



## **DAILY CURRENT AFFAIRS 04-02-2026**

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## **Chagos Archipelago**

### **Syllabus: GS-3: Prelims Bits - Mapping**

#### **Context:**

- The **United Kingdom** defended its agreement to transfer sovereignty over the **Chagos Archipelago** to **Mauritius**, while **leasing back Diego Garcia** for strategic military use.
- The deal drew criticism from the US President, prompting geopolitical debate over Indo-Pacific security.

#### **About Chagos Archipelago**

- **Location:**
  - Group of **58 islands** in the Indian Ocean
  - **~500 km south of the Maldives**
- **Key Island:**
  - **Diego Garcia** – largest island and a **coral atoll**
  - Lies at **7° south of the Equator**
- **Administrative Status (earlier):** British Indian Ocean Territory (BIOT)

#### **Colonial History**

- **1715:** France colonised Mauritius and Chagos Islands.
- **1814 Treaty of Paris:**
  - France ceded both Mauritius and Chagos to Britain.
- **1965:**
  - Britain **detached Chagos from Mauritius** to create **BIOT**.
  - Mauritius received a **£3 million grant** as compensation.
- **1968:** Mauritius gained independence **without Chagos**.

#### **Strategic Significance of Diego Garcia**

- **1966 UK-US Agreement:**
  - Britain permitted the US to use BIOT for defence purposes.
- **Operational since 1986** as a **joint UK-US military base**.
- **Military Role:**
  - Gulf War (1991)

- Iraq War
- Afghanistan War
- Post-9/11 global operations
- **Strategic Importance:**
  - Critical hub in the **Indo-Pacific region**
  - Supports power projection, surveillance, and logistics across West Asia–Africa–Asia corridor

### International Legal Developments

- **2019 – ICJ Advisory Opinion:**
  - **International Court of Justice** held that:
    - UK's detachment of Chagos from Mauritius was **unlawful**.
    - Decolonisation of Mauritius was **incomplete**.
- **2024 Agreement:**
  - UK agreed to **transfer sovereignty** of Chagos to Mauritius.
  - Simultaneously secured a **99-year lease** to retain operational control over **Diego Garcia military base**.

### Key Issues & Implications (Prelims + Mains Value)

- **Decolonisation & International Law:** Respect for ICJ opinions and UN resolutions.
- **Strategic vs Sovereignty Trade-off:** Balancing military interests with post-colonial justice.
- **Indo-Pacific Geopolitics:** Continued relevance of Diego Garcia despite sovereignty transfer.
- **Precedent:** Impacts other territorial disputes rooted in colonial-era arrangements.



## **Mahatma Gandhi Gram Swaraj Initiative**

Syllabus: GS-3: Indian Economy – Rural Industries.

### Context:

- Announced in the **Union Budget 2026–27** to strengthen **khadi, handloom, and handicrafts**, with a focus on market access and artisan livelihoods.

### About the Initiative

- **Mahatma Gandhi Gram Swaraj Initiative (MGGSI)** is a flagship programme aimed at revitalising **traditional rural industries** in line with Gandhian ideals of village self-reliance espoused by **Mahatma Gandhi**.
- Seeks to make traditional craft sectors **globally competitive**, while preserving indigenous skills.

### Objectives

- Strengthen **khadi, handloom, and handicrafts** sectors.
- Improve **global and domestic market access**, branding, and value realisation.
- Ensure **sustainable livelihoods** for artisans and weavers.
- Reduce **rural distress** through employment generation.



The infographic features a red background with a portrait of Narendra Modi at the top left. Below it is a photo of a woman weaving on a handloom. To the right, there are two spools of thread. The text is in yellow and white, detailing the initiative's goals and benefits.

**MAHATMA GANDHI GRAM SWARAJ INITIATIVE**

Launch of Mahatma Gandhi Gram Swaraj initiative to **strengthen khadi, handloom and handicrafts**

It will help in **global market linkage and branding**

It will streamline and support training, skilling, quality of process and production

This will benefit our weavers, village industries, **One - District - One - Product** initiative and rural youth

### Target Beneficiaries

- Weavers and artisans
- Village industries
- **ODOP (One District One Product)** beneficiaries
- Rural youth engaged in traditional crafts

### Key Features

- **Market Access & Branding**
  - Integration with organised retail, export markets, and **e-commerce platforms**.
  - Emphasis on product branding and quality certification.
- **Supply Chain Strengthening**
  - Addresses **fragmented supply chains** and weak market linkages.
  - Focus on consistency in **quality standards**.
- **Technology & Modernisation**
  - Encourages adoption of **modern production methods** without diluting traditional craftsmanship.
  - Skill upgradation and design intervention.
- **Institutional Alignment**
  - Works in synergy with **ODOP**, MSME ecosystem, and rural development programmes.

