DAILY CURRENT AFFAIRS

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"You have to believe in yourself when no one else does." — Serena Williams

A ROLE FOR INDIA IN SOUTH-SOUTH CLIMATE COOPERATION

A role for India in South-South climate cooperation

Shubhi Goel

is a climate finance expert, consultant and freelancer

Gopal K. Sarangi

is Associate Professor and Head of the Department, TERI School of Advanced Studies, New Delhi

COP29, at Baku, Azerbaijan, aptly referred to as the 'Climate Finance COP,' has played a crucial role in operationalising core elements of Article 6 of the Paris Agreement (PA). The adoption of Article 6 at Baku represents a renewed focus on the market mechanism which could help countries that are often constrained by limited resources and face difficulties in achieving an economy-wide transition to a carbon-neutral economy.

Article 6 has the potential to meet climate ambitions through cooperative approaches. Its key component, Article 6.2, facilitates the transfer of Internationally Transferred Mitigation Outcomes (ITMOs) between host and partner country to help countries meet their Nationally Determined Contributions (NDCs), by offering flexibility for tailored agreements. The process not only supports emissions reductions in the host country (developing country) but also fosters technology exchange, promotes capacity building, and facilitates financial resources from the partner country (developed country), helping in the transition to a low-carbon economy and reaching the Sustainable Development Goals (SDGs).

Article 6.2 and India's climate policies

India, which is considered to the third largest emitter of greenhouse gases (GHG), though in absolute terms only, and a rapidly growing economy, is well-positioned to draw benefits from Article 6.2. The country has had a challenge in balancing its developmental goals with its climate commitments due to a lack of adequate finance and also a lack of support from developed countries. India's NDCs, *inter alia*, include ambitious targets, such as reducing emissions intensity by 45% by 2030. However, the financial and technical constraints are considerable, as just before COP29, India reiterated its call for the developed nations to mobilise at least $1 trillion annually in climate finance for developing countries to meet the challenges of global warming.

It is an opportune time for India as it moves to its own domestic emissions trading scheme (ETS), launched as a Carbon Credit Trading Scheme (CCTS) in 2023, with the aim of integrating market mechanisms into national policy. While not directly linked to Article 6.2, the CCTS proposes to strengthen India's institutions by providing a framework for transparent carbon credit tracking and verification. India's prior experience with the Clean Development Mechanism (CDM), voluntary carbon market (VCM), Energy Saving Certificates (ESCerts) and Renewable Energy Certificates (REC), has laid the groundwork for effective engagement with international carbon markets under Article 6.2, unlocking opportunities for emission reduction projects and climate finance.

India has identified 14 key activities for international collaboration under Article 6.2, which include Renewable Energy (RE), energy storage, and Carbon Capture, Utilization, and Storage programme. These technologies, such as green hydrogen and sustainable aviation fuel, require advanced expertise, research and significant investment, which India seeks through partnerships with leading nations such as South Korea, the European Union, and Japan.

Engaging in ITMO transactions under Article 6.2 gives India the opportunity to meet its SDGs by transferring surplus emissions reductions certificates to partner countries through different unique project implementations. There are also co-benefits such as reducing health problems and enhancing income through green jobs. On other hand, by encouraging South-South cooperation India can also generate ITMOs while facilitating investments in key sectors, in which India has extensive experience such as RE and sustainable infrastructure.

Opportunities for the country

Article 6.2 offers India an opportunity to unlock large-scale climate finance through South-South cooperation. Countries under pressure to meet stringent NDCs can purchase ITMOs from India, generating financial resources for climate-resilient projects and green technology development. For example, India's renewable energy sector attracted over $10 billion in foreign direct investment in 2022. Further, ITMO transactions could scale up these efforts for other developing countries. The New Collective Quantified Goal (NCQG) also encourages such South-South cooperation as developing countries have been extending climate finance to other developing countries on a voluntary basis; however, their contributions are often unreported. Hence, Article 6.2 may foster such partnerships beyond the traditional North-South dynamic, enabling India to lead South-South cooperation, through the transfer of technology, and building capacity in developing countries (Africa) to help them meet their NDCs.

While India signs memorandums of understanding with developed countries to facilitate ITMO transfers, there is also a strong case for India to focus on building partnerships with African nations (India as partner country and Africa as host country). Africa, with its vast renewable energy potential and urgent climate vulnerabilities, is ideal for South-South cooperation. Many African nations face severe impacts from climate change, particularly in agriculture and water resources. India's close partnership with African governments, extending to trade, investment, and developmental projects, strengthens this case. Under the 10 principles for India-Africa engagement enunciated by Prime Minister Narendra Modi, a key pillar is economic cooperation – emphasising sustained engagement, creating local capabilities, enhancing agricultural productivity, and addressing climate change. With its expertise in RE deployment, digital tools, and sustainable agriculture, India is well-positioned to help the region. This can also help India meet its NDCs while also accessing carbon market opportunities to fund sustainable development projects across the African continent.

