

**RESEARCH PAPER****Reviewing the Major Developments Achieved under the First Phase of the CPEC: A Contextual Analysis****<sup>1</sup>Dr. Sharaf Ali\* and <sup>2</sup>Dr. Ghulam Shabbir**

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**\*Corresponding Author:** shaarif.ali@uog.edu.pk**ABSTRACT**

This study presented an overview of the major developments which have been achieved under the first phase of the CPEC. The study mainly had two major aims: firstly, it aimed to review the significant achievements which the economy of Pakistan has achieved after completing the first phase of the CPEC; secondly, it aimed to explore and explain the main hurdles which have resulted to hinder the smooth implementation of the main projects which were aimed to be completed under the first phase of the CPEC. This study signified that despite of the undesirable delaying conditions and multiple challenges in the smooth implementation of the first phase of the CPEC, Pakistan and China have managed to achieve almost all of the major targets of the Phase-I of the CPEC. This study concluded that it is in the high interest of both counterparts of the CPEC i.e. China and Pakistan to successfully complete the CPEC project. Further for achieving the aforesaid purpose, both of the states have to continue their mutual cooperation for the overcoming the potential hurdles, and try to complete the remaining two phases of the CPEC as soon as possible i.e. for availing the full benefits of the CPEC project(s).

**KEYWORDS:** BRI, Challenges for the CPEC, CPEC, Economy of Pakistan, Future of the CPEC, OBOR, Pak-China Relations, Phase One of the CPEC**Introduction**

The idea of CPEC was initially shared by the Chinese Prime Minister to his Pakistani counterpart in 2013. Later, the Chinese President during his state visit to Pakistan in 2015 formally inaugurated the CPEC by inking the 51 agreements and memoranda promising an investment of 46 billion dollars i.e. under the umbrella of the CPEC (Ali, 2017). The CPEC comprised macro level projects mainly related with development of highways, railway lines, transmission lines, electrical energy, specialized economic zones. Further, the CPEC is ought to be completed in three phases; the Short Term Phase (2015-2020), the Medium Term Phase (2021-2025) and the Long Term Phase (2026-2030). Since the commencement of the CPEC, it has faced much controversy and difficulties due to which the progress over the CPEC projects slowed down and the first phase of the CPEC could not get completed within its due time frame i.e. up till today. Despite of lacking in the full completion of the first Phase of the CPEC (which was ought to be completed in 2020), the state authorities of China have formally verged onto move forward for starting the second phase of the CPEC in 2023 (Hassan, 2020; Khan, 2023).

While formally launching the CPEC in 2015, the leadership of both the states i.e. China and Pakistan clearly understood that the successful completion of the CPEC projects would not only help to transform the economies of China and Pakistan but it would also help to enhance the trade opportunities for the other economies of region as well (Qureshi, 2015). Further, the successful completion of the CPEC projects is being

expected to provide lucrative economic opportunities for the whole region i.e. not only for Pakistan and China, because it would help to marginally reduce the transportation time and cost for the imports/exports from the Afro-Asian states for all the regional economies (Kazi, 2017). In simple words, the successful completion of the CPEC would be vitally crucial for both the China and Pakistan, because the CPEC is supposed to give a boost to the economies of both the states i.e. China and Pakistan. In light of the aforesaid facts, this study is meant to pursue the following research objectives.

### **Literature Review**

Rehman (2012), and Khan (2012) elaborated the various contemporary challenging scenarios i.e. in the recent past, during which the China and Pakistan unhasitantly supported each other. He gives a special mention to the Sino-Pak cooperation against the various militant organizations operating in China i.e. ETIM and Ughurs..

Rakistis (2012) discussed the history of Pak-China relations to establish this fact that the relationship between China and Pakistan is quite anomalous as there existed a very wide gap in the national ideologies of both the states. He provided that the China follows the 'Communism' as her basic political ideology, whereas, Pakistan follows 'Islam' as her core political ideology and both of the aforesaid political ideologies are hardly compatible with each other. He maintained that the basic reason of the ever-growing cooperation between the China and Pakistan is the convergence of their respective national interests, especially, for dealing with the threats from India.

Jetly (2014) provided a detailed overview of the One Belt One Road (OBOR) initiative of the Chinese government. According to his research, the OBOR is mainly comprised of three routes i.e. the southern, northern, and central routes. The northern route connects the China with Europe by passing through the Russia. The starting point for the central route is Shenghai and it gets connected to the Persian gulf via passing through the Central Asian states and Iran. The central rout of the OBOR is the longest route. The southern route of the OBOR starts from Gangzhu region of China, and it passes through the Kashghar for being finally connected with the Gawadar region of Pakistan. The CPEC is part of the southern route of the OBOR, and it directly connects China to the Arabian Sea by providing shortest route for the imports/exports of China to Middle East and Africa.

