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# **VIDHVATH IAS KAS ACADEMY & STUDY CENTRE**

## **DAILY CURRENT AFFAIRS**

**FOR UPSC CIVIL SERVICE EXAMINATION**

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## 1. Maritime Development Fund (MDF): Transforming India's Blue Economy

The Union Government is set to operationalise the ₹25,000 crore Maritime Development Fund (MDF) by allocating ₹9,800 crore in the upcoming budget. This strategic move aims to address long-standing financing hurdles in the shipping sector, facilitating India's transition from the 16th to one of the top five global shipbuilding nations by 2047.

- **Operational Structure:** The MDF consists of two primary components: the **Maritime Investment Fund (MIF)** with a corpus of ₹20,000 crore and an **Interest Incentivisation Fund (IIF)** of ₹5,000 crore.
- **Funding Mechanism:** The government will contribute 49% (₹9,800 crore) of the MIF, while the remaining 51% will be mobilised from Major Ports, Public Sector Undertakings (PSUs), sovereign wealth funds, and private equity.
- **Nodal Agency: Sagarmala Finance Corporation Ltd (SMFCL)**, India's first state-owned Non-Banking Financial Company (NBFC) dedicated to the maritime sector, has been designated to manage and coordinate the fund.
- **Strategic Objectives:** The fund seeks to mobilise total investments worth **₹1.5 trillion** by 2030, targeting shipyards, inland waterways, and the modernisation of port-ready logistics infrastructure.
- **Financial Instruments:** MDF will offer diverse support mechanisms including concessional debt, equity participation, viability gap funding (VGF), and guarantees to lower the high capital costs currently faced by Indian shipowners.
- **Policy Synergy:** The fund is linked to fiscal incentives like customs duty waivers and tonnage tax benefits to ensure that domestic shipbuilding becomes commercially competitive against global peers.

### Key Definitions

- **Blue Economy:** Sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem.
- **Alternative Investment Fund (AIF):** A privately pooled investment vehicle which collects funds from sophisticated investors (Indian or foreign) for investing in accordance with a defined investment policy.
- **Viability Gap Funding (VGF):** A grant to support infrastructure projects that are economically justified but fall short of financial profitability.

### Constitutional & Legal Provisions

- **Seventh Schedule:** "Maritime shipping and navigation, including shipping and navigation on tidal waters" falls under the **Union List (Entry 25)**, giving the Centre exclusive power to legislate and manage this sector.
- **Major Port Authorities Act, 2021:** Provides for the regulation, operation, and planning of major ports in India and provides them with greater autonomy, which aligns with the MDF's goal of mobilizing port-driven capital.
- **Inland Vessels Act, 2021:** Replaced the century-old 1917 Act to provide a unified regulatory framework for inland water transport, critical for the projects funded by MDF.

### Additional Key Points

- **Global Benchmarking:** Indian shipowners currently face significantly higher interest rates compared to global competitors in China or South Korea; the ₹5,000 crore IIF specifically targets this interest rate disparity.
- **Green Shipping:** A significant portion of the fund is expected to be diverted toward "Green Tug Transition Programs" and de-risking investments in sustainable maritime technologies.



- **Strategic Autonomy:** By strengthening the domestic fleet, India reduces its reliance on foreign vessels for EXIM (Export-Import) trade, thereby saving significant foreign exchange outflows.

## Conclusion

The operationalisation of the Maritime Development Fund marks a shift from framework design to actual execution under the **Amrit Kaal Vision 2047**. By providing long-term, low-cost capital, the government is not just building infrastructure but is "crowding in" private investment to create a self-reliant maritime ecosystem. Success will depend on the timely release of guidelines by the SMFCL and the effective integration of the fund with the broader Sagarmala Project.

## UPSC Relevance

- **General Studies II:** Government policies and interventions for development in various sectors; Statutory, regulatory, and various quasi-judicial bodies (SMFCL).
- **General Studies III:** Indian Economy and issues relating to planning, mobilization of resources, growth, and development; Infrastructure (Ports, Waterways).
- **Prelims:** Specifics of MDF corpus, components of the fund (MIF vs IIF), and the role of the Sagarmala Finance Corporation Ltd.

## 2. RBI Liquidity Infusion: OMOs and Dollar-Rupee Swaps (2026)

Amid persistent liquidity tightness and the Indian rupee touching record lows, the Reserve Bank of India (RBI) has announced a significant stimulus package. The central bank plans to inject substantial liquidity into the banking system through a multi-pronged approach involving bond purchases and foreign exchange interventions.

- **Open Market Operations (OMOs):** The RBI will conduct OMO purchase auctions of Government of India securities worth **₹1 trillion** in February 2026. This will be executed in two tranches of **₹50,000 crore** each on February 5 and February 12 to provide "durable" or long-term liquidity.
- **Dollar-Rupee Buy/Sell Swaps:** To manage foreign exchange volatility and inject rupee liquidity without directly impacting bond yields, the RBI will auction **\$10 billion** in 3-year dollar-rupee buy/sell swaps on February 4, 2026.
- **Variable Rate Repo (VRR):** A 90-day VRR operation of **₹25,000 crore** is scheduled for January 30, 2026. Unlike fixed-rate repos, this uses an auction process to inject short-term "transient" liquidity based on market demand.
- **Economic Triggers:** The measures respond to a liquidity deficit caused by seasonal tax outflows (GST and advance tax), sustained government cash balances, and FII (Foreign Institutional Investor) sell-offs, which saw net sales of **₹36,587 crore** in early 2026.
- **Rupee Stabilization:** The intervention follows the rupee hitting an intraday record low of **91.97** against the dollar. The buy/sell swap allows the RBI to provide dollars to the market now while replenishing rupee reserves in the banking system.
- **Market Impact:** These operations aim to align the Weighted Average Call Rate (WACR) with the policy repo rate, soften government bond yields, and ensure the smooth transmission of monetary policy to the broader economy.