The sharing of ITMOs between India and partner countries will depend on agreement specifics, reflecting India's role as the host country and the developed partner's contributions to technology and capacity building, which are also aligned with the Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). The share ratio may vary based on each party's contributions – India could claim a larger share if it extends significant financial or technical inputs. A similar approach is seen in the Joint Crediting Mechanism (JCM), where credit allocation is decided through mutual consultation based on contributions to GHG reductions. Japan typically offers technology, funding, and capacity building, while the host country implements the project. The JCM Joint Committee reviews and issues credits, ensuring transparency by publicly sharing allocation details.

The challenges

ITMO sharing offers opportunities for international cooperation. But, at the same time, it also presents challenges for India. Developed nations might rely on low-cost emission reductions from India, potentially avoiding significant domestic decarbonisation efforts and shifting costly mitigation burdens onto India. For India, ITMO transfers could involve opportunity costs, as these reductions might otherwise support its own climate targets or sustainability goals.

Additionally, inadequate transparency and governance in ITMO mechanisms may lead to inefficiencies and can accentuate inequities, affecting India's interests. Over-reliance on ITMO transfers by partner nations could also hinder India's broader priorities, such as capacity building, green technology deployment, and climate-aligned economic growth. To address these risks, India must ensure ITMO agreements include safeguards for equitable benefit-sharing, transparency, and alignment with national and global climate ambitions.

India can position itself as a leader in the global transition to a low carbon pathway, through transparent processes and equitable partnerships

Context

- **COP29 (2024), Baku, Azerbaijan**: Focused on **climate finance** and operationalizing **Article 6 of the Paris Agreement**.
- **Article 6.2**: Allows **Internationally Transferred Mitigation Outcomes (ITMOs)** to help countries meet **Nationally Determined Contributions (NDCs)** through emission reduction transfers.
- **Significance**: Facilitates **climate finance, technology exchange, and capacity building** for developing nations.

India's Climate Commitments & Policies

Commitments

- Reduce **emissions intensity by 45%** by 2030.
- Increase **renewable energy capacity** to 500 GW by 2030.
- Seeks **$1 trillion annually** from developed nations for climate action.

Existing Frameworks

- **Carbon Credit Trading Scheme (CCTS) (2023)**: Supports transparent carbon trading.
- Experience in **CDM, VCM, ESCerts, REC** aids ITMO implementation.

Opportunities under Article 6.2

Mobilizing Climate Finance

- ITMO transactions generate funding for **green projects**.
- Example: India's **renewable energy sector attracted $10 billion FDI (2022)**.

Technology & Knowledge Exchange

- Partnerships with **South Korea, Japan, EU** for **green hydrogen & sustainable fuels**.

South-South Cooperation

- Collaborate with **African nations** to develop **renewables & climate resilience projects** while earning carbon credits.
- **India-Africa Engagement**: Focus on **sustainable infrastructure, agriculture, and digital tools**.

Challenges & Risks

- **Over-Reliance by Developed Nations**: May **delay their domestic decarbonization** by purchasing ITMOs.
- **Opportunity Costs for India**: ITMO sales could **limit India's ability to meet its own climate targets**.
- **Governance & Transparency Issues**: **Weak enforcement** may lead to inefficiencies or inequitable credit allocation.

Way Forward

- **Develop a Clear ITMO Policy**: Define **national guidelines** and **equitable benefit-sharing models**.
- **Ensure Fair & Transparent Agreements**: Monitor **partner commitments** to avoid misuse.
- **Strengthen South-South Cooperation**: Expand partnerships with **developing nations for renewable energy deployment**.
- **Improve Monitoring & Verification**: Implement **robust tracking systems** to prevent double counting.

Conclusion

- India has the potential to be a global leader in carbon markets and South-South climate cooperation. By ensuring transparent agreements, equitable partnerships, and strategic ITMO utilization, India can advance its climate goals while supporting other developing nations in their low-carbon transition.

SOLVE MCQ

Q.1 Which of the following statements regarding Article 6.2 of the Paris Agreement is/are correct?

1. It allows countries to trade carbon credits only through a centralized UN mechanism.
2. It facilitates the transfer of Internationally Transferred Mitigation Outcomes (ITMOs) to help nations achieve their Nationally Determined Contributions (NDCs).
3. India has actively participated in market-based mechanisms like the Clean Development Mechanism (CDM) and Voluntary Carbon Markets (VCM), which can aid in ITMO implementation.

