

P2. NATIONAL



NTA-AICTE Infrastructure Mapping for Standard Testing Centres - India’s move towards computer-based competitive examinations and the infrastructure, security and logistical challenges involved in making the transition.

P3 WORLD



Falkland Islands Dispute: Renewed Argentina-UK Tensions - The enduring Argentina-UK sovereignty dispute and how oil exploration, territorial claims and changing international positions continue to keep the issue alive.

P4. WORLD



Houthi Offensive for Control of Bab el-Mandeb Intensifies Red Sea Conflict - The intensifying conflict in Yemen and the strategic importance of the Bab el-Mandeb Strait as a vital maritime and energy chokepoint.

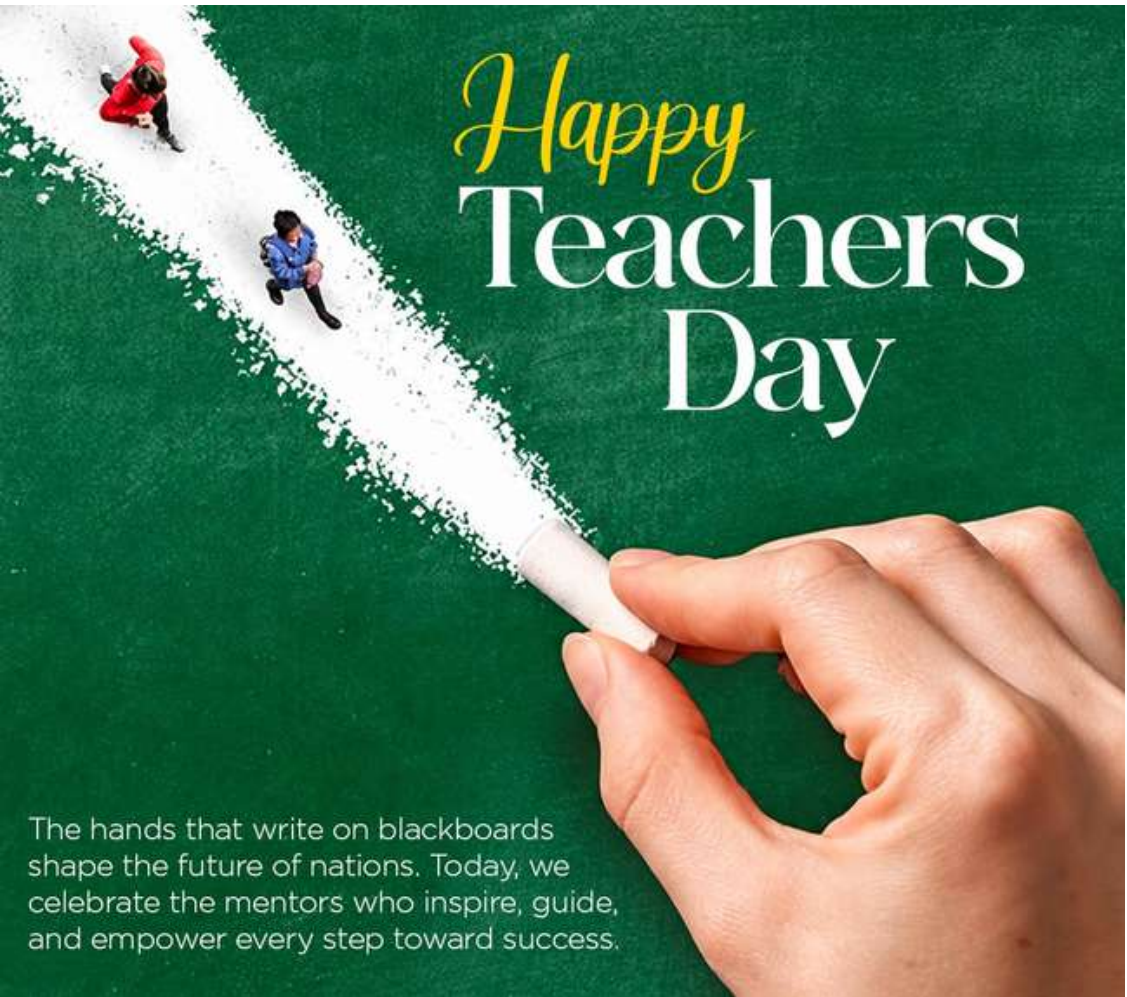
P7. ECONOMICS



India’s Proposed Revision of the Model Bilateral Investment Treaty (BIT) : Explores differences between official manufacturing GVA estimates and survey-based estimates and their implications for GDP reliability.