Sial (2014) provided that the China and Pakistan had a longstanding friendly relationship, and CPEC is a new product of their ever-existing mutually supportive relations. The CPEC would provide an opportunity to China for further consolidating her eminent position in the global economy, hitherto, it would to build Pakistan's weakening economy i.e. though providing the much needed FDI and basic economic infrastructure. His research also maintained that the aforesaid opportunities are not without the related threats. He pointed many a challenges that Pakistan would have to address for reaping the full benefits of the CPEC, the major challenges for Pakistan included the deepening economic crises, instable political system, militancy, and the turbulent center-province relations.

Hussain (2015), and Liping (2015) discerned that the CPEC would lead to uplift the regional trade barriers by creating a supportive business environment in the whole region. The territories/land area which are adjacent to the CPEC routes would turn to be lucrative place for investment i.e. in the large scale production and manufacturing sectors of economy. Further, the small and medium size enterprizez would also be in position to take full advantage of the opportunities created by the CPEC. He provided that the government of Pakistan intends to develop several Special Economic Zones (SEZs) along with the CPEC routes. He also maintained that the CPEC projects would also result to

attract the foreign direct investment i.e. in the aforesaid SEZs from all around the world which would help to boost the economy of Pakistan i.e. through expanding the employment opportunities for the people of Pakistan.

Khan and Kasi (2017) provided a detailed overview of the Pak-China relations. He maintained that China has always extended her full cooperation with Pakistan since after the establishment of the diplomatic relations with Pakistan and Pakistan had also fully supported the China in her very testing period of the diplomatic isolation. He also provided an extensive review of the various areas of cooperation which have been developed between Pakistan and China i.e. the areas of defense, economy, energy, nuclear technology, diplomatic etc. His research highlighted both the historical context and the future prospects for the growing value of the relationship i.e. between the China and Pakistan.

Mustafa and Zafar (2017), and Ali (2023) reviewed the policy of Pakistan to take part in the US led global war against terrorism and its adverse impacts on the economy of Pakistan. They provided that Pakistan took hefty loans for funding an unnecessary war and then had to repay that loan which in turn badly affected the supply of finance to the economy of Pakistan. In the wake of the aforesaid war against terrorism, Pakistan had to bear a big loss in terms of the money and human lives. The study provided that the terrorism is still persistent in Pakistan and it poses a serious threat to the CPEC projects, because the many routes included in the CPEC have to pass through the regions which are severely affected by the terrorism i.e. Baluchistan and KPK provinces of Pakistan.

### **Material and Methods**

This study mainly aimed to provide an overview of the major developments which have been achieved under the first phase of the CPEC. Keeping view of the nature and objectives of the study, this study has employed case study research methods. For achieving the purpose of this research the researcher has primarily used the secondary data sources, and accordingly, the researchers have conducted a systematic literature review of the relevant published material i.e. Books, published reports of the various think tanks, periodicals, research journals, news reports etc. After collecting the relevant data i.e. through conducting an extensive and systematic literature review, the relevant facts/data have been presented in the form of results/discussion and conclusion i.e. by adjusting those facts/data according to the scope of this research.

### **Results and Discussion**

#### **Major Developments achieved under the CPEC**

Pak-China strategic partnership took a new turn when Pakistan awarded the construction contract of the Gawadar port to China in 2013. The CPEC mainly aims to connect the Kashgar (a city in the South-western China) with the Gawadar (a city located in the coastal area of the South-western region of Pakistan) i.e. via constructing the railway and road links (Sharukh et al, 2018). The following figure provides a road map of the CPEC.

