

“Don’t let yesterday take up too
much of today.”

Will Rogers



Important Issues of the Day

- **Great Nicobar project – Page No. 1, GS 3**
- **RTI Act – Page No. 1, GS 2**
- **India's federalism – Page No.6 , GS 2**
- **Cities of debt – Page No. 6, GS 2**
- **Transatlantic strains – Page No. 6, GS 2**
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NGT clears ₹92,000-cr. Great Nicobar project

The tribunal disposes of a batch of applications over environmental clearance for the project; says 'adequate safeguards' are provided in EC conditions and finds no good ground to interfere

Abhinay Lakshman
NEW DELHI

A Bench of the National Green Tribunal (NGT) on Monday cleared the way for the ₹92,000-crore Great Nicobar Island mega-infrastructure project, noting that “considering the strategic importance” of it and “other relevant considerations”, “we do not find any good ground to interfere”.

It disposed of applications related to the environment clearance (EC) for the project, with a direction to authorities “to ensure full and strict compliance of EC conditions”.

The project includes a transshipment port, an airport, a power plant, and a township.

The Bench was hearing a batch of applications re-



lated to the EC, which was granted in 2022. An earlier NGT Bench had in 2023 called for the formation of a high-powered committee (HPC) to address certain issues concerning the protection of coral reef colonies, nesting sites of leatherback turtles, and

the allegation that parts of the project are located in ecologically protected zones.

The applicants argued that the government had erred in limiting the terms of reference for the HPC to three issues and that the terms were “factually in-

correct”. They said the issues had not been properly examined. The NGT said “adequate safeguards” had been provided in the conditions specified in the EC, which the tribunal had already refused to interfere with in its 2023 order. It said the remaining issues had “been dealt with” by the HPC.

“A balanced approach is required to be adopted while considering the issue of allowing development of the port on a strategic location and taking adequate steps to carry out the activity strictly in terms of the ICRZ Notification, 2019 instead of prohibiting the activity if the objection is based on apprehension,” the NGT said in its order.

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Green signal

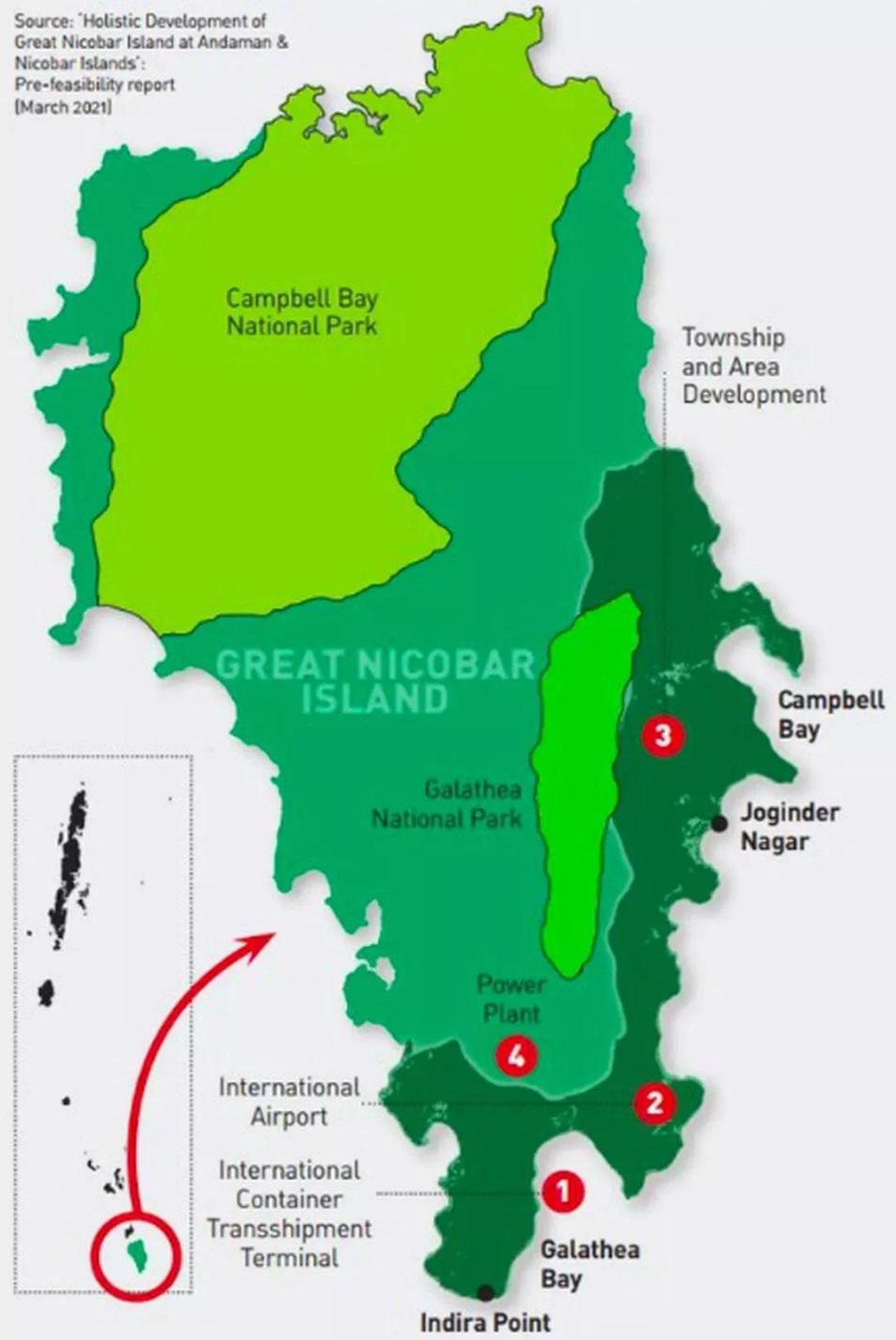
The National Green Tribunal clears ₹92,000 crore Great Nicobar Island mega-infrastructure project, citing its “strategic importance”

