalities** (hidden costs to consumers).
Tobacco use alone **costed the global economy US\$ 1.4 trillion** in 2012.
- ➡ **Revenue Generation:** A 50% tax can generate US\$ 3.7 trillion globally in 5 years (~0.75% of global GDP).
- ➡ **Promoting Equity:** NCDs disproportionately affect **lower-income populations**, making such health taxes a tool for **social justice**.

● Global Success Stories

- ➡ **Colombia (2016):** Increased cigarette taxes led to a **34% drop in consumption**.
- ➡ **Saudi Arabia:** A 50% tax on sugary drinks led to a **19% decline in consumption** within one year.

● **India's Steps to Curb Unhealthy Consumption**

➡ **High Tax Rates:**

Aerated beverages: 28% GST + 12% compensation cess.

HFSS foods: 12% GST.

➡ **Regulatory Measures:**

FSSAI limits **trans fats** to 2% in food products.

● **Way Forward**

➡ Encourage countries to **adopt or enhance health taxes** in line with the 3 by 35 targets.

➡ Invest generated revenue in **healthcare systems, awareness campaigns, and nutrition programs**.

➡ Promote **intersectoral collaboration** to ensure efficient implementation and compliance.

Rise of Global South in Emerging World Order

● Why in News?

- ➡ Indian Prime Minister emphasized that the **post-WWII world order is undergoing a major shift**, with the **Global South playing a growing role** in shaping international politics and economics.

● Background

- ➡ **Post-WWII Era**: Dominated by **bipolar power dynamics** between the USA and the Soviet Union.
- ➡ **Post-1991**: Following the dissolution of the Soviet Union, a **unipolar world** emerged with the USA as the dominant power.
- ➡ **Current Trend**: Rise of **emerging economies** from the Global South is shifting the world towards **multipolarity**.

● What is the Global South?

- ➡ Refers to **developing nations** primarily in **Africa, Asia, and Latin America**.
- ➡ Term popularized in the **Brandt Report**, distinguishing countries based on development indicators such as GDP, technological progress, and social infrastructure.

● Rise of the Global South: Key Drivers of Change

➡ Economic Growth

Global South contributes to **40% of world trade** (UNCTAD).

Rapid economic rise of countries like **India, China, Brazil**, etc., is **rebalancing global economic power**.

➡ Strengthening Alternative Institutions

Creation of **New Development Bank (NDB)** and **BRICS Contingent Reserve Arrangement (CRA)** offers alternatives to traditional Bretton Woods institutions.

➡ Assertive Diplomacy

COP27: Global South successfully advocated for a **Loss and Damage Fund** to address climate finance justice.

Push for UN Reforms: Countries like India, Brazil, and African nations are demanding greater voice in **UNSC and international forums** (e.g., G77).

● **Rise of the Global South: Key Drivers of Change**

➡ **Demographic Strength**

Home to the **majority of global population**, with many countries enjoying a **demographic dividend** (young and growing workforce).

➡ **South–South Cooperation**

Growing **collaboration among developing nations** in areas such as technology sharing, trade, education, and climate action.

● **Way Forward**

➡ **Reform global institutions** (UN, WTO, IMF) to ensure **equitable representation**.

➡ Promote **inclusive global governance** through regional and multilateral partnerships.

➡ Strengthen **infrastructure, innovation, and education** across the Global South.

➡ Enhance **South–South and Triangular Cooperation** for mutual development.

➡ Invest in **resilient and sustainable economies** through climate-smart growth.

● **Significance**

➡ **Transition to Multipolarity:** The rise of the Global South is challenging the historical dominance of the Global North and fostering a **more balanced global order**.

➡ Reinforces India's vision of “**Vasudhaiva Kutumbakam**” (**One Earth, One Family, One Future**) as articulated in its G20 Presidency.

Vision for Copper and Aluminium Sectors Unveiled

● Why in News?

- ➡ The Central Government released **Aluminium and Copper Vision Documents** at the **International Conference on Sustainable and Responsible Mining**, Hyderabad.
- ➡ The event was organised by the **Indian National Committee of the World Mining Congress**.

