

The Hindu Important News Articles For UPSC CSE

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At the BRICS Summit held in New Delhi, Prime Minister Narendra Modi raised concerns over the "weaponisation" of technology and critical minerals (e.g., lithium, cobalt, rare earth elements). Addressing global geopolitical conflicts and supply chain disruptions, PM Modi urged member states to transition from intent to action, prioritizing concrete outcomes over ideas.

PM Modi flags weaponisation of technology and critical minerals

BRICS should focus on concrete results, not 'merely ideas', says Modi; PM highlights initiatives to bolster supply chains, and boost resilience against pandemics and climate disasters; there is also agreement on an early warning system, the PM states

T.C.A. Sharad Raghavan
NEW DELHI

Warning against the "weaponisation" of technology and access to critical minerals, Prime Minister Narendra Modi on Sunday highlighted new BRICS initiatives to strengthen supply chains and increase resilience against disruptions, pandemics, and climate disasters.

The rising number of global conflicts has an increasingly negative and far-reaching impact on the lives of ordinary people, Mr. Modi said on the final day of the BRICS Summit here. As BRICS enters its third decade, the world expects concrete results from the group, not "merely ideas and commitments".

Boosting resilience

"The weaponisation of technology and critical minerals can hinder our shared progress," Mr. Modi said. "Therefore, we have emphasised inclusivity in the adoption of technology. Pandemics, climate disasters, and supply-chain



Prime Minister Narendra Modi at a session on the second day of the BRICS Summit at Bharat Mandapam, New Delhi, on Sunday. PTI

disruptions have shown that in today's interconnected world, no crisis remains confined to a single region."

Therefore, he said, the BRICS nations have worked to strengthen resilience, with a focus on identifying challenges in time, being prepared, and taking prompt action.

"With this approach, we have agreed on a BRICS Integrated Early Warning System for the prevention of, and response to, infectious diseases," Mr. Modi said. "Early Warning Data Integration Guidelines have been prepared for

disaster management. The BRICS Logistics Supply Chain Cooperation Framework will help make our supply chains more reliable and resilient."

The BRICS Incubator Network will connect start-ups and incubators across member states, while a BRICS Startup Innovation Fund has been proposed to promote innovative and scalable solutions.

"The BRICS Network on Digital Agriculture will create new opportunities for farmers," Mr. Modi said. "Through this initiative, AI, geospatial technology, and Digital Public In-

Putin suggests BRICS grain trade to fight sanctions

NEW DELHI

Under sanctions by Western powers over the war with Ukraine, Russian President Vladimir Putin on Sunday proposed a new insurance mechanism and a collaborative grain market among BRICS nations for economic growth of the bloc. » **PAGE 4**

frastructure will be connected to the real needs of farmers."

The Prime Minister also highlighted BRICS CONNECT, aimed at promoting skills, employability, women in the workforce, social security, and capacity building.

Centre of excellence

"To connect small enterprises with knowledge, finance, and new markets, we have initiated the BRICS MSME Cooperation Portal," Mr. Modi added. "The BRICS Urban Mobility Hub has been established to facilitate the sharing of best

practices among our cities."

Regarding the sustainability pillar of India's strategy for BRICS, he said that a BRICS Digital Centre of Excellence has been established for smart grids and energy storage.

"This will help make our clean energy systems more reliable, efficient, and accessible," Mr. Modi said. The Centres of Excellence for Agro-Ecology and Regenerative Agriculture will connect traditional knowledge with modern science. The principles developed for community-based climate adaptation will make indigenous knowledge an important foundation for climate action."

He noted that the Global South's confidence in BRICS has grown because "their voices are heard, their experiences are respected, and solutions are developed not for them, but together with them".

EDITORIAL

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DETAILED COVERAGE

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Key BRICS Initiatives Announced

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G-mail-lakshyaacademymumbai@gmail.com

Daily News Analysis

- **Resilient Supply Chains:** Agreement on the *BRICS Logistics Supply Chain Cooperation Framework* to mitigate global trade shocks and secure access to critical materials.
- **Health & Disaster Readiness:** Development of the *BRICS Integrated Early Warning System* for infectious disease control, alongside unified Data Integration Guidelines for natural disasters.
- **Startup & Digital Ecosystem:** Launch of the *BRICS Incubator Network* and proposal of a *BRICS Startup Innovation Fund* to support scalable solutions for emerging businesses.
- **Digital Agriculture & MSMEs:** Creation of the *Network on Digital Agriculture*—integrating AI, geospatial data, and Digital Public Infrastructure (DPI) for farmers—and the *BRICS MSME Cooperation Portal*.
- **Sustainability & Energy Transition:** Operationalization of the *BRICS Digital Centre of Excellence for Smart Grids* and Centres for Agro-Ecology to blend traditional knowledge with climate action.

Related UPSC Static Dimensions

1. International Relations (GS Paper II - BRICS & Global Governance)

- **Evolution:** Formed in 2006 as BRIC; expanded to BRICS with South Africa in 2010.
- **Institutional Architecture:** Supported by financial mechanisms like the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA).
- **Global South Alignment:** Serves as a platform to reform multilateral institutions (UN, IMF, World Bank) and promote a multipolar world order.

