

**CURRENTLY - FROM NEWS TO NOTES**

# **DAILY CURRENT AFFAIRS**

**The Hindu & The Indian express**

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## Nations must prepare to deal with stablecoins: FM

Innovations in cryptocurrency are transforming landscape of money and capital flows, and they may force nations to adapt to new monetary architectures or risk exclusion, says Sitharaman

**T.C.A. Sharad Raghavan**  
NEW DELHI

Hinting at a possible shift in India's cryptocurrency policy, Union Finance Minister Nirmala Sitharaman on Friday said countries would have to "prepare to engage" with stablecoins whether they welcome the change or not.

"Innovations like stablecoins are transforming the landscape of money and capital flows," Ms. Sitharaman said in her inaugural address at the Kautilya Economic Conclave here.

"These shifts may force nations to make binary choices: adapt to new monetary architectures or risk exclusion," she said.

"Such developments underscore the scale of the transformation under way.

### What is a stablecoin?

A stablecoin is a crypto asset that aims to maintain a stable value relative to a specified asset, or a pool of assets

- These assets could be a monetary unit of account such as the dollar or euro, a currency basket, a commodity such as gold, or unbacked crypto assets

- This stability can also be achieved only if a centralised institution is in charge of issuing (minting) and redeeming (burning) these crypto assets



SOURCE: IMF

They also remind us that no nation can insulate itself from systemic change. Whether we welcome these shifts or not, we must prepare to engage with them."

Stablecoins are a type of cryptocurrency that attempt to maintain stable prices as they are pegged to an underlying asset, such as a basket of currencies or precious metals.

The remarks come at a time when the Finance Ministry and the Reserve Bank of India (RBI) have both voiced their reservations about private cryptocurrencies, also referred to as virtual digital assets.

India has not legalised these products in terms of regulation, but it does tax transactions that involve them.

The RBI, on the other hand, has lobbied hard to ban virtual digital assets outright, while simultaneously launching pilot projects of its own Central Bank Digital Currency (CBDC).

### Legal backing

CBDCs are cryptocurrencies issued by central banks and have the same legal backing as official currency.

The Finance Minister said India's capacity to absorb external shocks was strong and that its economic leverage was evolving. "Wars and strategic rivalries are redrawing the boundaries of cooperation and conflict," Ms. Sitharaman said.

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### Nations must prepare to deal with stablecoins: FM

Source: The Hindu: Page: 1

### Economy for Prelims

### What are Stablecoins?

- Stablecoins are a type of cryptocurrency designed to maintain stable value by being pegged to an underlying asset such as a basket of currencies (like dollar/euro) or commodities.

### India's Stand (Finance Ministry / RBI)

### Legalization:

- India has not legalised private cryptocurrencies (like Bitcoin, stablecoins, etc.).

### Taxation:

- Even though they are not legalised, India taxes transactions that involve them.
- Example: 30% tax on gains + 1% TDS on transactions (policy since 2022).







With reference to Central Bank digital currencies, consider the following statements :

1. It is possible to make payments in a digital currency without using US dollar or SWIFT system.
2. A digital currency can be distributed with a condition programmed into it such as a time-frame for spending it.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**2023**





## CAQM calls for action against officials on stubble burning

New directive aims at strengthening fight against air pollution, empowers top district heads across Punjab, Haryana, Rajasthan, U.P., and Delhi to directly move courts against erring officials

**The Hindu Bureau**  
NEW DELHI

With the paddy harvest season beginning in northern India, the Commission for Air Quality Management in the National Capital Region and Adjoining Areas (CAQM) has stepped up measures to curb stubble burning, one of the key contributors to winter air pollution in the Capital.

In a new order, the CAQM has empowered District Collectors, District Magistrates, and Deputy Commissioners in Punjab, Haryana, Rajasthan, Uttar Pradesh, and Delhi to directly file complaints before judicial magistrates against lax officials. The directive, issued on October 1, warns that nodal officers, supervisory officers, and even Station House Officers can be held account-



**In the line of fire:** A farmer burning paddy stubble on the outskirts of Amritsar, Punjab. FILE PHOTO

table if “found negligent in enforcing the anti-pollution measures”.

### ‘Strict vigil’

A similar order was issued last year as well. “District administrations and State governments are expected to maintain constant and

strict vigil,” the order said. An official said the directive is expected to strengthen the fight against stubble burning. The move comes against the backdrop of the Supreme Court recently urging a tougher stance on the practice.

Punjab, where the bulk

of the burning takes place, has reported fewer incidents this year. According to data from the Indian Agricultural Research Institute (IARI), the State has recorded 95 incidents so far this harvest season compared with 179 during the same period last year, the lowest in six years. The IARI tracks the harvest season from September 15 to November 30.