## Key Definitions

- **Open Market Operations (OMO):** The deliberate buying or selling of government securities by the central bank to regulate the money supply. Buying (OMO Purchase) injects liquidity, while selling (OMO Sale) absorbs it.
- **Dollar-Rupee Buy/Sell Swap:** A two-leg transaction where the RBI buys dollars from banks today (injecting rupees) and agrees to sell them back at a specified future date and exchange rate.
- **Variable Rate Repo (VRR):** A tool where the RBI lends money to banks at a rate determined through competitive bidding rather than a fixed repo rate, allowing for better price discovery of liquidity.

## Constitutional and Legal Provisions

- **RBI Act, 1934:** Provides the statutory basis for the RBI to operate the credit and currency system. **Section 17** specifically empowers the RBI to buy and sell government securities and foreign exchange.
- **Monetary Policy Framework:** Under the 2016 amendment to the RBI Act, the RBI is mandated to maintain price stability while keeping in mind the objective of growth. Liquidity management is a core function to achieve this balance.
- **Constitution of India:** Under **Entry 38 of the Union List (Seventh Schedule)**, "Reserve Bank of India" is a subject of the Union Government, giving Parliament exclusive power to legislate on its functions.

## Conclusion

The RBI's shift toward "durable" liquidity measures indicates a proactive stance to prevent a credit crunch. By utilizing a mix of OMOs and currency swaps, the central bank is attempting to stabilize the external value of the Rupee while simultaneously ensuring that domestic borrowing costs remain conducive to economic growth. This calibrated approach serves to "crowd in" private investment by maintaining orderly conditions in the financial markets.

## UPSC Relevance

- **General Studies III (Economy):** Monetary Policy, Liquidity Management Tools (Repo, Reverse Repo, OMO, MSF), and the impact of FII outflows on the Indian economy.
- **General Studies II (Governance):** Role of statutory bodies like the RBI in maintaining financial stability.
- **Prelims Focus:** Difference between transient and durable liquidity; mechanics of dollar-rupee swaps; and the impact of OMO purchases on bond yields (inverse relationship).

## 3. Delhi Declaration 2026: Strengthening Global Electoral Integrity

The Election Commission of India (ECI) hosted the 3-day **International Conference on Democracy and Election Management (ICDEM) 2026** at Bharat Mandapam, New Delhi. The event concluded on January 23, 2026, with the unanimous adoption of the **Delhi Declaration 2026** by 42 Election Management Bodies (EMBs) and representatives from over 70 countries.

- **Five Pillars of the Declaration:** The EMBs resolved to collaborate on five core areas: **Purity of Electoral Rolls, Conduct of Free and Fair Elections, Research and Publications, Use of Technology, and Training and Capacity Building.**



- **Launch of ECINET:** A major highlight was the formal launch of ECINET, the world's largest electoral service platform. It integrates over 40 ECI applications into a single digital interface to enhance transparency, fight misinformation, and streamline services for voters and political parties.
- **Global Cooperation:** India, as the current Chair of the **International IDEA** (Institute for Democracy and Electoral Assistance) for 2026, offered to share its technological expertise, including the ECINET model, with other nations to co-develop similar domestic platforms.
- **Encyclopaedia of Democracies:** The declaration proposed the creation of a "Co-curated Encyclopaedia of Democracies of the World" and comprehensive reports on 36 global thematic groups led by the **India International Institute of Democracy and Election Management (IIIDEM)**.
- **Technological Integrity:** The conference emphasized that technology must serve as a "strategic enabler" rather than a replacement for human trust. This includes measured adoption of digital tools to ensure cybersecurity and the integrity of the ballot.
- **Future Roadmap:** The participants committed to an annual review process, with the next high-level meeting scheduled for December 2026 at the IIIDEM campus in New Delhi to monitor the implementation of the Delhi Declaration resolutions.

**India International Conference on Democracy and Election Management**  
**Delhi Declaration 2026**

**Resolution**  
We all resolve to adopt the Five Pillars of the Delhi Declaration 2026 as follows:

**Pillar I: Purity of Electoral Rolls**

- Pure Electoral Rolls, containing names of all eligible electors as per law, are the foundation of any democracy.
- The Election Management Bodies (EMBs) should strive to provide Photo Identity Cards, to all electors, for easy and transparent conduct of elections.

**Pillar II: Conduct of Elections**

- Elections have to be participative and inclusive & involve all stakeholders at all levels.
- For the conduct of elections to be transparent, efficient, free and fair, it is inevitable for the EMBs to function as per the mandate laid down in their Constitution or in their respective laws.

**Pillar III: Research and Publications**

- The Conference resolved to bring out **Encyclopaedia of Democracies of the World**, which shall comprise an Atlas - a comprehensive compilation on how the electoral systems work in different countries and as approved by the respective EMBs.
- Elaborative Reports on the 7 Themes led by International IDEA.
- Reports on 36 Themes led by the India International Institute of Democracy & Election Management (IIIDEM) to be prepared comprehensively.

**Pillar IV: Use of Technology**

- EMBs would try and adopt latest technologies while ensuring the integrity of elections, as mandated by law, to facilitate the electors and proactively counter misinformation.
- Considering the request of EMBs, India is willing to share its experience of the digital platform ECINET, for co-development of a similar platform for any other EMB in accordance with their laws and in their language.

