

## Current Affairs

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In the dynamic landscape of global geopolitics, economic corridors play a crucial role. In the spot light are major initiatives: China's Belt and Road Initiative (BRI) and the recently introduced India-Middle East-Europe Economic Corridor (IMEC). These ambitious projects stand as manifestations of economic prowess, geopolitical maneuvering and the quest for dominance.

### IMEC's Genesis and Purpose

The IMEC, born from collaborative efforts between the USA, India and their allies, seeks to redefine routes for trade between India, the Gulf states, and Europe. Its proclaimed purpose is to enhance the movements of goods, data, money and foster people to people connections. However, the underlying motivations hint at countering China's expansive BRI, as highlighted by the commitment of 600 billion US dollars by G7 leaders to counter balance China's influence.

## BRI: A Decade of Transformation

it's 10th anniversary, China's BRI unfolds as a multi-trillion-dollar global cooperation platform, showcasing over 3000 cooperation projects and nearly a trillion dollars in investment. Despite criticism regarding transparency and debt traps, China asserts the BRI's positive impacts on global connectivity.

## Comparative Analysis of BRI & IMEC's Potential

### Initiation and Progress

- BRI was launched in 2013 and is actively progressing.
- IMEC is in the MOU stage, indicating it is in the preliminary planning.

### Scale of Investment

- BRI has an estimated value of around 8 trillion US dollars.
- IMEC's investments are projected to be smaller, possibly a few billion dollars.

### Geographical Coverage

- BRI spans over approximately 150 countries, primarily developing or emerging economies
- IMEC is planned to cover around 20 countries, mainly in the middle East and Europe, with generally higher economic development

### Transportation modes

- BRI has a diverse network, with 70% focused on land-based routes.
- IMEC emphasizes sea transportation, envisioning shipping lanes and rail and road connections.

### Directionality

- BRI is multi-directional, connecting China with Asia, Europe, Africa, and America
- IMEC is unidirectional, primarily connecting India to Europe

### Scope of Projects

- BRI includes a wide range of projects from infrastructure to energy, agriculture, and industrial zones.
- IMEC's scope appears more limited

focusing on shipping lanes and rail and road infrastructure.

## Future Prospects of IMEC

- 1) IMEC is 90% complete or operational, Sea lanes and railroad connections of the member countries are at advanced stages. Hence, not a huge amount of work is required to build the infrastructure from bottom.
- 2) Financial viability of IMEC is enhanced by the joint wealth of the participating countries. Most of these countries have solid economic factors.
- 3) The common goal of these countries, backed by US and its allies, can drive this project forward more rapidly. Common goal being the concerns about the increasing influence and global dominance of China.
- 4) Robust private sector involvement in various projects of IMEC can further speed up the implementation of this project.
- 5) Economic benefits of IMEC also include regional integration of different cultures and

enhanced energy security especially with the involvement of the Gulf states.

## BRI Prospects

### 1) Infrastructure Development

BRI aims to build and upgrade infrastructure, including roads, rails, ports in the participating countries. This enhances connectivity, trade and promotes economic development.

### 2) Economic growth

The improved infrastructure created by BRI can stimulate economic growth in the participating countries. It will also enhance the trade routes and logistical efficiency.

### 3) Investment opportunities

BRI provides investment opportunities such as foreign direct investment (FDI) and economic collaboration.

### 4) Cultural exchanges

BRI will encourage cultural and people-to-people exchanges by fostering closer ties between nations.

### 5) Global connectivity

BRI, through its vast range of projects, can increase global connectivity resulting in more integrated global economy. This connectivity can lead to a more balanced and inclusive economic development around the globe

### Conclusion

The future of the economic corridors remains uncertain. The clash between IMEC and BRI signifies more than just infrastructure development; it represents a struggle for global influence. BRI and IMEC both show distinct approaches, with BRI having a larger global scale. In contrast, IMEC is still in early stages. Regional dynamics, strategic interests and diplomatic manoeuvring will decide the future of both corridors.

## Q6) Loss and Damage Fund

A key outcome from the UN Framework Convention on Climate Change (UNFCCC)'s 27th Conference of the Parties (COP27) meeting in 2022 in Egypt was an agreement to establish a new loss and damage fund.

The concept of this fund was to assist developing countries that are particularly vulnerable to the adverse effects of climate change. This fund will help the affected countries combat the impacts ~~through~~<sup>of</sup> various disasters such as intense heat waves, floods and droughts.

## Practical Materialization of Loss and Damage Fund, COP 28

As COP28 concluded in Dubai, it marked a crucial juncture in global efforts to address climate change. COP 28 was attended by representatives from nearly 200 countries, including Pakistan. The conference commenced with a significant achievement — the establishment of the Loss and Damage Fund.

Wealthy countries, most responsible for climate emergency, ~~had~~ pledged a combined total of just over 700 million US dollars (guardian report) to the loss and damage fund. This is equivalent to less than 0.2% of the irreversible economic and non-economic losses developing countries are facing from global heating every year.

### Opportunities of Practical materialization

- A Bleak Future

The opportunities, as it stands right now, are very bleak of the practical materialization of loss and damage fund. The pledges that were made at COP 28 fell far short of what was needed: 700 million dollars

Loss and damage in developing countries estimated by one non-governmental organisation is greater than 400 billion dollars a year and rising. Estimates for the annual cost of the damage have varied from 100 billion to 580 billion dollars. This figure is far greater than what has been pledged by the



developed countries. For instance, UAE pledged 100 million dollars as well as Germany, then slightly topped by Italy and France who both promised 108 million dollars. The US, which is historically the worst greenhouse gas emitter - and largest oil and gas producer of 2023 - pledged just 17.5 million dollars. While Japan, the third highest economy behind US and China, offered a mere 10 million dollars.

These millions that are promised for the loss and damage fund at COP28 are a drop in the ocean of what is needed. The growing loss and damage is the clearest indication that the Paris Agreement 2015, is not working and countries are struggling.

However, if the developed and wealthy nations recognise the heed of the hour, acknowledge the disaster at hand posed by rapid climate change, there can be a ray of hope for the developing and under-developed countries in fighting environmental disasters. But at the moment, future looks bleak.

## Potential Benefits for Pakistan

For Pakistan, the stakes for environment are high. According to Global Climate Risk Index 2022, Pakistan is the fifth most affected country by climate change. Extreme weather conditions, including heatwaves, floods and droughts pose significant challenges.

Opportunity to activate the funding

Adhering to checks and balances, showcasing the commitment to utilizing the funds effectively, Pakistan can grab this opportunity to get some relief financially to tackle the climate change effects. COP28 Loss and damage fund materialization comes at a time when Pakistan is facing the heat of environmental disasters. Hence, Pakistan can avail this fund to reverse some of the damages caused by intense floods and can increase its adaptive and mitigative capabilities.

Pakistan's Active engagement at COP28

At COP28, Pakistan pavilion emerged as a focal point for discussions, hosting panels.

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on initiatives Pakistan showcased such as 'The Living Indus Initiative', which is aimed to restore the Indus River basin. The Ministry of Climate Change conducted 28 activities on the sidelines as well.

## Conclusion

Pakistan played active role in advocating for environment protection interests at COP 28. Developed countries must operationalize 'Loss and Damage Fund' in order to help the affected countries in adopting and mitigating the constantly rising environmental challenges. The path forward requires continued global cooperation, effective planning and decisive action.