Select the correct answer using the code below:

(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

Answer: (b) 2 and 3 only

Explanation:

- **Statement 1 is incorrect:** Article 6.2 does not mandate a centralized UN mechanism; instead, it allows bilateral or multilateral agreements between countries for carbon credit trading.
- **Statement 2 is correct:** Article 6.2 enables the use of Internationally Transferred Mitigation Outcomes (ITMOs) to help countries meet their Nationally Determined Contributions (NDCs) through emission reduction transfers.
- **Statement 3 is correct:** India has prior experience in market-based mechanisms such as the Clean Development Mechanism (CDM), Voluntary Carbon Markets (VCM), ESCerts, and Renewable Energy Certificates (REC), which can facilitate ITMO implementation.

ADDRESSING THE GROWING THREAT OF FOREST FIRES

Addressing the growing threat of forest fires

Suryaprabha Sadasivan

Senior Vice President, Chase India

As wildfires swept throughout Los Angeles last month, destroying homes and causing casualties and displacements, the urgency of addressing and preventing forest fires took centre stage once again. Unfortunately, forest fires become a point of conversation only when some major incident causes irrevocable damage and captures media and public attention. The fires are a stark reminder that no place is immune from their impacts and that we need a clear pathway to prevent and manage them as their frequency increases.

In India, the situation is equally alarming. According to the Forest Survey of India, more than 36% of the country's forest cover is prone to fire. An analysis by the Council on Energy, Environment and Water states that there has been a 10-fold increase in forest fire incidences in the last two decades, whereas the total forest cover has increased by merely 1.12%.

Living on the fringes of the Corbett Tiger Reserve in Uttarakhand, I see the immense value of India's forests, not just as critical enablers of wildlife conservation and sources of biodiversity, but as lifelines for local communities that live around them. While Uttarakhand and Himachal Pradesh often capture headlines for forest fires, Madhya Pradesh, Maharashtra, Odisha, and Karnataka, among others, are also grappling with the frequency and intensity of forest fires.

Devastating consequences

According to various reports, nearly 90% of these fires are caused by human activities such as deliberate land clearing, slash-and-burn agriculture, and unattended campfires. These factors, coupled with climate change-driven factors such as rising temperatures and extended dry spells, intensify the risk of forest fires.

Forest fires have widespread consequences – natural, social, and economic – that are all interconnected. Besides the direct loss of trees, wildlife, and biodiversity, they contribute significantly to carbon emissions. A report by the World Resources Institute estimates that Indian forest fires emit approximately 69 million tonnes of CO_2 annually. Forest fires result in the loss of timber and non-timber forest products, essential for forest-dependent communities, contributing to direct economic losses. A 2018 report by the Ministry of Environment, Forest and Climate Change estimated that forest degradation (including forest fires) results in an annual economic loss of approximately ₹1.74 lakh crore. Forest fires also disrupt the water cycle, cause soil fertility degradation, and worsen human-wildlife conflict as animals seek refuge in human settlements.

India has put in place several policies and schemes to address forest fire management, such as the National Action Plan on Forest Fires and the Forest Fire Prevention and Management Scheme (FFPMS). The centrally sponsored FFPMS assists State governments in strengthening their forest fire prevention and management capabilities.

India has put in place several policies and schemes to address forest fire management, but needs to do much more

A more robust response

However, given the growing intensity of forest fires in India, much more remains to be done. First, Budget constraints have proven to be an obstacle. For example, the FFPMS's funding allotment has fluctuated over time. In 2019-2020, it received ₹46.40 crore, followed by ₹32.47 crore in 2020-2021, ₹34.26 crore in 2021-2022, and ₹28.25 crore in 2022-2023. The budget projection for 2023-2024 was ₹51 crore, which was revised to ₹40 crore. The planned allocation for 2024-2025 is ₹50 crore. This shows the need for more steady support.

On the technology front, the existing Forest Fire Alert System cannot distinguish between forest fires and other types of fires, delaying ground-level validation and response. India could use advanced predictive modelling to help identify high-risk areas based on climatic and geographic data. This must be supplemented by using drones equipped with thermal imaging cameras to monitor fire-prone areas, assess damage, and guide firefighting efforts. States such as Tamil Nadu and Odisha have already piloted such initiatives, which could be scaled nationally. In addition, there is merit in also exploring how relevant and existing data from the Forest Survey of India, the India Meteorological Department, and the Indian Space Research Organisation can be integrated and analysed for better forest fire management.