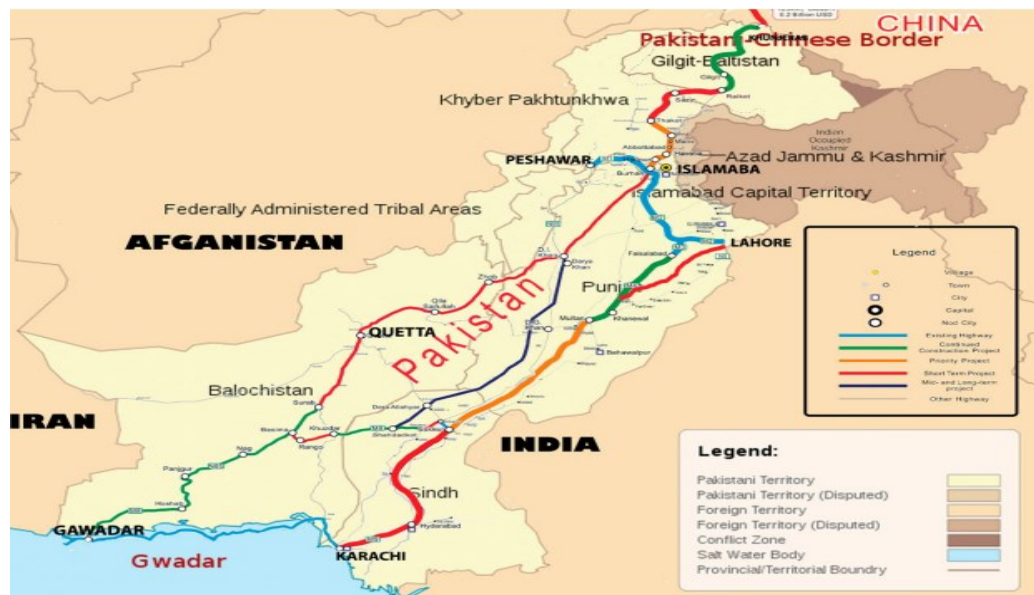


Figure 1: Basic Road Map of the CPEC, Source: [www.cpec.gov.pk](http://www.cpec.gov.pk)

China considered the aforesaid project as 'crucial' for creating a link between the land based and maritime segments of the BRI. The CPEC (as integral part of the BRI) was formally launched in 2015. The CPEC offered an estimated investment of 62 billion dollars for developing a comprehensive economic corridor which is supposed to be consisted of railway and road links, energy production and supply units, construction of the Gawdar port (Balachandran, 2017). Respective state officials of both the states released a comprehensive CPEC Plan (2017-2030) in December 2017 which provided a proper scheme and time line for the completion of the CPEC. The aforesaid CPEC plan was comprised of a short term projects which were supposed to be completed in 2020; the medium term projects which were supposed to be completed by 2025; and some long term projects which were supposed to be completed by 2030 (Dawn, 2017).

Right from its beginning, the CPEC agreements have been acclaimed as a significant breakthrough in the bilateral relations of Pakistan and China. Despite of the difference opinion regarding the terms and conditions of the CPEC agreements, both of the governments has attempted to achieve the smooth and timely completion of the aforesaid projects. For facilitating the CPEC projects and operations thereunder, China and Pakistan have established a state level Joint Cooperation Committee (JCC) under which seven joint working groups (JWGs) related with the planning, infrastructure, energy, industrial cooperation, transportation, Gawadar port, international development and socio-economic development are working. The JCC works as the main decision making forum, whereas, the JWGs deals with background planning and on field implementation of the CPEC projects i.e. according to the nature and scope of the projects. Further for the purpose of domestic regulation and coordination of the CPEC projects , Pakistan promulgated the CPEC Authority Ordinance in 2019 which later has become the regular law of the land in 2020 (Khawar, 2021). The leadership of both states i.e. China and Pakistan have had a clear understanding that the successful completion of the CPEC would result to serve the vital interests of both the China and Pakistan as it would help to ease the economic challenges being faced by Pakistan, hitherto, it would help Chinese economy by providing a more secured and alternate sea route for her international trade. Probably, that is why despite of facing the multifaceted challenges e.g. the COVID-19 oriented economic melt-down or unstable law and order conditions in the region, the CPEC has been met with the significant developments.

Primarily, the CPEC projects are categorized in three types, and according to the nature of their typology those projects were ought to be completed in three phases respectively: short term projects (Phase-I), medium term projects (Phase-II), and the long term projects (Phase-III). The short term and medium term projects (i.e. Phase-I & Phase-II) were deemed to be completed by 2020 and 2025 respectively. The Phase-I (short term projects) of the CPEC mainly included the energy projects i.e. for coping with the domestic energy crises in Pakistan. As of today, total fourteen projects of the Phase-I have been completed and progress over the two projects is still underway. The following table indicates the production capacity, total cost and the completion time line of the projects included in the Phase-I of the CPEC.

