

PART-II

QUESTION NO: 06

**LOSS AND DAMAGE FUND (LAD)
IN CONFERENCE OF PARTIES
(COP) :**

"Our Planet is fast approaching tipping points that will make climate chaos irreversible. We are on a highway to climate hell

(Antonio Guterres,
Secretary General
United Nations)

Conference of Parties Summit is held annually with several initiatives taken. One such initiative taken at COP27 was of Loss and Damage Fund (LAD). The materialisation of this idea stood on the pillars of

providing assistance to developing countries by developed ones. The concept of LAD was not only restricted to COP27 but was further propagated towards COP28. Such an initiative through proper achievements of objectives can also prove to be exhibiting leverages for Pakistan.

CONCEPT OF LOSS AND DAMAGE FUND AT COP27

The main concept of loss and damage was floated at COP27 by the developing countries to garner assistance of developed countries. The basic concept of the term Loss and Damage is

- ~~Def~~ Loss and damage defined in International Climate treaties as permanent loss or reparable damage

caused by climate change"

Therefore, the concept of loss and Damage can be defined as

- Financial assistance mobilisation from developed to developing countries, in order to overcome climate change damage."

Climate change primarily based on Green House Gas emission (GHG), is highly contributed by developed countries as compared to developing countries. Hence, the acceptance of Loss and Damage fund (LAD) was readily approved by all.

OPPORTUNITIES FOR PRACTICAL MATERIALISATION OF LOSS AND DAMAGE FUND AT COP 28:

The first day of operationalisation

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of loss and damage fund was the first day of COP28. There are multiple opportunities for its practical materialisation based on the summit of COP28, such as:

(i) Adaptation of significant framework:

Global Goal adaptation framework fell short from completion at COP 27, therefore countries ~~but~~ will guide its formulation and adaptation at COP28, which will assist mobilisation of LAD funds.

(ii) Methods and operationalisation:

Methods and operationalisation of LAD fund was lacking at COP27 ^{and} this was one of the main agendas to be completed at COP28. In this way of ~~90~~ 70 defining modes of completion of activity of Loss and Damage.

COP29 will help in disbursement of the
fund. (v)

(iii) New adaptive policies at COP28:

New policy adaptation was part of the framework of COP28 which included policies for decarbonisation of all sectors and increase in loss and damage fund. (iv)

(iv) Presence of agenda of global stock take at COP28:

Stock take is a two year cyclical process of accessing the progress of world in achieving climate goals and this occurs after every five years. Global stock take inclusion at COP28 is an opportunity for the effective distribution of loss and damage

(i) Financial help in developing (LAD) fund

collecting the LAD fund

(v) Global Just transition:

Global just transition is one of the agendas of COP28 which will assist in taking major steps towards appropriate allocation of funds.

(vi) Effective plethora of pledges taken at COP28:

France, Germany, Italy and UAE pledged for more than \$400 million.

In total \$290 million was pledged to the fund by the time COP28 concluded.

PAKISTAN'S GAINING OF BENEFIT FROM THE MATERIALISATION OF LOSS AND DAMAGE (LAD) FUND:

(i) Financial help in overcoming/correcting the reparable loss:

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From effective mobilisation of Loss and Damage fund, Pakistan being a developing country can also gain benefit from in regard of rebuilding the infrastructure reparables loss

(ii) Utilisation towards of fund in renewable projects:

Through fiscal assistance, Pakistan can utilise the funds in development of renewable projects of energy.

(iii) Adaptation of green energy policies:

Pakistan can gain leverage of adopting green energy policies

(iv) Strengthening institutional framework against climate change:

Pakistan can further augment

the role of institutions in preventing and dealing with disasters such as National Disaster Management Authority (NDMA)

(v) Providing Framework for Climate Vulnerable areas:

Financial assistance can be aptly utilised to overcome the climate threats particularly in certain vulnerable areas of Pakistan, as seen during floods of 2022

CRITICAL ANALYSIS:

Loss and Damage fund is one of the critical funds initiative taken by the platform of Conference of Parties to tackle the rising issue of climate change. Correct mobilisation, dissemination and utilisation of the funds will assist the

developing countries including Pakistan to deal with the issue of climate change. However, many various initiatives at COP28 will guide the correct functioning of LAD.

CONCLUSION:

Loss and Damage fund plays a pivotal role in providing climate just transition through fiscal policy assistance of developing countries. As developed countries contribute heavily to GHG transmission adversely affecting developing countries, LAD will provide benefit for the developing countries to overcome reparatable loss.