Editor’s Note

Each edition of Pala Civil Times is shaped by the effort to bring you the most relevant and useful insights from current developments across India and the world. Today’s edition covers a diverse range of issues, including India’s transition towards computer-based competitive examinations, Nepal’s concerns over climate change and climate responsibility, India’s external-sector challenges amid rising global interest rates, and the evolving global climate debate. It also examines Taiwan-China tensions and the concerns surrounding China’s “Wolf Warrior” diplomacy, along with developments involving the Russia-Ukraine conflict, West Asia and other important international issues. We hope these articles help you understand each topic with greater clarity.



Editorials Decoded



Warning on warming



How India can balance its developmental needs, relatively low per-capita emissions and growing vulnerability in a world approaching and exceeding the 1.5°C threshold.



Economy weathers a storm, but more turbulence lies ahead



How higher long-term bond yields in major economies could make foreign capital more expensive and create new challenges for India’s external sector.

NTA-AICTE Infrastructure Mapping for Standard Testing Centres

The National Testing Agency (NTA) is working with the All India Council for Technical Education (AICTE) to map IT infrastructure and vacant spaces in government institutions for establishing Standard Testing Centres (STCs). The initiative seeks to create a wider, secure and geographically distributed network for computer-based testing (CBT), including the proposed shift of NEET to CBT mode



Latest Developments

STC Network: The NTA has sought AICTE's assistance to identify suitable IT infrastructure and vacant spaces in government institutions that can be developed into Standard Testing Centres.

NEET Transition: The NTA plans to shift NEET to CBT mode next year. [Nearly 22 lakh students appeared for NEET-UG 2026, which was conducted in pen-and-paper format.](#)

Examination Concerns: NEET-UG 2026 became embroiled in a paper leak controversy and had to be re-conducted, leading to widespread protests and the resignation of Union Education Minister Dharmendra Pradhan.

Infrastructure Audit: On August 31, AICTE asked Vice-Chancellors of government-run technical universities and heads of AICTE-approved government institutes to assess their infrastructure. Institutions have been directed to submit comprehensive data by September 15.

Infrastructure Assessment

Computing Capacity: Institutions must provide details of the number of computer labs, total computing-node capacity, functional nodes, processor specifications and operating systems.

Physical Security: The assessment covers physical security measures like partitions, privacy screens as well as the feasibility of adding additional computer nodes within existing laboratory spaces.

Network Connectivity: AICTE is assessing the LAN infrastructure, cabling systems, network switches, server rooms/rack space and server configurations.

Internet Connectivity: Institutions must report their internet service provider, connection type, speed, dedicated/shared status and availability of a secondary backup internet link.

Power & Surveillance: The audit covers electrical backup capabilities and CCTV coverage across examination laboratories and connecting corridors, given the risk of power failures and security concerns during high-stakes examinations.

Management Accessibility

Candidate Movement: Colleges are being assessed for dedicated spaces for registration, biometric verification and frisking, along with separate entry and exit routes for managing candidate movement.

Secure Areas: The assessment includes the availability of strongrooms or dedicated control rooms, boundary walls and overall security arrangements.

Accessibility: Institutions must report the availability of ground-floor laboratories, ramps and accessible toilets for Persons with Disabilities (PwD).

The exercise aims to build a wider, highly secure and geographically distributed network of testing hubs capable of supporting the progressive migration of national-level examinations to online and CBT modes.

PYQ Compass



Q. What are the aims and objects of the recently passed and enforced, The Public Examination (Prevention of Unfair Means) Act, 2024? Whether University/State Education Board examinations are also covered under the Act? (GS II - 2024)

WORLD

Falkland Islands Dispute: Renewed Tensions Argentina-UK

The sovereignty dispute over the Falkland Islands, known as Islas Malvinas in Argentina, has resurfaced amid renewed Argentine opposition to oil exploration and references to changing U.S. policy towards the dispute. The issue remains highly sensitive in Argentina and has historically been a major point of contention between Argentina and the United Kingdom.

Latest Developments

Sovereignty: Britain reiterated that the Falkland Islands are British, with the British Defence Secretary stating that the UK's commitment to the islands is "absolute and unshakeable." Argentina, however, continues to assert its sovereignty claim over the archipelago.