**Table 1**  
**Detail of the Energy Projects initiated under the Phase-I of the CPEC**

Sr.	Project Title	Completion Status	Year of Completion	Production Capacity	Cost (Million Dollars)
1	Quaid-e-Azam Solar Park, Bahawalpur	Completed	2016	400 MW	781
2	Sahiwal Coal Power Plant	Completed	2017	1320 MW	1912.2
3	Dawood Wind Farm, Thatta	Completed	2017	50 MW	112.65
4	UEP Wind Farm, Thatta	Completed	2017	100 MW	250
5	Sachal Wind Farm, Thatta	Completed	2017	50 MW	134
6	Three Gorges Wind Power	Completed	2018	100 MW	150
7	Coal Power Plant, Port Qasim	Completed	2018	1320 MW	1320
8	Engro Thar Coal Power	Completed	2019	660 MW	995.4
9	Hub Coal Power Project, Hub	Completed	2019	1320 MW	1912.2
10	Karot Hydropower Project, AJK	Completed	2022	700 MW	1720
11	HUBCO Thar Coal Power, Thar	Completed	2022	330 MW	497.70
12	SSRL Thar Coal Power, Thar	Completed	2023	1320 MW	1912.12
13	HUBCO ThalNova Power, Thar	Completed	2023	330 MW	497.70
14	Suki-Kinari Hydro Power, KPK	30 % left	---	870 MW	2000
15	Coal Power Project, Gawdar	Just started	---	300 MW	542.32
<b>Grand Total</b>				<b>9170 MW</b>	<b>14736.97</b>

Source: www.cpec.gov.pk

The Phase-I of the CPEC also included multiple transport and infrastructure projects, and from among those transport and infrastructure projects many projects have been completed, whereas, progress about the rest of the projects is still underway. The following table provides the details about the cost and the completion time line of the transport and infrastructure projects i.e. which were included in the Phase-I of the CPEC.

**Table 2**  
**Detail of the Transport and Infrastructure Projects initiated under the**  
**Phase-I of the CPEC**

Sr.	Project Title	Completion Status	Year of Completion	Total Length	Cost (Million Dollars)
1	DTMB Pilot Project	Completed	2015	--	4
2	Cross Border Optical Fiber Cable	Completed	2018	820 KM	44
3	Havellian-Thakot Road(KKH-II)	Completed	2019	120 KM	1315
4	Multan-Sukhar Motorway	Completed	2019	392 KM	2889
5	Orange Metro Train Lahore	Completed	2020	27 KM	1626
6	Matiari-Lahore Transmission Line	Completed	2021	900 KM	1658.34
7	Hakla-D.I. Khan Motorway	Completed	2022	297 KM	122.81
8	N-50 (Zhob-Quetta Road)	40% complete	---	305 KM	238.69
9	N-30 (Basima-Khuzdar Road)	99% complete	---	106 KM	68.54
10	Hoshab-Awaran Road (M-8)	10% complete	---	146 KM	92.86
11	Shandur-Chitral Road	30% complete	---	153 KM	57.14
12	Nokundi-Mashkhel Road	10% complete	---	103 KM	25
<b>Grand Total</b>					<b>8141.38</b>

Source: [www.cpec.gov.pk](http://www.cpec.gov.pk)

The details given in the above given tables clearly indicate that the most of the projects has faced certain delays in the course of their implementation due to which the Phase-I of the CPEC could not be completed in the specified time frame. The following section deals with explaining the major hurdles which were faced by Pakistan during the completion of the Phase-I of the CPEC.

### **Major hurdles which were faced during the Phase-I of the CPEC**

The state authorities of China and Pakistan announced to formally start the Phase-II of the CPEC in August 2023 (Dawn, 2023). Despite of the various issues i.e. during the implementation of the Phase-I of the CPEC projects, both the governments of China and Pakistan have successfully managed to meet the major objectives outlined for the Phase-I of the CPEC. The Phase-I of the CPEC primarily aimed to establish the necessary energy production and the road infrastructure for meeting the essential needs of the export oriented industry based in both the Pakistan and China. The achievements after the formal completion of the Phase-I of the CPEC resulted to enhance the much needed energy generative and distributive capacity of Pakistan along with the substantial addition into her road connectivity resources. Further during the aforesaid period i.e. from 2015 to 2023, Pakistan received almost dollar 25 billion foreign direct investment from China. Initially, the aforesaid short term Phase-I of the CPEC was planned to be completed up till 2020 but due to the certain reasons it could not be completed within its basic time frame. Following lines would shed light on the main hurdles which resulted to cause the undesirable delay in the smooth and timely completion of the first phase of the CPEC.