**Pillar V: Training and Capacity Building**

- Considering the interest shown by EMBs, India is willing to share its vast experience in the field of elections in all sectors, through training and exchange of its transparent practices.
- Further considering the interest shown by the EMBs, IIIDEM, the world's largest training institute for election & democracy, which has an experience of training more than 10,000 election staff from India and personnel from more than 100 countries since the past 15 years, is willing to offer its training facilities to all EMBs, to the best of its capabilities, to impart professionalism in the conduct of elections and preparation of Electoral Rolls.

**Conclusion**  
We resolve to operationalize these Five Pillars through cooperation, innovation, and measurable actions, and to periodically review the progress before we plan to meet once a year to review this progress and the next dates of meetings are being proposed as 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> of December 2026 at IIIDEM, New Delhi, India.

Adopted in New Delhi on 23<sup>rd</sup> January, 2026

### Key Definitions

- **Election Management Body (EMB):** An organization or body that has the sole legal responsibility for managing some or all of the elements that are essential for the conduct of elections.
- **ECINET:** A unified digital platform by the ECI that subsumes multiple apps (like eVIGIL, Voter Helpline) into a single portal, available in 22 scheduled languages to provide a seamless "one-stop" experience.
- **International IDEA:** An intergovernmental organization that supports sustainable democracy worldwide and works with EMBs to establish international electoral standards.

### Constitutional & Legal Provisions

- **Article 324:** Vests the "superintendence, direction, and control" of elections in India in the Election Commission. This conference highlights the ECI's expanding role in global democratic leadership.
- **Representation of the People Act, 1950 & 1951:** Provides the legal framework for the preparation of electoral rolls (Pillar 1) and the actual conduct of elections (Pillar 2).



- **Part XV of the Constitution:** Specifically deals with elections, establishing the independence of the ECI to ensure that the "will of the people" remains supreme in a parliamentary democracy.

### Additional Key Points

- **Institutional Participation:** The conference saw active involvement from 4 IITs, 6 IIMs, and 12 National Law Universities, indicating a multi-disciplinary approach to modern election management.
- **Combating Misinformation:** A significant portion of the Delhi Declaration focuses on the collective global challenge of "Deepfakes" and social media narratives that threaten the purity of the electoral process.
- **Inclusive Elections:** The resolution stresses the importance of photo identity cards for all electors and making the voting process accessible for persons with disabilities (PwDs) and senior citizens.

### Conclusion

The adoption of the **Delhi Declaration 2026** reinforces India's position as a global leader in democratic processes ("Vishwa Bandhu"). By transitioning from purely administrative functions to international norm-setting, the ECI is leading a global effort to professionalize election management through technology and shared best practices. The success of this declaration depends on how effectively the participating 42 EMBs can operationalize these digital and administrative standards within their respective legal frameworks.

### UPSC Relevance

- **GS Paper II:** Appointment to various Constitutional posts, powers, functions, and responsibilities of various Constitutional Bodies; Important International institutions and their structure.
- **GS Paper III:** Role of media and social networking sites in internal security challenges (Misinformation/Cybersecurity in elections).
- **Prelims Focus:** Pillars of the Delhi Declaration 2026, the nodal role of IIIDEM, and features of the ECINET platform.

## 4. PLI Scheme for White Goods: Bolstering India's Component Ecosystem

The Department for Promotion of Industry and Internal Trade (DPIIT) recently provisionally selected five companies under the fourth round of the **Production-Linked Incentive (PLI) Scheme for White Goods**. This move aims to deepen the domestic manufacturing of critical components for Air Conditioners (ACs) and LED lights, transitioning India from an assembly-based hub to a high-value manufacturing base.

- **Fourth Round Selection:** Five companies—including Kirloskar Pneumatic and Godrej & Boyce—have committed an investment of **₹863 crore** for AC components. They are projected to achieve a production value of **₹8,337.24 crore** and generate nearly **1,800 direct jobs** by FY2027-28.
- **Scale of Impact:** Overall, **85 companies** are now part of this scheme, with a total committed investment of **₹11,198 crore**. These firms are expected to result in a cumulative production worth **₹1,90,050 crore** over the scheme's tenure.
- **Incentive Structure:** The scheme offers financial incentives ranging from **4% to 6%** on the incremental sales of goods manufactured in India. These are provided for a period of five years following a one-year gestation period.
- **Targeted Components:** For ACs, the focus is on high-value intermediates like **compressors, heat exchangers, and BLDC motors**. For LED lights, the scheme incentivizes **LED chip packaging, drivers, and light management systems**.



- **Value Addition Goals:** A primary objective is to increase "Domestic Value Addition" (DVA) from the current **20-25%** to a significant **75-80%** by the end of the scheme period (FY2028-29).
- **Global Supply Chain Integration:** By removing sectoral disabilities and creating economies of scale, the scheme seeks to make Indian manufacturers globally competitive and integrate them into the global electronics value chain.

### Key Definitions

- **White Goods:** Large household appliances such as air conditioners and LED lights, typically finished in white enamel. In the context of this PLI, it specifically refers to ACs and LEDs.
- **Incremental Sales:** Sales achieved over and above the sales of the "Base Year" (FY2019-20), which serves as the benchmark for calculating incentives.
- **Brownfield Investment:** Investment made in existing manufacturing facilities to expand or upgrade them, as opposed to "Greenfield" projects which start from scratch.



### Constitutional & Legal Provisions

- **Article 282:** The Union Government utilizes its "Spending Power" for public purposes to implement Central Sector Schemes like PLI, even if the subject (Industry) often falls under the State List (Entry 24).
- **Seventh Schedule (Union List):** Entry 52 gives the Union power over industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest.
- **Companies Act, 2013:** All applicants must be companies incorporated in India under this Act to be eligible for the scheme.
- **Foreign Trade (Development and Regulation) Act, 1992:** Supports the export-oriented goals of the PLI by regulating and facilitating trade.