Equipping more and more local communities to collect and share real-time data to report fires as soon as they are sighted through mobile applications, toll-free helplines, and SMS-based systems can strengthen early warning systems and ensure rapid, localised response. In Uttarakhand and Himachal Pradesh, self-help groups, primarily women, collect pine needles to blunt future fires. India can also draw from Nepal's Community Forest User Groups and Indonesia's Fire-Free Village Program to strengthen community forest fire management. Empowering communities with awareness, training, and resources and engaging youth as 'forest fire scouts' can foster stewardship, combining local knowledge with modern tools like fire risk mapping and controlled burns.

Forest fires are not just an environmental issue – they are societal and economic, affecting livelihoods, health, and the foundation of our ecosystems. Addressing this challenge requires the collaboration of policymakers, scientists, civil society groups, and communities. From creating supporting infrastructure through policy intervention, improved budgeting, technology adoption, and building a cadre of trained personnel to empowering communities – all measures must go hand-in-hand to turn the tide.

Context

Global & Indian Scenario: Recent wildfires in Los Angeles and India's increasing forest fire incidents highlight the urgency of addressing this issue.

Rising Trend: Over 36% of India's forests are fire-prone, with a 10x increase in fire incidents over two decades.

Affected States: Uttarakhand, Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, and Karnataka are among the worst affected.

Causes

- **Human-Induced**: 90% of fires are caused by activities like **land clearing, slash-and-burn agriculture, and unattended campfires**.
- **Climate Change**: Rising temperatures and prolonged dry spells increase fire risks.

Consequesces

Environmental

- Loss of biodiversity, destruction of habitats.
- Contribution to carbon emissions (~69 million tonnes of CO_2 annually).

Economic

- Loss of timber and non-timber products affecting local communities.
- Estimated **₹1.74 lakh crore** in annual losses due to forest degradation.

Social

- Water cycle disruption, soil fertility loss.
- Escalation of human-wildlife conflicts.

Existing Measures

- **National Action Plan on Forest Fires**: Prevention and management strategies.
- **Forest Fire Prevention and Management Scheme (FFPMS)**: Provides state-level support but suffers from **fluctuating budget allocations**.

Challenges

- **Inconsistent Funding**: Budget reductions over the years hinder sustained efforts.
- **Technological Gaps**: The current **Forest Fire Alert System** struggles to differentiate between types of fires, causing delays.

Recommendations & Way Forward

- **Increase Budgetary Support**:
  - Ensure **consistent and sufficient funding** for fire prevention programs.
- **Leverage Advanced Tech**:
  - Use **AI-based predictive modeling** to identify high-risk zones.
  - Deploy **drones with thermal imaging** for monitoring and quick response.
- **Community Participation**:
  - Encourage **early reporting systems** via mobile apps and helplines.
  - Learn from **Nepal's Community Forest User Groups** and **Indonesia's Fire-Free Village Program** to involve local populations.
- **Integrated Policy Action**:
  - Combine data from **Forest Survey of India, IMD, and ISRO** for better fire management.

HOW WILL FREEZE ON USAID AFFECT THE WORLD?

How will freeze on USAID affect the world?

Why is the U.S. administration halting foreign assistance and scaling back personnel in the United States Agency for International Development? What will happen if the agency stops funding development projects in many countries? Which are the key sectors it is involved in? What will be the fallout in the Global South?

EXPLAINER

Ramya Kannan

The story so far:

On January 20, his first day in office for a second term, U.S. President Donald Trump put in place a 90-day freeze on foreign assistance. The executive order read, [There will be a] "90-day pause in United States foreign development assistance for assessment of programmatic efficiencies and consistency with United States foreign policy." Consequently, personnel of the United States Agency for International Development (USAID) were stopped from disbursing assistance across the world. By late last week, the website of USAID also wiped content, leaving just a message that all USAID personnel (about 10,000 globally) would be placed on administrative leave, with a few exceptions for mission-critical personnel. Shortly before the plans to scale back personnel were to take effect, a federal judge issued a temporary restraining order till February 14, but that does not extend to the freeze on funds disbursal.

What is the USAID?

The U.S. Agency for International Aid was set up as an independent agency, through an Act of Congress in 1961. It was an attempt to align all U.S. efforts to administer civilian foreign aid and development assistance. Its mission is "to promote and demonstrate democratic values abroad and advance a free, peaceful, and prosperous world" while advancing the U.S.'s security and prosperity. In pushing this agenda, it provides financial aid across various sectors in over 100 countries worldwide. Broadly, it works in the sectors of economic development, health, education, food security, humanitarian assistance, climate change, and democracy and governance.

