

Q:-01

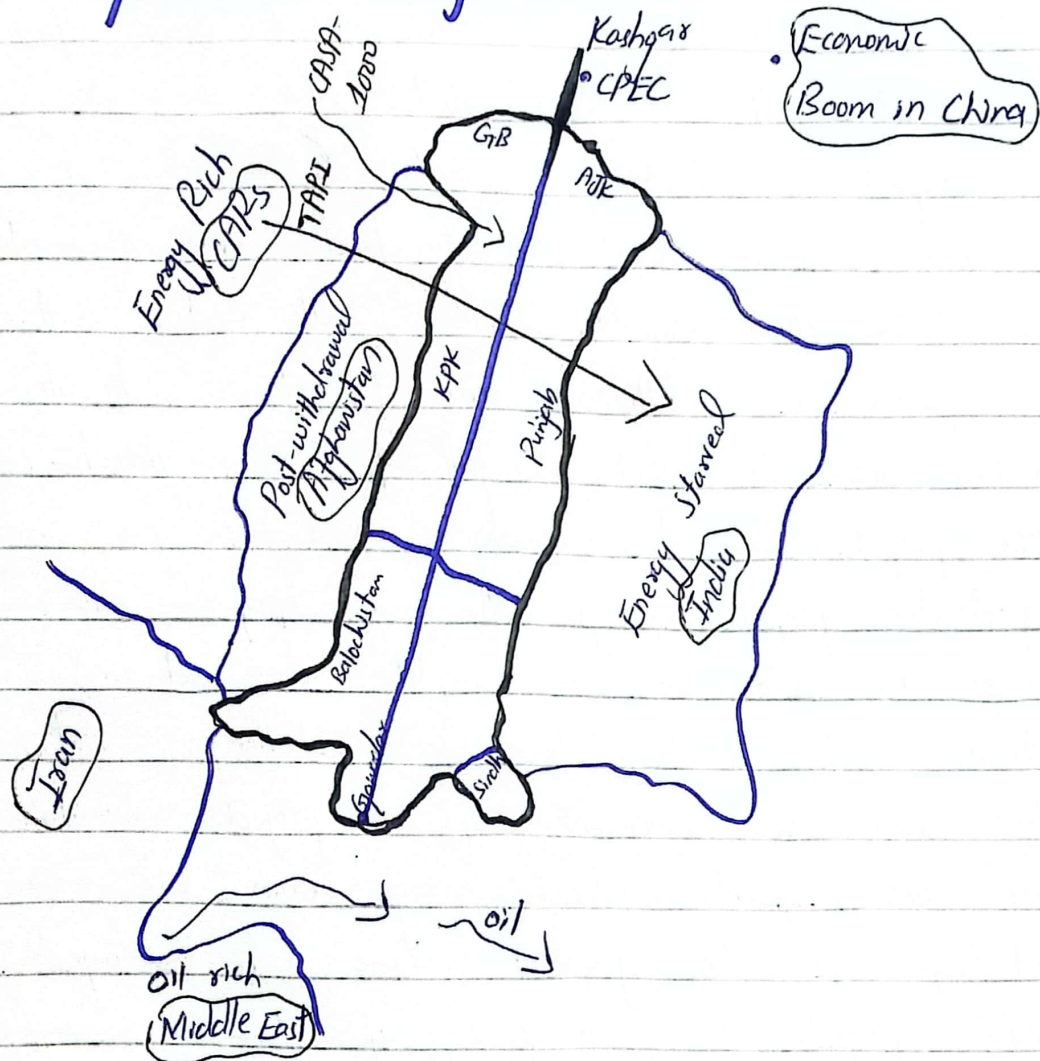
Critically evaluate the reasons for slowing down of CPEC projects. What options do you recommend Pakistan and Beijing to re-invigorate the project and make Phase-II a tangible reality?

Introduction:

China - Pakistan Economic Corridor - CPEC is a flagship project of "Belt and Road Initiative" BRI of China. CPEC was signed in 2013 in which CPEC has to make a transit corridor for China to trade with Afghanistan, Iran, Central Asian Republics and Middle Eastern countries. CPEC serves as an alternative route for China's traditional maritime sea-route that is full of security threats. Under CPEC projects, China has invested almost \$100 bn in infrastructure projects, railways, roads, energy projects, economic-zones, IT sector etc. CPEC completion was set in three phases, but it has been under challenges which has slow down the development of this project. Pakistan has been grappled with many issues like security challenges are the foremost cause of delayed CPEC projects. The resurgence of terrorism after the Taliban 2.0 takeover in Afghan significantly challenged the writ of the state. Moreover, the political instability in the country in the recent years coupled with economic instability has derailed the CPEC projects. However, government has taken certain steps to make

a stable environment for improved security conditions. There is still a need of structural reforms as well as political dialogue to cater the challenges that are hindering the project.

