

## India's climate imperative

(GS Paper 3, Environment)

### Context:

- In the absence of COVID-19, climate change-induced disasters would have been India's biggest red alert in recent years.
- The **heatwave** that scorched Rajasthan, Uttar Pradesh, Gujarat, and New Delhi this year; **torrential downpours in south India** in 2021; and the **super cyclone Amphan** that battered West Bengal and Odisha in 2020 are symbols of man-made climate change.
- But India, like elsewhere, still attributes these catastrophes to the wrath of mother nature rather than **anthropogenic global warming**.



### Impact:

- Temperatures over the Indian Ocean have risen by over 1°C since the 1950s, increasing extreme weather events. India is the fourth worst-hit in climate migration. Heat waves in India have claimed an estimated 17,000 lives since the 1970s.
- Labour losses from rising heat, by one estimate, could reach ₹1.6 lakh crore annually if global warming exceeds 2°C, with India among the hardest hit.

### Approach:

India needs a **two-part approach**:

- a) to **adapt to climate impacts by building resilience against weather extremes**
- b) to mitigate environmental destruction to prevent climate change from becoming more lethal.

### Climate resilient agriculture:

- Extreme heat waves hit swathes of India. **Heatwaves are aggravated by deforestation and land degradation**, which also exacerbate fires. Agriculture, being water-intensive, does not do well in heat wave-prone areas.
- A solution is to **promote agricultural practices which are not water-intensive** and to support afforestation that has a salutary effect on warming.

- **Financial transfers can be targeted to help farmers plant trees** and buy equipment, for example, for **drip irrigation** that reduces heavy water usage. Insurance schemes can transfer some of the risks of extreme heat faced by industrial, construction and agricultural workers to insurers.
- **Climate-resilient agriculture calls for diversification**, for example, the cultivation of multiple crops on the same farm. There will need to be more localised food production. Weather-based crop insurance would help.

#### **Flood-risk zones:**

- Floods and storms are worsened by vast sea ingress and coastline erosion in the low-lying areas in the south. Southern States need stronger guidelines to avoid construction in locations with drainages.
- It is **vital to map flood-risk zones** to manage vulnerable regions. Environment Impact Assessments must be mandatory for commercial projects.
- Kerala has some flood-resistant houses constructed on pillars.
- Communities can build **round-shaped houses, considering optimum aerodynamic orientation** to reduce the strength of the winds.
- **Roofs with multiple slopes** can stand well in strong winds, and central shafts reduce wind pressure on the roof by sucking in air from outside.

#### **Mitigation:**

- Adaptation alone will not slow climate damages if the warming of the sea level temperatures is not confronted. **Leading emitters, including India, must move away from fossil fuels.**
- But climate mitigation everywhere is painfully slow, because of a lack of political will. India has made slow progress in choosing 2070 as its target for net zero emissions.

#### **Roadmap:**

##### **Forest coverage:**

- Meanwhile, a big part of climate action lies in **protecting and expanding forest coverage**. Regulation needs to be tightened and enforced to ensure forest protection while acquiring land.
- India gains from being part of the Glasgow declaration on forest protection that 141 countries signed in 2021.

##### **Management of dams:**

- Management of dams can exacerbate glacier lake outbursts and floods. Nearly 295 dams in India are more than 100 years old and need repairs.
- In stemming landslides in Uttarakhand, regulations must stop the building of dams on steep slopes and eco-fragile areas, as well as the dynamiting of hills, sand mining, and quarrying.
- Dams in the southern States can moderate floods, but only if operated year-round to anticipate the need to control flows during floods.

##### **Climate finance:**

- India's share in disaster management should be raised to 2.5% of GDP. Climate finance is most suited for large-scale global funding from the World Bank, the International Monetary Fund, and the Asian Development Bank.
- But smaller-scale financing can also be vital: the World Food Programme's funding for Nepal and Bhutan for community-based adaptation and agricultural resilience for vulnerable communities provides an interesting model.

