



SDPI

Sustainable Development Policy Institute

SUSTAINABLE DEVELOPMENT IN UNUSUAL TIMES: BUILDING FORWARD BETTER

Edited by:

Uzma Tariq Haroon | Sarah Siddiq Aneel



Sustainable Development in Unusual Times: *Building Forward Better*

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Taimur Chambers, # 10-D(WEST), 3rd Floor
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Tel: (92-51) 2278134, 2278136
www.sdpi.org

&

Sang-e-Meel Publications

25-Lower Mall, Lahore
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Sustainable Development in Unusual Times: *Building Forward Better*

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Preface

Every anthology from the team at the Sustainable Development Policy Institute in Pakistan encapsulates the essence of our annual Sustainable Development Conference (SDC), reflecting invaluable discussions, scholarly exchanges, and crucial policy guidelines. Nevertheless, the current anthology holds greater significance because it represents the 24th volume and is derived from the discourse and studies presented during our Silver Jubilee Conference.

In recent years, the world has grappled with a series of crises that have reshaped our understanding of sustainability. In fact, the concept of 'sustainability' has now evolved from a balance between resource consumption and replenishment to a call for urgent, planet-saving action. This anthology mirrors the depth and breadth of this transformative era, exploring critical sectors and proposing innovative solutions for sustainable development. It contains transcripts of speeches delivered by senior policy leaders such as H.E. President of Pakistan, Speaker of the National Assembly of Pakistan, former Minister of Climate Change of Pakistan as well the Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP). Hence, beyond just serving as a repository of academic and policy recommendations, it uniquely documents the concrete responses and commitments from top tier decision-makers from Pakistan and the region.

There is no doubt that the contemporary landscape is rife with unprecedented uncertainty. While the Pandemic might be receding, geopolitical tensions and the imminent threat of climate change continue to disrupt the global order, shaking the very foundation of our economic, social, and environmental paradigms. These uncertainties pose a direct threat to our future necessitating immediate, concerted

action. The anthology highlights these challenges and emphasises the need to *'Build Forward Better'* in response.

Organised into sections addressing Environmental, Economic, Governance, Health and Gender matters, the volume covers diverse topics, spanning from Climate Diplomacy for Least Developed Countries (LDCs) to Gender Inequality, Catastrophe Bonds to Local Government Sustainability, and Neurological Disorders to Energy Security. Each chapter stands as a testament to dedicated efforts by the development and academic community aimed at confronting head-on the multidimensional crises the world, particularly Pakistan, faces today.

As we confront the looming spectre of another potential pandemic, escalating conflicts, and the havoc wrought by climate change, the need for collective global action becomes ever more pressing. The diverse group of authors underscore the urgency to collectively address these challenges, transcending borders, politics, and individual interests, urging collaboration, innovation, and resolute commitment to forging a sustainable path ahead. The opening, closing, and special plenary speeches by key thought leaders acknowledge these obstacles ahead and echo the call for urgent action, while recognising SDPI's continuous dedication as part of the solution.

In my introductory remarks at our Silver Jubilee SDC, I drew on T.S. Eliot's timeless wisdom, stressing the repercussions of indecision and highlighting the necessity to transcend inertia, favouring forward-thinking approaches and action-oriented solutions over prolonged deliberation.

It is my hope that this peer-reviewed collection of astute research and analysis serves as a compendium of concepts and potential pathways for progressive strategies and proactive measures to address the challenges of our era. This will help pave the way for a world that is more secure, equitable, and resilient for future generations.

My sincere gratitude extends to all contributors for sharing their wisdom, expertise, and dedication. Special thanks to Ms Uzma Tariq Haroon and her team for their efforts in compiling and editing this book. As we face these challenging times, I am confident that the insights presented will instigate meaningful change, inspiring us all on a collective journey toward a more sustainable and harmonious future. Here's to many more such publications on sustainable development.

A handwritten signature in black ink, appearing to read 'Dr. Abid Qaiyum Suleri', with a long, sweeping underline.

Dr Abid Qaiyum Suleri

Executive Director, Sustainable Development Policy Institute

PLENARY DISCOURSE

Sustainability, Spirituality, and Society: Lessons for Pakistan's Future

President of the Islamic Republic of Pakistan, H.E. Dr Arif Alvi

From Climate Crisis to Economic Challenges: SDPI's Dedication to Sustainable Development

Ambassador Shafqat Kakakhel

Resilience, Response, and Revival: Pakistan's Path through Global Disruptions

Abid Qaiyum Suleri

Reimagining South Asia: Addressing Challenges and Celebrating Collaborations

Raja Pervaiz Ashraf

Emerging Stronger: Strategies for Climate Resilience in Unusual Times

Senator Sherry Rehman

Climate Justice, Digital Inclusion, and Regional Cooperation: Addressing South and South-West Asia's Sustainable Development Challenge

Armida Salsiah Alisjahbana

Sustainability, Spirituality, and Society: Lessons for Pakistan's Future*

His Excellency Dr Arif Alvi, President of the Islamic Republic of Pakistan

Ambassador Shafqat Kakakhel Saheb, Chairperson Board of Governors; Dr Abid Qaiyum Suleri Saheb, Executive Director of Sustainable Development Policy Institute; Ms Mikiko Tanaka, Director and Head, UNESCAP – Sub-regional Office for South and South-West Asia (SSWA), India; Ladies and Gentlemen, Assalam-o-Alaikum!

I will speak in Urdu as translation for our foreign delegates has been arranged and as I want to address our nation on this topic of utmost importance. I would like to congratulate the Sustainable Development Policy Institute (SDPI) for arranging this Conference with the Sixth SDGs Forum SSWA and inviting experts, professionals from around the world and holding a fruitful discussion. There were discussions related to COVID-19 and recent floods.

* This is a Provisional Transcript delivered at the Special Plenary of the Sustainable Development Policy Institute's Twenty-fifth Sustainable Development Conference titled '*Sustainable Development in Unusual Times: Building Forward Better*' on 8 December 2022 in Islamabad, Pakistan. The speech has been transcribed by Asim Zahoor and Tayyaba Hanif Maken, Sustainable Development Policy Institute (SDPI), Pakistan; and subsequently edited for clarity. The full speech, as delivered, can be viewed at: <<https://fb.watch/iBDEMI0l8/>>.

Here I would like to shed some light about the COVID-19 scenario. I recall hearing and reading about many warnings regarding a pandemic around 15-20 years ago which I was aware of, and it was considered to be a communicable disease which will spread easily due to increase in the population and contact of people with each other. Yes, we may have passed it, but it would be foolish to think that humans have control on diseases in this era. Having a medical background and being a dentist, I will share an example with you regarding viral diseases, that when you wake up in the morning, there are 16 billion microbes in your mouth which comes to ten billion after brushing and it does not matter how hygienic you are, still ten billion microbes will remain there. Here what I want you to understand is that the microbes are there, but we do not consider them a huge problem due to their non-physical existence. Nevertheless, these are the creations of Almighty Allah.

So, as I was talking, predictions of pandemics were there, researchers carried out research to make antiviral drugs and there are various antibacterial drugs available as compared to antiviral drugs. However, the point to be noted is that they [viruses] can mutate much faster. My point is, still this is not the time to relax. Though we have successfully contained COVID-19, let me point out the possibility of many pandemics having more devastating effects and occurring more frequently in the future.

Another thing I would like to mention is the effects of global warming and how humans are an important part of this calamity which led us to think about its causes; and to me, it is concerned with the 'attitudinal behaviour of humans'. According to the Malthusian Theory which explains a cycle, that with the abundance of food, human population grows rapidly until a disease or pandemic occurs which causes it to reduce.

As soon as we developed medications and treatments for diseases, this cycle broke. Now, we do consider population growth an alarming situation, which indeed it is, but we have to think about the necessities and requirements of population growth. We also need to change our mindset about the 'demographic

transition', i.e., when the economy of a country is at its peak, it is human psyche to produce less offspring and provide every necessity and leisure for the family. But, during a recession, we like to think, a greater number of children means more earners within a family. Currently, in Pakistan, people have the same mindset that the more population will grow, more earners [there will be] and then, we will become countries like Egypt, Indonesia, China, or Bangladesh. We all have heard about government plans for population control being laid out these days.

During the tenure of the last government, the former Prime Minister proposed to make a population taskforce, taking religious people on board. But I came to understand that their inclusion will not resolve the issue as we are not identifying the key problem we face.

I would like to share some statistics: There are around nine million pregnancies in Pakistan and half of them are unwanted. The reason of these unwanted pregnancies is that the contraceptive medicines are not [with]in reach of women. People feel shame and [are] shy to get or buy them, especially women. If we could somehow address this issue, Pakistan's population growth problem will be solved instantly.

I would like to put a question in front of you all, that is, whether food technology nowadays can fulfil the food requirement of the world?

In my opinion, we don't have to worry about food shortage as it is human nature to come up with new ideas and innovative technologies to gather food. Here, I would like to share the example of the Netherlands. Some while ago, I met the Ambassador of Netherlands, and I asked him about the size of Netherlands. In his response, he said, 19 times smaller than Pakistan and, yet it is the second biggest exporter of food to the world. Can you imagine - it is 19 times smaller than Pakistan! The reason behind this is their approach towards water management and technology. Using Artificial Intelligence for recognition of diseases and recognition of shortage of micro-nutrients in food.

The world is still in various dangers. Another one I would point out is increase in the production sector during the past several decades. The result of capitalism, the concept of having abundant resources, and the thought that these resources will never diminish - no matter how we use them - is where our thinking is flawed. This concept did work during the 20th Century but might not now.

I would like to share a fact with you that if you take the example of America or Europe, whenever the people buy anything, it usually takes them three to four months to discard them. I also want to mention here that our concept of producing more and more has affected our college-going students who have a 60 to 80% stress rate as compared to 24% stress rate in the overall population. The reason behind this is [that] we have burdened them with a cycle of 'get educated, get a job and earn'. So, their only focus will be to earn more and more. That is what we need to change - our 'attitude'. We do not need to look to other countries as we can learn from examples from our past, especially from our own religion which enlightens us about many concepts which are considered to be true now and were taught to us centuries ago. I would like to quote a *hadith* here of our beloved Prophet Hazrat Muhammad (PBUH). He (PBUH) told us not to waste any water even if you are performing ablution at the bank of a flowing river. The message of 'conserve' and not to waste was inherited from our religion.

I would also like to mention here that Jared Diamond said that there are five rules for success. First, you recognise the problem; secondly, learn from your past; thirdly, learn about any accomplishment within your country; fourthly, define your goals; and lastly, know your objectives and achievements. Then, you should commit and invest your money. I shared this example to highlight the lack of commitment for setting a timeline by the world on global warming if we want to overcome it.

Another example I would like to share is of Carl Gustav Jung who was well-known for his psycho[logical] analysis, [and] who in the 1950s, practiced the concept of 'conservation' by living on an island situated on a Swiss Lake, without electricity and modern accessories. Many other philosophers also apply the

concepts of 'conservation' such as Yuval Harari who wrote '*Sapiens: A Brief History of Humankind*.'

A fact that I would like to share with you is that I knew about the six incidents in which a nuclear war almost started but to my amazement I further learnt about 48 incidents of such magnitude. So, what I am trying to convey through these examples is that even if issues such as global warming do not kill us, we, the humans might end ourselves. Hence, what we need to change is our 'attitudinal behaviour' which I have been insisting on throughout my speech.

By looking at the war going on between Russia and Ukraine, what are we achieving? The amount of money which is spent on wars? The race to make more nuclear weapons among countries? I would like to share with you that about USD 14 trillion were spent on the 'Mutual Assured Destruction' philosophy in which nuclear weapons were built by countries. The amazing fact is that only USD 1 million are required to eliminate global warming. This shows what our priorities as a human being are.

Water conservation is Pakistan's dire need, and we need to flourish in the technology sector as well. Clean energy is becoming a new trend and the world is also moving towards the era of abundance, but it should not come at the cost of Earth.

We all know about Pakistan's foreign exchange crises, but my question is, why can we not opt for energy conservation to help ease the burden on the economy? Why can we not close our markets by 6:00 pm and shop during the day as it could save us 4000-5000 megawatt of electricity? It all comes to the same point which I emphasise on that we need 'attitudinal change'. Natural disasters are uncontrollable, but we can avoid human-created ones. Here, I would like to talk about adaptation as mitigation regarding the floods [which] have been discussed comprehensively during this Conference. Adaptation is what we need to address in our life.

Lastly, I would like to end my speech on three key notes, i.e., to reduce waste, secondly, we need to limit our wants, learn to differentiate between needs and wants, and thirdly, strive towards a happy future and love for all creation.

I would like to end here as I already talked about inheritance, and in the context of religion I want to talk of 'spiritual inheritance.' I'm a fond student of Rumi these days. Rumi says, first of all, love yourself and clear your heart, so you may know your worth - and others' worth too. Then, love your family; love your children, implying peace and balance in the family. Third, Rumi references our Prophet Muhammad (PBUH)'s *hadith*, stating, love your neighbour. That is important. Then, he says to love your nation, but he never mentions hating any other nation. Fifth, he emphasises the importance of loving mankind. He suggests that if you truly love mankind, what happened in Ukraine, the struggles in the Middle East, and historical events such as colonialism in Africa wouldn't happen. However, the sixth point he emphasises as the most important is to love all of Allah's creations, including water, clouds, grains, and soil. How better can a message of conservation and environment be given than by Rumi urging to love all of God's creation, both living and non-living? Then, he comes to the seventh point, which is to love Prophet Muhammad (PBUH). Lastly, the eighth point: with all this love, your relationship of love will become strong with Allah.

I thank you all.

From Climate Crisis to Economic Challenges: SDPI's Dedication to Sustainable Development*

*Ambassador Shafqat Kakakhel, Chairperson, Board of Governors,
Sustainable Development Policy Institute (SDPI), Pakistan*

Honourable President of Pakistan and our Chief Guest, H.E. Dr Arif Alvi, Executive Director SDPI, Dr Abid Qaiyum Suleri, Ms Mikiko Tanaka, Head of UNESCAP South and South-West Asia Office, Distinguished Participants, Ladies and Gentlemen.

On behalf of SDPI's Board of Governors, I have the honour to welcome you all at this Special Plenary of the Twenty-fifth Sustainable Development Conference which marks the Silver Jubilee of the Conference series and 30 years of SDPI founded in 1992. The Silver Jubilee SDC is being jointly held alongside UNESCAP's Sixth South Asia SDG Forum and Policy Dialogue. We are grateful to President Arif Alvi for inaugurating this Special Plenary of the Conference. We look forward to his guidance.

The defining theme of this SDC is '*Sustainable Development in Unusual Times: Building Forward Better.*' This theme accurately reflects recognition of the

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developments at the global level which have created enormous hardships for many countries and engendered widespread anxiety and uncertainty. The backdrop of this annual flagship event of SDPI can, therefore, be described as challenging and frustrating.

At the domestic level, Pakistan's political landscape witnessed a major political change resulting from a vote of no-confidence adopted by the Parliament in April 2022. The global scene is marked by escalating climate crisis with hundreds of extreme weather events induced or amplified by climate change in all parts of the world but causing unbearable hardship in developing countries owing to their lack of preparedness and resilience as well as capacity to undo the burgeoning human and material losses. Tragically, despite the colossal destruction caused by the climate catastrophe and the solemn pledges made by scores of states at the Glasgow Climate Summit last year, the emissions of greenhouse gases have been rising unabatedly.

The Russian invasion of Ukraine and occupation of parts of its eastern and southern regions have caused grave deterioration in the world's political situation underlined by economic trade sanctions against Russia by the Western countries. Consequently, global supply chains have been disrupted fuelling energy and food crisis and creating fear of famine in dozens of countries dependent on wheat, edible oil, and fertilizers from Russia and Ukraine. The global economy is in turmoil marked by inflation, recessionary trends, and exchange rate fluctuations.

Since June 2022, in the wake of countrywide heatwaves and an unprecedented spike in temperature causing widespread drought and rapid melting of glaciers, Pakistan has been engulfed and ravaged by ferocious rains in over a third of the country. Victims of the heavy precipitation include 33 million people displaced; all kinds of infrastructure (bridges, roads, railway lines); human settlements (homes, hospitals, schools, shops, and markets); around a million livestock; and five million acres of standing crops of cotton and cereals. The floods of biblical proportions threaten to increase poverty and set back socioeconomic development in Pakistan.

For nearly half the year, the government, and people of Pakistan as well as the Armed Forces personnel, have been engaged in actions to save lives threatened by the rains. We have received generous assistance and support from the United Nations system, multilateral organisations, and friendly countries. But the scale and magnitude of the loss and damage caused by the climate-induced rains is too large to be remedied in a short time.

As in the past, SDPI activities included policy relevant, evidence-based research on the Sustainable Development Goals; urgent issues such as preparedness for the climate crisis, poverty alleviation, blue economy, inclusive economic growth, clean energy, and the role of academia in fostering sustainable development. SDPI's Sustainable Development Television (SDTV) has been playing a vital role in promoting robust dialogue on national challenges.

SDPI's Executive Director Dr Abid Qaiyum Suleri will provide a recap of the key policy recommendations and detailed briefing on the major themes deliberated at the large number of panel discussions during the past three days of this year's SDC.

I hope that the deliberations at the Twenty-fifth SDC would be useful for the government and non-state stakeholders as well as governments of friendly countries and multilateral agencies in their endeavours to promote sustainable and inclusive development in Pakistan for enhancing the well-being of its citizens.

I would like to conclude by thanking our partners and donors whose financial and intellectual support was indispensable for the success of our Conference. I also thank the organisers, speakers, and participants of the various panels. The SDPI staff, especially the SDC team deserves our gratitude for their untiring efforts over several months for ensuring the success of the Twenty-fifth SDC.

Resilience, Response, and Revival: Pakistan's Path through Global Disruptions*

Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute (SDPI), Pakistan

Excellencies, Ladies and Gentlemen, a very Good Morning!

First of all, I would like to offer my profound gratitude to the Honourable President of the Islamic Republic of Pakistan, Dr Arif Alvi, not only for sparing his valuable time for this special session of SDPI's Twenty-fifth Sustainable Development Conference but also for patronising this annual conference over the years. This reflects the importance His Excellency gives to the subjects of sustainable development.

We are pleased to share with you that this year as part of our Conference, SDPI is also co-hosting United Nations Economic and Social Commission for Asia and Pacific (UNESCAP)'s Sixth South and South-West Asia Sustainable Development Forum in Pakistan. The UN's Under-Secretary General and Executive Secretary of UNESCAP Dr Armida Salsiah Alisjahbana joined us for the inaugural of this Conference and shared her thoughts on how to collectively strive for achieving

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sustainable development in the region during these unusual times that can be best described as a 'Triple C' crisis. I am referring to COVID-19, Conflict especially the Ukraine Conflict, and Climate Change.

Your Excellency, although Pakistan's coordinated response to COVID-19, and policy of smart lockdowns did help to contain the loss of precious lives and livelihoods, yet globally COVID-19 upended the decade long progress on the Sustainable Development Goals (SDGs), especially on poverty reduction and food security.

In 2021, the World Bank estimated that global GDP shrank by USD 10 trillion due to COVID. Economic impact of this magnitude engulfed the world, including Pakistan, in a downward economic and financial spiral. The sporadic but persistent outbreaks of Coronavirus raise a highly uneasy question: When will this Pandemic ever be over – that is, if it will ever be over at all? That we don't have an answer – at least not yet – meaning that unusual times ushered in by COVID-19 might be here to stay in the foreseeable future.

The second major source of uncertainty we are facing today is a series of conflicts that runs the risk of becoming a global conflagration. Much of Europe and the United States are already fighting a proxy war with Russia over Ukraine – leaving global energy and food supply chains in tatters. While this leaves states like Pakistan with very difficult choices to make in the international arena, it has all the wherewithal to further divide a world already struggling to forge common bonds for the resolutions of common problems – such as the transition to affordable, equitably accessible and, most importantly, sustainable sources of energy, dwindling water supplies across the world – that no single country can now handle on its own, and the list goes on.

The World Food Programme (WFP) reckons the number of people facing acute food insecurity jumped from 282 million at the end of 2021 to a record 345 million in 2022 (an addition of 63 million in the last ten months). As many as 50 million people will begin 2023 on the brink of famine. Until now, the problem has largely

been food inflation. However, the UN is warning that next year, it will be food availability as global nitrogenous fertilizer production, for which Russian gas is an important ingredient, has collapsed.

This brings us to the last major source of our current uncertain times: climate change. It is here, it is happening now – right in front of our eyes. First, in the form of Pakistan losing its entire spring season, and then, in the form of a super flood. Similar disasters are in evidence everywhere. Even in places like Germany, we can see how flash floods and the drying up of rivers have been witnessed in a matter of just a few months. Rapid changes in climate are forcing us to deal with such disasters in a firefighting mode rather than being able to mitigate and avert their frequency and intensity.

To discuss these issues and way forward in a threadbare manner, this year's SDC included 35 concurrent panels and 11 plenary sessions that undertook a review on progress of SDGs in South and South-West Asia; climate diplomacy; green financing; health policy; food systems; circular economy; community resilience; urban transportation; social protection; migration post-COVID; geopolitical conflicts and their impact on the region; Pakistan's response to floods; and many more. 345 speakers from 21 countries and senior delegates from multilateral institutions like the World Bank, WFP, and FAO, among others, presented their research-based policy recommendations on how to achieve sustainable development amidst these unusual times.

Excellency, the numbers of this year's floods in Pakistan have shocked the world. Speakers from around the world offered examples of how developing countries are working to reinforce their financial readiness for disasters, levelling the cost of disasters over time and ensuring timely accessibility of post-disaster funding. It was repeatedly stressed that funding of climate resilience has to be integrated into social security insurances, thus creating adaptive social security, especially under global initiatives like the Climate Shield. Most importantly, our Conference highlighted that it was of paramount importance to strengthen the resilience of

local communities to cope with such disasters and enable them to build back better.

Speakers also highlighted the causes and consequences of internal and international economic migration in South Asia in light of the COVID-19 crisis. An important lesson here was that for sustainable development, all countries need to advance economic and social justice and reduce economic policy-induced inequalities.

How far have we, in Pakistan and in other countries, come in achieving the SDG targets? In this regard, special attention was devoted to understanding the finance-related issues and risks that countries have been facing. Multimodal options, social and technological innovations that are facilitating a green transition to offset the GHG emissions from rapid urbanisation, were also shared.

With no end in sight to the war in Ukraine, food security experts from around the world highlighted the challenges in connection with agricultural production and hunger, and how innovative, tech-centric food systems for societal and economic transformation needed to be put in place globally.

Honourable President, in other panels, we also discussed the positive impact and role of GSP+ and FTAs in the pursuit of regional integration and trade expansion; importance of energy corridors such as CASA-1000; the importance of curbing the menace of new forms of tobacco products such as vapes and e-cigarettes that are freely available to teenagers. Another highlight of this Conference was that for the first time, the corporate sector of Pakistan such as the Bank of Punjab, PepsiCo Pakistan, and Engro came forward to showcase their sustainability initiatives and resolve to support the government in its journey to sustainable development.

Honourable President, earlier, we launched the autobiography of the famous historian and writer Ahmed Salim; we also launched reports on '*Thirty Years' Journey of SDPI*', and '*State of Renewable Energy in Pakistan*.' Most importantly,

we launched the anthology of last year's annual Conference, '*Beyond the Pandemic: Leaving No One Behind*', that also contains your *Inaugural Address* where you had very kindly guided us to focus on post-Pandemic developmental challenges through South-South cooperation.

Excellency, we are keen to seek your guidance and words of wisdom on the way forward to achieving sustainable development.

We assure our best cooperation and research-based support to the Government of Pakistan in these unusual times and once again thank you for patronising the SDC over the years.

I thank you all.

Reimagining South Asia: Addressing Challenges and Celebrating Collaborations*

Raja Pervaiz Ashraf, Speaker National Assembly, Government of Pakistan

Honourable Ms Romina Khurshid Alam, Special Assistant to the Prime Minister of the Islamic Republic of Pakistan; Respected Dr Abid Qaiyum Suleri, Executive Director, SDPI; Dr Rajan Sudesh Ratna, Deputy Head of the South, South-West Office of UNESCAP; Distinguished Guests and Delegates, Parliamentarians, Honourable Ministers from Sri Lanka, and Maldives, Assalam-o-Alaikum and a very Good Evening!

It gives me immense pleasure to welcome delegates from South Asian countries to the Twenty-fifth Sustainable Development Conference in Islamabad. Thank you Dr Abid Suleri, Executive Director of Sustainable Development Policy Institute and your team for jointly organising this imperative seminar with the SDGs Secretariat of the National Assembly.

* Delivered at the High-Level Evening Plenary on 'Review of Sustainable Development Goals in South and South-West Asia' during the Sustainable Development Policy Institute's Twenty-fifth Sustainable Development Conference titled 'Sustainable Development in Unusual Times: Building Forward Better' held in Islamabad, Pakistan. The speech has been transcribed by Tayyaba Hanif Maken, Sustainable Development Policy Institute (SDPI), Pakistan; and subsequently edited for clarity. The full speech, as delivered, can be viewed at: <<https://fb.watch/LAO0aXxw6L/>>.

I appreciate UNESCAP for co-organising such forums in collaboration with member-state stakeholders and partners since 2017. We are here to develop our priorities on the cluster of goals under HLPF 2023. Our efforts are required to focus on progress in light of the Pandemic challenges and regional cooperation in how ESCAP can support member-states. Moreover, I am pleased to note that this Conference is also deliberating on the socioeconomic challenges of the South and South-West Asia region. Also, climate change, hunger and malnutrition, promoting quality education, decent work for youth and ensuring equitable access to health, are the agenda of this forum.

It is indeed a timely opportunity for us to reassess national and regional strategies towards achieving the SDGs. Looking at the unimaginable scale of loss and damage caused by unprecedented climate-induced floods, the National Assembly of Pakistan will continue to perform a proactive role through joint endeavours in introducing innovative parliamentary mechanisms. The irreparable loss of precious lives and destruction of property, infrastructure, roads, houses, schools, and basic health units by recent floods in Pakistan, makes it imperative for the Parliament of the country to support its people. In this context, I look forward to this seminar.

Regional cooperation is important for fostering in-depth and shared understanding among stakeholders on strategies and opportunities at the country and sub-regional level to accelerate progress on Agenda 2030, with a special focus on SDGs 6, 7, 9, 11 and 17.

Lastly, on behalf of the people of Pakistan and the Parliament of Pakistan, I wish a resounding success to all the learned delegates from the South Asia region, the high-level political forum delegation, all national as well as international dignitaries and area experts attending the Twenty-fifth Sustainable Development Conference. Long live our continued passion and joint endeavours toward an integrated framework for the implementation of the SDGs, while tackling the challenges posed by national calamities, man-made disasters, and the COVID-19 Pandemic.

Emerging Stronger: Strategies for Climate Resilience in Unusual Times*

*Senator Sherry Rehman, former Minister for Climate Change,
Government of Pakistan*

Dr Abid Qaiyum Suleri, SDPI, SDPI's Board Members, Ladies and Gentlemen, the audience, friends from the media, civil society stakeholders, Good Evening and Assalam-o-Alaikum!

I really appreciate SDPI for hosting this session, as they always do. It is one of the most important convenings for me in the country and the year. So, I am always privileged to be here and value the work that is done by bringing together thoughtful leaders and stakeholders in every important development goal that we must bring our energy and resources to.

Now, of course, I do have a speech related to the SDGs. However, I believe, as usual, it is crucial to address the content of the report that was discussed, and the submissions accumulated over three days of reflection, thoughts, and inputs. I

* Delivered at the Sixth South and South-West Asia Sustainable Development Forum's Concluding Session on 7 December 2022 in Islamabad, Pakistan. The speech has been transcribed by Asim Zahoor, Sustainable Development Policy Institute; and subsequently edited for clarity. The full speech, as delivered, can be viewed at: <https://fb.watch/iAkQJn47aW/>.

feel it's vital for me to contribute to this forum and also to respond to Dr Abid Suleri's request by addressing the path forward.

I think what's important is not only what I heard here but also what I've been hearing and contemplating for many years. This includes discussions at SDPI's events and other forums. The consensus is that regional cooperation is essential for realising economies of scale, promoting energy and product connectivity, and reaping all sorts of regional dividends. While we're all familiar with the peace dividend, there's also a significant backlog of work concerning the energy dividend, particularly in electricity. Collaborative efforts between the Punjabs of India and Pakistan, along with my discussions with other countries in the SAARC region, highlight the need for joint action, especially on climate change, as it does not respect boundaries.

When a climate event hits a country, it doesn't recognise borders. It strikes indiscriminately, regardless of any geopolitical tensions that overshadow decision-making and choices. And frankly, there are irrational choices in the South Asia region. Why do I say 'irrational'? Because we typically base our plans on rational thoughts, considering what would be the collective best outcome for people in the region, in a country, or in the world. That's how rational thinking operates: You assess your situation and conclude that pooling resources is the best approach. I don't need to elaborate on the power of critical mass in the region; the entire world has witnessed it. Currently, we see regions drifting apart, but this division is not beneficial for the human race. That much is clear.

Now, let me just talk about Pakistan.

It is unfortunate for us to be in a place where geopolitics overshadows all cooperation between two big nuclear powers in South Asia. It blocks trade, peoples' contact, it blocks energy grids we are talking about, blocks the capacity to buy commodities within your region while having less cost. I think everybody knows about that. So, let us not pretend here that we are going to achieve the SDGs together as we do not even share data with each other, not even simpler

data like climate, weather, or geospatial knowledge. Even though countries indeed need to do that under various international protocols and agreements just to keep their citizens protected.

I would like to add that it is very tragic to me, and organisations in Islamabad and New Delhi, who have worked for peace all their lives, that New Delhi refused visas to our blind cricket team. It really distressed me. What does that say about our region and all the plans and ambitions for which we are raising our voices here?

Power breathes great civility. India may be a rising power, but it is also our old neighbour, which should have realised by now that it needs to live with the reality of Pakistan.

Pakistan is a reality, and it is not obsessed with the rise of India. It is not our regime that refuses visas to blind sportsmen. The issue lies in 'othering,' and that is not the way forward. We are moving poles apart in what SDPI identifies as an 'age of unusual times.'

I would say this is an age of anxiety and stress. Why?

Because we see a great deal of uncertainty and unpredictability both at the global level as well as within Pakistan and the region. Now, I say this because here we are in the 21st Century, thinking that history will progress in one direction. Part of that is, you know, the whole business of reaching the SDGs, evolving human development, making it sustainable, respecting nature, biodiversity, transitioning to renewables, and working within the region. All of these elements, including rights and progress - and by 'progress,' I mean within the system defined by the United Nations (UN) after the Second World War - that system, we still uphold as the heart of liberal ambition. However, we may be moving towards a post-liberal, uncertain future where many countries are ruled by autocrats. These leaders are happy to wave the populist banner for short-term gains and reverse goals, walking away from international treaties and multilateralism. They are

essentially allowing the rise of authoritarianism and even neo-fascism, which erects barriers within humanity, builds on inequalities, and exploits all the ideals many have fought for - and that the UN still fights for. That is the post-liberal future.

So, we need to be very cognizant of the age we are living in. It is not a serene age where the SDGs will be completed or where we are moving towards the fulfilment of humanity's promise to itself. On the contrary, we are moving away from it. Leaders all over the world are exercising their rights to mislead people in their myopia, their narcissism, in their triumphalism, and in their neo-fascism. I would not name these leaders as they are ubiquitous. They always persecute the vulnerable, and anyone who is vulnerable, precisely opposing the objectives of the SDGs, becomes a target.

Now, coming to where we stand in terms of my most important SDG, which is SDG 13: What it's doing to the world is upending all the old suppositions. We base our predictions and modelling on the belief that we will achieve this SDG, this path. Rights have been treated as dispensable goods; either you can have them or not. They no longer represent wisdom. We cling to them as the universal right that the UN promised. I yearn for a world where we return to those collective goals.

The one positive outcome from this year's COP was the UNFCCC's push for climate justice. We all know the story about the proceedings there. However, make no mistake, we emerged with a mix of goals and ambitions that left many unsatisfied.

Why is the climate heating up? Why is the weather becoming extreme? Several factors contribute to these changes. Just when you think our climate is stabilising, it unleashes new calamities. This is the clear message from all scientific models, and we're even moving beyond those predictions.

So, what happened in Pakistan this year went beyond our predictions. This illustrates that there is no room for geopolitics to ignite conflicts, as occurred in the heart of Europe. These events thoroughly disrupted supply chains, affecting both food and energy supplies. As a consequence, countries, like Pakistan, are now bidding for expensive gas in international open markets, competing with wealthier countries and often losing out. This is the cut-throat world we inhabit, far from the benign world that the UN and all of us once envisioned and fought for.

You can label our current situation as 'War 2.0.' In this reality, if we fail to achieve the SDGs, who will hold whom accountable? If our climate ambitions falter, who will raise the questions? The UN might pose queries, perhaps leading to some naming and shaming. A few countries might feel the weight and take responsibility. However, the trajectory of human achievement and rationality, in this age of extremes, contrasts sharply with our collective vision of where the world should stand today.

History seems to be at a standstill because we are at a pivotal inflection point. Decisions must be made collectively, or they lose significance. They need to be determined at the multilateral, regional, or national level. We're at a juncture where a poor decision made by one country today can adversely affect its neighbouring countries. Grasp this concept: the ramifications might not emerge this year or the next, but they will surely manifest within the decade.

I see projections for 2050. But forget all that. The projections should be for 2030, as this is both the decisive and a dangerous decade. If we aren't making decisions right now, we are veering towards a fragile world. As evidenced, vulnerability increases - just look at the 1,700 people who perished in cataclysmic floods in Pakistan. There, vulnerability became a death sentence. That is not the world we envisioned, nor the aspiration that humanity should have aimed for.

We need to make collective decisions, even though they're challenging. The journey towards a 'Loss and Damage Fund', bridging the North and the South for climate justice, has begun. It is a stepping stone.

However, the conference [COP] did not advance the essential 'Paris Agreement'. Let's be clear about this. Their aim was to keep '1.5 alive'. What does '1.5 alive' imply? It signifies the trajectory towards sustainability, aiming to limit temperature increases to 1.5 degrees above pre-industrial levels. While it may sound technical, this threshold is vital for survival. Countries like Pakistan, for instance, cannot withstand a temperature rise of 3 degrees - yet that's the trajectory we're currently on. Make no mistake: I've warned about where the world is heading.

Now, countries like Pakistan, African nations, small island states, and those nearer to the equator - we can't establish enclaves of privilege for ourselves. We are the ecosystems that will suffer first. I communicated to the UN Secretary-General that Pakistan serves as a harbinger, a cautionary tale. What transpired in Pakistan could unfold worldwide, exemplifying the levels of climate dystopia that can emerge suddenly at one's doorstep!

Nobody in Pakistan had planned for the non-riverine flood. After all, who expects or anticipates a monsoon to persist for six weeks non-stop? The rain was unprecedented, reaching seven times its usual volume in the province of Sindh and six times in Balochistan. We traditionally rely on monsoon rains for our crops to flourish. However, this wasn't just additional rain; it was a deluge from the sky. It was surreal, watching the torrents pour down. No dwelling, whether a house or shanty, could withstand such a downpour. Countless lives were lost, with 33 million people affected - a number equivalent to the combined population of three medium-sized European countries. This, indeed, was the postcard, a stark message from nature to the world, and it landed squarely on Pakistan's doorstep. The same could happen in Somalia, Nigeria, or amid the droughts that plague regions like the Horn of Africa where children are already starving.

We mustn't become complacent; we have to act, don't we? However, if you notice others remaining inactive, don't be lulled into inaction thinking, *'If the world isn't assuming responsibility, why should I?'* Such complacency can send the world spiralling towards the most catastrophic outcomes.

What was my slogan at COP27? *'What happens in Pakistan will not stay in Pakistan.'*

It will arrive at your doorstep as well. That's simply the law of nature; it's how the climate operates. Biodiversity is interconnected, and climate change is all-encompassing. You can't isolate it within national boundaries.

When the UN Secretary-General visited Pakistan and witnessed the devastation firsthand, he remarked, *'I have never seen such climate carnage of this magnitude.'* Believe me, the UN has its eyes everywhere and observes every situation. Islamabad was fortunate that the floods spared it. However, many parts of Pakistan have been irrevocably altered. They won't return to their previous state, in terms of both livelihoods and income sources. Future generations there will lack educational opportunities and will be relegated to menial, low-income jobs.

The choices we make, be it at the national, regional, or global level, will directly influence people's day-to-day lives. Yes, funding will be the dividing line between mere survival and actual starvation. It will determine whether communities merely get by or can truly sustain themselves. When discussing sustainability, I firmly believe that it is always the foremost need here.

Let's be clear: Who will fund the vast amount needed to halt the rapid acceleration of climate change or achieve its reversibility?

It's accelerating at a frightening pace. Yet, as the COVID Pandemic taught us, it can be reversed. For months, when the world was in lockdown, we saw clear signs of the environment healing. However, nature won't reset to a default setting

on its own. The human race created this crisis through anthropogenic activities and the over-exploitation of Earth's resources. It's up to us to act decisively to reverse it. We're not just trying to save the future for our children; we're trying to save our own lives. The impacts are arriving harder, faster, and much sooner than anyone anticipated.

Haven't people taken a lesson from Pakistan's flood, which the global community cites as an epicentre of disaster?

If we're still failing to convey this message, in which parallel universe are we living? There needs to be a stark reality check. There aren't any magical solutions to our problems, but there remains a sustainable path forward.

There are two things that are going to make a difference. First, technical capacity on climate change is essential as we now focus on building recovery plans to 'build back better.' For this, we need a roster of climate change experts in various fields: agriculture, resilience, infrastructure, floodplain management, crop and water management. And, of course, the most important areas include health outcomes, literacy outcomes, green building, and land use, not to mention energy transition. However, for all of this, there is a significant shortfall. Currently, there's only about 1% technical or scientific climate capacity.

Nowadays, all development for developing countries is viewed through the prism of climate change. The World Bank's development report for countries, including Pakistan, is now presented through reports titled 'Country Climate Development Report.' This is because they recognise the impacts that climate is going to have. So, technical capacity is an issue. Perhaps SDPI, the UN, and UNESCAP can explore building climate-resilient capacity.

Data capacity in the countries is crucial. The region is not sharing data for reasons I mentioned earlier: not sharing when the water is coming or going; not sharing when avalanches are occurring. Many years ago, an avalanche affected both Azad Kashmir and Disputed Kashmir. As a result, the Prime Ministers of both countries

had to sit together and communicate. It's very short-sighted to lord over visa regimes and declare what one would do to others based on their religion, gender, or nationality. Such an approach is myopic and, in fact, dangerous. It stands in the way of our building a common future and also hampers our efforts in rebuilding other than technical capacity.

Let me come back to my point about finance, and I'm not talking about donor finance. There is a serious inability in the financial architecture as it exists today to address the challenges of the 21st Century. The financial architecture of Multilateral Development Banks (MDBs), International Financial Institutions (IFIs), and others was designed for a different world - a post-war world. Back then, people were focused on rebuilding with industry, agriculture, and other development projects in their minds and in their planning blueprints. Now, the scenario has completely changed, and the required level of financing is not available. Countries are simultaneously drowning in floods and debt, yet they are expected to build back.

The World Bank country report says Pakistan requires USD 348 billion just for the next six or seven years. Where are you going to get that money from? Where is adaptation going to come from? We are being told, 'build back better with resilience.' It is all talk because it will not happen that way. It is no time for 'business as usual' models.

Nobody can build back with the kind of resilience that can withstand the fury of nature when it is angry. Have you seen the water? I should have shared that flood video that shook most people at COP. When it comes down, it takes out entire bridges and hydropower stations like toothpicks in seconds. So much for man-made stuff.

Understand the power of climate extremes and what weather can do to your life; it is actually much worse than war. There is no convention to disarm nature, right? Other than the UNFCCC, and let's pay attention to it. But we did not. We did not

meet the added mitigation goals we should have. We did not discuss global goals on adaptation to the point where we could talk about how to finance it.

How do developing countries survive? From small island states like the Maldives, their minister says that they have only eight years to live as the sea level is rising.

This morning, I read that USD 75 million were spent by the Biden Administration to relocate three indigenous community groups, 3,000 people, because they could no longer live near the riverbank where they had resided for thousands of years. USD 75 million just to relocate people! You tell me, where are we going to get that money? How are developing countries, which are struggling to survive the climate stress, going to get that money?

What are the numbers globally? Let me tell you.

The annual cost of adaptation only in developing countries would be between USD 160 billion and USD 340 billion by 2030. Is the international financial architecture going to generate anywhere close to that? No! The full amount of USD 100 billion promised at Copenhagen many years ago never materialised; only a fraction of it did. Then, even for mitigation, the costs are staggering, amounting to USD 2-3 trillion! These sums have to be addressed. No government or central bank has that kind of money in their system.

But the issue is out there. The money is out there. It becomes available in the financial system for wars and conflicts. Everyone can search how much is spent on wars. You can all figure out where the money comes from and where it goes.

Fossil fuel addiction was pampered at the last COP - it was not reversed. That is the source that is heating the climate. That is what is unleashing the trauma, maybe not in Islamabad, but certainly in the south of our country. And of course, it raises a very valid question.

Our emissions do not go over 1%. We are paying for other peoples' luxury emissions. Yes, they are called '*luxury emissions*.' I call them that because that is what they were and what they are.

This morning, I was at a hotel that was overheated. I told them, '*This is in your own country. This is a luxury emission. You cannot afford to overheat your hotel, your room, or your car because other people don't even have this. Wear warm clothes if you have to! Start saving energy like it's going off tomorrow because you are going to be in an apocalyptic situation.*' Especially in Pakistan, if we do not start understanding that resources are limited, especially water.

I am going to close here, but Dr Rajan Ratna mentioned water. Water is Pakistan's frontline climate emergency. If there was one thing to manage - but there isn't, as we are also the world's fourth most polluted country - it would be water. This is because we can become water scarce by 2025, and then, there will be water rationing. Then, everybody will say, '*Oh, what happened?*' while you do your car washes indiscriminately, while you are running your showers indiscriminately, while nobody calculates a carbon footprint.

There is not enough education or behavioural change inclinations here. No one has talked about it. The climate cannot be put off for another future.

Please go home and use your water sparingly. Do not say, '*My neighbour is not doing it, so I am not going to do it.*' It is very important. There is a saying in Urdu, '*Katra katra dariya banta hai*'. Try to understand the power and importance of every drop of water. Every drop of water you save can be utilised by some poor individual or by your future generation.

This has to be a collective effort, and unless we invest in collective consciousness, collective savings, and take collective actions, we cannot make a difference. So, please do not feel helpless sitting on your couches. You are not helpless. We are all agents of change, and individually, as well as collectively, we can work towards a future that is, at the very least, manageable.

I am not going to show you a rainbow or a pot of gold; both are going to be missing if we mismanage our consumption the way we have been doing. Consume less, wash your clothes less. Start arranging your garbage better.

Everything cannot be done by the state. The states are running to their maximum capacity everywhere in the world. It is time for citizens to take control of this. And, if needed, do also start holding your governments accountable. Please do that.

Please do a carbon audit of your neighbourhood. We can teach you how to do it. I am working with somebody to introduce creative toolkits for climate education. Curriculums do not always engage children; that should also be done. But toolkits can, and at least let them know about the Armageddon that is coming their way and how to cope with it.

Our jobs must be to preserve and conserve, and work collectively towards joint goals that we had articulated 20, 30, or 40 years ago. We are quite far from them, and there is a very good reason for that.

We are all collectively to blame, but those who spend more on energy and water, and the Earth's resources, are far more to blame. It is quite simple. It is an age of extreme inequality, both between countries and within countries. Anybody looking at the 'Piketty Inequality Index' will be able to tell you that. Inequality is fostering this false sense of comfort that the storm wouldn't come to our doorstep. But believe me, when the storm comes, it comes to everyone's doorstep, and it will be too late to fly away in our arc of privilege.

Climate Justice, Digital Inclusion, and Regional Cooperation: Addressing South and South-West Asia's Sustainable Development Challenge*

Armida Salsiah Alisjahbana, Under-Secretary-General, United Nations and Executive Secretary, Economic and Social Commission for Asia and the Pacific, Thailand

Your Excellency Professor Dr Ahsan Iqbal, Federal Minister for Ministry of Planning, Development and Social Initiatives, Pakistan; Ambassador Shafqat Kakakhel, Chairperson, Board of Governors, SDPI; Dr Abid Qaiyum Suleri, Executive Director, SDPI; Excellencies, Ministers, Deputy Ministers, Distinguished Delegates, Ladies and Gentlemen.

A very warm welcome to the Sixth South and South-West Asia Forum on the Sustainable Development Goals. I would like to express my gratitude to the Government of Pakistan and the Sustainable Development Policy Institute (SDPI)

* This speech was delivered on 5 December 2022 at the Opening Plenary of the Sixth South and South-West Asia Forum on the Sustainable Development Goals co-hosted by the Sustainable Development Policy Institute on the occasion of the Twenty-fifth Sustainable Development Conference titled '*Sustainable Development in Unusual Times: Building Forward Better*' in Islamabad, Pakistan. The full speech, as delivered, can be accessed from: <<https://shorturl.at/xEMZ7>>.

for co-hosting this forum. We appreciate your tremendous efforts in organising this event, especially during this very difficult time for Pakistan. I would also like to thank all our Member States and partners for coming together to deliberate on the implementation of the 2030 Agenda for Sustainable Development, in South and South-West Asia.

We know it with much concern that this sub-region is not on track to reach any of the 17 SDGs by 2030. Just when we thought we were starting to see the light at the end of the Pandemic tunnel, recovery efforts were hampered by the effects of war in Ukraine and natural disasters, such as inflation, food security and rising energy prices. Governments are juggling multiple crises while endeavouring to build back better. The goals of the 2030 Agenda for Sustainable Development remain as relevant as ever, especially as challenges become greater and more complex than before.

Over the next few days, we will hear extensively from governments, experts and development partners about the progress, challenges as well as solutions towards achieving the SDGs in this sub-region. I would like to highlight three key areas of particular importance for South and South-West Asia.

There is an urgency to accelerate climate action and ensure inclusivity in disaster risk reduction. The sub-region has the highest risk of climate-induced and other natural and biological hazards like floods, droughts, cyclones, heat waves, dust storms, glacial lake outbursts, earthquakes, locusts, dengue, and cholera. Pakistan's floods were a stark reminder to the world of the scale of damage possible from the effects of climate change. Given this backdrop, the government's hard advocacy efforts helped to lead to the breakthrough decision at COP27 to establish a funding mechanism for Loss and Damage. Building resilience through climate-resilient infrastructure and technology for adaptation and disaster risk reduction is equally important to mitigate loss and damage as well as robust data systems to identify risk hotspots. We cannot forget climate change mitigation either. South and South-West Asia are highly vulnerable to climate-induced disasters. Yet, fossil fuel subsidies and trade barriers on

environmental goods are high. Well targeted use of subsidies could release the resources necessary for public investments in clean energy and reduce reliance on fossil fuels.

The sub-region is home to an abundant renewable energy base in the form of hydro, wind and solar power. The full utilisation of these resources can provide people with greater energy security and significantly reduce carbon emissions. Affordability and accessibility of renewable energy for remote communities and low-income families is also an essential part of the just energy transition.

Digital systems have been instrumental in the response to the COVID-19 Pandemic in so many ways, such as dissemination of information, the provision of goods and services to consumers, remote work from home, as well as online learning for children. Digital inclusion has become essential for sustainable development, and for leaving no one behind. In addition, we are in the age of the Fourth Industrial Revolution, where digital literacy has become the passport for participation in society, economy, as well as government.

The South and South-West Asia SDG Forum is a multistakeholder platform for reviewing progress and challenges in the implementation of the 2030 Agenda, as well as for forging solutions together. The forum also serves as the subregional preparatory meeting for the 2023 Asia-Pacific Forum on Sustainable Development. The next year will be the tenth, and it will be held in March in Bangkok, as well as the high-level political forum in July in New York.

Finally, I would like to reiterate our commitment, not only of ESCAP but the whole United Nations system to fostering regional cooperation and supporting Member States in achieving the 2030 Agenda.

I wish you all a very successful forum. Thank you very much.

FROM EXPERIENCE TO ACTION: CHARTING THE POLICY PATH

Lessons from the South and South-West Asia SDG
Forum 2022

Rajan Sudesh Ratna

Building Forward Better: Policy Recommendations for
Pakistan's Sustainable Development in Unusual Times

Curated by

Sarah Siddiq Aneel, Muhammad Awais Umar & Maria Ali

Lessons from the South and South-West Asia SDG Forum 2022*

Rajan Sudesh Ratna

Abstract

South and South-West Asia (SSWA) SDG Forum is an annual multistakeholder congregation organised by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) where issues relating to 2030 Agenda for Sustainable Development is discussed, with a focus on High-Level Policy Dialogue (HLPF) themes. This chapter highlights the progress made on achieving the SDGs, challenges faced by the countries in the SSWA sub-region and possible way out including how regional cooperation can accelerate achievement of Goals 6, 7, 9, 11 and 17. While noting the ‘Triple C’ crisis of COVID, Conflict

* Alongside the Sustainable Development Conference 2022, the Sustainable Development Policy Institute (SDPI) also hosted UNESCAP’s Sixth South and South-West Asia Forum (SSWAF) on the SDGs which was jointly co-hosted by the Ministry of Planning, Development & Special Initiatives, Government of Pakistan. The Asia-Pacific Forum on Sustainable Development (APFSD) is an inclusive regional intergovernmental platform which supports preparations for the High-level Political Forum (HLPF) 2023 on Sustainable Development. The chapter summarises the challenges and policy recommendations from the discussions at the Sixth SSWAF, held from 5-7 December 2022 in Islamabad, Pakistan. All ESCAP SSWA staff and SANS members equally contributed to the main report, which can be downloaded from: <https://www.unescap.org/sites/default/d8files/event-documents/Sixth_SSWA_SDG_Forum_Report.pdf>.

and Climate Change which has adversely impacted development gains in the sub-region; this year's Forum agreed that regional cooperation was key to accelerate progress for achieving the SDGs. It was highlighted that sharing of best practices and knowledge; Transfer of Technology; capacity building to strengthen the productive capacities of countries and as a means of implementation, are essential to achieve the Goals. Five broad policy objectives that ESCAP has been prescribing relating to promoting economic growth; investing in core sectors of health and education; expanding social protection; food security; and clean energy and environmental sustainability, were endorsed.

Background

The Sixth South and South-West Asia Forum on the SDGs was held from 5-7 December 2022 in Islamabad, Pakistan, alongside the Sustainable Development Policy Institute's Twenty-fifth Sustainable Development Conference, as a sub-regional preparatory meeting for the Asia-Pacific Forum on Sustainable Development (APFSD) 2023, which in turn will contribute towards the annual High-Level Political Forum (HLPF) to be held in July 2023.

The 'Decade of Action for Achieving the 2030 Agenda' has been severely tested by compounding crises from the COVID-19 Pandemic and war in Ukraine, also heavily impacting countries, and the people of South and South-West Asia (SSWA). UNESCAP's flagship 'SDG Progress Report of 2022' (ESCAP 2022a) finds that the South and South-West Asia sub-region is not on track to reach any of the 17 SDGs by 2030. Though progress has been made on some Goals, the pace is slow as will be discussed ahead.

Concerted efforts and actions from all stakeholders are needed to accelerate progress towards the 2030 Goals (ESCAP 2021). This Forum took stock of progress on the thematic SDGs of Goal 6 (Clean Water and Sanitation); Goal 7 (Affordable and Clean Energy); Goal 9 (Industry, Innovation, and Infrastructure); Goal 11 (Sustainable Cities and Communities); and 17 (Partnership for the Goals).

The Forum deliberated on the progress made in the implementation of the SDGs in light of the 'Triple C' crisis of COVID, Conflict and Climate Change which adversely impacted development gains in the sub-region.

Progress on the SDGs

The South and South-West Asia sub-region continues to lag behind in achieving all the 17 SDGs this year. Though good progress has been made on some Goals, the pace has been slow. The Goals, with the fastest progress have been Life on Land (Goal 15); No Poverty (Goal 1); and Good Health and Well-being (Goal 3). On the contrary, the sub-region is regressing on Goals for Climate Action (Goal 13); Sustainable Cities and Communities (Goal 11); and Responsible Consumption and Production (Goal 12). The already appalling results, coupled with the unprecedented COVID-19 effects, require urgent strategic and concentrated efforts to accelerate progress for achieving the 2030 Agenda in the sub-region.

South and South-West Asia records the highest multidimensional poverty ratio among all other regions at 29.2% (ESCAP and SANS 2021). In countries such as Pakistan and Bhutan, income poverty is found to be quite low, i.e., 3.9% and 1.5%, respectively, but multidimensional poverty is high, i.e., 38.3% and 37.3% (ESCAP and SANS 2021), respectively. South and South-West Asia performed exceptionally well in providing electricity to people which helped in accelerating progress on Affordable and Clean Energy (Goal 7). This is because of various welfare schemes undertaken by the respective governments.¹ However, much more needs to be done to increase access to and affordability of renewable energy. Many countries in the sub-region have managed to substantially reduce maternal, neonatal and child mortality which has contributed to relatively good progress on Goal 3. However, the sub-region needs to double its efforts in

¹ Such as the 'Saubhagya Scheme' in India which led to 98% electrification in the country.

investing in health infrastructure, fighting against HIV and Tuberculosis, and reducing road traffic death, harmful use of alcohol and suicide rates.

Figure 1: SDGs Progress of South and South-West Asia



Source: ESCAP 2022a.

Insufficient progress is being made on Zero Hunger (Goal 2) in South and South-West Asia. While prevalence of malnutrition and stunting among children under five have substantially reduced, more people are suffering from moderate or severe food insecurity. For instance, it has increased in countries like Afghanistan (from 49.6% in 2016 to 63.1% in 2019) and Nepal (from 31.2% in 2016 to 36.4% in 2019) (ESCAP and SANS 2021). The sub-region also made moderate progress in Industry, Innovation and Infrastructure (Goal 9) mainly due to rapid expansion of mobile network coverage and volume of trade. However, this has come at the cost of more CO₂ emissions from the manufacturing sector and shrinking share of production by medium and high-tech industry.

The pace of progress is extremely slow on Decent Work and Economic Growth (Goal 8) as well as Reduced Inequalities (Goal 10). Despite overall Gross

Domestic Product (GDP) growth in the sub-region since 2015, some countries such as Afghanistan (-0.9), Iran (-8.9), Pakistan (-1.6) (ESCAP and SANS 2021) experienced negative growth rate of output per worker in 2019. Furthermore, the unemployment rate has increased. At the same time, the level of compliance with labour rights has declined in the sub-region which has further slowed progress on Goal 8. The sub-region also needs to improve resource efficiency in its consumption and production as both material footprint in production and domestic material consumption have increased since 2015.

South and South-West Asia has regressed in three Goals, namely, Sustainable Cities and Communities (Goal 11), Responsible Consumption and Production (Goal 12) and Climate Action (Goal 13). The main areas that need urgent action to reverse negative trends are air pollution in cities; human and economic loss from disasters; fossil fuel subsidies and greenhouse gas emissions without which the sub-region will not be able to achieve its 2030 targets.

Sub-regional Perspective on Goals 6, 7, 9, 11 and 17

Discussions were held about progress on the SDGs due to the Pandemic, challenges faced, priorities formulated, good practices introduced, and policy proposals to accelerate advancement:

Goal 6 – Clean Water and Sanitation

Clean water and sanitation were felt to be particularly important as major economic sectors, such as agriculture and energy, are primarily dependent upon a reliable supply of fresh water, yet the least amount of progress was observed. A need was felt to accelerate progress for access to safe drinking water, sanitation and hygiene and transboundary water cooperation to achieve 2030 targets. Concerted efforts are also needed to address regressions in progress that are being seen in the areas of water use efficiency, protection and restoration of water-related ecosystems and participatory water and sanitation management.

Climate change affects weather patterns and increases incidences of severe rainfall and drought. Economic growth will also increase demand for water for industrial, agriculture and tourism-related sectors. Policies to ensure the protection of water sources and introducing sustainable management of groundwater and surface water are, therefore, critical to address the growing demand for water. Economic growth also places further pressures on the treatment of industrial water and management of industrial waste which need to be considered.

Some key recommendations coming from the discussions included:

Financing: Governments, national and International Financial Institutions (IFIs) and multisectoral actors need to be improved, targeting and use of existing funding for water and sanitation initiatives more effectively. There is a need to mobilise domestic resources and additional investment is needed from the private sector and public sources.

Governance: There is a need to enhance institutional and individual capacities to foster cross sectoral decision-making, planning and implementation and identifying areas for horizontal and vertical cooperation at all levels. Decision-makers need to combine traditional knowledge with modern technology and innovative methods by involving multiple stakeholders to increase efficiency of water use and ensure sustainable fresh water supplies, especially in water-stressed and transboundary regions. Addressing rural urban disparities and decentralisation of freshwater management needs to be prioritised.

New Paradigm: There is a need to shift from a reductionist, hydrologic paradigm to hydro eco-social paradigm to secure water for humans, ecosystems, and food. At the same time, gender dimensions, in the governance of scarce resources, are becoming more critical nationally.

Regional Cooperation: There is a dire need of horizontal and vertical cooperation between the countries for water protection which will be beneficial for ecosystem preservation, agriculture, and food security. Cooperation between countries on early warning systems is also important.

Goal 7 – Affordable and Clean Energy

Some 78.3 million people in South and South-West Asia remain without access to electricity, with the major access gap primarily in rural areas. With respect to primary reliance on clean fuels and technologies, 745.5 million people remain without access (ESCAP 2022b). The pace of energy intensity improvement in the sub-region is not accelerating nor on track to align with the 2019-2030 global target rate of 3.2%. The renewable energy share dropped steadily until 2018 but is beginning to make a recovery. Electrification, through national grids and micro grids, shows promising progress toward achievement of universal access in terms of energy connections, but the quality, reliability and affordability of the energy supply is critical to realising the full socioeconomic benefits of energy services.

COVID-19, conflict, and climate impacts have left economies with limited fiscal space and have pushed them toward the increased use of subsidies to compensate for high energy prices. Countries with rich hydropower resources in the region are looking to increasingly leverage their natural resource potential to generate export revenues to support domestic development. Several are exploring options for diversifying and expanding cross-border renewable energy trade on a bilateral basis, but numerous barriers must be overcome for the realisation of multilateral energy markets.

Economies are looking to reduce current high dependencies on fossil fuel imports through renewable energy development, energy efficiency and the electrification of end uses, including transport, cooking, and heating. Technology innovation, diversification of renewable energy supply chains, and fast-track frameworks for renewables are needed to accelerate the transition to clean energy. The modernisation of existing supply and grid infrastructure is needed to improve efficiency and reduce losses.

The following recommendations were made:

- Proactive rather than reactive policies are needed to enable a transition to clean energy, while consistency in policy and fiscal support is necessary to create a favourable investment environment.
- Awareness campaigns to improve energy use practices and create user demand for energy efficient and renewable energy technologies are needed.
- To recover from and build resilience to the 'Triple C' impacts while advancing toward Goal 7 achievement, economies should look to shift toward targeted subsidies; mobilise both public and private finance; strengthen the policy environment to attract investment; and explore innovative financing options, such as blended financing, carbon markets, and renewable energy credits.
- Nations face challenges in achieving Goal 7 due to low economic and implementation capacities. International and regional cooperation and knowledge exchange are needed to support capacity development, technology transfer, cross-border power connectivity, and to attract investments in renewable energy and energy efficiency across sectors.
- Social protection schemes and safety nets should be expanded to provide priority support to 'non-standard' beneficiaries that are unable to afford energy at increased prices. Burden arrangement schemes can be used though support coming from consumption-smoothing assistance, firm support, or regulations to limit excessive profits.