Every winter, air pollution in Delhi-NCR worsens due to meteorological conditions, including slower wind speeds and falling temperatures. Paddy stubble burning, which peaks in October and November, coincides with this seasonal deterioration, creating some of the most polluted days of the year. While Punjab remains the main contributor, incidents in Haryana and Uttar Pradesh also contribute to the worsening of air quality.

### CAQM empowers district officials to act against stubble burning

Source: The Hindu Page: 2

### Meteorological Reasons for Air Pollution in Delhi

- **Seasonal factors in October-November:**
  - **Slower wind speeds** → pollutants remain trapped closer to the surface.
  - **Falling temperatures** → temperature inversion occurs, preventing vertical dispersion of pollutants.
  - **These conditions worsen winter air quality in Delhi-NCR, coinciding with paddy stubble burning season.**

### CAQM (Commission for Air Quality Management)

- **Setup:** 2021, Act of Parliament (replaced EPCA).
- **Jurisdiction:** Delhi-NCR + adjoining Punjab, Haryana, UP, Rajasthan.
- **Composition:** Chairperson (Centre-appointed) + Secretaries (MoEFCC, Power, Transport, etc.) + State Chief Secretaries + experts.
- **Powers:**
  - **Supersedes CPCB/SPCBs in NCR.**
  - **Issues binding orders, imposes penalties.**
  - **Can hold officials accountable for lapses (e.g., stubble burning).**
  - **Role:** Long-term, statutory, institutional body.



### **Graded Response Action Plan**

- **Introduced: 2017 (by EPCA, now under CAQM).**
- **Nature: AQI-triggered emergency plan for Delhi-NCR.**

#### **Measures:**

- **201-300 (Moderate-Poor): Ban garbage burning, dust control.**
- **301-400 (Very Poor): Ban diesel gensets, higher parking fees, boost public transport.**
- **401-450 (Severe): Ban construction, close kilns & crushers.**
- **>450 (Emergency): Ban trucks, odd-even scheme, school closures, halt industries.**
- **Role: Short-term, reactive, operational tool.**



## *This clean energy rise needs climate finance expansion*

India's clean energy transition is gaining momentum. In 2024, India added 24.5 gigawatts (GW) of solar energy capacity, making it the third largest contributor globally after China and the United States, making it a key player in the global shift towards renewables.

The United Nations Secretary-General's 2025 Climate Report recognises India, alongside Brazil and China, as a leading developing country in scaling solar and wind energy. In 2023, the renewable energy sector employed over a million people, contributing to 5% of GDP growth. Of this, off-grid solar alone employed over 80,000 people in 2021. India's leadership in establishing the International Solar Alliance (ISA) is laudable.

### The critical gap

But this impressive momentum needs a consistent push. Beneath the headlines lies a critical gap – the financial scaffolding that is needed to sustain and scale this transition. Without a dramatic expansion of climate finance, India will struggle to meet its climate targets.

The economic case for clean energy has solid basis. According to the International Renewable Energy Agency (IRENA), if India follows a 1.5°C-aligned pathway, it could achieve average annual GDP growth of 2.8% through 2050, more than double the G-20 average. Battery-integrated renewables, decentralised grids and green hydrogen technologies are all creating new opportunities for inclusive, future-ready growth. Yet, this momentum hinges on the missing piece of climate finance.

The size of India's climate finance gap is wide. Recent estimates indicate a requirement of \$1.5 trillion by 2030 to stay on a 1.5°C pathway, while the Ministry of Finance places the figure at over \$2.5 trillion by 2030 to meet national targets. This includes capital for expanding renewables, strengthening the electricity grid, deploying



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Without this, India will struggle to meet its climate targets

battery storage, scaling up green hydrogen, and transitioning to sustainable transport and agriculture. The current flow of climate finance falls well short of this target.

By December 2024, India's cumulative aligned green, social, sustainability and sustainability-linked (GSS+) debt issuance had reached \$55.9 billion, representing a 186% increase since 2021, with green bonds accounting for 83% of total aligned issuance. The trajectory remains strong, with green bond investment in India crossing \$45 billion in 2025, and sustainable finance targets aiming for \$100 billion by 2030, indicating robust private sector engagement.

However, the challenge of expanding beyond large corporates remains valid. While the private sector was responsible for 84% of the total green bond issuance, access for micro, small, and medium enterprises, agri-tech innovators, and local infrastructure developers continues to need enhancement through concessional finance and risk-sharing mechanisms. India's successful solar energy auctions under the Solar Park Scheme have been cited as one initiative in support of attracting private financing. Similarly, India's issuance of sovereign green bonds and the success of Securities and Exchange Board of India (SEBI)-regulated social bonds have channelled private capital into climate action, education and health care.