### **Constantly instable political environment in Pakistan**

The scholars of political economy rate Pakistan as a state having tremendous resources and a state whose economy is constantly plagued by the ever-haunting political instability. Further, Pakistan possesses some systemic inconsistencies owing to weak democratic culture i.e. in which most of the political stake holders play their role not to favor the state but to favor their own self-interest (Taha, 2012). The CPEC can be treated as a classical case study for examining the aforesaid theoretical notion i.e. about the nature of political economy in Pakistan. After winning the general elections held in May 2013 and amid the election rigging allegations leveled by the major opposition parties, the Pakistan Muslim League Nawaz (PML-N) under the leadership of Nawaz Sharif formed the federal government in Pakistan for next five years (Hussain & Bari, 2018). Right after the formation of government, the newly formed government of the PML(N) showed a serious interest in joining the BRI initiative of the Chinese president Xi Jinping i.e. by formally signing the CPEC agreements with China in July 2013 (Abid & Ashfaq, 2015). Accordingly, upon the formal invitation of the federal government President Xi consented to schedule a state visit to Pakistan in September 2014 i.e. for signing the CPEC agreements. But the CPEC received the first severe blow when under the garb of the election rigging charges against the PML(N), a major opposition party Pakistan Tehreek-e-Insaf (PTI) staged a 'sit-in' during the same time period which in turn resulted the postponement of the aforesaid visit of President Xi for seven months and the formal launching of the CPEC was delayed up till April 2015 (Malik, 2017).

Eventually, The CPEC was formally launched after the historic visit of the President Xi's visit in April 2015. Although the federal government of the PML(N) was fully satisfied with the CPEC oriented investment but the other opposition parties ruling in different provinces tried to create various controversies. For example, the nationalist parties claimed that CPEC funding is unduly routed to Punjab by taking away the due share of the Khyber Pukhtukhwa (KPK) and Baluchistan province (Daily Times, 2015; Malkham, 2017). Further, the major political parties from the Sind and Gilgit-Baltistan had also showed their resentment about the distribution of funds and projects of the CPEC which not only resulted to make the CPEC projects controversial but caused some unnecessary delay also (Wolf, 2016). Additionally, there existed a sort of institutional disharmony and disorientation among the various state institutions of Pakistan which eventually lead to the timely completion of various CPEC projects. For example, the proceedings in the Lahore High Court resulted unnecessary delay in the timely completion of the orange line train project in Lahore (Tanveer & Shaukat, 2016). The PML(N) government successfully managed the aforesaid controversies by promptly taking the relevant administrative and political steps (Haider, 2015).

During the whole period of the PML(N) regime, the PTI kept on alleging the government with the charges of corruption, especially, regarding the CPEC projects. Later, the overall electoral campaign of the PTI for the next election (which were to be held in 2018) was based on the anti-corruption narrative. The PTI after winning the general elections 2018 formed a coalition government in the center and provinces of Punjab and KPK. From the very beginning, the PTI government started fueling controversies over the CPEC projects by revealing her plan to suspend the developments over the CPEC for at least an year (Financial Times, 2018). Further for bracketing his political opposition, especially the leadership of the PML(N), the PTI regime carelessly used the propaganda means i.e. the international press and social media for developing (even without any verifiable evidence) an unholy link between the corruption of PML(N) leadership and the CPEC projects in general. The aforesaid immature policy of the PTI regime resulted to implicate both the CPEC in general and the Pak-China strategic relationship (Hussain,2019). Further, the controversial statements issued by some responsible elements of the PTI regime also lead to fuel the international anti-CPEC and anti-BRI propaganda (Times of India, 2018). In the light of the aforesaid facts, it is quite

evident that the PTI regime has maltreated with the CPEC just for the achieving of her naïve political interests which essentially impacted the timely completion of the CPEC projects.

### **Challenging security conditions in Baluchistan province**

Mustafa and Zafar (2017) reviewed the policy of Pakistan to take part in the US led global war against terrorism and its adverse impacts on the economy of Pakistan. They provided that Pakistan took hefty loans for funding an unnecessary war and then had to repay that loan which in turn badly affected the supply of finance to the economy of Pakistan. In the wake of the aforesaid war against terrorism, Pakistan had to bear a big loss in terms of the money and human lives. The study provided that the terrorism is still persistent in Pakistan and it poses a serious threat to the CPEC projects, because the many routs included in the CPEC have to pass through the regions which are severely affected by the terrorism i.e. Baluchistan and KPK provinces of Pakistan.

