

(Current Affairs)
(Test-01)

Question no.1.

The socio-economic future of Pakistan is directly linked with reforms in the power sector. Analyze.

INTRODUCTION:

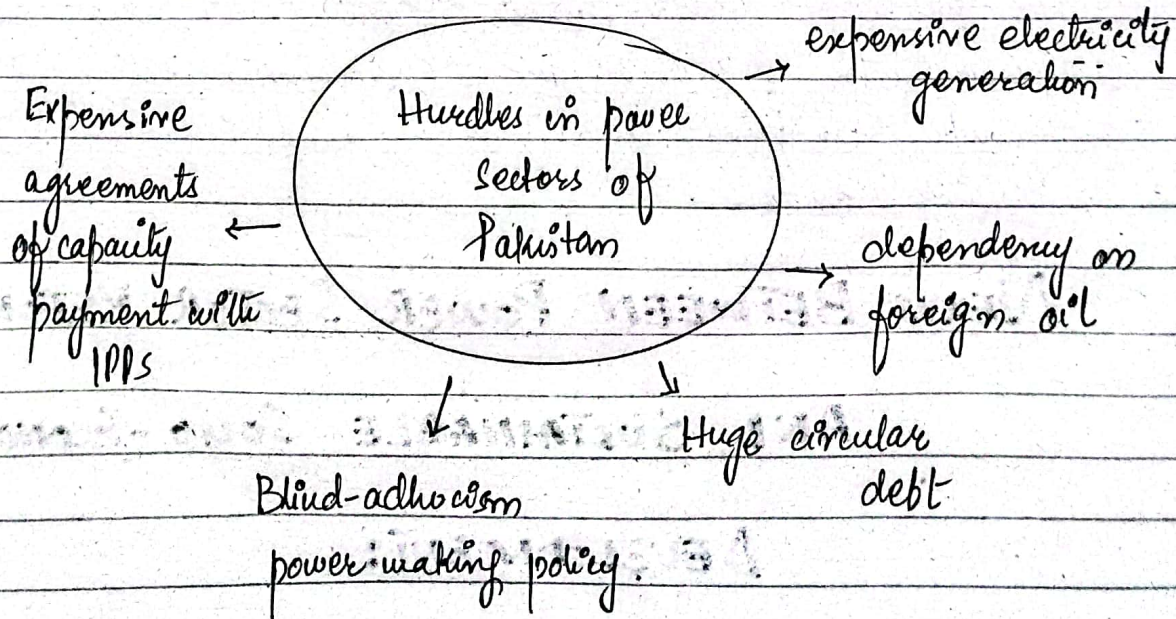
Pakistan, since its inception, has faced plethora of challenges and hurdles in making a sustainable and reliable economic policy and maintain energy security. However, due to changing regional and international dynamics, Islamabad has always been in a vicious cycle of economic crisis, power sector collapse and social unrest. It is imperative to analyze the causes and fault lines in order to promote the country towards progress and prosperity. For this, there is a high need of working on power sector reforms, because, if the power sector and energy security are secure, the socio-economic future of the country will be secured as well. Hence, efficient and reformed power sector is crucial for sustainable economic growth, industrial development and increasing living standard.

NEXUS BETWEEN POWER SECTOR REFORMS AND SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT:

To analyze the power sector reforms and socio-economic development, first to delve into the intricate relationship between them. The following are a few highlights that will make understand their relationship:

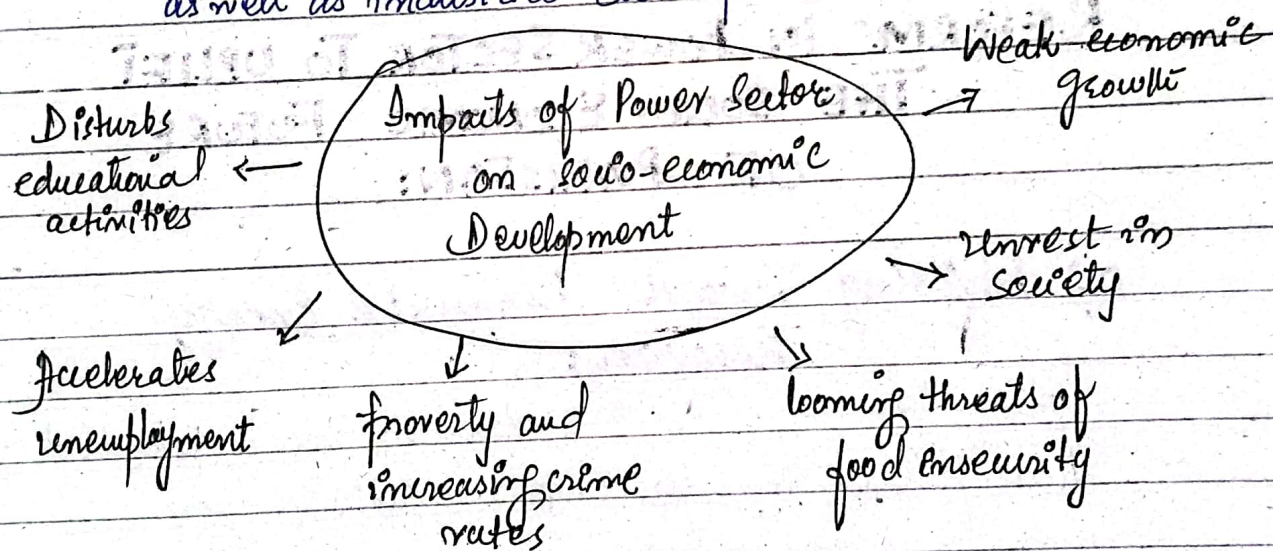
01) Impact of Power Sector on Economic Growth:

A reliable power sector is crucial for the sustainable economic development. Any country will progress only when their energy is secured and upto date. In Pakistan, power sector is giving a grim picture because of huge circular debt approximately Rs 2.31 trillion by June-2023. It becomes a cause of balance of payment crisis and slow down of economic growth.



02) Power sector and Social Development:

Social development and progress is also dependent on the power sector security. Such as, for quality education and better living standard require adequate electricity. In Pakistan, it gives a bleak picture. In alone 2023, Islamabad has faced almost three to four times a total blackout nationwide. Apart of this, there is a regular 12 hours load shedding in many parts of the country. Resultantly, it disrupts the social as well as industrial development.



CURRENT SITUATION OF SOCIO-ECONOMIC DEVELOPMENT:

In contemporary times, the socio-economic condition of Pakistan is worse than ever before. In economic sphere, Pakistan is on the brink of collapse and default.

According to the State Bank of Pakistan (SBP) data of 2023, there is almost \$14 million of current account deficit. It also leads to balance-of-payment crisis and social unrest. The reason behind this economic unrest is importing luxury goods and expensive coal and based electricity. Hence, the current state of socio-economic development requires a pragmatic policies and reforms in power sector to subdue the increasing current account deficit and social unrest.

REFORMS IN POWER SECTOR TO UPLIFT THE SOCIO-ECONOMIC FUTURE OF PAKISTAN:

01) Shifting Towards Renewable Energy Resources:

Pakistan has a potential to shift and transforms its reliability from non-renewable energy resources to renewable energy sources. According to National Electric Power Regulatory Authority (NEPRA) - 2023, the current power generation mix is:

- Thermal (oil, gas, coal) : 62.7%
- Hydro power : 29.1%
- Nuclear power : 5.4%
- Renewables (solar and wind) : 2.8%

Hence, huge dependency on thermal energy strains the economic growth.

02) Upgrading Existing Grid Stations to Enhance Electricity Flow:

The current electricity distribution is outdated which causes huge transmission losses. According to NEPRA, almost 23% electricity is losing during distribution. It costs the economic and social development. Therefore, there is a dire of reforming existing electricity and power infrastructure.

03) Empowering Consumers about the Energy Importance:

To reform power sector, it is also crucial to empower consumer base about the usage of electricity. It can be done by educating masses through social media platforms and online advertisements. It will help in saving energy and lessen the burden of a huge electricity demand.

04) Attracting Foreign Direct Investment (FDI):

It is crucial to attract foreign investors to invest in the country's power sector to enhance its

infrastructure and helps in transitioning to renewable energy resource infrastructure. As a result, the business investors are also attracted when they see a well-functioning power sector and ~~and~~ ultimately the economy progress begins.

05) Sustainable Power Sector leads to fiscal security:

Shifting and reforming power sector will reduce the dependency on foreign actors and importing expensive coal and gas to produce thermal energy. It will help in sustaining fiscal payments and reduce the current account deficit.

CONCLUSION:

To sum up the above discussion, Pakistan is facing huge issues in developing socio-economy landscape due to crisis in power sector. Therefore, shifting towards renewable energy resources and upgrading grid stations will help in uplifting socio-economic future of Pakistan.

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46 mins

Question no: 02

What is the "Losses and Damages" concept floated on the platform of COP-27? Critically evaluate the opportunities of its practical materialization in COP-28. Also, identify how Pakistan could benefit from it?