### Changes to strategy

To unlock this gap in finance, India must diversify and deepen its climate finance strategy, starting with public finance. National and State governments can use Budget allocations and fiscal tools to attract private capital and de-risk green investments.

Blended finance can bridge this divide. While concessional finance and risk-sharing mechanisms are often referenced, there is a need

to examine how they work across sectors, scales and investor profiles. Credit enhancement instruments such as partial guarantees or subordinated debt can improve the risk-return profile of green projects, making them more attractive to private lenders. Similarly, performance or loan guarantees can unlock finance for mid-sized clean energy infrastructure in Tier II and III cities, where governance and delivery risks may deter investors.

Scaling such models will require unlocking domestic institutional capital, from pension funds, insurers and sovereign wealth funds. India, too, can unlock similar potential by enabling its institutional investors such as the Employees' Provident Fund Organisation or the Life Insurance Corporation, to allocate a portion of their portfolios to climate-aligned investments. This would require regulatory reforms such as clearer environmental, social, and governance investment guidelines, risk mitigation instruments and long-term green project pipelines.

### Tap carbon markets

Policy and institutional support are critical. Carbon markets offer another avenue. India's new Carbon Credit Trading Scheme could unlock new finance streams if it is transparent, well regulated and equitable. Equally urgent is financing for adaptation and loss and damage.

India must lead not just on clean energy but also on climate finance innovation, with visible, scalable breakthroughs. This can be through blockchain for tracking climate finance, Artificial Intelligence-driven risk assessment for green portfolios, or tailored blended finance models that reflect India's unique social, environmental and economic realities.

*The views expressed are personal*

**This clean energy rise needs climate finance expansion**

**The HinduPage: 6 (Editorial)**

**GS-3 | Environment**

**Context**

- India is making rapid progress in renewable energy, especially solar power.
- But to meet its climate targets (1.5°C pathway, net zero by 2070), the missing piece is large-scale climate finance.
- Without massive inflow of funds (both public and private),

**Data**

- In 2024, India added 24.5 GW of solar energy capacity.
- India is now the third largest contributor globally after China and the United States.
- In 2023, renewable energy sector:



- 1 million+ employed, contributing 5% of GDP growth.
- Off-grid solar alone employed 80,000+ people in 2021.
- India's leadership in establishing the International Solar Alliance (ISA) is also highlighted.

## Summary

### 1. Impressive progress but a critical gap

- India is scaling renewables rapidly, yet financing is the weak link.
- IRENA estimates: If India follows a 1.5°C pathway, average annual GDP growth could be 2.8% till 2050, more than double G20 average.
- But the climate finance gap is huge:
  - Requirement: 1.5 trillion by 2030 (IRENA).
  - Government estimate: 2.5 trillion by 2030.

### 2. Trajectory of green finance

- India's green and sustainable bond issuance has grown: 55.9 billion (186% increase since 2021).
- Green bonds could cross 45 billion in 2025, with a 100 billion sustainable finance target by 2030.
- But 84% of investment is large corporates; MSMEs, agri-tech, and local infra need concessional finance and risk-sharing.

### 3. Private sector and public finance role

- Private capital must be supported by public finance (budget allocations, fiscal tools).
- Blended finance (mix of public + private + concessional finance) is essential.
- Regulatory reforms and de-risking investments (loan guarantees, credit enhancements) are needed.

### 4. Unlocking new markets

- Carbon markets can generate new finance streams if transparent and well-regulated.
- India must lead in climate finance innovation: AI-driven risk assessment, blockchain for tracking finance, tailored finance models suiting Indian realities

### 5. Conclusion

- India's clean energy rise is undeniable.
- But to sustain momentum and achieve climate goals, massive expansion of climate finance (domestic + global) is the single most critical step.





## Amid tensions with Russia, Poland to join NATO fuel network

**Agence France-Presse**  
WARSAW

A quarter of a century after it joined NATO and amid rising tension on its eastern frontier, Poland will finally join the alliance's fuel pipeline network.

The Western allies operate a 10,000-km network of European pipelines, bringing fuel and lubricants for tanks and aircraft to where troops might need them in time of war.

But the system was set up during the Cold War, when Poland was still a member of the opposing Warsaw Pact, and NATO's pipelines still do not reach its bases closer to the borders with Russia and Belarus.

Poland has been considering joining the NATO Pipeline System (NPS) for

**Warsaw to build a 300-km pipeline from Germany to its military base in Bydgoszcz**

many years, and on Friday, the Defence Ministry and national pipeline operator PERN unveiled a €4.7-billion-euro to do so.

