

# Mock 01 for CSS 2024

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## Current Affairs

### Question #04

“Loss and Damage Fund; its establishment, role of Islamabad and its benefits for Pakistan:”

- Introduction to Loss and Damage Fund:

“Loss and Damage Fund” is the major highlight of 27<sup>th</sup> Conference of Parties (COP27) of United Nations Framework Convention on Climate Change (UNFCCC).

The 27<sup>th</sup> Conference of Parties was held in ~~Egypt~~ Sharm-el-Sheikh, Egypt in November (6-20), 2022. The agenda of COP27 included climate adaptation, development needed for

countries in climate crisis and climate finance. However, the 'Loss and Damage Fund' became the major highlight of COP27 as it was a part of climate finance.

The term loss and damage refers to the **negative consequences of climate change**. Loss and damage fund was established to finance the restoration and reconstruction of the countries hit by natural disasters that resulted due to increasing climate change.

- 'Polluters Pay' Principle:

According to reports, 75% of global green house gas emission is from G20 countries, but the destructive consequences of accelerated climate crisis is suffered by developing

countries. The global emitter must invest and contribute in global climate finance funds like Loss and Damage Fund. **Pakistan** contributes less than 1% in global green house gas emission but it has been suffering various damages due to climate change. The **Floods of 2022** are an evident proff of this. Pakistan also claims that the major emitters must compensate climate struck developing countries.

- Climate Finance Demands more Contributions:

The climate finance programs are not enough to do climate justice in developing countries. The vulnerable countries have seen more loss and damage than the

proposed budget of climate finance.  
The United Nations Environment  
Program's report on  
Adaptation Gap 2022  
states that there will be  
a lack of \$300 billion  
in climate finance by 2030.

- Islamabad's Role in  
Loss and Damage  
Fund:

Pakistan contributed a key  
role in the establishment  
of Loss and Damage Fund  
in COP27. Being the  
Chair of Group of 77  
and China, Pakistan  
emphasized on the  
addition of climate  
financing in the COP27  
agenda as well as it  
played role in successful  
establishment of Loss  
and Damage Fund.

- Benefits of Loss and Damage Fund to Pakistan:

# Question # 02

Geoeconomic and Geopolitical Implications  
and possible Hurdles For BRICS,  
in context of ~~the~~ BRICS' Expansion:

- Introduction to BRICS:

BRICS is an intergovernmental organisation comprising on five countries including Brazil, Russia, India, China and South Africa.

Initially, it was group of four countries without South Africa. The first summit of BRIC was held in 2009 which made it a formal grouping. Later on, South Africa joined this group in 2010, making it BRICS.

The acronym BRIC was coined in 2001 by economist Jim O'Neill. He predicted that BRIC has the economic potential to dominate global economy by 2050.

Currently, BRICS countries have a combined population of 3.23 billion people, making 41% of global population, and the coalition also claims 24% of global GDP and

16% of the value of Global trade. The main aim of this grouping is to work in cooperation for the development of Global South and to establish a multipolar world order.

- 15<sup>th</sup> BRICS Summit:

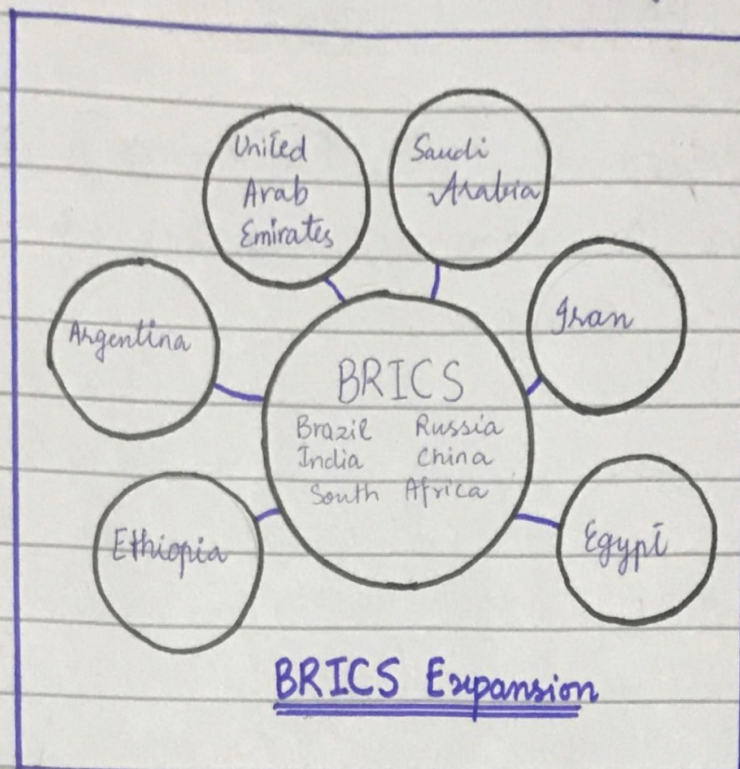
The 15<sup>th</sup> BRICS Summit was held from 22<sup>nd</sup> August, 2023 to 24<sup>th</sup> August, 2023 in South Africa. The theme of BRICS summit was "BRICS and Africa: Partnership for Mutually Accelerated growth, sustainable development and inclusive multi-lateralism".

The main highlight of 15<sup>th</sup> Summit of BRICS was the announcement of BRICS' expansion.