Outline:

- 1) Concept of loss and damage fund:
- 2) Losses and Damages: a historic deal in COP-27~
 - a) Financial support
 - b) Technology Transfer
 - c) Capacity Building
- 3) Opportunities of Loss & Damage at COP-28:
 - a) Operationalizing loss and damage fund
 - b) Making accountable the developed world
 - c) Expanding the scope from finance to technology distribution to developing states.
 - d) Global solidarity towards the losses and damages of developing countries
 - e) Global cooperation and diplomatic efforts by developed nations to ease the process.
 - f) Diverse transitional committee to streamline Loss and Damage fund
- 4) Potential Benefits for Pakistan:
 - a) Advance its Technological landscape
 - b) Make resilient Infrastructure
 - c) Ease in shifting towards renewable energy resources
 - d) Global Recognition and leadership in global climate actions.

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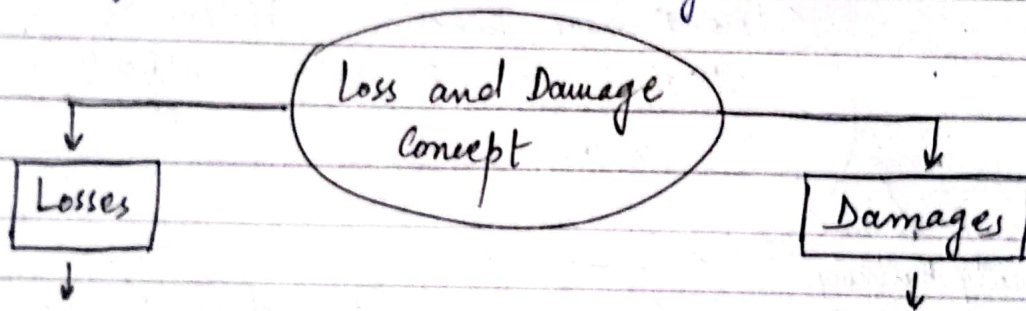
5) Challenges and Road blocks in materializing
loss & Damage fund:

- a) Geo-political Tensions among Major Grants
- b) Political will of developed Nations
- c) Threat of backing off from agreement.

6) Conclusion.

CONCEPT OF LOSS AND DAMAGE FUND:

The loss and damage fund is basically a financial, technological and global assistance to the actors who are adversely affected by the change climate situation. It is sum of amount which will be paid by wealthier and developed nations to the poorer and needy developing states as a compensation of climate losses and damages.



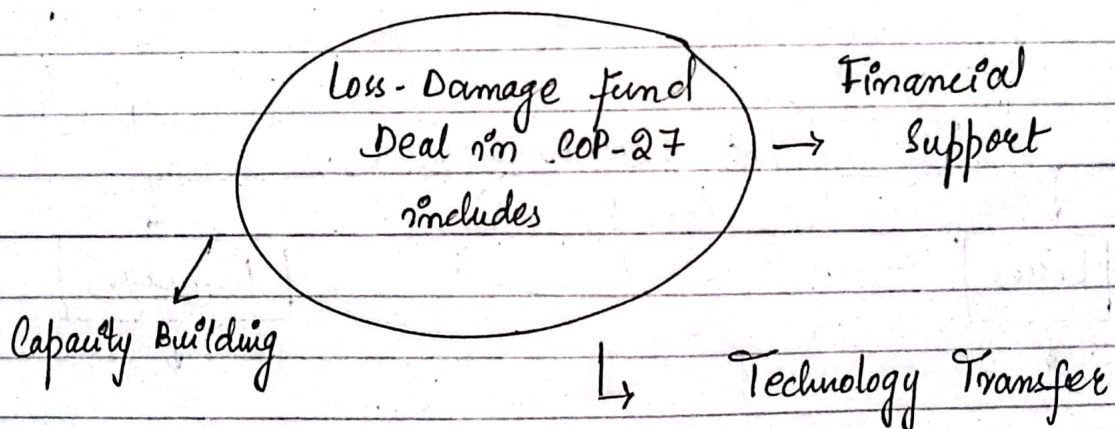
The loss of economic resources, cultural heritage and climate affected areas and regions.

Damage of the infrastructure, agriculture land and economic industries.

LOSSES AND DAMAGES: A HISTORIC DEAL IN COP-27

COP-27 is a yearly meeting of developed and developing countries to negotiate, track progress and sign agreements based on climate related issues and challenges.

