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International & National News

16th finance panel

Fresh formulation

The 16th Finance Commission will have time until Oct. 31 2025, to recommend the tax sharing math between Centre and States

■ Panel will also prescribe measures to augment Consolidated Fund of a State to supplement resources of panchayats, local bodies



■ Panel may review existing arrangements on financing Disaster Management initiatives

■ An Advance Cell was set up in the Finance Ministry last November to oversee preliminary work

Context:

- The Union Cabinet approved the **terms of reference (ToR) for the Sixteenth Finance Commission.**

Key points

- This commission will suggest how to share money between the central government and the states for the **five years starting from April 1, 2026.**
- The government wants the commission to finish its recommendations by **October 31, 2025.**
- The main focus is on how to **divide taxes between the central government and states** and how to distribute this share among the states.
- The commission will also suggest ways to **add money to a state's fund to support local bodies** based on the recommendations of State Finance Commissions.
- The ToR includes **recommending principles for giving money to states from the Consolidated Fund of India** and reviewing **how to finance Disaster Management initiatives.**

Sri Lanka's Debt Treatment Agreement

Context:

- Sri Lanka has a tentative agreement with **India and the Paris Club creditors (including Japan)** on a debt treatment plan.
- The plan aims to assist Sri Lanka in accessing the next portion of the **International Monetary Fund's (IMF) \$3-billion recovery package.**

Debt Background:


- Facing an economic crisis, Sri Lanka defaulted on its nearly **\$51 billion foreign debt last year.**
- Comprehensive loan restructuring is crucial for the country's economic recovery with IMF support.

Official Creditor Committee (OCC):

- The OCC, co-chaired by India, Japan, and France, was formed in response to Sri Lanka's request for debt treatment.
- The OCC and Sri Lanka agreed on the main parameters of a debt treatment consistent with those of the **Extended Fund Facility (EFF)** arrangement between Sri Lanka and the IMF.



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	<p>China's Position:</p> <ul style="list-style-type: none">• China, Sri Lanka's largest bilateral creditor, has not joined the OCC but attends meetings as an observer.• China has assured cooperation in the debt restructuring process, and Sri Lanka has promised transparent participation.
<p>Cabinet approves ₹24,104-cr. outlay for tribal welfare</p>	<p>Context</p> <ul style="list-style-type: none">• The Union Cabinet approved a special development mission for Particularly Vulnerable Tribal Groups (PVTG).• A total of over ₹24,104 crore will be allocated for this mission over a three-year period, with ₹15,336 crore from the Union government and ₹8,768 crore from respective State governments. <p>PM Janjati Adivasi Nyay Maha Abhiyaan (PM-JANMAN):</p> <ul style="list-style-type: none">• Launched by Prime Minister Narendra Modi, this initiative aims to improve socio-economic conditions for 75 recognized particularly vulnerable tribal groups. <p>Focus Areas (11 Interventions):</p> <ul style="list-style-type: none">• Build 4.9-lakh pucca houses.• Lay 8,000 km of connecting roads.• Provide piped water to all households in over 22,000 villages.• Install community water pipelines in 2,500 Particularly Vulnerable Tribal Groups villages.• Construct 2,500 anganwadi centres.• Set up 1,000 mobile medical units (10 per district).• Install mobile towers in 3,000 villages.• Establish 500 Van Dhan Vikas Kendras for the sale of forest produce. <p>Read About: PVTG and their existence in different parts of India</p>
<p>Government Initiative for Women's Self-Help Groups</p> 	<p>Context: The government plans to provide drones to 15,000 women self-help groups (SHGs) for rent to farmers.</p> <p>Key Points:</p> <ul style="list-style-type: none">• Women's SHGs, selected from the 89 lakh under Deendayal Antyodaya Yojana, will receive 80% financial aid for drone costs, totaling up to ₹8 lakh.• Farmers will use drones for applying nano fertilizers and pesticides to crops.• The scheme has a budget of ₹1,261 crore for the years 2024-25.• SHG members will undergo 15 days of training, including drone pilot training and agricultural application training to help them earn an additional income of ₹1 lakh annually.



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Daily Current Affairs Encyclopedia

Pradhan Mantri Garib Kalyan Anna Yojana



Context:

- Prime Minister Modi announced a five-year extension for the free foodgrain scheme.
- The Union Cabinet formally approved the extension on Wednesday, starting from **January 1**.
- The scheme was originally set to end on December 31.

Background of the Scheme:

- The Pradhan Mantri Garib Kalyan Anna Yojana began in **March 2020 during the COVID-19** pandemic and concluded in December 2022.
- From January 1, 2023, it absorbed other schemes like **Antyodaya Anna Yojana (AAY)** and Priority Households for one year.
- AAY cardholders receive 35 kg of food grains monthly, while other beneficiaries get 5 kg per person monthly.

Significance and Objectives:

- The decision is hailed as historic and aims to secure food and nutrition for a large population.
- It aligns with the intention to build an aspirational and developed India during the **"Amrit Kaal."**

Nation-Wide Implementation:

- The scheme ensures uniform delivery of free foodgrains in **all States and Union Territories** through a network of over five lakh fair price shops.
- It promotes ease of living by allowing beneficiaries to collect free food grains from any fair-price shop in the country under the **One Nation One Ration Card initiative**.

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