

## Question No. 2

### Introduction:

The countries of the Global South have always been exploited by the hegemony of United States of America (USA). She has used the dollar dominance and SWIFT payment against the countries of the global south. She imposed sanction on many countries of the global south and also do not allow them to use SWIFT for payment of external exchange. The BRICS+ has the potential to counter these hegemonic action of western countries. They do so by establishing an alternative of SWIFT and by signing of currency swap agreement among the countries of BRICS.

### Background of BRICS:

The idea



of BRICS was given by Jim O'Neil in 2001 in his research paper 'Building better global economic bloc'. He highlighted the economic potential of the BRIC countries. The formal meeting of BRIC was held in 2009. It became BRICS when South Africa joined it in 2010. The focus of BRICS is to outpace the economic growth of G7 countries and currently is viewed as a bloc focused on geopolitics to counter western hegemony and to establish alternative of SWIFT and dollar.

### Importance of SWIFT and dollar in Global Economic market:

The dollar is the world's primary reserve currency. US dollar accounts for 60% of global foreign exchange.



reserve. Government and Banks use the dollar to conduct most of their trade. The currency is involved in almost 90% of global transactions. Similarly, the SWIFT payment system has also 16000+ member banks in 200+ countries and territories. This gives leverage to western and they used it against the country of global south.

## ⑤ Why Expansion of BRICS:

The expansion of BRICS aims to enhance its influence in political, economic and financial sphere across the globe. It also aims to counter the sanction of G7 sanctions on countries of global south. Moreover, its major aim is to promote south-south co-operation and counter the hegemony of US and European countries.