● What are the Vision Documents

- ➡ Serve as long-term strategic roadmaps to:
 - Meet future domestic demand
 - Ensure raw material security
 - Support clean energy and infrastructure development

● Key Highlights

- ➡ **Copper Vision Document**
 - Predicts a **six-fold increase in demand by 2047**.
 - Proposes adding **5 MTPA of smelting and refining capacity by 2030**.
- ➡ **Aluminium Vision Document**
 - Aims to scale up **aluminium production six-fold by 2047**.
 - Plans to expand **bauxite production capacity to 150 MTPA**.

● Strategic Importance

- ➡ **Copper**
 - Critical for:
 - Energy transition**
 - Infrastructure growth**
 - Green technologies** like electric vehicles and solar energy
- ➡ **Aluminium**
 - Essential for:
 - Clean energy systems, Electric mobility, Modern infrastructure**

● **Geographical Distribution**

➡ **Bauxite (Aluminium Ore) in India**

Reserves: Odisha (41%) > Chhattisgarh > Andhra Pradesh

Production: Odisha leads with 73% of national output

➡ **Copper in India**

Reserves: Rajasthan (52.25%) > Madhya Pradesh > Jharkhand

Production (2022–23): Madhya Pradesh (57%) > Rajasthan (43%)

● **Global Producers**

➡ **Aluminium**

Top producers: China (58%) > Australia > Brazil > India

➡ **Copper**

Top reserves: Chile (19%) > Peru (10%) > Australia (10%)

● **Way Forward**

➡ Invest in expanding domestic **smelting, refining, and mining capacities**

➡ Secure long-term supply chains for **critical minerals**

➡ Encourage **sustainable mining practices** and technological innovation

Indian Army's Defence Modernisation Roadmap

● Why in News?

- ➡ Indian Army has unveiled a **comprehensive roadmap** for defence modernisation to enhance future combat readiness and ensure strategic superiority across all warfare domains.

● Key Highlights of the Modernisation Plan

➡ Advanced Weapon Systems

Focus on development of:

Hypersonic glide vehicles

Hypersonic air-breathing engines (HEBs)

4th, 5th, and 6th generation missiles

Shift from conventional ammunition to **smart, precision-guided munitions** like loitering munitions.

Expansion of **directed energy weapons** including:

High-energy lasers

Microwave systems

Applications: Counter-drone warfare, missile defence, and anti-satellite operations.

➡ Cyber and Electronic Warfare (EW)

Goal of achieving **spectrum dominance**.

Development of:

Next-gen **cyber defence tools**

Autonomous EW solutions

Resilient satellite systems for secure communications.

➡ Soldier-Centric Modernisation

Enhancing battlefield effectiveness through:

Exoskeletons and human augmentation systems

Smart body armour and AI-powered helmets

AR-based battlefield management systems

Smart apparel and real-time health monitoring tools.

● **Key Highlights of the Modernisation Plan**

➡ **Logistics and Infrastructure**

Creation of **green, cyber-resilient logistics** via:

Integration of **AI, blockchain, and IoT**

Modern supply chain systems for improved operational efficiency.

➡ **Stakeholder Synergy**

Emphasizes cooperation among:

Military: Define operational requirements.

Policymakers: Create enabling regulatory and financial frameworks.

Industry: Innovate and deliver customized defence solutions.

● **Other Indian Defence Modernisation Initiatives**

➡ **Strategic Planning**

Integrated Capability Development Plan (ICDP) for 10-year defence capability forecasting.

➡ **Specialised Agencies**

Creation of:

Defence Space Agency

Defence Cyber Agency

Armed Forces Special Operations Division

➡ **Indigenisation and Innovation**

Atmanirbharta in Defence via:

Positive Indigenisation Lists

SRIJAN portal for defence manufacturing collaboration.

FDI liberalisation in defence R&D.

➡ **iDEX (Innovations for Defence Excellence):** Supports defence startups with funding up to ₹1.5 crore for innovative tech solutions.

● **Way Forward**

➡ **Accelerate defence R&D investments** to keep pace with future warfare technologies.

➡ **Strengthen collaboration with private sector and startups** to drive innovation and indigenisation.

➡ Focus on **rapid deployment and testing** of new-age systems under real-world combat conditions.

➡ Institutionalise **training and capacity building** for soldiers in using advanced battlefield technologies.