It works in partnerships with governments, NGOs, businesses, and other international organisations, primarily providing grants, technical assistance, and funding for development projects that are in sync with its goals. Notable among its flagship schemes are the President's Emergency Plan for AIDS Relief (PEPFAR), Feed the Future (addressing hunger and food security issues), Power Africa (expanding access to electricity across Africa) and Water for the World Act (improving water, sanitation, and hygiene services).

It receives funding allocated in the U.S. budget. In 2024, USAID received a total of $44.20 billion, which is 0.4% of the U.S. federal budget for FY 2024 (as per the official website USAspending.gov). In the same year, the agency had distributed $44.20 billion among its four sub-components. Media reports claim it contributed to nearly 42% of all humanitarian aid tracked by the United Nations in 2024.

What has Elon Musk said?

Elon Musk, head of the Department of Government Efficiency (DOGE), has threatened that the agency would be shut down, while Secretary of State Marco Rubio who is now the acting administrator of USAID, has talked about 'restructuring' it.

How will this impact countries?

According to the official U.S. foreign assistance website, the top countries the USAID engages with are Ukraine, Ethiopia, Jordan, Somalia, Congo (Kinshasa), Afghanistan, Nigeria, Syria, Yemen and South Sudan.

The withdrawal of these funds, arising out of a decision born out of petulance, might severely impact the fortunes of these nations, as a number of projects will have to be dropped, in the light of aid being stopped. This will have an impact not only on the quality of life of beneficiaries of these schemes, but may even pose a danger to life in these nations. More than six million people could die from HIV and AIDS in the next four years if Mr. Trump's administration pulls its global funding for programmes, the United Nations AIDS agency said on February 7.

Media reports stated that while a freeze was ordered on the $13.3 million in aid for Haiti, the U.S. State Department issued a waiver, allowing $40.7 million in foreign assistance for the nation's police department. Also, the agency has said, in its note on the website, that exceptions would be made for "mission-critical functions, core leadership and specially designated programs", but no details are available yet on what these may be or the grounds for exception.

Meanwhile, foreign agency reports speculate that only 294 employees of the total of 10,000 would remain, including 12 in the Africa bureau and eight in the Asia bureau, because these are areas that are critical to combating poverty, disease, and conflict.

While Mr. Rubio has told the media that "this is not about ending foreign aid, but about structuring it in a way that furthers the national interests of the United States," there are not too many takers for this defence. Mr. Trump has made no secret of the fact that he has always advanced his point of view of America, a stand his critics see as rendering the nation in isolation from the rest of the world. Even as a front-runner for the President's seat, he said: "We're rebuilding other countries while weakening our own. Ending the theft of American jobs will give us the resources we need to rebuild our military, which has to happen and regain our financial independence and strength." His trusted aide Mr. Musk poured vitriol over USAID, calling it a 'criminal organisation' and 'a viper's nest of radical-left Marxists who hate America'.

Andrew Natsios, former USAID administrator, in an interview with *PBS News Hour*, said USAID was one of the great humanitarian powers in the world, to protect the U.S. and people in the developing world from hunger and disease. "The programmes they are attacking now are Biden-era programmes," he said, hinting at political vengeance being the driving force behind the move. The withdrawal, he claimed, would be a "disaster for the U.S. and for the Global South".

Will projects in India suffer?

In India, the quantum of funding has reduced over the years, with the government of India objecting to certain aspects of the conditions for the agreement for grants. In the last decade, India is said to have received around $1.5 billion from USAID – about 0.2 % to 0.4 % of USAID's total global funding (as per the foreign assistance website).

The association between India and USAID began in 1951 when President Harry Truman signed the India Emergency Food Aid Act. Over the decades, USAID's role has evolved from food aid to infrastructure development, capacity building, economic reforms, and more. In the early years, the agency weighed in strongly in the education sector, immunisation and health care. While health remains the main sector where USAID has been involved in India (including HIV/AIDS, TB, maternal and child health, and immunisation programmes) with a funding of $79.3 million in 2024, it also has interests in economy, energy, water supply and sanitation, and environmental health.