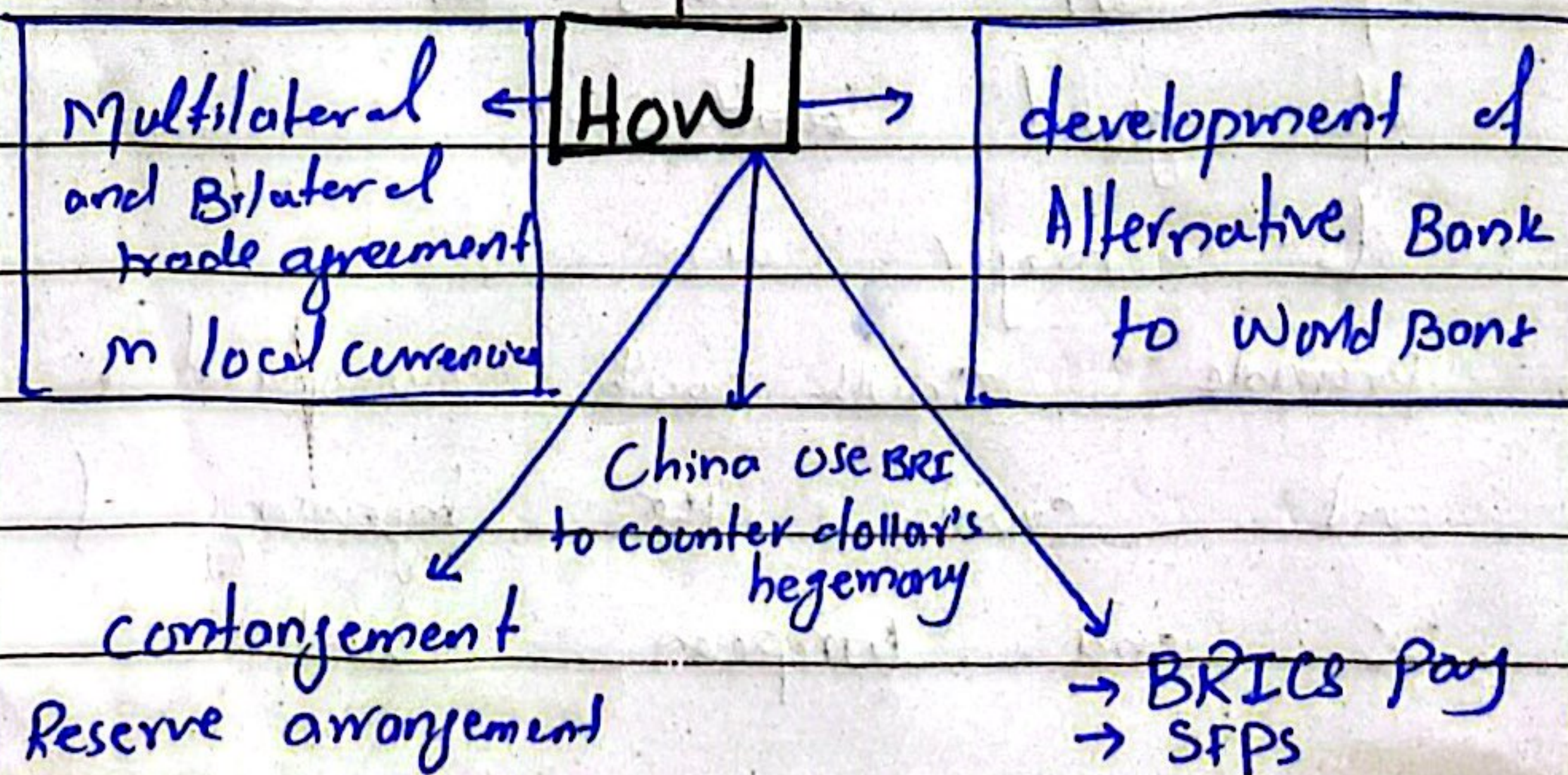


Furthermore, it aims to build alternative institutions of Bretton wood institution like IMF and world bank and established alternative its currency to dollar and alternative system to SWIFT.

**BRICS** → To counter western hegemony

Why was expanded?

- To replace dollar and SWIFT established Alternative
- South South Cooperation.





How BRICS would counter dollar and SWIFT Pay system

① Multilateral and Bilateral <sup>trade</sup> agreements in local Currency

The BRICS countries are increasingly signing agreement to trade in local currency. For instance, The 2014 China-Russia energy deals dominated in Yuan and rubles. According to the Russian deputy prime minister in 2023, 95% of Russia-China trade was in Yuan and ruble.

② New development Bank: Alternative of World Bank: The BRICS has also established the new development Bank (NDB) is established as alternative of world Bank. It aims support the infrastructure development in emerging economies. upto 2023 It has granted 33 billion dollar to the emerging economies. South



Africa was also given a loan of \$1 billion in Covid-19.

### 3) Establishment of CRA alternative to IMF:

BRICS Contingent Reserve arrangement provide financial stability to the member state. It helps the member state to support its balance of payment.

It is considered that it would counter the IMF, which is believed to be used by US against the countries of global South.

### 4) Alternative to SWIFT pay system.

BRICS

has ~~working~~ established alternative of the SWIFT pay. The development of SPFS, system for transfer of financial messages. It has established the BRICS pay in recent meeting in Kazan.



and 159 countries have pledged to use BRICS pay settlement ~~system~~ system.

### ⑤ China use BRI to counter dollar hegemony:

China is actively working to make its currency influential across the globe and to counter the dollar. Through BRI, China offering renminbi denominated loans to countries like Malaysia, Egypt and Saudi Arabia, encouraging them to use its currency.

### Critical analysis of BRICS measures to counter western hegemony:

Up to now the steps taken by BRICS has counter the hegemony of the western countries some how. But, still dollar is a leading currency in



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The globe. However, the trading in dollar has been decreased according to Oxford Business Group in 2019 the 85% <sup>trade</sup> of global was in dollar. In 2022 has reduced to 58.8% of the global trade. Similarly, the agreement between Turkey and KSA, and UAE and India also conducted in currency swap.

