

P2. NATIONAL



Kerala strengthening works at Mullaperiyar: T.N. - Examines the renewed Tamil Nadu-Kerala dispute over Mullaperiyar, balancing inter-State water interests with dam safety and rehabilitation concerns.

P4 NATIONAL



National Food Security (Amendment) Bill, 2026: Reforming Food Entitlements and Nutrition Security - Explores proposed changes to AAY entitlements and the broader shift from calorie-based food security towards affordable and nutritious diets.

P7. ECONOMICS



Panel asks govt. if it will push agenda for de-dollarisation - Examines India's possible role in advancing reduced dependence on the U.S. dollar through BRICS cooperation and digital/local currency mechanisms.

P7. ECONOMICS



Govt. looking at MDR charge to make UPI self-sustaining - Explores the challenge of making UPI financially sustainable through MDR and tiered incentives while preserving affordability and mass adoption.

Editor's Note

Another day brings a fresh set of important and thought-provoking developments. India's inter-State water-sharing disputes remain a persistent source of friction, with the century-old Mullaperiyar Dam once again raising questions of dam safety and inter-State cooperation. Meanwhile, the proposed changes to the food security framework raise broader questions about protecting food entitlements while addressing India's evolving nutritional needs.

In the Decoded Editorials section, we examine the proposed FCRA amendments and their implications for the regulation of foreign-funded civil-society organisations, alongside the significance of India's participation in the Artemis Accords and the emerging landscape of lunar cooperation. We also explore de-dollarisation and India's evolving approach to international payments, as well as the challenge of making the UPI ecosystem financially sustainable without compromising its accessibility and widespread adoption. Each topic has been carefully researched, analysed and presented with a focus on conceptual clarity, current relevance and UPSC-oriented understanding. Happy learning!

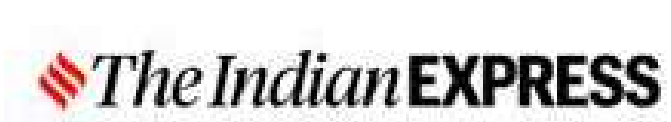
Editorials Decoded



Troubling Bill



Analyses proposed controls over foreign-funded organisations and their assets, focusing on regulation, due process and civil-society autonomy.



The next step to the Moon and an invite for India



Examines India's potential participation in NASA's Moon Base programme and the opportunities and strategic challenges of deeper lunar cooperation.

Kerala stalling strengthening works at Mullaperiyar: T.N.

What happened? The Tamil Nadu government has flagged before the Supreme Court that Kerala's "obstructionist attitude" has delayed the implementation of the Court's 2014 judgment on the Mullaperiyar dam. The judgment had declared the dam structurally safe and permitted Tamil Nadu to raise the reservoir water level from 136 feet to 142 feet.

Mullaperiyar Dam The 131-year-old Mullaperiyar Dam is a **British-era masonry dam built across the Periyar River in Idukki, Kerala**. Although located in Kerala, it is owned and operated by Tamil Nadu under an 1886 lease agreement. Kerala has consistently raised concerns regarding the dam's structural safety.

Reason for the present dispute Tamil Nadu has alleged that Kerala has not cooperated with measures required to strengthen the baby dam, earth dam and main dam, including grouting works. It has also sought permission to fell trees near the dam to facilitate strengthening of the baby dam and alleged delays in obtaining permission to transport grouting materials and machinery. Tamil Nadu has also referred to the 2006 Supreme Court judgment, which had permitted the water level to be raised ultimately to 152 feet after completion of strengthening measures.

Why is dam safety important? India has a large number of major dams, making dam safety critical for downstream communities and infrastructure. A dam failure can release large quantities of water within a short period, potentially causing extensive flooding and loss of life and property.