##### **Climate adaptations:**

- States can tap into the Union government's resources, financial and technological, from early warning meteorological systems to centrally sponsored climate schemes.
- MGNREGA funds can be used for climate adaptation in agriculture, waste management and livelihoods. States could make compensatory payment to local self-government resources being used for climate adaptation.
- For public pressure to drive climate action, there is need to consider climate catastrophes as largely man-made.

## Pakistan & Extended Fund Facility (EFF)

(GS Paper 2, International Relation)

### Why in news?

- Recently, the staff-level talks between **Pakistan and the International Monetary Fund (IMF)** concluded for the seventh and eighth review under Extended Fund Facility (EFF). The talks were originally aimed at releasing a tranche of \$900 million.



### Background:

- The talks, which began on March 4, were expected to conclude by March 16; however, it took five months to reach the staff-level agreement.
- This brings the total disbursement under the current EFF to \$4.2 billion so far, to support policy actions under FY 2023 budget, power sector reforms, and monetary policy to restrain inflation.
- The latest IMF press release maintains it would consider an extension of the current EFF to end June 2023 and augment the fund amount to \$7 billion.

### What was the Extended Fund Facility (EFF), and why did the talks take longer to conclude?

- The 39-month EFF between the two was signed in July 2019 to provide funds amounting to **Self-Drawing Rights (SDR)** — \$4,268 million. The **EFF was signed by Pakistan to address the medium-term balance of payment problem**, and work on structural impediments and increase per capita income.
- The IMF placed demands including fiscal consolidation to reduce debt and build resilience, the market-determined exchange rate to restore competitiveness, eliminate ‘quasi-fiscal’ losses in the energy sector and strengthened institutions with transparency.
- The **decision to freeze the fuel prices** by the then Pakistani President Imran Khan in February 2022 was considered a major deviation under the EFF benchmarks.
- Loans under Kamyab Pakistan Program were another point of contention. The IMF insisted on its demands before approving any release of the tranche.

### How important is the IMF support to Pakistan?



- Pakistan's economic situation is dire. According to the Economic Survey of Pakistan 2022, the **fiscal deficit in FY 22 was \$18.6 billion**, and the net public debt at \$252 billion, which is 66.3% of the GDP. The power sector's circular debt is \$14 billion.
- The current account deficit has peaked to \$48.3 billion. The budgeted expenditure outlay for FY 23 states that 41% (\$19 billion) of total expenditure will be used in debt servicing.
- The IMF's support in addressing the above numbers is crucial. According to the latest quarterly report of the Economic Affairs Division, during the financial year 2021-22, the IMF's contribution to the total external debt (of \$9.4 billion), is only \$834 million.
- However, the IMF's support is not limited to fixing the balance sheet, but validates and provides economic confidence to other multilateral institutions.

### **Why have the Pakistan-IMF relations remained complicated? Will the new government be able to improve the trust deficit?**

- **Structural reforms require long-term commitment**, which have been sacrificed due to Pakistan's short-sighted political goals; hence the urge to go to the IMF for fiscal stability has been repeated over time.
- Pakistan has signed various lending instruments with the IMF, and **sought support from IMF around 22 times. However, only once has a programme been completed.** Since the 1990s, the IMF has placed specific demands but were addressed by Pakistan in bits and pieces.
- The latest EFF was on the verge of collapse, but the ruling coalition government continued its efforts to revive the discussions.
- To address the structural benchmarks of the IMF, the authorities have worked on specific legislations, for example, the State Bank of Pakistan (SBP) amendment act, and the Finance Bill 2022.

### **What lies ahead for Pakistan and the IMF?**

- Despite the latest agreement, the road ahead for the IMF and Pakistan is not an easy one. Political calculations and the elections ahead will play a role in Pakistan's economic decision-making.
- In 2019, the Director-General Debt Office of the Ministry of Finance revealed that Pakistan has to pay \$31 billion by 2026. Total public debt as a percentage of gross domestic product is expected to increase further.
- There is also a narrative that **Pakistan has the fifth largest population with nuclear weapons that cannot be allowed to fail.**
- A section within Pakistan also places the geo-strategic location of the country would provide an edge for cooperation, rather than coercion. Hence, this section believes, the IMF would continue to support.
- Given the IMF's increased assertion, Pakistan's political calculations and the elections ahead, the relationship between the two is likely to remain complicated.