Goal 9 – Industry, Innovation, and Infrastructure

Progress toward industrialisation in the sub-region is moderate and the risk of failure to meet SDG targets, to significantly raise industry's share of employment and GDP, looms large. Several countries have backtracked on the liberalisation of trade and Foreign Direct Investment (FDI), contributing to premature fall in FDI and trade. This is worrying as increased import reliance leads to wider current account deficits and can lead to macroeconomic instability.

It was noted that the trade, investment, and industrialisation policies are not always coherent in countries and many barriers exist. Given the particular importance of Micro, Small and Medium Enterprises (MSMEs) in this sub-region, their bottlenecks and needs must be urgently addressed, including for women who already constitute a minority but have been more vulnerable in losing jobs in face of the Pandemic and other shocks.

Economic diversification and sustainable industrialisation are also important strategies for governments, for which investments in green and job-intensive industries are required. Infrastructure must be planned, designed, built, and operated in such a way that it helps anticipate, prepare for, and adapt to economic, social, and environmental crises and respond to and recover rapidly from disruptions, as the COVID-19 Pandemic and current geopolitical crisis has demonstrated.

It was highlighted that in addition to domestic policy reforms, including second generation policy reforms, mutually beneficial regional cooperation among countries will play crucial role in achieving SDG 9. This is especially relevant in the South and South-West Asia region where intra-regional trade represents only an estimated 5.6% of overall trade, compared to, for instance, 40% for ASEAN (ESCAP 2022b). Moreover, too little is spent on Research and Development (R&D) in the sub-region and there is little cooperation between R&D institutions. R&D investment in green technology is required to enable low carbon pathways.

Specific policy recommendations included the need to:

- Expand regional trade and regional value chains.
- Increase infrastructure connectivity as cross-border connectivity remains poor. This includes building inter-country transport corridors and improving trade facilitation measures at borders.
- Enhance cross-border energy infrastructure, especially for electricity and natural gas.

- Strengthen sub-regional cooperation in ICT, in building capabilities in Science, Technology and Innovation, and to consolidate cooperation in financing.

SDG 11 – Sustainable Cities and Communities

In the sub-region, while cities drive innovation, investment and are powerhouses of economic growth, those in South and South-West Asia currently face multiple interlinked crises, as it has more than 23% of the world's total population, and at least 14% of the world's urban population with a high rate of urban growth. On average, up to 70% of urban employment is in the informal economy, and income inequality in urban areas has risen and is often higher than in rural areas (ESCAP 2022b).

Solid waste management and urban sanitation are also core challenges for cities of South and South-West Asia since they lack facilities for the safe disposal of solid waste, with the common disposal practice being uncontrolled dumping. Rules and regulations developed at national and state levels have not been strictly enforced and translated into practice at the city level, due to inadequate institutional capacity, weak political will, and a significant lack of financial resources to dispose large quantities of waste.

Sustainable transportation systems are yet to be developed. While being the main mode of transportation in cities, public transport systems are often in poor condition, with inadequately maintained buses, unoptimised routes and frequency, and unpredictable arrival and departure of buses. Private motor vehicle fleets have also been increasing, yet there has been little use of electric vehicles due to inadequate charging infrastructure and higher costs. The sub-region is also not prepared to manage the recycling of electric vehicle batteries. Cycling and walking have fallen drastically over the years, as cities fail to provide a safe environment to users on the congested streets.

Exclusion of vulnerable populations in cities of the sub-region is still a challenge and there is an urgent need to ensure that dwellers in slums and temporary settlements could nonetheless access health, education and other basic services; to make cities safer and more secure for women and children; and to build and retrofit infrastructure, parks and transportation systems to ensure that persons with disabilities, children and older persons can better access amenities.

Recommendations emanating from the discussions included:

- Develop national urban policies to guide urban planning at all levels of administration, and resilient city action plans to implement planning decisions at the municipal level.
- Undertake evidence-based planning via the use of data systems and foresight techniques to identify current and future needs.
- Fully consider and integrate the concepts of economic geography, balanced territorial development, urban informality, and intra-urban spatial inequality into major policy documents on urban planning.
- Enhance the capacity of urban local bodies through regular training and provide them with adequate autonomy along with sufficient resources to execute their duties. Support a formal mechanism among urban local bodies to facilitate experience sharing and peer learning.
- Apply a whole-of-society approach to urban planning and promote engagement, cooperation, and coordination among all stakeholders, federal and provincial governments (for policymaking and planning); local administration (for policy execution); academia/think tanks (for the provision of evidence-based analysis); civil society/communities (for the integration of community perspectives); private sector and development partners (for knowledge-sharing, pilot development and scale-ups).
- Initiate mechanisms to engage vulnerable groups (women and girls, persons with disabilities, migrants, older persons) in decision-making to ensure that their perspectives are integrated in the design and implementation of urban policies and initiatives.

- Plan compact, mixed-use urban environments as spatial solutions to the climate crisis via the building of redundancies into trunk infrastructure and services to reduce loss and damage as well as the formulation of planning policies that preserve urban assets from climate impact.
- Reform waste management systems by turning waste into energy resources (like the model of Integrated Resources Recovery Centres); strengthening the circular economy by integrating informal waste actors into the formal waste management system; and strictly banning and enforcing a ban on open burning of waste.
- Upgrade public transportation systems by ensuring accessibility and safety for all population groups, and creating more walkways, pedestrian zones and dedicated cycling tracks.
- Accelerate the usage of renewable energy and the phasing out of fossil fuels through developing a blueprint to recycle electric vehicle batteries.
- Harness the 'twin transition' of digitalisation and the shift to a net-zero economy for cities, both of which have arisen as core strategies for COVID-19 recovery.
- Promote private sector participation in climate action.

Goal 17 – Means of Implementation

Various means and mechanisms were discussed for designing recovery strategies based on sustainable financing policies, leveraging public and private sources for financing COVID-19 recovery packages, policy coherence, data, monitoring, etc., for achieving the SDGs. It was noted that the current difficult economic conditions that are represented by lower economic growth and higher inflation is making it very difficult to continue to pursue SDGs effectively. Substantial fiscal and debt pressures in countries means interest rates have risen which, in turn, has a feedback effect on future debt servicing costs, making countries' positions even more difficult. Thus, enhancing financing for SDGs is going to become quite challenging in the coming years.

An increase in inflation is another issue that started prior to the Ukraine-Russia conflict and further exacerbated afterwards. Many countries are now increasing interest rates to try and reduce inflation. In terms of financing options, countries should and are already developing and implementing Integrated National Financing Frameworks. This has already been in place in the planning ministries of many member countries. Based on an estimate done by the United Nations in 2019, in order to reach the set targets, for the entire Asia-Pacific, on average, an annual 5% share of GDP is needed for investment in the SDGs from 2019 for five years. However, for Least Developing Countries (LDCs), this requirement is higher and an average of 16% of GDP is needed, which is not possible to achieve.

It was also proposed that Regional Development Finance Frameworks could be developed to generate blended finance, debt swaps for climate action, innovative means to mobilise financing and use of Artificial Intelligence (AI) or leveraging technology for improved tax collection for financing the Goals. The Loss and Damage Fund, adopted at COP27, is another new instrument to be operationalised to help countries address damages incurred from climate-induced disasters.

The Pandemic also highlighted the importance of digital technology as a successful tool for the collection and dissemination of information, remote healthcare, supply of goods and services to consumers (by use of e-commerce), remote work from home and online learning for children, etc.

The Fourth Industrial Revolution has also made digital literacy an essential passport for participation in society, economy, and government. However, the proportion of people using the internet has been low in most countries in the sub-region. More effort is needed to create digital awareness and build capacity for use in education, health and promoting business. Leveraging modern technology for seamless and resilient cross-border connectivity through digitalisation, electronic data exchange can significantly improve logistics efficiency and reduce trade costs. Cooperation in broadband connectivity can also be potentially instrumental to address the significant digital divide within and across countries.

Regional cooperation is essential as many challenges faced by countries in the sub-region are not confined within their borders. Priority areas requiring urgent attention are climate action and Disaster Risk Reduction (DRR), cross-border connectivity of transport, Information and Communications Technology (ICT), energy and supply chains, reduction in poverty and inequality, and sustainable financing for development.

High tariff and non-tariff barriers are keeping intra-regional trade at only 5% and there is a need to reduce these costs through the liberalisation of services and investment (ESCAP 2022b). Improvements in trade and market integration, policies for economic diversification and enhanced regional connectivity are essential to improve the chances of achieving the 2030 Agenda, especially for LDCs in the sub-region. Sharing of knowledge and good practices are also important tools for accelerating the SDGs.

Conclusion

Despite progress being made, the sub-region is lagging in targets on all the 17 Goals. It had been experiencing robust economic growth, but the impact of COVID-19 and the war in Ukraine has pushed back economic progress. Increasing prices of food, fuel and basic necessities is leading to a rise in poverty and inequality. From the discussions, it was felt that with the current rate of development, countries would not be able to achieve the SDGs by 2030; and a consensus also evolved that they needed to focus on priorities not only at a national level, but also at a sub-regional level as many of the issues have cross-border implications. A clear message that was echoed in the deliberations was that regional cooperation was key to address the development challenges facing the sub-region. Sharing of best practices and knowledge, Transfer of Technology, capacity building to strengthen the productive capacities of countries and as a means of implementation, are essential for achieving the Goals. The general narrative emanating from the deliberations echoed five broad policy objectives that ESCAP has been prescribing for deeper cooperation:

1. Promote growth through sustainable industrialisation;
2. Invest in core sectors of health and education;
3. Expand social protection, close gender gaps and improve basic infrastructure;
4. Ensure food security and agricultural and rural development; and,
5. Invest in clean energy and environmental sustainability.

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Dr Rajan Sudesh Ratna is the Deputy Head and Senior Economic Affairs Officer, Economic and Social Commission for Asia and the Pacific, South and South-West Asia office, New Delhi, India.

Building Forward Better: Policy Recommendations for Pakistan's Sustainable Development in Unusual Times*

Curated by

Sarah Siddiq Aneel, Muhammad Awais Umar & Maria Ali

The Sustainable Development Conference (SDC) stands as South Asia's premier gathering of eminent academics, seasoned practitioners, and influential legislators dedicated to Sustainable Development. The insights and actionable solutions gathered from the 35 sessions and 11 plenaries of the Twenty-fifth SDC have been strategically curated under specific themes. These are aimed at effecting policy trajectories in Pakistan in the following critical areas:

Trade & Economic Development

- Regional Connectivity, GSP+ and FTAs
- Central Banking for Inclusive Development
- Market Access for Women-in-Trade
- Decent Work
- Financing for Development and Clean Energy Transition
- Energy Corridors: CASA-1000

* These recommendations were derived from the thematic sessions and plenaries of the Sustainable Development Policy Institute's Twenty-fifth Sustainable Development Conference held in December 2022, with special thanks to the rapporteurs.

Sustainable Environmental Solutions

- Climate Change and Diplomacy
- Global Shield against Climate Risks for Climate Resilience
- Sustainable Urban Transportation for Smart Cities
- Food Security and Biodiversity Conservation in Agriculture
- Sustainable Consumption and Production Patterns
- Disaster Risk Reduction and Floods
- Disaster Risk Financing

Social Services, Protection & Inclusion

- Adaptive Social Protection
- Local Governance and Social Services Delivery
- Rare and Neurological Disorders
- Tobacco Control
- Afghan Refugees and Humanitarian Response

Culture, Literature & Soft Power

- Countering Violent Extremism
- Female Writers of the Subcontinent
- Social Norms and Gender Inequality

Looking Beyond 75

Trade & Economic Development

Regional Connectivity, GSP+ and FTAs

- It is important for the Government of Pakistan (GoP) to reposition its stance on geoeconomics and geopolitics and put greater emphasis on regional connectivity through planned development partnerships.
- By aligning the government's economic and investment interests with the provision of asset swaps, Pakistan has the potential to significantly enhance its economic value.
- Pakistan needs a paradigm shift in the textile sector by advancing the production of synthetic garments to increase its market share in European

markets, which requires significant investment in both finance and technology as well as reduction in import duties on raw materials.

- Even with GSP+ and FTAs in place, there has been no noticeable rise in Pakistan's share of global exports. It is crucial for the country to recognise the need to broaden its trade vision.
- To maintain the GSP+ status provided by the EU on trade, Pakistan must focus on its internal governance and ensure compliance with global conventions.
- It is vital for the public and private sector to focus on disruptive technologies like Artificial Intelligence, BlockChain, crypto currencies, NFTs etc, as these technologies are finding their way into cross-border trade.

Central Banking for Inclusive Development

- Monetary policy has heterogeneous effects on different segments of society; therefore, the State Bank of Pakistan (SBP) needs to move away from its conventional role towards inclusive central banking and promoting inclusive development.
- To expand research and discussion on interactions between monetary policy and issues of public policy, such as poverty and inequality, the SBP must set up 'SBP Chairs' in policy think tanks of the country. This will help bridge monetary policy communication and literacy gaps in the country.

Market Access for Women-in-Trade

The government ought to:

- Collaborate with Women's Chambers and trade associations to draft policies that are gender inclusive. Engage corporate entities to integrate these in their operational strategies.
- Create a conducive business environment that caters specifically to the needs and challenges faced by female entrepreneurs.
- Implement schemes or programmes that prioritise women-led businesses for expansion support.

- Work with financial institutions (such as banks) to design women-friendly financing options.
- Educate female entrepreneurs on available financial opportunities and the process of securing them.
- Facilitate networking events or platforms where female entrepreneurs can discover emerging economic opportunities.
- Support capacity-building initiatives that enable women to capitalise on these opportunities; and help female entrepreneurs establish connections with potential buyers.
- Organise trade fairs or business forums focusing on women-led businesses, offering them a platform to showcase their products/services.

Decent Work

- The absence of labour conventions and data availability are key issues due to which the informal sector remains largely unexplored in Pakistan. Therefore, evidence-based labour policies, within an enabling governance structure, needs to be designed.
- More awareness and dialogue are required when it comes to the role and rights of women in the workplace since this remains an ignored subject.
- To promote decent work in Pakistan, the government should ensure the implementation of the minimum wage limit on priority basis.

Financing for Development and Clean Energy Transition

- The country needs to move towards clean energy and exploit its blue economy potential in order to access unexplored markets as well as promote exports, specifically in Information Technology, agriculture, and biotechnology.
- Financial markets tend to thrive in stable macroeconomic environments. Greater public spending, savings, and provisions to reduce debt pressure can improve financial market outcomes. Revenue mobilisation by leveraging technology, targeted fiscal transfers, and subsidy schemes can provide opportunities for improvement in financing for development.

- Given the exponentially increasing cost of climate change, Pakistan should establish a green financing system, define green taxonomy and invest in mitigation and adaptation infrastructure, particularly for low-income and vulnerable communities. In this regard, the Ministry of Finance and the Ministry of Climate Change must also synergise their efforts to adopt green financing as a tool to ensure the sustainability of the banking sector and enable de-risking mechanisms to protect associated green assets.
- Pakistan is one of the most energy-dependent economies in the world. To reduce dependence on fossil fuels, technological interventions need to be made to move towards renewable energies instead of using conventional energy methods in production processes which improve cost-efficiency.
- Pakistan faces significant challenges in accessing climate finance compared to neighbouring countries. To overcome this challenge, the government should focus on mobilising financial resources for climate change initiatives through the issuance of green bonds and prioritise carbon climate credits over conventional bonds.
- To address climate challenges, specifically in waste management and irrigation, the government can incentivise sustainable practices, encourage innovation, and foster the adoption of environmentally responsible approaches by designing and implementing favourable tariff frameworks.

Energy Corridors: CASA-1000

- A target GDP growth rate of 6-8% annually is paramount for job creation. The GoP should strategically invest in renewable resources to augment the green energy sector, thus paving the way for the emergence of millions of green jobs.
- Emphasis on regional integration, hyper-localisation, and adept stakeholder management will propel Pakistan towards a sustainable energy future. Enhancing multi-country collaboration can offset geopolitical uncertainties and bolster economic advancement.

- Instituting a comprehensive 'Energy Security Framework' is crucial for the roll-out of smart grids. This guarantees a cost-effective, eco-friendly, and sustainable energy distribution to households.
- Asian nations should commit to facilitating cross-border sustainable electricity trading. Such interconnectedness permits competitive pricing, diversifies energy sources, and provides pathways, ensuring uninterrupted and reliable energy services for consumers. Pakistan should spearhead such initiatives.
- For the CASA-1000 project's fruition, collaborative efforts among partner countries, financial institutions, and development agencies are crucial. This support must remain steadfast and unaffected by prevailing political turbulences or economic downturns.

Sustainable Environmental Solutions

Climate Change and Diplomacy

- There is a need to improve coordination between the federal ministries, provincial and local governments to plan and implement policies effectively to mitigate climate challenges through an integrated approach.
- All South Asian countries are equally vulnerable to the effects of climate change. Therefore, there is need for cooperation between governments of the region, multilateral parties, and civil society, as regional cooperation plays a pivotal role in improving climate diplomacy. Pakistan can play leading role here.
- Public-Private Partnerships (PPPs) are vital for the implementation of climate change policies and negotiations. Therefore, the private sector should be engaged in regional and international dialogue forums (such as the Conference of Parties).
- To ensure sustainable water and ecological security, ecosystem-based adaptation must be encouraged by policymakers.

Global Shield against Climate Risks for Climate Resilience

- Pakistan requires over USD 300 billion by 2030 to get the country on a climate-resilient and sustainable pathway. An unattended climate crisis may reduce Pakistan's GDP by 18-20% per year by 2050. Therefore, mainstreaming climate finance in planning and budgeting processes and mobilisation of international climate finance is essential to keep the country on track.
- To improve Pakistan's Climate Disaster Risk Financing Instrument (CDRFI) architecture, there is a need to conduct a technical and data-driven needs assessment to identify gaps in existing financing frameworks. An open risk modelling platform is required to improve data access and quality across different sectors.
- To conduct climate risk analysis, partners can be empowered by technical assistance services, models and data for public good and open risk modelling platforms.
- There is a need for indexed-based insurance products, saving mechanisms, and other financial instruments to diversify the scope of financial security for businesses while simultaneously building resilience against climate change.
- The International Development Finance Institutions (IDFIs) should support enhancing Pakistan's technical capacity in addition to providing financial backing.
- Subsidies should be provided to farmers so that they can adopt climate-smart agriculture, modern weather forecasting, irrigation and water management systems.

Sustainable Urban Transportation for Smart Cities

- To build liveable cities, Pakistan needs to strengthen its municipal service delivery system to provide climate-smart services. The private sector can be engaged to ensure a sustainable revenue stream for green and resilient urbanisation.

- Sustainable urban mass transit systems can help Pakistan reduce its urban pollution. Shifting to electric vehicles might be possible in the long run, but in the short run, the country needs to explore other green transportation options.
- On the policy front, Pakistan has introduced the ‘*National Transport Policy 2018*’, and ‘*National Electric Vehicles Policy (NEVP) 2020-2025*’ to ensure a sustainable energy transition. However, implementation is a challenge, and lack of coordination between the provincial and federal governments is one of the reasons. The government ought to:
 - Be cautious of the sustainability of large subsidies on Bus Rapid Transit (BRT) in the long run.
 - Address inefficiencies in the urban transport sector.
 - Invest in public transport, including introducing Park and Ride facilities.
 - Implement distance-based fare systems.
 - Develop and enforce emergency plans within the Punjab Mass Transit Authority.
 - Establish teams to tackle air quality issues, especially smog in Punjab.

Food Security and Biodiversity Conservation in Agriculture

- There is need for cooperation between academia, civil society, government institutes, and research organisations for efficient food management throughout the value chain.
- Educate farmers about the consumption preferences of their target consumers.
- Focus on reducing biodiversity loss in the food and agriculture sector through informed farming practices.
- Boosting the private sector, particularly SMEs, is key to enhancing a healthy food supply chain. This not only amplifies the intake of nutrient-rich staples but also promotes efficient farming, maximising yields with minimal water.

Sustainable Consumption and Production Patterns

The government should:

- Provide incentives to companies efficiently utilising water and energy and adapting to global environmental standards. Encouraging adherence to these standards will motivate other companies to follow suit.
- Recognise the future scarcity of water and energy resources in Pakistan.
- Acknowledge the vital role of the private sector in adopting a circular economy that reintegrates waste.
- Encourage the private sector to identify key areas and draft short-, medium-, and long-term strategies for the transition towards a circular economy.

Disaster Risk Reduction and Floods

- Local Civil Society Organisations (CSOs) and Non-Governmental Organisations (NGOs) played a major role in helping the government deal with the fallout of Pakistan's super floods in 2022. However, contingency planning to foster national/local support needs to be focused on.
- If Pakistan wants international NGOs to remain active in the country, transparent mechanisms for their smooth operation need to be developed along with improving the security situation.
- It is high time that the state made disaster management an integral part of urban planning to rehabilitate those affected during times of crisis and disasters.
- Lack of communities' knowledge, awareness of participatory decision-making and formal development processes, as well as confusing engagement processes are the key barriers to citizen engagement. Therefore, communities need to be capacitated in these areas.
- Investment in climate-informed technologies and modern Disaster Risk Reduction (DRR) solutions are imperative for developing resilience against unprecedented natural calamities. The most important part of DRR is early warning. There is a need for installing automatic mobile radar systems in disaster-prone areas for more accurate early warning to

ensure the safety of the local communities and their livelihoods. Pakistan's early warning system is linear and needs to be amended so that communities and the authorities can communicate and share data with each other.

- There is a need to take a multistakeholder transdisciplinary approach to address risk governance, assessment, communication, investment, and resilience. Mass sensitisation on climate extreme events and DRR is needed as there is limited media reporting on such issues.
- There is a need to develop policies and plans, in the light of on-ground practical experience, to rescue communities and their families during a disaster and fulfil their actual needs.
- Lack of communities' knowledge, awareness of participatory decision-making and formal development processes, as well as confusing engagement processes are the key barriers to citizen engagement. Therefore, communities need to be capacitated in these areas.

Disaster Risk Financing

- To effectively manage ex-ante and ex-post disasters, there is a need for effective community engagement, proper channelling of Corporate Social Responsibility (CSR) budgets and ensuring the availability of data regarding disaster-prone and affected areas.
- Climate change is not a risk, it is an issue. Therefore, it should be treated like an issue. International Financial Institutions (IFIs) should respond to climate change in the same way as they responded to COVID-19. Without participation from the global capital market, Disaster Risk Financing (DRF) will remain a challenge for developing countries.
- Climate-resilient infrastructure development, especially in the water sector, is crucial to mitigate flood risks and their associated losses. The private sector can play a vital role in introducing modern technologies required for intramural development.
- The government, with the help of international financial and aid institutions, e.g., the United Nations Development Programme (UNDP)

and International Monetary Fund (IMF), should introduce insurance schemes for the most vulnerable and disaster-prone communities.

Social Services, Protection & Inclusion

Adaptive Social Protection

- The Benazir Income Support Programme (BISP), as an overarching social protection umbrella, must lead the transition towards an adaptive social protection system in Pakistan.
- Lack of precise risk assessments is one of the key challenges posited by preparedness towards Adaptive Social Protection. Proactive capacity building in this area needs to be undertaken.
- Pakistan's social protection projects are largely dependent on funding which makes them unsustainable. Therefore, the government needs to explore financing avenues to make such initiatives sustainable and not funding-oriented.
- The current situation demands moving from an individual-level approach to a community-level approach and increased focus on intended results rather than devising tools for policy implementation for strengthening social protection mechanisms.
- Safety nets are necessary, and a holistic Social Protection System is a need of the hour. Furthermore, work-based social protection programmes should be promoted by the government.
- Using the National Socio-Economic Registry (NSER) should be made mandatory for selecting beneficiaries for non-government organisations (NGOs) to improve the impact of Social Protection Programmes.
- Good governance practices followed by government support is crucial for the provision of social security to vulnerable populations. Therefore, local organisations and local governments should be strengthened rather than NGOs, as a long-term policy goal.

Local Governance and Social Services Delivery

The government needs to:

- Remove barriers to the political representation of women and merit-based hiring; and ensure accountability to improve the efficiency of local governance.
- Restore the authority of local governments in health and education.
- Launch a national campaign to ensure functionality and empowerment of local governments.
- Address political disagreements to build consensus for an empowered local government.
- Convince top political figures of the need for a strong local government system.
- Learn from successful models like China where local-level improvements have played a crucial role.
- Implement the 2019 Regional and District Health Authorities Act to decentralise healthcare responsibility in Khyber Pakhtunkhwa.
- Address the lack of 'constitutionalisation' of local government in Pakistan.
- Ensure 50% representation of women in local government.
- Allow women to be directly elected for greater responsibility and responsiveness.
- Address low voter turnout and registration among women.
- Implement small-scale initiatives that have significant local impact (e.g., school meals, transportation for female students).
- Collaborate with private institutions for quality education at reduced costs.
- Expedite the establishment of IT labs and move towards renewable energy for schools.
- Encourage MPAs and legislative authorities to fulfill their roles to bolster the functionality of local governments.
- Replicate successful local government models without getting bogged down in extensive research.

- End the power struggle between local and provincial governments.
- Promote public-private collaborations for service delivery.

Rare and Neurological Disorders

- To ensure financial stability in the health sector, the government should encourage Public-Private Partnerships (PPPs) to attract investment opportunities from national and international donors, especially in the field of rare and neurological diseases.
- There is a need to develop designated research facilities in medical universities for extensive research on neurological and rare diseases. That will help in diagnosis, treatment, and creating awareness about rare diseases.

Tobacco Control

- The enforcement of tobacco laws is only possible if they are coupled with awareness campaigns to change mindsets by highlighting its harmful impacts. Engaging youth in relevant policy frameworks may help in reducing the catastrophic impacts of tobacco on health, lifestyle, and behaviour.
- Creation of viable economic alternatives for farmers is essential to discourage them from tobacco production.

Afghan Refugees & Humanitarian Response

- Pakistan should draft and enact a comprehensive 'Refugee Act' which integrates the principles from the 1951 Convention and 1967 Protocol. This act should specify the rights and responsibilities of refugees, the processes for asylum determination, and the mechanisms for their integration or voluntary repatriation.
- Existing laws, such as the Foreigners Act 1946, that are often applied to refugees in the absence of specific refugee legislation should be amended. These amendments should ensure that refugees, particularly the large Afghan population, are not subjected to punitive measures due to their ambiguous legal status.

- The government should continue and strengthen collaboration with the United Nations High Commissioner for Refugees (UNHCR) to ensure that refugee policies and practices in Pakistan are in line with international standards and best practices.
- Academia and policymakers should collaboratively shape a discourse that views refugees through a socioeconomic and humanitarian lens, rather than as a security threat.
- Launch nationwide awareness campaigns highlighting the contributions and struggles of Afghan refugees in Pakistan. This can foster empathy and reduce misconceptions.
- Recognising the long stay and contributions of Afghan refugees, the government should focus on initiatives that aid their integration into the Pakistani workforce.
- Offer vocational training programmes tailored to their needs, ensuring that they can access employment opportunities and contribute positively to the economy. This not only aids the refugees but can also reduce any potential socioeconomic tensions between local and refugee populations.
- Facilitate community-building events or programmes that encourage interaction and understanding between local Pakistani communities and Afghan refugees. Shared cultural events, community service projects, or exchange programmes can foster bonds and reduce potential misunderstandings.

Culture, Literature & Soft Power

Countering Violent Extremism

- To Counter Violent Extremism (CVE), understanding root causes is paramount. Policies must target the seeds of intolerance and animosity that potentially evolve into extremist views.
- Central to CVE success is strengthening the rule of law, acting as the backbone of further strategies and initiatives. Complementing this backbone is the active participation of citizens, media partnerships and Civil Society Organisations (CSOs) as potent allies, fostering a broader, community-centric approach.

- Education stands as a cornerstone in CVE efforts. With its vast influence on societal ideologies, there's a pressing need for substantial investments. This includes engaging educators, parents, and scholars.
- Addressing the broader issues of identity-based disenfranchisement is critical. Efforts should pivot towards understanding and rectifying societal polarisation, a frequent contributor to extremism.
- There is a need to place 'community resilience' to violent extremism in the National Action Plan that will enable each sector of society to play its role in CVE.

Female Writers of the Subcontinent

Pakistan's National Heritage and Culture Division should:

- Introduce dedicated grants, scholarships, and awards aimed specifically at female writers from the Subcontinent. This will not only provide them with financial support but also place emphasis on the importance and value of their narratives. Private institutions and philanthropists can be asked to fund these initiatives. Literary bodies can collaborate to establish criteria, select recipients, and ensure the fair distribution of resources.
- Create and promote events that are tailored to celebrate and discuss the works of female authors. These can be in the form of festivals, workshops, or seminars, offering both local and international platforms for these authors to present their work, network, and learn. Cultural centres, universities, and international literary organisations can host these events.
- Engage renowned female authors from the Subcontinent to be mentors to inspiring emerging authors.
- Support educational boards, in collaboration with literary experts, to curate a list of essential readings of female authors. Training can be provided to educators to effectively teach these works and facilitate discussions around them.

- Make the Urdu dictionary gender neutral. Female writers can help in improving the Urdu dictionary by revising and re-writing masculine terminologies.

Social Norms and Gender Inequality

- Profoundly entrenched gender-related social norms significantly underpin a substantial portion of gender disparities. Achieving women's empowerment within society through economic growth necessitates a fundamental shift in these societal norms. Consequently, there is a compelling imperative to introduce a primary-level curriculum aimed at fostering gender-sensitive social norms among children.
- Pakistan ranks 53 out of 184 countries in terms of maternal mortality and is third in South Asia. To prevent such losses, healthcare facilities should be accessible and quality oriented.
- Employing women should not be considered a taboo. Organisations should step forward to encourage women's recruitment by providing them with daycare facilities and flexible work hours.
- There is a need to strengthen gender-sensitive policies instead of re-orienting the family structure or faith of the masses.

Looking Beyond 75

- Pakistan needs to rely on local resources and develop advanced skills to overcome today's pressing challenges such as economic crisis, climate change, and devastating flood losses.
- It is vital to formulate a strategy that integrates the climate change agenda and economic growth agenda as the country's economy nor ecology can remain isolated from global trends.
- Innovation, research, and development are the essential ingredients for the economic and social progress of any country. Pakistan should look at the models of countries like Japan, China, and Korea in this regard.
- Only knowledge-based economies are proving their mettle in the world, and it is need of the hour to strengthen ties of Pakistan's research

organisations and academia with industry in order to fight the economic odds facing the country.

- Outward-looking strategy, that promotes exports and integrates Pakistan into the world economy, is in the best interest of the country for accelerating growth and reducing poverty.

Sarah Siddiq Aneel is Senior Editor at the Centre for Aerospace & Security Studies (CASS), Islamabad, Pakistan. **Muhammad Awais Umar** is Research Associate at the Sustainable Development Policy Institute (SDPI), Pakistan and **Maria Ali** is former Research Associate at SDPI.

ENVIRONMENTAL & ECONOMIC PARADIGMS

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Climate Diplomacy for Least Developed Countries: Challenges and Prospects*

Arvind Kumar

Abstract

This chapter explores the evolution and conceptual framework of climate diplomacy, highlighting its significance for Least Developed Countries (LDCs) confronting climate change challenges. It analyses how LDCs utilise this diplomatic strategy to mitigate the impacts of climate change while advancing their socioeconomic progress. Key milestones in this context include the introduction of the Kyoto Protocol and the landmark 2015 Paris Agreement. The chapter also underscores the formation of the LDC Group, supported by the United Nations Framework Convention on Climate Change (UNFCCC), and focuses on the Group's pivotal role in developments such as the finalisation of the rulebook at COP26 and the establishment of the Loss and Damage Fund at COP27 to address loss and damage.

* This chapter has been approved as an Essay by the referee.

Introduction

Entailing the potential of upending the prevalent world order of the 21st Century, climate change is currently also delineating how people should live and work, and transforming the arrangements of production, trade, and finance. The global pervasiveness of the COVID-19 contagion has not only proved climate change as the current defining issue, but rather it has also brought to focus the inadequacy of human responses to global crises and spurred the essentiality of the urge to initiate action without brooking delay. The prevailing situation warrants global diplomacy to 'raise climate ambition, shape the transformative systems change needed, and promote and facilitate new modes of multilateral collaboration' (Carius and Risi 2020, p. 1) in a world that is sadly ill-prepared for the 'cascading impacts' of climate change.

The current climate crisis is a two-edged sword that portends a number of difficulties, particularly in terms of extreme weather events that are becoming more severe recurring phenomena as well as impending aftereffects that may result in the emergence of significant geopolitical issues. Due to its potential to exacerbate stresses on societies, economies, infrastructure, institutions, and livelihoods as well as open up new channels of conflict and competition that may intensify seething chafing or friction between or among states, the threat of climate change acting as a destabilising 'risk multiplier' in global geopolitics cannot be ruled out. While pointing out that in some countries, climate change is still primarily seen as an environmental issue, with a few even questioning the basic tenets of science, Carius and Risi (2020, p. 1) call upon all public diplomacy leaders, along with other major stakeholders, in taking well-concerted steps to tackle climate change.

Climate change is a global challenge requiring a collective response, as no single nation can address it effectively in isolation. This necessitates international cooperation, underscoring the pivotal role of climate diplomacy in fostering such collaboration. Ensuring nations are prepared to adapt to climate impacts is crucial,

especially given the complexity of the global response, as noted by Tskipurishvili (2022, p. 1).

Contours of Climate Diplomacy

Origins and Evolving Definitions

Derived from the general concept of 'diplomacy', which pertains to the management of international relations, 'climate diplomacy' has gained distinct prominence. Diplomacy traditionally encapsulated bilateral relations, but in an evolving world, it now also includes multilateral dialogues, summits, and international conferences focused on addressing global environmental challenges.

According to Schweimler and Sura (2010, p. 1), climate diplomacy is '*the practice of managing negotiations under the current international climate regime.*' The European Union (EU) offers a broader interpretation, highlighting its role in guiding foreign policy agendas, fostering global partnerships, and driving collaborations that address both climate and other policy goals such as peacebuilding or strengthening multilateralism. The EU Council sees climate diplomacy as '*work in both multilateral fora and at a bilateral level on promoting ambitious global climate goals and actions in pursuit of a planetary transition towards climate neutrality*' (EU-ECR 2022). A more detailed definition was furnished by the EU Parliament 2018 resolution on climate diplomacy which defines it as '*a form of targeted foreign policy to promote climate action through reaching out to other actors, cooperating on specific climate-related issues, building strategic partnerships and strengthening relations between state and non-state actors, including major contributors to global pollution, thereby contributing to mitigating the effects of climate change, as well as to enhancing climate action and strengthening the Union's diplomatic relationships*'. The European Commission has focused on four elements of climate diplomacy at the political level, which include '(a) Committing to multilateralism in climate policy,

particularly to the implementation of the 2015 Paris Agreement; (b) Addressing implications of climate change on peace and security; (c) Addressing domestic action and raising global ambition; and (d) Enhancing international climate cooperation by advocacy and outreach' (Climate Diplomacy n.d.). In other words, it means that in order to lessen the negative effects of climate change risks that endanger peace, stability, and prosperity, climate diplomacy entails the use of a diplomatic mechanism to support the ambition and operation of the international climate regime. Additionally, climate diplomacy focuses on using the issue of climate change to advance other foreign policy goals like fostering multilateralism, fostering confidence- and peacebuilding, and advocating for these goals. It also urges the creation of a framework for formulating appropriate risk assessment and risk management policies at a strategic global level (Ibid.).

It is argued that climate diplomacy, when addressing problematic or cross-cutting issues, enhances the likelihood of resolving security and stability dilemmas. This is largely attributed to the role of public diplomacy. Public diplomacy involves reaching out to partner countries on a bilateral level, advocating for more ambitious or challenging actions. Moreover, diplomatic negotiations with international partners prioritise climate action (Climate Diplomacy, n.d.).

Undoubtedly, the United Nations Framework Convention on Climate Change (UNFCCC) process and its annual Conference of Parties (COP) meetings, which are epitomised by Heads of State and Government, constitute the most visible aspect of climate diplomacy at the moment; nevertheless, climate diplomacy is also now a protuberant component of bilateral relations between states, the majority of multilateral processes, and numerous summits (Kinley 2022).

Historical Milestones in Climate Diplomacy

The origins of climate diplomacy can be traced back to the 1985 Villach meeting that catapulted the issue of the threat of anthropogenic climate change onto the international policy agenda, thereby spurring the international community to conclude the Montreal Protocol in 1987, Intergovernmental Panel on Climate

Change (IPCC) in 1988, the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, Kyoto Protocol in 2005, and Paris Agreement in 2015. The 1987 Montreal Protocol, not intended to tackle the issue of climate change, was an environmental accord that called upon countries not to produce substances that damage the ozone layer, and through the 2016 Kigali Amendment, countries agreed to also reduce their production of hydrofluorocarbons (HFCs) – potent Greenhouse Gases (GHG) which contribute to climate change. Hence, the Montreal Protocol emerged as an emulative model for future diplomacy on climate change (WMO 2022).

The establishment of UNFCCC in 1992 is often touted as the first global treaty to visibly deal with climate change through its yearly forum – the Conference of Parties (COP) – where negotiations and discussions are held with the objective of stabilising the concentration of GHG in the atmosphere. The Kyoto Protocol, adopted in 1997 and entered into force in 2005, is the first legally binding climate treaty that has been successful in reducing emissions of the ratifying countries by 7% below the emissions anticipated under a 'No-Kyoto' scenario ingeminating the significance of accounting for the collective nature of the agreement (Maamoun 2019).

The 2015 Paris Agreement, hailed as the ultimate culmination of climate diplomacy, is a breakthrough international legally binding treaty on climate change necessitating all signatory countries to lay down emissions-reduction pledges. Concerned governments set targets via Nationally Determined Contributions (NDCs) with the objectives of stopping the global average temperature from rising 2°C above pre-industrial levels and initiating efforts to keep it below 1.5°C. The Agreement aims to reach global net-zero emissions, where the amount of GHG emitted becomes equal to the amount removed from the atmosphere, in the second half of the present century (Tskipurishvili 2022).

The international traction that 'climate diplomacy' has gained, particularly in the wake of the 2015 Paris Agreement's conclusion, indicates that it is becoming more and more important as a pathway to international affairs and necessitates

incorporation and integration into a country's international priorities. The development of an intersectoral strategy that incorporates a nation's interests and seeks to advance its priorities on a variety of regional and global platforms is closely related to the success of climate diplomacy. Climate diplomacy needs to be in line with the global drive to increase climate ambition, define transformative systems change, and support new approaches in order to steer an agenda that addresses the unprecedented challenges faced by developing and emerging economies as and when they decarbonise given the close relationship between climate action and economic change, technological innovation, and socioeconomic upsurge (Rumble et al., 2021, pp. 7-8).

In view of the fact that 'climate diplomacy is still largely fragmented' (Aginam 2015), climate change often comprises a minuscule part of the environment ministries in some developing countries, including most Least Developed Countries (LDCs) as well as Small Island Developing States (SIDS), and these parts often fall short of funds and lack personnel who are adept in negotiating skills for complex climate change issues. Undeniably, some developing countries have evolved frameworks that vest their respective foreign ministries with the authority either to head climate change negotiations or at best play a pivotal role in tandem with the environment ministries. Nevertheless, such approaches seldom prove instrumental in addressing an issue as critical and significant as climate change, and the resultant risk of perceiving climate change through the prism of the environment entails the risk of consigning other important sectors like health, decarbonisation, etc., to the 'margins of climate diplomacy' (Ibid.).

Irrespective of some regional and bilateral optimistic outcomes in recent years, the subject of climate change seemingly appears to be a touselled mix of deeply entrenched incongruity between and among countries, embedded political and economic interests, sceptic approach to climate science, and rancorous North-South controversy over suitable ways to finance mitigation, adaptation, and resilience programmes.

Climate Diplomacy for the Least Developed Countries (LDCs)

As of January 2023, there were 46 Least Developed Countries (LDCs) that are home to 1.1 billion people, thereby, constituting 14% of the global population. These countries are reported to have made a contribution of nearly 1.1% of total worldwide emissions of CO₂ from fossil fuel burning and industrial usage in 2019, and even in terms of per capita, their emissions hardly reached 10% of the worldwide average comparable to the carbon footprint of an ordinary individual in a developed country or developing country that is not a LDC, which was, at any rate, eight-fold more than that of an average person in an LDC. Yet, about 69% of global deaths caused by climate-related disasters have taken place in LDCs over the past five decades (UN 2022, p. 1).

Climate change has the potential to impact a wide range of issues, from socioeconomic development to national security. This realisation has prompted many countries - whether developed, developing, or least developed - to incorporate it into their foreign policies. Their goal is to foster international cooperation to address climate-related challenges. Additionally, they aim to protect their national interests in climate decisions. A large number of countries have taken action on climate change, irrespective of their geopolitical standing. This includes nations across the geopolitical spectrum, even the world's LDCs. These countries have agreed to cut emissions in tandem with their neighbours. Additionally, they are preparing to adapt to the effects of climate change together in regional groups. They also engage with foreign publics, aiming to raise climate ambition. Such collective action has been pivotal in ensuring that current climate diplomacy extends beyond just the UN climate change negotiations (Craft 2016).

Unfortunately, while entailing minimal responsibility for causing CO₂ emissions, LDCs are the least capable of tackling climate change via foreign policy tools or domestic initiatives. However, these countries are confronted with maximum risk emanating from a changing climate (da Silva and Sinha 2021). Admittedly, the national interest of LDCs lies in combatting climate change even though they are unable to take part in global climate negotiations owing to greater financial and

technical challenges relative to other developing and developed countries. Against the backdrop of this scenario, Craft (2016, p. 2) raises two queries:

1. *'How are the LDCs among the nations integrating climate change into their foreign policies?'*
2. *'What actions could LDCs take to increase their influence in international climate change decision-making?'*

In her research, Craft (2016) delves into the importance of climate diplomacy. She notes that many countries are integrating climate change into their foreign policies. These countries hope that this will enhance international cooperation on climate issues. At the same time, they aim to protect their own interests in climate decision-making. This is especially crucial given the diverse impacts of climate change on areas ranging from economic development to security.

While acknowledging which actors wield influence on global decisions pertaining to climate change or wherefrom, they gain their influence as a multidimensional challenge. The current diplomacy surrounding climate change outreaches the negotiations frequently held under the auspices of the UN and involves players from all corners of the geopolitical spectrum (Barrett 2022).

While alluding to the formation of a negotiating block by the LDCs at the UNFCCC in 2001, known as the LDCs-Group, Craft (2016) notes the working of this group in tandem with the Climate Change Group of the International Institute for Environment and Development (IIED), which has resulted in the advent of the 'Theory of Change' that conjectures the actions, outputs, and upshots entailing the potential of impacting LDCs wielding influence in global climate change decision-making and denoting these fallouts chains in the following four intersecting spheres of influence:

1. *'Increasing participation in diplomatic forums;*
2. *Strengthening domestic infrastructure to support diplomatic engagement;*

3. *Integrating climate change across policies; and*
4. *Increasing public diplomacy'* (Craft 2016, p. 3).

Rummaging through these four spheres of influence along with cross-examining the suppositions that spur each link in the chain can be of help to government officials, advisors, and the research community in determining how LDCs can skilfully ensure their engagement in climate change diplomacy. Given that each country's national context is distinct from others, there is no secure pathway or predetermined track to wield influence or regulate. Given their similar economic categorisation and their association with climate change, the approach of LDCs to climate change can be generalised into a comprehensive theory.

The first sphere of influence lays stress on the enhanced participation of LDC government officials in climate diplomacy and global decision-making fora on climate change such as UNFCCC negotiations. Available literature makes it discernible that delegations of LDCs to the UNFCCC negotiations are often confronted with significant constraints like a lack of negotiating knowledge and skills; paucity of diplomatic experience; absence of adequate information and support; along with language problems (Andrei et al., 2016). Consistent participation by delegates allows them to take on coordination roles provided by the organising institution. However, for some LDCs where capacity is a particular challenge, negotiating in groups like the Alliance of Small Island States (AOSIS), LDCs Group, or the EU remains the most viable option (Mabey et al., 2013).

The second component of the sphere of influence focuses on strengthening domestic infrastructures to support diplomatic engagement. This involves coordinating and prioritising climate change initiatives across various government ministries and departments in an LDC. Policy coordination in some LDCs is often led by ministries of external affairs, while in other cases, special climate envoys are tasked with convening meetings of several government departments. In the case of Ethiopia, the Ministry of Environment, Forest, and Climate Change is assigned the mission of synchronising the climate change agenda (Craft and Endalew 2016). Sometimes, a suite of LDCs is faced with the challenge of

linguistic issues along with the paucity of time to translate documents and feedback for officials back home, which makes it cumbersome for them to 'develop' their position within a time frame (Andrei et al., 2016).

Undoubtedly, some LDC governments are accustomed to making use of participation in negotiations as motivations for officials while others designate new delegates for each session on a national basis. Nonetheless, the high levels of reversal or turnaround denote the retentivity of scant institutional memory and many delegates or participants are made to learn-on-the-job during the course of negotiations (Ibid.). Some LDC governments are prone to adopting a swift pace of 'turnover of negotiators' and adhere to a selection criterion based on political contemplations. However, in view of the immense significance of limiting climate risks, 'climate diplomacy remains under-resourced in many countries' (Mabey et al., 2013).

The third constituent of the sphere of influence lays emphasis on incorporating climate change into policies transversely along with building strategies, policies, and plans that incorporate climate change and back up action to diminish GHG emissions and adapt to its impacts. It is beyond the capacity of a single government department to deliver an effective climate strategy. Concurrently, mainstreaming climate change into new institutions/ministries entails the potential of spurring tensions inside a government (OECD et al., 2015) as conventional actors, such as the ministry/department of environment often nurture the apprehension of losing power, influence, and the agency (Mabey et al., 2013). LDC governments are required to engage an array of other institutions on an ongoing basis in order to mainstream climate change into national socioeconomic and political debates. Craft and Tshering (2016) cite the example of Bhutan which has achieved carbon neutrality after having been spurred by its development philosophy of Gross National Happiness (GNP) that incorporates mainstays of sustainable socioeconomic development and protection of the environment.

The fourth and last part of the sphere of influence focuses on augmenting public diplomacy by harnessing strategic messaging and interacting with international media with the avowed objective of reaching the public in other countries. According to Craft and Endalew (2016), providing evidence to support climate advocacy offers diplomats a more robust response mechanism, especially when they have access to country-specific data. National climate change programmes and policies ought to be well-entrenched in a wide-ranging national political consensus and imbibed into national development processes. Climate diplomats are called upon to acquire adequate communication skills to efficaciously engage with the media because news media coverage plays a significant role in 'shaping possibilities' for future climate policy implementation (Craft and Jallow 2014).

Challenges and Prospects for LDCs' Climate Diplomacy

Contending that the success of each of the four spheres of influence along with the resultant chains as mirrored in the 'Theory of Change' is dependent on multiple cross-cutting enabling conditions, Craft (2016) avers that government-led actions in LDCs, constituting the basis of the theory spur the political willingness of senior officials to see these actions bearing fruitful results, thereby garnering salience. Acknowledgement of climate change as a national priority entails the potential of emerging stronger relative to political readiness at the apex, and such prioritisation surpasses political terms to help climate change to be acknowledged as a vital public concern. Enabling conditions, ensuring the pursuit of effective climate diplomacy by LDCs, comprise political will and prioritisation at the domestic level and sufficient financial support and availability of adequate technology to deal with the vagaries of climate change at the external level. Non-availability of these enabling conditions portends ominous challenges for LDCs to effectively combat climate change while their presence enables more concerted endeavours.

Political Willingness

Reluctance on the part of senior leadership to tackle climate change is prone to yield dangerous consequences. Former US President Donald Trump's decision to withdraw the United States from the Paris Agreement adversely impacted global and domestic chances of reaching the Paris Agreement goals. Thus, the political will of a country's apex leadership is essential to spur efficacious climate diplomacy. Craft and Endalew (2016) cite the example of the strong political leadership of Ethiopian Prime Minister Meles Zenawi on climate change which aided Ethiopia to incorporate climate into that country's development strategy, launching ambitious national targets and synchronising climate actions across ministries. Gurria (2008) describes climate change as a matter of political will. Political willingness on the part of almost all participating countries played a critical role in the successful conclusion of the 2015 Paris Agreement.

This political willingness on the part of or buy-in from high-level officials is crucial because efficient climate diplomacy needs important institutional endeavours, marshalling of costly capacity, especially in terms of noteworthy re-arrangement of human and fiscal resources, *'training and coordination of generalist diplomats, support and timely content for impacting along with strategic focus, which can be daunting even for developed countries, let alone LDCs'* (Mabey et al., 2013, p. 27).

Prioritising Climate Change

Designating climate change as a national priority is of crucial significance for LDCs, especially at a time when climate change has emerged as *'an existential threat to their communities and long-term prospects for socio-economic development'* (UNCTAD 2022, p. 107). The UNFCCC, in its update of the LDC work programme in 2018, urged countries to strengthen existing and where needed establish national climate change secretariat and/or focal points to enable the effective implementation of the Convention and the Kyoto Protocol. Some

LDCs have been dealing with the fallout of climate change in terms of *'water scarcity and drought while others have witnessed increased flooding along with small island LDCs confronting the existential threat of rising sea levels'*, thus, *'increasing localised negative externalities arising from waste and pollutants combined with global externalities due to climate change, along with the low institutional capacity to offset them, have negative knock-on effects on achieving Sustainable Development Goals (SDGs)'* (UNCTAD 2022, p. 107).

Against this backdrop, it becomes imperative for LDCs to address climate change as a top national priority because it portends a threat to socioeconomic development, human lives, livelihoods, and national security. Craft and Tshering (2016) cite the example of Bhutan which has addressed climate change as a component of environmental conservation. This is one of the Bhutan government's 'primary mandates' enshrined in its constitution, and accordingly, the state has incorporated climate change into both domestic and foreign policy, thereby permeating climate diplomacy.

Paucity of Development Finance

LDCs are faced with a severe financial crunch, and they get less than 3% of the finance required to tackle climate change (IIED 2021). The regular flow of climate finance supports development cooperation. By aligning activities and finances with the goals of the Paris Agreement, governments and grant-giving institutions can assist LDCs. This aid helps LDCs fast-track their transition to zero-emission pathways, implement adaptation measures to climate impacts, and build climate resilience (da Silva and Sinha 2021). The LDCs suffer the double whammy of lacking critical financing to support climate-resilient measures and infrastructure, and their minuscule contribution to carbon emissions relative to both developed and developing countries but intensified vulnerability to the adverse impacts of climate change builds up a strong case for them to be recipient of *'blended finance'* (Ibid.).

Undeniably, the UNFCCC provides funding for the participation of a limited number of LDC delegates, and IIED also extends support to LDC climate diplomats with project funding from the EU. However, fund-providing governments should support capacity building in groups of LDCs, even if they nurture varied interests. Such a measure is bound to be helpful in ensuring '*the continued effectiveness and legitimacy of climate diplomacy*' (Mabey et al., 2013). While LDCs accounted for 4% of total global GHG emissions in 2022, it could be discerned that the emphasis on mitigation, under the provisions of the Paris Agreement climate finance arrangement, denoted that they were prone to earn less for adaptation measures, which have been their urgency, albeit their low emissions highlight the availability of 'carbon budgets' in their favour.

Under the current UNFCCC mechanism, LDCs are not entitled to compensation for climate damage. The cost of extreme weather events in economic terms in 2021 alone was estimated to be to the tune of USD 329 billion worldwide, which was nearly double the total aid made available by developed countries to developing countries (Carty and Walsh 2022). LDCs' vulnerability makes them pay about 10% more on overall interest costs for development finance as impacts of climate change are transferred to 'sovereign credit profiles' via enfeebled economic activity, damage to infrastructure, spiking social costs linked to climate shocks in terms of access to health and food, and population displacement (UNCTAD 2021). Estimates by the OECD demonstrate that the total amount of climate-related development finance to LDCs augmented from USD 2.4 billion in 2010 to USD 21 billion in 2020 wherein undeniably, the part of climate finance entailing climate as the primary target i.e., more than 40% of the commitment value, spiked from USD 1 billion in 2010 to USD 3.5 billion in 2020. This denoted a loss of its relative value over the period from 40% in 2010 to only 16% in 2020 (UNCTAD 2022).

During COP27, Senegal, representing the LDC Group, emphasised the importance of low-carbon, climate-resilient development pathways and addressing loss and damage. While discussing the New Collective Quantified Goal on climate finance, the LDC Group underscored the need for climate finance

to be delivered as grants, especially for adaptation (LDC-Climate 2022a). While contending that LDCs were already seeing loss and damage as a result of climate change, LDC Group Chair said: *'We have gone as far down the road of adaptation as we can and it is clear also that loss and damage will continue to increase as the global warming increases. We need additional financing, and additional support to deal with this sizeable loss and damage with which we are already confronted as a result of climate change. We need to go further than that and deal with the elephant in the room – loss and damage'* (Ibid.).

Technology for LDCs

To boost economic resilience and avoid reliance on commodities, LDCs need to shift their export composition. This can be realised through rapid low-carbon industrialisation and structural transformation. It is also essential for them to prioritise investments that expand *'existing productive capacities and acquiring new ones'* (UNCTAD 2020, p. 110). This suggests that merely decarbonising production and consumption patterns in LDCs won't address the structural bottlenecks plaguing their economies.

Admittedly, the achievement of green structural transformation is largely dependent on the promotion and dissemination of new technologies and business model innovations; nonetheless, the weak productive and technological capabilities of LDCs greatly mar any perceived competitive advantage that they might be able to garner in the low carbon transition. LDCs are called upon to lay greater emphasis on transitional technologies capable of providing targeted learning. Besides, cost reduction opportunities can be helpful to them in a *'quick acquisition, command, and innovation required to vault to decarbonisation technologies, including by leveraging opportunities for regional and South-South Cooperation'* (Ibid.). While allocating adequate fiscal and human resources to research and development (R&D), LDC governments should *'explore different pathways of incentivising the private sector to engage in R&D, pursue innovation and invest in upskilling its workforce'* (Ibid.).

To achieve the global goal of limiting the temperature rise to less than 1.5°C and effectively implement adaptation, mitigation, NDCs and National Adaptation Plans (NAPs), LDCs continue to stress the urgent need for essential technologies and related capacity-building. Affirming that technology development transfer is the key for their development, they have been demanding that the UNFCCC Technology Mechanism, including its National Designated Entities, receive adequate funding so that they can carry out their respective mandates. They also need efficient implementation of the findings of the technology needs assessment and improvement of the already-strengthened cooperation between the Technology Mechanism and the Financial Mechanism both inside and outside the UNFCCC (LDC-Climate 2022a).

Way Forward

With the Paris Agreement firmly in hand, along with its associated ‘rulebook’ completed at COP26, the era of climate diplomacy focused on negotiations is seemingly closing, thereby paving way for the inauguration of an era of implementation and accountability. The issue of lag on the part of LDCs in accessing funding from the Green Climate Fund (GCF) for devising NAPs came up for discussion at the 41st meeting of the Least Developed Countries Expert Group (LEG) on 21-23 March 2022 held in a ‘hybrid format’ in Nairobi where it became evident that LDCs’ access to finance, both for devising and the execution of NAPs was a dominant concern and a decisive factor for addressing all other needs. It could also be discerned that there was a need to enlarge the metrics for measuring and tracking adaptation, with a greater focus on outcomes and impacts of adaptation. While affirming its vision of supporting LDCs on adaptation, the LEG has set a new deadline for all 46 LDCs to formulate their NAPs by the end of 2022/early 2023 (UNFCCC 2022).

While welcoming the momentous decision on setting up a fund to address loss and damage by COP27, the Chair of LEG said that it was for the first time in many years that LDCs did not come out of a COP empty-handed: ‘COP27 has delivered

a historic decision in establishing a fund to address loss and damage. The decision responds to one of our Group's biggest demands over the past decades. The signal this decision sends to the world and to ourselves as parties is faith in this multilateral process and its results upon which our future depends' (LDC-Climate 2022b). It is high time that the issues raised by LDC Group in its 2050 Vision document and in its submissions before COP26 and COP27 are addressed on a priority basis.

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Dr Arvind Kumar is the President of the India Water Foundation in New Delhi. He is a renowned water activist and environmentalist, who has provided new impetus to the water and environment movements in India.

Addressing Pakistan's Energy Security Amid Regional Turmoil*

Ubaid ur Rehman Zia, Nismah Rizwan & Saleha Qureshi

Abstract

The ongoing global turmoil driven by geopolitical conflict, climate-induced disasters such as 2022 floods, and development delays due to COVID-19, have exposed the vulnerability of Pakistan's energy sector to external shocks. Not only is this contributing to inflation, but also derailed the country from targets prescribed under the Sustainable Development Goals (SDGs). This chapter aims to address this issue by analysing the current challenges across the energy sector value chain; identifying the low-hanging fruits to provide short-term solutions; and recommending a way forward through policy and technological solutions that can bring resilience in the country's energy sector planning. The authors highlight that while the energy sector growth of Pakistan has entered an uncertain phase, strong policy and regulatory support is required to double down on a low carbon pathway that ensures a just and equitable transition. Pakistan's energy crisis may be multifaceted but so are the solutions. The key to treading onto a path of recovery and progress lies mainly in tackling the issue from both

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ends, i.e., taking initiatives to address demand and supply side concerns while also addressing governance issues of other cross-cutting themes.

Introduction

The ongoing geopolitical conflict has had immediate consequences on energy supply chain disruption across the world. The conflict threatens economic recovery from the COVID-19 Pandemic, with inflation, energy, food security, and added supply chain pressures remaining critical concerns. Concurrently, the political drive to diversify and decrease reliance on imports from the affected region could significantly impact, or even undermine, plans for a transition to clean energy.

For developing countries such as Pakistan, the average Gross Domestic Product (GDP) growth in 2022 has slowed by 0.5% while its share, which is being spent on energy-end uses, has increased from around 9% in 2020 to over 16% in 2022 (OECD n.d.). This economic impact has further trickled down where an average household is spending around 20% more income on energy products as compared to the previous year. This is mainly being driven by increased fuel cost due to which electricity prices in Pakistan increased from PKR 14.5/kWh in 2019 to almost PKR 25/kWh in 2022 (depicting a percentage increase of almost 72.5%) (Rahman 2022). This depicts a percentage increase of almost 72.5%. Resultantly, Pakistan experienced rising inflation up to 27.26% (Year-on-Year [YoY] basis) in August 2022 that remained as high as 24% till September 2022 (Trading Economics 2023). Energy and food prices contribute 35-45% to this overall inflation (Noor 2022).

The impact of rising global energy prices has been reflected on the external side of the economy as Pakistan's trade deficit is widening. As a result, the government is striving to reduce imports and relying on domestic energy supplies. Although the current account deficit shrank by more than 50% during the first five months of FY-2023 with value recorded at USD 0.28 billion in November

2022 (Business Recorder 2022b), this has also seriously impacted energy access and transition towards clean energy targets prescribed under the Sustainable Development Goals (SDGs). A large population of Pakistan, that previously had access to electricity, is no longer able to afford it. Thus, this economic crisis, coupled with project development delays resulting from COVID-19 and climate-induced disasters, has posed an enigma to the energy sector with no 'win it all' solution.