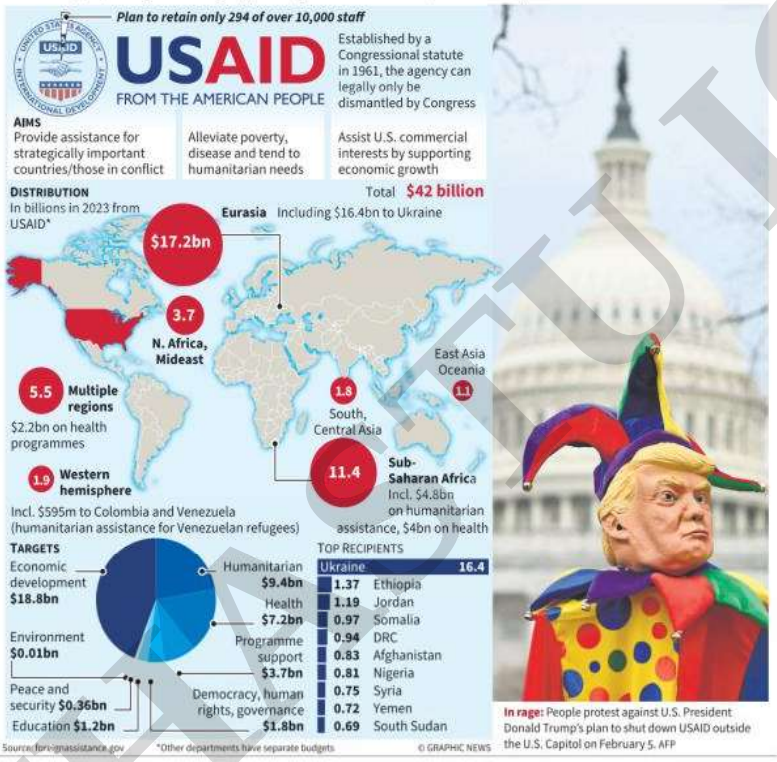
In this sense, pundits in the development sector feel that the withdrawal of USAID may not affect India in a major way.

However, it remains to be seen how these existing projects, particularly in healthcare fare now, and whether Central or State governments will be able to pick up the tab to keep these projects, and beneficiaries going.

Meanwhile, USAID has directed all organisations implementing projects in India to suspend operations for the time being.

Dismantling aid from the U.S.

The withdrawal of USAID, arising out of a decision born of petulance, might severely impact the fortunes of many nations, as a number of projects will have to be dropped, in the light of aid being stopped through an executive decision by the Donald Trump administration



In rage: People protest against U.S. President Donald Trump's plan to shut down USAID outside the U.S. Capitol on February 5. AFP

THE GIST

- The U.S. Agency for International Aid was set up as an independent agency, through an Act of Congress in 1961. It was an attempt to align all U.S. efforts to administer civilian foreign aid and development assistance.
- In India, the quantum of funding has reduced over the years, with the government of India objecting to certain aspects of the conditions for the agreement for grants.
- While health remains the main sector where USAID has been involved in India, with a funding of $79.3 million in 2024, it also has interests in economy, energy, water supply and sanitation, and environmental health.

Context

On January 20, 2025, President Donald Trump issued a 90-day freeze on U.S. foreign development assistance, citing an assessment of program efficiency and alignment with U.S. foreign policy.

USAID personnel (10,000 globally) placed on administrative leave; website content removed.

A federal judge issued a temporary restraining order (until February 14), but the funding freeze remains.

Background

- USAID was established in 1961 to administer U.S. foreign aid and promote global stability, democracy, and economic development.
- Operates in 100+ countries across sectors like health, education, food security, humanitarian aid, democracy, and climate change.
- In 2024, received $44.2 billion (0.4% of the U.S. budget), contributing 42% of UN-tracked humanitarian aid.

Reasons for the Freeze

- The Trump administration claims aid should align with U.S. national interests.
- Elon Musk (head of Department of Government Efficiency) called USAID a "criminal organization."
- Marco Rubio, acting USAID administrator, suggested a restructuring rather than a total shutdown.

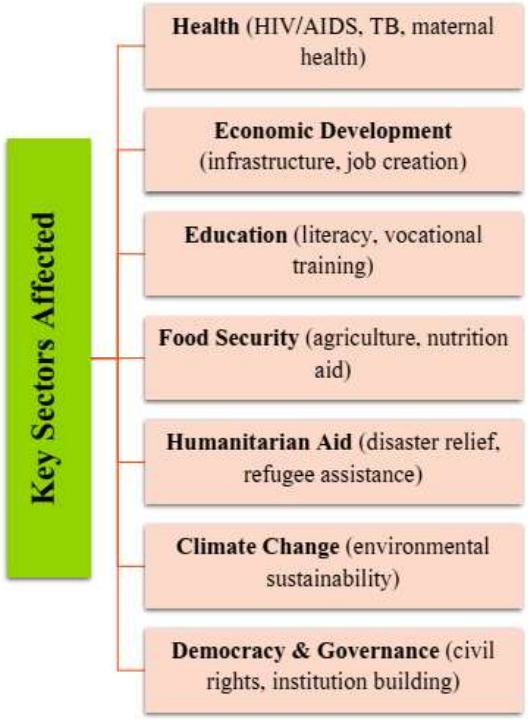
Impact of USAID Funding

Humanitarian & Health Crises

- **PEPFAR (HIV/AIDS program)** at risk—UN warns of **6 million deaths** if global funding is cut.
- Humanitarian aid for **conflict zones (Syria, Yemen, South Sudan)** may be halted.