## **The Shanghai Cooperation Organisation and its stature in the modern world**

**(GS Paper 2, International Relation)**

### **Context:**

- Iran and Belarus could soon become the newest members of the China and Russia-backed Shanghai Cooperation Organisation (SCO) at the Samarkand summit in September.
- The expansion would exhibit the collective's rising international influence and its principles being widely accepted.

### **What is the SCO?**

- **Founded in June 2001**, it was built on the 'Shanghai Five', the grouping which consisted of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. They came together in the post-Soviet era in 1996, in order to work on regional security, reduction of border troops and terrorism.
- They endowed particular focus on 'conflict resolution', given its early success between China and Russia, and then within the Central Asian Republics.
- Some of their prominent outcomes in this arena entail an '**Agreement on Confidence-Building in the Military Field Along the Border Areas**' (in 1996) between China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan,

which led to an agreement on the mutual reduction of military forces on their common borders in 1997. It would also pitch in to help the Central Asian countries resolve some of their boundary disputes.

- **In 2001, the ‘Shanghai Five’ inducted Uzbekistan** into its fold and named it the SCO, outlining its principles in a charter that promoted what was called the “Shanghai spirit” of cooperation.

**Charter:**

- The charter, adopted in St. Petersburg in 2002, enlists its main goals as strengthening mutual trust and neighbourliness among the member states; promoting their effective cooperation in politics, trade, economy, research and technology, and culture.
- Its **focus areas include** education, energy, transport, tourism and environmental protection.
- It also calls for joint efforts to maintain and ensure peace, security and stability in the region; and the establishment of a democratic, fair and rational new international political and economic order.
- The precise assertion, combined with some of the member states’ profiles, of building a “new international political and economic order” has often led to it being placed as a counter to treaties and groupings of the West, particularly North Atlantic Treaty Organisation (NATO).

Shanghai Cooperation Organization Membership



Graphic © Asia Briefing Ltd.

**Member nations:**

- The grouping comprises **eight member states**: India, Kazakhstan, China, Kyrgyzstan, Pakistan, Russia, Tajikistan and Uzbekistan.

- The SCO also has **four observer states**; Afghanistan, Iran, Belarus and Mongolia of which **Iran and Belarus are now moving towards full membership**.

#### How is this relevant to India?

- India acquired the **observer status in the grouping in 2005** and was admitted as a **full member in 2017**. Through the years, the SCO hosts have encouraged members to use the platform to discuss differences with other members on the sidelines.
- It was on such an occasion that Prime Minister Narendra Modi held a bilateral meeting with former Pakistani Prime Minister Nawaz Sharif in 2015 in Ufa, and Foreign Minister S. Jaishankar negotiated a **five-point agreement with his Chinese counterpart Wang Yi** on the sidelines of the Moscow conference in 2020.
- India is also a part of the **‘Quadrilateral’ grouping with the U.S., Japan and Australia**. Its association with the grouping of a rather different nature is part of its foreign policy that emphasises on principles of **“strategic autonomy and multi-alignment”**.

#### What is the organisational structure?

- The SCO secretariat has **two permanent bodies**; the **SCO Secretariat based in Beijing** and the **Executive Committee of the Regional Anti-Terrorist Structure (RATS)** based in Tashkent. Other than this, the grouping consists of the **Heads of State Council (HSC)**, the Heads of Government Council (HGC) and the Foreign Ministers Council.
- The **HSC is the supreme decision-making body of the organisation**. It meets annually to adopt decisions and guidelines on all important matters relevant to the organisation.
- The HGC (**mainly including Prime Ministers**) also meets annually to zero in on the organisation’s priority areas and multilateral cooperation strategy. It also endeavours to resolve present economic and cooperation issues alongside approving the organisation’s annual budget.
- The **Foreign Ministers Council considers issues pertaining to the day-to-day activities** of the organisation, charting HSC meetings and consultations on international problems within the organisation and if required, makes statements on behalf of the SCO.