2. Economic Geography & Security (GS Paper III - Critical Minerals)

- **Strategic Significance:** Critical minerals (e.g., Rare Earth Elements) are indispensable for semiconductor manufacturing, defense systems, and clean energy tech.
- **Supply Chain Vulnerability:** Concentration of mineral refining capacities creates single-point dependency risks, turning resource control into leverage.

Conclusion

The emphasis on weaponized access to technology and critical resources highlights the risks posed by supply chain monopolies. By introducing frameworks across health, digital agriculture, and climate adaptation, India's presidency positions BRICS as a action-driven platform designed to build structural resilience for the Global South.

UPSC Prelims Practice Questions

Question: With reference to the BRICS grouping, consider the following statements:

1. BRICS was originally formed as BRIC before South Africa joined the grouping.
2. The New Development Bank was established to finance infrastructure and sustainable development projects.
3. The Contingent Reserve Arrangement is intended to provide a framework for financial support during balance of payments pressures.

Which of the statements given above are correct?

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

Ans:d)

UPSC Mains Practice Questions

Question: "BRICS is increasingly seeking to move beyond political declarations towards institutional mechanisms for economic and technological resilience." Discuss in the context of recent BRICS initiatives. **(10 Marks, 150 Words)**

Addressing the BRICS Summit in New Delhi, Iranian President Masoud Pezeshkian strongly criticized "unilateral sanctions," highlighting their detrimental impact on global food security and human welfare. Calling for a shift away from Western-centric economic systems, he advocated for trade in national currencies, strengthening the New Development Bank (NDB), and leveraging BRICS to build a balanced, multi-polar international order.

Unilateral sanctions impacting food security, people's welfare: Pezeshkian

Iranian President calls for a stronger BRICS role in building a just international order; backs trade in national currencies and strengthening the New Development Bank to enhance economic resilience; stresses that people of Gaza, Lebanon continue to face consequences of crimes and genocide

Press Trust of India
NEW DELHI

BRICS must expand trade in national currencies and work towards an inclusive global economic framework as excessive dependence on existing financial and trade systems has made emerging economies vulnerable to political shocks, Iranian President Masoud Pezeshkian said on Sunday.

In an address at the concluding session of the two-day BRICS summit, Mr. Pezeshkian, taking a swipe at Western powers, was also critical of "unilateral sanctions", saying they were directly impacting global food security and people's welfare.

The Iranian leader's remarks came weeks after the U.S. imposed new economic sanctions on Iran, tightening the squeeze on Tehran's finances amid ongoing military hostilities between the two sides.

He said BRICS had evolved beyond being merely a framework for cooperation among emerging economies and had become a manifestation of growing demand for a more balanced and inclu-



Iranian President Masoud Pezeshkian thanked Prime Minister Narendra Modi for hosting the summit, saying its theme, 'Resilience, cooperation and sustainability', reflected fundamental global needs. ANI

sive world in which "no centre of power has the right to determine the destiny of others".

The BRICS now must play a greater role in building a more balanced, inclusive and just international order, the Iranian President said, stressing that resilience, cooperation and sustainability should be translated into practical action.

Military aggression

The Iranian President said economic resilience could not be sustained without security, referring to what

he described as the military aggression by the United States and Israel against Iran.

He said the attacks on Iran's economic, energy and development infrastructure could have consequences beyond national borders, creating regional and global repercussions.

Mr. Pezeshkian said the Iranian people had paid a heavy price, with civilians killed and infrastructure built over decades damaged. He said the international community had a responsibility to protect civilians and prevent the

"normalisation of attacks on civilian targets".

Mr. Pezeshkian thanked India, its people and Prime Minister Narendra Modi for hosting the summit, saying its theme – "Resilience, cooperation and sustainability" – reflected the fundamental global needs at a time when the destinies of nations were increasingly interconnected.

He said the international community's challenge was not merely to manage current crises, but to build a system that strengthened nations against future cris-

es and create a fairer world.

Delving into pressing economic challenges, Mr. Pezeshkian said excessive dependence on limited financial and trade systems had made economies vulnerable to political shocks.

Unilateral sanctions directly affected food security and people's welfare, he said, pitching for expanding trade in national currencies and strengthening the New Development Bank to enhance the economic resilience of BRICS members.

On the situation in Gaza and Lebanon, the Iranian President said the people of the region continued to face the consequences of "crimes and genocide".

He called upon BRICS to play a more effective role in defending national sovereignty, territorial integrity and the prohibition of the use of force.

Elaborating on global challenges, Mr. Pezeshkian said no country could address them alone, and called for transforming the capacities of the Global South into shared capabilities.

He highlighted Iran's geopolitical position and energy and transit capaci-

ties, saying they could contribute to the development of trade and energy corridors among BRICS members.

On sustainability, he warned that development that increases inequality or transfers today's costs to future generations could not be sustainable.

The Iranian President also flagged concerns over the environmental consequences of war, saying damage to energy and industrial infrastructure could affect natural resources beyond economic losses.

Key elements

Mr. Pezeshkian identified knowledge and innovation as key elements of the BRICS agenda, stressing that AI and emerging technologies should serve as tools for empowering nations rather than instruments of domination.

The Iranian President also reaffirmed Iran's readiness to contribute its capacities to BRICS cooperation, emphasising that resilience required sustained cooperation, cooperation required justice, and sustainability was impossible without peace and security.