Importance of CPEC



• Geoeconomic Importance of Pakistan

- Kashgar - Gwadar Road - 2400km
- Reduction in trade cost and time to China. (36 → 11 days) → China - Europe

• CPEC as a transit route for almost 60 countries, would help Pakistan's economic growth, if the Gwadar Port become as a largest port in South Asia, as by CPEC aim.

⇒ The world second largest economy would be dependent on Pakistan for trade with Middle Eastern countries, Iran, Saudi Arabia.

⇒ "The largest exporting Hydrocarbon market for Iran is China" - **Institute of Policy Reforms Report**

Moreover, Saudi Arab biggest oil exporting Market is China. Hence, to access these countries China would use CPEC corridor which is cost effective in terms of transport cost, time and days than the traditional maritime sea-route.

⇒ China has invested about 18 bn dollars in energy sector of Pakistan and more than 100 bn dollars in infrastructure projects, roads, railways - (eastern - alignment, central alignment projects). **report by Pakistan Bureau of Statistics**

⇒ CPEC is not only beneficial for Pakistan and China only, but is also provides opportunities for kindred

Central Asian countries, Afghanistan to trade with South East Asia, as well as with Asian countries by utilizing CPEC route.

• Reasons for Slowing Down of CPEC-projects

1) Covid-19 hindered China as well as Pakistan Economic growth causing slow down of CPEC-projects-

Although Phase I (2015-2020) which was about infrastructure and energy sector projects was completed timely by completion of many highways, energy sector projects i.e. rental power producers - IPPs which helped in energy requirements

But, the second phase (2020-2025) slow-down due to epidemic of COVID in 2020, which crippled Chinese economy. Beijing was highly affected by covid-19, that diverted all her attention in stabilizing the country's health sector.

2) Resurgence of Terrorism in Pakistan; one of the key reason of slow-down of CPEC project.

"20 Chinese have been killed along with 34 injured due to terrorist attacks in Pakistan" - According to Naacta "National Action Counter Terrorism Authority".

• DG- ISPR, Interior ministry repeatedly said that TTP "Tehrik-e-Taliban Pakistan" and ISKP are targeting state's infrastructures and security personnels.

• **Afghanistan as a launching pad for terrorists.**
There are many evidences which shows that Afghanistan soil has been used for foreign agencies as a launching pad for terrorist attacks in Pakistan.
i.e. Kulbushan Yader Case

• **Rise of separatist Movements; BLA, BLF, Majeed Brigade admitting attacks on Chinese nationals.**

Balochistan Liberation Army - BLA, Balochistan Liberation Front BLF and other separatist movements are challenging the writ of state by attacking security personnels and Chinese nationals.

⇒ Attacks on Chinese nationals in Karachi air-port attack, in Dasu, Bisham have been done by separatist groups which have accepted the responsibility.

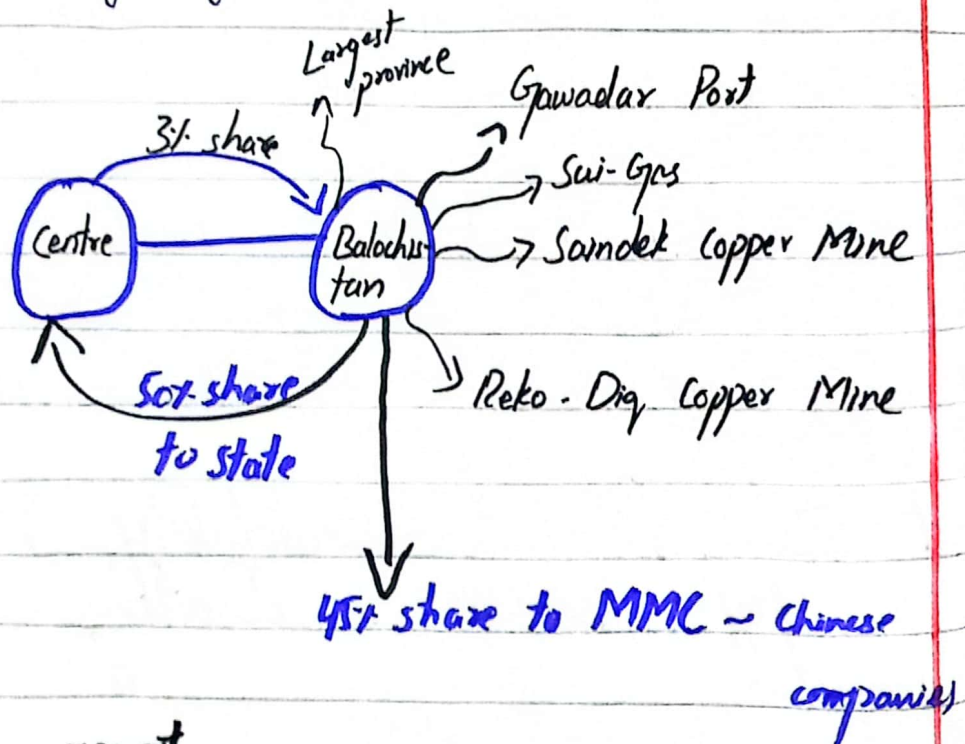
• **Political Polarization- Instability, one of the key reason in derailing CPEC project.**

