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GK-II CURRENT AFFAIRS
PART-II

Q.no.2
Increasing Capacity Payments to IPPS
and hyper-Expensive Electricity

Evaluate & Give Recommendations

Introduction of IPPS

IPPS also termed as Independent power producers. IPPS were established by private businesses and individuals on Government of Pakistan's recommendation.

These plants played a crucial role in ending the load-shedding and shortfall in the system was met.

As these plants required excessive capital investment to establish therefore Government needed to incentivize such businessmen so that they get a good return on investment. They were given sovereign guarantees

and capacity payments.

Sovereign Guarantees and Capacity Payments

As Government has given them sovereign guarantees and capacity payments were ensured. Which means even if the plant did not produce electricity as per its capacity even then government needs to pay them the agreed amount.

Payments in Dollars

Moreover these payments were guaranteed against dollar amount. Since in past few years Pakistan has faced 2-3 times devaluation of its currency, this has further aggravated the condition. As Pakistan govt's revenue comes from taxes which are in rupees. Ultimately these payments increased a lot higher.

1 USD = 100 PKR in 2018

1 USD = 278 PKR in 2024 (investopedia)

Above fact shows the devaluation level in past 6 years and these plants were established

before that so this has a greivous burden on national treasury.

Hyperexpensive Bills due to USD Contracts of IPPS

As IPPS are having USD contracts so the bills of consumers ultimately get hit by them. As electricity is supplied to consumers on rates as per slabs and as your consumption increases so does your electricity bill.

In the recent few years bills have increased multiple folds due to expensive contracts and contracts on capacity.

Different types of IPPS

IPPS have been of different types based on their fuel consumption or energy required to produce electricity. This includes

- Solar powered
- fossil fuels
- Wind energy
- Coal

Plants running on fossil fuels have been the most expensive

Since, Pakistan imports fuels to fulfil its fuel needs that's also done in dollar terms therefore the plants running on fossil fuels cost the highest to produce electricity and are the highest burden on the national exchequer as well.

Excessive capacity than required for Grid

As Pakistan has dams and other Government owned power plants and IPPS also, so combining their capacities Pakistan has more than **>6000 MW** excessive electricity production capacity. So due to this reason some powerplants which are IPPS do not even produce electricity for the major portion of the year but due to capacity payments, Government is bound to pay them even when they are not working or have contributed

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nothing to the national grid.

Recommendations

Revise Contracts with IPPS

Pakistan Government should revise the contracts with IPPS and should make necessary changes so that IPPS are also enjoying a reasonable profit and the burden on national exchequer should also be reduced. As IPPS came to Government of Pakistan's rescue by investing their money at tough time, therefore in order to keep them motivated for future help of Government and not giving them a loss and dealing on reasonable grounds should be made as the capital expenditure they made has been recovered by them over the course of several years due to capacity payments and they are also aware of the situation and will understand as well.

Payments based on production during the year

Capacity payments should be abolished immediately and new contract be made on the basis of production done by the IPPS during the year on per unit basis and paid at end of year.

Preference to plants in order of cheap price of electricity for Purchase

The Government should make a list in order of cheap towards expensive IPPS, so when government needs to purchase electricity the ones who offer the cheapest rate for the year first purchase will be done from them and so on.

Contracts be made in PKR

Contracts on dollar terms should be abolished and should be made in Rupees so that devaluation does not have any effect.

Revision clause every year

There should be a clause to revise contracts every year, which will benefit both IPPS and Government which will be revised according to changes in the

production cost and demand of the Government, accordingly ultimately leading to a **win-win** situation.

Qno-3

End of Sheikh Hasina, Political Earthquake in Bangladesh and its Fallouts

Background of Students Protests

Students protests began when the Bangladesh higher Court passed an order in employment quota case. In its judgement the court decided to re-instate the freedom fighters quota for the children's of them as well. Which lead them to starting a protest by students as Bangladesh has a very large young and unemployed population.