### Economic & Social Significance

- Enhances income security for artisans.
- Promotes **labour-intensive, low-carbon rural industries**.
- Supports **inclusive growth** and decentralised economic development.
- Helps formalise and scale up the **informal craft economy**.

### Linkages with Broader Government Vision

- **Vocal for Local** – promoting indigenous products.
- **Atmanirbhar Bharat** – self-reliant rural economy.
- Strengthening **MSMEs** as engines of employment.

## **Pechora Missile System**

**Syllabus: GS-3: Science and Technology – Defense technology.**

**Context:**

- **Alpha Design Technologies Ltd (ADTL)** has successfully completed a **major upgrade** of the **Pechora surface-to-air missile (SAM) system** of the **Indian Air Force**.
- The upgrade supports the **Centre’s push for modernisation of ageing defence platforms** through **indigenous capability** and **Atmanirbhar Bharat in defence**.

### **About Pechora Missile System**

- **Official name:** S-125 Neva/Pechora
- **Origin:** Soviet Union
- **Type:** Medium-range **Surface-to-Air Missile (SAM)** system
- **Role:** Interception of **low- to medium-altitude aerial targets**
- **Induction in India:** Since the **1970s**
- **Significance:**
  - Backbone of India’s **legacy air defence network**
  - Continues to be relevant through **technological upgrades**



### Key Components & Working

- **Launcher:** Radar-guided missile launcher
- **Missile used:** V-600 series
- **Radar system:** 4R90 Yatagan radar
  - Equipped with **five parabolic antennas**
  - Functions: **Detection, tracking, target lock**
- **Fire Control Unit:** Coordinates engagement and missile guidance
- **Mode of Operation:**
  - Detects incoming threat
  - Tracks and locks target
  - Launches missile for **mid-air interception**

### Operational Features

- **Target profile:**
  - Low-flying aircraft
  - Slow-moving targets
  - **Drones and cruise missiles**
- **Electronic warfare resilience:**
  - Can operate in **heavy electronic jamming environments**
- **Integration:**
  - Operates **independently** or as part of an **integrated air defence network**
- **Multi-target capability:**
  - Can engage **up to two targets simultaneously**

### Technical Specifications (Prelims-oriented)

- **Range:**
  - Standard: ~30 km
  - Upgraded versions: **up to 35.4 km**
- **Engagement altitude:**
  - **20 metres to 20–25 km**
- **Radar detection range:**

- Up to **100 km**
- **Target speed capability:**
  - Up to **900 m/s**
- **Kill probability:**
  - Approximately **92%**

### Strategic Importance

- Extends the **service life of legacy systems** at lower cost than new induction
- Enhances **low-altitude air defence**, especially against **UAV and cruise missile threats**
- Demonstrates **private sector role** in defence modernisation
- Supports **Make in India & Atmanirbhar Bharat** in defence manufacturing

## **16th Finance Commission Highlights**

### Syllabus: GS-3: Indian Economy – Finance Commission Recommendation

#### Context:

- Finance Minister **Nirmala Sitharaman** tabled the **Sixteenth Finance Commission** report in Parliament on **1 February 2026**, along with the Union Budget.
- The Union Government **accepted the recommendation to retain States' share in central taxes at 41%** for **2026–31**.

#### I. Vertical Devolution: States' Share in Central Taxes

- **Key Recommendation:**
  - States' share in the **divisible pool** of central taxes to remain **41%** (same as 15th FC).
- **Divisible Pool Explained:**
  - Centre's **gross tax revenue – cesses – surcharges – cost of collection**.
- **Significance:**
  - Ensures **predictability and stability** in transfers.
  - Reinforces **cooperative fiscal federalism** amid rising state expenditure needs.

#### II. Horizontal Devolution: Distribution Among States

- The 16th FC **recalibrated criteria and weights**, introducing a growth-oriented dimension.