Political ~~cont~~ polarization is the major reason.

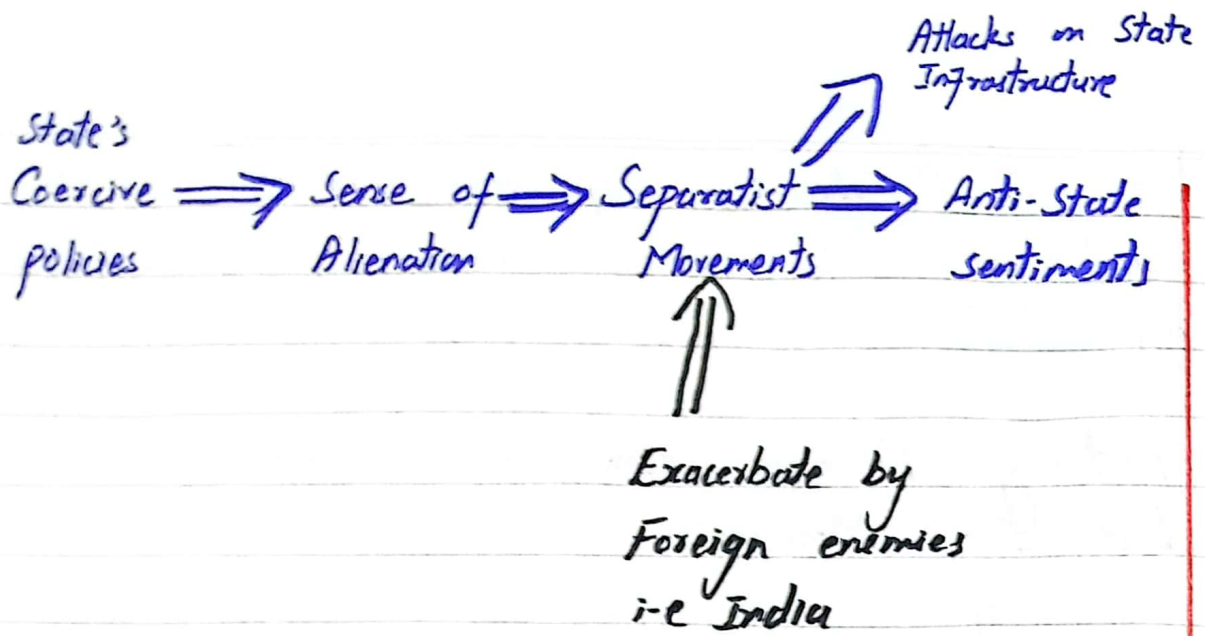
government and opposition parties do not sit on a table for political dialogues. The continuous protests coupled with security challenges weak terror on the state's image which reduce the Foreign investors confidence on the state.