- The tribunal finds “no good ground to interfere” with the 2022 environment clearance for the project
- NGT upholds high-powered committee review; dismisses petitions challenging project’s EC scope
- The Environment Ministry directed to protect coral reefs, undertake coral regeneration, and ensure no shoreline erosion or loss of turtle nesting beaches

- **A Bench of the National Green Tribunal (NGT) on Monday cleared the way for the ₹92,000-crore Great Nicobar Island mega-infrastructure project, noting that “considering the strategic importance” of it and “other relevant considerations”, “we do not find any good ground to interfere”.**
- **It disposed of applications related to the environment clearance (EC) for the project, with a direction to authorities “to ensure full and strict compliance of EC conditions”.**
- **The project includes a transshipment port, an airport, a power plant, and a township.**
- **The Bench was hearing a batch of applications related to the EC, which was granted in 2022.**
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- **The GNI Project, conceived by NITI Aayog and launched in 2021, aims to build an International Container Transshipment Terminal (ICTT), a greenfield international airport, a township, and a gas–solar power plant.**
- **It is implemented by Andaman and Nicobar Islands Integrated Development Corporation (ANIIDCO).**
- **It aligns with India’s Maritime Vision 2030 and is one of the key projects under the Amrit Kaal Vision 2047.**
- **Transshipment Hub: The ICTT reduces India’s reliance on foreign ports like Singapore and Colombo, integrating India into global supply chains.**
- **Greenfield Airport: Enhances civilian connectivity, tourism, and dual-use defence capability.**
- **Strategic Positioning Advantage: Nicobar’s location near the Malacca, Sunda, and Lombok Straits allows India to monitor vital sea lanes for global trade and energy supply.**

Source: 'Holistic Development of Great Nicobar Island at Andaman & Nicobar Islands': Pre-feasibility report (March 2021)



- **The Andaman and Nicobar Islands comprise 836 islands, divided by the Ten Degree Channel into the Andamans (north) and Nicobars (south).**
- **Great Nicobar, the largest Nicobar island (910 sq km of rainforest). It hosts Indira Point, India's southernmost tip, just 90 nautical miles from Sumatra (Indonesia).**
- **Great Nicobar has two national parks, a biosphere reserve, small populations of the Shompen and Nicobarese tribal peoples, and a few thousand non-tribal settlers.**
- **Great Nicobar Biosphere Reserve was included in the list of Man and Biosphere (MAB) Program of UNESCO in 2013.**