### Devolution Criteria: 15th FC vs 16th FC

Criteria	15th FC	16th FC	Key Change
Income Distance	45%	42.5%	Slight reduction
Population (2011)	15%	17.5%	Higher weight
Demographic Performance	12.5%	10%	Redefined
Area	15%	10%	Reduced
Forest & Ecology	10%	10%	Expanded definition
Tax Effort	2.5%	0%	Dropped
Contribution to GDP	0%	10%	<b>New criterion</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	

### Key Explanatory Points

- **Income Distance:**
  - Gap in per capita GSDP vis-à-vis **average of top-3 states** (using 2018–19 & 2023–24; excluding COVID year).
- **Contribution to GDP (10%):**
  - New parameter to **reward economic size and growth**, calculated using **square root of GSDP** (to moderate dominance of large states).
- **Demographic Performance:**
  - Shift from **TFR-based metric** to **population growth (1971–2011)** → rewards population stabilisation without penalising growth states excessively.
- **Forest & Ecology:**
  - Includes **open forests** and **increase in forest cover (2015–23)**, aligning with climate goals.
- **Tax Effort Dropped:**
  - Reflects concerns over **measurement issues** and overlap with GDP contribution.

### III. Grants-in-Aid to States & Local Bodies (₹9.47 lakh crore)

## 1. Local Body Grants (₹7,91,493 crore)

- **Rural Local Bodies:** ₹4.35 lakh crore
- **Urban Local Bodies:** ₹3.56 lakh crore
- **Structure:**
  - **80% Basic Grant** (of which **50% tied** to water & sanitation)
  - **20% Performance Grant**

### New Urban Components

- **Special Infrastructure Grant (₹56,100 cr):**
  - For **wastewater & sanitation** in cities with **10–40 lakh population**.
- **Urbanisation Premium (₹10,000 cr):**
  - One-time grant for **merging peri-urban areas** and planning **rural-urban transition**.

### Conditionalities:

- Timely **State Finance Commissions**, audited accounts, and duly constituted local bodies.

Table 2: Grants-in-aid for 2026-31 (in Rs crore)

Grants	Amount
<b>Local governments</b>	<b>7,91,493</b>
<i>Rural local bodies</i>	<i>4,35,236</i>
<i>Basic Grant</i>	<i>3,48,188</i>
<i>Performance Grant</i>	<i>87,048</i>
<i>Urban local bodies</i>	<i>3,56,257</i>
<i>Basic Grant</i>	<i>2,32,125</i>
<i>Performance Grant</i>	<i>58,032</i>
<i>Special Infrastructure Component</i>	<i>56,100</i>
<i>Urbanisation Premium</i>	<i>10,000</i>
<b>Disaster management</b>	<b>1,55,916</b>
<b>Total</b>	<b>9,47,409</b>

## 2. Disaster Management Grants (₹1,55,916 crore)

- For **SDRF/SDMF** corpus.
- **Centre-State Sharing:**
  - **90:10** – NE & Himalayan states
  - **75:25** – Other states

## IV. Fiscal Roadmap & Debt Management

- **Centre's Fiscal Deficit:**
  - Reduce to **3.5% of GDP by 2030-31**.
- **States' Fiscal Deficit:**
  - Cap at **3% of GSDP**.
- **Off-Budget Borrowings:**
  - **Strictly discontinued**; all liabilities to be **on-budget**.
- **Combined Debt (Centre + States):**
  - Expected decline from **77.3% (2026-27)** to **73.1% of GDP (2030-31)**.

## V. Power Sector Reforms

- **Privatisation of DISCOMs** strongly recommended.
- Create an **SPV** to warehouse existing DISCOM debt.
- **Conditional Central Assistance:**
  - Access to **Special Assistance Scheme for Capital Investment** only after **DISCOM privatisation**.

## VI. Subsidy Rationalisation

- Review and **target subsidies better** with clear exclusion criteria.
- Move away from **unconditional cash transfers**.
- **No off-budget financing** of subsidies.
- Adopt **uniform accounting & disclosure standards** across states.

## VII. Public Sector Enterprise (PSE) Reforms

- **Close/review 308 inactive State PSEs**.
- States to frame a **disinvestment policy**.
- **Loss-making PSEs** (losses in 3 of last 4 years):
  - Mandatory **Cabinet decision** on closure, privatisation, or strategic retention.

### Overall Significance

- Balances **equity (income distance)** with **efficiency & growth (GDP contribution)**.
- Strengthens **urban governance, fiscal transparency,** and **debt sustainability**.
- Signals shift from **compensation-based federalism** to **performance-linked federalism**.

### Practice Qs:

Q. "The Sixteenth Finance Commission seeks to balance equity and efficiency in India's fiscal federalism." In the light of the key recommendations of the 16th Finance Commission, critically examine how the changes in horizontal devolution criteria and fiscal reforms attempt to achieve this balance. (250 words)

## Wetlands as a national public good

**Syllabus: GS-3: Environment – Wetland Ecosystems.**

### Context:

There is a need to shift the focus from 'projects' to programmes and 'beautification' to ecological functionality, and ensure watershed-scale governance.