### Additional Key Points

- **Committee of Experts (CoE):** Eight additional applications from the fourth round are currently under detailed examination by a specialized CoE to ensure they meet the rigorous technical and financial criteria.
- **DPIIT's Role:** The Department for Promotion of Industry and Internal Trade acts as the nodal agency, while the **Empowered Group of Secretaries (EGoS)**, chaired by the Cabinet Secretary, monitors periodic progress.
- **Atmanirbhar Bharat:** The scheme is a cornerstone of the "Self-Reliant India" initiative, specifically targeting sectors where India has a high import dependency (e.g., AC compressors).

### Conclusion

The PLI Scheme for White Goods represents a strategic shift toward "Component-level Manufacturing" rather than mere assembly. By focusing on the high-value "guts" of appliances—like compressors and LED chips—India is addressing the root cause of its trade deficit in electronics. The success of the fourth round signifies growing investor confidence and paves the way for India to become a "Global Champion" in the white goods sector by 2029.



## UPSC Relevance

- **GS Paper III (Economy):** Changes in industrial policy and their effects on industrial growth; Infrastructure; Effects of liberalization on the economy.
- **GS Paper II (Governance):** Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- **Prelims Focus:** Outlay of the scheme (₹6,238 crore), nodal ministry (Commerce & Industry), target segments (ACs and LEDs), and the distinction between "Base Year" and "Gestation Period."

## 5. Federated Intelligence Hackathon: Advancing Secure Health AI

The National Health Authority (NHA), in collaboration with the ICMR–NIRDHDS and IIT Kanpur, organized the **Federated Intelligence Hackathon for Healthcare** (January 19–24, 2026). This initiative aims to address the critical "data trilemma" of reliability, openness, and transparency in healthcare AI by leveraging federated learning technologies to build a secure, scalable, and privacy-preserving digital health ecosystem.

- **Federated Learning Model:** The hackathon focused on a decentralized machine learning approach where AI models are trained on local data at various hospitals or labs without the raw, sensitive patient data ever leaving its source, ensuring maximum privacy.
- **Strategic Collaboration:** The event united the **Ayushman Bharat Digital Mission (ABDM)** governance framework (NHA) with clinical research expertise (ICMR) and technical innovation (IIT Kanpur) to create a national-level validation infrastructure for Health AI.
- **Focus on AI Validation:** Key discussions centered on the **Health Technology Assessment (HTA)** for algorithms, aiming to solve the challenge of "data scarcity" by allowing developers to validate models against high-quality, diverse public health datasets in a secure environment.
- **Key Use Cases:** Participants developed and demonstrated AI solutions for population-scale screening in ophthalmology, bone age detection, and computational pathology, highlighting the transition from rule-based systems to autonomous feature discovery.
- **Responsible AI Framework:** A core pillar of the hackathon was establishing "clinical readiness" and regulatory pathways, ensuring that AI deployment remains ethical, non-biased, and aligned with Indian public health priorities.
- **Digital Public Goods:** The initiative aims to integrate these AI validation frameworks into the ABDM ecosystem, effectively turning medical data into "Digital Public Goods" while maintaining individual consent and data security.

## Key Definitions

- **Federated Learning:** A machine learning technique that trains an algorithm across multiple decentralized edge devices or servers holding local data samples, without exchanging them.
- **Ayushman Bharat Digital Mission (ABDM):** India's national initiative to develop the backbone necessary to support the integrated digital health infrastructure of the country.
- **Health Technology Assessment (HTA):** A systematic evaluation of properties, effects, and/or impacts of health technology, focusing on the medical, social, ethical, and economic implications.



## Constitutional & Legal Provisions

- **Article 21 (Right to Health & Privacy):** The Supreme Court has interpreted the Right to Health as an integral part of the Right to Life. Privacy-preserving AI models directly support the fundamental right to privacy established in the *Puttaswamy* judgment.
- **Digital Personal Data Protection (DPDP) Act, 2023:** Provides the legal framework for processing digital personal data in a manner that recognizes the right of individuals to protect their data and the need to process such data for lawful purposes.
- **Drugs and Cosmetics Act, 1940:** Software used for medical purposes is classified as a "Medical Device," and AI-based diagnostic tools must comply with classifications (Class A to D) under the Medical Devices Rules, 2017.
- **IT Act, 2000:** Section 43A and the SPDI Rules govern the reasonable security practices and procedures for sensitive personal data, providing a regulatory baseline for the hackathon's secure protocols.

## Additional Key Points

- **ABDM Integration:** The hackathon extends ABDM's clinical consent model to research use cases, enabling patients to provide informed, revocable consent for their data to be used in algorithmic testing.
- **Addressing Data Heterogeneity:** Federated Intelligence helps overcome the bias in AI models by training them on diverse datasets from various regions and demographics across India without centralizing the data.
- **Global Leadership:** By setting model international electoral and health data standards, India is positioning itself as a leader in "responsible AI" for the Global South.

## Conclusion

The Federated Intelligence Hackathon represents a pivotal shift from data centralization to data democratization in Indian healthcare. By solving the "validation trilemma" through federated systems, the NHA is creating a pathway where high-end AI research can coexist with stringent privacy laws. As these frameworks mature, they will likely become the standard for deploying AI in public health systems, reducing diagnostic costs and improving outcomes at the last mile.

## UPSC Relevance

- **GS Paper II:** Government policies and interventions for development in various sectors (Health and Technology); Issues arising out of their design and implementation.
- **GS Paper III:** Awareness in the fields of IT, Space, Computers, Robotics, and Nano-technology; Science and Technology- developments and their applications and effects in everyday life.
- **Prelims Focus:** Entities involved (NHA, ICMR, IIT-K), the concept of Federated Learning vs. Centralized Learning, and the role of ABDM in data governance.