QUESTION NO: 08

ROLE OF SPECIAL INVESTMENT FACILITATION COUNCIL IN PAKISTAN ::

Special Investment Facilitation Council (SIFC) is introduced by government of Pakistan to enhance the economic fabric of the country. SIFC through its "one window opportunity" is assisting in attracting the market of other countries especially ~~USA~~ Middle East and China. The provision of multiple avenues by SIFC in this regard presents a promising picture of attracting huge quantity of foreign market.

CHANCES OF INVESTMENT IN PAKISTAN THROUGH SIFC:

SIFC is providing multiple domains opportunities for foreign investment such as:

- E-commerce
- AI robotics and Big Data.
- Special technology Zones.
- Skill development.
- Telecom services and

software development

Through opening up of multiple sectors, chances of foreign investment through SIFC in Pakistan is as following.

(i) Increased investment due to G2G and G2B framework.

SIFC organised Pakistan investment roadshow in Dubai to attract

foreign investment under Government to Government (G2G)

or Government to Business (G2B) and
opportunities

(ii) High investment due exemption
of tax.

Middle East and China can
accelerate their investment on
the basis of facility in the form
of tax exemption and regulatory
relaxations.

(iii) Exploration of mineral sector
of Pakistan:

Identification of new mineral
material in form of pink salt
and iron ore can attract foreign
investors to start their project in
Pakistan.

(iv) Assisting ^{skilled} human capital
through visa policies:

SIFC is directed to attract
shareholders through regulation
of visa policies. This will allow

the ~~facilitation~~ extension of facilitation towards entrepreneurs of different regions.

v) Implementation of Key Performance Indicators (KPI),.

Implementation of KPI through SIFC is shedding light on the commitment of SIFC towards the progress of foreign mission. Hence, through SIFC transparency is enhanced which will attract FDI from China and Middle East.

vi) Facilitation regarding energy projects:.

The diversification of energy portfolio in the form of ~~memorandum~~ memorandum between Pakistan Refinery Limited (PRL) and United Energy Group of China (UEGC) in the petroleum sector reflects Pakistan's position in attracting investment.

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(vii) Establishment of 5G spectrum:

Telecom infrastructure and proclivity of Pakistan towards it can attract attention and investment from East and China.

(viii) Provision of skill training

SIFC's focus on skill training through NAVTAC can amplify the skill buildup of the human capital of Middle East and China as well.

(ix) Opportunity in IT sector investment:

Retention of revenue from 35% to 50% from IT companies can foster the environment of investment.

(x) Ease in foreign currency transactions:

Through issuance of foreign currency debit cards and creation

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of foreign currency accounts has streamlined the area of financial transactions in an easy way.

(xi) One window opportunity:

Regularisation of all business

requirement: at a single platform

enhances the chance of investment

by Middle East and China.

(xii) Cut down of bureaucratic red tapism:

Through provision of approval to any investment within 15 days,

SIFC is overcoming red tapism.

(xiii) To implement Semiconductor Industry Development Plan (SIDP) attracting investment:

SIDP will attract investment from

multiple avenues and specially

Middle East and China.

(xiv) Renewable energy policies

investment:

China's leading electric vehicle company BYD has shown interest

in investment in Pakistan.

CRITICAL ANALYSIS:

SIFC is providing multiple opportunities for both Pakistan and foreign stakeholders to enhance their investment in

in Pakistan in multiple sectors

of IT, energy, trade and entrepreneurship. In this way, SIFC

through tax exemption, regularisations and one window facility is

attracting Middle Eastern and Chinese markets.

CONCLUSION:

In summary, SIFC is an initiative to attract foreign investment in Pakistan through reduction of trade barriers,

and inclusion of multiple friendly policies. Hence, chances of investment from China and Middle East are high through SIFC.

QUESTION NO: 04

**INDIA MIDDLE EAST
ECONOMIC CORRIDOR
AND BELT AND ROAD
INITIATIVE OF CHINA:-**

"IMEC promises to be a beacon of cooperation, innovation and shared progress".

(PM of India
at G20 Summit)

IMEC (corridor) : pit

IMEC is one of the multiple projects initiated at the G20 summit to enhance the trade corporation and revive old silk trade route. IMEC is seen as a rival against OBRI which is also based on the pillars of fortifying economic corporation.

The similarity between IMEC and OBRI opens up new prospects of investment, economic corporation and trade facilities for many countries.