IUCN status: Vulnerable

- **The largest of the seven species of sea turtles on the planet and also the most long-ranging, Leatherbacks are found in all oceans except the Arctic and the Antarctic.**
- **Within the Indian Ocean, they nest only in Indonesia, Sri Lanka and the A&N Islands.**
- **They are also listed in Schedule I of India's Wildlife Protection Act, 1972, according it the highest legal protection.**
- **The population in A&N Islands is among the most important colonies of the Leatherback globally.**

Mains Question

Q. The **Great Nicobar Island Development Project** has been described as a transformative infrastructure initiative with strategic, economic and ecological implications.

Critically examine the project in the context of India's maritime security, sustainable development, and environmental governance. (250 words, 15 marks)

प्रश्न: **Great Nicobar Island विकास परियोजना** को एक परिवर्तनकारी अवसंरचना पहल माना जा रहा है, जिसके सामरिक, आर्थिक तथा पारिस्थितिक प्रभाव हैं। भारत की समुद्री सुरक्षा, सतत विकास तथा पर्यावरणीय शासन के संदर्भ में इस परियोजना का समालोचनात्मक परीक्षण कीजिए। (250 शब्द, 15 अंक)

SC Bench to review if new data law delivers a 'body blow' to RTI

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Monday agreed to refer to a Constitution Bench a series of petitions arguing that India's new digital personal data law delivers a "body blow" to citizens' right to a transparent and accountable government under the Right to Information (RTI) Act.

Section 44(3) of the Digital Personal Data Protection (DPDP) Act of 2023 imposes a "blanket ban" on the RTI Act applicants, preventing them from seeking disclosure of 'personal information', the petitioners said. They submitted that the provision cynically uses the right to privacy to cripple the citizens' right to information.

Chief Justice of India Surya Kant, heading a three-judge Bench, refused a plea to pass an interim order to stay the implementation of Section 44(3), though the top judge said that the petitions raised a "complex, slightly sensitive and really interesting" question of law.

"We may have to lay down what is meant by personal information," Chief Justice Kant remarked, issuing notice to the government.

'Unguided discretion'

Advocate Vrinda Grover, appearing for petitioner Venkatesh Nayak, submitted that the government, instead of using a chisel, used a "hammer to deliver body blows to citizens' right to information".

Ms. Grover argued that Section 44(3) introduced by the DPDP Act has accorded the government "unguided discretion to



This is about

balancing competing interests. We have to iron out the creases and lay down what constitutes personal information

SURYA KANT
Chief Justice of India



deny personal information, which is unconstitutional". In fact, the fundamental right to privacy has been extended to the State.

The petitioners argued that Section 44(3) has amended Section 8(1)(j) of the RTI Act.

Originally, the RTI provision had exempted authorities from disclosing personal information to an applicant if the details sought had no relationship to any public activity or if disclosure would amount to unwarranted invasion of privacy. Even then, the government had to disclose if public interest outweighed privacy. The decision whether or not to reveal 'personal information' was taken by a Public Information Officer or the First Appellate Authority under the RTI Act after thoroughly weighing privacy and transparency concerns.

"Section 8(1)(j) of the RTI Act had struck the right balance between the right to privacy and the right to information," advocates Prashant Bhushan and Rahul Gupta, appearing for the National Campaign for People's Right to Information, submitted.

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- **“Section 8(1)(j) of the RTI Act had struck the right balance between the right to privacy and the right to information,” advocates Prashant Bhushan and Rahul Gupta, appearing for the National Campaign for People’s Right to Information, submitted.**

Mains Question

Q. The tension between the Right to Information under the **Right to Information Act, 2005** and the Right to Privacy affirmed in the **Justice K.S. Puttaswamy v. Union of India** reflects the evolving nature of constitutional governance in India.