Key Highlights of the Iranian President's Address

Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028
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G-mail-lakshyaacademymumbai@gmail.com

Daily News Analysis

- **Unilateral Sanctions & Welfare:** Denounced economic sanctions for weaponizing financial access, causing direct harm to global food security, energy stability, and civilian livelihoods.
- **De-Dollarization & Local Currencies:** Urged BRICS nations to expand cross-border trade settlements in national currencies to reduce exposure to Western financial dominance and political shocks.
- **Strengthening the New Development Bank (NDB):** Called for reinforcing the NDB as a sovereign financial alternative to increase the economic resilience of member nations.
- **Protection of Infrastructure & Sovereignty:** Condemned military aggression against civilian and energy infrastructure, citing regional repercussions and civilian costs in Gaza and Lebanon.
- **Technology for Empowerment:** Stated that AI and emerging technologies should empower developing nations rather than serve as tools of political domination.

Related UPSC Static Dimensions

1. Strategic & Economic Autonomy (GS Paper II - International Relations)

- **De-dollarization & SWIFT Alternatives:** Excessive dependence on the US Dollar and systems like SWIFT leaves developing nations vulnerable to secondary sanctions. Mechanisms like local currency trade settlement (e.g., Rupee-Rial/Rouble trades) promote economic sovereignty.
- **Reforming Multilateral Governance:** BRICS acts as an alternative platform to advocate for structural reforms in Western-dominated institutions such as the IMF, World Bank, and UN Security Council.

2. International Economic Institutions (GS Paper III - Economy)

- **New Development Bank (NDB):** Established in 2014 (Fortaleza Declaration) with equal voting rights for founding members, funding infrastructure without political conditionalities.
- **Contingent Reserve Arrangement (CRA):** A framework providing liquidity protection to member states facing balance-of-payments pressures.

Conclusion

President Pezeshkian's address underscores the growing demand among Global South economies to insulate their welfare from unilateral geopolitical actions. By prioritizing national currency trade and institutional expansion through the NDB, BRICS continues to evolve into a vital counterweight for financial autonomy and inclusive global governance.

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Con.- 09820971345, 9619071345, 9223209699
G-mail-lakshyaacademymumbai@gmail.com

UPSC Prelims Exam Study Questions

Question: With reference to the New Development Bank (NDB), consider the following statements:

1. It was established by BRICS countries to mobilize resources for infrastructure and sustainable development projects.
2. Its headquarters is located in Shanghai.
3. It can provide financing in currencies other than the US dollar.

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

Ans: d)

UPSC Mains Exam Study Questions

Question: "The increasing use of economic and financial instruments as tools of geopolitical pressure has made economic resilience an important component of strategic autonomy." Discuss in the context of BRICS. **10 Marks, 150 Words)**

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Following the postponement of the 4th India-Africa Forum Summit (IAFS-IV) due to public health concerns surrounding an Ebola outbreak, India actively advanced its strategic engagements with African nations. On the sidelines of the 18th BRICS Summit in New Delhi, Prime Minister Narendra Modi conducted broad-based dialogues with multiple African leaders to reinforce bilateral relations, economic cooperation, and joint Global South initiatives.

India engages in broad-based dialogue with African countries to consolidate strategic ties

Kallol Bhattacharjee
NEW DELHI

Months after postponing the India-Africa Forum Summit because of the Ebola crisis, New Delhi has started a broad-based dialogue with African countries, with Prime Minister Narendra Modi engaging multiple African leaders on the sidelines of the 18th BRICS Summit that concluded on Sunday.

Mr. Modi hosted Ethiopian Prime Minister Abiy Ahmed Ali on Saturday, during which the two leaders discussed regional and global developments, and he met South African President Cyril Ramaphosa on Sunday.

On the meeting between the Prime Ministers of India and Ethiopia, the External Affairs Ministry said, "The two leaders held discussions aimed at further strengthening the bilateral strategic partnership. They reviewed progress across key sectors, including economic cooperation, defence and security partnership, and capacity building."



Ethiopian Prime Minister Abiy Ahmed Ali boards his aircraft upon completing his visit to attend the BRICS Summit in New Delhi. PTI

In his remarks at the BRICS Summit, the Ethiopian Prime Minister had pitched his country as a frontrunner in digital public infrastructure in Africa, and urged the world to prepare to deal with "disruptions". He said, "Africa should help build the next generation of AI. That requires research, computing capacity, skills and institutions able to lead that work."

Mr. Modi met President Ramaphosa of South Africa on Sunday and reviewed the state of bilateral relations between their two countries. The New Delhi

Declaration issued on Saturday had taken note of the racial injustice that Africans have suffered historically, and also of the Brazilian-South African plan to start an "international panel on inequality". The declaration also referred to decolonisation and Asian-African solidarity as displayed in the Bandung conference of 1955. It also particularly mentioned the South Africa-initiated legal process at the International Court of Justice against Israel for its military campaign in the Gaza Strip. Acknowledging South Africa's leading role

in holding Israel accountable, the New Delhi Declaration said the proceedings "reaffirmed Israel's legal obligation to ensure the provision of humanitarian aid in Gaza."

In his discussion with Mr. Ramaphosa, Mr. Modi reviewed the "multi-faceted strategic partnership" between India and Africa. "The two leaders exchanged views on a range of global issues of mutual interest and agreed to maintain close coordination in multilateral fora," the External Affairs Ministry said in a statement.