As of 2022, almost 670 million people globally were expected to be without access to electricity by 2030, which is ten million more than anticipated before the outbreak of the Pandemic (WHO 2022). The gap was further widened after the 2022 conflict, as 20 countries with the least access to electricity account for 76% of the population. Almost 90 million people in Asia and Africa, who had electricity access, are no longer able to afford it (World Bank Group 2022). The increased focus towards coal-based power plants in Pakistan also highlights a major threat that further investments in new fossil fuel infrastructure might lock-in uneconomic practices, perpetuate existing risks and increase the threat of climate change, thus eventually derailing the country from achieving its climate-related goals.

Scope and Methodology

In the backdrop of the energy crisis of Pakistan mentioned in the previous section, this chapter identifies the major challenges to the country's energy sector, their impact on the SDGs, particularly SDG-7, and key actions required to mitigate the impact on both supply and demand end. Key research questions addressed include:

- How is the current increase in energy prices impacting Pakistan's energy access and affordability?
- What are the best policy and technological solutions that can be adopted by Pakistan to address its current energy crisis?

- What are the low hanging fruits which Pakistan must address to achieve the targets prescribed under SDG-7?

To meet these objectives, this study uses an analytical framework approach that is based on secondary data analysis including a desk/literature review and a policy dialogue on '*Tackling the Policy Challenges for Pakistan's Energy Security in the Backdrop of Increasing Fuel Prices*'. Through this mix method approach, the authors have also incorporated the recommendations of key stakeholders, including public and private sectors, civil society, academia, and international experts.

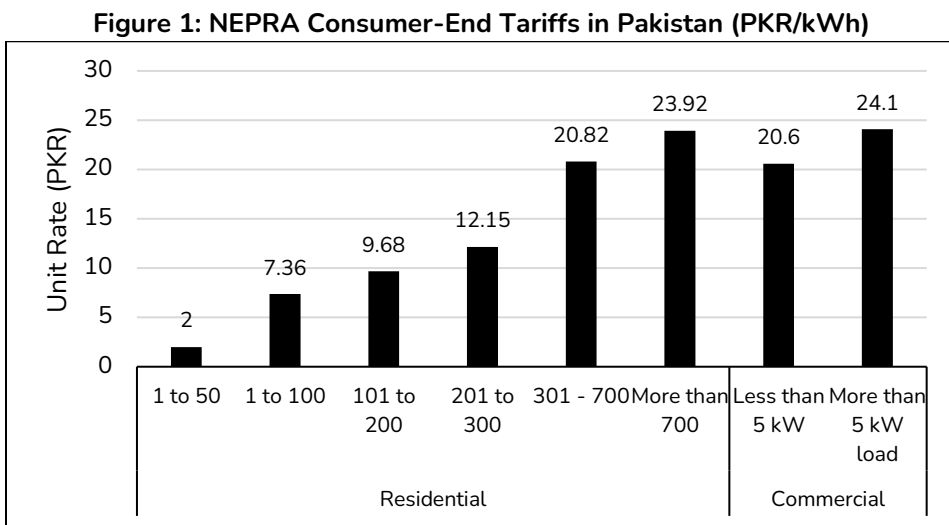
Need for Energy Security in Uncertain Times and Changing Dynamics of Pakistan's Energy Sector

The conflict in Ukraine has exacerbated the already existing strains in global energy markets. Fuel importing countries are faced with a difficult challenge of diversifying their supply chains in a market with soaring energy costs, thus, pushing millions towards energy insecurity. In Pakistan, a substantial share of the industrial sector has either scaled back their production or suspended operations due to high production cost and unfavourable market conditions. Furthermore, both residential and industrial sectors are facing power and gas shortages despite a record increase in their costs. Unless immediate solutions are implemented to substitute the cut-off supplies, industrial growth would decline, jobs would reduce, unemployment would increase, and people would keep on struggling to meet their energy demands.

Increasing Energy Prices and Consumer Price Index (CPI)

In 2022, Pakistan observed historic increases in oil, gas, and electricity prices. From December 2021 (Gulrez 2021) to December 2022 (Rehman 2022), the petrol and diesel prices in the country increased from PKR 145.8 and PKR 142.6 to PKR 214.8 and PKR 227.8, respectively, depicting an average percentage

increase of 47%. Similarly, the prices of gas also experienced a similar trend. Between January 2022 to early 2023, Oil and Gas Regulatory Authority (OGRA) approved a 74.42% hike in natural gas prices (Jamal 2023). At the end of 2022, OGRA had already approved almost 45% increase in gas prices (Bhutta 2022). Electricity prices also witnessed a rapid increase, with latest approval given by the National Electric Power Regulatory Authority (NEPRA) to increase electricity rates by PKR 3.31 for K-Electric consumers (Kiani 2023). However, depending on the units consumed, the unit cost in Pakistan can substantially vary as shown in Figure 1 based on January 2023 rates:

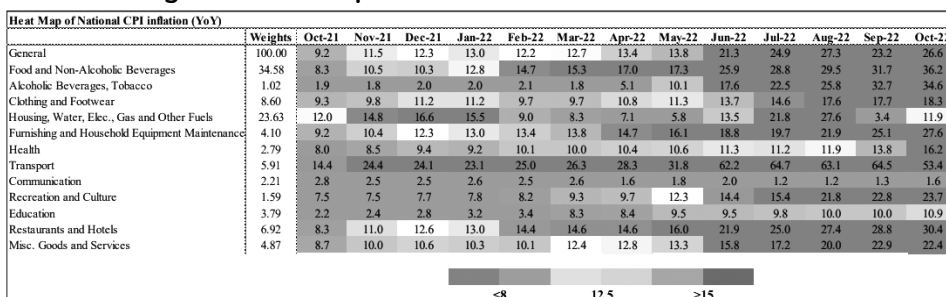


Source: NEPRA n.d.

The volatility of energy markets highlighted has had a multidimensional impact, resulting from gas shortage, power outages due to payment issues, inflation, industrial slowdown, and the fiscal budget for subsidies. Pakistan's annual inflation in December 2022 was 24.5%. Starting in June 2022, Pakistan's CPI remained above 20% in all months, reaching the highest value of 27.26 in August. In December 2022, the CPI was 24.5% (Trading Economics 2023). Figure 2 describes the heatmap of CPI for different components, including housing, water,

electricity, gas, and other fuels that cumulatively constitute a weightage of 23.63% (SBP 2022):

Figure 2: Heatmap of Consumer Price Index in Pakistan



Source: SBP 2022.

Dilemma of Petroleum Subsidies

The market prices of petroleum products in Pakistan have mostly been controlled by the government through subsidies that reduce the burden on consumers. However, in mid-2022, Pakistan had to remove the subsidies on petroleum products as a condition imposed by the International Monetary Fund (IMF) to secure its USD 6 billion programme so as to avoid the sovereign default on international payments (Business Recorder 2022a). Resultantly, petrol and diesel prices had to be increased by 66% and 92%, respectively in a span of just one month. In the following months, the demands for both gasoline and diesel dropped by 12% and 16%, respectively (Siddiqui 2022).

Impact on Manufacturing and Service Sector

The economic crisis and increasing energy cost has also severely impacted Pakistan's manufacturing sector. For the industrial sector, this has led to decrease in exports and productivity. Since industries are closing, offices are being shut down, factory productions have stopped, many corporates have had to lay off their employees. The apparent example for this in case of Pakistan was the

unemployment rate, which increased from 4.4% in 2020 to 6.5% in 2021. Further in 2022, driven by substantial losses from the super floods, almost 2.6-3.6 million people lost their livelihoods (ILO 2022). This includes the large informal workforce (small and medium enterprises, agriculture employments) and other vulnerable segments, such as women and youth.

The year 2022 in Pakistan ended with a partial shutdown of the textile sector, the country's biggest export industry with a percentage share of 46%, including the Kohinoor Spinning Mill, Suraj Cotton Mills, and others (Aslam 2023). This rendered almost 2.5 million people jobless. Furthermore, the textile industry, in the first quarter of 2023, notified that the sector is currently operating at 50-55% below their optimum capacity, resulting in a loss of around USD 1.42 billion (YoY basis) (Alam 2023). Most textile owners registered that their cost of production had increased by 100% due to high power tariffs (an increase from PKR 18 to PKR 36/unit) and the increase in cost of petroleum products. Owing to increasing trade deficits, the sector also experienced curbs on opening Letters of Credit (LCs) for raw material imports.

Sales in the cement sector also fell significantly between July and December 2022. As per the reports of All Pakistan Cement Manufacturing Association (APCMA), the total dispatch recorded by the cement industry in this period was 20.73% less than the sales in the previous year (The Express Tribune 2023). Similarly, for rest of the sectors, 2022 was a bumpy year dominated by lowest sales over a decade. The reports of Pakistan Association of Auto Parts and Accessories Manufacturers (PAAPAM) highlighted that the sales of tractors also decreased by almost 67% in 2022 (Ahmad 2022).

Energy Project Development and Investment Delays

Project development in the energy sector has been hampered by both restrictions in the flow of investments and construction delays due to multiple reasons. Lockdowns imposed in COVID-19 restricted the movement of Chinese labour as well as trained personnel for project development activities happening in

Pakistan. The investment delays and shifts under the Belt and Road Initiative (BRI) of China is the apparent example of these disruptions. In its (Chinese) efforts to manage the financial risks, 80% of Chinese overseas investments in 2022 (first half) went into the oil and gas sector. In the same period, Chinese outlays in Pakistan dropped by 56% (Standish 2022) whereas for Russia (one of the key beneficiaries under BRI), they dropped to almost 'zero'. A 2022 report by the Green Finance and Development Centre showed that there might be some 'revaluations of political risks' from Chinese end, given the political changes in Pakistan (Wang 2022).

Disruptions in Energy Supply Chain

Along with other Asian countries, the supply of Renewable Energy (RE) technologies in Pakistan is dependent mainly on China that dominates the solar PV as well as wind energy market. As of 2022, China was home to the top ten solar PV suppliers; and seven out of ten wind manufacturers were Chinese companies. With the COVID-19 induced lockdown in China that caused supply chain disruptions, mining and development delays with mismatching demand and supplies, consequently leading to increase in cost and shortage of demand. Under these conditions, there is a need for re-evaluation of sustainability and reliability of RE technology trade of Pakistan. Broadening the RE supply chain network makes better economic sense as the local electricity mix for most countries is less carbon intensive than China. This diversification would, however, require bringing cost competitiveness through financial incentives and manufacturing support.

Impact on Key Indicators of SDG-7 (Affordable & Clean Energy)

Inefficiency and Lack of Demand Side Management Techniques

Energy efficiency and demand side management has been missing from Pakistan's energy planning landscape, while the key focus has remained on

supply side interventions. This has led to wasteful use of energy in all key demand sectors (residential, industrial, commercial, and transport) leading to the following issues:

Increased air conditioning and refrigeration load during summers: In 2022, the disparity between summer and winter load in Pakistan exceeded 15,000 MW (around 30,000 MW in peak summer and 12,000 MW in winter). The larger chunk of capacity is, therefore, kept idle during the larger portion of the year causing further increase in power tariffs (capacity payments).

Inefficient construction techniques: Despite efficient construction materials such as hollow blocks and material readily available, reliance of the construction industry remains on conventional construction techniques that either do not comply with Pakistan's 'Energy Conservation Building Codes, 2013' or else these codes are not effectively monitored. Furthermore, residential as well as commercial sectors have limited capacity and understanding of applying passive and active energy conservation techniques that could potentially lead to significant energy savings.

Non-conventional biomass use: Almost 33.3% of Pakistan's energy supplies are coming from traditional use of biomass resources in rural areas. This inefficient use not only contributes to environmental emissions (open burning) but is also a major health hazard for the rural population.

Energy infrastructure damage: Climate-induced disasters such as floods of 2022 has had a significant impact on both large and especially small-scale power plants. According to the Pakhtunkhwa Energy Development Organization (PEDO), around 105 mini hydropower plants were destroyed by the floods, with an estimated cost of PKR 480 million. Furthermore, numerous gas pipelines in Balochistan were damaged, cutting off supply to the Uch Power Station, which supplies 932 MW of electricity to the country.

Frontiers of Energy Transition: Recommendations and the Way Forward

Global efforts to mitigate and adapt to climate vulnerabilities and supplying affordable and reliable energy across the population has not undergone significant progress over the past years. Developing countries, such as Pakistan, are still vulnerable to climate-induced disasters despite contributing less than 1% share in global GHG emissions. On the other hand, these climate vulnerabilities have adverse socioeconomic losses that have limited their fiscal space to adapt to the challenges posed on energy supply chains by the Russia-Ukraine war. In the backdrop of key challenges highlighted in the previous sections, energy transition of Pakistan has entered an uncertain phase, which would require strong policy and regulatory support to double down on a low carbon pathway. Under the three main pillars of energy transition: i) economic growth, ii) environmental sustainability, and iii) energy security and affordability, there are multiple unknowns, requiring immediate actions as well as a long-term strategy to build resilience against upcoming external shocks.

Firstly, Pakistan has been using a '*short-sighted*' and a '*just in time approach*' to address its energy security concerns since the past few years. A common example is the nature of long-term contracts the government signed with Independent Power Producers (IPPs). While it did provide some short-term relief for energy supplies, it has led to an economic trap in the form of increasing circular debt (PKR 2.4 trillion in 2022), high-capacity payments, and limited power evacuation capacity - all of which is highly dependent on high-cost imported fossil fuels. The challenges of using this approach are further apparent in this uncertain time since the current security concerns are prompting the country to shift back to coal-based power (a step being considered by other countries as well). To address this challenge, the way forward lies in shifting to more of a '*just in case*' approach with a sufficient reserve capacity based on indigenous resources, storage infrastructure and policy/regulatory support to incentivise the investments required to develop technological solutions. Hence, by not putting 'all eggs in a single basket' and diversifying its energy mix, using energy efficiency and

conservation measures, and improving supply chains, several energy insecurity issues can be addressed.

Secondly, the energy transition overview provided above requires a transition cost. As identified under Pakistan's Nationally Determined Contributions (NDCs), a clean energy transition would require USD 101 billion by 2030 and an additional USD 65 billion by 2040. Bridging this gap requires mobilising both public and private finance, and de-risking the investments that are flowing in the energy sector. Globally, this has been addressed through low benchmark interest rates and monetary policy support. However, in the backdrop of high inflation, increasing interest rates, high supply chain cost, and rising commodity prices; the competitiveness of RE projects against fossil fuels has been impacted. Hence, to maintain the cost competitiveness of new RE-based systems, it is critical to de-risk investments, providing regulatory and policy support, improving credit worthiness for the RE developers and establishing clean demand signals.

Thirdly, the imbalance of energy deficit impact must be addressed by developing long-term solutions that ensure affordability of energy for the vulnerable segments of the community.

Lastly, the measures taken for demand side management at the consumer end are extremely important for the broader energy transition goals. Best practices across the world have demonstrated that social behaviour and awareness to conserve energy is possible in the short run. While Pakistan has started making progress in these areas with an energy conservation plan that was introduced by government at the start of 2023, the conservation measures still need close monitoring and effective implementation. Broadly, Pakistan needs a balanced energy transition approach.

Pakistan's energy crisis may be multifaceted but so are the solutions. The key to treading onto a path of recovery and progress lies mainly in tackling the issue from both ends, i.e., taking initiatives to address demand and supply side concerns while also addressing governance issues of other cross-cutting areas.

Demand Side Measures

Robust Implementation and Upgradation of Efficiency in Homes and Buildings

Recommendation 1: There is a need to develop Minimum Energy Performance Standards (MEPS) for household appliances that are consumed regularly such as motors, lights, fans, air conditioners, refrigerators, water, space heaters, etc.

Recommendation 2: A Mandatory Labelling Regime should be enforced. For implementation, it should be properly regulated and fast-tracked in Pakistan to avoid wastage and lessen the burden on the national grid. Energy consuming appliances should be labelled based on their energy performance to encourage users to choose more efficient options. To this end, standards in labelling regimes should also be developed to avoid malpractices such as greenwashing.

Recommendation 3: Energy Conservation Building Codes (ECBC) need to be updated to improve the energy performance of buildings as they are currently one of the top consumers of energy in Pakistan. The government and regulators should encourage the use of more sustainable construction materials (e.g., eco-friendly construction blocks and cement, insulation, double-glazed windows, etc.) while ensuring that building designs incorporate passive techniques where possible.

Recommendation 4: The use of pre-paid meters should be tested to improve consumption efficiency. The government, in collaboration with distribution companies (DISCOs), should launch pilot projects to assess their feasibility for different applications, such as industrial, residential, and commercial use. This will also help boost understanding of the concept within the country and determine the most effective method to encourage its use on a large-scale.

Recommendation 5: To reduce environmental hazards and heating consumption in rural households, clean appliances such as High-Efficiency, Low Emissions (HELE) heaters can be promoted for the households through awareness campaigns and financial schemes (subsidies or banking schemes) that can reduce their comparatively higher capital cost.

Energy Efficiency and Conservation Measures

Recommendation 1: Implementing energy efficiency and conservation measures requires behavioural change as a primary component of the process. The timings of commercial activities need to be altered to fit better with energy peak hours with penalties imposed in case of non-compliance. Similarly, the variation in tariff with time of day and season should follow a similar pattern. The approach of 'nudging product design' may also be used to encourage behavioural change; for example, electricity and natural gas bills can be incorporated with messages on the importance of saving energy and the various methods that may be used to do so.

Recommendation 2: Industrial facilities, with outdated equipment, should be upgraded to increase production efficiency and avoid unnecessary energy losses. Furthermore, regular energy audits should be made mandatory, and the government should devise a mechanism that trains concerned personnel and ensure transparent implementation and reporting.

Recommendation 3: There is a need to develop internal benchmarks for different industrial sub-sectors in the country to analyse where that sector currently stands. These classified and identified sub-sectors may form special technical cells within their associations that could work jointly with academia and other R&D organisations to develop technical solutions.

Recommendation 4: Under the legal framework of NEECA's Act, 2016, industries should be required to save energy, conduct energy audits, adopt an Energy Management System (EnMS) and report on their energy performance.

Recommendation 5: Despite the benefits of energy-efficient appliances in reducing consumer costs and decreasing energy imports, their widespread adoption in Pakistan remains limited due to high prices. To accelerate their installation, it is essential to improve the grant process and consider reducing the import duty rate on such appliances.

Recommendation 6: To reduce peak load from the system, demand response schemes such as shifting from peak-hour consumption to off-peak power and issuing calls to reduce load from large consumers can be promoted.

Recommendation 7: Designs of buildings, which can improve energy efficiency of the building envelopes through the integration of technologies (such as Artificial Intelligence and Internet of Things) should be added for commercial and industrial setting consumers.

Social Protection Schemes for Households and Other Demand Sectors

Recommendation 1: Existing social protection schemes, such as those running under the Benazir Income Support Programme, can be expedited through targeted subsidies to replace inefficient appliances with advanced technologies that can conserve energy.

Recommendation 2: Social safety nets and protection schemes in Pakistan must be further expanded to 'non-standard beneficiaries', which cannot afford energy at high prices. For managing the increased financing needs, 'burden arrangement' programmes can be used, such as consumption smoothing assistance.

Recommendation 3: To manage the sudden increase in electricity and gas prices, the regulatory authorities (NEPRA and OGRA) can devise mechanisms through which the additional costs are spread over a longer period of one or more years, especially in high-demand months.

Recommendation 4: Both formal and informal industrial sectors must keep employment at the centre of economic recovery plans. To ensure smooth functioning, the policy and fiscal support provided to these industries must remain consistent.

Addressing the Energy-Food Nexus

Recommendation 1: Pakistan's economic recovery plan must support the local stakeholders in the agri-food chain to access long-term financing for RE-based solutions such as solar tube wells, pumps, and drying mechanisms.

Recommendation 2: The sustainability and energy-food nexus can be addressed by conducting Research and Development (R&D) around 'seed technologies' through which agriculture yield can be increased leading to efficient food production.

Recommendation 3: For building capacity and awareness around RE-based agro-food sector, international development finance must be mobilised to bridge funding gaps and technology transfer. For private and local finance, first loss and partial credit schemes may be used to raise awareness and create experience within the sector.

Recommendation 4: Energy and agriculture policies should be synchronised to develop synergies and reduce conflicts, especially between land and water. A holistic approach should be developed that integrates energy, climate, land, and water to address competing uses and co-locate the use of energy with other land uses to increase productivity.

Recommendation 5: Energy and climate policies that can accelerate the adoption of energy transition technologies (including RE) must ensure its cross-sectoral impacts on other sectors such as water, land, and economy.

Supply Side Measures

On the supply side, the most obvious solution to Pakistan's energy crisis, especially in light of the impacts of the current conflict in Ukraine, is to switch from fossil fuels to RE systems sooner rather than later. To facilitate this, the following actions may be taken:

Harnessing the Potential of RE Infrastructure

Recommendation 1: The installation of distributed RE systems should be encouraged through community-based programmes. The government should complement this with the provision of incentives and restructuring of tariff schemes to facilitate consumers and reduce grid consumption.

Recommendation 2: The limitations associated with the country's grid and transmission network should be dealt with at the earliest. Grid efficiency needs to be increased while transmission losses need to be minimised; at the same time, the area covered by the grid needs to be increased in order to achieve the energy access goals laid out in SDG-7. To accomplish this task, involvement of the private sector should be increased. Relevant public sector organisations could outsource a few 'model' projects to the private sector to assess the role they can play in bringing forth timely and cost-effective solutions.

Recommendation 3: The government should create avenues to facilitate the local manufacture of RE equipment as without doing so, providing consumers with a cheaper alternative to fossil fuels would be practically impossible. This action, combined with the use of indigenous fuel sources, is crucial for the reduction of power tariffs and increasing energy affordability and access.

Recommendation 4: To provide an enabling environment to the private sector, the government entities must develop a 'Principle of Subsidiarity' where it should dictate what can be done efficiently at the consumer scale. Similar barriers and

challenges must be addressed for the international and local investors by improving the ease of business.

Reforms through Appropriate Channels

Recommendation 1: The academic sector, in collaboration with relevant R&D organisations, should explore the availability and effective use of biofuels, e.g., biomass, bioethanol, waste-to-energy solutions, etc. These resources hold tremendous potential for distributed generation, especially in rural areas and regions that are hard to access through the national grid.

Recommendation 2: A National Energy Security Council (NESC) should be formed with the mandate to take action to ensure the country's energy security. The council should work on the development of contingency plans for the energy sector that can help avert risk in due time, in case the fuel supply chain is disrupted in a manner similar to the impact of the current conflict in Ukraine. Similarly, it should also handle the appointment of all relevant boards (a role that is currently played by ministries) to ensure a more stable governance model; one that is independent of the country's continually changing political scenario.

Recommendation 3: Non-Governmental Organisations (NGOs) and public sector working on energy access should work together with Community-Based Organisations (CBOs) to develop financial models that incentivise the most affected people through lower bills, tax exemptions, and other social benefits.

Robust Integration of Energy Planning in the Power Sector

Recommendation 1: A bottom-up approach is required to cater to the integrated planning of the power and energy sector. This should be undertaken with the goal of creating individual plans for the generation and transmission system, as well as the fuel and system supply chains.

Recommendation 2: The national power generation and distribution plans should be synchronised appropriately with provincial plans to achieve a synergistic effect and ensure energy equity across the country. This will also help control the overall environmental impact of the power sector and decrease reliance on imported fuels.

Recommendation 3: Affordability is the biggest barrier to electricity consumption in Pakistan, as was seen more clearly upon the removal of subsidies on petroleum and associated products in 2022. Investing more in e-mobility and renewables will also help with peak shaving and bringing down the cost of electricity to ultimately increase access. As a result, the government could focus on shifting subsidies from fossil fuels towards clean energy sources, where necessary, as it will provide consumers with an economic incentive to opt for clean energy sources as well.

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Engr. Ubaid ur Rehman Zia is currently working as a Senior Research Associate at the Sustainable Development Policy Institute (SDPI) in Pakistan. He has over five years of experience in designing modelling frameworks for energy and climate, investment flow, and their multidimensional impacts.

Nismah Rizwan and **Saleha Qureshi** are Research Associates at SDPI. While Ms Rizwan focuses on green climate financing to foster low carbon development in Pakistan, Ms Qureshi specialises in energy efficiency and decarbonisation.

Catastrophe Bonds: An Impact Investment Avenue*

Rizwan Hussain

Abstract

Catastrophe bonds, commonly known as CAT bonds, provide a novel mechanism for transferring the financial risk associated with natural disasters from insurance entities to capital markets. Although not widely adopted in Pakistan, their potential is becoming evident given the country's vulnerability to disasters. These bonds offer financial stability for insurers post-disasters and appeal to investors pursuing Environmental, Social, and Governance (ESG) values. Moreover, they present an avenue to bolster climate-smart agriculture, enhancing the resilience of Pakistan's farming sector. This chapter looks into CAT bonds' structure, risk layers, potential alignment with Islamic finance, and their capacity for profound societal impact. It underscores the need to utilise CAT bonds to ensure financial robustness, promote sustainable agriculture, and advance the United Nations' Sustainable Development Goals within the Pakistani context.

* This chapter has been approved as a *Policy Brief* by the referee.

Overview

Catastrophe bonds, also known as CAT bonds, are financial instruments used to transfer risk from one party to another, specifically in the case of natural disasters such as earthquakes, hurricanes, and floods. These bonds are often issued by insurers or reinsurers in order to transfer the risk of a catastrophic event to investors. The use of catastrophe bonds has been limited in Pakistan, but their potential benefits are increasingly being recognised in the country due to its susceptibility to natural disasters such as earthquakes, floods, and cyclones.

Catastrophe bonds can help reduce the financial burden on insurers and reinsurers in the event of a major disaster, as well as lower the overall risk profile of the insurance industry in Pakistan, making it more attractive to investors and encouraging private sector participation. In addition, catastrophe bonds can provide a source of funding for recovery efforts following a catastrophic event, particularly in countries where the government may not have the resources to fund these efforts on its own. The process of implementing catastrophe bonds in Pakistan involves risk assessment, bond issuance, risk distribution, and pay out in the event of a disaster.

Islamic catastrophe bonds are financial instruments that follow the principles of Islamic finance and are used to transfer catastrophe risks to capital markets in a Shariah-compliant manner. One option for structuring Islamic catastrophe bonds in Pakistan is to use a *Takaful* structure, which follows the principles of Islamic finance. In this structure, the insurer or reinsurer acts as a *Mudarib*, managing the assets and liabilities of the bond on behalf of investors, who are the shareholders. Any profits or losses are then shared among the shareholders according to a predetermined profit-sharing ratio.

In addition to the financial benefits of catastrophe bonds, there are also opportunities for creating long-term social impact through these instruments. For example, the funds raised through catastrophe bonds could be used to support initiatives that promote sustainability and Environmental, Social, and Governance

(ESG) principles. This could include funding for projects related to the United Nations' Sustainable Development Goals (SDGs), such as climate change or sustainable agriculture.

Moving on to the potential impact of catastrophe bonds in Pakistan, one specific area in which they could potentially have a significant impact is through the promotion of climate- smart agriculture. Climate-smart agriculture refers to farming practices that aim to increase productivity and adapt to the impacts of climate change, while also reducing greenhouse gas (GHG) emissions and conserving natural resources. By funding initiatives that support climate- smart agriculture in Pakistan, catastrophe bonds could help to improve the resilience of the country's agricultural sector to the effects of natural disasters, while also promoting sustainable development.

To summarise, catastrophe bonds have the potential to offer significant benefits to Pakistan, including financial protection for insurers and reinsurers, funding for recovery efforts following a catastrophic event, and the promotion of sustainability and climate-smart agriculture.

CAT Bonds: Analysis

Catastrophe bonds are financial instruments that are used to transfer the risk of natural disasters, such as earthquakes, hurricanes, and floods, from insurance companies to capital markets. These bonds are typically issued by insurance companies or reinsurance companies, and they are designed to provide a source of funding for the issuer in the event of a catastrophic event.

CAT bonds are structured as fixed income securities, and they are usually issued with maturities of three to five years. The bond issuer pays periodic interest payments to bondholders, and the principal is returned to bondholders at the end of the term. However, if a catastrophic event occurs within the term of the bond, the issuer will not make the interest payment, and the principal will not be

returned to bondholders. Instead, the funds will be used to cover the insurance claims resulting from the catastrophic event.

CAT bonds are typically used by insurance companies and reinsurance companies to transfer the risk of catastrophic events to capital markets. By issuing CAT bonds, these companies are able to reduce their exposure to catastrophic risk and protect their own financial stability. At the same time, investors in CAT bonds are able to earn higher returns than they would with traditional fixed income securities, as they are taking on a higher level of risk.

There are several advantages to using CAT bonds as a risk transfer mechanism. One advantage is that they can provide a source of funding for insurance companies in the event of a catastrophic event. This can help to ensure that insurance companies have the financial resources necessary to pay out claims and maintain their financial stability. Additionally, such bonds help to diversify the risk profile of investors, as they provide exposure to a different type of risk than traditional fixed income securities.

There are also some potential drawbacks to investing in CAT bonds. One risk is that investors may not receive their principal back if a catastrophic event occurs. Additionally, the risk of catastrophic events can be difficult to quantify, and there is the possibility that an issuer may not be able to accurately assess the risk of a particular event. Finally, CAT bonds are generally considered to be more risky than traditional fixed income securities, and they may not be suitable for all investors.

CAT Bonds as an Investment Avenue

As an investor in a catastrophe bond, one is essentially providing insurance coverage to the issuer, such as an insurance company or a government entity, in exchange for periodic interest payments. The issuer will use the funds raised from the sale of the catastrophe bond to cover losses in the event of a catastrophic

event, such as a hurricane or earthquake, and only if the losses exceed a certain threshold. If the catastrophe bond does not trigger, which means that a catastrophic event does not occur or the losses do not exceed the trigger level, the investor receives the periodic interest payments as well as the full principal at the end of the bond term.

The use of risk models to estimate the probability and severity of catastrophic events is another distinctive feature of catastrophe bonds. The issuers of catastrophe bonds calculate the bond's trigger level using sophisticated risk models that estimate the potential losses from catastrophic events. These models evaluate the likelihood that a catastrophic event will occur by taking into account variables like historical data, weather patterns, and geographic locations. Investors rely on these models to make wise investment decisions, so their accuracy is essential to the pricing and success of these bonds.

CAT Bonds: Risk Layers

In the context of catastrophe bonds, risk layers refer to the various levels of risk that are involved in transferring the risk of natural disasters from insurance companies to capital markets. CAT bonds are typically used by insurance companies and reinsurers to transfer the risk of catastrophic events to capital markets, and they are structured in a way that allows for strategic risk distribution among different parties. Given in Box 1 is an example of how risk layers might be distributed in a CAT bond transaction.

Box 1: CAT Bonds: Risk Layers

Farmer: The farmer is the primary policyholder who is seeking insurance coverage for his/her property or crops. The farmer pays premiums to an insurance company or *Takaful* (Islamic insurance) company in exchange for coverage.

Takaful Company: The *Takaful* company is the insurer that provides coverage to the farmer. The company is responsible for paying out claims to the farmer if a catastrophic event occurs.

Reinsurer: The reinsurer is a company that provides insurance to the *Takaful* company. The reinsurer helps the latter to manage its risk by taking on a portion of the risk of catastrophic events.

Catastrophe Bond: The catastrophe bond is a financial instrument that is used by the reinsurer to transfer the risk of catastrophic events to capital markets. The reinsurer issues the CAT bond and pays periodic interest payments to bondholders. If a catastrophic event occurs, the reinsurer will not make the interest payment, and the bondholders will lose their principal. The funds from the CAT bond will be used to cover the insurance claims resulting from the catastrophic event.

Source: Author's own.

In the example in Box 1, the farmer is the primary policyholder and is at the lowest level of risk. The *Takaful* company is next in line, followed by the reinsurer. The catastrophe bond is at the highest level of risk, as bondholders will lose their principal if a catastrophic event occurs. This risk is mitigated by the fact that bondholders receive higher returns than they would with traditional fixed income securities. In summary, risk layers in CAT bonds refer to the various levels of risk that are involved in transferring the risk of catastrophic events from insurance companies to capital markets.

Islamic CAT Bonds / *Sukuk*

There are several options for structuring an Islamic catastrophe bond, also known as a *Takaful* catastrophe bond or a *Sukuk* catastrophe bond. These options are based on the principles of Islamic finance, which prohibit the charging of interest and investment in certain types of assets.

One option for structuring an Islamic catastrophe bond is the *Musharaka* structure, which is a partnership arrangement where all parties share profit and loss. In the context of a *Takaful* catastrophe bond, the issuer and the bondholders would enter into a partnership where they would share in the profits and losses resulting from the bond. The bond would be structured as a profit-and-loss sharing instrument, with the bondholders receiving a share of the profits if no catastrophic event occurs and bearing a share of the losses if a catastrophic event does occur.

Another option is the *Mudaraba* structure, which is a form of investment partnership where one party (the bond issuer) provides the capital, and the other party (the bondholders) provides the expertise and management. In the context of a *Takaful* catastrophe bond, the bond issuer would provide the capital for the bond and the bondholders would provide the expertise and management. The bond would be structured as a profit-and-loss sharing instrument, with the bondholders receiving a share of the profits if no catastrophic event occurs and bearing a share of the losses if a catastrophic event does occur.

A third option is the *Ijara* structure, which is a lease arrangement where the bond issuer leases the assets to the bondholders and the latter make periodic payments to the issuer. In the context of a *Takaful* catastrophe bond, the bond issuer could lease the assets to the bondholders and the bondholders would make periodic payments to the issuer. If a catastrophic event occurs, the bond issuer would not make the lease payments and the bondholders would lose their principal.

In summary, there are several options for structuring an Islamic catastrophe bond, including the *Musharaka*, *Mudaraba*, and the *Ijara* structure. These structures are based on the principles of Islamic finance and are designed to provide a means of transferring the risk of catastrophic events in a way that is compliant with Islamic law.

CAT Bonds: Social Impact

Catastrophe bonds, offer significant opportunities for creating long-term social impact in Pakistan and other countries. As an impact investment avenue, CAT bonds can contribute to sustainability, ESG goals, and support the United Nations' SDGs.

One way that CAT bonds can create social impact is by providing a source of funding for insurance companies in the event of a catastrophic event. In Pakistan, natural disasters such as earthquakes, floods, and hurricanes can have a devastating impact on communities, causing significant damage to infrastructure, homes, and businesses. CAT bonds can help insurance companies to have the financial resources necessary to pay out claims and assist communities in rebuilding and recovering from disasters.

Another way that CAT bonds can create social impact is by enabling insurance companies and reinsurers to transfer the risk of catastrophic events to capital markets. This can help to reduce the overall risk exposure of these companies, which can help to ensure their financial stability and ability to continue providing insurance coverage to policyholders. In turn, this can help to promote financial stability and security for individuals and businesses in Pakistan.

CAT bonds can also create social impact by providing investors with the opportunity to invest in instruments that align with their ESG values. By investing in CAT bonds, investors can support efforts to mitigate the impact of natural disasters and contribute to the overall sustainability of communities and the

environment. Additionally, such bonds can help investors to diversify their investment portfolios and potentially earn higher returns than they would with traditional fixed income securities.

One specific area in which CAT bonds can potentially have a significant impact in Pakistan is through the promotion of climate-smart agriculture. Climate-smart agriculture refers to farming practices that aim to increase productivity and adapt to the impacts of climate change, while also reducing GHG emissions and conserving natural resources. By funding initiatives that support climate-smart agriculture in Pakistan, CAT bonds could help to improve the resilience of the country's agricultural sector to the effects of natural disasters, while also promoting sustainable development.

In conclusion, catastrophe bonds present a transformative potential for fostering enduring social impact, not just in Pakistan, but globally. They bolster insurance companies with critical funding during catastrophic occurrences, facilitate risk distribution, and empower investors to sync their portfolios with ESG principles. In doing so, CAT bonds not only champion sustainability and the SDGs but also fortify financial resilience for both individuals and enterprises. Furthermore, by championing climate-smart agriculture, these bonds can bolster Pakistan's agricultural resilience, paving the way for sustainable growth.

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Rizwan Hussain is the Managing Director and CEO of Salaam Takaful Limited with over three decades of experience in various leadership roles in the financial services industry. He also serves as a Non-Executive Director on the Board of Amana Takaful Insurance, Sri Lanka.

Financing Pakistan's Low Carbon Development and Climate Resilience through Green Bonds*

Ubaid ur Rehman Zia, Hina Aslam & Zahid Majeed

Abstract

Climate finance is imperative to meet Pakistan's adaptation and mitigation needs in line with the Nationally Determined Contributions (NDCs). Enabling these investments and flow of capital from public, private, and financing institutions require efficiently deployed market-based financing mechanisms such as green bonds. Currently, the green bond market in Pakistan is critically underdeveloped. This study addresses the significant knowledge gap in analysing the challenges and potential way forward for them to support Pakistan's low carbon development. It involves an extensive desk review supported by consultative discussions conducted with key stakeholders, i.e., public sector, development partners, financing institutions, corporations, and international experts. The study indicates that the challenges for an undeveloped state of green bonds in Pakistan lies in i) limited number of bankable climate change projects; ii) inability to define

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what is 'Green' due to varying international taxonomies; iii) limited capacity and awareness; iv) time and cost overruns in the projects; and v) unfriendly regulatory environment for local financing institutions. Therefore, to upscale climate finance, Pakistan must define its sector-wide taxonomies on what is considered 'Green', and then develop a 'Sustainability Financing Framework' that could allow the government to issue green bonds. For reducing the existing knowledge gap, a well-coordinated effort would be required by all stakeholders to come up with capacity building and dissemination workshops, develop local standards and reporting templates, and provide support in open-source solutions for quantifying the impacts. To increase market competitiveness of green bonds, the State Bank of Pakistan (SBP) can allow local banks and other financial institutions policy preferences such as in calculation mechanism of their loan-deposit ratio.

Introduction

Since the start of the 21st Century, Pakistan has been witnessing the devastating impact of climate change and paying an increasingly high socioeconomic cost. In 2021, the cost of natural disasters resulting from climate change was evaluated at more than USD 170 billion (USD 20 billion more than last year) in damages, loss of lives, and displacement of around 1.3 million people from their homes (Shepherd 2021). The same year, Pakistan reportedly underwent the worst climate impacts such as extreme heatwaves and heavy floods across the country. Due to floods alone, economic losses touched USD 18 billion (Business Standard 2022). Between 2020-22, the economic challenges for Pakistan were exacerbated due to the global Pandemic. This also adversely impacted Pakistan's livelihood and economic sector, resulting in a Gross Domestic Product (GDP) drop of around 1% (Aslam et al., 2022).

The recent challenges have sparked significant debate within Pakistan, compelling policymakers to consider transformative adaptation. This shift necessitates substantial financial resources and innovative funding tools. Historically, Pakistan has not had an opportunity to fully engage in a green

recovery. Committing to such a direction is crucial for the nation's long-term sustainable development and progress.

For green and sustainable investments, different financing institutions and market regulators have designed instruments like green bonds, debt swaps, green loans, equity programmes, business administration express loans, climate cards, etc. Through different investment measures, green finance is generally sourced through the following financing systems:

- Domestic public finance, i.e., government funding,
- International public finance, i.e., through Multilateral Development Banks (MDBs) and other international organisations, and
- Private sector finance, which can be through international and domestic funding sources.

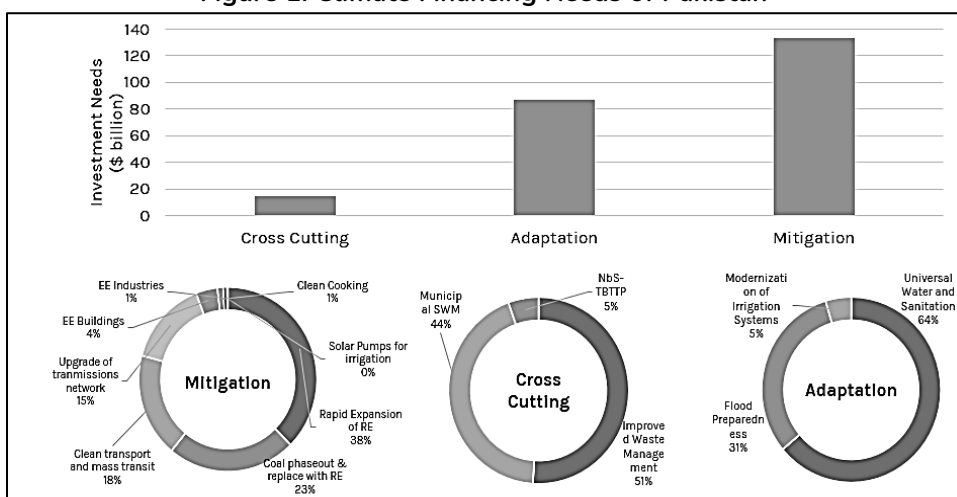
Among various financing mechanisms, the use of green bonds to finance low carbon infrastructure has achieved significant maturity across the globe. Green bonds are tradable financial instruments that permit the issuer to borrow funds for an 'Environment friendly/Green' project with the commitment to pay it back by a certain date (usually with interest). These bonds are commonly being used to generate climate-friendly activities for corporates, governments, banks, and other financing institutions. Although progress has been very limited, they could be used to align Pakistan's green recovery strategy and efforts.

Need for Green Financing in Pakistan

In the 21st Century, economies have put special attention towards transformative adaptation that requires financial resources and funding tools. According to Pakistan's NDC, the country needs USD 7-14 billion per annum for climate adaptation till 2050 (MoCC 2021). For mitigation, Pakistan requires USD 101 billion by 2030 for clean energy transition (USD 20 billion for building Renewable Energy (RE) capacity, USD 20 billion for infrastructure expansion to support renewables, and USD 13 billion to replace coal-based power plants).

In healthcare and education sectors, climate investments are needed to develop climate-smart infrastructure. Additional spending needs in education are about 5.7% of GDP, and this includes raising capital to improve/build climate-resilient education buildings. Clean water and sanitation would require investing an aggregate amount of USD 55 billion by 2030, which is equivalent to spending 2% of GDP every year from 2020 to 2030. For healthcare, additional spending needs are about 5.4% of GDP, and this also includes health facilities and infrastructure investments in climate-hit regions (IMF 2021). Detailed subdivision of the total climate financing needs is indicated in Figure 1:

Figure 1: Climate Financing Needs of Pakistan



Source: World Bank Group 2022.

At the resource end, the larger share of USD 28.3 billion is coming from the public sector, followed closely by USD 25.2 billion from the private sector, i.e., 25.2%. However, to finance this adaptation and mitigation needs, total allocations for climate change in the 2022-23 budget under the Public Sector Development Programme are PKR 9.6 billion (which is 0.10% of total budget, and is almost PKR 4.7 billion less than the previous year) (GoP 2022). Therefore, a clear-cut gap currently exists between financing needs and resources of Pakistan.

Scope and Methodology

Considering the severity of economic challenges coupled with the energy and environmental crisis in Pakistan, a comprehensive strategy for green financing is required to analyse the role of the finance industry in achieving green growth. This study attempts to explore the potential avenues for green financing with a broader focus on green bonds to develop low carbon pathways for Pakistan. The key objectives are to:

- Identify and explore the potential green financing instruments, tools and strategies that can be adopted as a potential tool for low carbon development and green recovery of Pakistan.
- Analyse existing opportunities with a particular focus on the use of green bonds, including the current market trend of green bonds, and the major challenges and limitations in its effective implementation in Pakistan.

To meet these objectives, this study uses an analytical framework approach based on secondary data analysis driven by literature and stakeholder consultations organised by Sustainable Development Policy Institute (SDPI) on '*Capacity Building Workshop and Training on Implementing Green Financing Mechanisms in Pakistan*' and '*Low Carbon Recovery in Pakistan: Green Financing Strategies for post-COVID Scenario*.'¹ This framework helped in examining various financing mechanisms employed in countries worldwide and in the analysis of how they influence nation-wide socioeconomic policies. This approach also allowed the study to give a holistic overview of the factors involved in the green financing mechanisms identified in the literature, their implementation, challenges, and opportunities as a way forward.

¹ Webinar Link: <<https://www.youtube.com/watch?v=TrM-W7vT2ZY>>; and <<https://www.youtube.com/watch?v=mzkYORuPA-g&t=241s>>.

Prospects of Green Financing Strategies: Tools and Mechanisms

Green financing strategies across the globe have been primarily used to improve countries' capability to produce goods that may reduce environmental pollution; exploit green technologies; and expand indigenous resources (Mumtaz and Smith 2019). Research studies suggest that for creating a connection between green finance and growth, policymakers must regulate and promote green industrial markets by encouraging green production and consumption, manufacturing, and the use of technologies. For achieving green targets, the financial industry must design new financial products and then target the industries for required financing. Studies have also identified the linkage between ecology and finance, considering green financing a critical component for green growth (Scholtens 2017; 2009).

To reduce environmental degradation, environmental and sustainable finance are supposed to be the most effective way (Li and Jia 2017; Meo and Karim 2021). In-depth research has been carried out on other similar financing mechanisms, including transition bonds, COVID recovery bonds, and debt-for-nature swaps. A summarised description of various tools and techniques practiced across the globe are depicted in Table 1:²

² Key details presented in Table 1, along with information from other sources during the desk review, are extracted from a study by Wijeweera and Ali (2022).

Table 1: Green Financing Strategies to Support Low Carbon Development

Source	Financing Scheme	Brief Description	Examples
BFI and MFIs	Grants	Mainly reserved for non-revenue activities such as knowledge and capacity building programmes, promoting SDGs agendas, etc. They also assist in capitalising on financing mechanisms related to environmental preservation.	World Bank and ADB non-development grants. Donor agencies' grants for climate-friendly developments etc.
Concessional Financing	Concessional Finance	This finance aims for projects that are relevant to major global challenges such as CC mitigation, vaccine roll-out, education, and water sanitation programmes.	Chinese CDM funds to reduce industrial emissions. Loans provided under this scheme had 15% lower interest than conventional schemes.
	Refinancing Schemes	These are the contingent loans which are paid back once the project starts generating revenue. This lowers project risk as the loan is waived off if the project fails or does not generate revenue.	Bangladesh's 'Revolving Finance Scheme' to broaden finance for green products, such as water, solar systems, and waste treatments plants.
Market-based Finance	Debt Swaps	For countries under debt burden, debt swaps allow for additional finance for environmental projects leading to GHG emission reductions. This involves a private donor, multilateral or bilateral, or any NGO that may write off the country's debt.	Poland's restructuring of debt with Paris Club creditors.
	Debt Finance	Provision of debt facilities either through project loans or credit lines for reduction of project cost. This concessional funding may further be blended with comparatively expensive commercial funding.	Credit lines offered to Chilean banks for RE support by their economic development authority.

Source	Financing Scheme	Brief Description	Examples
	Equity Finance	This mechanism is used for provision of equity for CC mitigation projects without receiving any repayment guarantee.	Japan's Green Equity Fund; Australia's Innovation Fund for Clean Energy.
Thematic Bonds (also a Market-based Finance Approach)	Green Bonds	These bonds are used for financing or projects that have positive environmental outputs or that lower the CC impact. This may include RE development, energy efficiency, air quality controls, mass transit systems, and climate-smart housing.	Pakistan Green Bond for Hydropower (WAPDA).
	Social Bonds	Social bonds are used to finance projects that have a positive social impact. This includes resilient infrastructure development, employment generation, food security, etc.	The use of these bonds has significantly increased over the past few years. Sustainability bonds have grown the fastest with net value reaching around USD 72 billion in 2020 (in 17 nations).
	Sustainability Bonds & Sustainability-linked Bonds	These bonds are used to finance both environmentally-friendly and socially-positive projects. Sustainability-linked bonds are similar but with an additional provision under which the project debt relief is eliminated if project fails to achieve the pre-defined Key Performance Indicators (KPIs).	
Disaster Impact Mitigation Mechanisms	Parametric Risk Insurance	This type of insurance provides accelerated payouts based on specific environmental measurements, such as rainfall or cyclones, rather than actual loss assessments.	Caribbean Catastrophe Risk Insurance Facility (CCRIF) for Hurricanes.
	Catastrophe Bonds	Through catastrophe bonds, the insurance companies can transfer the risk of natural disasters at a certain price to the investors. The money set aside can be used to cover potential losses.	

Prospects of Green Bonds as a Market-based Financing Mechanism

Green bonds come under fixed-income financial instruments that can raise capital from investors through their debt capital market. They are broadly categorised into different forms as shown in Figure 2:

Figure 2: Major Forms of Green Bonds

Corporate Green Bonds Issued by corporations, these bonds come with a provision allowing recourse to the issuer if there's a default on interest payment.	Project Green Bonds These bonds are backed by multiple entities. However, the risk associated with the project is borne directly by the investor.	ABS Green Bonds These are asset-backed security bonds. In case of default, the recourse is limited to the underlying assets only.
SSA Green Bonds These are supranational, sub-sovereign, agency bonds. While they function similar to corporate bonds, they are issued by International Financial Institutions (IFIs).	Financial Sector Green Bonds These are corporate bonds issued by a Financial Institution (FI) specifically to finance on-balance sheet lending for environmentally-friendly activities.	Municipal Green Bonds Bonds issued by municipal governments, regions, or cities to fund environmentally-friendly projects.

Source: Authors' assessment based on data collected from different sources.

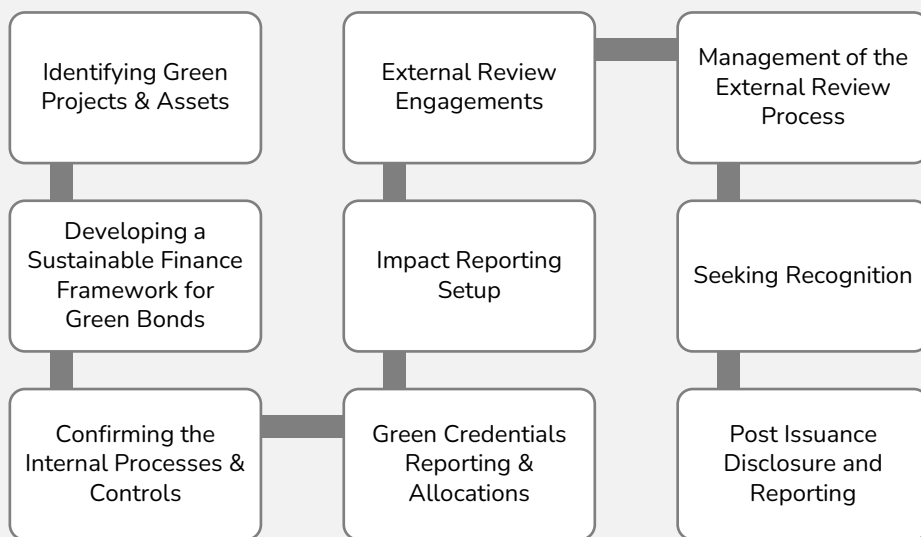
A European Commission report analysed green financing under three different schemes - Green Bonds, Green Lending, and Green Equity Investment (European Union 2017). Green bonds are recognised among the most readily available and economical options for raising large capital to meet environmental needs. It has been reported that for a smooth green transition, targeted public finance is needed to reduce the risk and create stimulus for green investments (Shipalana 2020). Since green bonds are dedicated specifically for those projects that focus on green infrastructure development, they offer significant prospects to both issuer and investors. For investors, green bonds offer several advantages. They provide a means to balance risk-adjusted financial returns with environmental

incentives, ensure compliance with Environmental, Social, and Governance (ESG) standards, improve risk assessments through detailed reporting of proceeds, and potentially serve as an active hedge against climate policy risks associated with emission-intensive assets. On the issuer's side, green bonds grant flexibility in addressing ESG concerns, offer reputational benefits, and bolster their credibility in crafting sustainable strategies.

Box 1: Pathway for Issuance of a Green Bond

Given a rapid growth of the green bond market over the past year, many issuers are seeing opportunities to be a part of it. However, there is still a dearth of capacity and limited understanding, particularly in developing countries, on how this system works, what must be done, and what key decisions must be taken along the way.

To support this, many detailed guidelines have been designed and updated over the past years. The most recent and recommended pathway for developing countries is depicted in the following flow chart:

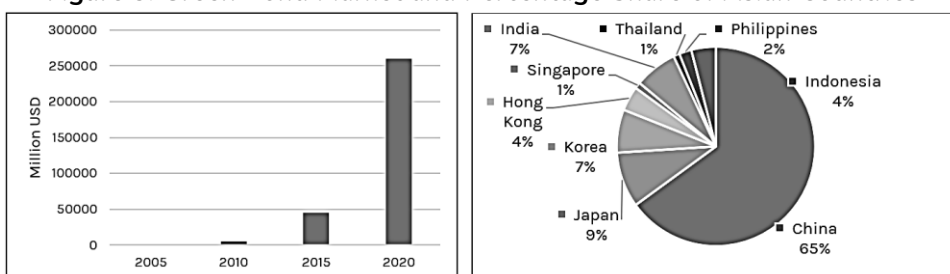


Source: Authors' own.

Growing Market of Green Bonds Across the World

Issuance of green bonds across the world increased from only USD 4 billion in 2010 to almost USD 240 billion in 2019, depicting the Compound Annual Growth Rate (CAGR) of 57.6% (World Bank Group 2021). Key players in this market are China, United States, Germany, Netherlands, and France that represent almost 50% of current global issuances. Figure 3 represents the green bond market and the percentage share of Asian countries.

Figure 3: Green Bond Market and Percentage Share of Asian Countries



Source: World Bank Group 2021.

Key issuers of green bonds across the world are mainly the governments (33%), followed by Financial Institutions-FIs (33%), utilities (18%), industries (4%), consumers (5%), energy sector (2%), and all others combine to constitute (5%) of the total share. In Asia-Pacific particularly, the share of government (50%) is much higher than the rest of the world (Ibid.). For green bond proceeds, the major support is for climate-friendly projects in the energy sector (38%) followed by the residential sector (18%), transportation (16%), and water services (14%). This is, however, less diversified in the Association of Southeast Asian Nations (ASEAN) countries with building and energy sector contributing to a combined share of 75%. While growth has been very apparent, the share of green bonds in total issuance remains very low at around 1.45% (USD 0.03 billion for green bonds against USD 1.2 billion of conventional bonds).

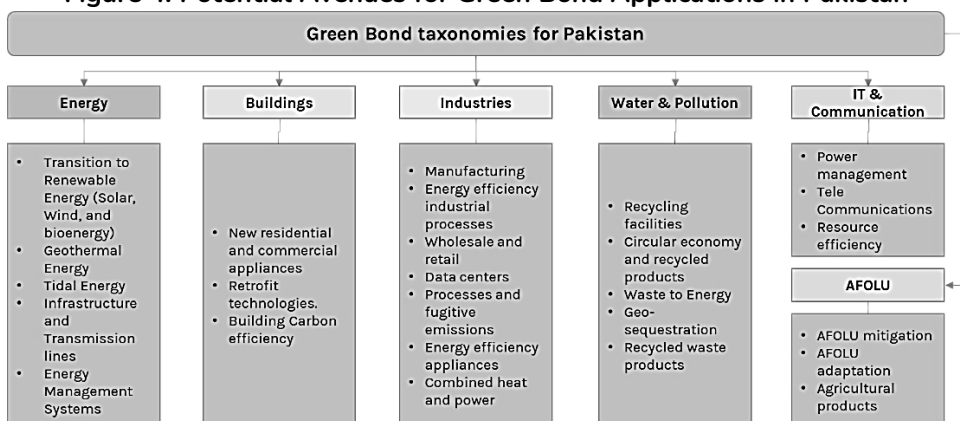
The green bond market of China, which is the second largest market, expanded rapidly from 2016 (USD 25 billion) to 2019 (USD 120 billion) cumulative issuance

at the global level. Despite the recent economic recession due to COVID-19 and the Russia-Ukraine war, the Chinese green bond market is expected to continue to expand up and may generate USD 420-560 billion in climate finance (Climate Policy Initiative 2020) for climate action. Research from CPI indicates that, through the issuance and financing of green bonds, there has been a cumulative impact of 11.2 GW of installed clean energy and a reduction of 52.2 million tonnes of CO₂. A deeper understanding of China's green bond market, especially coordination among regulatory authorities and financial institutions, is important for expanding the domestic and international investor base. Working together under the China-Pakistan Economic Corridor (CPEC) for the betterment of the region, there are opportunities for policymakers and investors of Pakistan and other regional countries. These opportunities can help to increase the growth rate of green bonds and lead towards green recovery.

Green Bond Market of Pakistan

Like other developing countries with weak bond markets, Pakistan's response to climate finance is significantly lacking with a below-par capability to utilise these funds. Although each government has recognised the importance of such finance, minimal proposals have been implemented. Till 2020, Pakistan had never issued a green bond. However, despite this low growth, green bonds still have significant prospects, especially in building Pakistan's stance on the UN's 'Building Back Better'. The key application areas include low carbon transport, energy sector projects, energy efficiency, and sustainable infrastructure for water (potential avenues in these sectors are highlighted in Figure 4). These are areas where there is a lack of resources, and green bonds can support the government in funding these projects. Further, green bonds will enable lending institutions to improve environmental risk management systems and incorporate ESG practices into their credit-granting process.

Figure 4: Potential Avenues for Green Bond Applications in Pakistan



Source: Authors' own assessment.

WAPDA's USD 500 Million Green Euro Bond

Pakistan launched its first ever green bond in May 2021 when Water and Power Development Authority (WAPDA) issued a Eurobond (namely Indus Bond) worth USD 500 million for development of hydropower in Pakistan (WAPDA 2021). The bond was listed on the London Stock Exchange on 24 May 2021 with competitive interest rate of 7.5%. The launch of this bond attracted interest from several investors, and WAPDA was offered investments of up to USD 3 billion (almost six times more than the need). These investments came from some of top investing companies, namely Ashmore, Amundi, Goldman Sachs, Blackrock, and BlueBay.

Policy Recommendations

Based on the role of financing mechanisms and tools to promote low carbon development in Pakistan, policymakers need to strengthen climate resilience and push forward better synergy and convergence between climate, biodiversity, and health finance. Moving from relief to recovery requires a mindset that moves towards economic stimulus measures and reforms leading towards a long-term

phase transaction. Currently, there is conflicting pressure on the government budget, which needs to be carefully balanced for Relief-Recovery-Rejuvenation. Government budgets alone are not adequate to cater for all of that. There is a large pool of bilateral and multilateral financial institutions with green finance. The portfolio of projects and thematic focus can be on different financing instruments such as global green funds, multilateral green funds, green bonds, bilateral green funds, and private green investments. For a green recovery, the role of the private sector is very important, and many banks, through their lending schemes, are providing finance to the power sector.

Current policies do not effectively support sustainable development objectives, especially considering that the fiscal response of Pakistan to COVID-19 was not technically aligned with green recovery. Moving on, as the country is encountered with a 'triple C' crisis of Climate, Conflict and COVID-19, an effective resource mobilisation mechanism must be developed to steer green recovery not only to 'build forward better' but to take up long-held environmental sustainability and health evidence to safeguard against future pandemics and other global challenges effectively. In case of Pakistan, the offtake of green bond market hinges upon a set of limitations (policy, regulatory, and market), which must be addressed. Considering the existing challenges, this study proposes several key recommendations:

Challenge 1: Slow Development of Bankable Climate Change Mitigation and Adaptation Projects in Pakistan

For Pakistan, a major challenge for an undeveloped green bond market is the slow growth in the number of bankable green/sustainable projects which can be financed/refinanced through the use of green bonds. The current pipeline of infrastructure projects represents the government's limited commitment to a low carbon recovery. This is also driven by existing inefficiencies in the public finance management system of Pakistan.