Discuss how transparency and privacy can be balanced in a democratic state. Suggest institutional safeguards to reconcile these competing rights. (250 words, 15 marks)

प्रश्न: सूचना का अधिकार अधिनियम, 2005 के अंतर्गत पारदर्शिता के अधिकार और न्यायमूर्ति के.एस. पुट्टस्वामी बनाम भारत संघ में स्थापित निजता के अधिकार के बीच उत्पन्न तनाव भारत में संवैधानिक शासन के विकसित होते स्वरूप को दर्शाता है। लोकतांत्रिक व्यवस्था में पारदर्शिता और निजता के बीच संतुलन कैसे स्थापित किया जा सकता है? प्रतिस्पर्धी अधिकारों के सामंजस्य हेतु संस्थागत उपाय सुझाए। (250 शब्द, 15 अंक)

India's federalism is in need of a structural reset

Page No. 6, GS 2

The Constitution of India, while federal in structure, was designed with a pronounced centralising bias. Drawing heavily from the Government of India Act, 1935, it concentrated significant authority in New Delhi while assigning a comparatively modest sphere to the States. This architecture was shaped by the circumstances of its birth – the trauma of Partition, the integration of 14 provinces and over 500 princely States, and the pervasive fear that centrifugal forces might threaten national unity. In that climate, centralisation appeared not merely prudent but also indispensable.

Yet, even in those anxious deliberations, there were voices of rare clarity. K. Santhanam cautioned the Constituent Assembly that the Union's strength lies not in the indiscriminate accumulation of functions, but in the disciplined refusal of responsibilities that do not properly belong at the national level. "It is in this positive as well as negative delimitation of powers that a real federal system rests..." he observed.

In that single formulation lay two enduring principles: first, authority is most effective when exercised closest to knowledge and accountability; and second, excessive centralisation breeds fragility by overburdening a single authority with tasks that it cannot efficiently discharge. A government that attempts to supervise everything – from space exploration to rural sanitation – may expand in reach but this inevitably diminishes its effectiveness.

Reinforcement of dominance

History demonstrates that power assumed in the name of necessity rarely retreats when necessity fades. In the decades that followed, centralising tendencies were reinforced by the dominance of a single national party at the Union and State levels, fostering a "high command" culture that attenuated the autonomy of State leadership. Later, the emergence of coalition governments at the Union and the rise of regional parties in States led to a more balanced federal order without endangering unity. One may reasonably surmise that had today's politically mature and linguistically consolidated States existed in 1950, the constitutional design might have evolved along a more decentralised path.

Just as an individual cannot remain perpetually captive to the neuroses of childhood, so too a nation cannot forever labour under the anxieties of its formative years. India's unity is no longer fragile, and the idea of India now rests on firm and enduring foundations. Yet, 76 years later, constitutional practice continues to reflect the reflexes of the late 1940s. Centralisation, once defended as a necessity, has hardened into habit.

Through successive constitutional amendments, expansive Union legislation in Concurrent List subjects, conditional Finance Commission transfers, and centrally sponsored schemes with rigid templates, the balance of power has tilted even further toward the Union. Large ministries exist in New Delhi that duplicate



M.K. Stalin
is the Chief Minister
of Tamil Nadu

State functions and often attempt to steer State priorities through micromanagement and procedural oversight. In an inversion of democratic hierarchy, the Union Executive is attempting to override plenary State laws in Concurrent List subjects through subordinate legislation.

It is a principle

Such a drift sits uneasily with constitutional doctrine. In *S.R. Bommai vs Union of India* (1994), the Supreme Court of India declared federalism part of the Constitution's Basic Structure and affirmed that States are not mere appendages of the Centre but are supreme within their allotted spheres. Federalism, the Court held, is a principle rooted in India's history and diversity; not a matter of administrative convenience. Despite this judicial affirmation, State autonomy has continued to erode – through legislative expansion, executive overreach, and certain other judicial interpretations that privilege uniform national solutions over contextual diversity.

Underlying this trajectory is a persistent illusion – that the Union becomes stronger by diminishing the States. In truth, the Union and the States are not competitors in a zero-sum contest; they are partners in a shared constitutional enterprise. India's size and heterogeneity render centralised policy design inherently limited. No authority in New Delhi, however enlightened, can tailor policy with equal sensitivity to every linguistic region, agricultural ecology, industrial cluster, or labour market.