India-Africa Forum

India had also invited the President of Burundi, Evariste Ndayishimiye, in his capacity as the Chairperson of the African Union, to the BRICS Summit, and Mr. Modi hosted him for talks on Sunday and discussed the possibility of hosting the India-Africa Forum Summit "early".

A statement issued by the External Affairs Ministry said the two sides acknowledged "India-African Union partnership is a key

pillar of cooperation with in the Global South". President Ndayishimiye acknowledged India's assistance to African health authorities in dealing with the Ebola crisis, and Prime Minister Modi appreciated Africa's successful handling of the outbreak. The Ministry said that "agricultural modernization, healthcare and capacity-building initiatives" were discussed during the meeting.

Mr. Modi on Sunday also met dignitaries from Uganda and Nigeria – both invited to the BRICS summit as "partner countries". He met Vice President of Uganda Jessica Rose Epel Alupo and reaffirmed India's support for the country's 'Vision 2040'. The discussion covered technology partnerships, capacity building, investment facilitation, and private sector collaboration. Mr. Modi also met Vice President of Nigeria Kashim Shettima Mustapha and discussed initiatives in trade, defence, agriculture, health and digital technologies.

Key Engagements & Strategic Outcomes

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Daily News Analysis

- **India–African Union Dialogue:** Hosted African Union Chairperson and Burundi President Évariste Ndayishimiye. Both leaders underscored the India-AU partnership as a core pillar of Global South cooperation, reviewed healthcare assistance during the Ebola crisis, and agreed on early scheduling for the 4th India-Africa Forum Summit.
- **India–Ethiopia Bilateral Talks:** Met Ethiopian PM Abiy Ahmed Ali to review cooperation in defense, security, capacity building, and digital public infrastructure (DPI).
- **India–South Africa Strategic Review:** Held discussions with President Cyril Ramaphosa to align multilateral policies. The Summit's *New Delhi Declaration* highlighted historical anti-colonial solidarity, African decolonization, and legal actions at the International Court of Justice (ICJ) regarding humanitarian aid in Gaza.
- **Partner Country Interactions (Uganda & Nigeria):** Engaged Vice Presidents Jessica Alupo (Uganda) and Kashim Shettima (Nigeria) on technology partnerships, agricultural modernization, investment facilitation, defense, and digital infrastructure.

Related UPSC Static Dimensions

1. Foreign Policy & Multilateral Alliances (GS Paper II - International Relations)

- **India-Africa Policy Framework:** Guided by the *10 Delhi Principles for India-Africa Engagement* (introduced in 2018), prioritizing demand-driven development, capacity building, and local ownership over conditional aid.
- **Institutional Alignment (G20 & BRICS):** India played a pivotal role in granting permanent G20 membership to the African Union during its 2023 Presidency, further integrating African perspectives into global governance forums.

2. Economic & Security Cooperation (GS Paper III - Trade & Strategic Security)

- **Trade & Investment:** Africa remains a key source for India's energy imports, raw materials, and critical minerals, alongside serving as an expanding export market for Indian pharmaceuticals, textiles, and IT services.
- **Maritime Security (SAGAR Framework):** Collaborative security mechanisms across the Western Indian Ocean region (e.g., anti-piracy operations, joint naval exercises, and capacity building for littoral African nations).

Conclusion

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G-mail-lakshyaacademymumbai@gmail.com

India's multi-layered engagement with African leaders during the BRICS Summit demonstrates New Delhi's sustained commitment to its partnership with the continent. By combining digital public infrastructure support, capacity building, and institutional representation in platforms like the G20 and BRICS, India continues to solidify its role as a key partner for Africa and a champion for the Global South.

UPSC Prelims Practice Questions

Question: With reference to India-Africa relations, consider the following statements:

1. India's engagement with African countries includes development partnership, capacity building and technology cooperation.
2. The African Union became a permanent member of the G20 during India's G20 Presidency.
3. India's Africa policy is based exclusively on military and security cooperation.

Which of the statements given above are correct?

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

Ans: a)

UPSC Mains Practice Questions

Question: "India-Africa relations have evolved from a development partnership into a multidimensional strategic partnership." Discuss.. (10 Marks, 150 Words)

Following the 18th BRICS Summit in New Delhi, policy analysts advocate for India to leverage the New Development Bank (NDB) to maximize BRICS' economic potential. Given internal ideological splits—where Russia, China, and Iran view BRICS as "anti-West," while India, Brazil, and South Africa position it as "non-West"—strengthening the NDB provides a practical, non-confrontational avenue to support developing economies without joining Beijing or Moscow's aggressive anti-dollar crusade.

At BRICS, India must bank on the NDB

India should use BRICS to maximise the grouping's potential without strengthening Beijing, with the New Development Bank offering a practical avenue for cooperation: strengthening the NDB through greater capital, membership and local-currency lending can make BRICS more relevant

ECONOMIC NOTES

Amit Kumar
Anushka Saxena

In September 12, leaders of the BRICS grouping gathered at Bharat Mandapam in New Delhi, with India holding the chair and, by extension, the pen. When BRICS came together in 2011, its five members contributed 20% of global GDP but held just 1% of the voting share at the International Monetary Fund (IMF). Today, the expanded grouping accounts for nearly 40% of global GDP and 55% of the world's population, but the voting share has barely expanded.