Argentina's Claim: Argentine President Javier Milei argued that the "winds of change" were favourable to Argentina's claim, referring to U.S. President Donald Trump's threat to reconsider U.S. neutrality in the dispute.

Oil Project: Tensions have also been triggered by an oil exploration project involving the British company Rockhopper and Israeli company Navitas. Argentina announced sanctions against firms linked to oil extraction in what it considers Argentine territory under British occupation.

International Dimension: Argentina argued that the oil project violated a United Nations resolution calling on both sides to desist from unilateral actions in the islands. Argentine Falklands War veterans and environmental lawyers have also filed a lawsuit seeking to halt the project.

Falkland Islands: Background

Location: The Falkland Islands are an internally self-governing overseas territory of the United Kingdom in the South Atlantic Ocean. They lie about 300 miles (480 km) northeast of the southern tip of South America.

Name: In Argentina, the islands are generally known as Islas Malvinas. The name derives from the French name Malouines/Malovines, associated with the French settlers who established a settlement there in 1764.

Taiwan-China Tensions: "Wolf Warrior" Diplomacy at Pacific Islands Forum

Taiwan-China tensions resurfaced at the Pacific Islands Forum, where China objected to Taiwan's participation and Taiwan accused Chinese officials of using "wolf warrior" diplomacy and engaging in alleged espionage activities. The episode highlights the growing diplomatic contest between Beijing and Taipei in the Pacific region.

Latest Developments

China-Taiwan Dispute: China objected to Taiwan's presence at the Pacific Islands Forum, arguing that Taipei was not qualified to attend and warning that its participation would have consequences. Beijing considers Taiwan one of its provinces, while Taiwan rejects this position.

Palau: The summit was hosted by Palau, which is one of the three Pacific island countries maintaining official diplomatic ties with Taiwan.

Taiwan's Response: Taiwan's Foreign Minister Lin Chia-lung condemned China's conduct at the forum as "wolf warrior" diplomacy, arguing that such behaviour could undermine Pacific unity and was disliked by Pacific nations. Lin criticised China's threatening language, including its warning of "serious consequences" and its declaration that Palau was an "unsafe travel destination."

Wolf warrior diplomacy

"Wolf warrior diplomacy" refers to a more assertive and confrontational style of Chinese diplomacy, marked by strong public remarks by Chinese officials. The expression takes its name from a popular Chinese movie franchise and came to describe a departure from the diplomatic restraint generally associated with China's earlier approach.

PYQ Compass



Q. 'China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia'. In the light of this statement, discuss its impact on India as her neighbour. (GS II : 2017)

WORLD

Houthi Offensive for Control of Bab el-Mandeb Intensifies Red Sea Conflict

A major Houthi offensive in Yemen has intensified the conflict around the Bab el-Mandeb Strait, the strategic gateway to the Red Sea. The offensive combines ground, rocket and drone attacks and is aimed at strengthening Houthi control over coastal areas and positions overlooking this critical maritime chokepoint.

Latest Developments

Houthi Offensive: On September 3, 2026, Iran-backed Houthis launched a ground assault along with rocket and drone attacks near Yemen's coastal areas, seeking greater control over the Bab el-Mandeb Strait.

Casualties: By September 4, the reported death toll had reached 129, making the clashes among Yemen's deadliest in years. The casualties included 66 Yemeni government forces, at least 62 Houthi militants and one civilian.

Territorial Objective: The offensive aims to cut off the government-held port city of Mokha and advance towards areas bordering Bab el-Mandeb. The Houthis have also seized elevated positions overlooking government positions near the Red Sea and Taiz, potentially giving them positions from which ships could be targeted.

Government Response: Although the Houthis do not control territory directly bordering Bab el-Mandeb, they control the key port city of Hodeida, north of Mokha. The Yemeni government has sent reinforcements to Taiz from Aden on Saudi orders.



India-Nepal Climate Responsibility Debate: CBDR-RC and Climate Justice

India has reiterated that climate change is a "common challenge" and that responsibility for addressing it must reflect the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). The position came amid Nepal's call for greater responsibility from major emitters following devastating flash floods.

Latest Developments

Nepal's Position: Nepal Foreign Minister Shisir Khanal argued that the U.S., China and India, identified as the three biggest greenhouse-gas emitters, should bear responsibility for climate change and sought compensation following the flash floods in Nepal.

India's Response: India's External Affairs Ministry spokesperson Randhir Jaiswal reiterated that climate action must be based on CBDR-RC, arguing that developed countries with greater historical responsibility for emissions must take the lead in addressing the crisis.

