

WHAT IS A CARBON MARKET, AND WHY DOES INDIA WANT TO CREATE ONE?

Context

- The Energy Conservation (Amendment) Bill, 2022 that seeks to amend 20-year old Energy Conservation Act was introduced in Parliament which provides for setting up a domestic carbon market as one of its significant provisions.

About carbon markets

- **Description:** A carbon market turns emission reductions and removals into tradeable assets, thus creating incentives to reduce emissions or improve energy efficiency. The carbon markets can be compliance and voluntary type.
- **Demonstration:** Thus an industrial unit which outperforms the emission standards stands to gain credits and allows units struggling to attain their standards to buy credits and show compliance to these standards.
 - The unit that did better on the standards earns money by selling credits, while the buying unit is able to fulfill its operating obligations.

Need for carbon market in India

- In 2019, India was criticized as the world's third highest polluter with 2.88 CO₂ giga-tonnes (Gt). {China-10.6 Gt & US-5 Gt}.
- Carbon market would help a long way in **India's** aim of turning **carbon-neutral by 2070**.
- Carbon markets have proven to be one of the **most effective drivers** of reducing emissions, offering the lowest-cost emission reductions.
- Incentives in the form of carbon credits against the deployment of **clean technologies** will lead to the **private sector's involvement** in climate actions.
- As per reports, carbon credits would **incentivize entities** with low reduction costs to reduce emissions beyond their mandate.
- It would **spur innovation** and **finance clean projects** from **Indian MSMEs**, which have huge scope for emission reduction.

- It will also provide greater liquidity to reduction certificates from India, encouraging greater reductions globally.

Carbon markets elsewhere

- **Kyoto Protocol:** On an **international level**, a carbon market was set up under the United Nation's **1997 Kyoto protocol** on climate change.
 - Emissions trading set out in Kyoto Protocol allowed countries that have leftover emission units i.e. emissions permitted but not "used", to sell this excess capacity to countries that are over their targets.
 - For instance, if a developing country reduced its emissions by building a solar panel plant or planting trees, they could sell a 'credit' to a developed country
 - This system functioned well for a few years, however, that market collapsed due to concerns over environmental efficacy and lack of demand for carbon credits.
- **Paris Agreement:** A similar carbon market is being worked out under the Paris Agreement, but the details haven't been finalised yet.
- **Regional carbon markets: Europe & China**, too, have a domestic carbon market.
 - In **America's California**, the government puts a cap on the amount of greenhouse gases that can be emitted by a given industry or sector of the economy.
- **Indian context:** In India, a similar scheme called PAT, (perform, achieve and trade) allows units to earn efficiency certificates if they outperform the prescribed efficiency standards. The laggards can buy these certificates to continue operating.

About Energy Conservation (Amendment) Bill, 2022

- **Objectives:** It seeks to make compulsory use of green energy for a select group of industrial, commercial and residential consumers.
 - A prescribed minimum proportion of the energy they use must come from renewable or non-fossil fuel sources, including Green Hydrogen.
 - It seeks to establish a domestic carbon market and facilitate trade in carbon credits.

- **Broadens scope:** It widens the scope of energy conservation to include large residential buildings which was applied on industrial and commercial complexes till now.
- **New codes:** New sustainable building codes are to be defined which every building with a certain threshold of energy consumption, whether industrial, commercial or residential, would have to adhere to which aims to save 300 billion units of electricity by 2030.
- **Savings:** It states an additional cost of 3-5% for buildings will be recovered within 4-5 years from savings on energy costs.

INDIA, CHINA HOLD DIALOGUE ON AIRSPACE VIOLATIONS NEAR LAC

In News:

- India and China discussed ways to better establish understanding to manage airspace and avoid airspace violations along the Line of Actual Control (LAC).
- This was discussed during the routine Confidence Building Measures (CBM) talks on the ground in eastern Ladakh held earlier this week.

What is Airspace?

- Airspace, in international law, is the space above a particular national territory, treated as belonging to the government controlling the territory.
- It does not include outer space, which, under the **Outer Space Treaty** (1967), is declared to be free and not subject to national appropriation.
 - The treaty, however, did not define the altitude at which outer space begins and air space ends.

Chicago Convention & ICAO:

- In 1944, Chicago Convention was held which led to the formation of International Civil Aviation Organisation (ICAO).
 - This convention also led to the establishment of the core principles permitting international transport by air.
- ICAO is a **United Nations (UN) specialized agency** which laid the foundation for the standards and procedures for peaceful global air navigation.

- India is one of the ICAO's founder members.
- ICAO headquarters is located in **Montreal, Canada.**

Airspace Sovereignty:

- The Chicago Convention's first Article recognises that every State has complete and exclusive sovereignty over the airspace above its territory.
- The Convention does not define the terms '**national airspace**' and '**international airspace**' per se.
- Without an explicit agreement, airlines running scheduled passenger services have no right to fly over foreign territory.
- Incoming aircraft need to obtain prior clearance to enter Indian air space and the entry points are predefined.
- The Indian Air Force (IAF) is the sole designated agency for the defence of Indian air space.