Beyond that grievance, BRICS does not, and will never, possess a coherent geopolitical identity. Russia, China and Iran would like it to be anti-West, while India, Brazil and South Africa insist it is better understood as non-West. Given these divergences and the importance of the India-U.S. ties, Delhi cannot lend itself to the Beijing-Moscow de-dollarisation crusade. Not only would that add fuel to the fire at a time when ties with Washington are already strained, but it would also be an unsustainable proposition to advocate in the medium term.

India's approach to BRICS has to conform to the broader constraints and contradictions that its membership poses – maximising the grouping's potential without strengthening Beijing's overall strategic position. Within these constraints, there are still possibilities to keep the grouping relevant.

Making the NDB count

One area where BRICS can contribute the most meaningfully to the global financial order, without overtly threatening or challenging American predominance, is by expanding the efficiency and membership of the New Development Bank (NDB). Established by the BRICS countries in 2015 to "mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging markets and developing countries," the bank remains one of the grouping's most tangible tools.

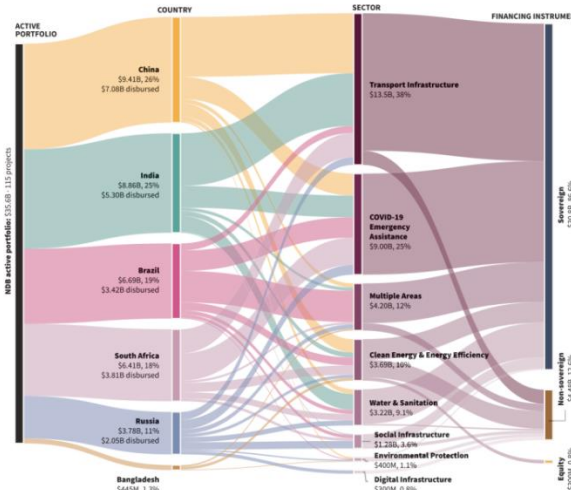
Yet, despite a decade in operation, the NDB has approved only 139 projects worth about \$43 billion, distributed mostly among its core members. Its like-for-like counterpart, the Asian Infrastructure Investment Bank (AIIB), established around the same time, has meanwhile gathered 111 approved members and committed about \$69 billion across 350 projects, backed by a AAA credit rating that the NDB cannot easily attain. Stagnant asset growth continues to restrict its lending capacity. This is coupled with an exceptionally slow disbursement rate: only about \$20 billion of approved loans had been disbursed, according to the bank's own count.

Breaking the asset bottleneck

One pathway to breaking this asset bottleneck would be for the five countries to increase their paid-up capital. However, severe domestic and geopolitical constraints mean that not all founders can match higher commitments – most notably, Russia, which is heavily sanctioned. Sanctions have also strained the bank's credit standing and dollar funding costs. What is ironic is that even as Moscow and Beijing champion de-dollarisation, including through the Bank, the NDB has extended no new credit to Russia since March 2022 to

Where the money flows

China and India together account for 51% of the New Development Bank's active portfolio, while transport infrastructure takes the largest share



This portfolio excludes loan amounts repaid and projects cancelled. NDB has approved \$43.0 billion across 139 projects in total since 2015; the difference is 24 projects and about \$7.4 billion that have been fully repaid or cancelled. Interior country by sector flows are estimated and scaled to NDB's published totals.



The 18th BRICS Summit concluded on Sunday, in New Delhi. AP

protect its AAA+ credit rating. And since the bank's rules mandate equal voting shares among the founders, any capital expansion is effectively held hostage by its financially weakest link. The NDB has also opened its doors to new members, allowing for a fresh infusion of capital, but the founders' collective voting share cannot fall below 55%.

Regardless of how the bottleneck is resolved, there is merit in reorienting the NDB within BRICS. So far, the bank has served Delhi well. It has secured commitments of nearly \$10 billion across 32 projects, including metro rail systems and the Delhi-Chandigarh-Meerut BRICS corridor. It is not a small feat, but expanding the NDB's operations to be on par with other multilateral lenders would require extending such a bargain to many more emerging markets and developing

countries.

It is also a noteworthy strength of the NDB that it has a marked preference for local-currency lending. This mechanism appeals to emerging economies, especially at a time when the volatility in foreign-exchange markets is sustained because of global wars, both military and economic. It is an alternative way to reduce reliance on the dollar without replacing it as a currency for trade invoicing. The bank's 2022-26 General Strategy commits to 30% of its lending and borrowing remains in dollars. Whatever local currency lending does exist is skewed heavily in favour of the Rouble – just a few days ago, the NDB priced a \$7 billion (\$1.04 billion) three-year Panda bond in the China

THE GIST

BRICS' growing economic and demographic weight has not been matched by greater influence at institutions such as the IMF, while divisions among members prevent it from developing a coherent geopolitical identity

The NDB remains one of BRICS' most tangible economic instruments, but its lending and disbursement have lagged behind the AIIB, with weak asset growth and constraints arising from sanctions on Russia and the bank's voting structure

India should push for the long-delayed rupee bond and focus on practical local-currency measures, while using the NDB to extend development finance to more emerging markets and developing countries

Interbank bond market. In 2026, issuance of such bonds has gone up approximately 91% year-on-year, per Chinese data.