Recommendation 1: The government should establish a ‘Sustainable Financing Framework’ to facilitate the issuance of green bonds. This framework would pinpoint potential projects in need of financing and outline best practices for setting up these financing systems.

Recommendation 2: Federal, provincial, and local governments can gather the support for green bonds not only by raising finance directly for their climate actions (infrastructure projects or others) but also by increasing the number and required scale of bonds in both primary and secondary markets. So, while in medium- and long-term, the private sector and international support is expected to take the lead, the near-term focus can be mobilised through the public sector.

Recommendation 3: To develop Pakistan’s green bond market, authorities concerned (project-based) can approach Multilateral Development Banks (MDBs) and Development Finance Institutions (DFIs) to leverage their experience in bond issuances and other potential avenues such as enhancement of credits and anchoring green bond investors.

Recommendation 4: To address inefficiencies in finance management, there is a need to improve ‘Public Financial Management Performance’ and align it with Pakistan’s green recovery. For this, the following measures can be taken:

- Climate aligned revenues can be generated.
- A regulatory framework for private sector financing can be formed.
- Climate budget tagging can be revived.
- Carbon pricing can be integrated with fossil fuel subsidies.

Challenge 2: Defining the Term ‘Green’ and Varying Green Bond Taxonomies

Green bonds are issued in both local and international markets, however, the definition of ‘Green’ and the disclosure agreements in each market may differ. This

includes varying standards, monitoring and evaluation frameworks, and taxonomies. This variation also increases the total transaction cost since 'Green' labelling differs in different markets.

Recommendation 1: Since capital investment in Pakistan is not fully open, the Ministry of Finance & Revenue can take the lead in developing local green bond markets that would rely on local investors. Given that the climate finance requirement of Pakistan is focused on adaptation, policy incentives can support developing green markets around those avenues. This would also initially require 'local definition' and 'disclosure' for green bonds.

Recommendation 2: Given that green bond market in Asian countries is growing rapidly, Pakistan can engage with them to harmonise its efforts in the definition and verification process that the international market accepts. This could be in the form of a 'bilateral collaboration' with defined practices and guidelines.

Challenge 3: Limited Capacity and Lack of Awareness on Economic Advantages of Green Investments

Despite significant adoption of green bonds in Asian countries, Pakistan lags far behind due to limited knowledge of stakeholders (policymakers, banks, corporates, and financial institutions) on the potential benefits that can be achieved through green bonds. Moreover, because green bonds are typically backed by the issuer's entire balance sheet, many financial institutions are hesitant to assume such risk in what is still a relatively new market.

Recommendation 1: To increase the awareness of green bond market benefits, standards, and disclosure, capacity building workshops and training programmes can be organised through individual or joint efforts of governmental agencies, market associations, financial institutions and development partners, rating agencies, and second- and third-party assurance providers.

Recommendation 2: MDBs and international players can be mobilised to organise dissemination and outreach events, especially for those that are covering Pakistan. This could include education of both investor and issuer, and demonstration of best practices.

Challenge 4: High Cost of Monitoring and Verification

Along with limited capacity, the need for constant verification of issuer proceeds on green development comes at a high constant since it is mostly handled by a second party (consultants, auditors, or ESG researchers). Coupled with associated risks, many investors are deterred by this high cost of monitoring and verification.

Recommendation 1: Cost associated with issuance and verification can be reduced by developing local standards and reporting templates. The government, along with development partners and MDBs, can finance the dissemination of tools that can provide cost-effective analysis of environment-friendly projects.

Recommendation 2: Civil society, think tanks, and international partners can collaborate with government agencies to provide support in sharing tools (open-source solutions for quantification of resource savings and emission reductions) that can make the system easier and more cost-effective for bond issuers in managing their assets. This could also assist other stakeholders (second and third party assurance providers, rating companies, etc.) to assess the 'Greening' impact of projects financed through bonds.

Recommendation 3: To ensure that an Environmental Risk Management (ERM) system is strictly followed by banks, the State Bank of Pakistan (SBP) can develop a mechanism for banks that monitors the process over the life of financing so that enterprises remain in full compliance. Banking personnel and the concerned team should be able to understand the policies of green financing comprehensively, and to what degree (partially or fully) green finance policies can be applied.

Challenge 5: Time Overruns in Bankable Green Projects

In Pakistan, hydro power development is labelled as a bankable project under 'Green Bonds', however, historically, its developments have been associated with time and cost overruns of up to decades. These long gestation periods have made these projects unattractive since bonds are globally issued more conveniently for projects completing within 5-10 years. Further, as compared to other conventional (or else) bonds, green bonds are mainly characterised by project loans of high proportion, comparatively longer investment recovery cycles, and lower project returns, thus, making them unattractive as compared to other types of credit issuances by the banks.

Recommendation 1: To encourage the issuance of green bonds, the SBP could offer banks policy incentives. For instance, they could exclude these loans from the loan-to-deposit ratio calculation. This would alleviate banks' concerns about incorporating risky assets.

Recommendation 2: Considering that due to COVID-19, project risk perceptions are already high, the government can play a critical role in leveraging and de-risking the needed finance and accelerating the green capital market. The government may use fiscal policies to promote the development of green finance and use fiscal funding to guide credit funding and social capital into green investment, green credit, and green securities.

Recommendation 3: The Pakistan Stock Exchange should establish a 'Green Business Corner' to champion green development projects and enhance corporate performance on environmental matters. Such an initiative would empower investors to back companies actively working towards the SDGs.

Recommendation 4: On the fiscal front, the government must adopt climate-informed fiscal planning. This means that the government must integrate climate change adaptation and mitigation and green bond policies in its macro-fiscal

policies including planning and development, budgeting, and public investment policies.

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Engr. Ubaid ur Rehman Zia is currently working as a Senior Research Associate at the Sustainable Development Policy Institute (SDPI) in Pakistan. He has over five years of experience in designing modelling frameworks for energy and climate, investment flow, and their multidimensional impacts.

Dr Hina Aslam is working as the Hoffman Research Fellow at the World Economic Forum and is a Visiting Research Fellow at the Sustainable Development Policy Institute. She has over ten years of experience working on climate change and clean energy transition. **Zahid Majeed** is working as a Researcher at the Sustainable Development Policy Institute and specialises in climate finance modelling, clean energy investments, and green financing tools.

Strengthening Climate Resilience in Pakistan through the Global Shield Initiative*

Noman Bashir

Abstract

In terms of climate change-induced disasters, South Asian countries are the most vulnerable. Specifically, Pakistan ranks 8th in terms of adversities caused by climate change. Climate-induced disasters such as flash floods, droughts, heatwaves, changing weather patterns and glacial melt are causing economic damage. With rising temperatures, these challenges are only expected to worsen. In order to enhance climate resilience, Pakistan needs to adopt a combination of cost-effective and multifaceted approaches aimed at effectively addressing climate-related disasters. This chapter examines the potential role of a Climate and Disaster Risk Finance and Insurance (CDRFI) architecture and the Global Shield initiative in bolstering Pakistan's climate resilience. Moreover, it underscores the pivotal significance of interventions from both the public and private sectors in augmenting Pakistan's climate resilience. Recognising their indispensable role, this research highlights the criticality of collaborative efforts between these sectors to effectively enhance the country's ability to withstand and recover from climate-related challenges. The policy recommendations articulated have been formulated based on valuable inputs and expertise from

* This paper has been approved as a *Policy Brief* by the referee.

pertinent stakeholders, aimed at shaping a future for Pakistan that is resilient in the face of climate change.

Introduction

In recent decades, the global community has witnessed substantial and consequential shifts in the Earth's climate. Climate change, with its intricate nature, presents a multifaceted challenge that reverberates across environmental, political, and socioeconomic domains (Abbass et al., 2022). Despite contributing less than 1% of global Greenhouse Gas (GHG) emissions (GoP 2021), Pakistan ranks 8th on the Global Climate Risk Index 2021 and remains one of the countries most affected by climate change (Eckstein et al., 2021). Pakistan's exposure to hazards such as landslides, floods, Glacial Lake Outburst Floods (GLOFs), and snow avalanches is well-documented, resulting from its geographic location, elevation, and demographics, highlighting its extreme vulnerability to climate change (Shaw 2015). Despite Pakistan's endeavours to incorporate Disaster Risk Reduction (DRR) into its policies, strategies, and plans, the nation confronts the formidable task of mitigating disaster risk while grappling with constrained financial resources. The judicious and efficient allocation of available resources assumes paramount importance for all disaster-related entities operating within the country (Ibid.).

While DRR approaches have been established in the international community, there are still gaps in knowledge and skills that need to be addressed to improve adaptation, mitigation, disaster management, and early recovery efforts (Mercer 2010). A notable endeavour that has been undertaken is the establishment of the 'Global Shield against Climate Risks' initiative, aimed at extending pre-arranged financial assistance to nations susceptible to climate-related disasters. Spearheaded by the G7 and V20 group of countries, this initiative has garnered significant momentum with initial contributions surpassing EUR 210 million. Research findings indicate that a staggering 98% (equivalent to nearly 1.5 billion individuals) within V20 nations lack adequate financial safeguards, resulting in

climate-related impacts amounting to a staggering USD 525 billion since 2000 (V20 2022). In light of the escalating costs of capital and debt in South Asia, this initiative assumes critical significance as it represents a pivotal stride towards fortifying climate resilience and safeguarding the most vulnerable populations, including those residing in Pakistan.

Situational Analysis of Pakistan vis-à-vis Climate Change

Pakistan is classified as a country with relatively low GHG emission levels. For instance, in 2019, Pakistan's per capita CO₂ emissions were recorded at 0.9 metric tonnes, whereas neighbouring country India's emissions stood at 1.8 metric tonnes, and China's emissions were substantially higher at 7.6 metric tonnes, based on data provided by the World Bank (Climate Watch 2020). Over the course of the past two decades, Pakistan has ranked among the top ten nations deemed most vulnerable according to the Long-Term Climate Risk Index. Alarming statistics reveal that Pakistan has experienced approximately 10,000 fatalities and incurred financial losses estimated at approximately USD 4 billion stemming from a staggering tally of 173 extreme weather events in the last two decades (Siddiqui 2022). Moreover, risks are further exacerbated owing to the potential of climate-related conflicts over scarce resources such as water, especially among groups who already have a history of conflict.

In 2022, Pakistan experienced severe climate-induced calamities, notably heat waves and floods, which were primarily attributed to the intense monsoon season. The floods exerted a profound and far-reaching impact across all provinces, adversely affected approximately 15% of the country's population. The resulting flooding inflicted substantial damage, amounting to an estimated USD 14.9 billion, and led to economic losses estimated at USD 15.2 billion. Moreover, these floods caused the displacement of 7.9 million individuals, exacerbating the magnitude of the humanitarian crisis (Center for Disaster Philanthropy 2022).

Disaster risk in Pakistan is primarily driven by social vulnerability (37 out of 191) which, in turn, is driven by high rates of multidimensional poverty. Although the country scores slightly better in terms of coping capacity (World Bank 2021), institutional frameworks, climate change policies and action plans at the federal and provincial levels have yet to be aligned. Similarly, advisory, and financial services provided by public entities are not updated with the latest knowledge of climate change and often fail to support farmers' adaptation needs (Khan et al., 2020).

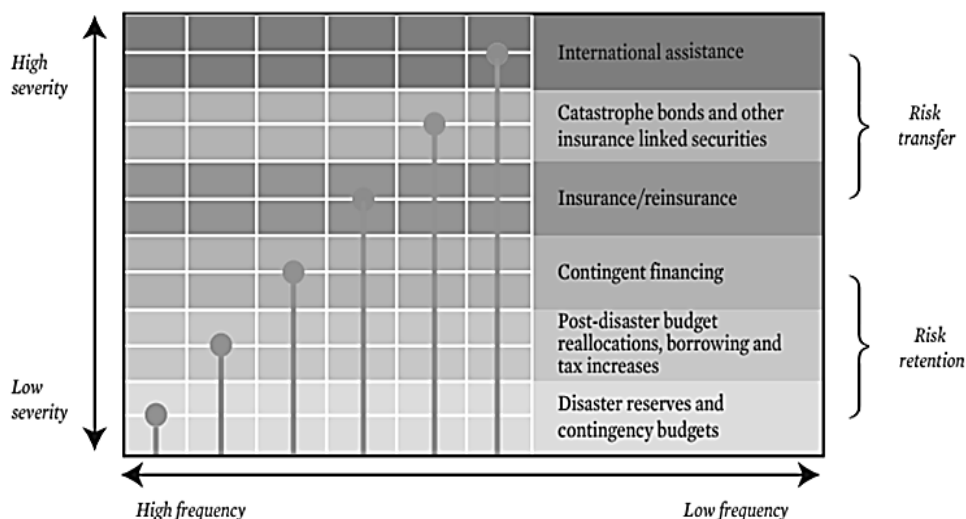
Need for a Global Climate and Disaster Risk Finance and Insurance (CDRFI) Architecture

The need for a Global Climate and Disaster Risk Finance and Insurance (CDRFI) architecture has arisen due to the increasing frequency of extreme weather events and the rise in climate risks (IGP 2022). As global challenges undermining state's ability to mitigate and adapt to climate-risks have become more apparent, especially in the aftermath of the COVID-19 Pandemic where markets were unprepared in their response to a large-scale disaster (OECD 2021), market fragmentation of many small initiatives has left a gap for a global solution. The InsuResilience Global Partnership aims to fill this gap by providing affordable and accessible climate-risk insurance to vulnerable countries. Consequently, the Partnership places a high priority on initiatives aimed at safeguarding vulnerable nations from the dire consequences of climate-related disasters. The impact of extreme weather events on the lives of individuals residing in such regions can be disproportionately severe. Therefore, it becomes imperative to establish a local conducive setting wherein the private sector assumes a critical role in delivering CDRFI solutions, particularly tailored for small-scale enterprises and individuals. Furthermore, the private sector can extend its support to governments by offering solutions and protection to communities adversely affected by climatic events, thus contributing to the overall resilience-building efforts. The need for a global CDRFI architecture arises due to various reasons (Munich Climate Insurance Initiative 2022), including:

1. Increasing frequency of extreme weather events and climate risks, which requires a coordinated global response.
2. Global challenges, such as the COVID-19 Pandemic, have highlighted the need for preparedness and resilience in the face of unexpected events.
3. Fragmentation of the market, with several small-scale initiatives, but a lack of a comprehensive global approach based on relative vulnerabilities.
4. Lack of local enabling environments for CDRFI solutions, which can be addressed through private sector engagement in offering solutions to small-scale businesses, individuals, and governments to protect communities affected by climate events.

In this context, the 'Global Shield against Climate Risks' initiative by the G7 and the V20 is a step in the right direction to support sustained disaster risk financing. The Global Shield builds on the InsuResilience Global Partnership which the V20 (Vulnerable Twenty Group) and G2, economic forum consisting of 20 of the world's largest economies, including the European Union previously introduced. Additionally, the Layered Approach for Disaster Risk Financing by the Asian Development Bank (ADB) also provides a framework that aims to provide cost-effective and timely financing for disaster response, recovery, and reconstruction in the Asia-Pacific region. The framework (Alwarritzi 2020) covers different layers of risk, from low-impact high-frequency events to rare catastrophic events, using a range of tools and mechanisms such as budget reallocations, contingent financing, insurance, and global bonds. The framework also supports policy and institutional reforms for disaster risk management and reduction in ADB's developing member countries (ADB 2019).

Figure 1: Layered Approach for Disaster Risk Financing by Asian Development Bank



Source: ADB 2019.

InsuResilience Global Partnership's Mission and Strategy

The InsuResilience Global Partnership (IGP) is a collaborative effort by over 120 stakeholders including governments, civil society, international organisations, the private sector, and academia. It was initiated by the G20+ and V20. The project aims to protect the lives and livelihoods of poor and vulnerable people by enabling more timely and reliable post-disaster response and better preparation for climate and disaster risk. The initiative was officially launched at the COP27 climate conference on 14 November 2022 (World Bank 2022).

The goal of the IGP is to protect 500 million vulnerable people through CDRFI by increasing their access to pre-arranged solutions, which includes insurance, credit (including contingency credit), savings mechanisms, and other financial instruments. In addition, the Partnership aims to have comprehensive disaster risk financing strategies in place for 80 developing countries by 2025 (IGP n.d.). The IGP has set a target of covering 15% of annual climate and disaster losses of poor

and vulnerable people with pre-arranged solutions by 2025. It further recognises that people living in the global South, who form the largest share of those worst hit by climate change, do not have access to any sort of climate risk finance solutions.

Measuring the Impacts of InsuResilience Global Partnership

The IGP has been instrumental in promoting CDRFI solutions worldwide. Through its programmes and initiatives, the Partnership has significantly increased the financial protection of vulnerable communities and helped countries build resilience towards climate disasters. The private insurance industry's involvement in the Partnership has been crucial in providing risk financing worth billions of dollars, allowing for more comprehensive coverage and protection (IGP n.d.). With its continued commitment to supporting developing countries, the Partnership is making a significant contribution to global efforts to address the impacts of climate change. Since its inception in 2017, it has had the following outcomes:

- Implemented 24 programmes with over 300 projects in more than 100 countries as of 2021.
- The private insurance industry has provided risk capacity worth USD 5 billion, which has helped increase financial protection for vulnerable communities.
- By 2021, 150 million people were financially protected by CDRFI solutions promoted by the Partnership, out of which 50 million were covered through micro-insurance solutions.
- Helped put comprehensive disaster risk financing strategies in place for 46 developing countries by 2021 and has facilitated micro-insurance solutions in 29 countries.
- 50 countries have received support to develop sovereign risk financing and insurance solutions (UNDP 2021).

Figure 2: Indicative Process of InsuResilience



Source: Presented by Jennifer Phillips, Advisor IGP, at the 25th Sustainable Development Conference organised by the Sustainable Development Policy Institute in December 2022.

Global Shield against Climate Risks

The Global Shield initiative focuses on achieving three primary objectives to enhance climate resilience:

1. Improve cooperation among nations and organisations to overcome fragmentation in the implementation of the CDRFI architecture.
2. Establish a flexible and collaborative approach to determine the financial structure that will be used to support countries in managing climate risks.
3. Ensure that countries are committed to sustained protection against increasing climate risks.

Working Mechanism of Climate Shield

The Climate Shield, a disaster risk financing mechanism, involves the collaboration of different stakeholders, including governments, private sector, and Civil Society Organisations (CSOs) with the government taking the lead in

the implementation process and partnering with the country coordinator to identify and bring all relevant stakeholders to the table (V20 n.d.). Various government ministries, such as those responsible for climate change, finance, and human rights, are involved in the process. The operational framework involves inclusive consultations with various stakeholders within the country, enabling a comprehensive assessment of CDRFI activities while concurrently conducting an analysis of existing gaps and vulnerabilities. In the initial phase, specific attention is dedicated to identifying vulnerable groups, particularly women and low-income segments, in addition to evaluating the severity of risks confronting the nation. Subsequently, the existing structure is scrutinised to pinpoint gaps and deficiencies. These identified gaps and vulnerabilities serve as the basis for determining the required instruments within the country, culminating in the submission of a formal request for CDRFI support. To this end, pertinent data is collected to craft a comprehensive support request, which is then directed to one of the financing institutions incorporated in the Shield framework, such as the Global Shield Financing Facility (GS-FF) or the World Bank. Following this submission, a thorough review of the request is undertaken by a technical advisory group, subsequently leading to the provision of commitment and support from the selected financing vehicle.

In many countries, different instruments such as flood insurance, contingency budgets, or national agricultural insurance schemes are being used to manage climate risks. However, there is a need to assess the gaps and the extent to which the instruments are meeting countries' needs. The level of protection countries require should be determined by identifying what events have not been covered. Finally, the process involves identifying what is missing and designing and requesting the other types of instruments that are needed.

In summary, the Climate Shield working mechanism encompasses a holistic and collaborative approach that encompasses multiple stages, including the identification of vulnerable groups, assessment of risk severity and level of protection, identification of gaps and vulnerabilities, preparation of a support request, and subsequent review and provision of commitment and support from

financing institutions. This comprehensive process is designed to effectively address deficiencies within existing structures and instruments by recognising and designing the requisite CDRFI instruments necessary for managing climate risks.

Analysing the Relevance and Benefits of Global Shield in Pakistan

The Global Shield Initiative aims at enhancing the architecture of CDRFI. Within this initiative, the Global Shield-Solutions Platform (GSSP) has been established as a financing vehicle which consists of a team of international and local experts to identify gaps and needs of the country and offers a country-centred process for Pakistan for climate and disaster risk finance and insurance. It also provides a platform to collaborate with a diverse range of private and public sector partners offering CDRFI solutions; and offers capacity building and grant financing for implementation across the CDRFI value chain. The management of GSSP has been entrusted to the Frankfurt School of Finance and Management, which has implemented over 25 CDRFI solutions globally (Frankfurt School 2022). These solutions extend to sovereigns, sub-national entities (provinces), households including agricultural insurance mechanisms, as well as liquidity support for national disaster management funds. The implementation partners for GSSP include all relevant stakeholders including but not limited to the public sector, private sector, non-governmental sector, humanitarian organisations, academia, etc.

The GSSP country support programme operates through a structured three-stage process, encompassing risk assessment and data infrastructure, development of customised CDRFI solutions, and provision of premium and capital support. This modular approach takes into account the specific requirements of each stage, including the type of needs assessment, formulation of tailored products, and subsequent implementation and support stage. By adopting this comprehensive approach, the GSSP effectively addresses the unique needs of countries,

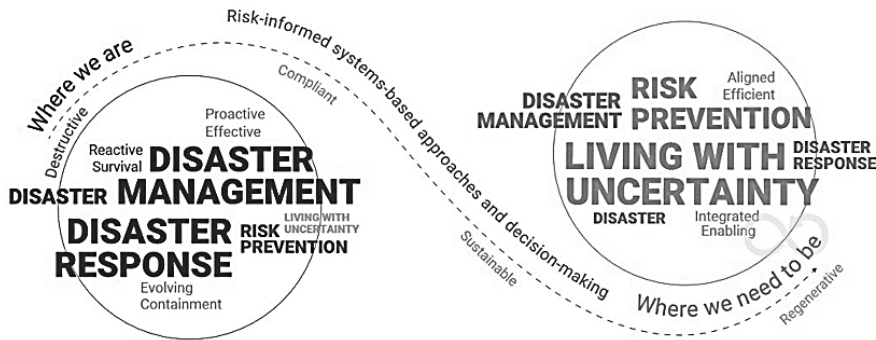
providing them with the necessary tools and assistance to strengthen their climate resilience.

Pakistan is among the first pathfinder countries under the Global Shield and is the first country that applied under the Ministry of Climate Change (MoCC) for support and is now receiving it under the Global Risk Modelling Alliance (GRMA). GRMA offers technical assistance service with public and private sector climate finance and risk modelling expertise; advice on model development and co-defined risk projects, models, and data for public goods; and an open-source platform for risk analysis. It brings together a team of public-private sector climate finance and risk management experts who collaborate through a co-creation process to expand capacities and capabilities to use and further develop climate risk models and conduct climate risk analysis to better understand the climate risks specific to Pakistan. The ultimate objective is to develop the capacity of local stakeholders so that they can conduct the analysis exercise independently (GRMA n.d.).

Apart from the technical assistance, GRMA also provides the necessary infrastructure and data platform for modelling. It is crucial to have a consistent view on risk across ministries and develop a national strategy for CDRFI by using common standards for a holistic risk assessment across ministries in Pakistan. GRMA can also help Pakistan in terms of funding as well the infrastructure required that the country needs to develop.

The Global Shield initiative, through the GSSP and GRMA, presents an opportunity for Pakistan to strengthen its climate and disaster risk finance and insurance architecture, identify gaps and needs, and build capability to conduct climate risk analysis to better understand the risks of climate change. The initiative also provides a platform for collaboration with a wide range of private and public sector partners offering CDRFI solutions and capacity building for implementation across the CDRFI value chain. By joining the GRMA, Pakistan can develop the capacity of its local stakeholders to make the country more climate-resilient.

Figure 3: Innovation Curve - From Destructive to Regenerative Approaches



Source: PreventionWeb 2022.

Pakistan-German Climate and Energy Initiative

The Government of Germany is known for being a pioneer in climate politics. It has partnered with the Government of Pakistan to establish the Pakistan-German Climate and Energy Initiative (GIZ 2022). This initiative aims to promote a greener future for Pakistan, with several individual projects and programmes aimed at building a more climate-resilient country. In pursuit of this objective, the partnership actively facilitates numerous policy dialogues and establishes close collaborations with political leaders hailing from both nations. The management of this partnership is entrusted to the German Corporation for International Cooperation (GIZ), in conjunction with the Ministry of Energy and the Ministry of Climate Change, ensuring effective coordination and implementation of joint efforts. The partnership has a financial volume of EUR 350 million in the German Cooperation portfolio. The Pakistan-German Climate and Energy Initiative focuses on three key pillars.

The first pillar is the establishment of a platform for political dialogue between the two countries. This platform serves as a venue for discussion and addressing climate and energy issues between Pakistan and Germany. The second pillar of the initiative is to facilitate bilateral cooperation between the two countries. This will enable them to work together on projects and initiatives aimed at achieving a more sustainable future. Finally, the partnership aims to promote enhanced cooperation between private sector entities, research organisations, civil society groups, and youth. These groups are encouraged to work collaboratively towards achieving common goals (GIZ 2022).

Role of the Policy Sector in Managing Climate Risk in Pakistan

Disaster risk management falls under the National Disaster Management Act 2010 in Pakistan, and the National Disaster Risk Management Framework of 2007 provides guidelines for disaster risk management at national, provincial, and district levels. The National Disaster Management Plan (NDMP) of 2012 outlines an investment of PKR 147 billion to enhance the disaster risk management system's capacity, while the National Disaster Risk Reduction Policy of 2013 mandates a sovereign disaster risk financing strategy that combines insurance and non-insurance instruments to enhance the government's financial response capacity. However, overlapping roles and responsibilities, disparities in financial resources and capacity, and incomplete operationalisation of provincial funds create challenges in implementing these policies effectively. A new amendment proposes to make insurance instruments for disaster risk financing a federal subject exclusively, which could improve coordination but hinder local level risk financing (World Bank 2020).

In 2017, the National Disaster Risk Management Fund (NDRMF) was established as a government-owned, not-for-profit association to reduce Pakistan's socioeconomic and fiscal vulnerability to natural hazards, climate variability, and climate change. The Fund is incorporated under section 42 of the 1984 Companies Ordinance and aims to provide financial and technical support to both

government and non-government partners to implement the National Disaster Management Plan and the National Flood Protection Plan-IV (NDRMF n.d.). Effective management of climate risk requires collaboration and partnership beyond political or economic interests. For instance, at COP27, Pakistan successfully brought climate disasters to the agenda, which ultimately resulted in the establishment of a Loss and Damage (L&D) Fund.

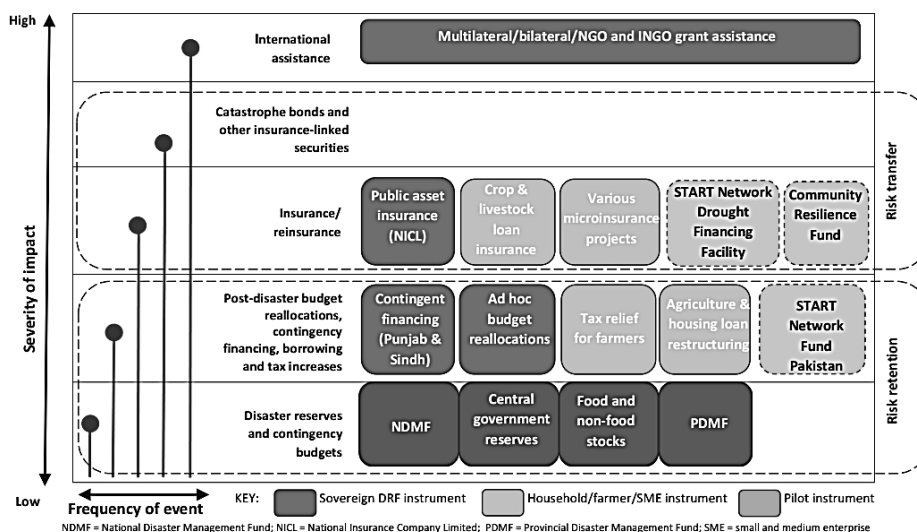
Role of the Public Sector in Managing Climate Risk in Pakistan

NDRMF is the organisation responsible for developing a national level disaster risk financing strategy in Pakistan. It has a climate change component under which various projects are being implemented, including structural and non-structural actions. Despite having a disaster risk reduction programme in place, NDRMF has a lot of work to do in addressing the climate risks faced by Pakistan. It is essential to learn from other initiatives being taken globally and tailor ideas to fit the country's needs. NDRMF has a Disaster Risk Reduction (DRR) programme with a broad climate change component to fill in the gaps and come up with more cohesive, sustainable, and impactful financial instruments for disaster risk financing. As part of its efforts, the Fund has engaged with private sector stakeholders, including insurance providers. In pursuit of a comprehensive risk management strategy, the NDRMF intends to introduce a range of instruments, such as contingency funds, catastrophe bonds, and insurance mechanisms.

To address technological aspect of the programmes, NDRMF and the Space and Upper Atmosphere Research Commission (SUPARCO) developed the National Catastrophe Risk Assessment (NATCAT) model. Additionally, NDRMF is working on coming up with a 'National Disaster Risk Financing Strategy' to fill the existing legislative and policy gaps. It also aims to establish necessary policy frameworks that enable provinces and stakeholders to design and implement various risk management instruments tailored to local conditions. Through these collaborative efforts, the Fund seeks to enhance the disaster resilience of

vulnerable communities, while also contributing to the overall sustainability of the country's disaster risk management framework.

Figure 4: Group Mapping of Existing and Planned Disaster Risk Financing Instruments in place in Pakistan



Source: ADB 2018.

Private Sector's Contribution to Disaster Risk Financing Instruments

Pakistan's agriculture sector is facing numerous challenges, including low access to credit and financial instruments, a lack of access to climate-smart agricultural practices, and vulnerability to natural calamities. Severe flooding in 2022 devastated agriculture crops, livestock, and infrastructure, leading to the risk of a food security crisis. The economic impact of this disaster extends beyond estimated direct losses, with damage to agriculture tools and machinery, rural infrastructure, and trees likely to compound losses. Indirect costs, such as increased transportation costs and losses in successive crop cycles due to

waterlogging and delays in sowing will also have long-term implications. The government's allocation of funds for rehabilitation and compensation is not a long-term solution. Building climate resilience in agriculture should be a top priority for Pakistan's future (Qamer et al., 2022).

Salaam Takaful Insurance for Agriculture Sector

Low penetration rate of insurance companies is one of the major challenges faced by the agriculture sector. Salaam Takaful Insurance is the largest general Islamic insurance company in Pakistan and has introduced agricultural crop insurance through a pilot programme in nine districts, targeting subsistence farmers who lack the means and funds to get into financial instruments themselves. The Securities and Exchange Commission of Pakistan (SECP) has introduced a sandbox approach to reduce regulatory hurdles for companies that want to introduce new concepts and products at the same speed as insurance technology develops.

'Salaam Takaful Insurance' is currently doing pilots for crop *takaful* (and parametric crop *takaful*) with the goal to have a proposition that is scalable to the national level. The focus is on identifying farmers' problems according to the sandbox approach and providing solutions that make them more resilient. The objective is to have local implementation partners and an ideal ecosystem where there are capacity providers in the shape of reinsurers, donors for subsistence farmers, and the government.

The solution being developed involves a three-layered risk-sharing mechanism. International bodies like the United Nations Development Programme (UNDP), ADB, World Bank, International Finance Corporation (IFC), etc., will allot funds for the formation of a Catastrophe (CAT) bond. Reputed reinsurers would provide reinsurance, and insurers like 'Salaam Takaful' will then directly insure farmers. The aim is to insure 50,000 farmers by the next season (2022-2023). The blended approach is required, providing external institutional support while utilising local knowledge. The instruments provided should be scalable and have some value

addition to the farmers' value chain so that they can have some incentive to implement new measures that can increase their productivity and profits.

In addition, weather-index solutions on a parametric basis are being developed into a hybrid index combining yield and weather as a product. This will be tailored to suit the unique geography and different regions that might require different instruments at different levels. The CAT Bonds are being sourced from outside, and their local use also needs to be looked at. There are two major opportunities for impact investments available in the agriculture sector. First is creating resilience by providing subsidies for supporting farmers in need, especially small scale and subsistence farmers. Secondly, to invest in CAT Bonds, which can help the sector get more resilient to sudden shocks like climate disasters.

Policy Recommendations

The policy recommendations presented herein are formulated with inputs from relevant stakeholders, aiming to shape a climate-resilient future for Pakistan:

- The government should prioritise action plans designed in consultation with vulnerable communities to mitigate climate risks. Delaying action may lead to significant loss of life and property. The plans should identify the right steps to prevent future climate disasters and the government should allocate sufficient resources towards implementation. Through proactive and collaborative action, the government has the ability to circumvent the continually deteriorating climate crisis and foster the development of a sustainable future.
- To ensure the effective utilisation of available funds for regional initiatives, the government should establish a mechanism that is tailored to the specific needs of each region. The use of technology and regular evaluations can aid in designing and implementing financial instruments for maximum utilisation and equitable distribution. This will facilitate the integration of robust data analytics, thereby enhancing the ability to make

informed decisions regarding future courses of action. Additionally, it will promote the equitable distribution and effectiveness of the implemented instrument.

- A major issue in addressing climate risks is the accessibility and credibility of data. To overcome this challenge, relevant ministries should form a joint working group to ensure that the data collected is credible and easily accessible to stakeholders. This will enable effective and efficient use of the data to design appropriate risk management instruments. Furthermore, it is essential to establish a comprehensive legislative framework aimed at safeguarding the security and accessibility of the data. Prioritising the engagement of international experts from Europe, who possess valuable experience in both successful and unsuccessful disaster risk financing programmes, should be a paramount consideration for the NDRMF and the Government of Pakistan. Such engagement would facilitate the exchange of knowledge and the transfer of technology, thereby enhancing the capacity of local experts to effectively address the unique disaster risk financing challenges faced by Pakistan.
- It is recommended to prioritise policies that emphasise the sourcing of Catastrophe Bonds from domestic sources in order to leverage the substantial liquidity available within the country. By structuring these financial instruments within the local economy, their effectiveness, reach, and long-term sustainability can be significantly enhanced. This approach ensures that the benefits of such bonds are maximised and tailored to the specific needs and dynamics of the domestic market, leading to more robust risk transfer mechanisms and increased resilience against climate-related disasters. This requires close collaboration between the public and private sectors.
- Stakeholders should focus on resilience-building over mitigation efforts by developing a climate risk assessment system that uses GIS inventory mapping. This system should prioritise vulnerable areas and critical infrastructure, such as dams and bridges, and inform investment

decisions.¹ Collaboration with relevant stakeholders, including experts, NGOs, and private sector investors, is crucial for the effective implementation of the system. By focusing on adaptation, Pakistan can build resilience against climate disasters and protect vulnerable communities, such as farmers.

- To promote disaster risk financing in Pakistan, the government should collaborate with the private sector to develop index-based insurance products that are customised to the needs of the agriculture sector. These products should be linked to weather conditions and crop yields, and structured in a way that attracts private investment while reducing risks. By doing so, the government can encourage private investment in climate-resilient infrastructure and relieve the public sector's burden.
- To enhance data-driven and evidence-based policy formulation, the government needs to collaborate with relevant stakeholders, such as experts, NGOs, academia and private sector investors, to develop a climate financing strategy. This strategy should focus on bridging the gap between policymaking and programme outcomes on both provincial and federal levels. The use of scientific data should be prioritised to inform policymaking and design effective climate-resilient products and programmes that address the needs of the local population.

¹ This proposal was floated by CEO NDRMF, Bilal Anwar, due to its cost-effectiveness and robustness. The intention behind this action is to guarantee that adaptation measures effectively target disaster hotspots, prioritising dedicated efforts and allocating resources to address them. This approach aims to move away from the utilisation of uniform resources, which may lead to an absence of equity in the implementation of adaptation measures.

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Noman Bashir, a Mechatronics Engineering graduate from the National University of Sciences & Technology, is currently pursuing a Master's degree at King Fahd University of Petroleum and Minerals, specialising in Climate Change, Resilience Building, and Clean Energy Transition.

Understanding Pakistan's Stagnant Exports: An Exploration of Trade Policy, Trade Agreements and GSP+*

Sarah Javaid

Abstract

Pakistan's inward oriented policies have posed detrimental effects on the growth of its exports. Import substitution has sabotaged export led growth. Unilateral agreements have continued to remain the cornerstone of Pakistan's trade policy while success of Free Trade Agreements (FTAs), in boosting exports, remains elusive. This study examines Pakistan's export performance in the light of three trade arrangements: Mauritius-Pakistan PTA, China-Pakistan FTA, European Union's Generalized Scheme of Preferences+ (EU's GSP+) and proposes a way forward. While Pakistan's agreement with Mauritius is more than a decade old, its utilisation rate is as low as 8% with a meagre coverage of goods. The first phase of the China-Pakistan Free Trade Agreement (CPFTA) was not only poorly negotiated but also resulted in a persistent trade deficit for Pakistan. By FY 2022, this deficit stood at USD 14.5 billion, accounting for 30% of Pakistan's total trade deficit. Further compounding the issue, in the second phase, CPFTA-II, Pakistan had 313 Tariff Lines (TLs) that it did not export to any country in 2021. Exports

* This chapter has been approved as a Research Paper / Scholarly Article by the referee.

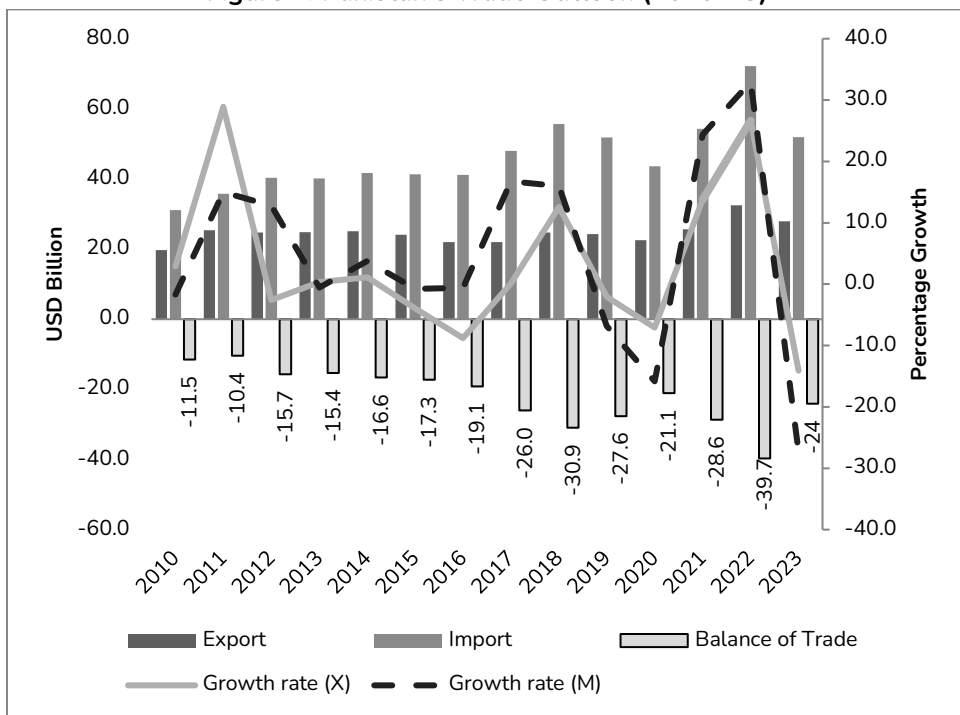
to EU post-GSP+ have increased substantially. Relying heavily on GSP+ has caused some trade diversion for Pakistan. Even with a high utilisation rate, Pakistan has not managed to grow its share in the EU's total imports beyond 0.3%. Trade with South Asia represents a mere 5% of Pakistan's global trade, and intra-regional exports have seen a 40% decline over the last ten years. To compensate, Pakistan has turned to unilateral trade arrangements. Yet, even with GSP+ and FTAs in place, there has been no noticeable rise in Pakistan's share of global exports. It is crucial for Pakistan to recognise the need to broaden its trade vision.

Introduction

For Pakistan to escape its debt trap, prioritising export promotion is crucial. The nation's diminished engagement with international trade and its position in the global economy and supply chains is evident from the decline in its total trade (both goods and services) to GDP ratio, which fell from 33% in 2007 to 26% in 2017 (WITS 2019). Pakistan's reliance on import substitution policies has resulted in grievous impact on its economy, either through hindering export competitiveness or limiting its tendency to integrate into the global value chains. Resultantly, Pakistan's exports have either been decreasing, remained stagnant or have contributed towards little to no growth.

Figure 1 depicts Pakistan's historical trade pattern. Undoubtedly, Pakistan's export growth is closely linked to its import growth. In most years, the rate of import growth has outpaced that of exports, leading to an expanding trade deficit. Not only have national policies influenced this, but rising consumer demand has also played a part in determining Pakistan's trade makeup. A significant portion of the country's exports stems from imported raw materials. In 2020, Pakistan imported intermediate goods valued at USD 12 billion and raw materials worth USD 9.6 billion, which represented 21% and 28% of its total imports, respectively (WITS n.d.).

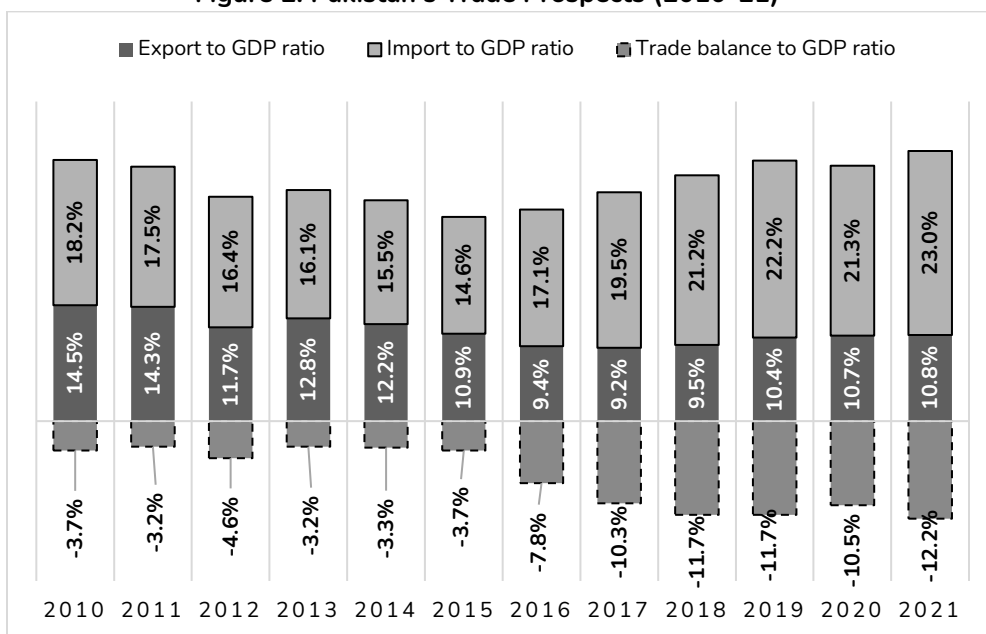
Figure 1: Pakistan's Trade Outlook (2010-23)



Source: SBP 2023a.

It is also essential to contextualise Pakistan's total trade performance in terms of the import to GDP and export to GDP ratios. Pakistan's export to GDP ratio has been declining during the last few decades narrowing from 14.5% in 2010 to 10.8% in 2021, while the import to GDP increased from 18.2% to 23% in same time period. As a result, its trade balance to GDP has worsened from -12.2% in 2010 to -3.7%, remaining negative.

Figure 2: Pakistan's Trade Prospects (2010-21)



Source: IMF 2021.

Pakistan has traditionally turned to one of two strategies to tackle its Balance of Payment (BOP) challenges: seeking assistance from international development institutions or implementing tariff and non-tariff measures like import restrictions. Rather than enhancing its exports, Pakistan has consistently leaned on import substitution to curb its Current Account Deficit (CAD). A prime example of this was the extensive import ban in May 2022, which resulted in supply side disruptions and subsequently, a marked decline in exports (World Bank Group 2022). The other example can be ascribed to the IMF bailout. Unfortunately, both plans have proved to be unsustainable.

Few Products, Fewer Markets

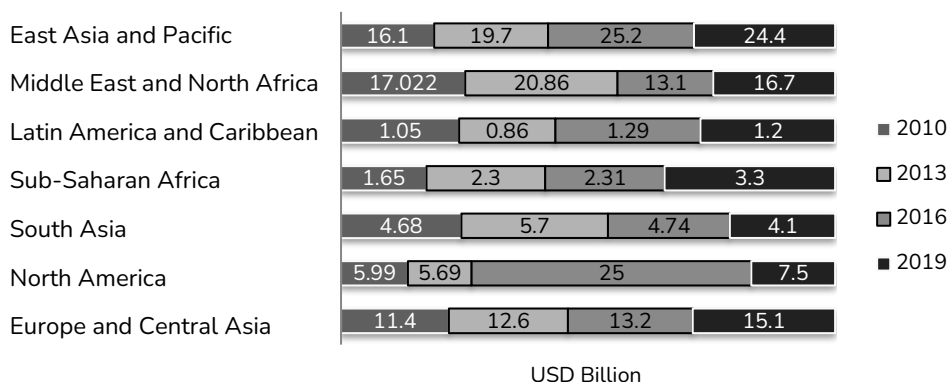
Pakistan's export basket relies on few industries and limited products. Trade in goods has continued to rely on the export of textile products which accounted for almost 56% of the total exports in 2022 (SBP 2023). In FY 2022, Pakistan's

textile industry exported USD 18 billion out of total USD 32 billion exports. Not to undermine the importance of textiles as a major source of export earnings, but over reliance on one industry has restricted Pakistan to a small number of markets that provide exemptions and concessions and has also hampered Pakistan's ability to diversify its product basket. Major destinations for textile exports include European Union, the United States (US), China and the United Kingdom (UK). Sadly, within the region, which is South Asia, Pakistan's trade has remained unsubstantial.

Pakistan's Role in Regional Integration

Regional integration is crucial for Pakistan's economic growth. Yet, over the years, its trade within the South Asian region has either stagnated or declined. In 2019, Pakistan's trade in the region amounted to USD 4.1 billion, representing 5.5% of its global trade (WITS 2019). Despite this, trade relations with India remain elusive due to persistent regional discord. Furthermore, the country's bilateral trade potential with Bangladesh and Afghanistan has yet to be fully realised (Kathuria 2018). The decline in Pakistan's exports to South Asia, dropping from USD 2.8 billion in 2010 to USD 1.7 billion in 2020 (WITS 2019), can be attributed to the ongoing political tensions with India and the turmoil in Afghanistan.

Figure 3: Pakistan's Region-Wise Total Trade



Source: WITS 2023.

The fact that Pakistan's global exports in 2013 were USD 25 billion and still stand at the same level in 2021, calls for an in-depth analysis of Pakistan's trade policy framework.

Study Objectives, Research Questions and Methodology

This chapter delves into an evaluation of Pakistan's trade policy, examining its prevailing trade regime, the outcomes of its specific trade agreements, and the impact these have had on creating exports and fostering export competitiveness. To this end, the research was structured around the subsequent inquiries:

1. Does Pakistan's trade policy align with the current trade regime?
2. Were export targets from the Strategic Trade Policy 2025 met?
3. To what extent have Pakistan's trade agreements, such as with Mauritius, CPFTA, and GSP+, been successful in terms of their utilisation?

To inform this analysis, export and import data were sourced from the World Integrated Trade Solutions (WITS) and Trade Map, and were dissected based on 2-Digit, 4-Digit, and 6-Digit HS Codes. Additionally, to assess trade creation and the efficacy of the FTAs, a Margin of Over Performance was calculated for the trade agreements with Mauritius and China. Furthermore, the analysis is also based on export index for four major tariff lines of Rice exported to Mauritius.

The chapter unfolds in three parts: Section 1 offers a critique of Pakistan's Strategic Trade Policy Framework (STPF) (2020-2025), which underscores the role of exports as a catalyst for economic growth. Section 2 delves into an in-depth analysis of Pakistan's existing FTAs, spotlighting three key case studies: Mauritius-Pakistan FTA, CPFTA, and GSP+. The final section synthesises the findings and forwards recommendations to bolster export growth and competitiveness in Pakistan.

Trade Framework in Pakistan

Pakistan's Strategic Trade Policy Framework (STPF) (2020-25)

The trade policy regime in Pakistan was ostensibly constructed upon the Strategic Trade Policy Framework STPF (2020-2025). This framework aimed to boost exports by supporting export-oriented sectors through competitive energy pricing, targeting priority sectors, and addressing trade policy implementation shortcomings. However, midway through its intended duration, the actual implementation did not align with the Framework's vision and mission to transform Pakistan into a globally competitive, export-driven economy. The policy framework had projected export figures of USD 30 billion for 2022 and USD 38 billion for 2023. While the 2022 target was achieved, the goal set for 2023 remains elusive. A confluence of challenges, including an unprecedented inflationary surge, fiscal mismanagement, monetary tightening, import controls, uncompetitive energy prices, and external shocks like the floods of 2022, resulted in Pakistan's exports for FY 2023 tallying up to USD 27.7 billion.

Table 1: Review of STPF's Pakistan's Model-Based Export Projection FY 20-25 vs Actual Exports

Scenario 2 Prediction by STPF: <i>If Growth in Prices is 8% in FY21, 6.5% in FY22 and 6% between FY23-25</i>					
Year	Exports in USD Billion STPF Calculations	Exports in USD Billion MOC's Predicted	Actual Growth in Prices	Actual Exports in USD Billion	Status
FY 21	23.9	25.3	8.9% (Slightly above projection)	25.6	Achieved
FY 22	27.15	31.2	12.2% (almost double the projection)	32.47	Achieved
FY 23	30.19	37.88	19.9% (p)	27.7	Not Achieved
FY 24	32.55	45.81	-	-	-

Source: MoC 2020.

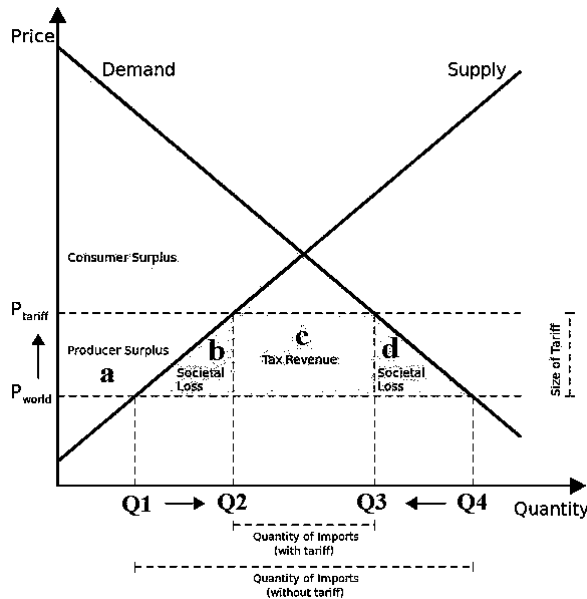
Table 1 analyses the export projections against the growth in prices as suggested by the STPF 2020-25. Meeting the export target in 2022 is commendable despite periods of high inflation; however, the Ministry of Commerce's (MoC's) prediction for USD 31 billion exports in FY 2023 have failed to meet ends (Ahmad 2022).

Export Competitiveness and Import Substitution: A Dichotomous Coexistence

Although the foundation of the STPF advocates for export-led growth, Pakistan's actual trade policy practices deviate significantly in both character and execution. Custom Duties (CD) have become both a primary trade policy tool and a revenue generation mechanism, which inadvertently discourages export promotion. In recent years, the Government of Pakistan (GoP) has ramped up import barriers to reduce the trade deficit. In May 2022, the State Bank of Pakistan (SBP) introduced a significant import restriction policy to reduce import expenses. The long-term consequences of such import controls are more profound than their immediate effects.

When a duty is imposed on an imported commodity, it raises its price which ultimately reduces the quantity demanded by the importing country. However, it also leads to a societal loss or the loss of economic efficiency, which means that the allocative efficiency is not achieved. The increase in price for every imported commodity is translated into fewer and uncompetitive exports. In other words, a policy intended to increase exports through import substitution actually leads to export substitution (Aslam et al., 2021). Thus, it is fair to say, STPF's mandate does not align with its policy implementation plan.

Figure 4: Impact of Import Substitution



Source: Lincicome 2020.

Many studies have highlighted the ineffectiveness of import substitution policies in managing trade deficit, specifically in context of Pakistan such as Aslam et al., (2021) and in general Lincicome (2020). The subsequent section assesses Pakistan's PTAs/FTAs based on their utilisation and influence on export growth. To understand the impact and nature of FTAs on Pakistan's exports, the study examined three distinct agreements:

1. An FTA with a developing country (Mauritius),
2. An FTA with one of the world's major trade players (China), and
3. An agreement with the world's largest trading bloc (EU).

Pakistan's FTAs and Export Competitiveness

As of recent estimates, there are around 300 FTAs globally, a notable rise from

just 50 in the early 1990s. However, Pakistan has only entered into five PTAs,¹ a starkly low figure when set against the global average of 13 PTAs. The challenge isn't merely the quantity of FTAs but also the effectiveness of the existing ones (Aslam et al., 2021). Given the diverse nature of FTAs, assessing whether they genuinely enhance trade among member nations can be challenging. Furthermore, the Rules of Origin within these agreements can sometimes introduce additional trade complexities. Each FTA's impact, therefore, can be both unique and uncertain. It's also worth noting that FTAs tend to favour members, potentially diverting exports towards member nations rather than genuinely increasing them in absolute terms (Alam 2015). Table 2 identifies Pakistan's current FTAs:

Table 2: Pakistan's FTAs

FTA	Coverage	Type	Date of Entry into Force	Status
Indonesia-Pakistan	Goods	PSA	1 Sept. 2013	In Force
Mauritius-Pakistan	Goods	PSA	30 Nov. 2007	In Force
Pakistan-Sri Lanka	Goods	FTA	12 June 2005	In Force
Pakistan-Malaysia	Goods & Services	FTA & EIA	1 Jan. 2008	In Force
Pakistan-China	Goods & Services	FTA & EIA	1 Jul. 2007(G) / 10 Oct. 2009(S) ²	In Force
Pakistan-Iran	Goods	PTA	1 Sept. 2006	In Force
Uzbekistan-Pakistan	Goods	PTA	6 Mar. 2023	In Force

Source: WTO 2023a&b.

¹ Editors' Note: Preferential Trade Agreements (PTAs) and Free Trade Agreements (FTAs) are both trade accords that aim to reduce barriers among member countries. A PTA provides reduced tariffs on a select set of goods, offering limited preferential access. In contrast, an FTA is more comprehensive, typically eliminating tariffs on a broader range of products and possibly covering areas like services and investments.

² G: Goods, S: Services. CPFTA-II came into force in 2020.

Mauritius-Pakistan PTA: Case of an Underutilised Trade Agreement

Mauritius and Pakistan are traditional trading partners. In 2021, the total trade between the two stood at USD 33 million. Pakistan's exports to Mauritius as well as its Export Partner Share as a percentage fell from USD 40.16 million and 0.2% in 2008 to USD 15.8 million and 0.07% in 2020. The decline in Pakistan's exports to and imports from Mauritius over time is evidence that the preferential agreement between the two partners is still not being fully utilised.

The PTA was formalised in July 2007 with the central aim of enhancing bilateral trade between the signatory parties. Both partners prioritised a list of items (specified by 6-Digit HS codes) for preferential treatment. Initially, Pakistan benefitted from a 50% tariff reduction on most of the eligible TLs, which subsequently expanded to a complete 100% tariff reduction. The preferential chapters from Mauritius' concession list to Pakistan are listed in Table 3:

Table 3: Mauritius Concession List for Pakistan

Chapter ³	Title	No. of 6-Digit HS Eligible TLs
Chapter 06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	6
Chapter 07	Edible vegetables and certain roots and tubers	10
Chapter 08	Edible fruit and nuts; peel of citrus fruit or melons	14
Chapter 10	Cereals	4
Chapter 19	Preparations of cereals, flour, starch or milk; pastrycooks' products	4
Chapter 24	Tobacco and manufactured tobacco substitutes	4
Chapter 25	Salt; sulphur; earths and stone; plastering materials, lime and cement	9
Chapter 44	Wood and articles of wood; wood charcoal	8
Chapter 57	Carpets and other textile floor coverings	18
Chapter 63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	23

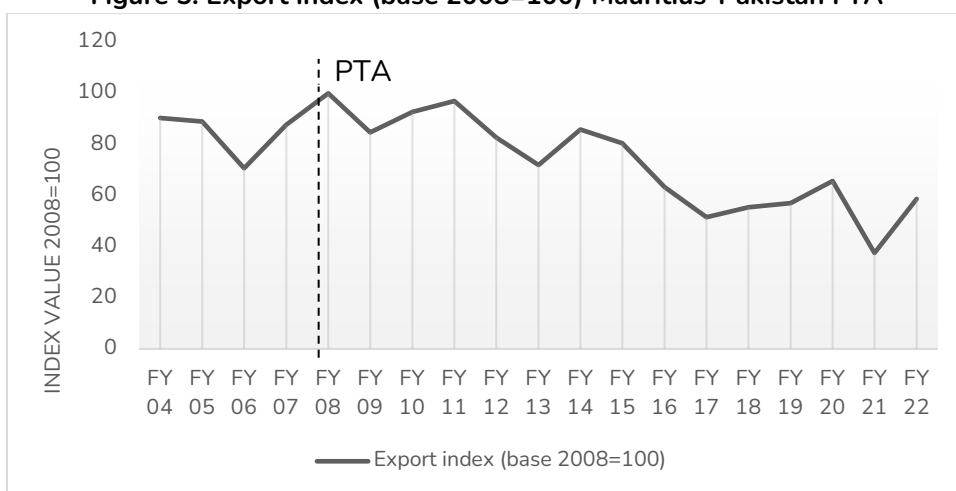
³ HS Code 2007 Version.

Chapter 76	Aluminium and articles thereof	1
Chapter 85	Electrical machinery and equipment and parts thereof; television image and sound recorders and reproducers, and parts and accessories of such articles	1
Chapter 96	Miscellaneous manufactured articles	1
	Total	102

Source: MoC 2018.

The Agreement granted concessions on 130 TLs to Mauritius - only 1.9% of its total TLs. In addition, Pakistan received tariff reduction/removal on only 102 TLs, or 1.64% of its total TLs. Keeping in view WTO's benchmark for FTAs, i.e., reduction in duties for over 90% of existing trade, the Mauritius-Pakistan PTA is not a well negotiated agreement.

Figure 5: Export Index (base 2008=100) Mauritius-Pakistan FTA



Source: Author's calculations.

Following the implementation of the agreement in FY 2008, Pakistan's exports to Mauritius began to decline noticeably. This downward trend is illustrated in Figure 5, which depicts the exports index to Mauritius for Pakistan - calculated by dividing exports to Mauritius in any given period by exports to Mauritius in 2008, exports had not surpassed USD 44 million, even falling below the USD 45 million

mark observed during the agreement year. From 2008 to 2020, Pakistan's exports to Mauritius dropped a significant 63%, going from USD 40 million to USD 15 million. Concurrently, Mauritius's share in Pakistan's exports dwindled from 0.2% to 0.07%. Additionally, there was a decrease in the variety of exports, with the number of 6-Digit TLs exported to Mauritius shrinking from 284 in 2008 to 248 in 2020 (WITS 2020).