• Unequal Distribution of Resources ~ Federal-Provincial Conflict also hinders CPEC development:

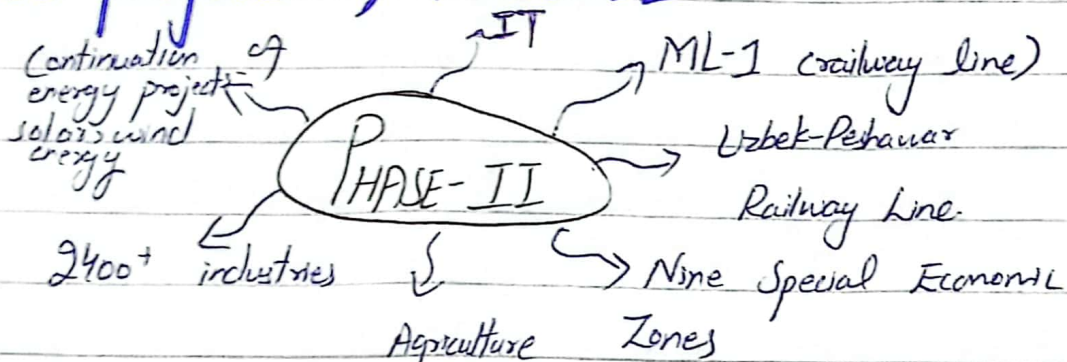
The most important project under CPEC is Gwadar Port which is in Balochistan. But despite giving largest share in nation's economy (GDP), Balochistan & population is living in poverty with no health and educational facilities, which creates a sense of alienation in those people which consequently give rise to separatist movements.



* ISSI - report



Recommendations to Expedite the CPEC-projects ; Phase-II-



1) Zero-Tolerance Policy for Terrorists

State should take coercive measures to curb the terrorist resurgence. Recently, Pakistan government has initiated operation like "Azam-e-Astakham" to kill the terrorists who are challenging the writ of state

2) Joint-counter terrorism measures; SCO-RATS a better opportunity

The government should enhance regional collaboration on countering terrorism. Like "Regional Anti-Terrorism Structure" which aim to curb

3 evils, "Extremism, Separatism, Terrorism". Pakistan should utilize this opportunity being an active member of SCO-

• Fostering Dialogue over Coercive Policies regarding Balochistan Movements.

One of the flawed approach used by Pakistan government is coercive way to suppress the voices of Balochistan people, who mainly protesting over the issue of enforced displacement. Rather than use of force, government should foster political dialogue by bring these people on table and listening to their grievances which could ultimately reduce the separatist movement.

Moreover, equal distribution of resources among all provinces should be the focus.

o) Regional Collaboration to make Afghanistan stable

Stability in Afghanistan is crucial for a stable environment in Pakistan as well. It will stable the security environment.

• Beijing should expedite the projects like ML-1, SEZs, industrialization.

Phase-II which have to be

completed by 2025 has been slowed down.

China should focus more on use of renewable energy sources like wind, solar energy and water -

"If 0.25% area of Balochistan is covered by solar panels with 20% efficiency it would suffice the whole country need" - Pakistan Bureau of Statistics

⇒ The promise to make Gwadar an largest-sea-port in South Asia should be fulfilled as early as possible. Along with this, the indigenous people of Gwadar's grievances should be taken into account.

Conclusion:

Although, CPEC projects have been slowed down due to security challenges in Pakistan, Covid-19 hit in China, US-China trade war etc but the Pakistan government has tried its best to improve the security environment by creating a separate military division of 12000 security personnels for Chinese nationals protection along with security operations. China should also expedite the delayed projects like ML-1 railway line and other renewable energy projects for the economic growth of Pakistan.

Reasons of Growing Relations.

⇒ Russia has geostrategic apprehensions in E-Europe due to continuous expansion of NATO in Russia's neighbouring countries.

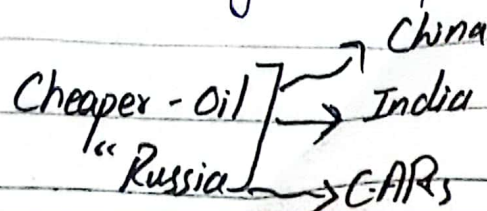
⇒ China is also against expansion of NATO. China always support a multi-poles world and want to contain NATO expansion. Fall of Russia definitely will negatively affect China's growth. China has geostrategic concerns in Indo-pacific region in general and South China-Sea in particular.

QUAD, AUKUS ~ potential threat for China.

* Russia-China emerging bilateral trade, a potential threat for USA-

Both countries are growing trade relations and aiming the trade in their local currencies Rubel and Yuan.

⇒ China is importing Russian oil in cheaper price. After US and EU sanctions on Russia, Russia took a calculative move and reduce its oil price which ultimately benefitted Russia.



⇒ Russia is providing S-400 missiles and SU 35 jetfighters to China which is ~~increasing~~ strengthening Chinese defense position in South China (Sea), where US has deployed its military.