Pushing the rupee bond

It is time for India to push the long-delayed rupee bond over the line. First discussed in 2016, and subsequently slated for October 2023 and then for end-March 2026, the debut issuance was described by NDB President Dilma Rousseff in May as being at its "final stage," two months after the bank floated a rupee bond programme to mobilise around \$25,000 crore over five years. Further, given the fact that the 2026 New Delhi Declaration did not feature a meaningful agreement on mobilising the NDB, India's focus in BRICS next year should be on simpler fixes to local-currency challenges.

Unlike the Shanghai Cooperation Organisation, whose Summit recently concluded with bare-minimum outcomes, BRICS has tangible economic tools and a wider membership than ever before. In a world drifting towards subscription multilateralism, with Washington's pay-to-shape-the-rules Board of Peace as its latest specimen, these arrangements are the only way the grouping will truly set itself apart.

(Amit Kumar and Anushka Saxena are researchers at the Takshashila Institution. Views are personal to the authors and do not represent those of the Institution. Graphic Data Source: NDB, *Insights Presentation June 2026 & Annual Report 2025*; created by the authors)

Key Analysis & Strategic Imperatives

- **NDB vs. Multilateral Peers:** Established in 2015, the NDB faces asset bottlenecks, having approved only 139 projects worth ~\$43 billion (with \$20 billion disbursed). In contrast, the Asian Infrastructure Investment Bank (AIIB) has 111 members and \$69 billion committed across 350 projects, backed by a AAA credit rating.
- **Capital & Voting Constraints:** Expanding the NDB's capital is hindered by equal-voting rules among founding members and severe sanctions on Russia. To protect its AA/AA+ credit rating, the NDB has suspended new Russian projects since March 2022. Inducting new members offers capital, but founding members must retain at least 55% voting share.
- **Local-Currency Lending & Rupee Bonds:** NDB targets 30% of its operations in local currencies (2022–26 Strategy). Currently, local issuance favors China's Renminbi (e.g., ¥7 billion Panda Bond). India must expedite its long-delayed ₹25,000-crore debut Rupee Bond program to deepen local-currency financing.
- **Value for India:** The NDB has committed nearly \$10 billion across 32 Indian projects, including major urban transit infrastructure like metro systems and the Delhi-Ghaziabad-Meerut RRTS corridor.

Related UPSC Static Dimensions

1. Multilateral Development Banks (GS Paper II - Global Institutions)

- **Institutional Design:** Founded via the 2014 Fortaleza Declaration, NDB allocates equal capital shares and voting rights among founding BRICS members, unlike IMF/World Bank structures dominated by quotas and western veto power.
- **Credit Ratings & Sanctions Risk:** Multilateral lenders reliant on international bond markets face sovereign risk spillovers when member states encounter geopolitical sanctions.

2. International Finance & Currency Mechanics (GS Paper III - Economy)

- **Local Currency Settlement (LCS):** Borrowing and lending in domestic currencies lowers foreign exchange exposure and hedging costs for emerging economies, mitigating global currency volatility without demanding complete de-dollarization.
- **Panda & Masala/Rupee Bonds:** Offshore bonds denominated in domestic currencies enable multilateral institutions to raise funds from local markets directly for development financing.

Conclusion

The New Development Bank represents one of BRICS' most tangible mechanisms for Global South advancement. By expanding NDB membership, accelerating local-currency rupee bond issuances, and streamlining disbursements,

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India can strengthen functional economic cooperation within BRICS while maintaining its non-aligned, balanced foreign policy posture.

UPSC Mains Exam Study Questions

Question: "The New Development Bank represents an attempt to create a more balanced development-financing architecture for emerging economies." Discuss its significance and limitations. **(10 Marks, 150 Words)**

Terror's changing face, India's counter-terror strategy

The terror attack carried out by al-Qaeda on the Twin Towers in New York on September 11, 2001 was neither the first major terrorist attack in the world nor the first against the United States. But it fundamentally changed how terrorism would be fought in the decades that followed.

Over the past 25 years, the global security landscape, including that of India, has changed irreversibly. The forms of terrorism have evolved, the instruments used to perpetrate terror have changed, and so too have the strategies adopted by countries around the world to counter terrorism.

We no longer hear of large terror groups operating under ruthless terrorist leaders such as al-Qaeda founder Osama bin Laden or Abu Bakr al-Baghdadi, who led the Islamic State and called for the establishment of an Islamic Caliphate. Instead, terror groups have morphed into smaller, more autonomous entities. Lone-wolf attacks are becoming the norm, while technologies such as drones, cyber capabilities, and even artificial intelligence are being used not only by terror groups but also by nations combating terrorism.

From an Indian standpoint, 9/11 certainly helped bring greater attention to India's concerns over cross-border terrorism, particularly in Kashmir. However, it was not until the 26/11 Mumbai terror attacks (November 2008) that the world truly stood in solidarity with India and acknowledged its fight against cross-border terrorism. Over the years, India's strategy towards terrorism has evolved – from a passive strategy of merely warning Pakistan but not punishing it, to a bold and active strategy that classifies any act of terrorism backed by support from across the border as an 'act of war'.

The starting years saw a passive response

Although cross-border terror commenced in Kashmir in early 1990s, the first major terror attack did not come from the Kashmir Valley. The assassination of former Prime Minister Rajiv Gandhi by the Liberation Tigers of Tamil Eelam terror group of Sri Lanka on May 21, 1991 in Sriperumbudur, Tamil Nadu shook the nation.