Even though Pakistan signed an FTA with a country that maintains relatively low customs duties (averaging a mere 0.92%) and lacks stringent quality demands, the analysis indicates that Pakistan failed to harness the opportunity to broaden its exports within Africa through this agreement.

Table 4 lists top products that were traded between Pakistan and Mauritius in FY 2021. According to the data, 'Chapter 10: Cereals' was one of the top 10 Mauritius imports for which Pakistan received duty-free access. Other important exports to Mauritius were from textile articles. For this study, the author has restricted the analysis to the export of rice to Mauritius for the following reasons:

- Rice is the second major export of Pakistan after textile article.
- During FY 2021, Pakistan's rice production increased by 13.6%.
- Cereals constitute 55% share in Pakistan's exports to Mauritius.
- Pakistan enjoys zero per cent duty in Mauritius-Pakistan PTA as compared to an applied MFN Tariff of 11% (WTO 2023 a&b).
- In total, Mauritius imported USD 46.9 million worth of rice in 2021, of which USD 11 million, or 24%, was imported from Pakistan.
- Pakistan is the top supplier of rice (HS 1006) to Mauritius followed by India, Vietnam, and Thailand (WITS 2023).

Table 4: Pakistan's Exports of HS 1006 Rice (2021-22)

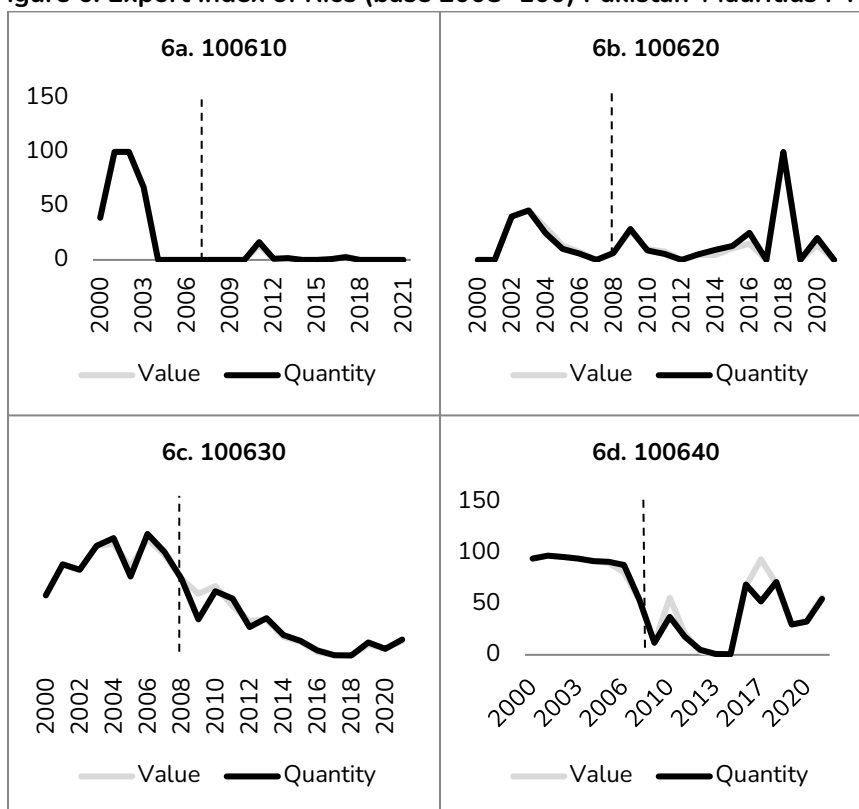
Code	Product Line	Rank Worldwide 2021	Pak Exports to World USD	Pak Exports to Mauritius USD	Mauritius Imports from the World	Proportion of Pak Exports to Mauritius %	Duty %
1006	Rice		2,158,844	10,570	46,912	24	0
100610	Cereals; rice in the husk (paddy or rough)	Top 10	2,178.91	0	33	0	0
100620	Cereals; husked (brown) rice	1 st	327,069.72	0	385	0	0
100630	Semi- milled or wholly milled rice, whether or not polished or glazed	4 th	1,572,338.29	10,570	34,641	31	
100640	Cereals; rice, broken exports	5 th	250,915.84	0	11,854	0	0

Source: TradeMap 2023a&c.

Except for semi-milled (100630), Pakistan's share in Mauritius's imports from eligible items in 2021 is very low (Annexure I). In 2021, Pakistan was the top exporter of HS 100620, fourth largest exporter for 100630, fifth largest for 100640 and among top ten exporters of HS code 100610. Despite having duty-free access, Pakistan could only export 100630, i.e., 24% of Mauritius' total rice

imports. Figure 6: Part a, b, c and d illustrate the trend of Pakistan's exports to Mauritius for rice pre- and post-PTA intervention.

Figure 6: Export Index of Rice (base 2008=100) Pakistan-Mauritius PTA⁴



Pakistan has been substantially exporting rice to a number of major countries including the EU, where it faces 4.95% duty on exports of 100620 and 19.5% duty on 100630 (TradeMap 2023a&c).

⁴ The index is derived by dividing 2008 exports with exports in any year pre- and post-FTA intervention (shown by the dotted vertical line).

Utilisation

Using data from ITC, Trade Map, the bilateral trade statistics for Pakistan and Mauritius were evaluated. Out of the 102 eligible TLs, 86 products at HS 6-Digit level were exported by Pakistan to the world for a value as low as USD 1000 during FY 2021. The greater concern comes from the fact that only 8 of the 86 traded product lines were exported to Mauritius in the same time period. This leads us to the conclusion that hardly 8% of this PTA was actually utilised in 2021. With that, the data also includes more than 50 eligible TLs, which were imported by Mauritius and exported by Pakistan to the world but not exchanged between both countries.

Table 5: Mauritius-Pakistan FTA Utilisation (2021)

	TLs at HS 6-Digit	Utilisation %
No. of TLs exported to the world (including Mauritius)	86	
No. of TLs exported to Mauritius	08	7.8
No. of TLs with significant trade with world but zero exchange between Mauritius-Pakistan	50+	
No. of TLs not utilised at all	12	

Source: Author's Calculations.⁵

Explorable Potential

Table 6 lists Mauritius's top 15 import items at HS 6-Digit level. Unfortunately, with the exception of one TL (240220), none of these products were included in the PTA. The table also lists the TLs which Pakistan exported to the world while Mauritius imported from the world in 2021. Pakistan must consider re-negotiating this arrangement in the light of these potential product lines.

⁵ The analysis is based on the information uploaded on Ministry of Commerce website under Mauritius Pakistan PTA: <<https://www.commerce.gov.pk/about-us/trade-agreements/pak-mauritius-preferential-trade-agreement/>>.

Table 6: Explorable Potential between Mauritius-Pakistan PTA

No.	Code	Product Label	PTA Eligibility	Mauritius Top 15 Imports from World Value in 2021	Pakistan Exports to the World 2021
1	271019 ★	Medium oils and preparations, of petroleum or bituminous minerals, not containing biodiesel, . . .	X	728,630	26,767
2	300490 ★	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic purposes, . . .	X	220,258	119,640
3	270119	Coal, whether or not pulverised, non-agglomerated (excluding anthracite and bituminous coal)	X	100,575	0
4	870322	Motor cars and other motor vehicles principally designed for the transport of persons, incl. . . .	X	88,342	366
5	030343	Frozen skipjack or stripe-bellied bonito 'Euthynnus -Katsuwonus- pelamis'	X	87,743	0
6	710231	Non-industrial diamonds unworked or simply sawn, cleaved or bruted (excluding industrial diamonds)	X	72,171	0
7	851712 ★	Telephones for cellular networks, mobile telephones or for other wireless networks	X	66,574	3,197
8	240220	Cigarettes, containing tobacco	✓	56,705	11,598
9	100199	Wheat and meslin (excluding seed for sowing, and durum wheat)	X	54,154	0
10	847130 ★	Data-processing machines, automatic, portable, weighing <= 10 kg, consisting of at least a . . .	X	50,796	1,785
11	271113	Butanes, liquefied (excluding of a purity of >= 95% of N-butane or isobutane)	X	49,553	0
12	170114	Raw cane sugar, in solid form, not containing added flavouring or colouring matter (excluding . . .	X	49,475	0
13	252329 ★	Portland cement (excluding white, whether or not artificially coloured)	X	47,587	146,663
14	870421	Motor vehicles for the transport of goods, with only compression-ignition internal combustion . . .	X	46,248	0

Source: TradeMap 2023a&c.

We have discussed the Mauritius-Pakistan PTA in detail and it is fair to conclude that it is not only under-utilised but was also weakly negotiated. Undoubtedly, the agreement lacks depth and is relatively small in size, therefore, has led to no favourable impact on Pakistan's exports by value and by product diversity. Also, a report by Ministry of Commerce concludes that Mauritius along with few other countries, does not qualify for Pakistan's potential exports to Africa (MoC 2018).

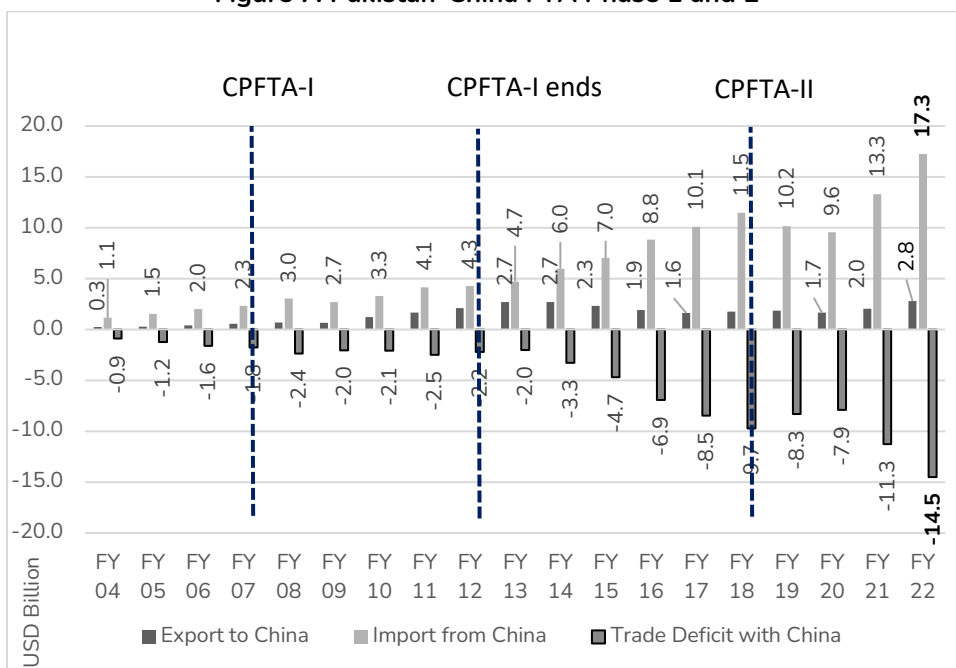
Pakistan-China FTA: Case of a Weakly Negotiated Agreement

China – the world's leading importer as well as exporter has been a significant trading partner for Pakistan. Both in terms of imports and exports, the importance of the Chinese market is undeniable. With an export share of 8.6% (SBP 2023c), the country was Pakistan's third-largest export market in 2022 following the US and the EU, which also had sizable shares of 26% and 21%, respectively. In a move to strengthen mutual cooperation and bilateral trade, Pakistan and China signed an FTA in 2007 (CPFTA) which granted reduction and elimination of tariffs on wide range of product lines traded between the two partners. Although, the agreement remained in effect for five years, Pakistan was left with a sizable trade deficit. This section will explore the CPFTA in terms of utilisation and its ultimate impact on Pakistan's exports and trade deficit.

CPFTA Phase I (2007-12)

CPFTA-I is perceived as being disproportionately favourable to China. Despite a 242% growth in bilateral trade between 2007 and 2018, CPFTA-I was a major reason behind Pakistan's massive trade deficit. Resultantly, the GoP faced severe criticism from a majority of the business communities for negotiating an agreement that did not adequately secure access for Pakistani products to the Chinese market.

Figure 7: Pakistan-China FTA Phase 1 and 2



Source: SBP 2023a.

Figure 7 gives a brief overview of Phases I and II of the CPFTA. Pakistan's exports to China increased by 220% since the adoption of CPFTA-I, but its imports skyrocketed by 394% over the same time period. This resulted in a 448% increase in Pakistan's trade imbalance with China.⁶

While exports increased, part of this growth can be attributed to the country's continued inclination towards China prior to the FTA. Pakistan's average exports from 2007 to 2018 were USD 1.7 billion, compared to USD 5.7 billion imports from China during the same period. In addition, Figure 8 shows that while China's share of imports continued to rise after the FTA, the share of total exports initially rose but progressively decreased after 2013.

⁶ Growth calculated using SBP data.

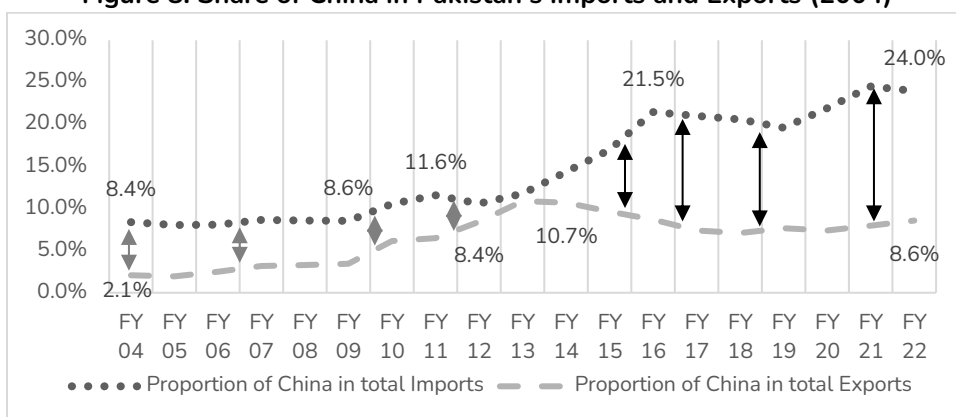
Table 7: Pak-China Total Trade 2007-18

Growth in Total Trade with China	Growth Total Trade with the World, including China	Growth in Total Trade with World, excluding China
244%	67%	48%

Source: TradeMap 2023.

While the CPFTA's goal to enhance bilateral trade was effective as shown in Table 7, however, the rise in imports from China and significant trade deficit put further pressure on the Pakistan's debt management.

Figure 8: Share of China in Pakistan's Imports and Exports (2004)



Source: SBP 2023a.

CPFTA-I proposed Tariff Reduction Modules (TPM) both for China and Pakistan ranging from reduction in tariffs (three years) to their complete elimination (five years). Where China had preferential access to 6,418 Pakistani product lines, Pakistan had access to 5,686 TLs disaggregated into four different categories for preferential access. The TPM of China for Pakistan is attached in Annexure I.

Did CPFTA-I Lead to Export Creation?

To evaluate CPFTA's impact on Pakistan's exports and overall trade, a Margin of Over Performance (MOP) (PBC and CDPR 2019) was calculated derived by

calculating the difference between growth in Pakistan's exports to China and growth in Pakistan's exports to the world. A positive MOP indicates successful trade creation and utilisation of CPFTA-I. In order to assess their growth in 2012, the top ten 8-Digit level product lines exported to China in the agreement year, 2007, were used as a baseline.

According to the MOP findings, Pakistan's exports to China grew since the start of CPFTA-I, with cotton seeing the highest growth. These findings suggest that while CPFTA-I did result in export creation, it was restricted to a small number of categories, that too only in cotton exports. It is pertinent to note that Chapter 52, or cotton, accounts for the majority of the top ten 8-Digit product categories exported to China in 2007. With the exception of rice, which did not receive preferential access under CPFTA-I, these product categories remained mostly unchanged in 2012.

Table 8: Margin of Overperformance at 8-Digit HS Code

Product Code	Product Label	MOP %
52051200	Single cotton yarn, of uncombed fibres, containing $\geq$ 85% cotton by weight and with a linear ...	486
26100000	Chromium ores and concentrates	1
52053200	Multiple 'folded' or cabled cotton yarn, of uncombed fibres, containing $\geq$ 85% cotton by weight ...	49
52052200	Single cotton yarn, of combed fibres, containing $\geq$ 85% cotton by weight and with a linear ...	80
52051100	Single cotton yarn, of uncombed fibres, containing $\geq$ 85% cotton by weight and with a linear ...	428
52053100	Multiple 'folded' or cabled cotton yarn, of uncombed fibres, containing $\geq$ 85% cotton by weight ...	86
41044900	Hides and skins of bovine 'incl. buffalo' or equine animals, in the dry state 'crust', without ...	-5
03037900	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04: Other fish, excluding ...	0
52121100	Woven fabrics of cotton, containing predominantly, but $<$ 85% cotton by weight, other than those ...	86
52081900	Woven fabrics of cotton, containing $\geq$ 85% cotton by weight and weighing $\leq$ 200 g/m ² , unbleached ...	79
52091100	Plain woven fabrics of cotton, containing $\geq$ 85% cotton by weight and weighing $>$ 200 g/m ² , ...	473
52051300	Single cotton yarn, of uncombed fibres, containing $\geq$ 85% cotton by weight and with a linear ...	206

Source: TradeMap 2023b.

Pakistan is a major exporter of rice to China, Malaysia, Kazakhstan, United Arab Emirates (UAE), UK, Saudi Arabia and others and its rice exports to China under Chapter 10 i.e., cereal (1006) increased from USD 307 million in 2007 to USD 382 million in 2021 (TradeMap 2022). Although rice is Pakistan's second largest export at a 4-Digit level after textile, it was not granted any preferential access under CPFTA. Also, with a 25% share in China's total import of rice (1006), Vietnam is Pakistan's main rival in the rice market as Pakistan has an 18% share. Yet, it faces a tariff of 46% from China which is considerably lower than the tariff faced by Pakistan (60%) for the said product line (Afraz and Mukhtar 2020).

Table 9: China's Tariff Schedule for Pakistan vs Vietnam

Pak exports to China USD				Tariff	
Product Code	2007	2012	2021	China's Tariff for Pakistan	China's Tariff for Vietnam
1006 - Rice	307,000	255 million	382 million	60%	46%

Source: TradeMap 2023b.

Using the same technique, MOP was estimated for 2-Digit product lines using the top ten traded items in 2007 as a baseline to better evaluate export growth under CPFTA-I. Half of the top ten 2-Digit product lines showed a negative MOP which included ores, slag and ash, fish, machinery and mechanical appliances, oil seeds and vegetable saps and extracts. Again, the product lines with a positive MOP were mostly cotton, and raw hides and skin, plastics, organic chemicals, copper and its articles, as also seen at HS 8-Digit level. In the same year, China accounted for nearly USD 20 billion of Pakistan's imports, making up about 28% of the total import bill (TradeMap 2023b). Pakistan has witnessed an almost 61% increase in its imports from China since the CPFTA-I went into effect (2007-12).

CPFTA Phase II (2020 to date)

Although the CPFTA-I enhanced bilateral trade between the two countries, a significant percentage of this exchange was propelled by Pakistan's growing imports from China, which continued to be a large supplier.

Pakistan began CPFTA-II negotiations in 2013 in response to its rapidly growing trade deficit, while keeping in view the need to both negotiate an FTA with China and protect its domestic sector. China and Pakistan agreed to liberalise 75% of the total traded TLs over the course of ten and 15 years, respectively, while 25% of the TLs were added to the protected list.

As per Pakistan's export interests, China completely eliminated duties on 313 product categories falling under CPFTA-II. The Most Favoured Nation (MFN) rate for these TLs in 2013 ranged from 5% to 35% at its highest (MoC 2023b) . Overall, the CPFTA-II provides preferential access to 8238 product lines with China at HS 8-Digit level out of which 3707 TLs were given immediate access.

An important aspect determining the quality and quantity of trade under CPFTA-II was China's imports from the world against the concessional TLs for Pakistan. However, in 2018, China did not import against 13% of the 8238 TLs from the world (Uroos 2021).

Utilisation of 313 Tariff Lines

To calculate the utilisation rate of CPFTA-II, this study examined 313 priority TLs of Pakistan's export interest comprehensively. The utilisation rate of these TLs was merely 25.2% in 2021, while 45% of these TLs were not even traded with other countries, including China. Textiles, apparel, footwear, leather, prepared food, cereals, animal products, machinery, auto components, iron and steel were among the priority sectors. In 2021, textile had the highest utilisation rate, i.e., 63% followed by 'Others' category (37%) and articles of apparel (33%). However, the concessional TLs for machinery and vegetable oil and fats were not even traded with China. Given that the CPFTA-II liberalised 75% of the TLs, Pakistan did not optimally utilise the zero-duty 313 product lines of its interest.

Table 10: Utilisation of 313 Preferential Tariff Lines of Pakistan's Export Interest (2021)

	TLs	Utilisation Rate %
No. of TLs exported to the world (including China)	171	54.6
No. of TLs exported to China	79	25.2
No. of TLs not traded at all	142	45.4
Total TLs	313	

Source: Author's calculations from MoC 2023b and TradeMap 2023.

Data Discrepancy under CPFTA

One crucial component of the China-Pakistan FTA is data misreporting. A glaring discrepancy was observed between what China reports has been exported to/imported from Pakistan and what Pakistan records as exported to/imported from China. In 2007, China seems to have imported worth USD 1.1 billion from Pakistan contrary to Pakistan's exports to China of USD 0.6 million. Similarly, Pakistan imported worth USD 6.7 billion from China in 2012 which the latter records as USD 9.3 billion. This significant data discrepancy has not only made CPFTA analysis difficult but has also contributed to lost revenues to the Government of Pakistan. Table 11 clearly indicates under-invoicing of Pakistan imports from China worth USD 2.6 billion for just one year (2012). This misreporting still persists under CPFTA, indicating that imports from China may have been far higher than what is currently reported in Pakistan.

Table 11: CPFTA Data Misreporting

	Exports (USD 000)			Imports (USD 000)		
Reporting Country	2007	2012	Change	2007	2012	Change
Pakistan	613,759	2,619,944	2,006,185	4,164,230	6,687,566	2,523,336
China	1,104,226	3,140,394	2,036,168	4,239,365	9,276,492	5,037,127
Discrepancy in Reported Data	490,467	520,450	-	75,135	2,588,926	-

Source: Same data source has been used for both countries (TradeMap 2023).

While talking about data discrepancy under CPFTA, it is pertinent to mention that a significant portion of this may be driven by the nature of the data and reporting techniques. In either scenario, discrepancy remains an issue that needs to be addressed.

EU's GSP+: A Case of Overreliance

Section 1 discussed how Pakistan's trade policy has relied on the use of import controls and tariffs for managing trade imbalances. Another important trade policy instrument for many developing countries, including Pakistan, is unilateral tariff concessions. The most important of which has been European Union's Generalised System of Preferences (GSP+).

The GSP+ is a unilateral preferential access offered by the EU to 'vulnerable economies' according to the World Bank's definition.⁷ The scheme grants complete removal of tariffs to the beneficiaries (including Pakistan) on more than 6000 TLs traded with the EU. Pakistan was awarded the GSP+ status on 1 January 2014 which expires in December 2023. For Pakistan to continue receiving benefits from the programme, it must adhere to new requirements set forth by the EU in addition to the 27 UN Conventions which it has already ratified and implemented.⁸ The GSP+ scheme remains under the umbrella of a rigorous monitoring cycle carried out by the GSP+ Monitoring Mission. The process includes bilateral discussions between the EU, GoP and other associated stakeholders before the GSP+ report is submitted to the European Council and Parliament for further actions. Pakistan has been a part of the scheme for ten years and has shown satisfactory performance in putting the 27 UN Conventions into practice. However, the most recent mission to Pakistan expressed serious concerns with regard to death penalties, gender wage differentials in many sectors, child labour and human rights in general.

⁷ Per capita income should not exceed USD 4,095.

⁸ The 27 UN Conventions are based on human rights, labour rights, climate change and good governance.

Utilisation

EU is Pakistan's one of the most important trading partners with a 33% share in Pakistan's exports in 2022. Pakistan's exports to the EU have increased from an aggregate of USD 37 billion in 2007-13 to an aggregate of USD 66 billion (2014-22), a 78% growth as compared with a 45% growth in aggregate exports to the world in same time period (Javaid 2022). According to the data released by the European Commission, EU's imports from Pakistan stood at €6.6 billion in 2021 and the total trade between the signatories rose to €12 billion, up from €5.5 billion in imports and €9.3 billion in total trade in 2020. Despite the escalation in its exports to the EU, the share of Pakistan's exports in EU's total imports is merely 0.3%, ranking Pakistan as its 45th trading partner.

Table 12: EU Trade with Pakistan

Indicator	Unit	Period	Import	Export	Total Trade
Import/Export	Mio euros	2021	6,642	5,595	12,236
Rank as EU Partner		2021	43	42	45
Share in EU Trade	%	2021	0.3	0.3	0.3
Annual Growth Rate	%	2020-2021	20.4	45.1	
Annual Average Growth Rate	%	2017-2021	5.6	1.1	

Source: European Commission 2023.

Pakistan's utilisation rate for the GSP+ scheme is 97%, which is exceptionally high. To analyse the usage of preferential TLs, this study will take a deeper look at the most eligible chapters which made up Pakistan's top 15 exports to the EU (as of 2021). Table 13 demonstrates that the share of textile articles, apparel and cotton has grown dramatically in Pakistan's exports to the EU post-GSP+. Although Pakistan's exports to the rest of the world have increased too, for the most of these chapters, such as textiles, exports to the EU have grown more than exports to the rest of the world. This demonstrates that GSP+ might have led to some degree of export diversion as exports have grown to EU more than to the world.

Table 13: Pakistan's Top 15 Exports to EU (2021)

Product Code	Product Label	Proportion in Total Exports %		Growth in Exports to EU %	Growth in Exports to the World %
		2013	2021		
Total	All products (total exports)	25	34↑	55>	15
63	Other made-up textile articles, sets, worn clothing and worn textile articles, rags	40	49↑	82>	50
61	Articles of apparel and clothing accessories, knitted or crocheted	40	46↑	145>	114%
62	Articles of apparel and clothing accessories, not knitted or crocheted	61	57	72<	83
52	Cotton	18	23↑	-16	-36
10	Cereals	8	20↑	164>	4
42	Articles of leather, saddlery and harness, travel goods, handbags and similar containers	63	54↓	-20<	-6
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical ...	38	36↓	22<	26
55	Man-made staple fibres	22	35↑	59>	1
22	Beverages, spirits and vinegar	22	34↑	76>	11
95	Toys, games, and sports requisites; parts and accessories thereof	50	52↑	11>	8
64	Footwear, gaiters and the like; parts of such articles	71	64↓	17<	29
94	Furniture, bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	28	40↑	182>	98
41	Raw hides and skins (other than fur skins) and leather	25	35↑	-51	-65
39	Plastics and articles thereof	13	17↑	12>	-13
08	Edible fruit and nuts, peel of citrus fruit or melons	16	11↓	-23<	14

Source: Author's Calculations, Trade Map 2023.

Clearly, Pakistan's exports to the EU have increased substantially, but at the same time, there is also growth in exports to other significant destinations where Pakistan does not enjoy duty-free access, including the US (65% in same time period).

Overreliance and Dependency on GSP+

Reliance on unilateral schemes has remained a cornerstone of Pakistan's trade policy for decades. EU's GSP+ is an exemplar. Except for Pakistan and the Philippines, all other GSP+ beneficiaries are third world countries having extremely low level of exports.

Table 14: GSP+ Beneficiaries and Exports (2021)

GSP+ Beneficiary	Exports in USD Billion (2021)
Pakistan	28.8
Philippines	75
Armenia	3
Bolivia	14
Cape Verde	45 million
Kyrgyzstan	1.7
Mongolia	9.2
Paraguay	10
Uzbekistan	14

Source: TradeMap 2023d.

Currently, the EU has 41 trade agreements⁹ with 72 countries, whereas the Philippines is also negotiating an FTA. It is apparent that the Philippines will exit the GSP+ arrangement once successfully negotiating this FTA. Although Pakistan has been benefitting from this preferential access for ten years, the country did

⁹ These include Free Trade Agreements (FTAs), Economic Participation Agreements (EPAs), and Association Agreements (AAs).

not witness any significant growth in its global trade share or total exports which amounted to USD 25 billion in 2013 and was the same in 2021.¹⁰

Having a closer look at Table 13, the most traded chapters with the EU are also the major beneficiaries of export schemes, tariff concessions, government subsidies and therefore, GSP+. In addition to the five zero rated sectors, there are other industries which experienced growth under GSP+ but are not discussed in the policy discourse, such as animal or vegetable prepared edibles, coca and cereals, base metals, articles of iron and steel, furniture and bedding and ceramics (Javaid 2022). Since GSP+ comes with strict conditionalities, many potential products either do not qualify for the scheme or are unable to meet the international standards.

Table 15: Priority Sectors STPF (2020-25)

Traditional Sectors	Developmental Sectors
Textile & Apparel	Engineering Goods (incl. Auto Parts)
Leather	Pharmaceutical
Surgical Instruments	Marble & Minerals
Sports Goods	Processed Food & Beverages
Carpets	Footwear
Rice	Gems & Jewellery
Cutlery	Chemicals
	Meat & Poultry
	Fruits & Vegetables
	Seafood

Source: MoC 2020.

Undoubtedly, GSP+ has enabled Pakistan maintain compliance with international standards in the export sector. However, Pakistan must realise that policies are time bound and need to be revised with changes in country's dynamics and geopolitical relevance. Bangladesh i.e., an EBA beneficiary under GSP arrangement, will soon graduate from its LDC status and join the GSP+ bandwagon. India, on the other hand, is negotiating an FTA with the EU. Pakistan, if loses the GSP+, will lose a substantial market. Therefore, it must realise the

¹⁰ As per SBP data.

importance of diversification of markets and products through sustainable export growth policies. Over reliance on GSP+ has prevented Pakistan from taking advantage of many opportunities that other nations did not miss. Post-December 2023, either Pakistan will get an extension of the current GSP+ status or re-apply for the new GSP+ scheme which will, unfortunately, come with tighter conditions. In both cases, Pakistan needs to revisit its trade policy with the EU.

Policy Recommendations

The study has attempted to critically evaluate Pakistan's trade policies in the light of its current trade status and commonly used trade instruments i.e., import controls and FTAs. Also, it was observed that most of Pakistan's FTAs have remained non-functional when it comes to increasing total exports and export competitiveness. This is primarily due to the structure and design of these FTAs which are not deep and have meagre product coverage. In addition, Pakistan's obsession of adherence to traditional exports and refusing to step out of its comfort zone has put the country in a low value-added vicious cycle. Given these realities, this last section tries to propose a way out of Pakistan's non-performance under the FTAs.

Proposal 1: Incorporating Mauritius into the 'Look Africa Policy' Initiative

The 'Look Africa Policy Initiative' was introduced by the MoC in 2017 as a means of enhancing trade between Pakistan and Africa. The policy intends to negotiate PTAs with major African trading blocs – South African Custom Union (SACU), East African Community (EAC), and Economic Community of West African States (ECOWAS). Although Mauritius is member of other important African trading blocs such as Common Market for Southern and Eastern Africa (COMESA), Southern African Development Community (SADC), and African Continental Free

Trade Agreement (AfCFTA), it does not seem to be a member of any of the trading blocs covered under the 'Look Africa Policy'.

Since the Mauritius-Pakistan agreement is the only PTA Pakistan has in Africa, that too with a meagre utilisation rate, Pakistan must envisage Mauritius as a strategic partner under the 'Look Africa Policy' rather as a single market through a PTA.

Proposal 2: Trade Data Management through PSW

Data misreporting has a direct impact on policy analysis as well as potential future investments in Pakistan. Since 2021, Pakistan Single Window (PSW) has been attempting to digitise trade-related documents through a single window. This will not only cut cost but also decrease the likelihood of both under and over invoicing. By making PSW registration mandatory for all exporters, particularly for those who trade under FTAs, PSW can aid in decreasing inefficiencies relating to trade invoicing such as the one under CPFTA. PSW should also ensure that data is exchanged between authorities in Pakistan and China in real-time while the regulatory authorities must penalise any misdeclaration immediately.

Proposal 3: Restructuring FTAs

Our analysis and available literature indicate that, if well negotiated, FTAs increase trade, sometimes deficit too, but do not deter exports. Apart from that, firms benefit from technology transfers, innovation, productive efficiency and more competition. Policymakers must emphasise the following areas with regard to current and future FTAs:

- a. **Deepening Trade Agreements:** Restructuring a trade agreement is far better than undoing an agreement which may have detrimental effects on the signatories' economies. Trade policy encompasses more than just tariff reductions; it also includes aspects such as service trade, adherence

to environmental standards, competition guidelines, investment protocols, labour market regulations, and other related considerations. Research suggests that the deeper a trade agreement is, the more positive impact it has among the member countries. Unfortunately, the trade agreements in Pakistan only cover trade in goods with an exception of CPFTA and Malaysia-Pakistan FTA. Moreover, FTAs are accused of diverting trade towards member countries whereas deepening of trade agreements ameliorates the impact of trade diversion (Mulabdic et al., 2017). Pakistan needs to restructure its non-functional FTAs in view of measures that go beyond tariff reduction policies. With that, FTA policies should be flexible with the changes in market demand. Agreements which were negotiated decades back, might not remain functional today. To optimally utilise old FTAs, authorities must try to revisit the agreements and identify potential areas of further negotiations.

- b. **FTAs Reciprocal Arrangements are better than Unilateral Preferences:** GSP+ offers concessions only for Pakistan's exports whereas, Pakistan is not liberalising anything in exchange that ultimately limits competition, restricts allocative efficiency and innovation gains, and leaves an impact on productivity. Although, the EU is a huge market for Pakistani exporters, the GSP+ limits European exporters to explore investment areas in Pakistan which an FTA would not otherwise. Pakistan's regional competitors and other GSP+ members such as India and the Philippines are already negotiating an FTA with the EU. Despite having continuously benefited from this unilateral status for a decade without a significant boost in its total exports, Pakistan should now contemplate pursuing an FTA with the EU. This could provide broader coverage and create a mutually beneficial situation.

Proposal 4: Prioritising Regional Integration

The intra-regional disagreements in the South Asian region have led to far greater impact on trade and connectivity than actually realised. Pakistan's trade within

the region was only USD 4.1 billion in 2019 as compared to its trade with Europe and Central Asia, i.e., more than USD 15 billion.

Pakistan must try putting an end to its inward-oriented protectionist policies and realise the potential gains from trade within the region through enhancement of regional trade. As also mentioned under STPF'25, there is a need to exploit trade potential with Central Asian Republics (CARs), Turkey, Iran, Europe and Russia through regional connectivity.

Proposal 5: Investing in Research and Development

Most of the aforementioned proposals will require applied research. Unfortunately, government departments and the Ministry of Commerce lack in-house capacity needed to conduct efficient research prior to developing and implementing trade policies. Ineffective trade strategies and dysfunctional bilateral and multilateral trade agreements are the result of lack of evidence through research and, ultimately, lack of economic diplomacy. In order to assist the Ministry of Commerce in developing policies and formulating trade agreements, the Pakistan Institute of Trade and Development (PITAD) should actively pursue research and training in this regard. Additionally, the MoC should proactively involve researchers with strong expertise in trade, economics, and related fields. By leveraging their academic background, the government can be better assisted in research, leading to more informed and robust policymaking.

Conclusion

The vision and mission of Pakistan's trade policy have expanded on paper and in policy but remain static in execution. The country's exports have not witnessed transformative changes in value, volume, product range, target markets, or global value chains. Factors like limited regional integration, an overdependence on unilateral preferences, suboptimal FTAs, and import substitution policies have hindered its progress both regionally and globally. Many developing countries,

such as Vietnam, with similar export levels to Pakistan (in 1995) transformed their exports phenomenally through regional and global integration. The government must realise that its unilateral or bilateral agreements will remain ineffective and futile in the presence of its protectionist and inward-oriented policies. If it does not think beyond its traditional markets and limited products, Pakistan would find itself in a more perilous situation than it is today.

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Annexure I: Relevant Tables

**Table 1: CPFTA-II Detailed Analysis for 313 Preferential Tariff Lines
(2021)**

Sectors	Preferential TLs HS 8- Digit	Utilised TLs in 2021	Utilisation Rate %	TLs exported to World but not to China
Articles of apparel (Garments & Made-ups)	105	35	33	22
Animal Products (Sea food, Meat, Poultry, Milk & Cream, Honey)	28	5	18	10
Textiles (Yarn & Carpets)	24	15	63	4
Prepared Food Stuff	19	3	16	2
Leather	18	6	33	3
Machinery (Fans, Refrigerators, ACs, Hydraulic Pumps, Heat Exchange Units)	17	0	0	3
Plastics, Articles of plastic	14	3	21	5
Vehicles (Tractors, auto and motorcycle parts)	13	0	0	5
Chemicals (Soaps & Organic surface active agents, make up preps, gelatin, others)	13	1	8	4
Cereals & Fruits	10	1	10	4
Jewellery and Parts etc.	9	2	22	1
Bedding Articles, Mattresses, Electric Lamps	8	0	0	2
Oil Seeds, Vegetable Fats and Oils	7	1	14	0
Footwear	9	1	11	5
Others (Electric accumulators, Sanitary Ware, Manicure/Pedicure Sets, Conductors, Cables, Cement, Glassware, Iron and Steel)	19	7	37	7
Total	313	80	25.5%	77

Note: Includes exports as low as USD1000.

Source: TradeMap 2023.

Table 2: Top 10 HS 2-Digit Imports from China

List of Top 10 Chapters Imported prior CPFTA-I (2006)	List of Chapters Imported Post-CPFTA-I (2012)
84	85
85	84
54	29
72	54
29	72
27	31
39	39
40	73
87	87
73	55

Source: TradeMap 2023.

Table 3: Tariff Reduction Module CPFTA-I

Category	Track	TRM of China		TRM of Pakistan	
		No. of TLs	% of TLs at 8-Digits	No. of TLs	% of TLs at 8-Digits
Category I	Elimination of tariffs (three years)	2681	35.50	2423	35.60
Category II	0-5% (five years)	2604	34.50	1338	19.90
Category III	Reduction on Margin of Preference from 50% (five years)	604	8.00	157	2.00
Category IV	Reduction on Margin of Preference from 20% (five years)	529	7.00	1768	26.10
	No Concession	1132	15.00	1025	15.00
	Exclusion			92	1.40
	Total	6418		5686	

Source: MoC 2023b.

Sarah Javaid is a Research Associate in International Trade & Diplomacy at the Pakistan Textile Council. She holds a Master's degree in Economics from the Lahore University of Management Sciences (LUMS). With a specialisation in international trade, she has authored numerous reports in this domain.

GOVERNANCE IMPERATIVES

Transient Local Governance in Pakistan: Exploring
Political Interruptions and Provincial Instabilities

Javed Ahmed Malik, Bilal Ali Rao & Shafaq Kiani

Afghan Refugees and Migrants in Pakistan: Policy
Directions, Legislation and Service Provision

Safiya Aftab & Muhammad Jamal Janjua

Transient Local Governance in Pakistan: Exploring Political Interruptions and Provincial Instabilities*

Javed Ahmed Malik, Bilal Ali Rao & Shafaq Kiani

Abstract

Pakistan's experience with decentralisation and devolution of fiscal, political, and administrative powers to local governments has been marred by inconsistencies. The complicated journey of introducing and sustaining decentralisation and devolution through local government reforms, in particular, has been difficult. There have been sporadic reforms, and elections for the establishment of local governments have been held, but almost always with delays, rather than becoming part of the country's democratic ethos. This continues to be the case today. In each of Pakistan's four provinces, currently either no elected local government exists and if they do, they are not functional. In the past, once local governments were formed, it often took more than a year for them to start functioning properly. This impacts the working of local governments jeopardising

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their continuity. There are multiple reasons for this lack of continuity, and the most important factor is resistance from stakeholders – primarily from the political parties and the bureaucracy. This chapter contends that among the many factors that have impeded the introduction and sustainability of local governments and their associated reforms, a lack of political involvement and, thus, political ownership remain the biggest barriers towards effective devolution. In acknowledging this as one reason for the lack of local government sustainability, the chapter also demonstrates that this lack of political will to support or endorse initiatives to strengthen local government occurs as a result of efforts by parties to maintain political control and concentrated provincial control, a powerful bureaucracy, and reduced authority on the part of local governments themselves.

Transitioning to Robust Local Governments: Insights from Evidence

Efforts at decentralisation have not been easy in many countries. For example, in France, with a long-standing democratic system and practices, the establishment of sub-national autonomous regions proved to be difficult. Their empowerment and the gradual expansion of their roles in managing local services provided by both the public and private sectors was halted in 2007 after the election of Nicolas Sarkozy as President. Sarkozy slowed the pace of the transfer of powers to regional governments based on his own views about the decentralisation process (Loughlin 2008). The French example shows the political nature of decentralisation, whether at the immediate sub-national or local levels is a major concern.

The body of academic literature on the subject shows that this happens because of a range of very high stakes issues related to local development and the distribution of power that are contested on an almost daily basis by political actors. Any effective system of local government needs to carry out essential functions and should demonstrate ‘*autonomy and relationship to other levels of government, its relationship to its residents (as well as) its outcomes*’ (Wolman

2008) in terms of socioeconomic development. The following framework (Table 1), developed by Harold Wolman, explains the reasons why the establishment and functioning of local governments (not only in Pakistan) have been politically contested, regularly resulting in the collapse of decentralisation schemes.

Table 1: Political Challenges to Local Governments and the Collapse of Decentralisation Initiatives

Wolman's Key Analytical Dimensions¹	
Primary Purpose of LG	Efficient delivery of local services; provider of social welfare; promoter of community interests; as a resolver of conflicts
Importance of LG	(How) important is LG in terms of its effect on the national economy? Is it important in that its actions affect the well-being of its residents in significant ways?
LG Institutional Structure, Form, & Setting	Institutional characteristics are the formal or accepted arrangements of LGs with respect to their decision-making bodies, the way these bodies are selected, and the way they formally relate to one another at the metropolitan and national (or state) levels.
Local Autonomy	The degree of discretion a LG possesses in determining what it will do without constraint from external sources. Local autonomy conventionally refers to constraints on LG action imposed by higher levels of government. The degree of local autonomy reflects legal and fiscal arrangements, the extent to which the national government is able to exert influence over LGs, and the ability of LGs (or LG associations) to influence the national government. Local autonomy, more broadly conceived, can also reflect the degree to which local economic and social conditions impose limits on LG action.
Local Democracy	Consists of a set of relationships between public decision-makers and citizens characterised by: ○ Accountability of public decision-makers to the public. ○ Responsiveness of public decision-makers to public preferences. ○ Representation of relevant interests among public decision-makers and within the decision-making process. ○ Participation by local citizens in selecting public decision-makers and in shaping public decisions.
LG Capacity & Performance	Does the LG have the means to accomplish its ends? Does it accomplish its ends?
LG Service Delivery	Consists of the actual delivery of LG services to local residents or other intended beneficiaries. Are these services delivered efficiently, equitably, and through what mechanisms?

¹ Note: As defined by Wolman, edited for brevity. LG: Local Government.

LG Politics & Policy	Fundamental societal divisions around which political debate occurs and issues are structured. What are these (differences) and how many of them are there? Decision-making processes: The means through which public decisions are made. They may be characterised inter alia, by the type of participants in the process (e.g., elitist, pluralist, corporatist, managerial/professional), by regime type (e.g., growth, human capital, social welfare, progressive, managerial), or by state-market relations. Policy agenda, outputs & outcomes: A policy agenda consists of the set of major issues that are formally considered by political decision-makers. Policy outputs are the actions taken by LG. Policy outcomes are the effect of these actions. Are policy outcomes, e.g., redistributive, developmental, or allocational?
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Source: As defined in the language by Wolman (2008), edited for brevity.

Local government reforms have kept emerging and collapsing in Pakistan because it has become such a high stakes issue of power and resource distribution among various levels of the government, as well as among political parties.² Ironically, local governments have always been promoted in times of martial law and have been opposed by political parties. Autocrats in Pakistan (Generals Ayub Khan 1958-1968, Muhammad Zia-ul-Haq 1977-1988 and Pervez Musharraf 1999-2007) all conducted elections for local government, seeking political legitimacy at the local level for the continuance of their military rule. Democratic governments, on the other hand, feared that local governments would weaken their central control, and normally avoided holding local elections. In 1993, during her election campaign, Benazir Bhutto said on national media that people in villages were living without any government. She was absolutely correct, but she could never deliver on local government reforms or elections – that was to be done by an autocrat, Musharraf ten years later, in 2002, only to once again be rendered dysfunctional in 2007. Today, they are still dysfunctional, without any real power or relevance. The system introduced by Musharraf in 2002 improved representation, accountability and the delivery of services, despite the problematic motivation to dress up his military rule. The system was considered

² This section builds on the publication of co-author Malik 2018, *Transforming Villages*.

successful but could not sustain itself beyond the years of military rule (World Bank Group 2004).

If an elected government chooses to conduct local elections, evidence suggests that the timing is based on political decision-making, and this plays a key role in local government decentralisation. Political parties always find it hard to conduct local elections, and the most important factor for local government reforms initiation is likely the timing. A study reviewing 153 Spanish municipalities published in 2013 found that *'decentralization is carried out in environments where political competition is lower and the party in power enjoyed greater support in the last elections'* and, additionally, that the *'decentralization processes usually takes place in the years immediately following elections'* (Ballesteros et al., 2013).

In successful cases, both top-down and bottom-up pressures for decentralisation reforms can be present and can actually have their own influence on local them. The evidence from young democracies like South Africa suggests that once the political intent is there to initiate reforms, many factors can contribute to making them successful. The complex top-down administrative reforms led by bureaucrats and bottom-up community-based demands regarding the nature of funding and types of projects can both help in supporting effective decentralisation, giving hope that even the public policy complexity and competing interests involved can be managed successfully (Wolman 2008).

The sources of support for reforms are different and can operate with different objectives. New public management-type administrative reforms will more likely be applied where there is a strong top-down intergovernmental influence on newly created local governments. Alternatively, participatory process-management-type administrative reforms will more likely be applied where there is a strong bottom-up social influence on newly created local governments (Andrews 2003). Econometric analysis of budgets and their impacts on policies has shown that these two approaches can co-exist at the same time in different kinds of local and regional relational arrangements (Ibid.). These insights

regarding decentralisation reform processes can help in making the political debate richer and more informed, rather than simplistic and polarised and, therefore, lacking any conceptual or political way out.

Context: Introduction of and Transition to Local Government Reforms in Pakistan

Pakistan has experimented with local government reforms in a number of ways in different political eras, reflecting the different political choices and circumstances of the times. An early instance of this came from the British when they introduced a more bureaucratic form of governance, i.e., the commissioners, thereby eliminating the involvement of local representation in the form of existing Mughal era local village systems of governance with revenue collection duties (Cheema et al., 2006). Over time, the British governance system also provided for increased provincial control through district administrations. In the absence of political consensus, this bureaucratic involvement only increased over the years.

Many aspects of the British system of local governance, including its centralised approach and diminished political involvement, were inherited by Pakistan upon its independence, and the practice of the erosion of political involvement and ownership of local governance continued. While the first post-independence introduction of local government reforms and elections took place under the autocratic regimes of Generals Ayub Khan, Zia-ul Haq and, later, Musharraf, it should be noted that these reforms also played a fundamental role in diminishing national political involvement. This was primarily achieved through consolidating centralised power and creating replacement structures that disconnected national politics and politicians from local politics (Cheema et al., 2006).

Over the past decade, all four of Pakistan's provinces have implemented local government reforms to some degree. The fact that these reforms have taken place on the orders of the Supreme Court suggests political reluctance to implement them (Dawn 2015). The 18th Amendment to the Constitution of

Pakistan in 2010, which essentially changed the country from a semi-presidential to a parliamentary republic, provided the impetus needed to reintroduce decentralisation through greater provincial autonomy. It mandated the establishment of local government at the provincial levels (and in regions administered by the federal level) and called for fiscal, political, and administrative devolution, thereby providing local governments with constitutional protection. This helped usher in legislative local government reforms, with local government legislation introduced in Khyber Pakhtunkhwa in 2013. This was the second-best attempt towards a progressive legislation for the empowerment of local governments up to that time. With substantive devolution of financial and administrative authority, Khyber Pakhtunkhwa became the only province to legislate the allocation of 30% of funds from the Annual Development Programme to village and neighbourhood councils. Before that from 2002-07, President Musharraf's Local Government Act was seen as the boldest legislation in the country (and even in the region) (Cheema et al., 2006). While it is debatable to what extent this was implemented, the intent was nonetheless there. Conversely, Punjab reinforced provincial control in its legislation, through the inclusion of the provision that the local government '*shall be bound by the directions of the Provincial Government*' (Riaz 2019). Legislation passed in Punjab in 2013 further empowered the bureaucracy, by making the Deputy Commissioner answerable only to the Provincial Chief Secretary, and by undoing the representation in the Local Government Ordinance of 2001, under which the *Nazim*, the chief elected local government official, was able to supervise the District Coordination Officer. A qualitative analysis of reforms in the provinces indicates both pros and cons of the approach, but it also shows the political intent to pursue devolution, albeit limited, given the attempts to maintain provincial control.

Time lags in implementing even positive local laws show confusion and a lack of commitment in various parts of the government. Though provincial legislation for local government was passed in 2013, it was not until 2015 that local government elections took place – and then only following court orders – in Sindh, Khyber Pakhtunkhwa and Punjab. The sustainability of the governments elected

remains inconsistent and questionable. As of 2023, local government elections have been delayed in all provinces except Sindh (where the government only just completed its term). The Election Act of 2017, in its section 2019 (4), stipulates those elections be held within 120 days of the completion of the term of the previous local government. The local government in Punjab was dissolved in May of 2019, with a commitment to hold elections within 120 days. Similarly, the Balochistan government completed its term in January 2019, and the Khyber Pakhtunkhwa Local Government (DRI 2019) completed its term in August 2019.

These delays call into question the political commitment to institutions of local government. The lack of commitment to and continuity of local government bodies affects the sustainability of the scheme. This issue is at the core of why devolution has not happened successfully in Pakistan and is one of the many issues that hinders local governments in taking root.

Weak Ownership of the Local Government Agenda in Political Parties

Political parties change their positions depending on whether they are in opposition or in the government. The basic issue of whether elections should be held on a party or non-party basis is a good example of this. Once in opposition, political parties promise reforms on a party basis. However, once in power and drafting the related legislation, they opt for non-party based elections. This stems from their fear that it will be difficult for the incumbent government to win elections based on a party basis at the grassroots. This fear weakens the political party but ensures that they are not criticised for their performance in these elections. The Punjab government in 2013 initially wanted non-party elections for the Union Council. However, due to successful petitions in the court, elections were on a party basis.

Most political parties in Pakistan do not have a history of being organised at the local level and tend to have centralised control. The lack of political devolution at

the local level is also a sign of weakness in the national democratic structure, which lacks a foundation of political representation and participation at the grassroots level. The inclusion of party-based local elections creates an incentive for political parties but as mentioned, it also creates a sense of insecurity. The utility of local representation is evidently undervalued and often seen as counterproductive.

It is not in the interest of six key players to devolve local power to people. The size of each box describes the level of their direct or indirect relationship with the issue (Figure 1):

Figure 1: Dynamics of Power Devolution



Source: Authors' own. Developed on the basis of field observations from several rural districts in the country and number of provincial consultations.

Local Governments: Perceived Threats to Central and Provincial Authority

Central and provincial legislators and the bureaucracy often consider local governments as direct assaults on their authority. The way power is organised between bureaucracy, elected Members of the National Assembly (MNAs) and of

the Provincial Assemblies (MPAs) at the moment means they are reluctant to delegate power to the local level, fearing loss of influence and control over funds. The traditional local government systems will always have an uneasy relationship with the Pakistani provincial bureaucracies, mainly due to the perceived fiduciary risk and weak capacity. However, even the centralisation of power has seen Pakistan falling in the Corruption Perception Index to 145. In 2007, a workable Local Government System was willingly abolished by the new democratic regime in Pakistan, led by two main political parties, apparently on the advice of the senior bureaucracy. It was in the interests of neither the provincial Chief Ministers nor the elected members of Parliament to decentralise powers to districts and let them have control over the development of a constituency of more than 1.5 million people (the average population of a district) and the related resources (Malik 2018).

Central Government vs. Party Representatives: Clashing Political Interests

The introduction of discretionary funds for MNAs and MPAs is a tool for politicians to secure local support. These are essentially development grants assigned at the discretion of the Prime Minister, and to be used in local constituencies. Attempts at curtailing these funds are often met with resistance (Dawn 2018). In many cases, there has been concern around their use, with many raising an alarm that these are politically motivated to serve the interests of the political parties, especially in the pursuit of re-election. These funds also bring into conflict the role of local government representatives, such as councillors responsible for service delivery, turning MNAs and MPAs into competitors with local government representatives.

MNAs and MPAs have begun to foresee their role as service providers to their constituents by bringing development funds to their constituency. They spend their time in their constituencies, and constituents expect them to bring roads, water schemes and sports facilities with them, while their primary role is to pass

legislation. This makes it difficult for MNAs and MPAs to support any local government reforms or their implementation. Ironically, MPAs have to legislate on local government reforms in the Provincial Assembly and, due to an unwillingness to abdicate their hold over their constituents, they try their best to ensure that local governments are mostly devoid of any meaningful powers.

Concentrated Provincial Control

The move from federal to provincial autonomy on the basis of the 18th Amendment to the Constitution has been viewed as a largely positive development for Pakistan. The 18th Amendment was introduced to ensure that devolution would not cease at the provincial level, and that authority and power would also be devolved to local governments, to ensure that service delivery happens at the grassroots. But this has not happened. The various legislative acts on local government all contain significant, if varying, degrees of provincial control over the local governments.

All political parties in Pakistan have strong provincial leadership, and they prefer to govern provinces through their strong provincial leaders, rather than local governments. The provincial government wields immense power, with the authority to notify the Election Commission of the date for holding elections. Until the provincial government does so, the Election Commission is unable to take any steps towards holding local government elections.

It is mostly in the interest of provincial leaders that elections are delayed, and that weak local governments exist, so they can control local communities directly and decide about the spending of funds at the provincial level. Under most of the Local Government Acts passed in the past five years or so, provincial local Government Commissions can conduct audits and inspections of the local governments, and these Commissions report to the provincial government. Moreover, the Chief Ministers of all the provinces have the power to dismiss a

local government and appoint officeholders after the dismissal of council heads showing how provincial governments keep control over local governments.

Despite the passing of relatively bolder local government laws in Punjab and Khyber Pakhtunkhwa, elections have been delayed several times in these provinces. The provinces of Sindh and Balochistan, which have slightly weaker local government laws, with more control falling to the bureaucracy than with the politicians, particularly in managing local level policy and budgets, have also delayed their elections. Historically, districts have always had disproportionately low budgetary allocations as compared to provinces.

By comparison, in Germany, a country with robust local self-governance, the local governments' expenditure represents a major chunk of the total funds spent by the 16 federal states. German SNGs are key economic and social actors. In fact, their share in GDP and public spending is above the OECD average (UCLG-OECD 2016).

Weak Local Authority: The Root of Diminished Public Support

Another problem faced by local governments is in the extent of authority they can exercise. While more powers have been envisioned through amendments in the Local Government Acts of Punjab and Khyber Pakhtunkhwa, these are still insufficient. In fact, in the latest Local Government Amendment Act of 2019, the list of devolved functions/offices was reduced (DRI 2019). The 2013 Local Government Act devolved 24 departments from the province to the local government, but the 2019 amendments withdrew 16 departments from the list.

Another issue that restricts local government authority is the time taken to formulate rules and regulations as to how local governments exercise their powers.

Municipality functions are mostly related to local tasks. In some cases, however, provinces have outsourced municipality functions to private companies. In Punjab for example, waste disposal in major cities is handled through these companies.³ This outsourcing of functions to special companies has impacted the performance and visibility of local governments. Creating so many different organisations to bypass local governments for municipality functions confuses the public and reduces their trust in the efficacy of local governments. In the case of Sindh, municipal functions were taken away from the local government and made provincial functions (Azam 2017).

Tensions of Bureaucratic vs. Elected Office Control in Districts

The bureaucracy has always had a central role in the function and control of local governments in Pakistan. As discussed earlier, this practice was introduced by the British and continued by General Ayub Khan. The bureaucracy administers districts and *tehsils* – administrative subdivisions of districts – in the absence of local governments. They are the administrative arm of the provincial government and exercise significant power. A recent example of reliance on bureaucracy has been the delegation of the power of *Nazims* and councils to the bureaucracy in Khyber Pakhtunkhwa upon the completion of the tenure of the elected councils in 2019. Deputy Commissioners were given the authority of the District Councils, while the *Tehsils* council powers were handed to the *Tehsil* Municipal Officers, and Assistant Directors were given the village and neighbourhood council powers of the local government (Ashfaq 2020). These offices were also given the power to utilise funds for development and launch new initiatives in the absence of elected local government representatives.

Bureaucrats, much like politicians, have an incentive to resist local government reforms, as this means handing some of their powers to local representatives.

³ See, for example, the list of private companies dealing with water and sanitation. All of these city-based companies are made through provincial legislation and are not overseen by local authorities.

This issue is at the heart of the sustainability of local government reforms. Bureaucrats do not see themselves as benefactors of local governments and do not have any stake in the reforms, as the incentive structure is misaligned. Moreover, historically, a strong federal government has controlled local service delivery through the bureaucracy.

Weak Implementation of Local Government Laws

A particular problem faced by local governments is the implementation of actual legislation. A case in point is the Finance Commission (FC) in Punjab. It took almost two years after the elections in 2015 for the FC there to be constituted. This Commission was tasked with the distribution of funds between different local governments but was not functional till 2017. This half-hearted approach to implementation makes it difficult for local governments to fulfil their full potential and succeed.

Local Governments: Pockets of Success Amidst Systemic Challenges

Despite the challenges surrounding the sustainability of local government reforms, there are notable silver linings.

The **first** success is that all four provincial governments held elections in 2015 through 2016, and elected local representatives were put in place in all four provinces. This was a major step, as many democratic regimes previously lacked the will to have local governments. These elections provided a platform for local politicians to participate.

The **second** success in these recent reforms was emphasis on the basic grassroots level unit of politics, i.e., Union and Village Councils (VCs). These were strengthened in Khyber Pakhtunkhwa as their size was reduced and more organic

VCs were created. More funds and autonomy were given to them. Similarly, Union Councils (UCs) in other provinces were also given development funds for their respective areas.

Third, local government elections have allowed grassroots political leadership to develop and emerge in all provinces. Many local government representatives gained experience in local governments and their performance was recognised by provincial political leaders. Many of them participated in the 2018 General Elections and won a number of Provincial Assembly seats.

Catalysts for Effective Crisis Response

Local governments play an important part in emergencies, due to their local linkages and presence. Pakistan's government does not utilise local governments in emergencies and has even set up new institutions to replace them. There was no local government presence during the floods in 2010. The COVID-19 emergency created a demand for local governments. Unfortunately, Balochistan, Khyber Pakhtunkhwa and Punjab had no local governments in place due to delayed elections. In their absence, the Federal Government raised a volunteer force to fill the gap. Sindh had local governments, but they were not utilised to the full extent.