Protests Against the premier

As students believed the ruling was backed by the government therefore protests started and use of force was done by the recently elected Prime Minister Sheikh Hasina which further aggravated the situation and **added fuel to fire**. Resultantly, in no time protests spread across the country and also claimed several lives of students due to clash with police and student organizations of the ruling party. Moreover such insulting statements were passed against the students which made them angry as said by Sheikh Hasina.

"Why students have a problem with employment quota for freedom fighters, if they do not give it to freedom fighters should it be given to 'Razakaars'?"

In Bangladesh razakars is considered as an abuse to a person as it means referring

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to the people who were against the separation or independence of Bangladesh from Pakistan and supported Pakistan Army against the freedom fighters.

End of Autocratic rule and Political Earthquake

As Sheikh Hasina's **Awami League** was the ruling party of Bangladesh and was running towards a one party rule, because all the opponents were either in jails or silenced. Rigging of polls was done by them in recent elections and all the opposition parties boycotted the elections due to not having trust in election Commission.

All these happenings were boiling inside Bangladesh which ultimately lead to the Earthquake in Bangladesh's politics where the decision was reversed and Army led by Army Chief of Bangladesh **Muhammad Razziq** gave 45min to Sheikh Hasina

for resignation. Which she did and fled to India.

Political Earthquake implications

This political earthquake led the Army to intervene and become the saviours of people and give such a notion that Army will lead the country towards progress. Which gave a sign that Army was interested in occupying the Government.

But students refused and asked for new and independent elections.

Bangladesh National Party leaders set-free

As during the reign of Sheikh Hasina their opposition was in jails therefore after she went army set free the second biggest party of Bangladesh's leader from jail. Also several other leaders were also released from jail. She is the wife of Bangladesh's former COAS.

Possible Fallouts

There are several fallouts which can be expected from the current political earthquake in Bangladesh.

BNP may form Govt. after elections

Due to absence of Awami League and current anti-Awami League scenario there are chances that BNP might win with high-majority in provincial and central elections.

De-facto Govt. of Army due to Coalition Govt.

Due to division of votes among different political parties, any party might not be able to take majority seats which will ultimately lead towards a coalition Govt which might be supported and joined by Bangladesh Army where the ultimate Authority will remain with Army and a coalition Government for running the Democratic process.

Students unite and take part in elections

Students leaders may unite on the national level and take part in Bangladeshi elections and emerge as a new force and if this happens, this will put Bangladesh on a new trajectory of Democratic process and it will be strengthened.

Students join different parties and strength acquisition by Political Parties

Students leaders in different parts of country might be offered by different political parties to join them and some might also offer them seats in general election as well due to the popularity of leaders in their respective areas.

Relations with neighbours and international level

Relations with neighbours and at international level might get effected due to the preferences of the newly formed Government. Specially with India as of main concern.

Q no. 7

Iran-Israel tension and evolving situation in Middle East

Background and Introduction of Iran-Israel Tensions.

Tensions between Iran and Israel are not new they are between them since the Islamic Revolution came in Iran. Israel considers Iran as a threat due to Islamic-Shia Government in Iran and Iran's regional and international ambitions also threaten Israel. Iran has a clear opposition with USA and Israel as Israel is a Jewish state. Moreover Iran shares Islamic brotherhood with Palestinians and supports their stance not only on international level but also supports them with weapons and funding and every kind of support.

Killing of Ismael Haniya

Last month Ismael Haniya was killed in Iran and Iran claimed that Israel was behind this killing and resolved to take revenge from Israel on attacking on its land on a dignitary.

Evolving Situation in Middle East

After Iran's resolve to take revenge from Israel the situation in middle east has become tense.

Full Scale Attack by Iran and its Allies

As Iran has its allies and proxies in the middle east region.

In Yemen there are Houthis. In Lebanon its has Hezbollah.

They all are ready and have resolved to stand with Iran in any attack against Israel.

Strategists and Analysts on International Affairs are predicting

a joint full scale attack on Israel by Iran and its allies

USA has warned Iran against any Operation/Activity against Israel

USA has warned of severe repercussions to Iran if it did not step back of his claims of attacking Israel along with its allies. USA has also sent its aircraft carrier near the Gaza strip to protect Israel in case any activity takes place from Iran.