➡ Develop **cyber and space warfare doctrines** alongside traditional defence strategies.

BRICS Rio Declaration & Global South Cooperation

● Why in News?

- ➡ 17th BRICS Summit held in **Rio de Janeiro, Brazil**.
- ➡ Theme: Strengthening Global South Cooperation for a More Inclusive and Sustainable Governance.
- ➡ Outcome: Adoption of **Rio de Janeiro Declaration**.

● Key Highlights of the Summit

➡ Climate Finance Framework

- BRICS Leaders' Framework Declaration adopted.
- Calls for **accessible, timely, and affordable climate finance**.
- Supports **just transition pathways** in developing countries.

➡ AI Governance Statement

- BRICS Leaders' Statement on Global Governance of Artificial Intelligence.
- Aims for **responsible development, deployment, and regulation** of AI.
- Adherence to **national frameworks** and **UN Charter** emphasized.

➡ Health Equity

- Launch of **BRICS Partnership for Elimination of Socially Determined Diseases**.
- Focus on addressing **poverty, exclusion, and health disparities**.

● Other Key Highlights

- ➡ Reaffirmed commitment to **multilateralism**.
- ➡ Called for **Bretton Woods reforms** to amplify Global South voices.
- ➡ Supported **UN Security Council reforms**, including bigger roles for **India** and **Brazil**.
- ➡ **Condemned terrorism**, including the **Pahalgam attack in J&K**.
- ➡ Advocated "**African solutions to African problems**" for conflict resolution in Africa.
- ➡ Highlighted role of **nuclear-weapon-free zones** in strengthening non-proliferation.
- ➡ Backed **India's bid to host COP33** of UNFCCC in 2028.

● **New Development Bank (NDB) Updates**

➡ **Colombia and Uzbekistan** admitted as borrowing members.

➡ **NDB Overview:**

Established: **2015** by BRICS nations.

HQ: **Shanghai, China.**

Purpose: Fund infrastructure & sustainable development in **EMDCs**.

Members: Brazil, Russia, India, China, South Africa, Bangladesh, UAE, Egypt, Algeria.

Uruguay is a prospective member.

● **Way Forward**

➡ Operationalize BRICS climate finance and AI governance frameworks.

➡ Deepen engagement with Global South partners via the NDB.

➡ Strengthen efforts to combat health inequalities and terrorism.

➡ Push for **institutional reforms** at the global governance level.

India Ranked Among Most Equal Societies by World Bank

● Why in News?

- ➡ The World Bank's Spring 2025 Poverty and Equity Brief ranks India as the 4th most equal country in the world based on Gini Index.
- ➡ India ranks just after the Slovak Republic, Slovenia, and Belarus.

● India's Global Standing in Equality

- ➡ Gini Index (2022–23): 25.5
 - Improved from 28.8 in 2011–12
 - Places India in the “moderately low” inequality category (score between 25–30)
- ➡ Comparison with Major Economies:
 - China: Gini score of 35.7
 - United States: Gini score of 41.8
 - India outperforms all G7 and G20 nations on income equality.

● Decline in Poverty

- ➡ Extreme Poverty (Below \$2.15/day):
 - Dropped from 16.2% (2011–12) to 2.3% (2022–23)
 - Approximately 171 million people lifted above this poverty line.
- ➡ Revised WB Poverty Threshold (\$3.00/day):
 - Poverty rate in 2022–23 under this metric is 5.3%

● About Gini Index

- ➡ Definition: Measures inequality in income or consumption distribution.
- ➡ Scale:
 - 0: Perfect equality
 - 100: Perfect inequality
- ➡ Visualisation: Represented by the Lorenz Curve:
 - Plots cumulative income received vs. cumulative population (from poorest to richest).