Local governments are highly visible in other countries during emergencies. South Korea stands out in tackling COVID-19 efficiently, mainly due to the activities of its local governments (Oh 2020). It used its devolved system, in coordination with the central government, to align, adapt and localise its response strategy. Germany has been able to ramp up its testing services and lower its mortality rate due to the devolution of its health policy, which is managed and executed by 400 health offices, most of them managed by the municipal authority, although some aspects related to local health offices are managed directly by the state authority in some states (Oltermann 2020). Both these examples show that these opportunities provide local governments with a chance to showcase their efficacy.

Local governments allow rapid, real-time decision-making and create avenues for local ownership. Local structures and representatives can provide rapid grassroots responses, which cannot always be ensured by provincial governments and bureaucrats. If local governments were in place in Pakistan, they could have facilitated the swift set up of quarantine centres, medical facilities and increased the country's capacity for large-scale testing and training for doctors. Local representatives could also have provided an effective means of communication for preventive measures in local languages and as trusted representatives, due to their influence and reach in traditional community structures.

Towards Sustainability of Local Governments: Recommendations

While all of the following measures are likely to improve sustainability of local governments, they cannot all be undertaken at the same time. There should be discussion over their sequencing.

Increased coordination and interaction of MPAs with the political and bureaucratic representatives in local governments: To make local government reforms sustainable, it is important for MNAs and MPAs to coordinate with the formal stakeholders in the system. Their incentives should be aligned with local governments, so that they promote, rather than resist, these reforms. Creating a formal or informal role for MPAs and increasing interaction and coordination through the formation of advisory roles may provide an inroad. Their inclusion in discussions on development decision-making at the local level, without hampering the authority of local representatives, could be useful. Local governments can make their day-to-day decisions on their own and can take the advice of MPAs on policy issues or large development projects.

Make municipal functions part of the local governments: Local governments should be given the opportunity to showcase their performance. They should be given functions that they can handle. However, a laundry list of functions without

support will not work. The main aim should be that local governments are given responsibilities according to their capacities. This should not, however, mean giving them so few functions that there is little reason for them to exist. Municipal functions and local area planning should be carried out by the local government and should not be outsourced. These functions will allow local governments to generate their funds and will also allow them to connect with their constituents through their performance.

Citizens demands from and awareness of local governments: The Democracy Reporting International (DRI) has been conducting a local governance perception survey for the past year (DRI and ProPakistani, n.d.). The preliminary results indicate that 47% of respondents do not think the local governments have been responsive to their needs. 53%, however, think that local government is more effective than other levels of the government, and this response owes largely to the public's access to local representatives. This snapshot of people's perceptions is also supplemented by another recent survey, where more than 40% of Pakistanis preferred local governments over the formation of a 'Tiger Force' to support relief efforts and support Coronavirus containment efforts (Ayub 2020). These responses indicate that support for local government is there. The government and individual politicians need to be aware of this and realise that their political actions and visions need to be aligned with the public sentiment for increased service delivery through local governments. Developing champions in the provincial governments can help sustain local governments, as there are very few advocates of local governments in national and provincial politics. These advocates can ensure that local governments are sustainable and can make their case.

Harmonise the role of bureaucracy with newly created local government official roles: Pakistan has a bureaucratic structure responsible for administration at the district and *tehsil* level. Deputy Commissioners and Assistant Commissioners are the mainstays of local administration and run districts and *tehsils*. In 2013 and 2019, under local government reforms in Punjab, a bureaucratic structure for local governments was created, with Chief Executive

Officers (CEOs) as Principal Accounting Officers of local governments. This created parallel bureaucratic structures. There should be harmony between these systems, and the district/*tehsil* administrations should be merged with the local government bureaucracy. In the future, with a timeline of two to three years, Deputy Commissioners and Assistant Commissioners should either be given a more formal role and made local government CEOs, as per new law, or new CEOs and the older structures should be aligned and harmonised in a way that they function without major friction.

Creation of a cross-party political agreement to safeguard local governments:

Political parties have different models and visions for local governments, which is natural. The role of the local government has changed globally, with more emphasis now on bottom-up community participation, rather than trying to impose local governments as representatives of the central or provincial governments (Shah 2006). However, there has to be a consensus among major political parties on the basic structure and tenure of – and on the devolution of power and responsibilities to – local governments. Once such a consensus has been reached, this might be written into the Constitution, if needed. Article 140A of the Constitution already describes the institution of local governments but leaves provincial governments a lot of room for their own interpretations.

Any consensus should stipulate that local government elections are held within three to six months after General Elections: This will ensure that the government can make amendments to the local government laws within the first three months, and then still have sufficient time to hold elections. Moreover, the timelines of local government elections should be pre-determined and should be published to ensure implementation. This will also resolve issues with the organisation of parties at the local level. Consistent timelines and the regular holding of elections at set times will help promote the development of local party leadership. Parties will be pushed by their local leadership to hold local government elections, as this will create a constituency for local governments.

Strategies for Amplifying Local Governance

To foster political commitment and drive meaningful political transformation, civil society and reform advocates must bolster support for local government. The following three strategic steps are proposed:

1. Engage in Constructive Dialogue with Political Party Leadership:
 - Purpose: Highlight the tangible advantages of empowered local governments.
 - Topics for dialogue can include enhanced service delivery; reinforcing the grassroots structure of political parties; and collaborative strategies for effective coordination between parliamentarians and local government officials.
2. Cultivate Media Allies for Reform:
 - Challenge: The media predominantly covers national level politics, often sidelining the significance of local democracy.
 - Solution: It is imperative to nurture media allies who can spotlight and elevate the importance of local governance reforms.
3. Amplify the Influence of Local Politicians in Policy Formulation:
 - Tactic: Facilitate dialogue with the Parliament at both provincial and federal tiers to ensure local voices are integral in policy decisions.

Conclusion

Empowered local governments are essential for democracy, and public trust in democracy will improve with successful, effective local governments. Pakistan has incrementally improved its local government structure over the last two decades, but further transformation is required to take local governments to the next level, to increase their stability and public support.

To date, local government as a system has not been sustained in the country because political parties have never committed themselves to the idea of empowered local governments. It is important not only that this changes, but also

that political parties and provincial and bureaucratic stakeholders realise that their mutual interests and prosperity lies in the sustainability and strengthening of the *Local Government System* in Pakistan. Once this ownership and acceptance is there, the continuity of the system will increasingly become a reality.

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Javed Ahmed Malik is Director of the Malala Fund in Pakistan and has worked in the area of education, decentralised public service delivery and local governments. He is author of two books and is a doctoral researcher at the University of Bath.

Bilal Ali Rao is an expert on delivering large-scale public-sector programmes and has worked with the offices of the Chief Minister, Prime Minister and number of ministries. He pursued his academic endeavours at Cornell University and Lahore University of Management Sciences. He has also worked at McKinsey, United Nations Development Programme, among others.

Shafaq Kiani served as the Governance Expert and Asia Manager for Democracy Reporting International, initially in Islamabad and subsequently in Berlin. Earlier, she pursued Development Studies at the School of Oriental and African Studies (University of London).

Afghan Refugees and Migrants in Pakistan: Policy Directions, Legislation and Service Provision*

Safiya Aftab & Muhammad Jamal Janjua

Abstract

Pakistan introduced a new visa policy for Afghan citizens in September 2020 under which Afghan citizens were allowed multiple entry visas, for visits as well as long-term business. However, both legitimate travel (through visas) and illegal border crossings increased in the wake of the August 2021 takeover by the Afghan Taliban. The key conclusions of this research are that the government needs to move towards finding a long-term solution which would enable Afghans who have been here for decades to fully participate in the economy. The policymakers need to debate a policy and eventually draft legislation on asylum issues. Pakistan should have a position on whether and in what circumstances it will consider granting asylum to people who enter its territory. For the immediate future, it is crucial to register and count Afghan nationals who are currently in Pakistan. The United Nations High Commissioner for Refugees (UNHCR) last carried out a census of Afghan refugees in Pakistan in 2005. A new survey is long overdue. Given that Pakistan has hosted a large refugee/migrant population for so long, it needs to ensure that basic services are provided to them. Federal and

* This chapter has been approved as a *Research Paper / Scholarly Article* by the referee.

Provincial Governments should allow Afghan children to attend schools even if they or their parents have no form of government-issued documentation. Or at the most, the government should consider allowing children to enrol if their parents can show a tazkira (Afghan identification document). A similar policy can also be formulated for access to medical facilities.¹

Introduction

Pakistan has been the host country for one of the world's most prominent protracted refugee situations for over 40 years. Substantial inflows of Afghan refugees started occurring periodically in the aftermath of the Soviet invasion of Afghanistan in December 1979. At the peak of the war against the Soviets, in 1987-88, Pakistan was hosting over 3 million refugees. As of 31 August 2021, about 1.45 million registered Afghan refugees were resident in the country (UNHCR 2022b). The majority (or 58%) are residing in Khyber Pakhtunkhwa, while a further 23% in Balochistan. The remaining are scattered in (mostly urban) areas in Punjab, Sindh and the capital territory. However, this data very likely underestimates the number of persons who themselves, or whose elders, migrated to Pakistan post-January 1980. Many Afghans are thought to have acquired identity documents. Others have simply managed to remain undocumented and are not registered as refugees.

¹ Editors' Note: At the time of this chapter's finalisation for publication, the circumstances surrounding the subject matter were evolving. Specifically, the Caretaker Government of Pakistan made an announcement on 3 October 2023, mandating that 'illegal immigrants' be given a 28-day window to leave the country. As such, the recommendations and findings presented in this chapter reflect the state of affairs prior to this significant declaration. Readers are advised to consider this context when reviewing the content.

This chapter is based on both secondary and primary data. The authors carried out a series of interviews with key informants, and also arranged focus groups and individual interviews with groups of Afghan refugees and migrants.

Policy Issues

The Pakistan-Afghanistan border, known as the Durand Line in the pre-independence era, has historically been porous. Stretching a little over 2,600 kilometres, it has eight formal (where Immigration and Customs officials are posted) Border Crossing Points (BCPs). Of these, two, Torkham and Chaman, are used for international trade including the Afghan Transit Trade (ATT) arrangements.² There are at least ten additional informal crossing points, and possibly undocumented routes used by smugglers.

The official position of the Government of Pakistan (GoP) is that every Afghan refugee under the United Nations High Commissioner for Refugees (UNHCR) mandate (or registered with UNHCR) is permitted to impermanent shelter in Pakistan (i.e., they are not allowed to own property or build their own houses with bricks and mortar). Further, Pakistan does not offer permanent resettlement to displaced people. From 2007 onwards, refugee status has not been extended by the GoP to any person or group of persons. As explained later in this chapter, Pakistan is now following a visa policy to regulate the arrival and stay of Afghan citizens and has no plans to accord refugee status to new migrants from Afghanistan.

In 2017, Pakistan began an ambitious project to fence the western border, in response to a series of terrorist attacks, which were blamed on militants infiltrating from Afghanistan. As of January 2022, only 21 kilometres remained unfenced (Dawn 2022). The border fencing project is concomitant with a more

² The other six formal BCPs are Arandu (Chitral), Gursal (Bajaur), Nawa Pass (Mohmand), Kharlachi (Kurram), Ghulam Khan (North Waziristan), and Angoor Adda (South Waziristan).

stringent system of controls at BCPs. Afghan citizens are expected to hold valid visas for entry into Pakistan, and vice versa.

Visa Policy

Pakistan introduced a new visa policy for Afghan citizens in September 2020, under which Afghan citizens were allowed multiple entry visas, for visits as well as long-term business. Prior to this, all visas issued to Afghans were for single entry only, but at the same time, border controls were lax, and movements across the border, on both sides, were largely unregulated. Post-September 2020, with border fencing largely in place, the visa policy specified a number of categories of visas that Afghans could apply for, including visit visas, medical or treatment visa, and work and study visas.

The GoP generally does not publish data on visas granted. However, there are a number of news reports about how issuance of visas to Afghans has been facilitated post-August 2021. On 18 August 2021, Pakistan announced a special transit visa package for Afghans with valid visas for third countries, who wanted to travel out from Pakistan (The Express Tribune 2021). A week after the Afghan Taliban takeover in August 2021, Pakistan's Interior Minister announced that the government had issued over 4,000 visas to Afghans in less than a week, but it was not clear if these were transit visas, or other categories (Xinhua News Agency 2021).

Travel through a relatively liberal visa regime was one way for Afghans to reach Pakistan post-Afghan Taliban takeover. At the same time, field research suggests that illegal crossings, particularly through Chaman and other formal and informal BCPs in Balochistan, did take place extensively, particularly in the first two or three months after the Afghan Taliban took power.

Data on Arrivals

While it is not possible to get definitive numbers, data from the UNHCR suggests that 89,341 people came from Afghanistan to Pakistan in calendar year 2021 and registered with UNHCR as asylum seekers (UNHCR 2022a). Of these, 22% were women and 25% were girls (or females up to the age of 18).³ Most of these people travelled after 15 August 2021.

UNHCR's analysis of registration data shows that most migrants (96%) left due to violence and insecurity in Afghanistan.⁴ For most new arrivals in Pakistan, the key issues have been access to shelter and livelihoods (issues cited by, on average, 85% of respondents); and to a lesser extent, medical assistance (42% of respondents cited this). The UNHCR data also shows significant diversity in the ethnic profile of the new arrivals, with only 57% of them being of Pakhtun ethnicity, while 21% belonging to the Hazara community, 10% Tajik and the remaining from other ethnicities. This is in marked contrast to the earlier inflows into Pakistan (from the 1980s onwards) where the vast majority of migrants (later given refugee status) were Pakhtun and were mostly from rural Afghanistan.

Of the migrants/asylum seekers who have approached UNHCR for registration so far, only 20% carried passports or had a visa. The majority either simply carried the Afghan *tazkira* (equivalent to the Pakistani National Identity Card) as the main form of identification (42%), or simply did not have any documentation at all (37%). Interestingly, the UNHCR data confirms anecdotal accounts which state that most arrivals used the relatively porous border of Balochistan – registration data shows that 90% of arrivals came through Chaman while 8% used Torkham and only 2% came through other crossings.

³ In addition, men constituted 25% of the sample, and boys 28%, where boys are defined as males up to the age of 18 (ReliefWeb 2022).

⁴ All data in this and the following paragraph is from UNHCR, Pakistan Office and ReliefWeb (2022).

It is important to point out that while close to 90,000 people had approached UNHCR for registration as of January 2022, this is probably only a small proportion of the total number of Afghans who crossed over into Pakistan, with or without valid visas, post-August 2021. While it's true that the substantial influx from the 1980s has not occurred again, and border controls may have contributed to this outcome, these controls are not foolproof.

Education for and of Afghan Refugees

The state of education of the Afghan community in Pakistan has generally been a cause for concern. According to a survey by the UNHCR in 2011 conducted within refugee households in Pakistan, the literacy rate among the Afghan refugee population was only 33%, with women's literacy standing at a mere 8% (UNHCR and GoP 2011). This study also indicated that 60% of Afghan children in refugee villages and 44% in cities were out of school. Fast-forward to more recent findings, a UNHCR study from 2017 detailed that of the half a million (544,102 to be precise) registered school-age Afghan refugee children in Pakistan, only 22% attended school. These children were either enrolled in UNHCR facilities in refugee villages⁵ or in educational institutions located within a five-kilometre radius of these villages. Specifically, only 18% of school-age refugee girls from the villages attended either UNHCR-funded schools or those within the nearby vicinity. This percentage further dwindled in urban regions, with merely 14% of the eligible school-age female population attending school. By 2018, a separate UNHCR mapping study revealed that the enrolment rate for refugee girls of school-going age was still at 18% (UNHCR 2018). In summary, Afghan refugee children's enrolment in formal education in Pakistan remains alarmingly low, with the figures for females being particularly distressing.

⁵ Refugee villages are former refugee camps. They are now known as villages, but house mainly Afghans registered with UNHCR. The majority of Afghans in Pakistan are no longer resident in these villages, but in fact live in cities across the country.

According to the United Nations Children's Fund (UNICEF n.d.), the underlying reasons for low enrolment of girls in school include 'traditional norms and practices' in addition to insecurity. Early marriages are amongst these traditional norms – according to the agency, 17% of girls marry before their fifteenth birthday. Resistance to schooling is exacerbated by the poor state of schools and insufficient transportation options. Similarly, a recent report from Human Rights Watch analysed the major barriers to girl's education in Afghanistan and cited discriminatory attitudes by community members, early marriages and widespread violence and conflict as key factors (HRW 2017).

GoP's Education Policy for Afghan Refugees

Education policy documents in Pakistan, including those in Khyber Pakhtunkhwa and Balochistan, do not specifically mention access for Afghan refugees, but there is an understanding that refugees will have access to public health and education facilities on the same terms as Pakistani nationals. In case of education, this objective is bolstered by the State's commitment in Article 25-A of the Constitution, which guarantees the provision of free and compulsory education to all children (not just Pakistani nationals) aged five to sixteen.

UNHCR runs 153 schools in refugee villages across Pakistan (UNHCR 2022), where the language of instruction used to be Dari or Pashto, and where an Afghan curriculum was taught. Since 2017-18, however, UNHCR, in partnership with the GoP, has been phasing out the Afghan curriculum from schools that it is funding and is introducing the Pakistani curriculum. This change in policy is meant to facilitate the access of Afghan children to regular schools in Pakistan. Given that Afghan children typically learn a smattering of Urdu by the time they finish primary school, they should be able to manage in Pakistani schools. To sum up, the change in curriculum policy has resulted in a situation where there are hardly any schools in Pakistan which teach in Dari or Pashto. Afghan children who enrol in school in Pakistan now will have to learn Urdu or English to be able to attend.

Study Findings and Analysis

Profiles of Migrants

Interviews with key informants who have worked with the Afghan community, or who report on their issues were helpful to the research team in formulating profiles of new arrivals. This information was supplemented from focus groups in Khyber Pakhtunkhwa and Balochistan with the migrants themselves. This section presents findings from these two sources.

Findings from Key Informants

A list of key informants who were interviewed for this study is given in Annex 1. The important information derived from these interviews is summarised below:

Influx into Pakistani cities has been notable: Almost all key informants felt that the post-August 2021 influx from Afghanistan has not been trivial. While officials in Pakistan have reiterated that they will not accept refugees, they did, perhaps appropriately, follow a liberal visa regime, and allowed a number of Afghans to enter the country legally. Treatment visas, in particular, were issued in significant numbers and were often issued on arrival at the border. Transit visas were also issued in abundance, enabling Afghans to enter Pakistan for short stays of up to three weeks, and proceed to other destinations (for which they had valid visas). But illegal entries, mostly of low to lower-middle income households, were also a feature of this wave of migration. A representative of UNHCR's partner Non-Governmental Organisation (NGO) SEHER, which deals with refugee protection, and is one of the NGOs tasked with registration in Pakistan, reported that the first wave of migrants or asylum seekers reached their office in Quetta around 24th August, about ten days after the Afghan Taliban takeover. SEHER has the capacity to conduct 40 to 50 initial registration interviews a day, but they were inundated with requests for some weeks after the change of government in Afghanistan.

This was borne out by UNHCR's registration data, but key informants felt that the UNHCR data was the tip of the iceberg – most people who entered illegally did not approach any agency for protection. This brings us to the second key point.

New migrants are keeping a low profile: New migrants are reluctant to bring themselves to the attention of Pakistani authorities, the international community, or even the general public. This was reiterated by local NGO workers who deal with refugee communities, and also by representatives of international NGOs. This policy of keeping a low profile is true even of those who have come to Pakistan on valid visas and have brought funds with them for their accommodation and living expenses. The key reason for this is uncertainty: most new migrants are not clear how long they will be living in Pakistan, and whether they will be able to extend visas if required. So, for now, they have generally adopted a wait and see strategy.

Middle- to high-income migrants are hoping to move to a third country: Many middle- to high-income migrants, most of whom have come to Pakistan on valid visas (whether treatment, or visit or other), are hoping to leave for a third country. Many of these people were working with international agencies or NGOs in Afghanistan and have come to Pakistan in the hope that their former employers will help them to migrate to a Western country. Most of them have not received any such assurance, but they continue to try and negotiate such arrangements.

Lower income migrants have mostly entered the informal economy: Key informants had the impression that migrants from low-income households were linking up with the local Afghan community to get daily wage labour or other gigs in the informal economy to keep their families afloat. Although they are in danger of being harassed by law enforcement officials, they are forced to take risks to earn a basic livelihood.

New migrants are significantly reliant on the existing Afghan community: Pakhtun migrants often have relatives in Pakistan who have been settled here for many years. In fact, many new Pakhtun families made the decision to move to

Pakistan on the assurance that relatives here would be able to provide some support, whether in the form of accommodation or access to the labour market. However, these are not permanent arrangements and, sooner or later, people currently living with relatives will look for housing and jobs if their stay here becomes extended.

Hazara migrants are confined to their community's residential areas in Quetta:

New migrants from the Hazara community headed straight for the two areas in Quetta city where the bulk of the community live, i.e., Hazara Town and Marriabad. Initially, new Hazara migrants were accommodated in *Imambargahs* or in hostels for *zaireen* (pilgrims) within these areas. However, security agencies, who generally keep an eye on these areas, started asking questions about the new arrivals, and the community decided to ask new migrants to vacate these public areas. Subsequently, they have moved into rented rooms or sometimes larger accommodations in the two residential areas.

Migration is having notable impacts in some cities: Some of the key informants said that rents had risen significantly in certain localities in cities like Quetta, Peshawar, Islamabad, and Karachi – localities with long-term Afghan residents. This was cited as ‘evidence’ of an influx of people into these localities. Many key informants cited examples of new migrants renting rooms in houses, rather than full housing units, in a bid to save money, and also because many believed that their stay in Pakistan would be temporary. Representatives of an international NGO, International Rescue Committee (IRC), said that they had been monitoring patient flows in district headquarters hospitals in Balochistan, along the route from Chaman to Quetta, and they had observed a distinct uptick in the number of people coming in for healthcare.

Accommodation is probably the biggest issue for new migrants: New migrants are generally found to be concerned about long-term accommodation. They prefer to live in areas where there is a significant Afghan community, but they are facing rent hikes and a shortage of housing. This is particularly difficult for those who do not have visas or legitimate documentation to find places to live.

Schooling is not a priority for new migrants: All key informants were clear that schooling was not a priority for new migrants at the moment. They were faced with uncertainty on their length of stay and in some cases, their legal status, and schooling choices had not yet assumed importance for them. It was also pointed out by some informants that many migrants had arrived when the school year in Pakistan was already underway, and thus admissions were not possible at least for children who had crossed primary school age.

Findings from Focus Groups

For this study, Focus Group Discussions (FGDs) were conducted in Balochistan and Khyber Pakhtunkhwa with both male and female participants. Four FGDs were held in each province, one each with males and females. In Balochistan, the FGDs took place in the Saranan refugee village in Pishin, where the research team had discovered some newly arrived families living with friends who had been settled in Saranan for a while, while the two remaining FGDs took place in Panjpai, a *tehsil* of Quetta district known for the presence of Afghan communities. The migrants interviewed here were from amongst the lowest income strata – those who had travelled with minimum possessions and finances and were dependent on friends and relatives for shelter. In Khyber Pakhtunkhwa, the four FGDs again took place in two locations, Nasir Bagh and the Dhobi Ghat near Peshawar University. Some additional interviews took place in Board Bazar. Most of the families interviewed were found through references and personal contacts.

The key findings from the FGDs are as follows:

Uncertainty about their fate: The families who had moved to Pakistan recently were generally reluctant to talk to anyone. There was a feeling that if discovered they would be rounded up and sent back to Afghanistan by the government, and Law Enforcement Agencies (LEAs) in Pakistan. One of the biggest fears and worries the respondents had related to their uncertain legal status in Pakistan. Most of the respondents had entered Pakistan on treatment visas, and then stayed on. Since their visas were mostly no longer valid, they were in fear of

harassment by local LEAs. Most people were hoping that the government would also allow them to stay, as it had done previously. Most of them mentioned that if the government could issue Proof of Registration (POR) cards to them,⁶ this would save them a lot of trouble with the police and LEAs. They were not aware that POR cards had not been issued since 2007.

Accommodation: To avoid any unwanted attention from local LEAs, the new migrants were not settling in one particular area in big numbers. Most of the people mentioned staying close to their relatives or friends, who were well settled in main cities and urban areas. In some cases, the relatives or friends were charging them rent for providing them accommodation. Others reported their relatives or friends arranging a house for them close by and they were paying rent themselves. Even those living with their relatives reported up to seven people living in one room, as their relatives did not have enough space to properly accommodate everyone. Space constraints are such that some participants reported instances of 25 people living in two-bedroom houses. In Quetta, it was reported that a large number of Hazara community members had also crossed into Pakistan. Most of them were accommodated at various *Imambargahs* in the Hazara residential area but have had to move out. This corroborates what the research team heard from key informants.

Livelihoods: Most people reported that they left Afghanistan after the economy collapsed and foreign firms left, as these were a source of livelihood in many parts of the country. Since Pakistan's economy has a large informal sector, the new migrants did not have a problem finding work. Some either set up a small roadside stand for fruits or vegetables, while others were working as daily wage labourers. Those working as labourers, mentioned being forced to work on lower daily rates for their work, as opposed to a local worker. If a Pakistani labourer was getting PKR 1,000 to 1,200 per day, Afghans would get around PKR 800 for the same work. Interestingly some respondents even mentioned driving a rickshaw

⁶ POR cards were issued by the GoP to Afghans who were registered with the UNHCR. In effect, the POR card confers refugee status.

or a taxi to support their families, even though they did not have licenses. Many participants reported that they were planning to sell their lands in Afghanistan and set up a business here with a local partner. In case of an emergency, they could take loans from their relatives settled in Pakistan.

Women also reported that to support their families they were now stitching clothes in the houses to supplement their income. While others who were expert carpet weavers mentioned not having enough money to start their weaving business, although they had worked in the carpet weaving sector in Afghanistan and had earned well.

Assets in Afghanistan: Most families mentioned that they had landholdings in Afghanistan, although some had sold them off when they were moving to Pakistan. Others reported having retained their land in Afghanistan although they were not sure how they would use it now. Interestingly, some people even mentioned that males of their household had also made a few trips back to Afghanistan to manage their property. Several women reported that they had to sell their jewellery to pay for their migration to Pakistan as work for the men had completely dried out after the withdrawal of foreign organisations.

Relatives and informal networks in Pakistan: One of the biggest security nets these new migrants have are their relatives and friends who not only help them with accommodation and livelihoods, but also act as a kind of safety net when they get into trouble. Dealing with police and other LEAs, medical emergencies, loans, and other forms of needs were taken care of with the help of their relatives and friends. The respondents also reported that since they did not have any legal status, they could not even get mobile sims and most were using sims issued on their relatives or friends' names in Pakistan. Even for renting houses, the new migrants were using the computerised National Identity Cards (CNICs) of their relatives and friends living in Pakistan.

Health: Government hospitals traditionally do not ask for a CNIC of the patients who go there for treatment. However, in recent years, government hospitals'

records are being digitised, and they now ask for a patient ID when they come to the hospital. Since Afghan refugees have no form of identification on them, it is becoming increasingly difficult for them to avail medical facilities at government hospitals. However, they do not face issues at private medical facilities, where they can get services after paying for the treatment. The respondents reported that fees at private hospitals were exorbitant, and, in most cases, Afghans were unable to afford the treatment. They reported that apart from normal medical issues, those who were about to give birth also faced many difficulties in accessing medical facilities. Since they did not have any documentation, they are unable to go to government hospitals and the private facilities are too expensive.

Interaction with LEAs: Another difficult problem the Afghan migrants face is their interaction with local police and other LEAs. Since they have no documentation, they are routinely rounded up at checkpoints and then sent to the police station, where they are either released after some local provides surety or have to pay hefty bribes to be released. Nearly everybody, in both male and female groups, mentioned harassment by police as a major issue that hampers their mobility and ability to seek better employment opportunities. Due to constant fear, they are confined to their vicinity, and move only in areas they are comfortable with and where they know enough people.

Attitudes towards education: Traditional norms came to the fore when girls' education was discussed in FGDs with Afghan migrants in Balochistan. In all four FGDs conducted there, two each with men and women, participants universally asserted, whether they were present in men's groups or in women's groups, that they did not send girls to school in Afghanistan, nor were they planning to do so now that they had moved to Pakistan (at least temporarily). In case of the women's groups, when probed about why this was the case, the women simply said that they were not 'allowed' to do so, and it was the men of the family who took this decision for the most part. They were also asked if they had other opinions on the matter, but they said they agreed with their men, and that in their tribe, it was not customary for girls to study. Interestingly, in all four FGDs, when asked about boys' education, the response was that in Afghanistan some of the

boys had gone to local *madrassahs* but not to regular public school. In the men's FGDs, it was said that tradition did not allow girls to study as they could not be allowed freedom of movement. This was not necessarily related to insecurity and conflict on a national scale, but simply a norm for 'protection' of women.

With regard to FGDs in Peshawar, there were a variety in responses. The migrants contacted here were relatively well off. In the two FGDs with men, respondents explained that while not all girls in their community were educated, many girls had gone to school in Afghanistan, at least to primary school. Most had dropped out even if they managed to complete primary school because once the Afghan Taliban took control of rural Afghanistan (a process that began some years ago), they had stopped girls from going to secondary school. The women in the groups explained that education was more common amongst very young women and girls, but in most cases, this did not extend beyond a few years of school, due to the prevailing uncertainty in the country and Afghan Taliban edicts.

Future plans: The FGD participants were also asked about their plans for the future and where would they like to be in the next two years. Interestingly, not a single respondent mentioned going back to Afghanistan, and most wanted to set up and establish a business in Pakistan and settle here permanently.

Recommendations

Policy Interventions

Advocacy with the Government of Pakistan: There needs to be a long-term sustainable and rational policy towards Afghan refugees, which also recognises that many Afghans in Pakistan are undocumented illegal immigrants. Pakistan has been the location for one of the most protracted refugee crises in the modern world, having hosted up to three million Afghans for 40 years. The GoP needs to move towards finding a long-term solution which would enable Afghans who have been here for decades to fully participate in the economy. In January 2022,

the Cabinet debated a policy that would provide permanent residency in Pakistan to foreign nationals investing a certain amount (Business Standard 2022). However, this policy would benefit a very small proportion of Afghans even if it is implemented.

Need to draft an asylum law: Pakistan is not a signatory of the 1951 Refugee Convention, and this is a position which is unlikely to change. However, the Government should be encouraged to debate a policy and eventually draft legislation on asylum issues. Pakistan should have a position on whether and in what circumstances it will consider granting asylum to people who enter its territory, and who are afraid to return to their home countries. Whatever the outcome, this is an issue that should be addressed, and potential asylum seekers should not be existing in limbo.

Registration of Afghans: For the immediate future, it is crucial to register and count Afghan nationals who are currently in Pakistan. UNHCR last carried out a census of Afghan refugees in Pakistan in 2005. A new survey is long overdue, and should cover those who carry POR cards, those who have obtained Afghan Citizen Cards (ACCs), and those who do not have any documents. The last category would understandably be reluctant to be survey respondents, but it may be important to put them at ease that they would not be asked any information that might identify them. However, they should be part of the count. Currently, the new migrants are being issued certificates by UNHCR that recognise them as asylum seekers. This can be a good starting point.

Operational Intervention

Allowing children to attend school without documentation: Federal and Provincial governments should allow Afghan children to attend schools even if they or their parents have no form of government-issued documentation. A simple declaration of being Afghan should ideally enable people to send their children to school. If not this, then the government should consider allowing

children to enrol if their parents can show a *tazkira* (Afghan identification document). A similar policy can also be formulated for access to medical facilities.

Conclusion

It is clear that Afghan migrants are of two types: those who have entered Pakistan on valid visas, and those who have crossed over illegally (almost entirely using routes via Balochistan). However, both groups are insecure in Pakistan, as either their visas are going to expire soon, if they have not already; or they simply have no documentation. In either case, their stay in Pakistan can be questioned. Without documentation, Afghans cannot earn wages. Many new migrants reported having liquidated assets to come to Pakistan. Key informants for this study also informed the research team that even rich Afghan families had sold land and jewellery to make the journey to Pakistan and stay here for some months. However, sooner or later, Afghans would either have to leave the country, or earn a livelihood here. Afghans from lower income groups have been entering the informal economy, but it is not clear what the middle class will do if they are still here in the longer term. Regardless, schooling for both boys and girls is and would inevitably suffer in these circumstances. With no documentation, and/or with a potentially illegal status, it is very difficult for parents to approach educational institutions. Schools require documentation from the parents – either CNICs, or proof of valid long-term visas. Sometimes schools in rural areas and low-income localities do not insist on submission of documentation for parents, as they are focused on enrolling as many children as possible. However, even in these circumstances, children preparing for centralised examinations face problems. There needs to be a long-term sustainable and rational policy towards Afghan refugees. Pakistan should also have a position on whether and in what circumstances it will consider granting asylum to people who enter its territory, and who are afraid to return to their home countries. Whatever the outcome, this is an issue that should be addressed, and potential asylum seekers should not be existing in limbo.

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Annex 1: Key Informants Interviewed

Government

1. Mr Aamar Aftab Qureshi, Additional Secretary West Asia and Afghanistan, Ministry of Foreign Affairs, Government of Pakistan

International Agencies

1. Ms Fareedah Miah Education Officer, United Nations High Commissioner for Refugees
2. Ms Jael Shisanya, Education Officer, United Nations High Commissioner for Refugees
3. Ms Leyla Nugmanova, Assistant Protection Officer, United Nations High Commissioner for Refugees
4. Ms Marie Claude Poirier, Communications Officer, United Nations High Commissioner for Refugees
5. Ms Nikola Errington, Senior Protection Officer, United Nations High Commissioner for Refugees
6. Ms Mushayyadah Gul, United Nations High Commissioner for Refugees

International NGOs

1. Mr Asif Sherazi, Islamic Relief
2. Mr Ahmed Hussain, Acting Deputy Director Programs, International Rescue Committee
3. Ms Rahat Rizwan, Education Coordinator, International Rescue Committee

National NGOs

1. Mr Irfan Awan, Society for Community Strengthening and Promotion of Education, Balochistan
2. Mr Shabbir Ahmed, Society for Community Strengthening and Promotion of Education, Balochistan

3. Ms Rehana, Society for Community Strengthening and Promotion of Education, Balochistan
4. Mr Abdul Wadood Jamal, Society for Community Strengthening and Promotion of Education, Balochistan
5. Mr Jahanzeb, Drugs & Narcotics Educational Services for Humanity

Others

1. Mr Tahir Khan, Journalist

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Safiya Aftab is the Executive Director of Verso Consulting. She has graduate degrees in Economics and Public Administration, as well as an LLB. She has had varied professional experience ranging from staff positions in international organisations to research and consulting. **Muhammad Jamal Janjua** holds a Masters in Economics and Finance, in addition to an undergraduate degree in Economics and an LLB. He has strong skills in data collection and analysis, both qualitative and quantitative, and in analysis of legislation.

GENDER & HEALTH NARRATIVES

Social Norms and Gender Inequality in Pakistan

Abdullah Khalid, Maheen Rehan & Noman Bashir

Neurological Healthcare in Pakistan: Identifying Shortfalls and Policy Directions

Ehtesham Khalid

Ensuring Inclusivity: Integrating Rare and Neurological Diseases into Pakistan's Universal Health Strategy

Saadiya Razzaq & Razia Safdar

Social Norms and Gender Inequality in Pakistan*

Abdullah Khalid, Maheen Rehan & Noman Bashir

Abstract

Social norms perpetuate gender inequality by shaping gender roles and limiting opportunities for women in society. The widespread challenges faced by women in South Asia and across the world threaten their social mobility, economic growth, and sometimes even their lives. In a country like Pakistan, where women face economic struggles and a persistent gender gap, these norms worsen their already poor economic and personal well-being. Weak governance and the consequences of inefficient systems, including poverty, food insecurity, and climate change, worsen their situation. The chapter aims to examine the role of social norms in perpetuating gender inequality in Pakistan. By analysing existing cultural beliefs and practices, it identifies key areas where interventions can be made to challenge and transform these norms to promote gender equality. Furthermore, it explores strategies for promoting a shift in societal attitudes towards gender equality, with a focus on engaging key stakeholders and utilising media and education to raise awareness and drive change. The goal is to provide policymakers with a comprehensive understanding of the issue and a roadmap for taking action to address it.

* This chapter has been approved as a *Policy Brief* by the referee.

Introduction

Social norms are widely accepted codes of conduct within a society or group, which dictate what is considered normal and appropriate behaviour for its members (Cislaghi and Heise 2019). These informal rules help to shape interactions and perceptions within a given social context (Bicchieri 2005). Adhering to social norms is important for individuals as deviation from them can lead to rejection or loss of status (Schachter 1951). They play a significant role in shaping culture, language, social interactions, and many other aspects of society (McDonald and Crandall 2015).

In analysing the discourse within the gender and women's rights domain, it becomes imperative to review three salient dimensions of 'Social Norms Theory'. Firstly, it is important to note that social norms differ from attitudes, as norms refer to beliefs about what is considered appropriate behaviour by others, while attitudes are personal judgements based on individual motivations. Secondly, social norms are specific to members of a certain reference group. Thirdly, while some theorists propose that norms only impact actions that are interdependent, others contend that they also influence independent actions (Cislaghi and Heise 2019).

The persistent disparities in gender, prevalent in both developed and developing nations, are greatly affected by cultural and societal values (Mangiavacchi and Piccoli 2022). Many of the challenges currently prevalent in low and middle income countries, such as Female Genital Mutilation (FGM), child marriage, lack of women's economic empowerment, and Intimate Partner Violence (IPV), are rooted in gender-based societal norms (Cislaghi and Heise 2019). Discrimination in customary laws, societal norms, and practices, as well as inadequate legal protections against discrimination of women in all aspects of social institutions, are key features of countries with high levels of gender inequality in social institutions (Ferrant and Nowacka 2015).

In developing nations, cultural barriers prevent women from accessing and succeeding in the job market. The correlation between economic growth and female employment is greatly impacted by gender norms (Jayachandran 2020). However, societal factors can also play a role in this process. In some underdeveloped countries, cultural norms that favour males such as patrilocality and emphasis on female purity can result in a male-skewed sex ratio and low female employment rates. There is a positive correlation between gender equality and GDP per capita, which can be attributed to economic development that includes higher household income, improved physical infrastructure, more advanced technology, a larger share of the economy coming from services, and lower fertility. As countries develop and grow, gender gaps tend to decrease (Jayachandran 2015).

Women are disproportionately affected by poverty due to gender inequalities. Gender inequality leads to poverty, increasing deprivation, and chronic inability to meet social needs such as nutrition, health, education, dignity, social prestige, and self-esteem (Kelkar 2005). Women are more likely than men to have insecure employment, gender pay gap, and horizontal and vertical gender segregation, with women occupying fewer occupations and less senior positions than men (Strachan et al., 2004).

Gender norms, particularly those that discriminate against women, may be a major barrier to gender equality in South Asia. Many jobs and occupations are considered 'men's work' and few women participate in them. Social norms also make it difficult for women to access land, financial capital, and other assets, and limit their involvement in education and decision-making both within and outside the household. The COVID-19 Pandemic further exacerbated existing gender imbalances in South Asia, highlighting the importance of understanding the impact of societal norms on limiting women's opportunities (World Bank 2022).

In Pakistan, gender inequality is a major issue as revealed by the country's low rankings on the World Economic Forum (WEF)'s Global Gender Gap Index. This ranking shows that Pakistan has a significant gap in terms of economic

participation and opportunity, education, health and survival, and political empowerment. Pakistan ranks 145/156 for economic participation and opportunity; 135/156 for educational attainment; 143/156 for health and survival; and 95/156 for political empowerment (WEF 2022).

Recent research in Pakistan has revealed that a significant proportion of the population believes that women are not treated equally in the country. In a survey conducted during the research, 63% respondents concurred that they perceived women were not treated equitably; 71% concurred that discrimination against women existed in the educational system, and 57% believed that parents in Pakistan historically placed greater value on their sons than their daughters. These findings suggest that there is a significant level of gender inequality for women in Pakistan, in terms of work, household, and education (Rabia et al., 2019).

Furthermore, research has found that a significant proportion of males in Pakistan admit to physically abusing their wives, with 31% admitting to such behaviour (Fleming et al., 2015). Financial difficulties are a major obstacle in educating women, but they also face harassment and social disapproval. It can be particularly difficult for women from rural areas to convince their families to support their education and higher education aspirations. Transportation issues, lack of family support, and limited family perspectives add to the challenges women face. The dominance of men in Pakistani society affects perceptions and limits women's ability to exercise their rights, particularly for those living outside of urban areas (Bukhari et al., 2018).

About the Study

Given this reality, this study aimed to achieve several objectives. First, it discusses the barriers women face in the social and cultural context regarding their upward social mobility in Pakistan. Second, it explores the socio-cultural norms responsible for exacerbating gender inequality in the country and, lastly, it

proposes policy recommendations to overcome barriers inhibiting the upward socioeconomic mobility of women in Pakistan.

A detailed systematic literature review was carried out to explore the relationship between prevailing social norms and widening gender inequalities in South Asia, particularly in Pakistan. Stakeholder consultations were also conducted at the Sustainable Development Policy Institute's 25th Sustainable Development Conference (SDC) in December 2022 with experts from the National Commission on the Status of Women (NCSW), the United Nations Development Programme (UNDP), World Bank Group, Non-Governmental Organisations (NGOs), and independent researchers. Experts offered insightful and comprehensive details on gender equality issues in Pakistan. Additionally, they elucidated the challenges stemming from entrenched social norms, highlighting how such regressive norms impede female progress.

Discussion

South Asia, characterised by its vulnerability to war, civil unrest, political upheaval, weak economies, inadequate healthcare, and underfunded education systems, is home to some of the world's poorest populations. Among the many affected groups in this region, women emerge as the most vulnerable. They consistently confront challenges stemming from ethnic, cultural, social, and religious biases. Despite South Asia's sustained economic growth, the region still battles with deeply rooted gender inequality. Even with marked progress in education and key societal metrics such as economic participation, marriage age and IPV, women in South Asia have seen limited advancement over the past 50 years. In certain scenarios, they've faced setbacks, experiencing regression rather than progression. In the case of Pakistan, employment for women increased on average by just 0.3% during each of the decades, which separates the generation of women born in the 1950s from those born in the 1990s (Bussolo et al., 2022). In all other South Asian countries, apart from Bangladesh, the economic participation rate of women has decreased during the last 50 years (Ibid.).

Low Female Labour Force Participation in Pakistan

The relationship between female labour force participation and development is often depicted in literature as a U-shaped curve. At low levels of development, many women are compelled to work due to economic necessity, leading to high participation rates. As development increases, the number of women participating in the labour force decreases, before increasing again in more developed countries (Verick 2018). This U-shaped relationship has been observed in various studies, although there is some debate in the literature. However, when comparing Female Labour Force Participation (FLFP) versus Gross Domestic Product (GDP), data shows that Nepal and Bhutan have higher participation rates than Pakistan, India, Sri Lanka, Maldives, Bangladesh, and Afghanistan (Bussolo et al., 2022).

Recent research indicates that deeply ingrained social norms, particularly concerning the division of labour within the household, are a major contributor to the larger gaps in women's economic engagement and FLFP. Given Pakistan's current economic trajectory, it is expected that FLFP should be more than 50%, but it currently stands at a significantly lower rate of just above 20% (World Bank 2022). In addition, other factors related to FLFP, such as access to education and training, also show little progress. This reflects the deeply rooted social norms about gender and the division of labour within households in Pakistan.

Research has shown that social norms and expectations play a significant role in determining gender outcomes in nations of similar development. Three key points that have been identified as causes of low FLFP in Pakistan include:

1. Social norms matter: The amount of time that women spend on household chores or in the labour market compared to women in similar-level-of-development countries is strongly correlated with social norms.
2. Social normative expectations matter more than personal beliefs.
3. Social norms play a particularly important role in South Asian nations and have a significant impact on Gender Equality (Bussolo et al., 2022).

Relationship between Informal Economy and Unpaid Domestic Labour

Women represent only 25% of the labour force in Pakistan as compared to men who stand at 85% (Bano and Waqar 2020). Interestingly, Pakistan's gender wage gap is 34%, higher than the global average of 23% (Javed et al., 2022). A disproportionate number of women are in the informal sector of the economy, typically characterised by lack of documentation and minimal tax compliance. In fact, it is estimated that 74% of the informal economy is comprised of women (Azhar 2020). Unfortunately, little to no efforts are being made to address the challenges faced by women working within this sector.

Despite their significant contributions to the informal economy, women in Pakistan face numerous barriers that prevent them from fully participating in the market. These include lack of opportunities to connect with potential buyers and sellers, as well as the exploitation and financial losses they often experience at the hands of intermediaries. Additionally, logistical and transportation challenges also pose significant obstacles for women engaged in small-scale business operations. Unfortunately, policymakers have yet to implement appropriate measures to address these issues and facilitate the efforts of these hardworking women who are striving to succeed despite the societal and cultural barriers present in Pakistan (Khan et al., 2021).

The above-mentioned factors contribute to the societal pressure on women to limit their participation in economic activities and to instead focus on domestic work within the home. This is further compounded by the low wages, making it financially more viable for families to keep women at home rather than letting them participate in paid labour outside. As a result, a significant number of Pakistani women become home-based workers. Resultantly, out of the total 4.4 million home-based workers in Pakistan, 3.6 million are women (Shah et al., 2023).

Rise in Violence Against Women (VAW)

The statistics related to women in Pakistan present a dire picture, which can be attributed to the deeply ingrained social norms and mindsets that shape societal attitudes towards women. According to a report by the Sustainable Social Development Organization, there was a significant increase of 200% in reported cases of domestic violence amidst the COVID-19 Pandemic in Pakistan (Bandial 2020). The issue of VAW, particularly within intimate relationships and in public spaces, remains a pervasive problem in the country. A report by the UN Women, states that 45% of women surveyed reported experiencing sexual violence, verbal abuse, or knowing someone who had experienced such violence by someone known to them. Additionally, 7 out of 10 women surveyed reported experiencing harassment and violence by their intimate partners, and 6 out of 10 reported experiencing violence in public places (Pertuisel 2022). These figures underscore the urgent need for addressing and challenging the social norms that perpetuate such violence and discrimination against women in the country.

It is important to note that VAW in Pakistan is not just a domestic issue, but also a public one. A report prepared by Human Rights Watch in 2019, highlighted that sexual harassment and assault in public spaces is a pervasive problem for women and girls. Furthermore, the report also stated that the government had failed to address the problem by not implementing laws and policies to protect women from harassment and assault. This has created a culture of impunity for perpetrators.

Barriers to Women in Education

Ensuring access to education for girls is essential for the development and progress of any society. However, in Pakistan, the situation is grim, with a high dropout rate among girls as they progress through the education system. Some 12 million girls are out of school, with only 13% of girls reaching grade nine (Ali and Hilali 2021). This highlights the need for targeted efforts to address the

barriers that prevent girls from accessing and completing their education. Furthermore, even those girls who can pursue higher education, often face significant barriers in entering the workforce or becoming entrepreneurs, as indicated by statistical data. This highlights the need for a comprehensive approach that addresses not only access to education, but also the broader social and cultural barriers that prevent girls from fully participating in economic and social activities.

According to a report (WEF 2022), Pakistan's education system has a 13% gender disparity in enrolment. Additionally, statistics show that only 46.5% of women are literate, 61.6% have attended primary school, 34.2% have attained high school, and 8.3% have attended tertiary education. The COVID-19 Pandemic further exacerbated the situation. Upon reopening of schools after lockdowns, it was found that there were 13 million missing enrolments and of those, 7.8 million were girls, comprising nearly 60% (Ali 2020).

High Maternal Mortality Rates

Pakistan also faces significant challenges in terms of maternal deaths and healthcare, currently ranking 53rd out of 184 countries globally in terms of maternal mortality and 3rd in South Asia after Afghanistan and Nepal (CIA 2023). It is important to note that high maternal mortality rates cannot solely be attributed to medical issues, cultural factors also play a significant role in maternal mortality rates both globally and particularly in Pakistan (Khan, Haider and 2020).

The 'Three Delays Model' identifies three key delays that contribute to maternal mortality: the first delay is seeking care; the second is identifying and reaching a medical facility; and the third delay is receiving adequate and appropriate treatment. Understanding these delays and their underlying causes is essential in developing effective strategies to reduce maternal mortality (Omer et al., 2021).

The first delay in seeking care is a major contributor to maternal mortality, with nearly 70% of total maternal mortality cases attributed to it (Zalvand et al., 2019). Factors primarily responsible for the first delay include poor socioeconomic status, illiteracy, lack of employment opportunities, migration of men abroad for work, low status of women, the role of mother-in-law, early marriages, lack of access to family planning, large family sizes, inadequate provision of ante/post-natal care, the role of Traditional Birth Attendants (TBA), religious beliefs, myths and rituals, and a preference for giving birth in rural areas over urban areas (Omer et al., 2021). The second delay in maternal mortality is related to reaching the appropriate healthcare facility. Studies have identified several social and cultural factors that contribute to poor accessibility to medical care, including the distance of the health facility from the home, the means of transportation, poor infrastructure, and the condition of roads (Ibid.). The third delay in maternal mortality is related to receiving healthcare services. Research revealed that families often prefer public healthcare facilities in case of emergencies due to their inability to pay for private centres. In many cases, mothers are dependent on men to reach the healthcare facility, which can be influenced by factors such as the family's perception of the behaviour of doctors in emergencies, the doctor's perception of the behaviour of the family in emergencies, poor facilities in public hospitals, the attitude of families and doctors in case of the death of a mother, and the lack of proper mechanisms for death registration in hospitals (Omer et al., 2021).

Organisational Analysis vis-à-vis Role of Women in the Economy

The relationship between GDP and women's economic participation is a topic of debate in economic theory. Neoclassical theory suggests that economic growth is positively related to women's economic empowerment. However, the critical feminist perspective suggests that even if a country has a high GDP, if social norms and the structure of organisations in that country do not allow for women's participation, their economic empowerment may not improve (Cornwall 2016).

Classic patriarchy can still be seen in Pakistan with extended family structures and very definite gender rules. Women face the brunt of unequal amount of care work and childcare. Usually there is a male controlling the decisions of women about choosing careers, choosing employment and then over her earnings as well. Then, there is segregation, and even the issues of mobility. The actual problem is that the setup of organisations in Pakistan is inherently masculine, and those are not going to change unless social norms change (Mohsin and Nazir 2021).

It is crucial to critically examine and deconstruct the social norms that impede women's economic participation in Pakistan (Whittaker et al., 1988). One such norm that is often considered taboo is employment. Although employment is not inherently taboo, societal perceptions and a lack of understanding can lead to its being perceived as such. In Pakistani society, mores, or norms of morality, do not necessarily prohibit women's employment. However, there are prevailing folkways, traditional ways of doing things, that dictate women's roles predominantly within the household. According to these folkways, women are traditionally expected to be continuously available for their families. An absence of 9-10 hours, often typical of a workday, can be perceived as disrupting the smooth functioning of the household. In this light, organisations play a pivotal role. They have the choice to support women in balancing their professional responsibilities with their traditional roles at home. However, Pakistani organisations often fail to do so, leading to low participation of women in economic activities, particularly in the workforce (Mohsin and Nazir 2021).

Women and Climate Change

Pakistan is highly vulnerable to the impacts of climate change, as demonstrated by its ranking as the 8th most affected country from climate change from 2000 to 2019 (Eckstein et al., 2021). The frequency and severity of climate-related disasters in Pakistan have been increasing, leading to a significant human, social, and economic toll. These disasters disproportionately affect women, who are often more vulnerable to the impacts of climate change (Levy and Patz 2015).

In recognition of this challenge, the United Nations Development Programme (UNDP) supported the National Commission on the Status of Women (NCSW) in the preparation of a report on the impact of climate change on women in Pakistan. The report identified the specific threats and challenges that climate change poses for women in vulnerable countries like Pakistan. To raise awareness and gather input from stakeholders, UNDP and the Commission conducted a series of consultations and advocacy efforts in all four provinces, as well as in the special regions of Gilgit-Baltistan and Azad & Jammu Kashmir. In the summer of 2022, the country was hit by catastrophic floods which resulted in one-third of its territory going under water. 33 million people were affected, nearly 8 million people were displaced, and it caused severe damage to infrastructure and livelihoods (Ministry of Planning Development & Special Initiatives 2022). The disaster also had a disproportionate impact on women and girls, who faced additional risks to their safety and well-being. It also had a significant impact on women-owned businesses, as overall domestic violence increased, businesses were less resilient to economic shocks, and many women working in agriculture were unable to continue their livelihoods due to flood damage (Pertuisel 2022).

In response to the disaster, the Government of Pakistan (GoP) and development partners, including the UNDP and World Bank, have been working to develop a post-disaster needs assessment and recovery framework. However, concerns have been raised about whether this framework is adequately addressing the specific needs and vulnerabilities of women, who were among the most affected and vulnerable populations affected by the disaster.

Role of National Commission on the Status of Women (NCSW) and International Agencies

The position of government commissions such as the NCSW is particularly challenging, as they strive for autonomy while also requiring support from NGOs and human rights movements. Despite these challenges, NCSW has made significant progress in recent years, largely due to the support of women's rights movements and funding from local and international donors. One notable

achievement of the NCSW is the launch of the 'National Gender Data Portal' in partnership with the UN Women and the National University of Sciences and Technology (NUST). However, despite this progress, the Commission has been unable to acquire authentic and up-to-date data, making it difficult to develop effective policy frameworks that address the issues facing women in Pakistan. To address this challenge, the NCSW and the Planning and Development Departments at the provincial and federal levels are working together to develop a reliable database. To engage with the next generation of leaders in Pakistan, the Commission and the Ministry of Planning have been visiting universities in Islamabad and Rawalpindi to interact with students. Additionally, in 2022, the NCSW presented the Pakistan Report at the 66th Commission on the Status of Women - a functional commission of the Economic and Social Council. These developments provide hope for those working towards improving the status of women in Pakistan and around the world.

Role of COVID-19 in Increasing Gender Inequality in Pakistan

The Pandemic has disproportionately affected women, who are more likely to work in the informal sector and have lost their livelihoods because of lockdowns and business closures. Some of the ways in which the Pandemic affected women include:

Job losses and increased poverty: Pandemic and resulting shutdowns have had a disproportionate impact on women, particularly the ones working in the garment industry. This is because women are often in lower-paying and more vulnerable forms of employment. In Pakistan, the garment industry is a significant part of the economy and employs a large portion of the population and approximately one in seven women is working in this sector (ILO 2020). The incidence of poverty grew from 4.4% to 5.4% in FY20 (Haider 2021) when COVID-19 surfaced in Pakistan.

Reduced participation in the labour force: The Pandemic has also affected the participation of women in the workforce, as many have been laid off or have had

to leave their jobs to care for family members. LFPR in Pakistan decreased from 21.5% in 2018 to 20.6% in 2020 (ILO n.d.).

Increased domestic violence: The Pandemic led to an increase in domestic violence, as social isolation and economic stress led to a rise in conflicts within households (Malik and Naeem 2020).

It is worth noting that these figures may not reflect the most recent situation and that the data for the economic impact of COVID-19 on women is still evolving. However, these figures do show that the economic impact of the Pandemic on women has been significant, and it is important to take steps to mitigate its impact. Overall, the economic impact of COVID-19 on women in Pakistan has been severe and it is important for the government and international organisations to take steps to mitigate its impact and support women's economic recovery.

Conclusion and Recommendations

There is a plethora of issues that women in Pakistan face, including population planning, access to justice, and participation in decision-making. Social norms have a significant impact on the ability of women to participate in economic activities, both globally and in Pakistan specifically. These norms create structural barriers that prevent women from fully utilising their potential in the economy. In Pakistan, major issues that women face when entering the workforce include lack of childcare services for working mothers, inflexible work arrangements, inadequate transportation options, and a lack of safe and dignified work environment. These barriers are rooted in societal norms that shape the expectations and roles of women in society, limiting their ability to fully participate in the economy. Another significant issue is the lack of sensitivity towards gender issues. There is a pressing need to raise awareness about the gender inequalities that exist in society and the ways in which they widen the gap between men and women. One way to address this issue is through the teaching of gender studies. It is crucial not only to discuss these topics but also to educate

people about the concepts related to gender and its societal impact. Through the understanding and reflection promoted by this education, individuals can be persuaded to reconsider and reshape their beliefs about gender roles and dynamics. Research has shown that progressive gender norms can be cultivated. Gender studies curriculum in combination with mixed gender study groups can enhance the ability to accept different perspectives. By teaching more equitable gender norms at the primary school level can serve as an important space to think about these crucial topics. These interactions can also improve the 'Theory of Mind' via cooperation and coordination, which is essential in creating a more inclusive society.

Pregnant women in Pakistan often face a complex set of challenges that stem from the intersection of healthcare practices, cultural beliefs, and economic necessities at both individual and community levels. These challenges are further compounded by inadequacies in the healthcare system. Studies have shown that maternal deaths have serious consequences on both children and families. It has also been highlighted that maternal health is a complex phenomenon that is influenced by a variety of factors such as behavioural patterns, social and cultural practices in a specific region, household characteristics, and most importantly, the status and autonomy of women.

Currently, the representation of women-led businesses is low, even among members of the Pakistan Business Council (PBC). However, there is an increasing emphasis on developing female leaders throughout the corporate ladder. Many corporate firms are now introducing programmes specifically designed for women to mainstream them into economic activities and improve their economic status overall. This is a positive development and will help to promote the participation and empowerment of women in the economy.

Another major issue in Pakistan is the regressive mindset towards women that exists among the general population. This mindset is perpetuated not only by men but also by women, who often restrict their daughters from receiving education and instil in them the belief that they are inferior to their brothers. Many

of the programmes that are implemented to promote girls' education lack a holistic approach and fail to address the broader cognitive development of girls, focusing only on bringing them to school but not on their well-being or mental health, or the challenges that they face in accessing education. To be effective, these interventions should focus not only on the social well-being of girls, but also on their mental well-being.

It is important to note that changing societal norms should not be equated with changing people's beliefs, faith, or family structures. Rather, it should focus on addressing the policy areas that hinder the progress of women in Pakistan. This is not only the responsibility of the government but of every person in society to work towards this cause.

Policy-centric Recommendations

1. The patriarchal mindset that perpetuates gender inequality in Pakistan must change for progress to be made. The Ministry of Information and Broadcasting (MoIB) and NCSW can play a crucial role in this process. One effective way of doing this would be through interventions at the policy level, by engaging the media in this effort. To supplement this, the government should consider implementing a policy that prohibits private channels from airing content that depicts gender discrimination and VAW. This will not only help challenge the patriarchal mindset but also provide a safer and more equal environment for women.
2. To decrease the economic dependence of women in Pakistan and increase their participation in the labour force, it is recommended that small interest-free loans be provided to them, particularly those living in rural areas. This can be achieved through a collaborative effort between the Microfinance and Small Enterprises Development Department; State Bank of Pakistan; National/Provincial Women Development Departments; and the Ministry of Poverty Alleviation and Social Safety (MoPASS). Women in rural areas often rely on remittances sent by their husbands living away from home as their main source of livelihood. This

dependence can lead to deprivation and lack of financial autonomy. Providing small interest-free loans will help reduce this dependence. It is important to note that this policy will only be effective if it is accompanied by an enabling economic framework that facilitates access to credit and financial services, and an environment that encourages entrepreneurship and small business development.