"This is one of the largest investments in the security of the Polish state in the last 30 years," Deputy Defence Minister Cezary Tomczyk told reporters at the signing ceremony.

Warsaw, plans to build a 300-km pipeline from Germany to its military base in Bydgoszcz, in north-central Poland and home to NATO's "joint force training centre" and several support units.

**Amid tensions with Russia, Poland to join NATO fuel network**

The HinduPage: 12 (World/Places & Organisations in News)

**NATO (North Atlantic Treaty Organization)**

- **Founded: 1949, by Washington Treaty.**
- **Members: 32 (latest - Finland in 2023, Sweden in 2024).**
- **Purpose: Collective defence (Article 5 - attack on one is attack on all).**
- **HQ: Brussels, Belgium.**
- **Cold War Role: Military alliance of Western bloc vs. USSR-led Warsaw Pact.**

**Poland - History with NATO & Warsaw Pact**

- **After WWII, Poland fell under Soviet influence; member of Warsaw Pact (1955-1991).**
- **Warsaw Pact = military alliance of USSR + Eastern bloc to counter NATO.**
- **After collapse of USSR, Poland moved Westward.**







## NATO Pipeline System (NPS)

- **Established:** Cold War era.
- **Network:** ≈10,000 km of pipelines across Europe.

## Current Development

- Poland has long considered joining NPS; finally set to integrate.
- **New Project:**
  - 300-km pipeline from Germany to Poland's Bydgoszcz military base.
  - Investment: €4.7 billion.
  - Bydgoszcz = home to NATO's Joint Force Training Centre.





## Mullally appointed first woman to lead the Church of England

**Agence France-Presse**  
LONDON

A 63-year-old former nurse, Sarah Mullally, was named as the first female Archbishop of Canterbury on Friday, pledging to improve safety at the Church of England following an abuse scandal that ousted her predecessor.

The former midwife becomes the first woman to lead the centuries-old mother church of the world's 85-million strong Anglican community.

Her nomination by a committee tasked with finding a successor to Justin Welby, who stepped down earlier this year, was



Sarah Mullally

approved by King Charles III, the U.K. government said.

Ms. Mullally acknowledged the "huge responsibility" of her new role and vowed to "confront the dynamics of power" that had

led the church to cover up the abuse of dozens of boys and young men several decades ago.

She cautioned that it would "not be easy", due to a "history of safeguarding failures" that has "left a legacy of deep harm and mistrust" in the Church of England. "We must all be willing to have light shone on our actions, regardless of our role in the church," she said during an appearance at Canterbury Cathedral in southeast England.

The Church of England became the country's state establishment church following King Henry VIII's split from the Roman Catholic Church in the 1530s.

**Mullally appointed first woman to lead the Church of England**

Source: The Hindu: Page: 12

**Use of this Article Across UPSC Mains**

- **GS1 (Society):** Example of women empowerment & social change in religious institutions; breaking patriarchal barriers.
- **GS2 (Polity/Governance):** Religion-state relations (Church of England as state church); links to rights, equality, representation debates (e.g., Sabarimala).
- **GS3 (Social Issues):** Institutional accountability after abuse scandals; ethics in public organisations.
- **GS4 (Ethics):** Case study of ethical leadership, integrity, inclusivity & accountability.



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**Q1. With reference to Stablecoins, consider the following statements:**

1. They are a type of cryptocurrency pegged to a stable asset like currency or commodity.
2. The Reserve Bank of India has fully legalised stablecoins as part of its Central Bank Digital Currency (CBDC).
3. India taxes gains from private cryptocurrencies even though they are not legalised. Which of the statements given above is/are correct?

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

**Q2. Consider the following about CAQM:**

1. It was set up under the Environment (Protection) Act, 1986.
2. It has jurisdiction over Delhi-NCR and adjoining states.
3. It supersedes CPCB and SPCBs in NCR. Which of the statements given above is/are correct?

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

**Q3. According to the International Renewable Energy Agency (IRENA), if India follows a 1.5°C pathway, its average annual GDP growth till 2050 could be:**

- (a) 1.5%
- (b) 2.0%
- (c) 2.8%
- (d) 3.5%

**Q4. Consider the following statements about NATO PIPELINE SYSTEM:**

1. It was established during the Cold War.
2. It is managed by NATO Support and Procurement Agency (NSPA).
3. It extends over 10,000 km in Europe.

Which of the statements given above is/are correct?

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



Q1 - (b)

Q2 - (d)

Q3 - (c)

Q4 - (d)