Confidence Building Measures:

- Between 1993 and 2012, a set of confidence building measures (CBMs) were agreed upon by India and China to maintain peace between the two countries.
- **Some of the key measures include –**
 - In a face-off situation neither side shall use force or threaten to use force against the other;
 - Both sides shall treat each other with courtesy and refrain from any provocative actions;
 - Neither side shall put up marks or signs on the spots;
 - If the border personnel of the two sides come to a face-to-face situation due to differences on the alignment of the LAC, they shall exercise self-restraint and take all necessary steps to avoid an escalation of the situation.
 - Both sides shall avoid holding large scale military exercises involving more than one Division (approximately 1 5,000 troops) in close proximity of the LAC.
 - No military aircraft of either side shall fly across the LAC, except by prior permission.
 - Neither side shall open fire, cause bio-degradation, use hazardous chemicals, conduct blast operations or hunt with guns or explosives within two kilometres from the LAC.

- Maintain and expand the regime of scheduled and flag meetings between their border representatives at designated places along the LAC.
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‘BADHE CHALO’ MOVEMENT

With the objective of connecting with the youth of the nation, and to instil a deeper sense of patriotism among them, the Ministry of Culture, has decided to create a youth centric activation for greater outreach of Amrit Mahotsav named ‘Badhe Chalo’.



About:

- It is designed to involve the youth of the country encouraging them to come forward and imbibe the true spirit of our democracy and celebrate 75 years of India’s independence with youthful fervour.
 - Through this mass movement or ‘Jan Bhagidari’ initiative, the Ministry of Culture also intends to amplify and support the ‘Har Ghar Tiranga’ movement.
 - This movement has been initiated by the Honourable Prime Minister and Home Minister and it calls upon every Indian to hoist a Tiranga in their homes between August 13th– 15th, 2022.
 - To connect and to bring the youth and people together from across the country on one platform, Badhe Chalo will feature Flash Dances, where dancers will perform on a specially created ‘Youth Anthem’.
 - Badhe Chalo is being held across 10 cities every day from 5th August to 11th August, 2022. These events will culminate with a Grand Finale on 12th August, 2022 at Talkatora Stadium in New Delhi.
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PARTITION HORRORS REMEMBRANCE DAY

The University Grants Commission (UGC) has asked all Universities and Colleges to observe August 14 as Partition Horrors Remembrance Day.

About:

- They have been asked to organize programmes and seminars to commemorate the sufferings and sacrifices of millions of Indians during the partition in 1947.
- Prime Minister Modi had last year announced that August 14 will be observed as Partition Horrors Remembrance Day in memory of the struggles and sacrifices of people, saying the pain of partition can never be forgotten.
- Mr Modi had said that millions of our sisters and brothers were displaced and many lost their lives due to mindless hate and violence.

THE ENERGY CONSERVATION (AMENDMENT) BILL, 2022

The Energy Conservation (Amendment) Bill, 2022 was introduced in Lok Sabha on August 3, 2022.



About:

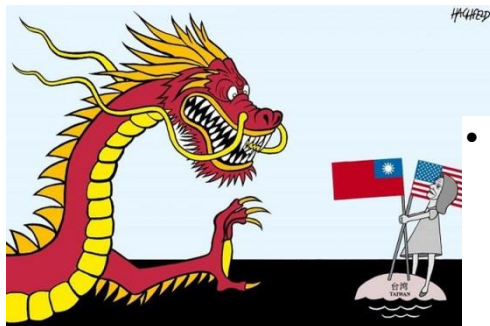
- The Bill seeks to amend the Energy Conservation Act, 2001. The Act promotes energy efficiency and conservation. It provides for the regulation of energy consumption by equipment, appliances, buildings, and industries.
- **Obligation to use non-fossil sources of energy:** The Act empowers the central government to specify energy consumption standards. The Bill adds that the government may require the designated consumers to meet a minimum share of energy consumption from non-fossil sources.
- **Carbon trading:** The Bill empowers the central government to specify a carbon credit trading scheme. Carbon credit implies a tradeable permit to produce a specified amount of carbon emissions.
- **Energy conservation code for buildings:** The Bill provides for an 'energy conservation and sustainable building code'. This new code will provide norms for energy efficiency and conservation, use of renewable energy, and other requirements for green buildings.

- **Applicability to residential buildings:** Under the Bill, the new energy conservation and sustainable building code will also apply to the office and residential buildings meeting the above criteria. The Bill also empowers the state governments to lower the load thresholds.
 - **Standards for vehicles and vessels:** Under the Act, the energy consumption standards may be specified for equipment and appliances which consume, generate, transmit, or supply energy. The Bill expands the scope to include vehicles (as defined under the Motor Vehicles Act, 1988), and vessels (includes ships and boats).
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TAIWAN'S 'PORCUPINE STRATEGY'

As the long-range, live-fire drills began with China's Eastern Theatre Command firing several ballistic missiles, Taiwan said that it was "preparing for war without seeking war".

What is Taiwan's strategy to fight back in case China attempts to occupy it by force?



About:

- The "porcupine doctrine", which was proposed in 2008 by US Naval War College research professor William S Murray, is a strategy of asymmetric warfare focused on fortifying a weak state's defences to exploit the enemy's weaknesses rather than taking on its strengths.
 - It is about building defences that would ensure that Taiwan "could be attacked and damaged but not defeated, at least without unacceptably high costs and risks", Murray wrote in the Naval War College Review.
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