## 6. Subhash Chandra Bose Aapda Prabandhan Puraskar 2026

The Government of India has selected the **Sikkim State Disaster Management Authority (SSDMA)** in the Institutional category and **Lieutenant Colonel Seeta Ashok Shelke** in the Individual category for the prestigious Subhash Chandra Bose Aapda Prabandhan Puraskar 2026. Announced annually on **January 23**



to mark the birth anniversary of Netaji Subhash Chandra Bose, the award recognizes exemplary contributions to Disaster Risk Reduction (DRR) and Humanitarian Assistance and Disaster Relief (HADR).

- **Institutional Excellence (SSDMA):** Established in 2005, SSDMA has pioneered a three-tier grassroots model by deploying **1,185 trained Aapda Mitras**. With Disaster Management Assistants in every Gram Panchayat, Sikkim has institutionalized community-led resilience, critical for the fragile Himalayan ecosystem.
- **Individual Leadership (Lt. Col. Shelke):** An officer of the Indian Army's Corps of Engineers, she led high-risk rescue missions during the **2024 Wayanad landslides**. She is particularly recognized for the overnight construction of a **190-foot Bailey Bridge** at Chooralmala, restoring connectivity to cut-off villages.
- **Award Mechanics:** The award carries a cash prize of **₹51 lakh** and a certificate for institutions (to be used solely for disaster management activities) and **₹5 lakh** with a certificate for individuals.
- **Technological Innovation:** The 2026 winners highlight the use of innovative engineering (e.g., using excavators as counterweights for bridge building) and real-time coordination that rescued over 2,500 people during the 2023 Teesta floods.
- **Shift in Paradigm:** Under the guidance of the Ministry of Home Affairs, India has moved from a "Relief-Centric" response to a "Proactive Prevention" regime, significantly reducing mortality rates during natural calamities.
- **Scaling Success:** The SSDMA model is now being promoted as a scalable and replicable framework for other North-Eastern and Himalayan states to enhance local capacity building and early warning systems.

### Key Definitions

- **Aapda Mitra:** A central scheme to train community volunteers in disaster response, providing them with the skills to be first responders during emergencies.
- **HADR (Humanitarian Assistance and Disaster Relief):** Operations conducted by the armed forces or specialized agencies to alleviate human suffering following natural or man-made disasters.
- **Bailey Bridge:** A type of portable, pre-fabricated, truss bridge developed for military use, capable of being assembled quickly by hand with minimal heavy equipment.

### Constitutional & Legal Provisions

- **Disaster Management Act, 2005:** The primary legislation providing the institutional framework (NDMA, SDMA, DDMA) for effective disaster management in India.
- **Disaster Management (Amendment) Bill, 2024:** A recent legislative update aimed at empowering SDMAs to prepare their own plans and establishing **Urban Disaster Management Authorities** for state capitals and major cities.
- **Seventh Schedule:** While "Disaster Management" is not explicitly mentioned in the three lists, the Supreme Court has linked it to **Entry 23 (Social Security)** and **Entry 29 (Prevention of infectious diseases)** of the Concurrent List.
- **Article 21:** The "Right to Life" encompasses the right to a safe environment and places an obligation on the state to provide timely disaster relief and mitigation.



### Additional Key Points

- **Gender Inclusion:** The recognition of Lt. Col. Shelke underscores the growing and pivotal role of women in operational Disaster Risk Reduction (DRR).
- **Netaji's Legacy:** The choice of January 23 (Parakram Diwas) for the award announcement aligns the values of selfless service and courage with the modern-day heroes of disaster management.
- **Standardization of Relief:** The 2024 Amendment Bill focuses on creating a national and state-level disaster database to standardize relief expenditure and audit preparedness.

### Conclusion

The 2026 awards reflect a balanced recognition of **structural institutionalization** and **individual gallantry**. By honoring the community-centric model of Sikkim and the technical leadership of the Indian Army, the government is signaling a move toward decentralized, multi-hazard resilient infrastructure. For India to reach its goal of "Zero Mortality" during disasters, replicating such grassroots and engineering-led models will be indispensable.

### UPSC Relevance

- **GS Paper III:** Disaster and disaster management; Role of external state and non-state actors in creating challenges to internal security (HADR role of the Army).
- **GS Paper IV (Ethics):** Selfless service and leadership in crisis (Case study on Lt. Col. Seeta Shelke).
- **Prelims Focus:** Winners of the 2026 award, cash prize details, the role of Aapda Mitra, and the nodal ministry (Ministry of Home Affairs).

## 7. Delimitation 2027: Reshaping India's Political and Federal Map

Delimitation is the periodic process of redrawing the boundaries of Lok Sabha and State Assembly constituencies to reflect population changes. While intended as a routine administrative task, the upcoming exercise following **Census 2027** will be the most significant since Independence, as it ends a 50-year freeze on the inter-state allocation of seats and directly impacts the implementation of women's reservation.

- **End of the 50-Year Freeze:** Inter-state seat distribution has been frozen since 1976 (at 1971 Census levels) to protect states that successfully implemented population control. The **84th Amendment (2001)** extended this freeze until the first census after 2026, which is now scheduled for 2027.
- **The Federal Paradox:** Southern and Western states, which achieved below-replacement fertility rates, fear a significant loss of political leverage. Projections suggest that in an expanded House of 888 seats, northern states like Uttar Pradesh and Bihar could command over **26%** of total seats, potentially marginalizing regions with better governance indicators.
- **Link with Women's Reservation:** The **106th Constitutional Amendment Act (2023)** mandates a 33% quota for women, but its implementation is legally tied to the completion of the next delimitation. Given administrative timelines, this makes the **2034 General Elections** the likely debut for the women's quota.
- **Proposed Weighted Formulas:** To balance democratic "one person, one vote" with federal "governance rewards," experts suggest a formula giving **80% weight to population** and **20% to development indicators** (literacy, health, fertility control), similar to Finance Commission devolutions.