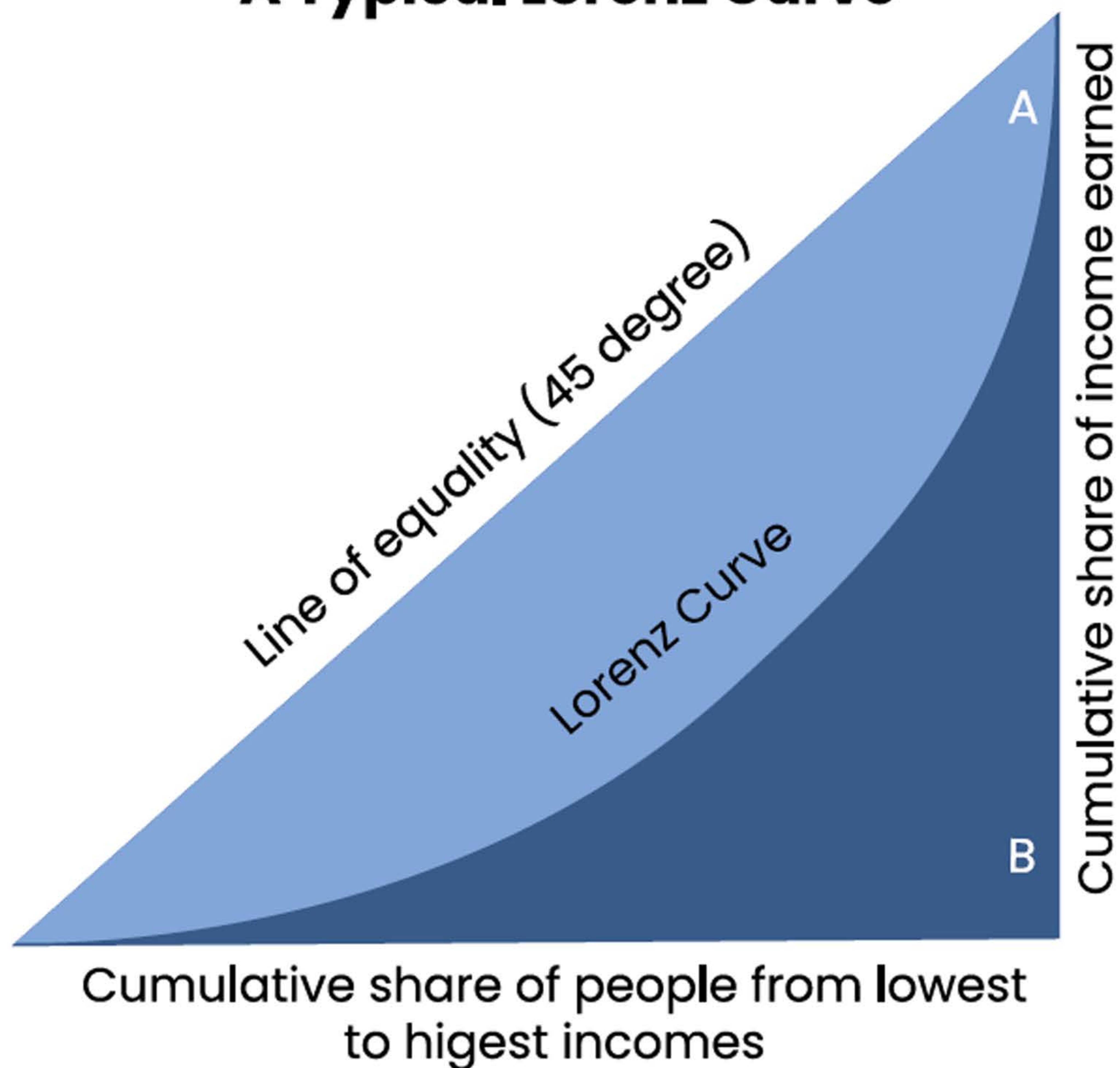
● Way Forward

- ➡ Sustain **redistributive policies** (e.g., subsidies, rural employment, targeted social welfare).
- ➡ Strengthen **inclusive growth strategies** through skill development and job creation.
- ➡ Promote **access to quality education and healthcare** for marginalised populations.
- ➡ Monitor inequality trends using **robust and timely household-level data**.
- ➡ Expand focus on **wealth inequality** and not just income inequality for a more complete picture.

● Significance

- ➡ A lower Gini Index reflects **equitable income distribution**, crucial for:
 - Social stability**
 - Inclusive economic growth**
 - Poverty eradication goals (SDG 1 and 10)**
 - Building a resilient and just society in line with Viksit Bharat 2047.**

A Typical Lorenz Curve





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