PYQ Compass

Q. Dam failures are always catastrophic, especially on the downstream side, resulting in a colossal loss of life and property. Analyze the various causes of dam failures. Give two examples of large dam failures. (GS III – 2023)

Faith healing poses challenge to authorities as diseases kill 7 tribal children in Madhya Pradesh



What happened? A severe outbreak of monsoon-related diseases has affected the Baiga tribe, a Particularly Vulnerable Tribal Group (PVTG), in Balaghat district of Madhya Pradesh. Over the past 45 days, 7 children have died and around 100 children have suffered from illnesses including malaria, typhoid, viral infections and skin diseases across five remote villages.

Government response : The district administration has launched special health camps, door-to-door screening through ASHA and ANM workers, and hospital treatment for affected children. Blood samples have been sent to ICMR laboratories, while expert teams are investigating the outbreak. Authorities have also begun working with the community's spiritual leaders to improve hospital acceptance.

Why was the outbreak severe? The crisis was aggravated by poor accessibility of remote tribal villages, delayed detection of cases, low healthcare access, and the community's initial reliance on traditional ritualistic healing, which delayed timely medical treatment for many children.

Why it matters ? The incident highlights the public health vulnerabilities of PVTGs, especially during the monsoon season. It underscores the need for stronger last-mile healthcare delivery, culturally sensitive community outreach, disease surveillance, and improved access to preventive and primary healthcare in remote tribal regions.

31-member parliamentary panel to review FCRA Bill

What happened? The Lok Sabha has referred the Foreign Contribution (Regulation) Amendment Bill, 2026 to a 31-member Joint Parliamentary Committee (JPC) for detailed examination. The JPC will comprise 21 members from the Lok Sabha and 10 from the Rajya Sabha.

Key provision: The Bill proposes a designated authority to manage and dispose of the assets of organisations that lose their FCRA registration. This would establish a specific mechanism for dealing with an organisation's assets following the loss of its permission to receive foreign contributions.

Reason for controversy: Opposition parties have argued that the proposed mechanism could adversely affect legitimate NGOs, particularly Christian and other minority-run social welfare organisations, and could have implications for legitimate foreign funding of such organisations.

Why it matters: The debate highlights the need to balance effective regulation of foreign contributions with the protection of legitimate civil-society activity. It raises questions of transparency, accountability and regulatory oversight. The JPC examination provides an opportunity to scrutinise these concerns before Parliament takes a final view on the Bill.



Faith healing poses challenge to authorities as diseases kill 7 tribal children in Madhya Pradesh



What happened? A severe outbreak of monsoon-related diseases has affected the Baiga tribe, a Particularly Vulnerable Tribal Group (PVTG), in Balaghat district of Madhya Pradesh. Over the past 45 days, 7 children have died and around 100 children have suffered from illnesses including malaria, typhoid, viral infections and skin diseases across five remote villages.

Government response : The district administration has launched special health camps, door-to-door screening through ASHA and ANM workers, and hospital treatment for affected children. Blood samples have been sent to ICMR laboratories, while expert teams are investigating the outbreak. Authorities have also begun working with the community's spiritual leaders to improve hospital acceptance.

Why was the outbreak severe? The crisis was aggravated by poor accessibility of remote tribal villages, delayed detection of cases, low healthcare access, and the community's initial reliance on traditional ritualistic healing, which delayed timely medical treatment for many children.

Why it matters ? The incident highlights the public health vulnerabilities of PVTGs, especially during the monsoon season. It underscores the need for stronger last-mile healthcare delivery, culturally sensitive community outreach, disease surveillance, and improved access to preventive and primary healthcare in remote tribal regions.



PYQ Compass

Q. In a crucial domain like the public healthcare system the Indian State should play a vital role to contain the adverse impact of marketisation of the system. Suggest some measures through which the State can enhance the reach of public healthcare at the grassroots level. (GS II – 2024)

RELEVANCE GS II: Government Policies and Interventions, Inclusive Development

National Food Security (Amendment) Bill, 2026: Reforming Food Entitlements and Nutrition Security

The draft National Food Security (Amendment) Bill, 2026 proposes linking Antyodaya Anna Yojana (AAY) foodgrain entitlements to household size. The reform seeks to address the existing disparity in per-person access while ensuring that changes do not reduce food security for vulnerable households. It also raises the broader question of shifting from foodgrain security towards nutrition security.