Decentralisation addresses this limitation by enabling parallel experimentation. States can design and test policies at manageable scale, contain failures without national disruption, and allow successful innovations to diffuse horizontally or be adopted nationally. Many of India's most effective programmes followed precisely this path. Tamil Nadu's noon meal scheme, Kerala's achievements in public health and literacy, and Maharashtra's employment guarantee initiative all began as State experiments before informing national policy. Over-centralisation suppresses the very diversity of strategies from which innovation and discovery arise.

Centralists often argue that States lack administrative or technical capacity and, therefore, require Union intervention. Yet, such intervention stunts the very capacity it claims to remedy, creating a self-perpetuating cycle of dependence. Parents who do not entrust their children with responsibility, and leaders who refuse to delegate authority, inevitably breed dependence. Governments are no exception.

Capacity arises from responsibility, accountability, and the freedom to make, and correct, mistakes. To suggest that India's States – many comparable in scale to sovereign nations – are inherently incapable and must, therefore, be subjected to intrusive central control is incompatible with national self-respect.

Centralisation might still be defended if it had delivered superior outcomes. But by comparison with decentralised federations, global benchmarks, or India's own aspirations, the record is unpersuasive. The centralised model has struggled to deliver universal access, sustained quality, genuine equity, or global competitiveness. Instead, it has produced regulatory complexity, chronic underfunding as resources are stretched across expanding mandates, blurred accountability, and gradual erosion of State capacity.

Tamil Nadu recognised these dangers at an early stage. In 1967, C.N. Annadurai observed that the Union must indeed be strong enough to maintain the sovereignty and integrity of India. But that did not mean that it should assume control over every subject, such as health or education, which bore no direct nexus to national defence.

His successor, Kalaignar M. Karunanidhi, advanced this philosophy through the maxim, "Autonomy to the States, Federalism at the Centre", and in 1969 established the first independent Committee on Union-State Relations under Justice P.V. Rajamannar. The Committee's 1971 Report became a landmark in India's federal debate. Later national commissions – the Sarkaria (1983-88) and Punchhi (2007-10) – acknowledged the need for rebalancing, though they stopped short of recommending fundamental structural reform.

Time to right-size

India now stands at a constitutional juncture that calls for recalibration rather than complacency. The objective is not to weaken the Union but to right-size it, allowing it to concentrate on genuinely national responsibilities while restoring to States the autonomy essential for effective governance. Such recalibration would not diminish national unity; it would deepen it by aligning authority with responsibility.

In this spirit, the Government of Tamil Nadu constituted a High-Level Committee on Union-State Relations in April 2025 under the chairmanship of Justice Kurian Joseph (a retired Supreme Court judge), with K. Ashok Vardhan Shetty (a retired IAS officer) and Dr. M. Naganathan (former State Planning Commission vice-chairman) as members. Thought of as a non-partisan exercise, the Committee undertook a comprehensive review of contemporary federal challenges.

Part I of its Report, which was submitted on February 16, 2026, addresses issues that range from the role of Governors and language policy to delimitation, elections, education, health, and Goods and Services Tax.

The Government of Tamil Nadu presents this report to the public in the hope that it will stimulate informed debate, restore balance to the Union-State relationship, and contribute to a constitutional settlement in which the Union is strong because it is focused, and the States are strong because they are trusted.

There is a need for balanced federalism in the form of autonomous States, an efficient Union, and accountable governance

- **The Constitution of India, while federal in structure, was designed with a pronounced centralising bias.**
- **Drawing heavily from the Government of India Act, 1935, it concentrated significant authority in New Delhi while assigning a comparatively modest sphere to the States.**
- **Through successive constitutional amendments, expansive Union legislation in Concurrent List subjects, conditional Finance Commission transfers, and centrally sponsored schemes with rigid templates, the balance of power has tilted even further toward the Union.**
- **In S.R. Bommai vs Union of India (1994), the Supreme Court of India declared federalism part of the Constitution's Basic Structure and affirmed that States are not mere appendages of the Centre but are supreme within their allotted spheres.**

Constitutional government means

(a) a representative government of a nation with federal structure

(b) a government whose Head enjoys nominal powers

(c) a government whose Head enjoys real powers

(d) a government limited by the terms of the Constitution

Which one of the following in Indian polity is an essential feature that indicates that it is federal in character?