With no clearly defined counter-terror strategy and a rapidly expanding terror network in Kashmir, India found itself stretched. The March 1993 Mumbai serial blasts, which killed over 250 people in 13 coordinated blasts across the city, and the synchronised blasts across Coimbatore city (Tamil Nadu) in February 1998 exposed the inadequacies of India's internal security mechanisms to detect and fight terror inside the country.

However, the direct role of Pakistan was first exposed with the hijack of Indian Airlines flight IC-814, on December 24, 1999. Under tremendous public pressure and with very few options, India agreed to release dreaded Pakistan-based terrorists such as Ahmed Omar Sheikh and



Rajeev Agarwal

Retired colonel, Senior Research Consultant at CRF, Delhi and the author of the book, 'Between Tehran and Tel Aviv: Gaza's Story of Unending War'

Masood Azhar in exchange for more than 160 civilian hostages. The attack on India's Parliament in New Delhi by the Pakistan-based Jaish-e-Mohammed (JeM) terrorist group on December 13, 2001 outraged India and led to a large-scale military mobilisation under 'Operation Parakram'. With India and Pakistan having acquired nuclear weapons, the threat of escalation grew, prompting the international community to rush in to cool tempers. After almost two years of a tense standoff, the military disengagement took place without any direct punishment on Pakistan. The 26/11 Mumbai terror attacks – widely considered India's 9/11 moment – also did not lead to any military action against Pakistan.

There were other terror attacks too, such as the 2002 Akshardham Temple attack, the 2006 Varanasi serial bomb blasts, and the 2010 German Bakery blast in Pune. Delhi, too, was not left untouched by terror. Even before the Parliament attack, an Army garrison within the Red Fort was targeted on December 22, 2000 by Lashkar-e-Taiba (LeT) terrorists, resulting in the deaths of three soldiers. In October 2005, over 60 people were killed in serial blasts that rocked popular Delhi markets, including Sarojini Nagar and Paharganj. Again, in September 2008, months before the 26/11 Mumbai attacks, multiple blasts rocked commercial areas of Delhi, including Connaught Place, Greater Kailash, and Karol Bagh. On September 7, 2011, a briefcase bomb exploded outside the Delhi High Court, killing 15 people. The attack was claimed by Harkat-ul-Jihad Islami (HUJI), a terror group affiliated with al-Qaeda and largely based in Pakistan. In all these cases, and many others, India chose not to respond directly and decisively, even after conclusive proof of Pakistan's direct support for these attacks. How and when, then, did India change its strategy?

Taking the fight across the border

It was after a change of government at the Centre in May 2014, and its resolve not to let terror go unpunished, that India changed its strategy towards cross-border terrorism. The terror attack on September 18, 2016 by Jaish-e-Mohammed (JeM) terrorists on an Army camp in Uri, Kashmir, led to the first cross-border surgical strikes (September 28-29). The strikes not only sent a strong message but also served as a clear statement of intent. Soon thereafter, following the terror attack on a Central Reserve Police Force convoy in Pulwama, Kashmir, on February 14, 2019, the Indian Air Force (IAF) launched strikes on a JeM terror camp in Balakot. This marked the first time that the IAF had crossed into Pakistani airspace to carry out a strike against a terror target.

However, it was the terror attack in Pahalgam on April 22, 2025 that outraged the nation like never before. Prime Minister Narendra Modi, who was on a visit to Saudi Arabia, returned to India and soon after, the Indian armed forces

launched Operation Sindoor on May 6-7, hitting the heart of the Pakistan-based terror network. In a matter of 96 hours, the leaders and headquarters of the terror networks (LeT and JeM) were destroyed and Pakistani military assets were pulverised.

Where India stands on terror now

India has come a long way since the menace of cross-border terrorism took root in Kashmir in the early 1990s. From a passive and reactive policy, India has emerged as a leading voice in the global fight against terrorism. Soon after Operation Sindoor, India declared three clear intentions – first, that the era of restraint and patience is over, and Pakistan will have to pay a direct and heavy price for any terror attack in the future. Second, that any future act of cross-border terrorism emanating from Pakistan will be treated as an 'act of war'. Third, that Pakistani nuclear blackmail will no longer be a restraining factor.

India also unveiled 'PRAHAAR', its first comprehensive National Counter-Terrorism Policy and Strategy, on February 23, 2026. The policy provides a national counter-terrorism framework for preventing and responding to terrorist activities and radicalisation through coordinated "whole-of-government" and "whole-of-society" approaches.

Although the number of terror-related incidents in Kashmir has declined drastically, the possibility of a few terrorists infiltrating across the Line of Control (LoC) and evading intelligence and security agencies remains. The answer lies in a four-fold strategy. First, continue to hunt down and eliminate the remnants of the terror network in the country, particularly in Kashmir. Second, take pre-emptive military action against any potential terror threat building across the LoC, including at terrorist launch pads. With years of experience and a deeply embedded intelligence network, this is possible. Third, undertake an exhaustive de-radicalisation programme across the country that not only motivates young people to join the mainstream but also makes the prospect of joining or supporting a terror outfit unattractive and prohibitively costly. Fourth, take all necessary steps to cut off terror financing, in close coordination with friendly countries.