Balochistan is rich in energy and mineral resources. The most persistent grievance of Baloch nationalists is the exploitation of natural resources by the federal government without enough compensation to the province. Aspirations of Baloch nationalists about the economic, ethnic and political rights raised the issues and grievances in Balochistan. The successive governments did not play their role to address and resolve these matters. Consequently, the worst ways were paved to raise bleeding insurgencies and revolts. The absence of problem resolution mechanisms and the negligence of the well being of the masses are also the reasons of nationalism in Balochistan. Real negligence from the central government is the mishandling of the nationalists' perspective (Waqar, 2015).

Pakistan is constantly facing violent insurgencies along with the whole western route of the CPEC, especially, in the areas located in the Baluchistan province where the insurgents have continuously harmed both the CPEC and the state interest of Pakistan in general (Shakil, 2021). The CPEC mainly connects the Gawadar city (which is a coastal city of the Baluchistan Province of Pakistan) with the western China. Baluchistan is mineral very rich province of Pakistan which has been facing insurgency since a long ago i.e. before the inception of the CPEC. The Baluch nationalists alleged that the federal government has been involved in pursuing some manipulative political and economic policies to essentially disfavor the local population of the province (Bansal, 2008). Further, the separatist elements in the Baluchistan apprehended that the employment opportunities created by the CPEC projects would be used as means to colonize the local population and exploitation of their mineral resources.

The aforesaid factors resulted to exacerbate the already disturbed law and order security conditions in the province and, the security of the Chinese technical and support staff i.e. working on the CPEC projects has constantly remained under serious threats (Bansal, 2008). Due to the poor law and order security conditions in the Baluchistan, for most of the times the provision of the logistic facilities i.e. gas, electricity, water and internet has not been smooth enough to meet the due standard requirements. For impeding the ongoing development under various CPEC projects in the province, various separatist elements have conducted several attacks on the Chinese workers working at various CPEC project sites (Dhar, 2022). Various organized separatist i.e. the Baluchistan Liberation Army (BLA), Baluchistan Liberation Front (BLF) and the Baluch Nationalist Army (BNA) has been frequently reported for accepting the responsibility of attacking the state infrastructure and the law enforcement agencies i.e. stationed in the Baluchistan and other parts of the country (Baluch, 2022). The following table presents the data about a few of the major insurgent attacks over the CPEC oriented installations/workers located in the Baluchistan province.



**Table 3**  
**Major insurgent attacks over the CPEC oriented installations/workers located in the Baluchistan province.**

Sr.	Main Target of the Militant Attack	Detail of Attacker	Location	Month of Attack	Major Victims Of The Attack
1	Oil tankers for the Chinese project	BNA	Mastung	March 2015	05 drivers abducted
2	Chinese engineers	BLA	Hub	Sep 2016	02 Chinese killed
3	Local CPEC project workers	BLA	Pasni	Nov 2016	02 local workers killed
4	CPEC related road project	BLA	Gawadar	May 2017	10 workers killed
5	CPEC related road project	BLA	Turbat	May 2017	03 workers killed
6	Bus carrying the Chinese engineers	BLA	Dalbadin	Aug 2018	3 Chinese killed
7	Chinese staff living in PC Gawadar	BLA	Gawadar	June 2019	05 locals killed
8	Chinese staff living in Serena Peshawar	TTP	Quetta	April 2021	05 locals killed
9	Military Check Post	BLF	Kech	Jan 2022	17 soldiers killed

Source: from multiple newspaper sources compiled by the author himself

For ensuring the security of the staff working for the CPEC projects and the CPEC installations in general, a special division of Pakistan Army has been established. The aforesaid division is headed by a major general and it is comprised of fifteen thousand soldiers, including nine thousand military and six thousand paramilitary personnel (Boni, 2019).

### **The Global Pandemic and Domestic Climatic Catastrophes**

The Pakistan's economy along with the overall global economy has suffered from a global pandemic of the 'Covid-19' during the recent years. The covid-19 was started from a city of China in December 2019 after which it was reported to be spread in the rest of the world (Cioti et al., 2020). The aforesaid pandemic resulted to impose the severe quarantine SOPs, restrictions on the domestic traveling, closing local markets, shutting down the international borders, and the closure of the international flights (Singhal, 2020). The Government officials formally acknowledged that the covid-19 pandemic had slowed down the developments being done under the CPEC (Saleem, 2020; Ahmad, 2023).