- (a) The independence of judiciary is safeguarded.**
- (b) The Union Legislature has elected representatives from constituent units.**
- (c) The Union Cabinet can have elected representatives from regional parties.**
- (d) The Fundamental Rights are enforceable by Courts of Law.**

Mains Question

Q. Indian federalism has been described as 'quasi-federal' with a strong unitary bias, yet recent political and fiscal developments indicate a shift toward competitive and cooperative federalism.

Examine the evolving nature of Indian federalism in the light of constitutional provisions and contemporary Centre–State relations. (250 words, 15 marks)

प्रश्न: भारतीय संघवाद को प्रायः 'अर्ध-संघीय' तथा एकात्मक झुकाव वाला माना गया है, किन्तु हालिया राजनीतिक एवं वित्तीय परिवर्तनों से प्रतिस्पर्धी एवं सहकारी संघवाद की प्रवृत्ति भी उभरकर सामने आई है।

संवैधानिक प्रावधानों तथा समकालीन केंद्र–राज्य संबंधों के संदर्भ में भारतीय संघवाद की बदलती प्रकृति का परीक्षण कीजिए। (250 शब्द, 15 अंक)

Cities of debt

ULBs need more administrative capacity before they can tap the market

The government's updated 'Urban Challenge Fund' has rendered the attention of urban local bodies (ULB) an even more precious resource as they struggle to complete unfinished work under other schemes, including AMRUT, Swachh Bharat Mission Urban 2.0, 'Smart Cities', and Pradhan Mantri Awas Yojana, which also suffer from chronic underutilisation. The government has pitched the fund as a move towards "market-linked, reform-driven and outcome-oriented" urban infrastructure, with the Centre covering 25% of project cost if cities raise at least 50% through bonds, loans, and PPPs. This is an attempt to incorporate fiscal discipline in a system that has never properly devolved fiscal powers to ULBs. Many Indian cities cannot credibly borrow without first fixing the political economy of local taxes and transfers, which are shaped by State-level issues and under-investment in municipal capacity. Requiring cities to "earn" their growth risks sidelining weaker ones and shifting the focus from services such as formalising settlements to developing monetisable assets. The ₹5,000 crore guarantee may ease borrowing for smaller cities, but proper accounting and administrative capacity are essential. When a Parliamentary Standing Committee asked about the Fund's eligibility criteria and application process, the Housing and Urban Affairs Ministry said that it was still "under examination", a possible recipe for politically coloured spending.

Across sectors, the Centre has, since 2014, increasingly reduced the share of public support while asking public systems to fill the gap using private finance. The CSIR was among the first casualties and urban development could be the latest. In higher education, the move towards infrastructure loans turned public universities into debt-laden entities that were expected to recover costs by increasing fees, affecting poor students. Studies of the National Health Mission's financial management have documented long delays to move funds through treasuries to implementing agencies, so in practice, hospitals have been asked to maintain services first and receive money later. Audits under the Ujwal DISCOM Assurance Yojana have exposed significant non-adherence and implementation gaps in the power sector. Private capital is not illegitimate and public systems should sometimes raise revenues; the issue is that the Centre increasingly conditions public support on market access instead of ensuring minimum service guarantees first. Thus, while the Fund's instruments are legitimate, it will increase the risk of becoming subordinate to "bankability" if land records are a mishmash, ULBs routinely violate 'master plans', and renters and low-income households do not receive additional protections.