Twenty-five years after 9/11, the threat of terrorism across the globe has not been eliminated but has instead morphed into new forms. At the Shanghai Cooperation Organisation Summit in Bishkek on September 1, Mr. Modi called out the double standards on terrorism and said, "We must send a strong message to countries that use terrorism as an instrument of policy and provide safe haven and support to terrorists that terrorism can never be a strategic asset for anyone." At the 18th BRICS Summit in New Delhi, an exclusive paragraph on the Pahalgam terror attack was included in the Delhi Declaration, clearly underscoring the growing global consensus on combating terrorism.

GS Paper III: Internal Security

UPSC Mains Exam Practice Questions: "The changing nature of terrorism has transformed the counter-terrorism challenge from defeating hierarchical organisations to managing decentralised, technology-enabled networks." Discuss. **15Marks, 250 Words)**

Context

In this article, security expert Col. Rajeev Agarwal traces the evolution of global terrorism—from monolithic networks like al-Qaeda to decentralized, technology-driven threats—and examines the paradigm shift in India's counter-terrorism doctrine. The piece highlights how India transitioned from a posture of strategic restraint to an active, punitive approach, culminating in cross-border strikes, the declaration of cross-border terror as an "act of war," and the rollout of its comprehensive national strategy.

Key Themes & Strategic Evolution

- **Changing Face of Global Terror:**
 - Shift from large, hierarchical outfits led by figures like Osama bin Laden or Abu Bakr al-Baghdadi to smaller, autonomous cells and "lone-wolf" actors.
 - Integration of emerging technologies, including drones, cyber capabilities, and Artificial Intelligence (AI) by both terror groups and counter-terror agencies.
- **Phase of Strategic Restraint (Pre-2014):**
 - Early cross-border attacks (1993 Mumbai blasts, IC-814 hijacking, 2001 Parliament attack, and 2008 Mumbai 26/11) exposed domestic vulnerabilities.
 - Despite clear cross-border links, Indian responses relied primarily on military standoffs (e.g., *Operation Parakram*) or diplomatic pressure, largely due to nuclear escalation concerns.
- **Shift to Active & Punitive Retaliation (Post-2014):**
 - **2016 Uri Attack:** Led to cross-border surgical strikes across the Line of Control (LoC).
 - **2019 Pulwama Attack:** Resulted in aerial strikes against terror camps deep inside Pakistani airspace at Balakot.
 - **2025 Pahalgam Attack & Operation Sindoor:** Following a terror attack in Pahalgam, the Indian Armed Forces launched *Operation Sindoor*, targeting key terror infrastructure and network leaders within 96 hours.
- **India's Redefined Counter-Terror Doctrine:**

Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028
Con.- 09820971345, 9619071345, 9223209699
G-mail-lakshyaacademymumbai@gmail.com

Daily News Analysis

- Zero tolerance: End of strategic patience; cross-border terrorism backed by foreign support is formally classified as an '**act of war**'.
- Neutralization of nuclear blackmail as a restraining factor.
- Launch of '**PRAHAAR**' (February 2026): India's first comprehensive National Counter-Terrorism Policy and Strategy, utilizing a "whole-of-government" and "whole-of-society" framework.
- **Proposed Four-Fold Future Strategy:**
 1. *Eradication*: Hunt down remaining active terror cells in Jammu & Kashmir.
 2. *Pre-emption*: Take preventive strikes against launchpads across the LoC based on intelligence.
 3. *De-radicalization*: Implement national programs to pull youth away from extremism.
 4. *Financial Isolation*: Cut off terror funding channels via global coordination.

Related UPSC Static Dimensions

1. Internal Security & Technology (GS Paper III)

- **Role of Non-State Actors**: Evolution from proxy warfare to hybrid warfare involving uncrewed aerial systems (UAS), darknet financing, and radicalization through encrypted communication channels.
- **Institutional Frameworks**: Creation and role of specialized agencies such as the National Investigation Agency (NIA), National Intelligence Grid (NATGRID), and Multi-Agency Centre (MAC) for real-time intelligence integration.

2. International Relations & Security Doctrines (GS Paper II & III)

- **Right to Self-Defense in International Law**: Applicability of Article 51 of the UN Charter concerning pre-emptive strikes against non-state actors operating from foreign territory.
- **Global Anti-Terror Platforms**: India's advocacy for the adoption of the *Comprehensive Convention on International Terrorism (CCIT)* at the UN and active participation in multilateral forums like the Financial Action Task Force (FATF), SCO, and BRICS.

Conclusion

India's counter-terrorism posture has fundamentally transformed from defensive deterrence to active, multi-domain pre-emption. By combining decisive military responses with structured policy tools like *PRAHAAR* and global coalition-building, India aims to neutralize cross-border threats while establishing clear red lines against state-sponsored terrorism.

Add- 21/B, Om Swati Manor Chs, J.K. Sawant Marg, Opp. Shivaji Natyamandir, Behind Cambridge Showroom, Dadar (West) Mumbai - 400028
Con.- 09820971345, 9619071345, 9223209699
G-mail-lakshyaacademymumbai@gmail.com



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Cambridge Showroom, Dadar (West) Mumbai - 400028
Con.- 09820971345, 9619071345, 9223209699
G-mail-lakshyaacademymumbai@gmail.com**