What will change?

Under the existing system, Priority Households receive 5 kg per person per month, while AAY households receive a flat 35 kg per household. The draft proposes 7 kg per person, capped at 35 kg. This would reduce the entitlement of AAY households with one to four members, leave households with five or more members broadly unchanged, and provide no household with more than 35 kg. Tamil Nadu estimates that 84.5% of its AAY households have fewer than five members and could see its monthly allocation fall by about 35.6%.

Why does it matter - real life example

The proposal highlights the challenge of balancing equity with protection of existing entitlements. A smaller household may still have high vulnerability because it could consist of an elderly person, widow or person with disability. At the same time, NFSA coverage remains linked to the 2011 Census, with the 81.35-crore beneficiary ceiling covering only about 55.6% of the estimated 2025 population. Updating coverage and ensuring transparent inclusion and appeal mechanisms are therefore important.

From food security to nutrition security

Double burden of malnutrition : While stunting among children under five has declined, wasting and underweight have changed little, and only around 15% of children aged 6–23 months receive a minimally adequate diet. At the same time, India faces a growing burden of diabetes and other NCDs.

Linkage with dietary habits : Evidence on dietary patterns suggests that simply increasing cereal or millet consumption cannot address this double burden of malnutrition. Greater access to pulses, milk, eggs or suitable alternatives, nuts, vegetables and fruits is required.

RELEVANCE

GS III : Indian economy & Food security



What should be done?

- Reform should begin with an explicit no-loss safeguard, ensuring that existing 35 kg AAY entitlement is not reduced.
- The adequacy of the ceiling for larger or highly dependent households should be reviewed separately using consumption, nutritional and fiscal evidence.
- Dietary diversification should be separately financed, rather than achieved by cutting cereal entitlements.
- PDS reforms should be complemented by Anganwadi services, PM POSHAN and primary-health programmes, while pilots can test locally appropriate food baskets and their effects on dietary diversity, health and household expenditure.

PYQ Compass



Q. Consider the following statements in the context of interventions being undertaken under Anaemia Mukta Bharat Strategy:

It provides prophylactic calcium supplementation for pre-school children, adolescents and pregnant women.

It runs a campaign for delayed cord clamping at the time of child- birth.

It provides for periodic deworming to children and adolescents.

It addresses non-nutritional causes of anaemia in endemic pockets with special focus on malaria, hemoglobinopathies and fluorosis. How many of the statements given above are correct?

- Only one
- Only two
- Only three
- All four

Troubling Bill (The Hindu : 13-08-2026)

The Foreign Contribution (Regulation) Amendment Bill, 2026 has been referred to a Joint Parliamentary Committee (JPC) for detailed examination. The Bill seeks to further tighten regulation of organisations receiving foreign contributions, particularly by introducing a mechanism for dealing with their funds and assets when their FCRA registration ceases.

Background

The FCRA, 1976 was enacted during the Emergency to regulate foreign contributions and prevent their misuse in ways that could undermine India's democratic and political institutions. The 2020 amendments further tightened the framework by prohibiting transfer of foreign contributions between FCRA-registered organisations, reducing the permissible share of foreign funds spent on administrative expenses from 50% to 20%, and introducing additional compliance restrictions.



What does the 2026 Bill propose?

Assets under Regulation: The Bill extends FCRA regulation beyond the use of foreign funds to assets created from them, bringing such assets under a specific regulatory framework.

Loss of Registration: An organisation could lose its FCRA registration if renewal is refused, not sought, or not granted before the existing certificate expires. In such cases, its foreign funds and assets created wholly or partly from foreign contributions would vest in a government-designated authority.

Partial Foreign Funding: Even a property partly financed through foreign contributions could be taken over in its entirety. The organisation would subsequently have to establish and reclaim the portion of the property not financed through foreign funds.