The concept of "Losses and Damages" floated in COP-27 is not new, it was discussed in many previous cop's to compensate the developing nations of what, they did not do. However, it was crucial in COP-27 because, after a several years of negotiations, COP-27 ended and closed with a historic deal of "loss and Damage fund".



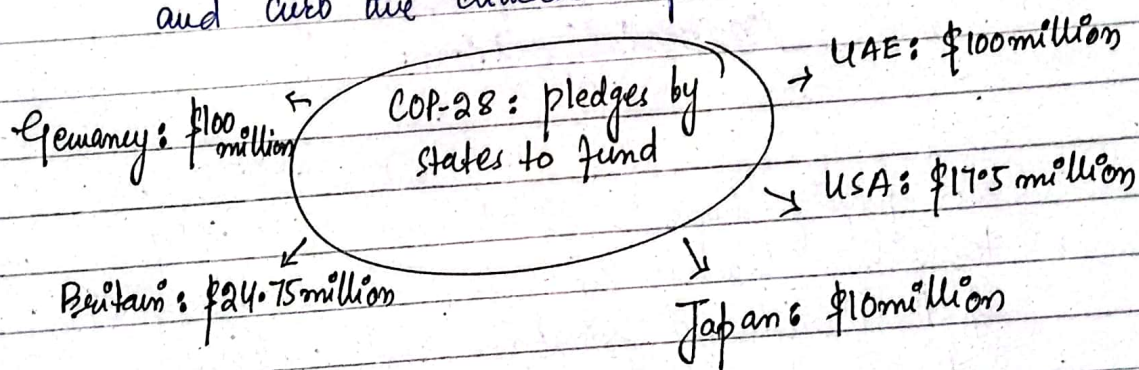
OPPORTUNITIES OF IT'S PRACTICAL MATERIALIZATION IN COP-28:

a) Operationalizing loss and Damage fund:
~ Initiating Goal of COP-28~

COP-27 was ended on making loss and damage fund agreement, hence, in COP-28 it should operationalize in order to ease the increasing challenges and hurdles of developing and affecting countries.

b) Making Developed World Accountable to Compensate Loss And Damage:

It is pertinent to hold accountable the wealthier and rich nations about their actions towards worsening climate change since years. Hence, they need to pay the affecting countries their compensated amount to fight and curb the climate impacts.



c) Expanding the scope from finance to Technology Transfer:

It is crucial for developing countries to ask for technology transfer as well to curb the climate impacts. Such as, air-cooling mechanism and cleaning wind by capturing carbon emissions.

d) Global Solidarity Towards Loss and Damage of Developing Countries:

There is a need of global solidarity too towards developing countries, because they lost their people, culture heritage and face economic crunch. It is pertinent to realize the rich nations that their actions damaged the existence of many lives across the world.

e) Diplomatic Efforts by Developed Nations To Ease the process of Materialization:

Developed nations are not paying huge respect and solidarity towards climate affected nations because of their internal rivalries and national interests. Hence, diplomacy can play a crucial role in COP-28 to ease their tensions and provide smooth path to materialize loss and damage fund efficiently.

POTENTIAL BENEFITS FOR PAKISTAN:

a) Advance its Technological landscape:

From the losses and Damages fund, Pakistan can alleviate its technological landscape. It can be used for

creating employment along with curbing climate change adverse implications.

b) Making Resilient Infrastructure:

Pakistan can materialize the loss and damage fund in making resilient infrastructure. In 2022 floods, it has faced huge infrastructure losses at large scale. Around 150 bridges and 3500 km roads are destroyed. Hence, by making climate friendly infrastructure helps Pakistan to fight against climate impacts.

c) Ease in Shifting Towards Renewable Energy Resources:

Pakistan can materialize the compensation paid by nations as a loss and damage fund to transform its non-renewable energy resources infrastructure to renewable energy resources. It will save its economy and benefit it combating climate adverse affects along with enhancing power sector.

d) Global Recognition and Leadership in Global Climate Action:

From COP's platforms

Pakistan is getting global recognition which helps it to enhance its soft image and power across the globe. The presidency of COP-27 was in the hands of Pakistan, despite being held in Egypt. Hence, a great achievement for Pakistan.

CONCLUSION:

Climate is change at a rapid rate and becomes a nightmare for many nations. In the era of dark, loss and damage fund becomes a ray of hope for nations who are affected from adverse climate change. Therefore, its proper and practical operationalization in COP-28 is a hope and dream of many. Hence, the time will unveil either it becomes a beautiful interpretation of distorted nations dreams or merely just a statement which resides on paper only.

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