### Conclusion:

To sum up, it is evident that western hegemony by using dollar and SWIFT has exploited the countries of global south. The establishment and expansion of BRICS has successfully challenged the hegemony. It has developed alternate institutions of western Bretton wood institution. Also it has developed alternate of SWIFT and many body to reduce the hegemony of dollar.

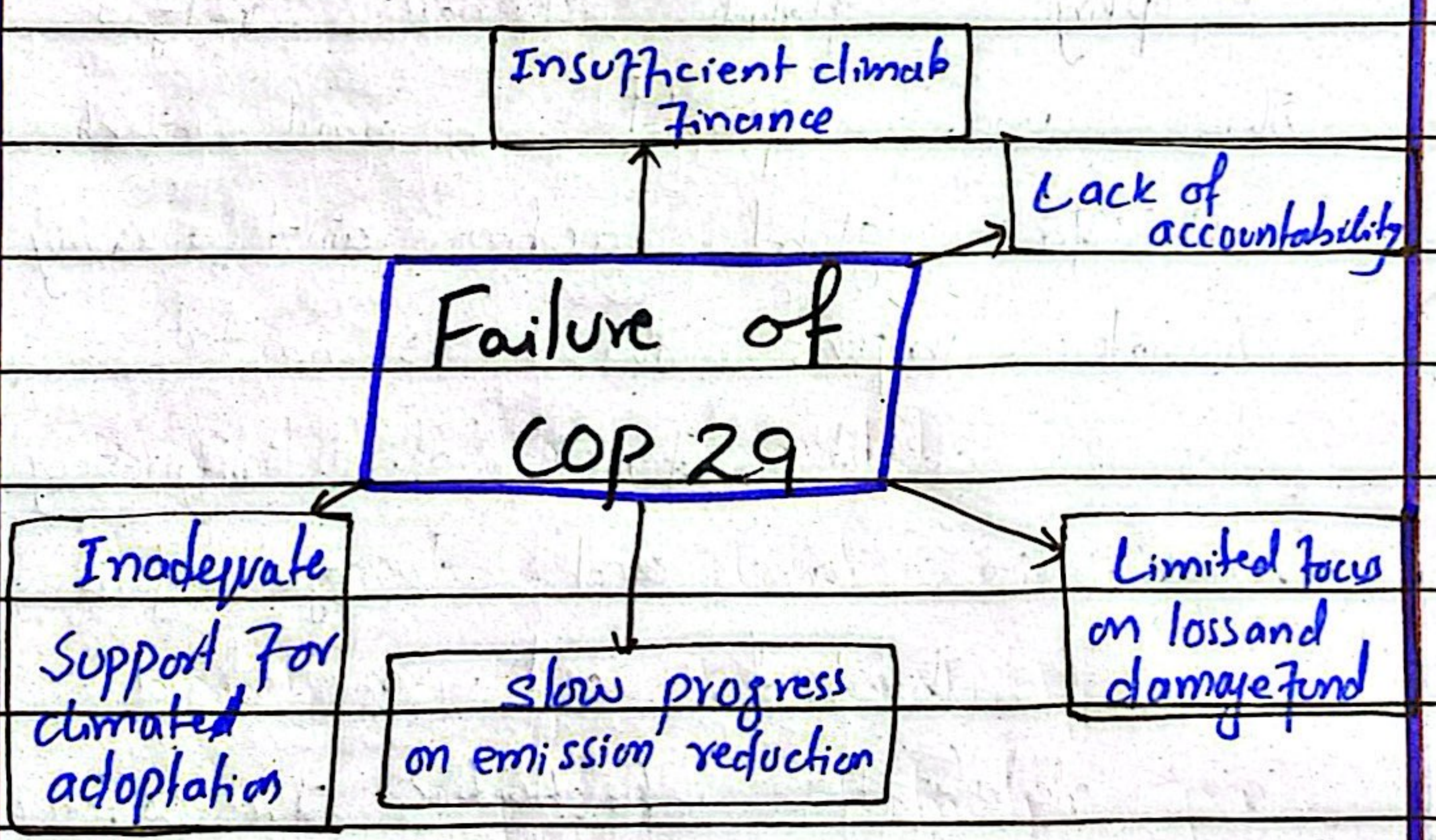
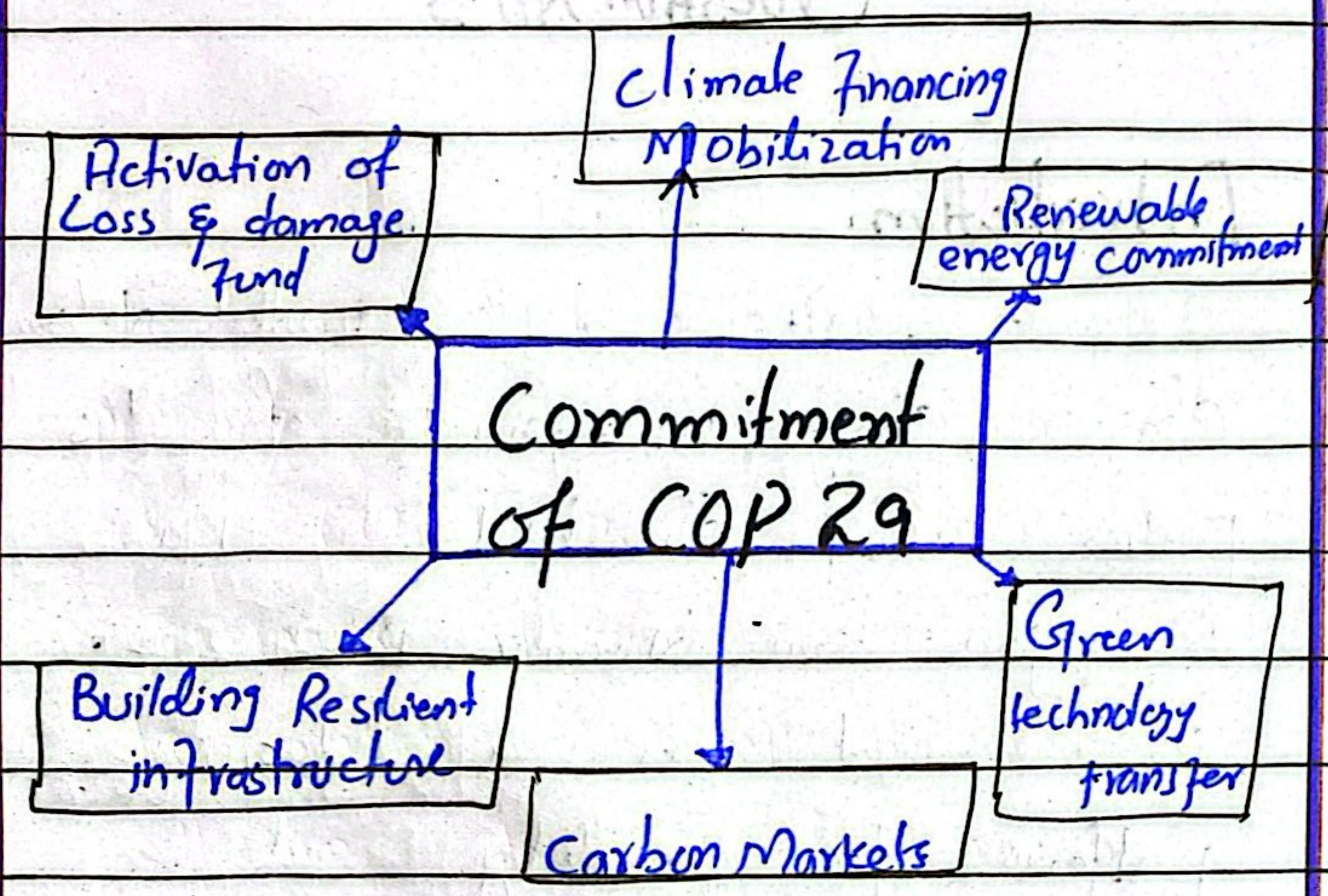