Limited Legal Recourse: Although an appeal is available against the authority's subsequent action concerning the property, the Bill does not provide a clear right to appeal the refusal of FCRA renewal or guarantee the organisation an opportunity to be heard before such refusal.

Significance

Critics argue that the proposed framework could give the Central government greater control over civil-society organisations, as non-renewal of FCRA registration could potentially result in both loss of the registration and vesting of organisational assets. Concerns have been particularly strong among Christian and other minority-run institutions, including those operating schools, colleges and hospitals supported partly by foreign contributions. Opposition has been expressed in Mizoram, Kerala, Nagaland and Tamil Nadu.

Implications

The debate centres on balancing effective regulation of foreign contributions with protection of legitimate civil-society activity. Automatic vesting of assets following non-renewal or lapse of registration raises concerns regarding due process, transparency, natural justice and the right to appeal, particularly where no misuse of foreign funds has been established.

What should be done?

The JPC should strengthen procedural safeguards by ensuring that organisations have an opportunity to be heard before renewal is refused and a clear right to appeal such decisions. Asset-vesting provisions should be transparent, proportionate and subject to independent review. This would preserve government oversight while reducing the possibility of arbitrary action against legitimate civil-society organisations.

PYQ COMPASS



Q. Examine critically the recent changes in the rule governing foreign funding of NGOs under the Foreign Contribution (Regulation) Act (FCRA), 1976. (GS II – 2015)

The next step to the Moon and an invite for India (I.E : 13-08-2026)

NASA has invited ISRO to join its Moon Base programme, an ambitious effort to establish a permanent research station on the Moon where astronauts can live, work and conduct experiments for extended periods. The initiative builds on the Artemis programme, which seeks to return humans to the Moon and lay the foundation for sustained lunar exploration. India, which aims to send humans to the Moon by 2040, could gain valuable experience in complex crewed missions and access to advanced technologies through participation.

India-US space cooperation

The invitation marks another step in the growing India-US space partnership. India has already joined the Artemis Accords, a US-led framework for cooperation in lunar exploration, and the two countries have agreed to develop a strategic framework for human spaceflight cooperation. Participation in the Moon Base programme could therefore complement India's own human-spaceflight and lunar exploration ambitions.

Why is it important?

Lunar exploration is increasingly acquiring strategic and economic significance, as countries explore the possibility of extracting and utilising lunar resources. However, the emerging space architecture also has geopolitical implications. China and Russia are not members of the Artemis Accords, while the Accords have been criticised as a US-led framework that could compete with the 1979 Moon Agreement, which seeks a broader multilateral framework for governing lunar resources.

What are the implications for India?

India's participation could accelerate its technological capabilities and provide hands-on experience in sustained human lunar missions. However, cooperation should not make ISRO dependent on NASA's technology ecosystem. India should use the partnership to strengthen its own technological capabilities and accelerate its independent lunar objectives, while avoiding excessive dependence that could leave it vulnerable to future technology restrictions or denial.

Way Forward

Joining the Moon Base programme could be a logical extension of India's participation in the Artemis Accords, provided cooperation remains mutually beneficial and strategically autonomous. India should pursue technology-sharing, joint research and crewed-mission experience while maintaining independent capabilities and ensuring that international lunar cooperation evolves through transparent and inclusive multilateral governance.

PYQ Compass



Q. What is the main task of India's third moon mission which could not be achieved in its earlier mission? List the countries that have achieved this task. Introduce the subsystems in the spacecraft launched and explain the role of the 'Virtual Launch Control Centre' at the Vikram Sarabhai Space Centre which contributed to the successful launch from Sriharikota. (GS III - 2023)

Q. What is India's plan to have its own space station and how will it benefit our space programme? (GS III - 2019)

Q. Which one of the following countries has its own Satellite Navigation System? (2023)

- Australia
- Canada
- Israel
- Japan

RELEVANCE

GS III : Space science and its applications

Govt. looking at MDR charge to make UPI self-sustaining

What happened? The Standing Committee on Finance has flagged the current UPI model as financially unsustainable, warning that inadequate funding could affect investment in cybersecurity, fraud prevention and network infrastructure. It has urged the government to develop a sustainable financing model without significantly increasing the burden on the exchequer.