Economic & Political Consequences

- **Loss of development projects** → Economic instability in **Global South**.
- **Food insecurity** due to cuts in **Feed the Future** program.
- **Democratic backsliding**—support for governance & human rights programs reduced.



Way Forward

- **Targeted Aid Review**: Prioritize mission-critical programs.
- **International Collaboration**: Work with NGOs & affected countries for contingency plans.
- **Transparent Communication**: Clarify the freeze's scope & impact.

SOLVE MCQ

Q.2 The recent freeze on USAID funding by the U.S. government is expected to have significant global consequences. Which of the following are likely impacts of this decision?

1. A surge in global food insecurity due to reduced funding for agricultural and nutrition programs.
2. Strengthening of democratic institutions in developing countries due to increased self-reliance.
3. Increased mortality rates from preventable diseases such as HIV/AIDS and tuberculosis.
4. Economic stability in Global South nations due to reduced dependence on foreign aid.

Select the correct answer using the code given below:

(a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2 and 3 only
(d) 1, 3 and 4 only

Answer: (a) 1 and 3 only

Explanation:

- **Statement 1 is correct:** The freeze will disrupt food security programs like Feed the Future, leading to a rise in malnutrition and food shortages, particularly in vulnerable regions.

- **Statement 2 is incorrect:** The freeze will reduce funding for democracy and governance programs, potentially leading to democratic backsliding rather than strengthening institutions. Many developing nations rely on USAID for civil rights, election monitoring, and institution building.
- **Statement 3 is correct:** Health crises are likely to worsen, with programs such as PEPFAR (HIV/AIDS), tuberculosis (TB) treatment, and maternal health initiatives losing crucial funding. The UN has warned of millions of preventable deaths if these cuts persist.
- **Statement 4 is incorrect:** Rather than economic stability, many Global South nations may face economic downturns due to the loss of USAID-funded infrastructure, job creation, and development projects, increasing poverty and unemployment.

INDIA, 57 COUNTRIES CALL FOR INCLUSIVE AND SUSTAINABLE AI

India, 57 countries call for inclusive and sustainable AI

U.S. and U.K. have not signed the joint statement at the Paris summit; U.S. Vice-President Vance rails against 'excessive regulation' of the AI sector

The Hindu Bureau
NEW DELHI

Fifty-eight countries, including India, China, Brazil, France, and Australia, signed a joint statement on "Inclusive and Sustainable Artificial Intelligence for People and the Planet" at the AI Action Summit in Paris on Tuesday, with more signatories possible after the summit ends.

The statement was not signed by the U.S. and the U.K. The statement calls for promoting accessibility of AI and ensuring trust and safety in deploying the technology.

India and France are co-chairing the summit. The statement calls for making "innovation in AI thrive by enabling conditions for its development and avoiding market concentration driving industrial recovery and development", and fostering the tech in a way that "positively shapes the future of work and labour markets".

This is the third such international statement, with previous ones being issued after the summits in the U.K. and South Korea. It calls for AI "to be human rights based, human-centric, ethical, safe, secure and trustworthy while also stressing the need and urgency to narrow the inequalities and assist developing countries in artificial intelligence capacity-building so they can build AI capacities".

The U.S. did not immediately explain its reasons for not signing the statement.

Earlier in the day, U.S. Vice-President J.D. Vance struck a defiant tone against the themes highlighted in the statement. "I'm not here this morning to talk about AI safety, which was the title of the conference a couple of years ago," Mr. Vance said. "I'm here to talk about AI opportunity."

"...We believe that excessive regulation of the AI sector could kill a transformative industry just as it's taking off, and we'll make every effort to encourage pro-growth AI policies, and I'd like to see that deregulatory flavour making its way into a lot of the conversations at this conference," Mr. Vance said.

United effort: Prime Minister Narendra Modi with French President Emmanuel Macron at the AI Action Summit in Paris on Tuesday. AP

Key Highlights

- Paris AI Summit: 58 countries, including India, China, Brazil, and France, signed a joint statement on "Inclusive and Sustainable AI for People and the Planet."
- US & UK Abstain: Both nations refused to sign, citing concerns over excessive regulation stifling AI innovation.

Context & Backgrouind

- India and France co-chaired this third AI summit, following previous ones in the UK and South Korea.
- The statement emphasizes AI accessibility, safety, ethical use, and reducing digital divides.