During the aforesaid pandemic period, the covid-19 restrictions, especially, the travel restrictions had adversely affected the ongoing development projects in Pakistan including the CPEC projects. Since, the CPEC projects were heavily dependent upon the cross border movement of the heavy machinery, relevant material and technical support staff i.e. between the China and Pakistan, so the covid-19 restrictions obviously resulted to cause severe operational disruptions for the various construction projects of the CPEC. The logistical supply challenges and shortages of the work force due to the covid-19 resulted to slow down the speed of the various construction projects being done under the CPEC (Azeem et al., 2022; Belova et al., 2022). During the whole period of the pandemic, the overall construction over the CPEC projects remained virtually suspended and through sustaining the mutual goodwill diplomacy by both the China and Pakistan

e.g. during the pandemic period, the construction was formally restored in September 2021 (Mehmood et al., 2022; Ahmad, 2023).

The Climate change is considered as one of the most serious challenge for the sustainable economic growth of any country and, unfortunately, Pakistan is continuously suffering from the catastrophes resulted by the climate change (Razzaq, 2023). Pakistan lies at the top of the list i.e. eighth among the countries which are extremely affected by the negative effects of the global climate changes patterns. Due to the changes in the global climatic patterns, Pakistan has been facing a drastic upsurge in the severity, frequency and magnitude of the floods (Khan et al., 2021). During the last decade Pakistan has coped with at least three catastrophic floods i.e. in 2015, 2019 and 2022. The aforesaid flooding due to climate change severely impacted the economic growth of Pakistan (Khayam, 2020).

The Floods of 2015 resulted to create a havoc in all the four provinces of Pakistan, especially, in her western provinces i.e. KPK and Baluchistan leaving hundreds of people dead and devastating dozens of roads and bridges devastated (DW, 2015). The same case was repeated in 2019, with an added intensity of floods in the Baluchistan province where the provincial government felt compelled to declare an emergency (Floodlist, 2019). The flood of 2022 was the biggest and worst floods of the last decade in Pakistan which not only created a humanitarian crisis by impacting the lives of more than 4 million people, but it also resulted a fatal blow to the economy of Pakistan by destroying 3000 kilometers of roads and 130 bridges (Kurtzer & Abdullah, 2022). Along with the negative effects on the overall economic growth of Pakistan, the aforesaid massive flooding catastrophes have equally affected the major development projects of the CPEC. The aforesaid high magnitude floods have resulted to damage multiple highways, power plants and other on-site facilities being used for many construction projects of the CPEC. For example, after the flood of 2019, the construction of the Gawadar East Bay Expressway in Baluchistan was suspended and being a key part of the CPEC, the aforesaid suspension leads to affect the many other projects under CPEC (Chaudhry, 2023).

### **Terrorism and Regional Security Issues**

In addition to the above noted politico-economic and climatic volatilities, terrorism has also been a stumbling block in smooth implementation of the CPEC projects (Hussain, 2019). Pakistan has played a role of the 'front line' state in the US led international war against terrorism and accordingly the state and society in Pakistan has been paying the cost i.e. in the political and economic terms. During the last two decade Pakistan has faced multiple traditional and traditional security threats i.e. in the form of violent extremism, militancy and extremism which resulted to an estimated direct loss of 78 billion dollars. Further, the experts have claimed that the indirect loss in the long run i.e. in the war against terrorism can be ten to twenty times more than the aforesaid direct loss. During the aforesaid period, various terrorist organizations have frequently tried to disrupt the various development projects i.e. CPEC through attacking their respective communication and transportation networks (Malik & Jamil, 2023).

Along with the challenge of separatist militancy in the Baluchistan province, the terrorism rampant in the whole state has resulted to halt the smooth materialization of the CPEC projects (Akhtar et al., 2017). Right from the beginning of the CPEC, the security situation in Pakistan became more degraded due to the extreme upsurge in the terrorist incidents which seriously threatened the Pak-China relations (Puri, 2017). Up till the start of 2016, various Chinese companies working in Pakistan (i.e. including the CPEC projects) had reported more than three hundred security breaches threatening to the Chinese workers (Goh, Martina & Shepherd, 2017). During the first two only, 44 workers working for the various CPEC projects were killed and more than a hundred were reported to be injured (Reuters, 2016). The aforesaid aggravated security situation in

Pakistan lead the Chinese authorities to halt the CPEC funding in 2017 by issuing an advisory against the terrorist threats for her citizens working in Pakistan (European Foundation for South Asian Studies, 2017). Following figure presents the post CPEC data related to the annual terrorist incidents in Pakistan.