What is the Government's response?

The government is examining two options: i) **Restoring MDR for certain high-value transactions** or high-turnover merchants or (ii) **Introducing a tiered incentive structure** to gradually phase out government compensation to payment ecosystem players for processing low-value UPI transactions, particularly at small merchants.

What is MDR?

Merchant Discount Rate (MDR) is the fee charged to merchants by payment ecosystem participants such as banks, payment processors and gateways for processing transactions. While MDR applies to most debit-card and all credit-card transactions, UPI and RuPay debit-card transactions have been exempt since 2020.

Why is the issue being raised now?

The Committee has highlighted the ₹2,000-crore government allocation against an estimated ₹20,700-crore industry operational cost. With UPI projected to handle up to 150 billion transactions monthly and add around 600 million users, the existing support may be inadequate to sustain the rapidly expanding ecosystem.

What is the key concern?

The challenge is to make UPI financially sustainable without compromising its affordability and widespread adoption. Transaction charges could affect users and merchants, especially smaller businesses, while continued government support would increase pressure on the exchequer. The eventual model must therefore balance affordability, innovation, infrastructure investment and financial sustainability.

Panel asks govt. if it will push agenda for de-dollarisation

What happened? Members of the Parliamentary Standing Committee on External Affairs, headed by Shashi Tharoor, have questioned the government on whether India plans to promote a BRICS-led de-dollarisation agenda at the 18th BRICS Summit, scheduled to be held in New Delhi in September.

Why is de-dollarisation being discussed? The discussion comes amid the RBI's repeated advocacy for linking the official digital currencies of BRICS countries to facilitate cross-border trade and tourism payments. The RBI has argued that such a framework could reduce dependence on the U.S. dollar, particularly amid rising geopolitical tensions.

What have the Parliamentary Committee members questioned?

Committee members questioned why the government was not pursuing greater "financial sovereignty" that could enable countries to reduce their vulnerability to U.S. sanctions. They also pointed to India's efforts to establish a local-currency trade mechanism with Russia, which they said had not taken off, and asked whether India would use its BRICS presidency/host role to advance a BRICS-led de-dollarisation agenda.

What is the U.S. position? U.S. President Donald Trump has repeatedly warned BRICS countries against creating an alternative currency or taking measures that could challenge the dominance of the U.S. dollar. He has threatened punitive tariffs and other measures against countries pursuing such initiatives.



PYQ Compass

Q. What are the challenges before the Indian economy when the world is moving away from free trade and multilateralism to protectionism and bilateralism? How can these challenges be met? (GS III – 2025)

PYQ Compass



Q. Consider the following statements in the context of interventions being undertaken under Anaemia Mukht Bharat Strategy:

- 1.It provides prophylactic calcium supplementation for pre-school children, adolescents and pregnant women.
 - 2.It runs a campaign for delayed cord clamping at the time of child- birth.
 - 3.It provides for periodic deworming to children and adolescents.
 - 4.It addresses non-nutritional causes of anaemia in endemic pockets with special focus on malaria, hemoglobinopathies and fluorosis. How many of the statements given above are correct?
- a) Only one
 - b) Only two
 - c) Only three
 - d) All four

Ans : C

The Anaemia Mukht Bharat- intensified Iron-plus Initiative aims to strengthen the existing mechanisms and foster newer strategies for tackling anemia. It focuses on six target beneficiary groups, through six interventions and six institutional mechanisms to achieve the envisaged target under the POSHAN Abhiyan. A key intervention is to give Prophylactic Iron and Folic Acid supplementation to children, adolescents and women of reproductive age and pregnant women irrespective of anemia, under Anaemia Mukht Bharat. So, statement 1 is not correct.