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- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched on 25th June 2015 in 500 selected cities across the country, covering around 60% of the urban population.**
- **The mission targets enhancing basic infrastructure and implementing urban reforms for selected cities, encompassing water supply, sewerage, drainage, green spaces, non-motorised transport, and capacity building.**
- **The scheme was launched on 1st October 2021, subsuming AMRUT 1.0 for the period of 5 years i.e. from the financial year (FY) 2021-22 to the FY 2025-26.**
- **Its objective are universal coverage of water supply from 500 cities to about 4,900 statutory towns in the country and coverage of sewerage/septage management in 500 cities covered in the first phase of the AMRUT scheme.**

Transatlantic strains

Europe should engage with the wider world to reduce dependence on the U.S.

The international rules-based order “no longer exists”, Germany’s Chancellor Friedrich Merz said at the annual Munich Security Conference. French President Emmanuel Macron called for greater European “military autonomy”, arguing that the continent must become a stronger pillar within NATO. While these remarks reflected Europe’s growing anxiety over the U.S.’s receding security commitments, U.S. Secretary of State Marco Rubio promised a path of cooperation. He advocated a stronger alliance rooted in shared history and Christian cultural linkages rather than shared strategic interests. The speeches by European and American officials underscored both the strains in transatlantic ties and Europe’s mounting challenges. Last year, at the same venue, U.S. Vice-President J.D. Vance had slammed Europe’s democratic model and its refugee policies. Mr. Rubio, though conciliatory, also echoed the American far-right’s central talking point of “civilizational erasure”. The Trump administration wants Europe, at a moment of crisis, to join its culture wars and its push to reassert western dominance.

Today’s Europe faces a trifecta of challenges. First, the largest land conflict since the end of the Second World War has been raging on its eastern flank for four years. Europe’s principal response

results on the battlefield. Second, Europe has relied on the U.S. for its security since the Second World War, a dependence that deepened after the Cold War. This lopsided partnership is no longer sustainable as the U.S., where a new far-right movement seeks to recast transatlantic ties, appears increasingly less committed to European security. Mr. Trump’s remarks about taking control of Greenland risk undermining the alliance’s collective defence principle. Third, resurgent far-right movements across Europe are challenging the idea of an inclusive European Union. As the global order shifts – as Mr. Rubio said ahead of Munich – Europe risks being squeezed by these cross-currents. Instead, Europe has to reduce its reliance on the U.S. and build greater strategic autonomy. And if it is worried about the breakdown in the international order, it should help rebuild that by working with countries beyond the West. In the near term, Europe must also work towards ending the war in Ukraine and establishing a workable new normal with Russia. Finally, European leaders must address public resentment towards the political establishment, which continues to fuel the rise of the far-right. Continental peace and stability and cooperation and engagement with the wider world should guide Europe while it reimagines its role in the emerging world order.

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- **Today's Europe faces a trifecta of challenges. First, the largest land conflict since the end of the Second World War has been raging on its eastern flank for four years. Europe's principal response has been to arm Ukraine and hurt Russia through sanctions, but this has not produced decisive results on the battlefield.**
- **Second, Europe has relied on the U.S. for its security since the Second World War, a dependence that deepened after the Cold War. This lopsided partnership is no longer sustainable as the U.S., where a new far-right movement seeks to recast transatlantic ties, appears increasingly less committed to European security. Mr. Trump's remarks about taking control of Greenland risk undermining the alliance's collective defence principle.**
- **Third, resurgent far-right movements across Europe are challenging the idea of an inclusive European Union.**

Transitioning to green steel

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India's path to net-zero emissions by 2070 will depend heavily on how quickly it scales production and consumption of green steel, as steel remains one of India's largest industrial sources of emissions. The materials we use to build our future must strengthen our progress, not undermine it.

With this in mind, the Ministry of Steel constituted 14 task forces bringing together industry leaders and technical experts to systematically map the sector's decarbonisation levers. Their work covered the full spectrum of transition pathways, which helped create a roadmap for accelerating low-carbon steel production.

But many members saw a barrier: the "green premium." Producing green steel carries high upfront costs for manufacturers. Bridging this gap requires targeted fiscal support for producers in the early years. GST rationalisation and time-bound fiscal incentives can help producers manage the transition. Does this mean that using public procurement to boost demand for premium green steel is an unworkable strategy?