3. To enable women to move up the corporate ladder, the government and private sector should provide them with requisite tools and trainings. This can be achieved through a collaborative effort between the Social Welfare, Special Education & Women Empowerment Departments; Labour and Manpower Department; Ministry of Planning, Development and Special Initiatives; Ministry of Education; Women Chambers of Commerce; and the Technical Education and Vocational Training Authority (TEVTA). Effective strategies for achieving this could include providing mentorship and coaching, offering training and development programmes, encouraging participation in networking groups, creating clear career-paths and providing opportunities for advancement, and promoting a culture of inclusion and diversity.
4. To highlight the important role that women have played throughout Islamic history, the government should launch educational campaigns, to increase knowledge and understanding of their role and impact on society. This can be done through various mediums such as television, radio, and social media. The government should also collaborate with educational institutions to incorporate this information into their curriculums and fund and support research and organise conferences and seminars on this subject. Additionally, the government can also establish museums, libraries, and cultural centres to document and promote the contributions of women in Islamic history. These initiatives can be run by different departments of the government such as the Ministry of Education; Ministry of Culture; MoI; or Ministry of Religious Affairs. Highlighting the role of women in Islamic history is likely to decrease the space clerics have to manipulate uneducated masses in the name of

religion and help prevent backlash often faced when programmes focusing on women development are initiated, especially in rural areas.

5. An up-to-date database of gender violence activities is crucial to provide women with a safer environment. This can be achieved through a collaborative effort between several government departments such as the Ministry of Interior; Ministry of Human Rights; NCSW; Ministry of Health; Ministry of Law and Justice; Ministry of Women Development, Social Welfare and Special Education; the police and National Database and Registration Authority (NADRA). These departments would be responsible for maintaining records of incidents of violence, promoting, and protecting the rights of women, providing legal aid, and support and assistance to victims of violence. NADRA can provide the necessary identification information through the database and ensure the confidentiality and security of the data. By working together and maintaining such a database, these departments can effectively track and analyse the occurrences of gender violence and implement targeted interventions to reduce it.
6. To improve maternal healthcare in Pakistan and ensure the well-being of families and society, the government should implement several measures through the collaboration of several government organisations. The Ministry of Health, in coordination with the NCSW and the Ministry of Women Development, Social Welfare and Special Education, should run community-based maternal health programmes for caregivers to ensure the use of ante/post-natal care. The Ministry of Health should also take measures against Traditional Birth Attendants (TBA), quacks, spiritual healers, and unauthentic private clinics that do not provide proper care for pregnant women. In low-income areas, lady health workers face resistance from communities. To avoid such instances, they should be provided with adequate security by the Ministry of Interior similar to that provided to polio teams.
7. To promote gender equality in Pakistan, interventions that address social norms directly can be implemented through the collaboration of the Ministry of Education; Ministry of Women Development, Social Welfare

and Special Education; and the Ministry of Information and Broadcasting; by incorporating gender rights and progressive social norms in school curriculums; providing support for interventions within families; launching public awareness campaigns; providing training and development programmes for teachers that focus on gender rights; and encouraging teachers to discuss these topics in class and reflect on them with their students. They can serve as role models for their students and support the development of more progressive social norms in the future.

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Abdullah Khalid, a public policy graduate from the National Defence University, is currently serving as Project Coordinator at the Centre for Private Sector Engagement at the Sustainable Development Policy Institute (SDPI) in Pakistan. His current focus and interest lies in regulatory reforms, private sector development, and human development. **Maheen Rehan** is currently working as a Project Assistant at the Sustainable Development Policy Institute (SDPI) in Pakistan. She is a gold medallist in Economics from the International Islamic University, Islamabad. She has done courses from the Yale University and University of Applied Sciences and Arts of Western Switzerland. **Noman Bashir**, a Mechatronics Engineering graduate from the National University of Sciences and Technology, serves as Project Coordinator at the Sustainable Development Policy Institute (SDPI) in Pakistan. His research focus is climate change and clean energy.

Neurological Healthcare in Pakistan: Identifying Shortfalls and Policy Directions*

Ehtesham Khalid

Abstract

Healthcare in developing countries like Pakistan faces significant challenges due to limited resources. Gaps in the standard healthcare system and delivery of care can be bridged by understanding community needs and systematically addressing them. Community education is vital, and leveraging resources, including social media, can be instrumental. While the health system exists, inefficiencies in the referral system and inter-sector communication place undue pressure on tertiary health centres. Neurological disorders, in particular, require timely interventions to prevent long-term disability and excessive resource consumption. Addressing medical issues promptly is crucial, especially for rare and genetic neurological disorders, which can be costly. Proper policy development is essential for guiding the future of healthcare in Pakistan. Collaboration between bureaucracy, healthcare professionals, and Public-Private Partnerships (PPPs) can improve the standard of healthcare in the country.

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Introduction

Healthcare has continuously evolved throughout human history, facing and overcoming challenges, with COVID-19 being a recent example. There's an urgent need to address gaps in healthcare delivery, especially in populous developing countries (like Pakistan) with limited resources. Identifying these gaps is crucial, paving the way for policy development at the national level to enact impactful, sustainable changes. Without clear guidelines, resource allocation can become inefficient, leading to suboptimal outcomes. Pakistan, with its vast population, faces challenges of limited educational standards and health awareness. Medical practices are dynamic, and what's standard today may change as new research emerges. It is essential for the broader community to stay updated, a goal achievable through collaborative efforts involving the government, community, and related sectors, including the pharmaceutical industry.

Neurological Disorders: Imperative of Timely Intervention and Community Education

According to Akhtar et al., (2018), Pakistan's literacy rate stands at 62.3%. The creation of the National Commission for Human Development and its nationwide literacy initiatives are noteworthy. Enhanced literacy can help citizens grasp routine health practices and enable the government to establish care standards in both private and public sector hospitals. However, due to limited education and awareness of standard health practices, many individuals still turn to 'hakeems', faith healers, and quacks. This can lead to delayed care and potentially reduce the likelihood of effective recovery and improvement.

Neurological disorders are prevalent in Pakistan (Hussain et al., 2017) and, like many other health conditions, require timely attention. As time progresses, the chance to improve the health of a patient with a neurological disorder diminishes, potentially resulting in the patient being left with a disability. This is especially

true for conditions such as stroke, vascular brain injury, metabolic or storage disorders, multiple sclerosis, and so on.

There is a pressing need to set both short- and long-term goals for community education and orientation. Grasping the community's perspective and leveraging the media for education can yield significant outcomes in a short span. The media, whether print or electronic, has influenced people's perspectives. However, given the proliferation of platforms, electronic media has a deeper and broader reach, particularly in reshaping community views on health issues, notably regarding neurological disorders. Long-term objectives should be determined and executed to ensure sustained enhancement in community health education. Neurological disorders, ranging from the overt like seizures or stroke, can be managed promptly. With timely intervention, affected individuals can lead lives as normal as any other community member. Unfortunately, there's a limited emphasis on health education in mainstream TV or social media due to a lack of monetary incentives. As a result, social media platforms have become the primary educational resource for the community.

Challenges in Pakistan's Healthcare System

Pakistan's healthcare system, although structured on standard guidelines, is riddled with challenges stemming from a multitude of issues (Kurji et al., 2016). A thorough comprehension of the system's intricacies is essential for pinpointing solutions. While the healthcare infrastructure spans primary to quaternary levels, the primary and secondary tiers grapple with resource inadequacies. Consequently, the tertiary sector faces an influx of referrals and is presently overstretched.

Quaternary care advances, such as specialised cardiac care hospitals in key cities, are driven by a desire to counter high cardiac mortality rates – a leading cause of death both globally and in Pakistan. However, considering the economic landscape of countries like Pakistan, it's not just mortality but also morbidity and

the ensuing economic impact that need emphasis. The loss of a primary breadwinner to illness can financially devastate a family, on top of already exorbitant medical expenses.

Neurological disorders, ranging from stroke and headaches to Parkinson's disease and dementia, present a significant health challenge. The elderly population is particularly vulnerable, given that improved healthcare over the past half-century has resulted in longer life spans. In the past, many succumbed to infections and other conditions due to inadequate treatments. Comparatively, the United Kingdom's health system, revered for its government-backed, citizen-centric approach, efficiently utilises primary care (via GPs) to prevent overwhelming their tertiary facilities (Gulland 2017).

In Pakistan, the flow of patients to state-funded facilities is hampered due to perceived subpar care standards. Many opt for private healthcare, while doctors, despite being integral to the system, often lean towards private practice. A glaring gap in Pakistan's healthcare is the absence of internationally standardised stroke care centres operating 24/7. Given that stroke ranks highly in morbidity and mortality rates, there is a pressing need for community-driven initiatives to rally governmental support, funding, and policies that prioritise healthcare as a basic right.

Reforms must originate from the top but can be catalysed by grassroots movements. Doctors, with their intimate knowledge of existing services, can play a vital role in mobilising and educating the masses. The pharmaceutical industry, too, stands in a position to champion enhanced healthcare for all, especially for conditions with high disability rates, such as neurological disorders. Despite economic constraints that affect governmental allocations, adopting a multi-pronged approach that includes medical tourism can potentially inject much-needed revenue into the system and set the course for a healthier future.

Role of the Government in Healthcare

Pakistan, a country grappling with limited resources and a vast populace, confronts multifaceted challenges on various fronts. A prominent stumbling block has been political instability, which invariably leads to inconsistent policymaking, affecting crucial health-related areas. These span from medication pricing, quality assurance, drug availability, to approvals for new drugs. Addressing these concerns could bolster international investor confidence, leading to local project development. Such initiatives would not only reduce treatment costs but also spur local economic growth.

The Drug Regulatory Authority of Pakistan (DRAP), conceived under the Drug Act of 1976 and established in 2012, has been steadily advancing despite the hurdles it faces. Its role is paramount in fostering a conducive environment for medical trade and healthcare evolution in Pakistan. Meanwhile, the Pakistan Medical Commission, instituted to oversee medical professionals, has yet to realise its full potential, often due to political interferences in its functioning. The affliction of political nepotism and authority misuse has stymied the nurturing of a robust training regime, policy implementation, and the overall progress of Pakistan's healthcare system.

To remedy these entrenched issues, there's a dire need for cohesive action. It demands the resolute intent of both the political leadership and bureaucratic policy architects. Collaborative discussions, inclusive of all stakeholders, are essential to sculpt a healthcare blueprint that prioritises Pakistan's citizenry.

A concerning observation at the district level is the limited medical expertise, especially in acute medicine and neurological disorders. Mandatory training for junior doctors in these domains would drastically enhance care quality and reduce unnecessary referrals. Simplifying the management of commonplace ailments, such as headaches and seizures, could be entrusted to community hospitals' junior doctors. It is essential that practicing doctors engage in continual medical education, refreshing their knowledge base annually. Furthermore, primary and

secondary care facilities grapple with an acute equipment deficit. Basic laboratory and imaging tools, often marred by substandard validation and upkeep, exacerbate patient costs due to repeated tests.

The onus lies on entities like the Pakistan Medical Commission (PMC) to establish practice benchmarks and ensure resource accessibility in distant locales. Instituting an annual budget for each facility, coupled with rigorous financial audits, is imperative. For rarer neurological disorders demanding specialised attention, a robust referral system to guide patients to the right sub-specialists can optimise both patient recovery and governmental expenditure.

Enhancing Healthcare Infrastructure in Pakistan

In the dynamic realm of healthcare, the mandate for progress and refinement is perpetual. While developed nations grapple with their unique challenges, for emerging economies like Pakistan, fiscal constraints predominantly shape healthcare outcomes. Particularly in the domain of neurological disorders, the financial burden escalates with the introduction of novel therapeutic interventions in the global market.

Pakistan's healthcare system may be facing multifaceted challenges, but with a strategic way forward and robust policy development, there is potential for transformative improvement. A prospective blueprint for healthcare enhancement necessitates a holistic approach. Core strategies include streamlining the foundational health system infrastructure to eliminate inefficiencies and expedite standardised healthcare delivery across both remote regions and advanced care facilities. This entails the judicious selection and training of personnel, maintenance of care standards, implementing stringent malpractice regulations, and ensuring that even primary and secondary care centres are equipped with vital diagnostic apparatus.

A Public-Private Partnership (PPP) model may be a viable solution, especially when addressing specialised care requirements for rarer neurological conditions like multiple sclerosis or genetic neurological ailments. Notably, there is an economic drain as affluent individuals often seek premium medical care abroad. Instituting public-private collaborations can counteract this financial outflow by establishing advanced healthcare facilities domestically.

Regarding pharmaceuticals, the initial costs for pioneering drugs are steep, diminishing only post-patent expiration. However, leveraging the competitive advantage of offering skilled human resources at reduced costs can attract multinational pharmaceutical corporations to set up shop in Pakistan, subsequently reducing medication prices.

A holistic strategy requires concerted efforts from multiple stakeholders. It is imperative for governmental entities, including the PMC, DRAP, and the National Health Services, Regulations and Coordination, to formulate and adhere to targeted investment plans, complete with defined timelines and objectives. Collaborative endeavours, uniting investors, the pharmaceutical sector, and subject-matter experts, can significantly propel this vision. The Sustainable Development Policy Institute's engagement at the Sustainable Development Conference 2022 exemplified this collaborative ethos. This assembly, uniting a diverse group comprising politicians, bureaucrats, industry representatives, World Health Organization delegates, and medical professionals, fostered meaningful dialogues on prospective pathways. Such engagements pave the way for informed policymaking. However, beyond policy formulation, the crux lies in its effective execution. Without rigorous implementation, even the most well-intentioned strategies risk becoming mere academic exercises, squandering both time and resources.

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Dr Ehtesham Khalid holds an MBBS degree and has earned distinctions including the FRCP (UK), FCPS in Neurology, and is a diplomate of the American Boards in Neurology, Neuromuscular Medicine, and Quality Assurance. The American Academy of Neurology has recognised him for his exemplary contributions to teaching and mentoring medical students.

Ensuring Inclusivity: Integrating Rare and Neurological Diseases into Pakistan's Universal Health Strategy*

Saadiya Razzaq & Razia Safdar

Abstract

This chapter analyses the rare disease landscape in Pakistan and the challenges it presents within the country's healthcare system. Pakistan has seen a shift in its disease burden, with Non-Communicable Diseases (NCDs), including rare diseases, gaining prominence and contributing significantly to mortality rates. Despite progress in improving health indicators, the explicit inclusion of rare diseases in the policy framework remains lacking. Bridging this gap is crucial to ensure comprehensive healthcare provision for Persons Living with Rare Diseases (PLWRD) in Pakistan. It is important to highlight the urgency of addressing NCDs, including rare diseases, and the importance of strengthening healthcare infrastructure, enhancing capacity building efforts, allocating resources, and implementing evidence-based interventions. Rare diseases demand long-term management and care, imposing substantial financial burdens on individuals and healthcare systems. The impact of rare diseases is compounded by various factors, including a lack of expertise, inadequate infrastructure, limited awareness, and insufficient financial allocations. Case studies of rare diseases in

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Pakistan, such as Haemophilia, Spinal Muscular Atrophy, and Multiple Sclerosis, illustrate the need to recognise these diseases as a significant health burden and include context-specific interventions in health policies. Recommendations for Pakistan encompass policy advocacy, raising awareness, early screening and diagnosis, improving access to treatment, capacity building and training, patient support and advocacy, and data collection and research. Addressing the challenges posed by rare diseases is crucial for Pakistan to achieve Universal Health Coverage and improve healthcare access and quality for PLWRDs.

Introduction

The Sustainable Development Goals (SDGs) 2030 Agenda prioritises the attainment of Universal Health Coverage, which encompasses the provision of high-quality healthcare services to all individuals without imposing financial burdens. This objective extends to coverage and management of Non-Communicable Diseases (NCDs), which comprise a range of conditions such as cardiovascular diseases, diabetes, cancers, mental health disorders, injuries, and rare diseases. However, effectively addressing NCDs, including rare diseases, presents considerable challenges stemming from various factors.

NCDs, including rare diseases, demand long-term management and care, often imposing substantial financial burdens on individuals and healthcare systems alike. Rare diseases specifically affect approximately 300 million individuals globally, encompassing around 6,000 to 7,000 distinct conditions. The management of rare diseases is impeded by several significant hurdles. These include the lack of early diagnosis, limited awareness among primary care physicians, inadequate screening and diagnostic facilities, and systemic delays in accessing appropriate care. One significant challenge lies in the inadequate health infrastructure that hampers the provision of comprehensive care for rare diseases. Insufficient financial resources further compound the issue, restricting the availability of essential medical services and treatments. In addition, inadequate health information systems hinder the efficient monitoring and

management of these conditions. Furthermore, social determinants of health, such as poverty, education, and gender inequality, contribute to the complexity of addressing the rare diseases (Thakur et al., 2021; Rare Diseases International 2019; Rare Diseases International n.d.).

Recognising the gravity of the situation, the United Nations (UN) passed a resolution in 2021, calling upon countries to prioritise rare diseases within their healthcare frameworks and action plans (Rare Diseases International n.d.). However, in the context of Pakistan, rare diseases have not received sufficient attention within the country's health policy. Thus, this chapter aims to bring this matter to the forefront and urge policymakers to include rare diseases as a focal point in the national health policy. Moreover, it emphasises the need to enhance the capacity of healthcare workers in managing rare diseases, while concurrently raising community awareness about these conditions and introducing reimbursement mechanisms for treatment.

To effectively manage Persons Living with Rare Diseases (PLWRD), it is imperative to formulate an action plan based on consensus, adoption of best practices, and international guidelines. However, this plan must also be appropriately contextualised to the local healthcare system. Such an approach will enable Pakistan to address the challenges posed by rare diseases and provide optimal care and support to individuals affected by these conditions.

Methodology

This study draws upon a comprehensive literature review, although limited in availability, along with valuable insights obtained from position papers and a high-level panel discussion involving subject experts, public health policy experts, civil society advocates and parliamentarians. These discussions took place at the Sustainable Development Conference (SDC) 2022, organised by the Sustainable Development Policy Institute (SDPI) in partnership with Roche Pakistan Limited.

During SDC 2022, the issue of rare diseases was prominently featured and extensively deliberated upon by experts and representatives from the policy and health community. The primary objective of these discussions was to raise awareness about the challenges faced by PLWRD, evaluate the efficacy of existing policies in supporting them, and identify additional policy interventions that can be translated into actionable measures. The ultimate aim was to ensure that adequate care is provided to PLWRDs in Pakistan, without overlooking any segment of the population. A key aspect highlighted throughout these discussions was the imperative inclusion of PLWRD perspectives in policymaking processes. Recognising the unique and complex care requirements associated with rare diseases, it is crucial to prioritise the specific needs of this population in policy formulation. By doing so, legislators can ensure that the policies developed align closely with the realities faced by them and effectively address the existing gaps in care provision.

Hence, the insights obtained from the literature review, position papers, and the high-level panel discussion at SDC 2022 serve as valuable inputs for this study. The collective expertise and diverse viewpoints shared by subject experts, public health policy experts, civil society advocates, and government representatives provide a solid foundation for advocating the inclusion of rare diseases in the health policy agenda of Pakistan.

Rare and Neurological Diseases and Related Challenges

Rare diseases are characterised by their chronic and life-threatening nature, affecting only a small fraction of the population. While there is no universal definition for rare diseases, different regions employ varying prevalence thresholds to determine their rarity. According to the World Health Organization (WHO), rare diseases are considered lifelong debilitating diseases or disorders with a prevalence of 1 or less per 1,000 population (Gol n.d). However, definitions may vary across different regions. In the United Kingdom (UK), rare diseases are defined as those that impact 1 in 2,000 individuals (NIHCR n.d.). Conversely, in

the United States (US), the criteria for rare diseases are based on diseases that affect 5.4 in 10,000 people. The European Union (EU), on the other hand, defines rare diseases if their prevalence is less than 1 in 2,000 population (Eurordis n.d.). In Canada and some European countries, the prevalence threshold is set at 4 in 10,000 population.

It is important to note that these prevalence thresholds do not account for various disease-related factors, such as disease severity, fatality rates, familial inheritance patterns, and the availability of alternative treatment options. Therefore, the prevalence definition alone may not fully capture the complexity and impact of rare diseases on individuals and communities. However, it is essential to consider additional disease-related factors to gain a comprehensive understanding of the impact and challenges posed by these conditions.

Currently, there are approximately 300 million individuals worldwide who are living with an estimated 6,000-7,000 rare diseases (Rare Diseases International 2019). These rare diseases encompass a wide range of conditions, such as genetic metabolic disorders, gene deletions, neurological disorders, mucopolysaccharidosis, lysosomal storage disorders, osteogenesis imperfecta, certain forms of muscular dystrophies, Spinal Muscular Atrophy (SMA), as well as musculoskeletal disorders, bleeding disorders, neuromuscular disorders, and rare cancers.

Rare diseases often manifest in childhood and are characterised by their severity, chronicity, progressive nature, degenerative effects, and life-threatening consequences, often requiring expensive treatment and care. Individuals with rare diseases frequently experience disability and compromised quality of life. Moreover, these diseases impose a significant psychosocial burden on patients and caregivers, leading to stigmatisation (Belzer et al., 2022).

While approximately 80% of rare diseases have genetic components, they can also be caused by disordered immunity, infections, allergies, and the deterioration of body tissues and organs. Notably, around 50% of rare diseases affect children,

and tragically, 30% of children with these diseases pass away before the age of five (GoUK 2022).

There are numerous challenges associated with rare diseases. Early identification and diagnosis pose a key challenge due to limited awareness among primary care physicians and the community, inadequate screening and diagnostic facilities, absence of guidelines on referral pathways, and systemic delays, leading to missed opportunities for timely interventions. Prenatal diagnosis is also challenging due to the risks associated with invasive tests and the complexity of interpreting prenatal screening tests (Sheikh and Wahlberg 2023). In the UK, it takes an average of 5.6 years to receive a final diagnosis, involving consultation with an average of eight physicians and two to three misdiagnoses. Similarly, in the US, the process takes an average of 7.6 years (Shire 2013). Such delays have a lasting impact on the education, financial stability, physical mobility, and mental health of PLWRD, emphasising the need for their inclusion in policy development processes (GoUK 2022).

Access to affordable treatment options is another significant challenge, with only 5% of rare diseases having recommended treatments, leaving the remaining 95% without available options (Adachi et al., 2023). Moreover, the cost of available treatments poses a financial burden for many patients and their families. Additionally, there is limited understanding of the pathophysiology and natural history of rare diseases due to the small patient pool, resulting in inadequate clinical experience, limited published data on long-term treatment outcomes, and incomplete characterisation of these diseases.

In addition to disease management challenges, caregivers for individuals with rare diseases face psychosocial health issues such as depression, anxiety, social isolation, concerns about lack of information and treatment availability, and uncertainty about disease progression, leading to a decline in their quality of life. Reports indicate that over 50% of caregivers and patients receive conflicting information from health professionals, and more than 60% of caregivers provide disease-related information to health professionals (Shire 2013). These

challenges collectively contribute to a 50% decline in quality of life for PLWRD compared to healthy individuals, with further deterioration for those not receiving any treatment. Cultural and social barriers to education and participation further complicate the care of individuals living with rare diseases (GoUK 2022).

Rare Diseases Landscape in Pakistan

According to global burden of disease data, Pakistan has undergone a notable shift in its disease burden, transitioning from a primary focus on communicable diseases, maternal and newborn child health diseases, to an increasing prominence of NCDs (Vos et al., 2020; MoNHSRC 2021). While progress has been made in improving health indicators, such as increased life expectancy and reduced maternal and child mortality rates, Pakistan now faces the dual challenge of managing disease burdens and responding to frequent disasters. NCDs, including rare diseases, are on the rise in Pakistan and contribute significantly to the country's mortality rates, accounting for approximately 55.3% of all deaths (MoNHSRC 2021; Kazmi et al., 2022).

This trend highlights the urgency and importance of addressing NCDs, including rare diseases, within Pakistan's healthcare system and policy framework. The development of essential health services packages for Universal Health Coverage (UHC) and the prioritisation of NCDs and mental health through existing action plans demonstrate significant progress. However, the explicit inclusion of rare diseases in the policy framework remains lacking. Bridging this gap is crucial to ensure comprehensive healthcare provision for PLWRD in Pakistan.

One of the primary challenges in managing rare diseases in Pakistan is the need to enhance the capacity of healthcare workers. By providing appropriate training and resources, delays within the healthcare system can be minimised, enabling timely diagnosis and intervention for PLWRD. Furthermore, raising community awareness about rare diseases is essential for facilitating early detection and improving outcomes for affected individuals.

The impact of rare diseases in Pakistan is compounded by several factors, including a lack of expertise, inadequate infrastructure, limited awareness, and insufficient financial allocations. Experts at the 2022 SDC emphasised the importance of addressing system delays; improving the health sector's response following diagnosis; establishing effective referral pathways; and fostering a positive community response towards rare diseases. Presenting specific examples of rare diseases in Pakistan as case studies helps illustrate the need to recognise these diseases as a significant health burden and to include context-specific interventions in health policies to ensure equitable treatment and care for affected individuals.

Evidence around the world supports the implementation of primary prevention measures such as premarital counselling and screening. Given the prevalence of consanguineous marriages in Pakistan, which are associated with various genetic diseases including Haemophilia which is a congenital and neuromuscular disorder, such preventive measures can play a vital role in mitigating the impact of rare diseases.

Addressing these challenges and integrating rare diseases into the health policy framework will enable Pakistan to make significant strides in reducing the burden of rare diseases, improving healthcare access and quality for PLWRD, and fostering a more inclusive and equitable healthcare system.

Following are some examples of rare and neurological diseases in Pakistan which are impacting thousands of lives:

Haemophilia is a genetic bleeding disorder characterised by impaired blood clotting, resulting in bleeding in joints, muscles, and internal organs. It is reported that 70% of cases are inherited, while 30% are sporadic (Street et al., 2008). Approximately 1 out of every 1,000 individuals is believed to have Haemophilia. The estimated prevalence of Haemophilia in Pakistan is 1 in 10,000, with an estimated total number of patients reaching 23,000. However, only 3,660 patients (1/7th of the total) are registered with the Hemophilia Society, indicating

a large number of unaccounted patients (HFP n.d.). Patient outreach and access to diagnostic facilities and safe treatment provision by the government are major challenges in mitigating this disease in Pakistan.

Spinal Muscular Atrophy (SMA) is a rare genetic disorder that affects motor neurons, leading to muscle weakness and atrophy. The estimated prevalence of SMA in Pakistan is approximately 1 in 6,000 to 1 in 10,000 live births. However, the lack of comprehensive registry and reporting systems limits the availability of accurate prevalence data (Qadir et al., 2016; Razaq et al., 2020). Lack of awareness, accurate data, diagnostic facilities, and access to safe and effective treatment contribute to the challenges in prioritising SMA in policy and allocating funds for interventions. This results in delayed or missed diagnoses and suboptimal management of SMA patients. The high cost of treatment and limited support services further complicate the management of SMA in Pakistan.

Multiple Sclerosis (MS) is a chronic autoimmune and neurodegenerative disease affecting the central nervous system. The prevalence of MS in Pakistan is rare, with approximately 10 cases per 100,000 population (Shah et al., 2022). MS affects more women than men. Globally, there has been an increasing trend in the number of MS cases, deaths, and Disability-Adjusted Life Years (DALYs) from 1990 to 2019 (Qian et al., 2023). Limited awareness among healthcare providers; lack of specialised diagnostic facilities; and limited access to disease-modifying therapies including lack of reimbursement mechanisms pose challenges in managing MS (Wallin et al., 2019). However, in Pakistan, the incidence and prevalence of MS are not well-documented, and there is a lack of comprehensive data on the burden of the disease. Despite the lack of reliable data, MS has been recognised as a significant health issue in Pakistan, with an increasing number of patients seeking medical care and support.

Global Policy Interventions

The UN resolution 'Addressing the Challenges of Persons Living with a Rare Disease and their Families' was passed in 2021 after a decade long process of research, collaborations, and advocacy. On 16 December 2021, the UN General Assembly adopted this first-ever resolution with the support of 52 countries and unanimous adoption by all 194 member states (United Nations 2022). This resolution acknowledges the importance of promoting and protecting the human rights of the estimated 300 million PLWRD worldwide (Rare Diseases International n.d.). The discussions on rare diseases initiated in Nordic countries in 1989 recognised the need for cross-border discussions and international endorsements. The UN emerged as the most effective platform for collaboration, driven by the fundamental UN principle of '*Leaving No One Behind*' leading to the production of position papers by NGOs.

While member states are guided by specific actions to achieve UHC by 2030, managing rare diseases necessitates separate strategic interventions to ensure healthy lives and promote well-being for all individuals, including those with rare diseases, with comprehensive coverage for quality essential health products.

In the UK, significant steps have been taken by the government to address rare diseases. The publication of 'UK Rare Diseases Framework' in January 2021, and the subsequent 'Rare Diseases Action Plan' in 2022 exemplify these efforts (GoUK 2022). The Framework identifies four priority areas, including faster diagnosis, increased awareness among health professionals, coordinated care, and improved access to specialist care, treatment, and drugs. Scotland's 'Rare Disease Action Plan' (Scottish Government 2022) focuses on ensuring patients get the right diagnosis faster, increasing awareness of rare diseases among healthcare professionals, better coordination of care and improving access to specialist care, treatment and drugs.

In the US and Canada, efforts to encourage the development of drugs for rare diseases are supported by the Orphan Drug Act, 2001 and investments to

support the access of rare disease drugs (OIG 2001; GoC 2023). India has developed a 'National Policy on Rare Diseases' (Gol, n.d.), drawing from best practices implemented in other countries to ensure the prevention and control of rare diseases.

Policy Recommendations for Pakistan

As Pakistan strides forward in its healthcare objectives, ensuring a holistic approach that addresses even the rarest medical conditions is imperative. This final section delves into policy recommendations, underscoring the importance of rare and neurological diseases within the broader framework of healthcare in Pakistan. By emphasising advocacy, awareness, timely diagnosis, and equitable access, Pakistan should aim to shape a health landscape where no ailment is left unaddressed, no matter how rare:

Policy Advocacy and Framework Development

- Engage the health taskforce and SDGs Task Force at national and provincial levels to advocate for rare diseases as a priority area in health policies.
- Develop and adopt a comprehensive rare disease framework at the national level to guide policy and action.
- Create a national registry dedicated to rare diseases to accurately document their occurrence and monitor their prevalence across the country. Integrating this registry with newborn screening programmes, can ensure a comprehensive understanding of the disease landscape from birth onwards.

Raise Awareness

- Optimise 'Rare Disease Day' (29 February) by conducting parliamentary events and publishing open letters to raise awareness about rare diseases and their impact.
- Collaborate with government, patient organisations, academia, and scientific societies to organise educational and promotional events, media coverage, and awareness campaigns to create broad public knowledge about rare diseases.
- Ensure the provision of genetic counselling services.

Screening and Timely Diagnosis

- As per WHO (2020) standards, all newborns should be assessed for congenital abnormalities, managed appropriately and referred in a timely manner. The implementation of this standard can also help in early diagnosis of rare congenital diseases.
- Enhance the capacity of frontline medical practitioners, including lady health workers, through training and equipping them with a simple checklist to identify couples at risk of having any genetic rare disease based on family history.
- Establish genetic testing sites to timely diagnose genetic diseases as well as provide required training to healthcare staff. Improve neonatal and prenatal diagnostics for early detection.
- Establish access to ultra-high-throughput platforms for assessing disease-causing variants.
- Ensure the provision of necessary healthcare equipment and infrastructure for improved diagnosis.
- Expand the number of neurologists or general practitioners specialising in rare diseases through specialised trainings.
- Develop comprehensive and standardised guidelines for the management and standard of care treatment of rare diseases.

Access

- Design reimbursement, financial assistance, or welfare programmes to address the challenges of access to diagnosis and treatment.

Conclusion

In conclusion, the comprehensive integration of rare and neurological diseases into Pakistan's health policy framework is non-negotiable for an inclusive healthcare landscape. By fostering robust policy advocacy, intensifying awareness campaigns, ensuring timely and accurate diagnoses, and guaranteeing equitable access to treatments, Pakistan can genuinely uphold the principle of 'Leaving No One Behind.' The suggested recommendations not only address immediate concerns but also lay the foundation for a resilient health system, well-equipped to respond to the nuanced challenges of rare diseases. As the country navigates its path forward, a holistic, well-orchestrated approach should be adopted that will ensure that every citizen's health rights are met, irrespective of the rarity of their condition.

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Saadiya Razzaq is a Health Policy and System Strengthening Expert.
Dr Razia Safdar is Advisor/Head, Centre for Health Policy Innovation
(CHPI) at the Sustainable Development Policy Institute (SDPI),
Islamabad, Pakistan.



ANNEXURES

I. About the Sustainable Development Policy Institute

II. About the Sustainable Development Conference Series

III. Acknowledgements

IV. SDC 2022: Panels at a Glance



About the Sustainable Development Policy Institute

Charting the Course of Research Excellence

Established on 4 August 1992 in the heart of Islamabad, the Sustainable Development Policy Institute (SDPI) started from humble beginnings within a modest office space, nurtured by a committed group of visionaries. Fast forward to today, and it is heralded as one of Asia's premier non-partisan policy research entities, amplifying the voice of Pakistan and the surrounding region on the global development stage. For more than three decades, SDPI's dedication to its foundational mission has remained steadfast, championing the cause of sustainable development:

To catalyse the transition towards sustainable development, defined as the enhancement of peace, social justice and well-being, within and across generations.

SDPI, registered under the Societies Registration Act, XXI of 1860, holds the distinction of being one of the few organisations in Pakistan consistently featured in the Global Go to Think Tank Index since 2016. In a testament to its global impact and relevance, the United Nations Economic and Social Council (ECOSOC) granted SDPI the 'Special Consultative Status' in 2022. This recognition underscores SDPI's crucial role in guiding sustainable development policies both within the region and on the international stage.

Where We Come From

The Institute's genesis lies in the Pakistan National Conservation Strategy (also known as Pakistan's Agenda 21), which approved by the Federal Cabinet in March 1992, outlined the need for an independent non-profit organisation in the country to serve as a source of expertise for policy analysis, evidence-based research and training services.

What We Do

SDPI functions in an advisory capacity by carrying out robust research, policy advice and advocacy; and in an enabling capacity by strengthening other individuals and organisations with resource materials and training. Specifically, the Institute's broad-based yet holistic mandate is to:

- o Undertake research, advocacy, and training grounded in evidence and approached from a comprehensive multidisciplinary perspective.
- o Advocate for the adoption and execution of policies, programmes, laws, and regulations anchored in sustainable development principles.
- o Fortify civil society's role and foster synergistic collaborations between civil society and government, partnering with other organisations and activist networks.
- o Share research insights and foster public education through diverse channels, including media, conferences, seminars, lectures, publications, and curriculum development.
- o Dedicate efforts to enhancing national research capacity and infrastructure.

How We Do It

Over the past 30+ years, SDPI has immersed itself in a diverse spectrum of projects and programmes. These span from promoting inclusive economic growth and fortifying institutional governance, to delving into realms like trade, regional connectivity, energy economics, climate change, food, water and human security, education, sustainable industrial growth, hazardous waste management, religious tolerance, peace, and gender equity. This broad range of engagements underscores SDPI's core activities, which include:

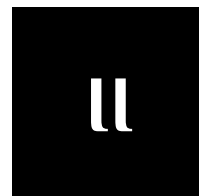
1. Offering strategic policy advice to the government.
2. Organising and hosting platforms for robust policy dialogue.
3. Empowering a global community of academics, students, and researchers through support and collaboration.
4. Producing and disseminating pivotal research tailored for both the public and private sectors.
5. Serving as a nexus for both North-South and South-South exchanges and dialogues.
6. Cultivating an ecosystem conducive to knowledge dissemination and skill-enhancement training.
7. Spearheading initiatives for regional advocacy and fostering expansive networks.

Why We Do It

The Institute's efforts remain unwavering in its vision as a Centre of Excellence on sustainable development policy research, capacity development and advocacy in Pakistan and in Asia by producing knowledge that not only enhances the capacity of the state to make informed policy decisions, but also engages civil society and academia on issues of public interest for the betterment of current and future generations.

How We Reach Out

Since its inception, SDPI has organised innumerable seminars and national and international conferences. The Sustainable Development Conference (SDC) series has become a flagship event of the Institute that not only provides a forum for highlighting SDPI's own research, but also offers space to other academics from South Asia in particular and across the globe in general, to share their work and engage in constructive dialogue with fellow intellectuals, movers and shakers from the public and private sector, students, and the general public. To date, SDPI has organised 25 annual conferences and held its Silver Jubilee SDC in December 2022.



About the Sustainable Development Conference Series

Introduction

Since its foundation, the Sustainable Development Policy Institute (SDPI) has championed intellectual discourse by hosting a succession of Sustainable Development Conferences (SDCs). Launching this tradition in 1995 with the inaugural SDC, each event culminates in the publication of an anthology—a testament to the rigorous peer-reviewed research inspired by the conference. These anthologies encapsulate the rich dialogues, insights, and pioneering discussions from their respective SDCs. Here's a glimpse into the legacy of past SDCs and the profound impact of their outcomes:

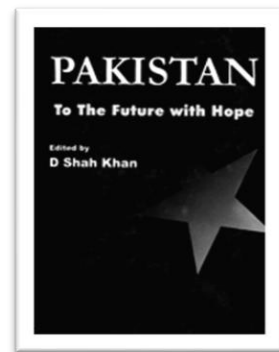
First SDC (1995)

The First SDC titled **The Green Economics Conference** focused on the interaction between economics and environment. It included research papers on trade, fiscal policy, Environmental Impact Assessments (EIAs), green accounting, forestry, energy, industry, and urban environment. After this conference, an anthology titled *Green Economics* was published.



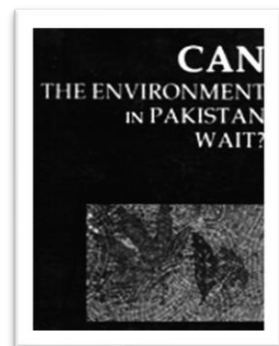
Second SDC (1996)

The Second SDC highlighted the broad theme of sustainable development, including pollution abatement, resource management, conservation of biodiversity, the transfer and use of technology, trade and environment, human development and poverty alleviation, and social capital and governance. The conference was successful in highlighting key issues facing Pakistan and bringing out the latest thinking and analysis to identify solutions. The anthology produced as a result of the conference is titled *Pakistan – To the Future with Hope*.



Third SDC (1998)

The theme of the Third SDC was **A Dialogue on Environment and Natural Resource Conservation**. The conference focused on stimulating dialogue on practical policy options for key environmental challenges being faced by Pakistan. The two broad thematic areas of Urban Environment and Natural Resources concentrated on urban pollution, water resource management, deforestation and sustainable agriculture with presentations by experts from Pakistan and South Asia. The anthology produced as a result of the conference is titled *Can the Environment in Pakistan Wait?*



Fourth SDC (2000)

The Fourth SDC titled **Discourse on Human Security** mainly focused on the changes and improvements in government policies and practice with regard to

human security. The conference was designed to create awareness among senior policymakers, key federal and provincial government officials and civil society groups like the media and non-government organisations on security issues.

Fifth SDC (2002)

The Fifth SDC titled **Sustainable Development and Southern Realities: Past and Future in South Asia** re-examined the conceptualisation and implementation of sustainable development in its multiple dimensions: economic, political, social, and moral. The delegates scrutinised and consolidated some of the ideas presented at the World Summit on Sustainable Development in Johannesburg, and resituated debates in the South Asian context. The anthology produced as a result of the conference is titled *Sustainable Development and Southern Realities: Past and Future in South Asia*.



Sixth SDC (2003)

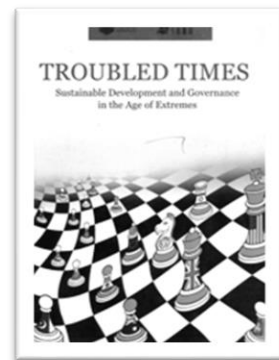
The overarching theme of the Sixth SDC was **Sustainable Development: Bridging the Research/Policy Gaps in Southern Contexts**. It focused on the problematique of knowledge production in the South. It explored policy/research gaps in two directions: in some places policy needs to be fed by better research; while in others, policy needs to take better account of existing solid research. It focused on the ways and means for translating this knowledge into effective



policy initiatives locally, nationally, regionally and internationally by identifying the multiple gaps between research and policies in different sectors. The anthology which came out as a result of this SDC is titled *Sustainable Development: Bridging the Research/Policy Gaps in Southern Contexts*.

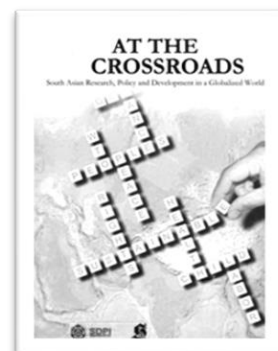
Seventh SDC (2004)

Troubled Times: Sustainable Development and Governance in the Age of Extremes was the overarching theme of the Seventh SDC that took up the key questions such as whether there is sound governance around development and whether this is ensuring just development? Whether there is more sharing of resources, including natural and institutional? Is there a strengthening of regional and international institutions? How much progress has been achieved in South Asia vis-à-vis governance? Is government more transparent today than it was a decade ago? Have governments kept their promises to the marginalised, whether the poor, women or minorities? The anthology that came out as a result of this SDC is titled *Troubled Times: Sustainable Development and Governance in the Age of Extremes*.



Eighth SDC (2005)

The Eighth SDC titled **At the Crossroads: South Asian Research, Policy and Development in a Globalized World** examined the multiple facets of sustainable development in the context of South Asia. The speakers discussed how problems and issues in South Asia could be dealt effectively at various levels



based on prior experience of successful policy interventions. The anthology that came out as a result of this SDC is titled *At the Crossroads: South Asian Research, Policy and Development in a Globalized World*.

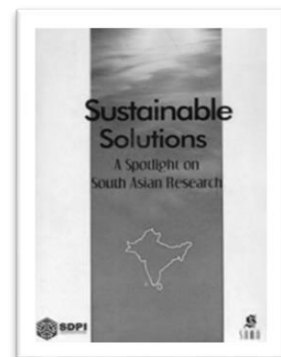
Ninth SDC (2006)

The Ninth SDC titled **Missing Links in Sustainable Development (SD): South Asian Perspectives** aimed at identifying the missing links in sustainable development for South Asia and proposed fillers for those. The region's pool of cutting-edge academics was tapped and top researchers invited together with policymakers, activists and other relevant stakeholders for a vibrant three-day debate. The anthology that came out as a result of this SDC is titled *Missing Links in Sustainable Development (SD): South Asian Perspectives*.



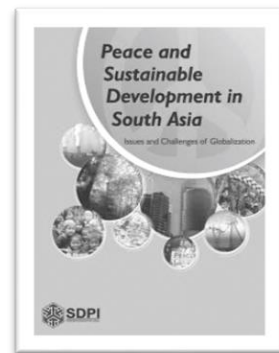
Tenth SDC (2007)

The Tenth SDC titled **Sustainable Solutions: A Spotlight on South Asian Research** explored sustainable solutions to problems such as poverty, illiteracy, mortality and morbidity, environmental degradation and disaster management, gender inequality, insecurity, violence and history. It focused on looking at both innovative solutions, as well as indigenously developed alternatives that have survived generations of development. The anthology that came out as a result of this SDC is titled *Sustainable Solutions: A Spotlight on South Asian Research*.



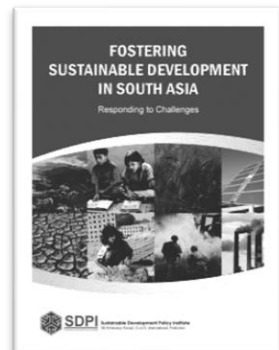
Eleventh SDC (2008)

Peace and Sustainable Development in South Asia: Issues and Challenges of Globalization was the theme of the Eleventh SDC which discussed various issues such as where we stand in solving the dilemmas of inequality, poverty, climate change and energy scarcity, natural resources degradation, trade liberalisation policies, food insecurity, violence and conflict, re-writing history, and poor governance. The conference aimed to explore how resolving some non-conventional security threats may turn into added dividends for peace. The anthology that came out as a result of this SDC is titled *Peace and Sustainable Development in South Asia: Issues and Challenges of Globalization*.



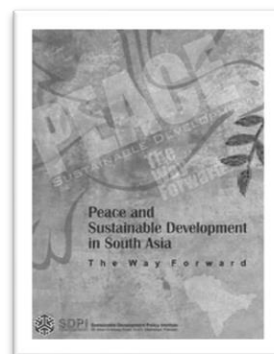
Twelfth SDC (2009)

The Twelfth SDC titled **Fostering Sustainable Development in South Asia: Responding to Challenges** focused on the six 'Fs' crises - issues related to food, fuel, frontiers, functional democracy and the fragility of climate. Scholars from South Asia and other regions were invited to delve further on these issues and shared with the audience where South Asia stands today vis-à-vis coping with the six 'Fs' crises facing the region. Gender remained a crosscutting theme. The anthology that was published as a result of this SDC is titled *Fostering Sustainable Development in South Asia: Responding to Challenges*.



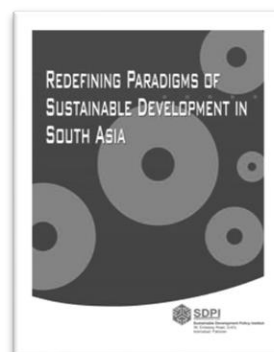
Thirteenth SDC (2010)

The Thirteenth SDC titled **Peace and Sustainable Development in South Asia: The Way Forward** deliberated on how economic challenges could be handled with positive results in terms of natural resources, while at the same time increasing the capacity and effectiveness of institutions. The panels covered themes such as post-flood situation in Pakistan, food insecurity, energy and financial crisis, the issue of land acquisition, trade and financial liberalisation, social protection, the eradication of violence against women, the role of think tanks in peace and sustainable development, sound management of chemicals, climate change, religious diversity, labour issues, etc. The anthology published as a result of this SDC is titled *Peace and Sustainable Development in South Asia: The Way Forward*.



Fourteenth SDC (2011)

The Fourteenth SDC titled **Redefining Paradigms of Sustainable Development in South Asia** featured a broad spectrum of themes: livelihood, governance, literature, Sufism, poverty, geopolitics, forest management, REDD+, social accountability, 18th Amendment, land rights, food security, education financing, feminism, economic non-cooperation, water governance, and, energy and sustainability. The anthology published as a result of this SDC is titled *Redefining Paradigms of Sustainable Development in South Asia*.



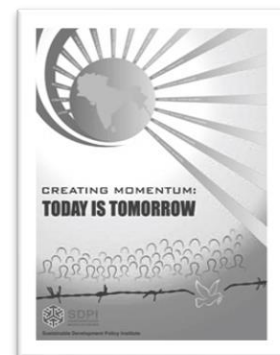
Fifteenth SDC (2012)

The Fifteenth SDC **Sustainable Development in South Asia: Shaping the Future** analysed how things will look 20, 30 or even 50 years from now, threw light on issues that will be looming large, made concrete suggestions on how to overcome future challenges, and, gave practical policy recommendations about a sustainable South Asia. The anthology published as a result of this SDC is titled *Sustainable Development in South Asia: Shaping the Future*.



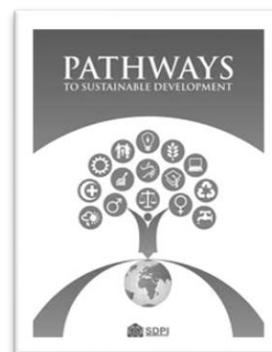
Sixteenth SDC (2013)

Creating Momentum: Today is Tomorrow was the theme of the Sixteenth SDC, which highlighted our present position and inclination to forecast and potentially modify our decisions that may improve our tomorrow. Under various sub-themes, the conference brought to attention that failure to act urgently is premised on the argument that waiting for another tomorrow for action will result in wasting opportunities that may not be available ever again. The anthology published as a result of this SDC is titled *Creating Momentum: Today is Tomorrow*.



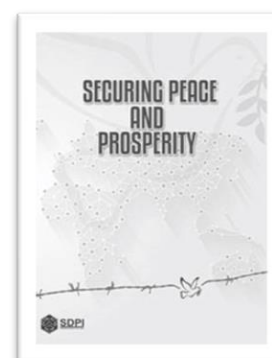
Seventeenth SDC (2014)

The Seventeenth SDC titled **Pathways to Sustainable Development** looked at leadership change in China, Pakistan, Iran, Bangladesh, India, and Afghanistan that could hold the key to shaping development pathways in South Asia. The region needs political and executive leadership that has a commitment to strategise for peace and human security and raise tangible safeguards for the political economy of the region, while engaging with the primary stakeholders, i.e. the people. In this backdrop, issues of climate change, migration, sustainable and inclusive economic growth, sharing energy resources across the region, environmental challenges, food security, human rights, women in the peace process, and regional connectivity were discussed and published in its peer-reviewed anthology titled *Pathways to Sustainable Development*.



Eighteenth SDC & Eighth SAES (2015)

The Eighteenth SDC titled **Securing Peace and Prosperity** had a thinkers' agenda, a gathering of regional think tanks working closely with policymakers of their respective countries and representatives of existing and potential South Asian Association for Regional Cooperation (SAARC) member countries - a congregation of visionaries in Islamabad. It focused on understanding regional integration and the attempt of SAARC countries at various forums in 2015 to establish new corridors to achieve sustainable development in the region and beyond. Simultaneously, the Eighth South Asia Economic Summit (SAES) - the premier regional platform for debate and analysis of politico-socio-economic issues and problems facing South Asia, was also held. The Summit brought together stakeholders to



review and reflect on issues facing South Asian countries. The overarching theme of SAES was *Regional Cooperation for Sustainable Development in South Asia*. The anthology published as a result of the SDC and SAES is titled *Securing Peace and Prosperity*.

Nineteenth SDC (2016)

The overarching theme of the Nineteenth SDC was **Sustainable Development: Envisaging the Future Together**. It focused on cooperation between developed and developing countries for sustainable development, Sustainable Development Goals, and human centredness. The themes highlighted in this conference were recovering from conflict, SDGs, trade, economic growth, environment, sustainable energy, regional economic integration, minority rights, disaster management and preparedness, climate change, youth employment, gender and demography, gender and democracy, etc. The anthology published as a result of this SDC is titled *Sustainable Development: Envisaging the Future Together*.



Twentieth SDC (2017)

The Twentieth SDC titled **Seventy Years of Development: The Way Forward** will be remembered within and by the development sector of Pakistan and the region for some time as one of the largest congregation of the best and brightest minds coming together in 40 panels, roundtables and podium discussions, many of which were concurrent, including four plenary sessions. It examined 70 years of development in Pakistan and the region with participation from around the



world. A total of 269 panellists representing 16 countries became part of this mega event - Afghanistan, China, Ethiopia, Finland (via Skype), France, Germany, India, Italy, Nepal, Pakistan, Thailand (via Skype), The Philippines, Sri Lanka, Switzerland, United Kingdom, the United States of America. An audience of over 3,000 attended the three-day flagship event. The edited volume published as a result of this SDC is titled *Seventy Years of Development: The Way Forward*.

Twenty-first SDC & Eleventh SAES (2018)

The Twenty-first SDC and Eleventh SAES on **Corridors of Knowledge for Peace and Development**

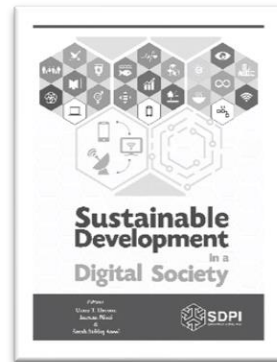
discussed not only economic corridors, but also corridors of connectivity and knowledge and how they could steer the region towards peace and development. During the 40 concurrent sessions, it was highlighted that while a few regional organisations and processes may have stalled, the road to development must go on. This growing trend should not be allowed to impact research and

development efforts and learning from each other's best practices. In fact, new collaborative partnerships need to be established on knowledge sharing and building bridges, while simultaneously strengthening old ones. 261 delegates attended these two joint events from 20 countries including Afghanistan, Australia, Brazil (via Skype), Brussels, Canada, China, Germany, Kenya, Maldives, France, India, Nepal, Sri Lanka, Switzerland, Tajikistan, Thailand, Pakistan and the Philippines, United Kingdom and the United States of America. While 204 delegates came from within the country, the remaining 57 represented the rest of the countries listed. An audience of over 4,000 attended the four-day proceedings. The peer-reviewed edited volume produced following these events is titled *Corridors of Knowledge for Peace and Development*.



Twenty-second SDC (2019)

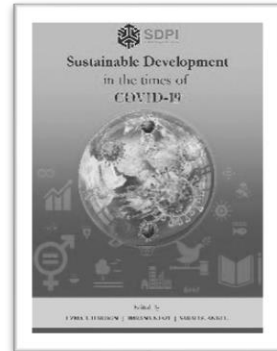
The overarching theme of the Twenty-second SDC **Sustainable Development in a Digital Society** was inspired by the Fourth Industrial Revolution and an era of digitalisation which has changed how human beings interact in the era of rapid revolution in technologies. It brought together scholars, researchers, policymakers, game changers, and members of the civil society to deliberate on ideas how to benefit from the Fourth Industrial Revolution where Artificial Intelligence is playing a lead role in our lives.



The Inaugural Plenary was held on 2 December 2019 at the Aiwan-e-Sadr with President of Pakistan Dr Arif Alvi as the Chief Guest who inaugurated the conference. The conference was attended by 223 panellists from 17 countries. Apart from 192 panellists from Pakistan, 31 speakers came from Afghanistan, China, Finland, France, Germany, India, Iran, Italy, Maldives, Nepal, the Philippines (via Skype), Sri Lanka, Thailand (via Skype), Turkey, United Kingdom and the United States of America. 150 male panellists, 69 female panellists, and 4 transgender panellists presented their ideas and views. The anthology as a result of the deliberations and research presented and was titled *Sustainable Development in a Digital Society*.

Twenty-third SDC (2020)

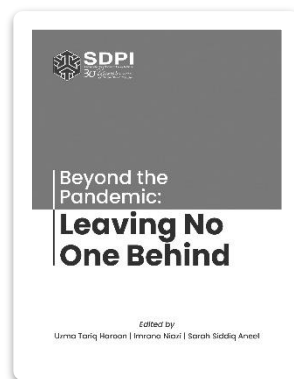
SDPI's Twenty-third SDC titled **Sustainable Development in the Times of COVID-19** specifically focused on the impact of COVID-19 and a changing world order since the outbreak of the pandemic. Dr Arif Alvi, President of Pakistan, shared his viewpoints online at a Special Plenary on 16 December 2020 from the Presidency. The anthology was a result of the deliberations and research presented and was titled *Sustainable Development in the Times of COVID-19*.



All the sessions of the conference were held online from 14 – 17 December 2020. A total of 45 sessions were organised of which nine were plenary sessions and, 36 concurrent sessions. The conference was attended by 235 panellists from 25 countries. Apart from 174 from Pakistan, 61 speakers joined from Afghanistan, Australia, Austria, Bangladesh, Brunei, Canada, China, Ecuador, Germany, Hong Kong, India, Kenya, Nepal, Nigeria, Saudi Arabia, South Africa, Singapore, Sri Lanka, Sweden, Switzerland, Thailand, the Netherlands, the United Kingdom and the United States. All the sessions had a keen and interactive audience. Over the span of four days, the conference was attended by an online audience of over 6,800 from 84 countries.

Twenty-fourth SDC (2021)

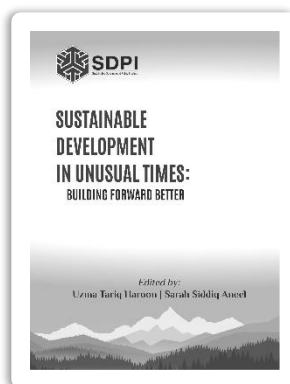
SDPI's Twenty-fourth SDC was held in a hybrid format from 6 - 9 December 2021 in Islamabad, Pakistan. The overarching of this conference was **Beyond the Pandemic: Leaving No One Behind**. Dr Arif Alvi, President of Pakistan, inaugurated the conference on 6 December 2021 at the Presidency. A special message was also delivered by the former Prime Minister, Imran Khan, focusing on inclusive



development. A total of 38 sessions were organised, of which 10 were plenary sessions and 28 concurrent sessions. It was a forward-looking conference and a reflection on the two years since the COVID-19 Pandemic. A total of 2,365 in-person and online audience were in attendance. There were 250 speakers from 20 countries over a span of four days. Besides Pakistan, speakers joined from Afghanistan, Bangladesh, Bhutan, Canada, Ecuador, Fiji, Germany, India, Malaysia, Maldives, Nepal, Peru, Sri Lanka, Sweden, Switzerland, Thailand, the Netherlands, the United Kingdom, and the United States.

Twenty-Fifth (Silver Jubilee) SDC (2022)

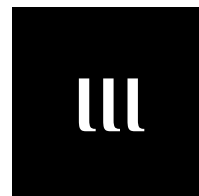
The Sustainable Development Policy Institute (SDPI) held its Twenty-fifth Sustainable Development Conference from 5 – 8 December 2022 in Islamabad, Pakistan. The overarching theme of the Silver Jubilee Conference was **Sustainable Development in Unusual Times: Building Forward Better**. The mega event was held in a hybrid format where speakers/audience were able to join in person as well as online. Alongside SDC 2022, SDPI also hosted UNESCAP's Sixth South and South-West Asia Forum (SSWAF) on the SDGs. This mega-event was jointly co-hosted by SDPI and the Ministry of Planning Development & Special Initiatives, Government of Pakistan. The 25th SDC and UNESCAP's Sixth South and South-West Asia Forum were attended by 345 panellists from 21 countries/region. Speakers joined the sessions from Afghanistan, Bangladesh, Bhutan, Cambodia, Canada, China, Hong Kong, Germany, India, Iran, Italy, Malaysia, Maldives, Nepal, Pakistan, Singapore, Sri Lanka, Thailand, Turkey, the United Kingdom, and the United States. All the sessions had a keen and interactive audience. The President of Pakistan, H.E. Dr Arif Alvi, was the Chief Guest at the Special Plenary at the last day of the Conference. Altogether a total of 46 sessions were



organised of which 11 were plenary sessions and 35 concurrent sessions. An audience of over 5,000 attended the four-day hybrid Conference.

The anthology you hold - or have digitally accessed on your device encapsulates the profound deliberations and research showcased during SDPI's milestone Silver Jubilee SDC, serving as a testament to the thought leadership and insights generated at this landmark event.

Note: You can explore and freely download our past anthologies at the following link: <https://sdpi.org/sdc-Anthologies/publications>.



Acknowledgements

Sustainable Development Policy Institute (SDPI) is grateful for the support provided by the donors and partners during the Twenty-fifth Sustainable Development Conference (SDC) 2022 titled ***Sustainable Development in Unusual Times: Building Forward Better***. They are listed below:

Donors:

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9. International Labour Organization (ILO)
10. Pakistan Humanitarian Forum (PHF)
11. Friedrich Naumann Foundation (FNF)
12. University of Salford
13. Friedrich-Ebert-Stiftung (FES)
14. Palladium Pakistan
15. Roche Pakistan Limited
16. Verso Consulting (Pvt) Limited
17. Climate Action Network South Asia (CANSA)

18. Institute of Urbanism (IoU)
19. Heinrich Böll Foundation (HBF)

In Collaboration with

1. United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
2. United Nations Economic and Social Commission for Asia and the Pacific: Sub-regional Office for South and South-West Asia (UNESCAP SSWA)
3. Ministry of Planning Development & Special Initiatives
4. National Assembly of Pakistan
5. Ministry of Climate Change
6. South Asia Network on the Sustainable Development Goals (SANS)

Anthology Review Board

The Sustainable Development Policy Institute (SDPI) is committed to delivering impactful and trustworthy research. Our blind peer review process serves as a rigorous measure to ensure the highest standards of research quality and authenticity for our annual Sustainable Development Conference (SDC) Anthology. This year's edition is especially noteworthy as it features peer-reviewed papers from our milestone Twenty-fifth Sustainable Development Conference.