Q. Which one of the following countries has its own Satellite Navigation System? (2023)

- a) Australia
- b) Canada
- c) Israel
- d) Japan

Ans : d

Japan has its own satellite navigation system known as the Quasi-Zenith Satellite System (QZSS). The QZSS is a regional satellite navigation system that complements the Global Positioning System (GPS) and provides highly accurate positioning data in Japan and surrounding regions. This system enhances GPS accuracy and ensures reliable navigation services, especially in urban and mountainous areas where GPS signals might be obstructed. Other Countries:

Australia: Relies on GPS and has no independent satellite navigation system.

Canada: Uses GPS and other global systems; does not have its own navigation system. Israel: Does not have a dedicated satellite navigation system but utilizes global systems like GPS.

PRACTICE QUESTIONS

Q. With reference to the Foreign Contribution (Regulation) Act, consider the following statements:

The FCRA was enacted in 1976 to regulate foreign contributions and foreign hospitality.

The 2020 amendments reduced the permissible proportion of foreign contributions that could be used for administrative expenses from 50% to 20%.

The 2020 amendments permitted FCRA-registered organisations to freely transfer foreign contributions to other FCRA-registered organisations.

Which of the statements given above is/are correct?

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

Answer: a) 1 and 2 only

The Foreign Contribution (Regulation) Act, 1976 regulates foreign contributions and foreign hospitality to prevent their misuse. The 2020 amendments prohibited transfer of foreign contributions between FCRA-registered organisations and reduced the administrative expense limit from 50% to 20%. Thus, statements 1 and 2 are correct, but 3 is incorrect.

With reference to the financial sustainability of UPI, consider the following statements:

Merchant Discount Rate (MDR) is a charge levied on merchants for processing certain digital payment transactions.

UPI and RuPay debit-card transactions were exempted from MDR in 2020.

The government is examining a tiered incentive structure as one possible way of gradually reducing its current support for UPI transactions.

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

Answer: d) 1, 2 and 3

Merchant Discount Rate (MDR) is a fee charged to merchants for processing digital payments. UPI and RuPay debit-card transactions were exempted from MDR in 2020. To improve UPI's financial sustainability, the government is considering a tiered incentive structure to gradually reduce its support for processing low-value transactions.

Superintelligence and the Emerging AI Race

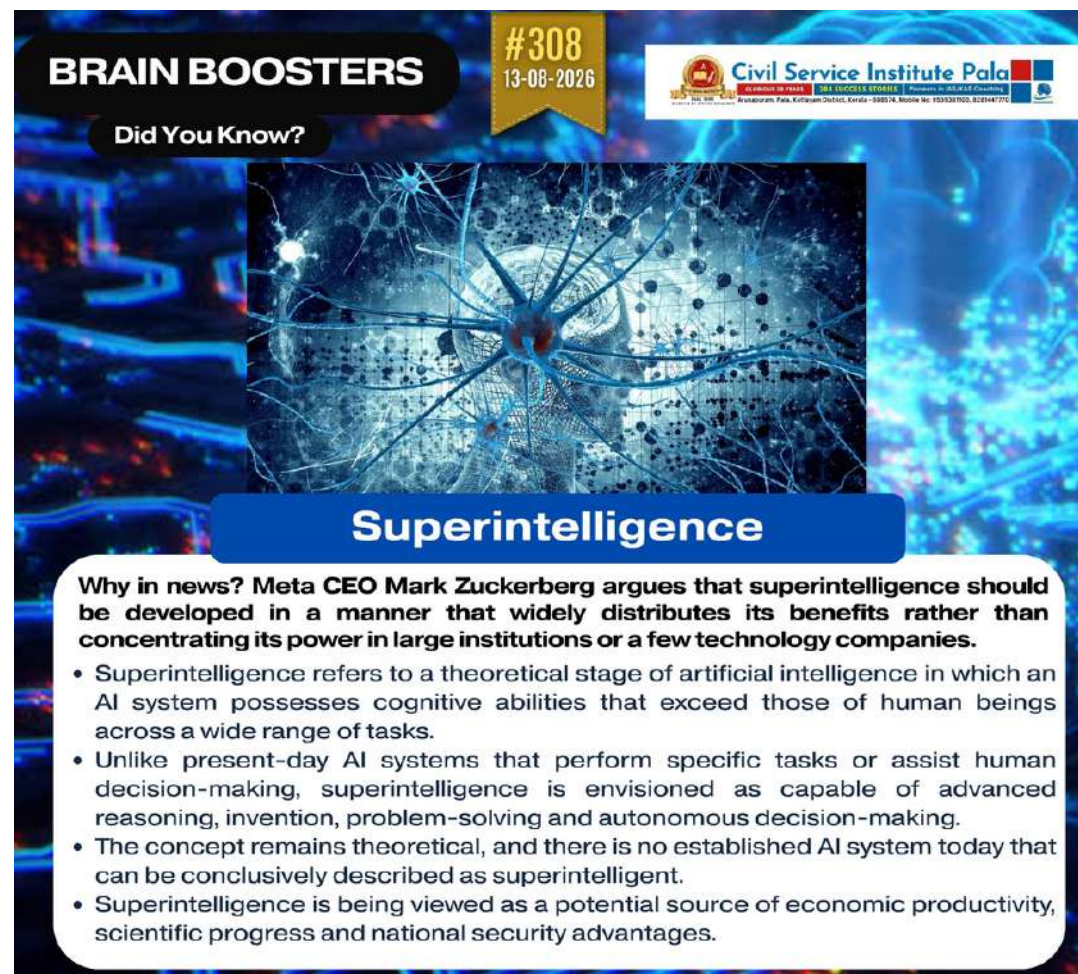
Superintelligence refers to a theoretical stage of artificial intelligence in which an AI system possesses cognitive abilities that exceed those of human beings across a wide range of tasks. Unlike present-day AI systems that perform specific tasks or assist human decision-making, superintelligence is envisioned as capable of advanced reasoning, invention, problem-solving and autonomous decision-making.