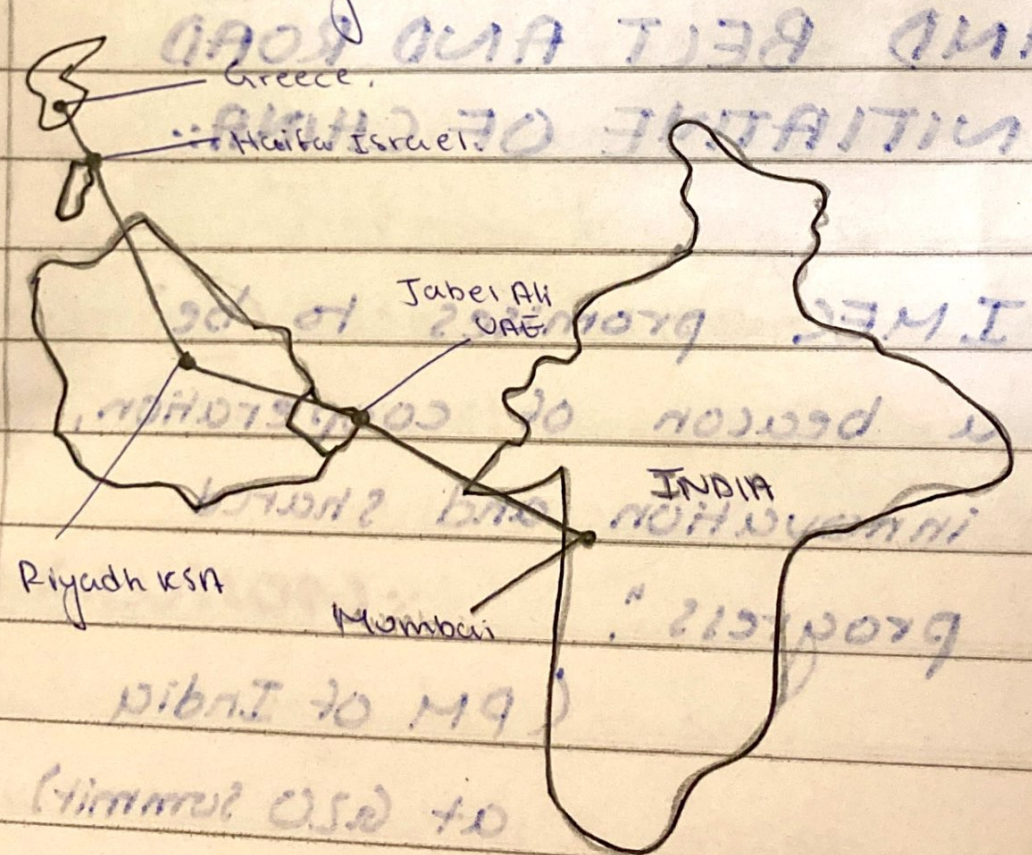


fig :: IMEC Corridor

POTENTIAL OF IMEC AND OBRI:

(i) Fostering investment facilities:

Both OBRI and IMEC display foreign investment in ~~the~~ potential in regional countries. Through reduction of trade barriers.

(ii) Special Economic Zone facility:

Special Economic Zone (SEZ) of

OBRI provide assistance in conduction of economic activity.

Similarly, Exclusive Economic Zone (EEZ) of IMEC will showcase the same benefit.

(iii) Communication infrastructure:

OBRI project is already focusing on Gwadar port construction and

other railway networks. IMEC

is also inclined to reduce transportation cost of European

commodities by 30-40%.

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(iii) Renewable Energy policies:

OBRI is focusing on green energy policies whereas IMEC as well as in process of adoption of energy security strategy through clean hydrogen.

(iv) Efficacy in completion of projects:

OBRI holds more efficacy in completion of project as compared to IMEC due to multiple modal of IMEC and inclusion of various stakeholders.

(v) Strengthening of other country's visions:

OBRI synergises with the economic policies of Pakistan and IMEC is in parallel with Saudi vision of 2030.

(vi) Prop up of minilateralism: (ii)

Both projects hold potential to start their own regional integration network in the region with inclusion of different members.

PROSPECTS OF IMEC AND OBRI:

(i) Acceleration in rivalry of US against China:

US is major stakeholder of IMEC and start of this project will fuel rivalry against OBRI and China.

(ii) Rise of minilateral forums:

With initiation of IMEC, other forum inclusive of members of IMEC will gain strength such as ILU2, and Comprehensive Economic Partnership Agreement of India. Such platforms will prop up against CPEC.

(iii) Independent foreign policy adoption:

Both projects will stimulate smaller countries to form independent foreign policies.

(iv) Global conflict affecting the two projects:

Israel conflict will decelerate

the speed of IMEC whereas

instability in Afghanistan and regional

project is affecting OBRI

(v) Strengthening of small countries:

IMEC equips Greece and

all countries to form

independent view. Similarly,

OBRI is fostering regional

countries such as Pakistan

with through economic

investment.

CONCLUSION:

IMEC and OBRI stands as rivals with myriad of potential and prospects to be exhibited in the future.

The difference in member states is in contrast with similarity in achievement with same objective of economic corporation.