Global Divide on AI Regulation

- **U.S. Stance:** Vice-President J.D. Vance warned against AI overregulation, advocating for a pro-growth, market-driven approach.
- **European Perspective:** France and the EU push for balanced regulation to ensure trust and public confidence in AI.

Implications & Consequences

- Highlights a growing global split between regulatory approaches.
- Could lead to fragmented international AI standards, impacting cooperation and development.

Way Forward

- A balanced approach is needed to harmonize AI innovation with ethical and safety concerns.
- Future dialogues should focus on global standards to prevent regulatory fragmentation.

HISTORY SHOWS TECHNOLOGY WON'T TAKE AWAY WORK: PM

History shows technology won't take away work: PM

The Hindu Bureau
NEW DELHI

Governance frameworks for artificial intelligence are "not just about managing risks and rivalries", Prime Minister Narendra Modi said at the AI Action Summit in Paris on Tuesday, calling for a collective approach to set standards for AI that benefit everyone, especially the Global South. India is co-chairing the summit with France this year.

Mr. Modi acknowledged the fear of widespread job losses from AI, but asserted that "history has shown that work does not disappear due to technology. New types of jobs are created". Reskilling workforce was important to prepare it for the changes AI would bring about, he said.

'Global efforts needed'

"There is ... a deep interdependence across borders" when it comes to AI, Mr. Modi said. "Therefore there is a need for collective global efforts to establish governance and standards that uphold our shared values, address risks, and build trust. Governance is also about ensuring access to all, especially in the Global South. It is where the capabilities are most lacking, be it compute, power talent, data, or financial resources."

Mr. Modi called for pooling together of resources and talent, and developing open source systems for improving trust in AI systems.

"We must build quality datasets, free from biases," he said, referring to the data on which AI models are trained. "We must democratise technology and create people-centric applications."

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CALL FOR INCLUSIVE AI
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Tech talk: Prime Minister Narendra Modi speaking at a plenary session of the AI Action Summit in Paris on Tuesday. AFP

Context & Background

- At the **AI Action Summit** in Paris (co-chaired by India and France), **PM Modi** emphasized the **need for global AI governance** to ensure **ethical, inclusive, and equitable** AI development, especially for the **Global South**. He addressed **concerns about AI-driven job losses**, stressing that **historically, technology creates new job opportunities rather than eliminating work**.

Key Takeaways

- **Global AI Governance:** Urged collective efforts to set ethical AI standards and ensure fair access to resources like computing power, data, and funding.
- **Job Creation vs. Job Loss:** Stated that AI reshapes jobs rather than eliminates them; reskilling is crucial for adapting to new roles.
- **Open-Source & Data Quality:** Called for resource pooling, unbiased datasets, and open-source systems to build trust in AI.

Impact & Consequences	
Positives	**Challenges**
❖ **Innovation & Efficiency**: AI can enhance productivity across sectors. ❖ **New Jobs & Opportunities**: AI will create new roles requiring **higher skills**.	❖ **Job Displacement**: Automation may affect traditional jobs, requiring reskilling. ❖ **Resource Inequality**: AI advancements may **widen** the global digital divide.

Way Forward

- ❖ **International AI Governance** for fairness and ethical use.
- ❖ **Invest in AI Education & Workforce Reskilling** to prepare for AI-driven economies.
- ❖ **Promote Open-Source AI** to enhance **trust & accessibility**.

Conclusion

- ❖ AI presents both **challenges & opportunities**. A **balanced approach** with ethical governance, reskilling, and inclusivity will ensure AI **benefits all** rather than disrupts livelihoods.

SOLVE MCQ

Q.3 At the AI Action Summit in Paris, Prime Minister Narendra Modi emphasized the role of AI in reshaping jobs rather than eliminating them. In this context, which of the following statements is/are correct?

1. AI is expected to completely replace human jobs in all traditional industries.
2. The historical trend suggests that technological advancements create new employment opportunities.
3. Ethical AI governance is necessary to prevent global inequalities in AI access and benefits.

Select the correct answer using the code below:

(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

Answer: (b) 2 and 3 only

Explanation:

- ❖ **Statement 1 is incorrect:** AI and automation do not completely replace all traditional jobs but rather transform job roles. While some low-skilled jobs may decline, new opportunities emerge in AI-related fields, requiring reskilling.
- ❖ **Statement 2 is correct:** Historically, technology has led to job creation. Examples include the Industrial Revolution, the IT boom, and automation in manufacturing, where new industries and job roles emerged.
- ❖ **Statement 3 is correct:** PM Modi emphasized the need for ethical AI governance to prevent resource inequality and ensure that AI advancements benefit both developed and developing nations. Ensuring fair access to AI tools, computing power, and unbiased data is crucial for global equity.