Why is Superintelligence Gaining Attention?

- The rapid development of advanced AI models has intensified competition among the United States, China and major technology companies to achieve leadership in frontier AI.
- Superintelligence is being viewed not only as a technological development but also as a potential source of economic productivity, scientific progress and national security advantages.
- The debate is therefore shifting from simply developing better AI models to determining who controls advanced AI and how its benefits and risks should be managed.

Zuckerberg's Vision of Superintelligence

- Meta CEO Mark Zuckerberg argues that superintelligence should be developed in a manner that widely distributes its benefits rather than concentrating its power in governments, large institutions or a few technology companies.
- He envisions AI becoming a personal assistant or agent capable of helping individuals with areas such as careers, finances, health and personal relationships.
- He argues that AI should be made available at free or affordable prices so that its benefits are accessible to billions of people.
- Zuckerberg also believes that superintelligence could become a tool of invention, helping humans make scientific discoveries and achieve greater creative and economic productivity.
- He favours a flexible and proactive regulatory approach rather than a rigid review process applicable in the same manner to every advanced AI model.
- He argues that excessive regulatory barriers could weaken American AI companies while allowing foreign competitors to move ahead.



Superintelligence and Employment

- Zuckerberg rejects the view that AI will necessarily eliminate employment on a large scale and argues that it could create new categories of work while increasing human productivity.
- He expects AI to allow individuals and smaller organisations to accomplish more with fewer resources.
- He also argues that AI could shift human effort away from routine automation towards creativity, relationships and invention.
- However, this remains a contested prediction because the actual impact of increasingly capable AI on employment, wages and inequality will depend on how rapidly capabilities develop and how economies adapt.

Superintelligence and Human Control

- The development of highly autonomous AI raises concerns about whether humans will be able to understand, control and constrain systems that become significantly more capable than their creators.
- Zuckerberg therefore argues that advanced AI development should involve close cooperation between frontier AI companies and governments.
- He has suggested that AI companies could share intermediate training checkpoints with governments so that potential security problems can be identified before models are fully released.
- He also supports cooperation between AI companies and law-enforcement agencies to prevent advanced models from being misused by malicious actors.