Jordan's Neutrality in the Tense Situation

As Iran does not have a direct border with Israel, therefore in case of any aerial attack by Iran on Israel it has to pass through the flyzone of Jordan. Due to the current tension Jordan has maintained a neutral point of view and has warned that in case of any attack by

any one of them by using its aerial border and flying zone the aircraft will be shot. As it will not allow any party to cross or use its flying zone.

Arab world trying to mitigate the situation

UAE, Saudi Arabia, Qatar and other Arab countries are trying to mitigate the situation by urging Israel and Iran not to attack of any kind on each other and maintain peace.

They also have urged on Israel to stop bombing Gaza and have called for a ceasefire, which Israel is seemingly and deliberately ignoring and is continuing the genocide of the Palestinians.

As per reports more than **60,000** people have died due to Israel bombing in Gaza.

How to reduce Tension

USA should be Pressurized

Israel is continuing its series of attacks on Gaza due to the support of USA at International level. If USA is pressurized by the Muslim world and all the countries around the world to stop the Israel-Gaza war. They should use their economic and political influence and give a clear warning to USA if it does not stop then it can expand across different borders and can turn into a world war. Since Iran, Hezbollah and Yemen are already on support and participating in it and tend to attack Israel. They should warn that if it expanded it can cover the whole of the world.

Along with Muslim countries, Russia and China also need to pressurize USA to create a situation and play its role for ceasefire as its

the only solution.

Western Countries and NATO countries should be accessed through diplomatic Channels

NATO and West should be reached to play its role to stop the genocide happening in Gaza. If the ceasefire is ensured, the Iran, Hezbollah and Yemen will also be not preparing for a full scale war as it will turn the middle east into a war zone. The seriousness of the situation should be told and made them to pressurize USA to ask Israel to stop its actions against Gaza.

Qno. 8

Islamabad and Kabul Tensions

Evaluate and Possible Recommendations

Introduction

Pakistan and Afghanistan are neighbours and share a **2200km long** border called **durand line**. The tensions between Islamabad and Afghanistan are due to inaction by Afghan Taliban against TTP which is operating in Pakistan and against Pakistan. They attack on Pakistani border forces from inside Afghanistan, and after attacks they go back to their safe heavens in Afghanistan. Pakistan is urging the Afghan Taliban Government to stop attacks from its land on Pakistan.

Islamabad has drawn Kabul's attention several times

Islamabad has drawn Kabul's attention towards the serious

matter as they are acting against Pakistan's sovereignty.

Kabul's Silence

Pakistan's foreign office and Govt. has drawn its attention towards it several time but the silence of Kabul on this stance shows either Kabul's inability in this matter or they are supported by Afghan Taliban.

Negotiations in Doha

Pakistani and Afghan foreign diplomats have met in Doha Qatar where they have done negotiations over this matter as its a grave concern for any country if some of its neighbour's soil is being used by some non-state actors and are attacking on a sovereign country's land.

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Situation can Lead to Attack by Islamabad on Safe Heavens

If Kabul continued to show its inability to do anything in this regard, then Islamabad will have no other option but to settle the score by itself. Islamabad will attack on safe heavens in Afghanistan which might settle the score but then Afghanistan will be protesting Islamabad against attacks on its land.

Recommendations

Kabul should stop TTP

Kabul should stop TTP from interfering in Pakistan. It should give them a clear message that if they continued to use their land against Pakistan to attack them then they will ~~also~~ take action against them.

Pakistan give clear message that safe heavens will be hit

Pakistan should give a clear message to Kabul that if attacks by TTP and their infiltration didn't stopped then Pakistan reserves the right to attack on Kabul in safe heavens of TTP.

Kabul should hit them or Allow Pakistan to hit them

Kabul should attack them on their safe heavens and remove them and if it doesn't want to attack on them then it should allow Pakistan to clear the **Fitna-al-Khawarij** which is attacking its land.