- **Strengthening the Rajya Sabha:** To offset Lok Sabha imbalances, there are calls to restore the **domicile requirement** for Rajya Sabha members and move toward a model of more equal state representation, preventing the Upper House from becoming a mere demographic reflection of the Lower House.
- **Administrative vs. Political Solutions:** Suggestions include bifurcating larger states like Uttar Pradesh to prevent single-state dominance or implementing a **phased redistribution** across two election cycles (2034 and 2039) to allow political parties to adapt to the shifting demographics.

### Key Definitions

- **Delimitation:** The act of fixing limits or boundaries of territorial constituencies to ensure that the ratio between the population of each constituency and the number of seats is roughly the same.
- **Delimitation Commission:** A high-powered independent body whose orders have the force of law and cannot be challenged in any court. It consists of a retired Supreme Court judge, the Chief Election Commissioner, and respective State Election Commissioners.
- **Replacement Level Fertility:** The level of fertility at which a population exactly replaces itself from one generation to the next, typically 2.1 children per woman.

### Constitutional & Legal Provisions

- **Article 82:** Empowers Parliament to enact a Delimitation Act after every Census to readjust the allocation of seats in the Lok Sabha.
- **Article 170:** Provides for the composition of State Legislative Assemblies and their division into territorial constituencies after each Census.
- **Article 329(a):** Bars the judiciary from questioning laws relating to the delimitation of constituencies or the allotment of seats.
- **84th Amendment Act, 2001:** Substituted the "year 2000" with "2026" in Articles 82 and 170, effectively freezing the total number of seats in the Lok Sabha and Assemblies until after the 2026 Census.
- **106th Amendment Act, 2023:** Inserts Articles 330A and 332A to provide 33% reservation for women, explicitly contingent upon the delimitation exercise.

### Additional Key Points

- **Gerrymandering Concerns:** Without a transparent, expert-led Commission, redrawing internal boundaries risks "gerrymandering"—the manipulation of boundaries to favor a specific political party or group.
- **Impact on Reserved Seats:** Delimitation will also redraw the map for **SC/ST reserved seats**, which are strictly proportional to population. Shifting demographics mean these seats may move to different regions within a state.
- **Fiscal Implications:** Increased representation for high-population states could influence future **Finance Commission** recommendations, as population remains a key metric for tax devolution.

### Conclusion

The 2027 delimitation is not merely a mathematical adjustment but a "measurement of Indian democracy." It presents a choice between strict majoritarianism and a cooperative federal spirit. For the exercise to succeed,



it must move beyond political arithmetic toward a consensus that respects both the demographic reality of the North and the developmental achievements of the South.

### UPSC Relevance

- **GS Paper II (Polity & Governance):** Constitutional Amendments (42nd, 84th, 87th, 106th); Federalism and the North-South divide; Functions and responsibilities of the Election Commission and Delimitation Commission.
- **GS Paper I (Society):** Population and associated issues; Poverty and developmental issues (Fertility rates and governance).
- **Prelims Focus:** Article 82 vs. 170; Composition of the Delimitation Commission; The specific years of the seat freeze (1971 population, 2026 timeline).

## 8. India-EU Strategic Partnership: Navigating a Multipolar World

The deepening relationship between the European Union (EU) and India has reached a critical juncture, highlighted by the visit of **European Commission President Ursula von der Leyen** and **European Council President António Costa** as Chief Guests for India's **77th Republic Day (2026)**. This symbolic presence, followed by the **16th India-EU Summit**, underscores a strategic alignment born from global volatility and a shared pursuit of strategic autonomy.

- **Strategic Alignment:** Both India and the EU are recalibrating their foreign policies due to increasing unpredictability in the U.S. and continued assertiveness from China. This partnership aims to ensure that sovereign choices remain independent of the "veto power" of major global powers like Washington, Moscow, or Beijing.
- **Economic Insurance Policy:** The proposed **Free Trade Agreement (FTA)** is viewed as a "geopolitical insurance policy." It aims to unlock market access in textiles, pharmaceuticals, and chemicals for India, while providing Europe better access to India's automobiles, machinery, and digital services sectors.
- **Climate Equity and CBAM:** A significant hurdle remains the EU's **Carbon Border Adjustment Mechanism (CBAM)**, which India views as a non-tariff barrier. The 20%-35% carbon charge on steel, aluminum, and cement could potentially offset the benefits gained through the FTA, making "climate equity" a core negotiation point.
- **Security and Defence Partnership:** The EU has proposed a dedicated security framework with India, on par with its arrangements with **Japan and South Korea**. This includes co-production of military equipment, aligning with India's "Make in India" initiative and enhancing maritime security in the Indian Ocean.
- **GSP Withdrawal and Trade Pressure:** Effective January 1, 2026, the EU suspended **Generalised Scheme of Preferences (GSP)** benefits for 87% of Indian goods. This puts immediate pressure on Indian exporters (especially in textiles and chemicals) to finalize the FTA to regain competitive tariff rates.
- **A Model for Multilateralism:** The partnership seeks to move beyond episodic engagement to a resilient multipolar order. By respecting domestic sensitivities while maintaining pragmatism, the





India-EU duo intends to co-create a new chapter in global governance that is equitable and sovereign.

### Key Definitions

- **Strategic Autonomy:** The ability of a state (or bloc) to pursue its national interests and adopt its preferred foreign policy without being overly dependent on other states.
- **Carbon Border Adjustment Mechanism (CBAM):** A landmark EU tool to put a fair price on the carbon emitted during the production of carbon-intensive goods entering the EU, intended to prevent "carbon leakage."
- **Most Favoured Nation (MFN):** A principle where a country must provide the same trade concessions to all WTO members, unless a specific regional trade agreement (like an FTA) or preferential scheme (like GSP) exists.