#### Is it about countering the West?

- The **Council on Foreign Relations (CFR)** noted in 2015 that decades of rapid economic growth had propelled China onto the world’s stage, whereas **Russia found itself beset with economic turmoil** following the Crimean annexation in 2014 and ejection from the G8 grouping.
- Most recently, Russia’s action in Ukraine caused it to be subjected to sanctions on multiple fronts by the West.
- China, in what could be referred to as ‘distance diplomacy’, had held that security of one country should not be at the expense of another country, blaming the West (specifically referring to NATO) for the entire episode. Thus, the organisation spearheaded by both Russia and China does not find its supporters in the West.

#### Induction of Russia & Belarus:

- From the proposed induction of Iran, in September 2021, the country might not see much short-term benefit, however, it would signal closer ties with both China and Russia.
- The Iranian leadership has often stressed that the country must “look to the East”. This is essential not only to resist its economic isolation (by addressing the banking and trade problems on account of U.S. sanctions) from the West, but also find strategic allies that would help it to reach a new agreement on the nuclear program.
- In other words, using its ties with China and Russia as a leverage against the West. Additionally, it would help it strengthen its involvement in Asia.
- The same premise applies for Belarus, which lent its support to Russia for its actions in Ukraine. An association with the SCO bodes well for its diplomacy and regional stature.

### **Govt forms MSP panel to discuss ways to make system effective**

**(GS Paper 3, Agriculture)**

#### Why in news?

- The Centre has constituted a **committee headed by former Union Agriculture Secretary Sanjay Agrawal** to look into the issues of minimum support price (MSP), as promised to the Samyukt Kisan Morcha (SKM) earlier in January.



### Details:

- Eight months after announcing the repeal of farm laws, the Centre set up a **29-member committee**, as promised by Prime Minister, to see **how to make the minimum support price (MSP) more effective** and transparent.
- Besides, it will also **suggest measures to promote zero-budget natural farming and crop diversification to fulfil the changing food security requirement.**

### Composition:

- Apart from Agrawal, NITI Aayog Member (Agriculture) Ramesh Chand, agricultural economists CSC Shekhar and Sukhpal Singh, award-winning farmer Bharat Bhushan Tyagi, members from other farmer organisations Gunwant Patil, Krishnaveer Choudhary, Pramod Kumar Choudhary, Gumi Prakash and Sayyed Pasha Patel, IFFCO chairman Dilip Sanghani, CNRI general secretary Binod Anand, senior member of the CACP Naveen P. Singh, agriculture experts P Chandrashekhar, J.P. Sharma and Pradeep Kumar Bisen will be members of the panel.
- Secretaries of Departments of Agriculture and Farmers Welfare, Agricultural Research and Education, Food and Public Distribution, Cooperation, Textiles and Director General ICAR will represent the Centre in the panel. Representatives of State governments, and the member-secretary of the panel will be Joint Secretary (Crops).



### Agenda:

- It also says that the committee will discuss **methods to strengthen the Agricultural Marketing System** as per the changing requirements of the country to ensure higher value to the farmers through remunerative prices of their produce by taking advantage of the domestic output and export.
- On natural farming, the committee will make suggestions for programmes and schemes for **value chain development, protocol validation and research for future needs** and support for area expansion under the Indian Natural Farming System through publicity and through involvement and contribution of farmer organisations.
- **On crop diversification**, the panel will look into the mapping of existing cropping patterns of agro-ecological zones of producer and consumer States. It will for a strategy for diversification policy to change the cropping pattern according to the changing needs of the country.

- Arrangement for agricultural diversification and system to ensure remunerative prices for the sale of new crops, review and suggestion on micro irrigation scheme are also part of the agenda of the panel.

**Background:**

- The Government has opened a door for the farmers' union Sanyukt Kisan Morcha (SKM) under which hundreds of farmers from Punjab, Haryana and Western UP had staged protests at Delhi borders for over a year pressing their demand on the legal guarantee of the MSP.
- The panel has three unfilled posts for representatives of the SKM, which will be filled as and when the Centre receives the recommendations from the umbrella body of farmers.