Climate Finance & Technology: India stressed that developed countries should not only lead in reducing emissions, but also support developing countries through finance and technology transfer to address climate change.

Nepal Floods: The remarks followed flash floods in Nepal in August 2026. India has provided multiple consignments of relief assistance, including a large team of tunnel rescue specialists, since the disaster struck on August 26.

PYQ Compass



Q. Ships from which of the following countries have to cross the Strait of Hormuz to reach out to the Indian Ocean? (2026)

1. Bahrain
2. Syria
3. Qatar
4. Egypt

Select the answer using the code given below:

- (a) 1 and 2
- (b) 1 and 3
- (c) 2 and 3
- (d) 3 and 4

Warning on warming (The Hindu : 05-09-2026)

The UNEP report Limiting Overshoot acknowledges that the 1.5°C warming limit is likely to be breached, but argues that this does not make climate action futile. It proposes an “overshoot, peak and decline” pathway in which global temperatures are brought back below 1.5°C by the end of the century, while emphasising near-term action on methane.

Global Warming Trajectory

Climate Pledges: Even if all countries fully deliver their current climate pledges, global warming is projected to reach 1.8°C, while current policies could result in 2.6°C of warming.

1.5°C Breach: The report reflects the scientific reality that the world is entering a 1.5°C world, with further warming expected to make the challenge more severe.

El Niño: Ongoing heating in the central equatorial Pacific is expected to develop into one of the strongest El Niño events in recent history, potentially again in 2027, adding to near-term warming pressures.



Managing Climate Overshoot: Temperature Pathway & Methane Action

Overshoot, Peak & Decline: The proposed pathway accepts that global temperatures may temporarily exceed 1.5°C, seeks to keep the peak as low as possible, and aims to bring temperatures back below 1.5°C by the end of the century.

Prevention over Removal: The report emphasises that preventing additional warming is easier than later neutralising its effects, making early mitigation particularly important.

Methane Action: The report gives greater attention to greenhouse gases beyond CO₂, especially methane, which contributes about 0.5°C of current warming and offers an effective opportunity to slow warming in the near term.

Global Methane Pledge: More than 155 countries have joined the pledge to reduce anthropogenic methane emissions by at least 30% below 2020 levels by 2030; India is not among them.

Developing Countries & India's Position

Developing-Country Concerns: Developing countries emphasise their vulnerability to climate impacts, differing historical contributions to accumulated emissions, and the need for greater financial support and affordable technology from richer developed countries.

India's Complex Position: India is simultaneously vulnerable to climate change and characterised by below-world-average per capita emissions, while its overall emissions lead some vulnerable countries to view it as part of the climate problem.

Sub-header 3 – Nepal's Concern and India's **Response:** Following the Bhotekoshi disaster, Nepal's Foreign Affairs Minister Shisir Khanal called on major emitters, including India, to consider the impact of rising temperatures on smaller vulnerable countries. India therefore needs to calibrate its climate messaging while recognising these concerns.

COP31 Context: With COP31 scheduled in Türkiye in November, disagreements over mitigation, responsibility, finance and technology are likely to remain central to climate negotiations.

India should adopt a more calibrated climate strategy that recognises both its vulnerability and below-world-average per capita emissions.

PYQ Compass



- Q. The 'Common Carbon Metric', supported by UNEP, has been developed for: (2021)
- Assessing the carbon footprint of building operations around the world
 - Enabling commercial farming entities around the world to enter carbon emission trading
 - Enabling governments to assess the overall carbon footprint caused by their countries
 - Assessing the overall carbon footprint caused by the use of fossil fuels by the world in a unit time

Economy weathers a storm, but more turbulence lies ahead (I.E : 05-09-2026)

India has so far shown resilience to the energy-supply shock arising from the West Asia war, as reflected in GDP growth and recent indicators such as automobile, tractor sales and GST collections. However, the emerging challenge is the sharp rise in global long-term interest rates, which can make foreign capital more expensive and reduce India's attractiveness to international investors.

Global Bond Yields and the Cost of Capital

Rising Long-Term Interest Rates: Ten-year government bond yields have risen sharply in major economies, with Japan crossing 3%, the US reaching 4.8% and the UK 5.2%. Thirty-year yields are even higher at 4.1%, 5.3% and 5.9%, respectively.