### Constitutional & Legal Provisions

- **Article 51:** Part of the Directive Principles of State Policy (DPSP), it mandates the State to promote international peace and security and maintain just and honourable relations between nations.
- **Article 253:** Empowers Parliament to make any law for the whole or any part of the territory of India for implementing any treaty, agreement, or convention with any other country.
- **Section 5 of the Foreign Trade (Development and Regulation) Act, 1992:** Provides the legal basis for the Central Government to formulate and announce the Foreign Trade Policy, which governs negotiations like the India-EU FTA.

### Additional Key Points

- **Trade Volume:** The EU is India's second-largest trading partner (after the US), with bilateral trade in goods nearing **\$137 billion**.
- **Global Gateway:** The EU's "Global Gateway" infrastructure plan is seen as a democratic alternative to China's Belt and Road Initiative (BRI), with India serving as a major hub for connectivity between Europe and Asia.
- **TTC Framework:** The **India-EU Trade and Technology Council**, launched in 2022, serves as the primary high-level coordination platform to address emerging tech, green standards, and supply chain resilience.

### Conclusion

The 2026 Summit marks the transition of India-EU ties from a transactional relationship to a deep strategic trust. While structural challenges like CBAM and GSP graduation persist, the geopolitical necessity of a "third pole" is driving both sides to bridge bureaucratic gaps. A balanced FTA, coupled with a robust defence partnership, will not only stabilize bilateral trade but also provide a template for "sovereign multilateralism" in a divided world.

### UPSC Relevance

- **GS Paper II:** Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests; Effect of policies and politics of developed and developing countries on India's interests.
- **GS Paper III:** Economics (FTAs, Trade barriers); Environment (CBAM and its impact on Indian industry).



- **Prelims Focus:** Chief Guests of Republic Day 2026, components of CBAM, India's trade status with the EU (GSP graduation), and the 16th India-EU Summit location.

## 9. ACC-PLI Scheme: Challenges in India's Battery Manufacturing Ambitions

The Advanced Chemistry Cell (ACC) Production Linked Incentive (PLI) scheme, a cornerstone of India's transition toward electric mobility and renewable energy storage, is facing significant implementation hurdles. A recent report by IEEFA and JMK Research highlights a stark gap between the government's 2026 targets and the current ground reality of commissioned capacity.

- **Significant Under-achievement:** While the 2021 plan envisaged a manufacturing capacity of **50 GWh by 2026**, as of October 2025, only **1.4 GWh** has been commissioned on time. Approximately 8.6 GWh is under development but remains delayed, indicating a massive shortfall in the 50 GWh target.
- **Technical and Talent Gaps:** A primary bottleneck is the delay in **visa approvals for Chinese technical specialists**. Since China dominates the global ACC supply chain, their expertise is currently indispensable for setting up local production lines and troubleshooting complex machinery.
- **Restrictive Eligibility and Outcomes:** The scheme's high net-worth requirement (**₹2.25 billion per GWh**) favored large conglomerates over specialized players. Consequently, selected beneficiaries like Ola Electric and Reliance New Energy lack prior experience in cell manufacturing, while traditional battery giants like Exide and Amara Raja were priced out of the auction.
- **Zero Incentive Disbursement:** Due to the "payment on sale" model, no incentives have been disbursed out of the targeted **₹2,900 crore** (by Oct 2025) because none of the selected companies have commenced large-scale commercial sales of domestically produced cells.
- **Value Addition Hurdles:** The mandate to achieve **25% localization within two years** and **60% within five years** is proving difficult. India lacks a mature ecosystem for critical mineral refining (Lithium, Cobalt, Nickel) and component production (anodes, cathodes, electrolytes), sustaining a heavy import dependence on China.
- **Strategic Intent vs. Reality:** With an outlay of **₹18,100 crore**, the scheme aimed to reduce dependence on imports and bolster the "Make in India" initiative. However, the lack of proprietary technology and a fragmented supply chain threaten to turn these manufacturing units into mere assembly hubs for imported components.



### Key Definitions

- **Advanced Chemistry Cell (ACC):** New generation technologies that store electric energy as chemical energy and convert it back to electric energy as and when required. They are superior to lead-acid batteries in terms of energy density and cycle life.
- **Gigawatt-hour (GWh):** A unit of energy representing one billion watt-hours. It is the standard measure used to describe the capacity of large-scale battery manufacturing plants (Gigafactories).
- **Production Linked Incentive (PLI):** A central government scheme that provides financial incentives to companies based on the incremental sales of products manufactured in domestic units.



## Constitutional & Legal Provisions

- **Article 39(b) & (c):** Directive Principles of State Policy (DPSP) mandate the State to direct policy towards ensuring that the ownership and control of material resources are distributed to subserve the common good and that the operation of the economic system does not result in the concentration of wealth. The PLI scheme aligns with the goal of creating national assets.
- **The Mines and Minerals (Development and Regulation) Amendment Act, 2023:** This is crucial for ACC-PLI as it delisted six critical minerals, including Lithium, from the list of atomic minerals, allowing the private sector to mine them—a prerequisite for a domestic battery supply chain.
- **Entry 52 (Union List):** Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest. This gives the Ministry of Heavy Industries the mandate to run the ACC-PLI scheme.