- Expansion of BRICS:

On 22<sup>nd</sup> August, 2023, it was announced that the grouping of BRICS countries is going to expand by the addition of six more countries. The membership of new countries

will be in effect from January 01, 2024.



The six countries that are added to BRICS include Argentina from Latin America, Ethiopia and Egypt from Africa, <sup>and</sup> Iran, Saudi Arabia and United Arab Emirates from Middle East.

All the new added countries are major powers of their region.

These regional powers are going to have a positive impact on the implications of BRICS. The expansion has declared the group as a major bloc that is worth joining.



- Geo-economic Implications of BRICS' Expansion:

- i) Addition of Major Economies will add to economic resources of the group:

The addition of Egypt, second biggest economy in Africa, has added to the global economic share of BRICS. Similarly, the hydrocarbon rich and flourishing economies of Middle East including KSA, UAE and Iran will surely enhance the economic resources of BRICS. Moreover, United Arab Emirates and Saudi Arabia have aimed to strengthen the New Development Bank of BRICS by adding contributing in it.

- ii) Inclusive Economic Growth of Global South:

BRICS expansion has included all new members from Global South ensuring the expansive development of this region. The major

economic beneficiary from this expansion will be Africa. Africa can become the food basket for the ~~world~~ whole world if its 350 million hectares available land is utilized, out of which only 10 million hectares are cultivated. The technological and infrastructural investment in Africa can yield a huge profit globally. BRICS expansion ensures an inclusive growth of Global South.

### iii) De-dollarization Process will reduce dependency on US:

One of major economic goals of BRICS is to lessen the US dollar hegemony in global financial system. It is because US weaponises dollar against countries on which it has imposed sanctions like Russia and Iran. US dollar, world's reserves currency, faces challenge from the Global South. The 80% trade between Russia and China is carried out in local

currencies like Russian Ruble or Chinese Yuan. Recently, **UAE** and **India** signed an agreement to use Rupee and ~~Dir~~ Dirham as trade currency. Experts are sceptical about a common BRICS currency as it requires set of institutions which BRICS currently lacks.

iv) Increased Cooperation in Green Energy to Combat Climate Change:

- Geopolitical Implications of BRICS Expansion:

i) ~~Divergence of Interests of Member Countries:~~

i) Bringing Adversaries on Table:

The archenemies of Middle East, Saudi Arabia and Iran, both are a part of BRICS expansion.

The recently normalisation of relations between two states is brokered by China. Saudi Arabia and Iran, both being part of BRICS will interact and negotiate via BRICS platform. It can result in positive political and diplomatic outcomes as well.

ii) Counterbalancing Western led International Order:

BRICS has become a counterbalancing coalition to Western led international order. BRICS is a representative of global south against the Global North. The

G20 economies contain mostly countries from Global North. However, BRICS is claiming its position to contain the dominance of West in global theatre.

### iii) Reassessing the Stance of Global South:

BRICS has emerged as a collective voice for the rights of global south on the international stage. The developed global North has to accept and assist the progressive and flourishing economies from developing global South. BRICS has invested in sustainable development of developing countries by means of establishing cooperation in economic and developmental spheres. Moreover, BRICS aims to pacify various regional conflicts in order to maintain united global south agenda.

#### iv) Seeking Change in World Order - Multilateralism:

The progress of BRICS countries in international world order is a challenge to US led unipolar world order. BRICS aims at establishing a more multi-polar world order. The reassertion of Russia in world affairs and China's progress in negotiating various deals in its region show the rising multilateralism.

#### • Possible Hurdles in the Way of Organisation:

##### i) Divergence of Interests of member Countries:

The rising strategic partnership between India and US in order to contain china as an emerging global power is one of the examples of divergence of interests of member countries. Another instance of

divergent approach to US is the diplomatic tensions between US and Iran on one hand and on the other, the sympathetic and friendly US-Saudi relations. This divergence of political and diplomatic interests of state members can be a threat or hurdle in the progress of organization.

## ii) Competition among BRICS nations in Third Markets:

Some of the members of BRICS compete each other economically in various third markets. For instance, China and India, both compete in textile and tech exports in African and European markets. Similarly, other member states have economic competition in markets. BRICS emphasis on inclusive economic growth is threatened by these competitions.

iii) Member Countries are extremely different; Absence of Commonalities among member countries:

Almost all the members (old + new) of BRICS are different from each other in terms of culture, political systems, economic priorities and social structures. India being the largest democracy of world ~~is~~, KSA being an absolute monarchy, Iran, led by a religious leader, is a theocratic state and China and Russia are communist. This lack of common elements may result into fruitless efforts of conformity.

iv) Absence of Institutional Structure in BRICS:

One of the major obstacles in the way of BRICS' success is the absence of well-structured set of institutions. Like any other successful intergovernmental organization like EU, UN etc. BRICS should also form institutions. The non-existence



institutionalization of the group allows a consensus and common declarations on every summit, but there is dire need of well-structured institutions.

The lack of headquarters and bureaucracy <sup>may</sup> result in unachieved and ~~was~~ unsuccessful goals.

- Conclusion:

Overall, it can be stated as a conclusion that the addition of six new member countries is a positive step in BRICS' progress.

~~But~~ The geo-economic and geo-political implications of BRICS' expansion are going to impact global theatre. But there are certain hurdles in the way of organization that require attention and solution.

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