Why It Matters for India: These government bonds are viewed as virtually risk-free because they are issued by governments that have never defaulted on their debts. Therefore, higher assured returns in advanced economies can make investors less willing to place capital in countries such as India.

Foreign Investment Challenge: If investors can obtain a 4.8% dollar-denominated return from ten-year US Treasuries, India must offer sufficiently attractive growth and investment returns to compete for long-term foreign capital.

FCNR(B) Deposits and RBI Support

Higher Deposit Rates: Indian banks had to offer 6–6.5% interest on FCNR(B) deposits, which mobilised \$127.2 billion between June 8 and August 21.

RBI's Forex Swap Facility: Banks were able to offer these higher rates because the RBI bore the hedging cost against currency fluctuation through a special dollar-rupee swap facility.

Transfer of Currency Risk: The arrangement effectively transferred the risk of rupee depreciation from banks to the RBI, allowing banks to offer high interest rates on deposits denominated in foreign currency.

Cost of Foreign Capital: The arrangement provides relief to India's external sector, but it also demonstrates that foreign money is no longer available cheaply.



India's Emerging External-Sector Challenge

Growth as the Key Attraction: India will need sufficiently strong economic growth and attractive equity-market returns to compensate for the higher returns available from global bonds and continue attracting serious long-term foreign investment.

Macroeconomic Stability: The situation increases the importance of strengthening economic resilience through greater focus on macroeconomic stability.

Fiscal Discipline: Governments cannot afford persistently high fiscal deficits in a rising-interest-rate environment because they can crowd out private-sector and other productive borrowings.

Current Account Stability: Fiscal pressures should also not spill over into current account deficits, which become more difficult to finance when global capital flows are volatile.

What lies ahead

India's resilience to the West Asia energy shock should not obscure the emerging challenge from elevated global bond yields. As foreign capital becomes more expensive, durable external-sector strength will depend on macroeconomic stability, fiscal consolidation, stronger exports and predictable investment policies. The RBI's forex swap support can provide temporary relief, but sustained growth and stronger external fundamentals are essential to remain attractive to long-term global investors.

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)

India's Proposed Revision of the Model Bilateral Investment Treaty (BIT)

India is revising its 2015 Model Bilateral Investment Treaty (BIT), with the revised text reportedly expected to be placed before the Union Cabinet. The review reflects concerns over the limitations of the existing model, particularly its strong emphasis on the State's right to regulate relative to investment protection, while also raising questions about the transparency and democratic legitimacy of the treaty-making process.

Why India is Revisiting the Model BIT

Background: Finance Minister Nirmala Sitharaman announced in the 2025 Union Budget that India was considering revamping its 2015 Model BIT.

Earlier Appraisal: The 2015 model emerged from a broader appraisal process initiated after several foreign investors sued India for alleged BIT breaches.

Key Outcomes: Two major outcomes of the earlier appraisal were:

- Unilateral termination of BITs
- Adoption of a new Model BIT as the basis for future negotiations.

Limited Treaty-Making: India has concluded only a handful of BITs based on the 2015 model over roughly the last decade, indicating limitations in the model.

2015 Model BIT: The Core Concern

Regulatory Emphasis: Investment treaties seek to balance investment protection with the State's right to regulate. The 2015 Indian model is criticised for tilting heavily towards the latter.

Investor Concerns: This approach has created doubts among capital-exporting countries regarding the legal protection available to their investments in India.

Wider Risks: Concerns about investment protection are compounded by high regulatory risks, less-developed governance models and a slow judicial system.

Proposed Direction: The decision to revisit the model apparently seeks to bring the balance between investment protection and the State's regulatory power closer to the centre.

Two Dimensions of BIT Reform

Substantive & Procedural Reform: The first component concerns what legal and procedural changes should be incorporated into the treaty.

Possible Legal Reforms: Easier access for foreign investors to international arbitration for treaty claims, Stronger substantive protections for foreign investment and greater investment facilitation measures.

Review Process: The second component concerns how the review should be conducted to ensure that the final outcome is robust and legitimate.

Democratic Deficit in Treaty-Making

All-Affected Principle: International economic treaties can have a significant impact on citizens. This raises the all-affected principle in democracy—whether people affected by such agreements should have a meaningful opportunity to participate in decision-making.

Democratic Deficit: When affected groups cannot effectively participate through elected representatives or civil society organisations, concerns arise about a “democratic deficit” in treaty-making.