## Question No. 3

### Introduction:

The 29th United Nations Climate Change Conference of the Parties (COP-29), hosted in Baku, Azerbaijan, from November 12-24, 2024, emerged as a decisive platform for evaluating and adopting global climate strategies. This was a pivotal summit which called for global action against worsening climate impacts. This summit has called for climate financing mobilization, loss and damage fund was activated, and to build a resilient infrastructure. The conference has also some shortcomings: the climate finance is insufficient to support vulnerable countries, no mechanism for loss and damaged fund and lack of accountability is also the main failure of COP-29.





## Commitments of COP-29

In cop-29 the following commitments has been made.



## ① Climate financing mobilization:

In COP-29 developed nations pledged to ramp up financial support to meet the ~~updated goal~~ demand of developing nation by providing 300\$ billion. This marked a significant step in fighting climate change.

## ② Carbon Markets:

The Carbon market aims to create a robust global market, facilitating carbon trading to help nations meet emission reduction targets. The market is expected to generate \$50 billion annually by 2030. These market are expected to attract private sector investment in renewable project and carbon reduction.



③

## Loss and damage funds activation:

The loss and damage fund operationalized with \$ 20 billion in pledges primarily from developed nations such as EU, Japan, and Canada. A governance framework was established to ensure transparent fund allocation to climate vulnerable countries.

④

## Renewable energy commitments:

It was also committed in COP-29 to increase global renewable energy capacity by 1500 GW by 2030 and expanding electricity grids by 25 million kilometers. The conference also emphasized on energy transition and technological innovation, particularly green hydrogen and offshore and wind energy.



## ⑤ Building Resilient climate infrastructure:

The Baku conference suggested to adapt resilient actions in vulnerable regions. It includes to build coastal defense systems for small island states, climate resilient agriculture to combat droughts in Africa and South Asia, and development of flood resilient infrastructure in disaster prone areas.

## ⑥ Green Technology transfer:

In COP-29, it was committed to establish a technology transfer mechanism, which will focus on making green technology accessible to developing nations at subsidized rates.



## Failure of COP-29:

Although COP-29 has been taken <sup>Paris Agreement</sup> steps in way of reduction of global warming and related issues.

### ① Insufficient climate fund:

The developed countries has pledged to donate \$300 billion. That is less for the developing countries who actually need \$1 trillion. Subsequently, the countries in Africa and South Asia may face hardship in tackling climate change.

### ② Limited focus on Loss and damaged fund:

The Loss and damage fund has been established but the funding mechanism and operational guidelines remain vague. This will make



hurdles for countries, affected by climate, in accessing much-needed financial support for dealing with climate impacts.

### ③ Slow Progress on emission Reduction target:

While many countries have updated their Nationally Determined Contribution (NDCs), the global ambition remains insufficient to limit global temperature rise to  $1.5^{\circ}\text{C}$ . Current pledges still put the world on track for  $3^{\circ}\text{C}$  for warming by the end of the century.

### ④ Lack of strong accountability Mechanism:

Thailand was pledged in Paris agreement to reduce the emission of green house gas. Also in COP-29 it is also pledged to cut emissions.



but there is lack of binding accountability for countries that fail to meet climate commitments.

### ⑤ Inadequate Support for climate Adaptation:

Although significant funding was pledged for climate adaptation, the allocation is still insufficient to address the scale of adaptation needs in the most vulnerable regions, countries at high risk of climate disasters, like small island nations.

### Conclusion:

To sum up, COP-29 is considered as more successful than other COPs because it has pledged several commitments that are essential for tackling the issue of climate change. But, at the same time it is facing some failure in implementing and follow up these commitments.