### Introduction & Context

- **Definition:** Wetlands are ecosystems saturated with water, either seasonally or permanently (marshes, swamps, mangroves, peatlands).
- **The "Public Good" Concept:** The article argues that wetlands should not be viewed as "wastelands" or mere real estate, but as **National Public Goods** because their benefits (flood control, water purification, carbon sequestration) are non-excludable and non-rivalrous, benefiting the entire community.
- **Context:** Recent judicial interventions (e.g., Meghalaya High Court's suo motu PIL) and the alarming rate of wetland loss in India.

### Ecological and Economic Significance

- **"Kidneys of the Landscape":** They function as natural filtration systems, removing pollutants, heavy metals, and excess nutrients (nitrogen/phosphorus), preventing eutrophication.
- **Climate Resilience: \* Flood Mitigation:** They act as natural sponges, absorbing excess rainwater (crucial for cities like Chennai, Mumbai, and Bengaluru).

- **Carbon Sequestration:** Mangroves and peatlands store significantly more carbon per hectare than terrestrial forests.
- **Biodiversity:** Support 40% of the world's species; critical for migratory birds and local fauna.
- **Livelihoods:** Sustain fisheries, agriculture (paddy), and provide raw materials for local communities.

### Current Status & Alarming Trends

- **Extent in India:** India has over 7.5 lakh wetlands covering ~4.6% of its land area.
- **Ramsar Sites:** India has 85+ Ramsar sites (as of 2024-25), covering ~8% of total wetland area.
- **The Crisis:**
  - India has lost nearly **30% of its natural wetlands** in the last four decades.
  - **Urban Loss:** Mumbai lost 71% (1970-2014); Chennai lost 85%; East Kolkata wetlands shrunk by 36%.
  - **Vanishing Speed:** Wetlands are disappearing **three times faster than forests**.

### Major Threats

- **Encroachment & Urbanization:** Conversion into residential/commercial plots (often termed "land reclamation").
- **Pollution:** Discharge of untreated sewage and industrial effluents.
- **Hydrological Alteration:** Construction of dams/canals that divert natural water flow.
- **Climate Change:** Rising sea levels affecting coastal mangroves and changing rainfall patterns affecting inland bogs.
- **Invasive Species:** Growth of Water Hyacinth and other non-native species choking water bodies.

### Practice Q:

Q. "Despite being the 'kidneys of the landscape,' wetlands in India are increasingly viewed as 'wastelands' or real estate opportunities. Critically analyze the socio-economic impacts of wetland degradation and discuss how the 'Amrit Dharohar' scheme can shift the narrative towards their preservation as a National Public Good." (15 Marks | 250 Words)



### Legal & Regulatory Framework in India

- **Wetlands (Conservation and Management) Rules, 2017:** \* Decentralized management to **State Wetland Authorities (SWA)**.
  - Shifted focus from a "centralized" regulatory body to state-level monitoring.
- **National Plan for Conservation of Aquatic Ecosystems (NPCA):** Integrated scheme for both lakes and wetlands.
- **Amrit Dharohar Scheme:** Launched to promote conservation values and "wise use" of Ramsar sites.
- **MISHTI Initiative:** Specifically for mangrove conservation along the coastline.

### Challenges in Conservation

- **Identification Gap:** Small and seasonal wetlands are often missing from official revenue records, making them vulnerable to "reclamation."
- **Lack of Valuation:** Failure to account for the **economic value** of ecosystem services (e.g., the cost of a flood vs. the cost of preserving a wetland).
- **Fragmented Governance:** Overlapping jurisdictions between urban bodies, forest departments, and revenue departments.

### The Way Forward (Recommendations)

- **Mainstreaming Conservation:** Integrate wetland protection into urban planning and "Smart City" projects.
- **Nature-Based Solutions (NbS):** Use wetlands for natural wastewater treatment and blue-green infrastructure.

- **Community Engagement:** Mobilizing "Wetland Mitras" (Friends of Wetlands) and rewarding local cooperatives (e.g., Loktak Lake fishermen).
- **Economic Valuation:** Conduct Natural Capital Accounting to show policymakers the financial risk of losing these ecosystems.
- **Strict Enforcement:** Implementing the "Polluter Pays" principle and ensuring clear boundary demarcation to prevent encroachment.