## Additional Key Points

- **Incentive Structure:** The scheme offers a maximum subsidy of **₹2,000 per kWh**, but the actual payout is linked to value addition and the energy density achieved by the manufactured cells.
- **The "China Dilemma":** India's attempt to de-risk its supply chain from China is paradoxically hindered by the need for Chinese machinery and engineers to operationalize the very plants intended to replace imports.
- **Global Benchmarking:** While India struggles with a few GWh, global leaders like China and the US are adding capacity in hundreds of GWh, raising concerns about India's future competitiveness in the global EV market.

## Conclusion

The ACC-PLI scheme is at a critical juncture where policy intent meets execution reality. While the financial outlay is robust, the "missing middle" of technical expertise and mineral processing remains a significant barrier. For India to become a global hub for battery manufacturing by 2030, the government may need to streamline visa processes for technical experts, facilitate international technology transfers, and aggressively pursue "Lithium Diplomacy" to secure raw materials.

## UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, and development; Infrastructure: Energy; Science and Technology- developments and their applications in everyday life.
- **GS Paper II:** Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
- **Prelims Focus:** Nodal Ministry for ACC-PLI (Ministry of Heavy Industries), the target capacity (50 GWh), and the difference between lead-acid and ACC batteries.

## 10. Donbas Deadlock: Trilateral Peace Talks in Abu Dhabi 2026

The first direct trilateral negotiations between Ukraine, Russia, and the United States commenced in **Abu Dhabi, UAE** (January 23–24, 2026). Brokered by **U.S. President Donald Trump** as part of his "Board of Peace" initiative, the talks aim to resolve the nearly four-year-long conflict. However, the sessions opened with a sharp territorial deadlock over the **Donbas region**, exposing the fragile nature of the current diplomatic push.



- **Russian Maximalist Demands:** Moscow insists that Ukraine must completely withdraw its armed forces from the entire Donbas region (Donetsk and Luhansk) as a precondition for a ceasefire. This aligns with the "**Anchorage Formula**"—a framework reportedly discussed between Presidents Trump and Putin in Alaska (August 2025) which favors freezing lines while ceding the Donbas.
- **Ukraine's Red Line:** President Volodymyr Zelenskyy has termed territorial concessions "unacceptable," particularly ceding land that Russia has failed to capture militarily. Ukraine seeks to preserve the "**Fortress Belt**" (cities like Kramatorsk and Sloviansk) to prevent future Russian advances.
- **The "One Issue" Stalemate:** U.S. special envoy **Steve Witkoff** indicated that negotiations have been narrowed down to one primary issue: the long-term status of eastern Ukraine. While other administrative and economic documents are nearly ready, this "land for peace" dispute remains the final hurdle.
- **U.S. Mediation Role:** The Trump administration is utilizing a high-level team including Steve Witkoff and **Jared Kushner**. They are pushing for a "dignified, lasting peace" that includes reconstruction funding, potentially using a mix of U.S. investment and frozen Russian assets—a proposal Kyiv remains skeptical of.
- **Strategic Autonomy and Security Guarantees:** On the sidelines, Zelenskyy confirmed that a bilateral **U.S.-Ukraine Security Guarantee** deal is ready for signing. This document is intended to deter future Russian aggression regardless of the outcome of the territorial negotiations.
- **Impact of Ongoing Hostilities:** Even as talks proceeded, Russia launched a massive missile and drone strike on January 24, targeting energy infrastructure in Kyiv and Kharkiv. This "cynical" escalation has led to warnings from Kyiv that Russia is not negotiating in good faith.

### Key Definitions

- **Donbas:** A portmanteau for "Donets Basin," referring to the industrial and coal-rich Donetsk and Luhansk regions. It is the cultural and economic heartland of eastern Ukraine.
- **Anchorage Formula:** A proposed peace framework that suggests freezing the frontlines in the south and west while granting Russia control over the entire Donbas region.
- **Board of Peace:** A Trump-led international body, originally for Gaza, now expanded to oversee global conflict resolution and post-war reconstruction.

### Constitutional & Legal Provisions

- **Article 2 of the UN Charter:** Mandates that all members shall refrain from the threat or use of force against the territorial integrity or political independence of any state.
- **Article 73 of the Constitution of Ukraine:** Explicitly states that "Issues of altering the territory of Ukraine shall be resolved exclusively by an all-Ukrainian referendum." This poses a significant legal hurdle for Zelenskyy to cede any land.
- **Budapest Memorandum (1994):** A political agreement where Russia, the US, and the UK provided security assurances to Ukraine in exchange for its nuclear disarmament; its violation remains a core point of Ukrainian diplomatic protest.

### Additional Key Points

- **Economic Leverage:** The talks also involve **Kirill Dmitriev** (Russian Investment Envoy) and U.S. officials discussing "Prosperity Agreements" aimed at post-war economic recovery.



- **European Sideline:** President Zelenskyy noted that European allies will receive "feedback" after the trilateral talks, highlighting the shift toward a U.S.-brokered bilateral/trilateral format over previous frameworks like the Normandy Format.
- **Humanitarian Crisis:** The urgency of the talks is fueled by the humanitarian situation, with the latest strikes leaving thousands in Kyiv without heat during sub-zero temperatures.

### Conclusion

The Abu Dhabi talks represent the most significant diplomatic effort to end the war since 2022, yet they rest on a fundamental contradiction: Russia views the Donbas as a "non-negotiable" acquisition, while Ukraine views it as the "moral and territorial" red line. Without a breakthrough on the status of these eastern lands, the "Board of Peace" initiative risks joining previous failed attempts at mediation, potentially leading to a long-term frozen conflict.

### UPSC Relevance

- **GS Paper II:** Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests; Effect of policies and politics of developed and developing countries on India's interests.
- **International Relations:** The role of major powers (US, Russia) in regional conflicts; Challenges to the rules-based international order.
- **Prelims Focus:** Location of Donbas, components of the trilateral talks (Ukraine-Russia-US), and the role of the UAE as a mediator.