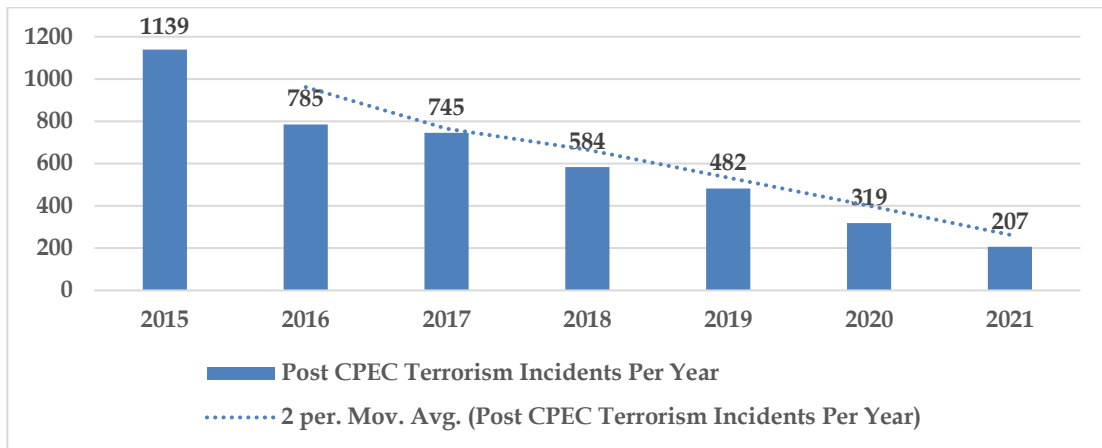


Figure: 02- Post CPEC annual terrorism incidents in Pakistan Source: Adapted from Ali (2023)

Keeping view of the very clumsy law and order situation i.e. during the last decade, fighting the war against terrorism has become the top agenda of the state authorities in Pakistan. Pakistan has managed to reduce the frequency of the terrorist incidents through implementing a comprehensive anti-terrorism policy but seemingly the roots of terrorism are still being found intact (Clarke, 2017; Afzal. 2021).

**Conclusion**

This paper mainly aimed to investigate the major developments which have been achieved after the formal completion of the first phase of the CPEC. The study further investigated about the main perils which have resulted to hinder the smooth implementation and the timely completion of the CPEC’s first phase. The successful completion of CPEC project is considered to be vital for the sustainable economic growth of both the China and Pakistan. The CPEC once completed would help China to overcome her Malaca dilemma by providing her an alternate safe route for linking the Eurasian region with the South Asia and South East Asia. On the other hand, the CPEC offers Pakistan a huge amount of foreign direct investment which would help to boost her economy both in the short and long run. Further, the project would help to bring the China and Pakistan closer i.e. for securing their strategic security interests against India i.e. in the Indian Ocean Region.

Despite of the realizing the fact that the smooth completion of the CPEC would offer various strategic benefits to both the counterparts, the first phase of the CPEC project has faced many challenges due to the presence of certain issues. The main domestic issues which created hurdles in the timely completion of the first phase of the CPEC included insurgency in Baluchistan province due to the politico-economic marginalization of the local Baloch population, political instability due to the extremely polarized political culture, severe climatic catastrophes due to being in the high hit zone of global climate change effects, and organized terrorism due to participation in the US led global war against terrorism. However, the overall project has remained intact due to the strong political will and mutual cooperation of the both governments i.e. of China and Pakistan. Both the governments have taken effective security measures for dealing with the internal and external security challenges to the CPEC projects.

### **Recommendations**

In light of the above noted facts, this research recommended that both the China and Pakistan would not be able to reap the real benefits of the CPEC project, unless, they become successful to ensure peace in the region.

For bringing the peace in country, this research recommended that Pakistan has to take all the major complaining domestic stake holders i.e. marginalized groups of the Baluchistan and KPK province on board through adopting some viable institutional mechanism for resolving their genuine concerns about the CPEC projects. Any further delay or failure to address the justified concerns of the Baluch or Pakhtun marginalized groups would result to keep on impeding the smooth implementation of the CPEC projects i.e. during the upcoming phases too.

Additionally, this research also recommended that there should be a broader level political consensus among all the national level major political parties, especially, regarding the general structure and implementation of the CPEC projects. Any sort of unjustified or irresponsible criticism posed by the political leadership may result to hurt the interest of both the countries and it may also lead to temper the bilateral relations of China and Pakistan which in no way favors the strategic interest of Pakistan.

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