Meaning: The concept refers to inadequate oversight of technocrats, bureaucracies and the executive, including the political executive, when treaty frameworks are negotiated and developed behind closed doors.

A meaningful consultation mechanism can strengthen the legitimacy and quality of India's revised Model BIT by bringing together experts, industry, civil society, the public and Parliament before finalisation. India's own 2015 experience provides a useful precedent, as public consultation enabled the Law Commission of India to examine the draft and make recommendations. A similar participatory process can help balance investment protection with the State's regulatory interests.

PYQ Compass



Q. Justify the need for FDI for the development of the Indian economy. Why there is gap between MoUs signed and actual FDIs? Suggest remedial steps to be taken for increasing actual FDIs in India. (GS III - 2016)

PYQ Compass



Q. Ships from which of the following countries have to cross the Strait of Hormuz to reach out to the Indian Ocean? (2026)

1. Bahrain
2. Syria
3. Qatar
4. Egypt

Select the answer using the code given below:

- (a) 1 and 2
- (b) 1 and 3
- (c) 2 and 3
- (d) 3 and 4

Ans : b

The Strait of Hormuz is the narrow maritime passage connecting the Persian Gulf with the Gulf of Oman, which opens into the Arabian Sea and ultimately the Indian Ocean. Therefore, countries whose ships are located within the Persian Gulf generally need to pass through the Strait of Hormuz to access the Indian Ocean.

- Bahrain — Correct: Bahrain is an island country located in the Persian Gulf. Ships departing from Bahrain towards the Indian Ocean have to pass through the Strait of Hormuz.
- Qatar — Correct: Qatar is a peninsula projecting into the Persian Gulf. Its maritime access to the open sea towards the Indian Ocean requires passage through the Strait of Hormuz.
- Syria — Incorrect: Syria lies on the Mediterranean Sea and does not depend on the Strait of Hormuz to reach the Indian Ocean.
- Egypt — Incorrect: Egypt has access to the Mediterranean Sea and the Red Sea. Ships can reach the Indian Ocean through the Red Sea and the Bab-el-Mandeb without passing through the Strait of Hormuz.

Q. The 'Common Carbon Metric', supported by UNEP, has been developed for: (2021)

- a) Assessing the carbon footprint of building operations around the world
- b) Enabling commercial farming entities around the world to enter carbon emission trading
- c) Enabling governments to assess the overall carbon footprint caused by their countries
- d) Assessing the overall carbon footprint caused by the use of fossil fuels by the world in a unit time

Ans : a

The Common Carbon Metric is a tool developed to assess the carbon footprint of building operations, particularly in the context of the real estate and construction sectors. It is supported by the United Nations Environment Programme (UNEP) and is designed to help measure and reduce the carbon emissions associated with building operations globally.

PRACTICE QUESTIONS

Q. With reference to connectivity requirements for Computer-Based Testing (CBT) centres, consider the following statements:

1. A Local Area Network (LAN) connects computers and other devices within a limited geographical area and is generally used to facilitate communication within a specific network.
2. In a computer-based examination centre, network connectivity is important for linking examination systems and enabling the required communication between connected systems.
3. A Wide Area Network (WAN) is designed to operate across larger geographical areas than a LAN and can connect networks located in different places.

Which of the statements given above are correct?

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

Answer: (D) 1, 2 and 3

Statement 1 is correct: A LAN is a private network limited to a specific geographical area, such as a building, institution or examination centre.

Statement 2 is correct: In CBT infrastructure, network connectivity is an important technical requirement for communication between connected examination systems.

Statement 3 is correct: A WAN covers a much larger geographical area and can connect networks located in different locations.

Q. With reference to the UNEP report “Limiting Overshoot”, consider the following statements:

- It examines pathways for dealing with a temporary breach of the 1.5°C global warming threshold.
- It highlights the importance of keeping the temperature peak as low as possible before bringing warming below 1.5°C by the end of the century.
- It identifies methane reduction as an important near-term lever for limiting warming.

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

Ans: (d) 1, 2 and 3

Explanation:

The UNEP “Limiting Overshoot” report focuses on how the world can respond if global temperatures temporarily exceed the 1.5°C threshold. It presents an “overshoot, peak and decline” pathway, under which warming may temporarily cross 1.5°C, but the temperature peak should be kept as low as possible before bringing warming below 1.5°C by the end of the century. The report also emphasises that climate action must look beyond carbon dioxide, particularly towards methane reduction, because methane provides an important near-term opportunity to slow additional warming.