⇒ US-China tariff war resulted in exports of high Semi conductors chips to Russia at cheaper rates which benefitted both states.

* Swap Currency, a step towards Decolonization by BRICS+ ----

As US hegemonic tactics are major obstacles for China and Russia because US do not want to let them grow because US sees their growth towards multipolar world order which do not suits her hegemony.

⇒ Russia and China are utilizing BRICS platform to raise voice against the protectionist policies of USA which is against WTO standards.

⇒ Both countries aim to use idea of swap currency which is a major dent to USA. As USA uses its SWIFT as a strategic tool for imposing sanctions on her enemies.

* Formation of National Development Bank (NDB):

NDB made under BRICS is a strategic step to challenge US-led world order. By this these countries want to end the reliance on US-led financial institutions like IMF and World Bank.

US, still a leading power

⇒ USA is still a leading power as one of the top producing and exporting defense related technologies. Almost 1 Trillion dollars are annually spend to increase its defense.

⇒ Almost 80% of the world reserves are in dollar. So, the idea of dedollarization still require a lot of time and hardwork.

⇒ Almost 50-60% of the world trade is still in dollars.

⇒ Although, China aims to become trading master by its BRI initiative but that seems a long-completion time. BRI will be completed in 2050.

⇒ US, is still a major player in leading international

institutions like in UN, IMF, WB.

⇒ USA is still a leading IT power in the world. Facebook, Google, Whatsapp, ^{Twitter} almost all the big multinational companies are in USA. Although China, Russia has their own technology and IT sector but it is within their borders.

Conclusion:

There is no doubt in the fact that Russia and China growing economic, strategic and geopolitical collaboration is an effort to potentially challenge USA - hegemonic order but still US has a leading role in world as 80% reserves are in dollar, major defense producer. But, still it is evident that the world is going towards multipolarity as China is second largest economy and Russia is resurgent power.

BRICS⁺ ⇒ Exports ~ 600 bn dollars to USA

USA ⇒ Exports ~ 300 bn dollars to BRICS⁺

Q8-03

COP 29 summit ended in Baku. Critically evaluate its failures and commitments.

Introduction:

Under "United Nations Framework Convention on Climate Change" UNFCCC, Conference of parties COP, leading decision making body of UNFCCC meet annually to discuss climate change related issue. Recently, COP-29 held in Baku Azerbaijan draw world's attention as it highlighted the disagreement between developing and developed nations over climate finance. However, the conference discusses about mitigation and adaptation policies regarding growing vulnerabilities of climate change. One of the milestone was setting framework for Carbon-Credit Trading under article 6.4 of Paris agreement.

Theme: "In Solidarity for Green World"

Too Little, Too Late Poultry Sum:

Developed nations along with some other private investors like NDB, China etc decided to set fund of \$300bn annually by 2035 to support developing nations against climate change vulnerabilities.

=> Developing nations strongly opposed this and called -

it too little, too late policy sum.

⇒ Most of the delegates walked out.

* Absence of World Top Leaders in COP-29:

Critics argue that COP-29 does not seem interested to many world top leaders. As, Joe-Biden, Trump, Xi-Jinping, Putin along with many other heads were absent in the meeting.

* Trump 2.0 & U-turn to Climate Policy:

As Trump always voice for "America 1st policy". In his term 2017-2020, he withdrew from Paris agreement and cutted US finance in climate finance. He openly criticized green diplomacy and mocked green-fund.

* Carbon-credit Trade in COP-29:

Although, one of milestone in COP-29 was finalization of carbon-credit trading, where developing countries which have not used their carbon emission threshold fully can sell their carbon credit to the other countries who need it.

But, this is just a initiative until fully implementations its assesment can't be ~~utilized~~ utilized.

* "Phase-out Fossil Fuel"

Although it was decided in COP 28 as well to transform the energy sectors from fossil fuels, who are major contributors to greenhouse gases (GHG's), no country seriously took this decision. Many delegations and the state who was presiding this summit is one of the major oil and gas exporters in the world.

* GCC countries and China ~ being a major GHG's emitters are in developing block--

Some major Arab oil-rich countries and China are not included in developed status. So they not contribute as much as they should in climate finance, as they are industrialists and major consumers and exporters of fossil fuels.

China is the largest exporting market for Saudi oil.

Hence they ~~do~~ not contribute. In COP 24 although China has given money as a voluntary state but that was too little.

• Idea of Debt-for-Nature Swap has not been discussed.