A manageable increment

It is important to distinguish between the producer's additional cost and the actual burden on public procurement. Our analysis showed that even when green steel carries a premium, the effect on large infrastructure projects is minimal. Steel typically accounts for about 18% of large infrastructure projects, which form the bulk of public sector capex in India. As a result, even a 30% premium on green steel, and exclusive use of green steel by public sector infrastructure, translates into an increase of roughly 5.5% in overall project costs. As not all public infrastructure projects will switch to green steel in the medium term, assuming a 20% rise only results in a 1.1% rise in the budgets of public works such as highways.

This is a manageable increment, especially when seen



Nagendra Nath Sinha

Former Secretary,
Ministry of Steel



Alfahad Sorathia

Policy analyst

India possesses a clear opportunity: the technology exists, the green premium is manageable, and the market is ready

as insurance for national economic security. India faces dual pressures from the EU Carbon Border Adjustment Mechanism and volatile prices of coking coal imports, which exceed 50 million tonnes annually and expose us to price shocks that affect trade balance and industrial stability. Transitioning to green steel helps bypass carbon tariffs while insulating national projects from fossil fuel price volatility.

Global experience offers a clear template for aligning policy with market reality. Japan's Green Purchasing framework shows that green procurement must work alongside fiscal incentives, pairing demand mandates with production support so industry can respond at scale. California's Buy Clean model highlights how strict carbon benchmarks and verified disclosures create traceability and reduce administrative risk. Building on these lessons, India has introduced a dedicated Green Steel Taxonomy with a 3-, 4-, and 5-star rating system that ranks steel by emission intensity, providing the carbon "nutrition label" the market lacked.

Building on the taxonomy and stakeholder consultations, the Ministry undertook initial steps to institutionalise green steel public procurement mandates. However, the proposal awaits final approval from key stakeholders, including the Ministry of Finance, largely due to concerns around the green premium and verifiability.

The way forward

At the heart of this delay is a trust deficit. Today, a procurement officer has no reliable way to distinguish a certified green TMT bar from a conventional one. Addressing this challenge is possible. By leveraging the existing Made in India QR code infrastructure alongside the Quality Council of India's accreditation system, Green Star ratings could be embedded into product verification. This would allow procurement officers to

instantly confirm the carbon credentials of a product.

Other administrative hurdles can be addressed through targeted reform. For example, procurement frameworks should shift the focus from the lowest upfront price to a broader definition of value for money that recognises sustainability and national economic interest. In parallel, the Schedule of Rates, which guides public works estimates, must explicitly include certified low-carbon steel. Today, green steel may be treated as a deviation because carbon intensity is not recognised as a standard quality parameter. Codifying it would enable officers to procure sustainable materials without administrative risk. Building the capacities of the procurement official, handholding them and evangelising the need for GPP with the States are critical.

Second, our Production Linked Incentives and green hydrogen missions must be aligned with procurement tenders. If the state is subsidising the production of green steel, it must also act as the anchor customer for that output. This alignment ensures that private incentives are harmonised with the public for good.

While a 3-star benchmark provides a practical starting point for adoption, procurement policy should also clearly signal a shift towards 4- and 5-star steel over time. A roadmap that progressively tightens standards after 2030 would encourage industry to invest in higher-grade low-carbon production.

India possesses a window of opportunity: the technology exists, the green premium is manageable, and the market is ready. A practical strategy is to launch focused pilots through centralised purchasers such as the Indian Railways. The procurement scale can create a living lab for green steel. Now, the Ministries of Steel, Finance, and Environment must coordinate to link climate ambition with financial and procurement power.

- **India's path to net-zero emissions by 2070 will depend heavily on how quickly it scales production and consumption of green steel, as steel remains one of India's largest industrial sources of emissions. The materials we use to build our future must strengthen our progress, not undermine it.**
- **With this in mind, the Ministry of Steel constituted 14 task forces bringing together industry leaders and technical experts to systematically map the sector's decarbonisation levers.**
- **Steel typically accounts for about 18% of large infrastructure projects, which form the bulk of public sector capex in India.**
- **As a result, even a 30% premium on green steel, and exclusive use of green steel by public sector infrastructure, translates into an increase of roughly 5.5 % in overall project costs.**

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Thank You!