Our esteemed Panel of Referees is constantly expanding, but we are acutely aware that the right choice of reviewer is as vital as the review itself. Hence, we meticulously select them based on their distinguished expertise and credibility. Despite the often unseen nature of this crucial task, we are immensely grateful for the objective and prompt reviews on this year's submissions. We extend our heartfelt thanks to the following academicians, researchers, and professionals for their invaluable insights and thoughtful critiques of the published (and unpublished) chapters:

Arshi Saleem Hashmi (PhD) is Professor and former Head of the Department Peace and Conflict Studies, National Defence University, Pakistan. She specialises in religion and violent conflicts. Dr Hashmi has been an Academic Fellow at the Oxford University, Yale World Fellow, Rotary International Peace Fellow and Alumna of Harvard University Executive Education Program in Counterterrorism.

Fahad Saeed (PhD) is a noted climate scientist at Climate Analytics, Germany. Specialising in climate modelling, data analysis, and policy evaluation, he plays a significant role in furthering the organisation's objective of presenting evidence-driven strategies for combatting climate change and fostering sustainable growth.

Farhat Rasul (PhD) is Assistant Professor of Economics at the Dr Hasan Murad School of Management (HSM) at the University of Management & Technology, Lahore, Pakistan. She has been a Research Fellow at the Sustainable Development Policy Institute (SDPI), Governance Institutes Network International (GINI) and Pakistan Institute of Development Economics (PIDE). She has a PhD in Economics from the PIDE and has published several research papers in national and international journals. Her research interests include Development Economics, Environmental Economics, Governance and Institutions. Her research seeks to understand the institutional design of emerging and developing societies for the most striking issues: growth, employment, terrorism, conflicts, environment, and climate change.

Haris Majid Rajput (MBBS) is Consultant Neurologist who graduated from the Rawalpindi Medical University. Over a decade ago, he received his Post Graduate Fellowship from the Pakistan Institute of Medical Science. With a passion for research and academics, Dr Rajput boasts over 30 publications, spanning case reports, original pieces, review articles, and guidelines in various respected national and international scientific journals.

Mariam Mohsin (PhD) is Assistant Professor at the Pakistan Institute of Development Economics (PIDE). She has a PhD in Management from the Lahore University of Management Sciences (LUMS), Pakistan. Her research focuses on the interplay of gender, society, and organisations.

Maryam Shabbir Abbasi is an environmentalist based in the United States. She works at the University of Vermont in the areas of transboundary river basins; and is also an advisory member to the Environmental Justice Council to the state of Vermont.

Nabila Zaka (PhD & MBBS) holds a pivotal role as a Health Manager at United Nations Children’s Fund and is a Senior Fellow at the Health Services Academy. Until February 2019, she offered strategic insights as a Senior Advisor in the UNICEF Health Section’s Maternal and Newborn Health team, focusing on enhancing intra-partum and neonatal care quality. Her expertise stretches across regions, having previously served the UNICEF East Asia and Pacific Regional Office as a Maternal and Child Health Specialist and offering her skills to UNICEF offices in both Afghanistan and Pakistan. Dr Zaka’s academic background is extensive: she’s a medical doctor with a Masters in Reproductive Health Management, a Doctorate in Medical Anthropology, and a diploma in gender studies. Additionally, she’s been trained in areas like healthcare financing, evidence-based planning, Pay for Performance, and quality improvement processes.

Naveed Aziz is a governance specialist with more than 20 years of experience in areas such as public sector management, decentralisation, revenue mobilisation, and institutional reforms. He has worked with the Government of Pakistan as well as with organisations such as the World Bank, United States Agency for International Development (USAID), and the former Department for International Development (DFID).

Syeda Arfa Zehra (PhD) was appointed Special Advisor Education and National Harmony to the Caretaker Prime Minister of Pakistan in 2023. With over 50 years

in the field, she's a Professor of History at Forman Christian College, Lahore, Pakistan, and has been a visiting faculty at institutions like the Lahore University of Management Sciences and National College of Arts. Dr Zehra has chaired the National Commission on the Status of Women, served on the Justice Commission of Pakistan, and was the Principal of Lahore College for Women. Recognised for her expertise, she has spoken at international forums such as the United Nations and the Brookings Institute. Her research delves into historical analysis, human rights, and gender.

Waqas Sajjad (PhD) is Assistant Professor at the University of Management and Technology in Lahore, Pakistan. His research focuses on issues of religion and social development in South Asia.

Yawar Arif Herekar is a Partner specialising in Environmental, Social, and Governance (ESG), Mergers & Acquisitions (M&A), and Sustainable Finance at Environmental Resources Management (ERM) in Indonesia. With a background in sustainable development, he has expertise in climate change strategies, ESG reporting, and sustainable finance advisory. He previously consulted for the United Nations Development Programme (UNDP) on European Union (EU) regulations such as the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR) in Eastern Europe. He's also collaborated with the Green Climate Fund and Global Green Growth Institute in Fiji and Indonesia, and contributed to World Bank projects in Pakistan and South Asia. Within ERM, he's been pivotal in Environmental and Social Impact Assessments (ESIAs) and Environmental and Social Due Diligence (ESDD) projects regionally.

Key Contributions

Apart from the leadership and 'firefighting' skills of SDPI's Executive Director, Dr Abid Qaiyum Suleri; Joint Executive Director, Dr Vaqar Ahmed; cooperation of thematic session organisers; rapporteurs; late nights and weekends of IT/Admin/Social Media teams; and the entire SDPI staff, the Twenty-fifth SDC

would not have been possible without the oversight of Uzma Tariq Haroon supported by:

Tayyaba Hanif Maken, Associate Coordinator at the Sustainable Development Conference (SDC) Unit of the Sustainable Development Policy Institute. Her contributions, including software review of chapters and transcription of speeches, have been pivotal for this anthology. An asset to SDPI since 2017, Ms Hanif brings with her a Masters' degree in Gender & Women Studies, a Bachelors' degree in History and Political Science, and 14 years of expertise in the communication and coordination sector.

Imrana Niazi has been a pillar of support for Sustainable Development Policy Institute since 2008, serving as the former Senior Coordinator of the Sustainable Development Conference (SDC) Unit in which she masterfully oversaw the Institute's premier flagship international conference. Prior to her significant contributions to SDPI, she was lecturer at Bahria University, Islamabad, and Fatima Jinnah Women University (FJWU), Rawalpindi. Ms Niazi holds a Masters in Communication Sciences from FJWU.

Special Mention

Sarah Siddiq Aneel, who has demonstrated unwavering loyalty to SDPI, which she proudly considers her parent organisation, and the SDC team, serving in various roles and capacities over the years.

Mahrukh Naeem and **Talha Ahmad** designed the SDC 2022 poster which inspired this book's cover.

Ali Kamran, at Sang-e-Meel Publications, whose dedication saw him working through many long nights to fulfil pressing publishing deadlines and requirements.



SDC 2022: Panels at a Glance

SDPI's Twenty-fifth Sustainable Development Conference (SDC)
&
Sixth South and South-West Asia (SSWA) Forum on the
Sustainable Development Goals

*Sustainable Development in Unusual Times:
Building Forward Better*

5-8 December 2022, Islamabad, Pakistan

Day 1 - Monday, 5 December 2022 - Plenary 1.1
Registration - 10:00am – 11:30am
Geopolitical Conflicts: Implications for Pakistan's Geoeconomics Welcome Note: Mr Kashif Majeed Salik, Sustainable Development Policy Institute (SDPI), Pakistan Moderator: Ms Khansa Naeem, Sustainable Development Policy Institute (SDPI), Pakistan Distinguished Speakers: 1. Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute (SDPI), Pakistan 2. Mr Haroon Sharif, Former Chairman, Board of Investment, Government of Pakistan 3. Dr Moeed W. Yusuf, Former National Security Advisor, Government of Pakistan 4. General Zubair Mahmood Hayat (Retd) NI(M), HI(M), Former Chairman Joint Chiefs of Staff Committee Plenary Organisers: Ms Khansa Naeem & Mr Kashif Salik, SDPI
Tea Break - 11:30am - 12noon

Day 1 - Monday, 5 December 2022 - Plenary 1.2 - 12:00noon – 1:30pm
Opening Plenary: 25th SDC & 6th SDGF <i>Hosted by Ministry of Planning Development & Special Initiatives, GoP</i> Master of the Ceremony: Dr Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Pakistan Opening Remarks: Ambassador Shafqat Kakakhel, Chairperson, Board of Governors, Sustainable Development Policy Institute, Pakistan Welcome Remarks: 1. Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan 2. Syed Zafar Ali Shah, Secretary, Ministry of Planning Development & Special Initiatives, Government of Pakistan 3. Ms Mikiko Tanaka, Director and Head, United Nations Economic and Social Commission for Asia and the Pacific Sub-regional Office for South and South-West Asia, India Special Remarks: 4. Mr Knut Ostby, Resident Representative, United Nations Development Programme, Pakistan 5. Ms Fathimath Niuma, Deputy Minister, Ministry of National Planning, Housing and Infrastructure, Maldives 6. H.E. Mr Shehan Semasinghe, Minister of State for Finance, Sri Lanka 7. H.E. Mr Esala Ruwan Weerakoon, Secretary-General, South Asian Association for Regional Cooperation (Online), Sri Lanka 8. Ms Armida Salsiah Alisjahbana, Under-Secretary-General, United Nations and Executive Secretary, Economic and Social Commission for Asia and the Pacific, Thailand Inaugural Address: Prof. Ahsan Iqbal Chaudhary, Federal Minister for Planning, Development & Special Initiatives, Government of Pakistan Plenary Organisers: Dr Rajan Sudesh Ratna, UNESCAP, India Mr Salman Danish & Ms Sadia Satti, SDPI
Lunch Break - 1:30pm – 2:30pm

Day 1 - Monday, 5 December 2022 - 2:30pm – 4:00pm	
Thematic Session AA-1	Can National Trade Policies Help Mitigate the Climate Challenge? Moderator: Syed Wasif Naqvi, SDPI Chair: Ms Anjum Assad Amin, Chairperson, National Tariff Commission, GoP Panelists: 1. Mr Asad Hayauddin, Former Secretary, Economic Affairs Division, GoP 2. Dr Sardar Mohazzam, NEECA, GoP 3. Mr Haseeb Malik, PepsiCo, Pakistan 4. Syed Sayem Ali, BOP, Pakistan 5. Dr Fahad Saeed, Climate Analytics, Germany Panel Organisers: Syed Wasif Naqvi & Dr Vaqar Ahmed, SDPI Syed Sayem Ali, BOP
Thematic Session AA-2	Central Banking for Inclusive Development Moderator: Dr Sajid Amin, SDPI Chair: Dr Shamshad Akhtar, Chairperson, Board of Directors, Karandaaz (Online) Speakers: 1. Dr Hamza Ali Malik, UNESCAP, Thailand Presentation: <i>Central Banking for Inclusive Development in South and South-West Asia</i> 2. Mr Noor Ahmed, Agricultural Credit and Microfinance Department, SBP 3. Dr Faiz ur Rehman, School of Economics, QAU, Islamabad, Pakistan Presentation: <i>Monetary Policy and Inequality: Evidence from Pakistan</i> 4. Dr Zainab Jehan, Dept. of Economics, FIWU, Rawalpindi, Pakistan Presentation: <i>Monetary Policy Response to Climate: Are We still in a Black Box?</i> Panel Organisers: Dr Hamza Malik, UNESCAP Dr Sajid Amin & Ms Aqsa Naveed, SDPI Mr Abdullah Dayo, FES Pakistan

Thematic Session AA-3	The Political Perspective in Urdu <i>AapBeiti</i> (Autobiographies) Moderator: Dr Humera Ashfaq, IIUI Book Launch: <i>Autobiography of Ahmed Salim</i> Distinguished Speakers: 1. Ambassador Shafqat Kakakhel, SDPI 2. Mr Raza Naeem, Lahore, Pakistan (Online) 3. Prof. Dr Syed Jaffar Ahmed, Faculty of Social Sciences, Sohail University, Karachi, Pakistan 4. Dr Anwaar Ahmad, Former Dean, BZU, Multan, Pakistan 5. Dr Abid Qaiyum Suleri, SDPI 6. Dr Zareena Salamat Ali, COSS, Islamabad, Pakistan 7. Mr Ahmed Salim, SDPI Panel Organisers: Mr Ahmed Salim & Mr Ali Aamer, SDPI Dr Humera Ashfaq, IIUI
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Day 1 - Monday, 5 December 2022 - Evening Plenary 1.3 - 5:00pm – 6:30pm	
Strengthening Climate Diplomacy in South Asia: Together for Implementation Welcome Remarks: Ms Zainab Naeem, Associate Research Fellow, Sustainable Development Policy Institute, Pakistan Moderator: Dr Hina Aslam, Research Fellow, Sustainable Development Policy Institute, Pakistan Chair: Ambassador Shafqat Kakakhel, Chairperson, Board of Governors, Sustainable Development Policy Institute, Pakistan Guest of Honour: H.E. Dr Riina Kionka, Ambassador, Delegation of the European Union to Pakistan Distinguished Panellists: 1. Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan 2. Mr Farrukh Iqbal Khan, Director General, Organization for Islamic Cooperation and Economic Diplomacy, Ministry of Foreign Affairs, Government of Pakistan 3. Dr Arvind Kumar, President, India Water Foundation, India 4. Mr Mohammad Khosa, Senior Commercial Director, PepsiCo Pakistan 5. Mr Ahmad Rafay Alam, Environmental Lawyer, Lahore, Pakistan Plenary Organisers: Ms Zainab Naeem, SDPI Delegation of the European Union to Pakistan	

Day 2 - Tuesday, 6 December 2022 - 10:00am – 11:30am	
Registration: 9:30am –10:00am	
Thematic Session A-1	6SDGF Session1: Sub-regional Overview of Progress on SDGs: Challenges and Prospects Moderator: Dr Abid Qaiyum Suleri, SDPI Chair: Mr Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal Presentation: 1. Dr Rajan Sudesh Ratna, Deputy Head, ESCAP SSWA, New Delhi, India Title: <i>Highlights of SDGs Progress in South and South-West Asia</i> 2. Ms Cecile Fruman, Director, Regional Integration and Engagement, South Asia, The World Bank Presentation: <i>Benefits of Sub-regional Cooperation on the SDGs</i> Speakers: 1. Mr Mohd. Monirul Islam, Joint Secretary (SDG), Prime Minister's Office, Bangladesh 2. Dr Ali Gholampour, Head, Department of Development Issues, Ministry of Foreign Affairs, Islamic Republic of Iran 3. Mr Priyantha Ratnayake, Deputy Secretary to the Treasury, Sri Lanka 4. Mr Yusuf Esidir, Expert, Strategy and Budget Office of Presidency of Türkiye 5. Mr Nadeem Ahmed, Social Policy Advisor, Federal SDGs Support Unit, MoPD&SI, GoP Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI

Thematic Session A-2	Adaptive Social Protection: Preparing for Future Disasters Moderators: Syed Muhammad Mustafa, Social Protection Specialist, Islamabad & Dr Sajid Amin, SDPI Welcome Remarks: Ms Laura Sterner, GIZ, Pakistan Presentation: Ms Elke Kasmann, GIZ, Pakistan <i>What is Adaptive Social Protection?</i> Speakers: 1. Ms Shazia Maqsood Amjad, PCP, Islamabad, Pakistan 2. Mr Arif Goheer, Global Change Impact Study Centre/GIZ-SAR Project 3. Ms Aum Zeb, PRCS 4. Mr Gul Najam Jamy, The World Bank, Pakistan Panel Organisers: Ms Laura Sterner, GIZ Syed Muhammad Mustafa, Islamabad Dr Sajid Amin, Dr Fareeha Armughan, Mr Muhammad Umar Ayaz, Ms Maria Ali & Ms Aqsa Naveed, SDPI
Thematic Session A-3	10:00am – 12:00pm Emerging Challenges in Health Policy: Multifaceted Case of Rare and Neurological Disorders in Pakistan Welcome Remarks: Dr Razia Safdar, SDPI Moderator: Ms Saadiya Razzaq, Roche Pakistan Limited Chair: Dr Shazia Sobia Aslam Soomro, Parliamentary Secretary Health, GoP Guest of Honour: Ms Romina Khurshid Alam, SAPM, GoP Presentations: • Dr Ehtesham Khalid, Neurologist, Islamabad, Pakistan • Mr Hassan Raza, Hemophilia Foundation Pakistan Panellists: 1. Prof. Dr Shahzad Ali Khan, HSA, Islamabad, Pakistan 2. Mr Ali Kemal, MoPD&SI, GoP 3. Dr Tayyaba Masood, Sehat Tahafuz Program, MoPASS, GoP Panel Organisers: Dr Razia Safdar & Syed Wasif Naqvi, SDPI Ms Saadiya Razzaq, Roche Pakistan Limited

Thematic Session A-4	Sustainable Urban Transportation for Smart Cities in the Developing Countries Moderator: Dr Ejaz Ahmad, Institute of Urbanism Chair: Dr Axel Harneit-Sievers, Director, HBS, Asia Global Dialogue Office, Hong Kong Speakers: 1. Ms Maryam Shabbir Abbasi, University of Vermont, USA (Online) 2. Ms Ayesha Majid, Institute of Urbanism 3. Dr Mohsina Zubair, PEPA, Islamabad 4. Mr Mohammad Umar, PMTA 5. Ms Zainab Naeem, SDPI Presentation: <i>Urban Climate Resilience and Development in Pakistan</i> Panel Organisers: Institute of Urbanism Heinrich-Böll-Stiftung SDPI
11:30am – 12:30pm - Tea Break	

Day 2 - Tuesday, 6 December 2022 - 12:30pm – 2:00pm	
Thematic Session A-5	6SDGF Session2: National SDGs Progress and Challenges in the Context of COVID-19: Reflections on Voluntary National Reviews (VNRs) in South and South-West Asia (SSWA) Chair: Dr Aisha Ghaus Pasha, State Minister for Finance and Revenue, GoP Presentation: Mr Oliver Paddison, Chief, Countries in Special Situations Section, ESCAP Title: <i>Introduction of Voluntary National Reviews in Asia-Pacific</i> Speakers: Countries that presented VNRs at the HLPF 2022: 1. Mr Ali Kemal, Chief SDGs, MoPD&SI, GoP 2. Prof. Hemanthi Ranasinghe, Member, Sustainable Development Council, Sri Lanka Other SSWA Countries: 3. Mr Mohammad Masud Rana Chowdhury, Joint Secretary, Economic Relations Division, Ministry of Finance, Bangladesh 4. Mr Phurba, Senior Planning Officer, Office of the Cabinet Affairs and Strategic Coordination, Strategic Planning Division, Bhutan 5. Dr Faisal Mushtaq, TMUC 6. Dr Sabyasachi Saha, RIS, India (Online) CSO Representative: Dr Mohsin Kazmi, SDPI Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI
Thematic Session A-6	Adaptive Social Protection: Coping with Crisis Moderators: Syed Muhammad Mustafa, Social Protection Specialist, Islamabad & Dr Fareeha Armughan, SDPI Speakers: 1. Mr Tauseef Dilshad Khatana, PSPA 2. Mr Sajid Imran, PDMA, GoKPK 3. Ms Shirin Gul, Independent Consultant 4. Mr Zohaib Durrani, NDMA Panel Organisers: Ms Laura Sterner, GIZ Syed Muhammad Mustafa, Islamabad Dr Sajid Amin, Dr Fareeha Armughan, Mr Muhammad Umar Ayaz & Ms Maria Ali & Muhammad Imran, SDPI

Thematic Session A-7	Transforming Food Systems to Meet the Emerging Challenges to Food Security Moderator: Dr Abid Qaiyum Suleri, SDPI Chair: Prof. Dr Qamar Zaman, VC, PMAS AAU, Rawalpindi, Pakistan Special Remarks: Mr Arjan De Haan, IDRC, Canada (Online) Speakers: 1. Mr Arif Husain, WFP, Rome 2. Ms Florence Rolle, FAO, Pakistan 3. Dr Lawrence Haddad, GAIN International, UK (Online) 4. Mr Shahid Hussain Tarer, Galaxy Rice & Pakistan Basmati Heritage Foundation Panel Organisers: Syed Qasim Shah, Ms Rabia Tabassum & Syed Hassan Murtaza, SDPI IDRC
Thematic Session A-8	Perspectives on Community Resilience to Counter Violent Extremism Moderator: Dr Shafqat Munir, SDPI Chair: Prof. Dr Muhammad Zia-ul-Haq, DG Islamic Research Institute, IIUI, Pakistan Special Remarks: • Mr Dean Piedmont, Creative Learning Inc., USA (Online) • Mr Khalid Khan, Creative Associates International, USA • Dr Arshi Saleem Hashmi, NDU, Pakistan Speakers: 1. Dr Syed Hussain Shaheed Soherwordi, Department of International Relations, UoP, Pakistan 2. Dr Sehrish Qayyum, PNWC, Lahore, Pakistan (Online) 3. Mr Saifullah Hassan Rana, UoK, Pakistan 4. Dr Farhan Zahid, Police Training College, Quetta Panel Organisers: Dr Shafqat Munir, Muhammad Awais Umar & Mr Salman Danish, SDPI
2:00pm – 3:00pm - Lunch Break	

Day 2 - Tuesday, 6 December 2022 - 3:00pm – 4:30pm	
Thematic Session A-9	6SDGF Session3: National SDGs Progress and Challenges in the Context of COVID-19: Reflections on Voluntary National Reviews (VNRs) in South and South-West Asia (SSWA) (contd.) Moderator: Ms Mahnoor Arshad, SDPI Chair: Ms Mehnaz Aziz, Parliamentary Secretary for Law and Justice, GoP Speakers from Other SSWA Countries: 1. Dr Ali Gholampour, Head, Department of Development Issues, Ministry of Foreign Affairs, Islamic Republic of Iran 2. Ms Fathimath Shazly, Senior Planning Analyst, Ministry of National Planning, Housing and Infrastructure, Maldives 3. Mr Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal 4. Mr Veysel Sarici, Expert, Strategy and Budget Office of Presidency of Türkiye 5. Mr Raziq Shinwari, Economic Policy Advisor, Federal SDGs Support Unit, MoPD&SI, GoP Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI
Thematic Session A-10	Adaptive Social Protection: Building Sustainable Capacities of Vulnerable Households Moderators: Syed Muhammad Mustafa, Social Protection Specialist, Islamabad & Dr Sajid Amin, SDPI Speakers: 1. Dr Fareeha Armughan, Research Fellow, SDPI 2. Mr Dital Kalhor, CEO, Sindh Rural Support Organization 3. Mr Ali Kemal, Chief SDGs, Ministry of Planning Development and Special Initiatives, GoP 4. Dr Safdar Sohail, National Institute of Public Policy, GoP Panel Organisers: Ms Laura Sterner, GIZ Syed Muhammad Mustafa, Islamabad Dr Sajid Amin, Dr Fareeha Armughan, Mr Muhammad Umar Ayaz, Ms Maria Ali & Ms Aqsa Naveed, SDPI

Thematic Session A-11	Energy Corridors: CASA-1000 Moderator: Dr Abid Qaiyum Suleri, SDPI Panellists: 1. Dr Musadik Masood Malik, Minister of State (Petroleum Division), GoP 2. Ms Cecile Fruman, The World Bank, Afghanistan 3. Dr Ghulam Samad, CAREC Institute, China 4. Dr Hassan Daud Butt, SDPI Panel Organisers: Dr Hina Aslam & Mr Ubaid ur Rehman Zia, SDPI
Thematic Session A-12	The Global Shield against Climate Risks for Enhanced Climate Resilience in Pakistan Moderator: Dr Hina Aslam, SDPI Chair: Ms Romina Khurshid, Special Advisor to Prime Minister on Sustainable Development Goals, GoP Special Remarks: Mr Sohail Malik, CRCC, Islamabad, Pakistan Speakers: 1. Dr Annette Detkin, Frankfurt School of Finance & Management, Germany 2. Mr Bilal Anwar, NDRMF 3. Ms Jennifer Phillips, IGP, Germany 4. Mr Rizwan Hussain, Salaam Takaful Limited, Karachi, Pakistan 5. Ms Vardah Malik, SEED Programme, Pakistan Concluding Remarks: H.E. Mr Georg Steiner, Ambassador of Switzerland to Pakistan Panel Organisers: Dr Hina Aslam, Ms Nismah Rizwan & Mr Kashif Majeed Salik, SDPI Mr Hartmut Behrend, Climate-Energy Initiative (CEI) of BMZ (GIZ)

Day 2 - Tuesday, 6 December 2022 - Evening Plenary 2.1 - 6:00pm – 7:30pm
Closing the Loop - Policy Solutions for Achieving SDG 12: Ensuring Sustainable Consumption and Production Patterns Moderator: Dr Vaqar Ahmed, Joint Executive Director & Ms Zainab Naeem, Research Associate, Sustainable Development Policy Institute, Pakistan Opening Remarks: Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan Chair: Mr Tariq Bajwa, Special Assistant to the Prime Minister on Finance, Government of Pakistan Distinguished Panellists: 1. Syed M. Abdul Hassan Kazmi, Senior Director Supply Chain and Sustainability Lead Pakistan, PepsiCo 2. Mr Zafar Masud, CEO, Bank of Punjab, Lahore, Pakistan 3. Mr Jahangir Piracha, CEO, Engro Polymer & Chemicals Limited 4. Ms Vardah Malik, Investment Advisor & Deputy Team Lead, SEED Programme, Pakistan Plenary Organisers: Ms Zainab Naeem, SDPI Mr Jawwad Ahmed, PepsiCo

Day 2 - Tuesday, 6 December 2022 - Evening Plenary 2.2 - 6:00pm – 7:30pm
Resilience in Crisis: Adaptive Social Protection – A National Priority for Pakistan Moderators: Dr Fareeha Armughan, Research Fellow, Sustainable Development Policy Institute, Pakistan & Syed Muhammad Mustafa, Social Protection Specialist, Islamabad, Pakistan Chair: Ms Shazia Marri, Federal Minister for Poverty Alleviation and Social Safety, Government of Pakistan Panellists: 1. Mr Muhammad Tariq Malik, Chairman, National Database and Registration Authority, Government of Pakistan 2. Mr Amjad Zafar, Senior Social Protection Specialist, The World Bank 3. Dr Sohail Anwar, Secretary Planning and Development, Govt. of Punjab 4. Dr Muhammad Abid Bodla, Member Environment and Climate Change Unit (Online) 5. Mr Noor Rehman Khan, Director General (CT), Benazir Income Support Programme, Government of Pakistan 6. Mr Nadeem Hussain, Founder and Coach, Planet N Group & Member, Board of Directors, State Bank of Pakistan 7. Mr Bilal Anwar, CEO, National Disaster Risk Management Fund Plenary Organisers: Dr Sajid Amin, Dr Fareeha Armughan, Mr Muhammad Umar Ayaz & Ms Maria Ali, SDPI Ms Laura Sterner, GIZ Syed Muhammad Mustafa, Social Protection Specialist, Islamabad

Day 2 - Tuesday, 6 December 2022 - Evening Plenary 2.3 - 5:30pm – 7:30pm <i>High-Level Plenary on Review of Sustainable Development Goals in South and South-West Asia</i> 6SDGF Session 4: Sub-regional Perspectives & Review of Cluster of SDG Goals (6, 7, 9 and 11) for HLPF 2023 in South and South-West Asia Moderator: Dr Shafqat Munir, Research Fellow, Sustainable Development Policy Institute, Pakistan Chair: Mr Raja Pervaiz Ashraf, Speaker National Assembly, Government of Pakistan Co-Chair: Ms Romina Khurshid Alam, Minister of State & Special Assistant to the Prime Minister and Convener Parliamentary Taskforce on SDGs, Government of Pakistan Introductory Remarks: Dr Abid Qaiyum Suleri, Sustainable Development Policy Institute, Pakistan & Dr Rajan Sudesh Ratna, Economic and Social Commission for Asia and the Pacific South and South-West Asia Plenary Organisers: Dr Rajan Sudesh Ratna, UNESCAP SSWA Mr Salman Danish & Ms Sadia Satti, SDPI Break-out Sessions: Group 1: SDG 6 - Clean Water and Sanitation Moderator: Dr Fahad Saeed, Climate Scientist/Regional Lead, Climate Analytics, Germany Presentation: Dr Arvind Kumar, President, India Water Foundation, India Panellists: • Mr Mohd. Monirul Islam, Joint Secretary (SDG), Prime Minister's Office, Bangladesh • Dr Ali Gholampour, Head, Department of Development Issues, Ministry of Foreign Affairs, Islamic Republic of Iran • Ms Fathimath Shazly, Senior Planning Analyst, Ministry of National Planning, Housing and Infrastructure, Maldives • Mr Dhani Ram Sharma, Joint Secretary, National Planning Commission, Nepal • Dr Lakmini Fernando, Research Economist, Institute of Policy Studies, Sri Lanka • Mr Haile Gashaw, Chief of WASH, UNICEF Pakistan • Dr Razia Safdar, Senior Policy Advisor, SDPI, Pakistan Group 2: SDG 7 - Affordable and Clean Energy Moderator: Dr Nawaz Ahmad, Director, SAARC Energy Centre, Islamabad, Pakistan Presentation: Ms Kimberly Roseberry, Energy Division, ESCAP & Dr Hina Aslam, SDPI Panellists: • Mr Phurba, Senior Planning Officer, Office of the Cabinet Affairs and Strategic Coordination, Strategic Planning Division, Bhutan

- Ms Leila Zamani, General Manager, Environmental Economy and Technologies Management, Department of Environment, Islamic Republic of Iran
- Mr Prakash Dahal, Joint Secretary, National Planning Commission, Nepal
- Mr Asad Aleem, Deputy Country Director, Pakistan Resident Mission, Asian Development Bank
- Mr Mahfooz Bhatti, Additional Secretary, Ministry of Energy-Power Division, Government of Pakistan

CSO Representative: Mr Talha Khan, ED, Pakistan Environment Trust, Pakistan

Group 3: SDG 9 - Industry, Innovation, and Infrastructure

Moderator: Dr Posh Raj Pandey, Chairman SAWTEE, Nepal

Presentation: Dr Shiladitya Chatterjee, Visiting Professor, Institute for Studies in Industrial Development, India (Online)

Panellists:

- Dr Omar Joya, Executive Director, Biruni Institute, Afghanistan
- Dr Selim Raihan, Executive Director, South Asian Network on Economic Modelling, Bangladesh (Online)
- Mr Pema Tshewang, Senior Planning Officer, District Administration, Lhuentse, Bhutan
- Dr Sabyasachi Saha, Research and Information System for Developing Countries, India
- Dr Safdar Sohail, National Institute of Public Policy, GoP
- Prof. Hemanthi Ranasinghe, Member, Sustainable Development Council of Sri Lanka

CSO Representative: Mr Muhammed Hammad Bashir Saeed, Project Expert, Private Financing Advisory Network, United Nations Industrial Development Organization

Group 4: SDG 11 - Sustainable Cities and Communities

Moderator: Mr Kewal Prasad Bhandari, National Planning Commission, Nepal

Presentation: Mr Curt Garrigan, Chief, Sustainable Urban Development Section, United Nations Economic and Social Commission for Asia and the Pacific & Mr George Cheriyan, CUTS International, India (Online)

Panellists:

- Mr Emani Kumar, Deputy Secretary-General of Local Governments for Sustainability (ICLEI) & Executive Director, ICLEI South Asia, India (Online)
- Mr Surendra Thapa Magar, Chief Administrative Officer, Dhulikel Municipality, Nepal
- Mr Jawed Ali Khan, Habitat Programme Manager, UN-Habitat Pakistan
- Mr Umer Malik, Policy Analyst, Development Policy Unit, United Nations Development Programme, Pakistan

Plenary Organisers: Dr Rajan Sudesh Ratna, UNESCAP SSWA | Mr Salman Danish & Ms Sadia Satti, SDPI

Day 3 - Wednesday, 7 December 2022 - 10:00am – 11:30am Registration - 9:30am –10:00am	
Thematic Session B-1	6SDGF Session 5: Review of Selected Goals for HLPF 2023 in South Asia: Reporting by the Working Groups and Way Forward Moderator: Dr Imtiaz Ahmed, Ministry of Finance, GoP Chair: Mr Riaz Fatyana, Former Convener, Parliamentary Taskforce on SDGs, Pakistan Reporting by the Chairs of Break-out Working Groups: - Group 1 (SDG 6): Dr Arvind Kumar, President, India Water Foundation, India - Group 2 (SDG 7): Ms Kimberly Roseberry, Energy Division, ESCAP, Thailand - Group 3 (SDG 9): Dr Posh Raj Pandey, Chairman, SAWTEE, Nepal - Group 4 (SDG 11): Mr Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI
Thematic Session B-2	Agenda Setting for Social Dialogue on Decent Work in Pakistan Roundtable Moderator: Dr Rabia Razzaque, ILO Pakistan Panellists: - Mr Noor Zaman, National Industrial Relations Commission - Mr Abdullah Dayo, FES-Pakistan - Syed Nazar Ali, EFP, Karachi, Pakistan - Ms Rubina Jamil, APTUF, Lahore, Pakistan - Mr Khalid Mehmood, Labour Education Foundation - Mr Gulfam Memon, Former Director Labour, Labour Department, Govt. of Sindh - Ms Zahida Parveen Mughal, WWA, Rawalpindi, Pakistan - Ms Arooma Shahzad, DWU, Lahore, Pakistan - Mr Saad Muhammad, PWF, Rawalpindi, Pakistan Panel Organisers: Dr Rabia Razzaque, ILO Dr Sajid Amin & Mr Umar Ayaz, SDPI

Thematic Session B-3	Gender-specific Barriers to Trade: Leveraging Market Access for Women-in-Trade Roundtable Moderator: Ms Mahnoor Arshad, SDPI Welcome Remarks: Ms Aniqah Arshad, Friedrich Naumann Foundation for Freedom Presentation to discuss Gender-specific Barriers to Trade: Dr Vaqar Ahmed, SDPI Speakers: 1. Ms Nazish Sheikh, CERB, PBC 2. Ms Alia Zafar, BOP 3. Ms Sarah Hassan, PepsiCo Pakistan 4. Ms Shamama Arbab, Euro Industries Pvt. Ltd., Khyber Pakhtunkhwa 5. Ms Shaista Ayesha, Seed Ventures, Pakistan 6. Ms Rabia Raheel, ICCI 7. Ms Masooma Sibtain, Former VP, FPCCI 8. Ms Farzana Yaqoob, Former National Consultant, ITC 9. Mr Salman Farooq, USAID Pakistan 10. Prof. Dr Javeria Azhar, IWCCI 11. Ms Ansar Anees, Pakistan Single Window 12. Mr Muhammad Adnan Jaleel, Former Vice President, FPCCI 13. Ms Aima Ansari, Former President, IWCCI 14. Prof. Dr Anjum Halai, AKU, Karachi, Pakistan Panel Organisers: Dr Vaqar Ahmed & Ms Mahnoor Arshad, SDPI FNF
Thematic Session B-4	Afghan Refugees and Migrants: Humanitarian Response in Pakistan Moderator: Mr Muhammad Jamal Janjua, Verso Consulting (Pvt) Ltd., Islamabad Presentation: Ms Safiya Aftab, Verso Consulting (Pvt) Limited Special Remarks: 1. Mr Kashif Salik, SDPI 2. Mr Afrasiab Khattak, Former Senator, Peshawar, Pakistan 3. Ms Ayesha Khan, Hashoo Foundation Panel Organisers: Ms Safiya Aftab & Mr Muhammad Jamal Janjua, Verso Consulting (Pvt) Ltd Mr Kashif Salik & Ms Khansa Naeem, SDPI

Wednesday, 7 December 2022 - 12:30pm – 2:00pm	
Thematic Session B-5	6SDGF Session 6: Strengthening Means of Implementation to Advance Progress on the SDGs: Financing for Development Chair: Mr Rana Ihsan Afzal, SAPM Coordinator for Commerce and Industries, Pakistan Special Remarks: Senator Ayesha Raza Farooq Lead Presentation: Dr Hamza Malik, MPFD, ESCAP, Thailand Panellists: 1. Mr Pema Tshewang, Senior Planning Officer, District Administration, Lhuentse, Bhutan 2. Mr Kewal Prasad Bhandari, Secretary, National Planning Commission, Nepal 3. Mr Priyantha Ratnayake, Deputy Secretary to the Treasury, Sri Lanka 4. Mr Yusuf Esidir, Expert, Strategy and Budget Office of Presidency of Türkiye CSO Representative: Ms Sameena Nazir, President, PODA, Pakistan Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI
Thematic Session B-6	Making Local Governments In-charge of Social Services Delivery Moderator: Ms Rabia Tabassum, SDPI Introductory Remarks: Dr Javeria Swathi, NPI EXPAND HDA Team Lead, Palladium Pakistan Chair: Ms Ayesha Bano, MPA, Parliamentary Secretary Higher Education, Khyber Pakhtunkhwa Guest of Honour: Mr Mohyudin Wani, Chief Secretary, Gilgit-Baltistan Panellists: 1. Mr Inayat Ullah, MPA 2. Mr Javed Ahmed Malik, Malala Fund Pakistan 3. Dr Shandana Khan Mohmand, IDS, UK (Online) 4. Dr Saeed Gul, DG, Provincial HSA, Govt. of Khyber Pakhtunkhwa Panel Organisers: Mr Qasim Shah, Ms Rabia Tabassum & Syed Hassan Murtaza, SDPI USAID

Thematic Session B-7	Have GSP+ and FTAs improved Pakistan's Trade Competitiveness? Moderators: Ms Mahnoor Arshad & Dr Vaqar Ahmed, SDPI Welcome Remarks: Ms Birgit Lamm, FNF, Pakistan Special Remarks: Mr Daniel Clauss, First Counsellor, Head of Political, Trade and Communication Section, Delegation of the EU to Pakistan Presentation: Ms Sarah Javaid, PRIME Institute Title: <i>Pakistan and the European Union Under GSP+</i> Panellists: 1. Mr Aftab Haider, Pakistan Single Window 2. Ms Aisha Moriani, MOLT&T 3. Mr Gonzalo J. Varela, The World Bank 4. Mr Usman Khan, LUMS, Lahore, Pakistan Panel Organisers: Ms Mahnoor Arshad & Dr Vaqar Ahmed, SDPI FNF
Thematic Session B-8	Impact of Tobacco on Environmental, Climatic and Ecological Degradation: Challenges for SDGs in LMICs Moderator: Syed Wasif Naqvi, SDPI Chair: Dr Syed Kaleem Imam, Former IGP Panellists: 1. Dr Amina Khan, The Initiative, Pakistan 2. Dr Waseem Iftikhar Janjua, SDPI (Online) 3. Mr Khurram Hashmi, The Union Panel Organisers: Dr Waseem Janjua & Syed Wasif Naqvi, SDPI Bloomberg
2:00pm – 3:00pm - Lunch Break	

Wednesday - 7 December 2022 - 3:00pm – 4:30pm	
Thematic Session B-9	6SDGF Session 7: South and South-West Asia Perspectives and Partnerships on Delivering the SDGs through the Food, Energy and Finance Nexus (SDG 17) Moderator: Mr Oliver Paddison, UNESCAP Chair: Mr Zafar ul Hasan, Joint Chief Economist, MoPD&SI, GoP Presentation on Asia-Pacific SDG Partnership Report • Mr Frank Thomas, SDGs Consultant, ADB (Online) • Ms Madhubashini Fernando, Economic Affairs Officer, UNESCAP Audience Engagement Activity: Live polling on converging crises and SDG solutions: Mr Oliver Paddison, Chief, Countries in Special Situations Section, UNESCAP Panellists: 1. Prof. Hemanthi Ranasinghe, Member, Sustainable Development Council of Sri Lanka 2. Mr Mohammad Masud Rana Chowdhury, Joint Secretary, Economic Relations Division, Ministry of Finance, Bangladesh 3. Dr Rupa Chanda, Director, Trade, Investment and Innovation, ESCAP, India (Online) 4. Mr Dhani Ram Sharma, Joint Secretary, National Planning Commission, Nepal 5. Ms Shaista Ayesha, CEO, SEED Ventures, Pakistan 6. Ms Lavanya Jayaram, ED, South Asia, Asian Venture Philanthropy Network (Online) 7. Prof. Iqrar Ahmad Khan, VC, University of Agriculture, Faisalabad, Pakistan 8. Dr Khalid Waleed, SDPI CSO Representative: Mr Kashif Salik, SDPI Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI

Thematic Session B-10	Floods in Pakistan - Bringing Local Perspective through International Humanitarian Organisations Introductory Remarks: Ms Sahar Basharat, SDPI Moderator: Syed Shahid Kazmi, PHF Chair: Dr Kazim Niaz, Federal Secretary, Ministry of Economic Affairs, GoP Report Launch <i>Floods in Pakistan: Rethinking the Humanitarian Role</i> Mr Nigel Timmins, Humanitarian Researchers, UK (Online) & Dr Shafqat Munir, SDPI Panellists: 1. Dr Farah Naureen, Mercy Corps Pakistan 2. Mr Asif Ali Sherazi, Islamic Relief, Pakistan 3. Syed Javid Gillani, Muslim Hands Pakistan & Global Knowledge Building Unit, Muslim Hands, UK 4. Mr Bilal Taj, Save the Children Pakistan 5. Dr Ehtasham Anwar, Education Department, South Punjab, Multan Panel Organisers: Ms Sahar Basharat, SDPI Syed Shahid Kazmi, PHF
Thematic Session B-11	Migration in Post-COVID South Asia Moderator: Mr Abdullah Khalid, SDPI Chair: Ms Shaza Fatima Khawaja, Special Assistant to Prime Minister on Youth Affairs, GoP Presentations: 1. Dr Jean Nahrae Lee, The World Bank, USA Title: <i>COVID and Migration in South Asia</i> 2. Ms Khansa Naeem, SDPI Title: <i>Changing Labour Migration Patterns in Unusual Times</i> Speakers: 1. Dr Nasra Shah, LSE, Pakistan (Online) 2. Dr Moritz Meyer, The World Bank, USA 3. Dr Rashid Memon, LUMS, Pakistan 4. Mr Affan Javed, British Council Panel Organisers: Engr. Ahad Nazir & Mr Abdullah Khalid, SDPI Ms Jean Nahrae Lee, Mr Siddharth Sharma & Ms Zoe Leiyu Xie, World Bank Chief Economist Office for South Asia

Thematic Session B-12	Voices of Female Authors in Literature from the Subcontinent Moderator: Dr Humera Ashfaq, IIUI, Pakistan Chair: Dr Arfa Sayeda Zehra, Professor, FCCU, Lahore, Pakistan Speakers: 1. Mr Raza Naeem, Lahore, Pakistan 2. Ms Ghazal Yaqub, Dept. of Urdu, IIUI, Pakistan 3. Ms Asma Sherazi, Senior Journalist & Anchor, Pakistan 4. Dr Anita Weiss, University of Oregon, USA 5. Ms Kishwar Naheed, Poet & Writer, HAWWA Associates, Islamabad, Pakistan
	Panel Organisers: Mr Ahmed Salim & Mr Ali Aamer, SDPI Dr Humera Ashfaq, IIUI

Day 3 - Wednesday, 7 December 2022 - High-Level Evening Plenary 3.1 - 6:00pm – 7:30pm	
Green Financing for Clean Energy Transition in Pakistan <i>Dedicated to Dr Mahmood A. Khwaja (Late)</i> Moderator: Ms Kashmala Kakakhel, Climate Finance Specialist Chair: Dr Aisha Ghaus Pasha, Minister of State for Finance and Revenue, Government of Pakistan Welcome Remarks: H.E. Mr Alfred Grannas, Ambassador of Germany to Pakistan Opening Remarks: Mr Sebastian Jacobi, Country Director, KfW Development Bank, Germany Joint Technical Presentation: Mr Hartmut Behrend, GIZ & Dr Hina Aslam, Sustainable Development Policy Institute, Pakistan Title: <i>Green Financing in Pakistan</i> Panellists: 1. Mr Zafar Masud, CEO, BOP, Lahore, Pakistan 2. Syed M. Abdul Hassan Kazmi, Senior Director Supply Chain and Sustainability Lead Pakistan, PepsiCo 3. Mr Ahmed Ammar Yasser, Chief of Party, Pakistan Private Sector Energy Activity, Private Financing Advisory Network (PFAN), Islamabad, Pakistan 4. Mr Waqas ul Hasan, CEO, Karandaaz, Karachi, Pakistan	
Plenary Organisers: Dr Hina Aslam, Dr Sajid Amin & Ms Nismah Rizwan, SDPI Mr Hartmut Behrend, Climate-Energy Initiative (CEI) of BMZ (GIZ)	

Day 3 - Wednesday, 7 December 2022 - Evening Plenary 3.2 - 6:00pm – 7:30pm
6th SSWA SDGs Forum Concluding Session: Way Forward Moderator: Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan Key Highlights of 6th SSWASDF: Dr Rajan Sudesh Ratna, Deputy Head, ESCAP South and South-West Asia Office Guest of Honour: Senator Sherry Rehman, Minister of Climate Change, Government of Pakistan Vote of Thanks: • Mr Ali Kemal, Chief SDGs, Ministry of Planning Development & Special Initiatives, Government of Pakistan • Ms Mikiko Tanaka, Director and Head, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Sub-regional Office for South and South-West Asia Plenary Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Mr Salman Danish & Ms Sadia Satti, SDPI

Day 4 - Thursday, 8 December 2022 - Special Plenary 4.1 - 10:00am – 11:00am	
Thematic Session C-1	Master of Ceremony: Dr Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Pakistan
	National Anthem
	Recitation from the Holy Quran
	Welcome Remarks: Ambassador Shafqat Kakakhel, Chairperson, Board of Governors, Sustainable Development Policy Institute, Pakistan
	Introductory Remarks: Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan
	Special Remarks: Ms Mikiko Tanaka, Director and Head, United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Sub-regional Office for South and South-West Asia
	Address by the Chief Guest: H.E. Dr Arif Alvi, President of the Islamic Republic of Pakistan
Plenary Organisers: Mr Hassan Murtaza & Mr Asim Zahoor, SDPI	
11:00am – 11:30am - Tea Break	

Day 4 - Thursday, 8 December 2022 - 12:30pm – 2:00pm	
Thematic Session C-1	Business Cooperation and Political Will: The Way Forward for SAARC
	Moderator & Welcome Remarks: Dr Fareeha Armughan, SDPI
	Chair: Dr Rajan Sudesh Ratna, UNESCAP-SSWA
	Report Launch: <i>COVID-19 and Regulatory Innovations in South Asia</i>
	Speakers:
	1. Mr Zubair Ahmed Malik, SAARC-CCI 2. Mr Shafquat Haider, ICT Council, SAARC CCI 3. Dr Posh Raj Panday, SAWTEE, Nepal 4. Dr Safdar Sohail, National Institute of Public Policy, GoP
	Panel Organisers: Dr Fareeha Armughan & Mr Naimat Ullah Wazir, SDPI Mr Zulfiqar Butt, SAARC CCI

Thematic Session C-2	Global Pakistan: Pakistan's Role in the International System <i>Book Launch</i> Moderator: Ms Aqsa Naveed, SDPI Welcome Remarks: Dr Niels Hegewisch, FES-Pakistan Book Introduction: Dr Jochen Hippler, Former CD, FES-Pakistan, Germany Discussants 1. Ambassador Dr Raza Muhammad, IPRI, Pakistan 2. Dr Ammar Malik, HKS 3. Mr Mustafa Hyder Sayed, PCI, Islamabad, Pakistan 4. Mr Ali Salman, PRIME Institute, Islamabad, Pakistan 5. Dr Zubair Iqbal, NUML, Pakistan Closing Remarks: Dr Sajid Amin, SDPI Panel Organisers: Mr Abdullah Dayo FES-Pakistan Dr Sajid Amin & Ms Aqsa Naveed, SDPI
Thematic Session C-3	Disaster Risk Financing in Pakistan Moderator: Dr Hina Aslam, SDPI Welcome Remarks: Dr Abid Qaiyum Suleri, SDPI Chair & Opening Remarks: Mr Zafar Masud, CEO, BOP, Lahore, Pakistan Panellists: 1. Ms Nasreen Rashid, UNDP Pakistan 2. Dr Sanjay Srivastava, UNESCAP, India (Online) 3. Dr Ahsan Tehsin, The World Bank 4. Mr Lasitha Perera, DGG Ltd, London, UK (Online) 5. Engr. Ahad Nazir, SDPI Panel Organisers: Syed Sayem Ali, BOP Mr Ahad Nazir & Mr Abdullah Khalid, SDPI

Thematic Session C-4	Adaptive Governance and Technology for Sustainable Development and Disaster Risk Reduction: A Catalyst for Relational Transformation Moderator: Dr Mushtaq Ahmed, UoP, Pakistan Chair: Mr Ahmed Kamal, Chairman, Federal Flood Commission, GoP Special Remarks: Mr Aftab Alam Khan, Resilient Development International, Islamabad Speakers: 1. Prof. Terrence Fernando, THINKLab, School of Science, Engineering & Environment, University of Salford, UK (Online) 2. Prof. Bingu Ingirige, School of Science Engineering and Environment, University of Salford, Manchester, UK (Online) 3. Dr Khamarrul Azahari Razak, DPPC, MJIT, UTM, Kuala Lumpur 4. Dr Noralfishah Binti Sulaiman, Dept. of Architecture, FKABB, UTHM, Malaysia (Online) 5. Prof Dr Babar Shahbaz, UAF, Faisalabad, Pakistan Panel Organisers: Dr Mushtaq Ahmed & Mr Hasham Tariq, University of Salford Dr Shafqat Munir & Mr Salman Danish, SDPI
2:00pm – 3:00pm - Lunch Break	

Day 4 - Thursday, 8 December 2022 - 3:00pm – 4:30pm	
Thematic Session C-5	Regional Cooperation for Sustainable Development in South Asia – Role of the South Asia Network on SDGs (SANS) <i>Policy Dialogue</i> Moderator: Ms Mikiko Tanaka, ESCAP South and South-West Asia Office Chair: Mr Rana Ihsan Afzal, SAPM Coordinator for Commerce and Industries, GoP Opening Remarks: Ms Cecile Fruman, The World Bank, Afghanistan Office Presentation: Dr Posh Raj Panday, SAWTEE, Nepal Discussants: 1. Dr Arvind Kumar, India Water Foundation 2. Dr Hassan Daud Butt, SDPI 3. Dr Shiladitya Chatterjee, ISID, India (Online) Panel Organisers: Dr Rajan Sudesh Ratna, UNESCAP-SSWA Ms Sadia Satti & Ms Fatima Muzammil, SDPI

Thematic Session C-6	Bridging the Financing for Achieving SDG7 <i>Policy Dialogue</i> Moderator: Dr Hina Aslam, SDPI Opening Remarks: Dr Vaqar Ahmed, SDPI Report Launch: <i>Annual State of the Renewable Energy Report Pakistan</i> Keynote Speeches: Mr Shah Jahan Mirza, MD, PPIB, GoP Ms Jade Shu Wong, Infrastructure Finance Specialist, GIF, The World Bank Keynote Presentation: Mr Vincent Wierda, Regional Coordinator, Asia and Pacific, UNCDF Panellists: 1. Ms Kimberly Roseberry, UNESCAP 2. Ms Deanna Morris, UNESCAP 3. Mr Erick Ruiz, IRENA 4. Mr Assar Qureshi, Embassy of Denmark in Singapore 5. Mr Zeeshan Ali, Sustainable Energy for All Closing Remarks: Mr Michael Williamson, Sustainable Energy Development Section, Energy Division, UNESCAP, Thailand Panel Organisers: Dr Hina Aslam & Mr Ubaid ur Rehman Zia, SDPI Mr Michael Williamson, UNESCAP
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Thematic Session C-7	Social Norms and Gender Inequality in South Asia Moderator: Ms Ammara Durrani, UNDP Chair: Ms Nilofer Bakhtiar, Chairperson, NCSW, GoP Presentations: 1. Dr Maurizio Bussolo, Chief Economist Office for South Asia, The World Bank Title: <i>Re-shaping Social Norms about Gender: A New Way Forward</i> 2. Ms Shaheen Naseer, UO, UK Title: <i>Gender Norms in Education in Pakistan</i> 3. Dr Sonia Omer, UoP, Lahore, Pakistan Title: <i>Investigation of Sociocultural Factors of Maternal Mortality in Pakistan with the help of Three-Delay Model</i> Panellists: 1. Ms Rajaa Bukhari, CERB, PBC, Karachi, Pakistan 2. Ms Fajer Rabia, PAGE 3. Dr Mariam Mohsin, PIDE, Islamabad, Pakistan Panel Organisers: Engr. Ahad Nazir & Mr Abdullah Khalid, SDPI Mr Maurizio Bussolo, Ms Ana Maria, Mr Munoz Boudet & Ms Zoe Leiyu Xie, World Bank Chief Economist Office for South Asia and Poverty Global Practice
Thematic Session C-8	Building Resilience through Community Engagement for 'Building Forward Better' Moderator: Dr Shafqat Munir, SDPI Chair: Mr Saleem Shahzad, Director (P&IC), NDMA, GoP Special Remarks: Ms Shabnam Baloch, IRC Pakistan Speakers: 1. Dr Kaushal Keraminiyage, Research Centre for Disaster Resilience, University of Salford, UK (Online) 2. Dr Mushtaq Ahmed, UoP, Pakistan 3. Mr Hisham Tariq, THINKLab/Center of Disaster Resilience, University of Salford, UK (Online) 4. Dr Azhar Inam, BZU, Multan, Pakistan 5. Dr Khataumal, Mithi Tharparkar, Sindh Panel Organisers: Dr Mushtaq Ahmed & Mr Hisham Tariq, University of Salford Dr Shafqat Munir & Mr Awais Umar, SDPI

Day 4 - Thursday, 8 December 2022 - Evening Plenary 4.2 - 5:30pm – 7:00pm
An Alternative Paradigm Welcome Note: Ms Ayesha Ilyas, Sustainable Development Policy Institute, Pakistan Moderator: Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan Esteemed Panellists: 1. Mr Malik Amin Aslam, Former Federal Minister for Climate Change, Government of Pakistan 2. Senator Dr Sania Nishtar, Former Special Assistant to the Prime Minister on Poverty Alleviation and Social Safety, Government of Pakistan Plenary Organisers: Mr Junaid Zahid & Ms Zahra Khalid, SDPI

Day 4 - Thursday, 8 December 2022 - Evening Plenary 4.3 - 7:15pm – 8:30pm
Closing Plenary of the 25th SDC: Looking Beyond 75 Welcome Remarks & Round-up of the 25th SDC: Dr Abid Qaiyum Suleri, Executive Director, Sustainable Development Policy Institute, Pakistan Moderator: Ms Ayesha Ilyas, Sustainable Development Policy Institute, Pakistan Chair: Syed Naveed Qamar, Federal Minister for Commerce, Government of Pakistan Chief Guest: Dr Ishrat Husain, Former Advisor to the Prime Minister on Institutional Reforms and Austerity, Government of Pakistan Guest of Honour: Syed M. Abdul Hassan Kazmi, Senior Director Supply Chain and Sustainability Lead Pakistan, PepsiCo Special Remarks: Mr Sartaj Aziz, Former Minister of Finance and Revenue, Government of Pakistan <i>Looking Beyond 75</i> Vote of Thanks: Ambassador Shafqat Kakakhel, Chairperson, Board of Governors, Sustainable Development Policy Institute, Pakistan SDPI Performance Excellence Award: Sustainable Development Conference Team (Uzma Tariq Haroon, Imrana Niazi & Tayyaba Hanif Maken) Plenary Organisers: Mr Junaid Zahid & Ms Zahra Khalid, SDPI 8:00pm Dinner

Abbreviations & Acronyms

ADB	Asian Development Bank
APTUF	All Pakistan Trade Union Federation
Asst. Prof.	Assistant Professor
Assoc. Prof.	Associate Professor
BISP	Benazir Income Support Programme
BoG	Board of Governors
BNU	Beaconhouse National University
BRC-A	Business Renewables Centre - Australia
BRI	Belt and Road Initiative
BZU	Bahauddin Zakariya University
CANSA	Climate Action Network South Asia
CAREC	Central Asia Regional Economic Cooperation
CCI	Chamber of Commerce and Industry
CCPS	Center for Critical Peace Studies
CD	Country Director
CEGS	Centre of Excellence in Gender Studies
CEO	Chief Executive Officer
CR	Country Representative
CC	Country Coordinator
CEI	Climate-Energy Initiative
CERB	Centre of Excellence in Responsible Business
COSS	Council of Social Sciences
CPEC	China-Pakistan Economic Corridor
CRCC	Climate Resourcing Coordination Center
DED	Deputy Executive Director
DG	Director General
DGG Ltd	Development Guarantee Group Limited
DPPC	Disaster Preparedness and Prevention Center
DWU	Domestic Workers' Union
EDD	Environment and Development Division

Abbreviations & Acronyms

EFP	Employers Federation of Pakistan
ESG	Environmental, Social and Governance
ETP	Ehsaas Tahafuz Program
EU	European Union
FAO	Food and Agriculture Organization
FCCU	Forman Christian College (A Chartered University)
FCDO	Foreign, Commonwealth and Development Office
FES	Friedrich-Ebert-Stiftung
FJWU	Fatima Jinnah Women University
FKAAB	Faculty of Civil Engineering and Built Environment
FNF	Friedrich Naumann Foundation for Freedom
FPCCI	Federation of Pakistan Chambers of Commerce and Industry
GAIN	Global Alliance for Improved Nutrition
GCU	Government College University
GFANZ	Glasgow Financial Alliance for Net Zero
GIF	Global Infrastructure Facility
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoP	Government of Pakistan
GRMA	Global Risk Management Alliance
HEC	Higher Education Commission of Pakistan
hbs	Heinrich Böll Stiftung
HRCP	Human Rights Commission of Pakistan
HKS	Harvard Kennedy School
HSA	Health Services Academy
IBA	Institute of Business Administration
ICCI	Islamabad Chamber of Commerce & Industries
IDRC	International Development Research Centre
IDS	Institute of Development Studies
IFC	International Finance Corporation
IGP	InsuResilience Global Partnership

Abbreviations & Acronyms

IIUI	International Islamic University Islamabad
ILO	International Labour Organization
IPRI	Islamabad Policy Research Institute
IRC-Pak	International Rescue Committee-Pakistan
IRENA	International Renewable Energy Agency
ISID	Institute for Studies in Industrial Development
ITC	International Trade Centre
IWCCI	Islamabad Women Chamber of Commerce & Industry
JED	Joint Executive Director
KP	Khyber Pakhtunkhwa
LEF	Labour Education Foundation
LMICs	Low and Middle-Income Countries
LSE	Lahore School of Economics
LUMS	Lahore University of Management Sciences
MJIT	Malaysia-Japan International Institute of Technology
MNA	Member National Assembly
MNFSR	Ministry of National Food Security & Research
MoC	Ministry of Commerce
MoCC	Ministry of Climate Change
MoPASS	Ministry of Poverty Alleviation and Social Safety
MoPD	Ministry of Planning, Development & Special Initiatives
MoOPHRD	Ministry of Overseas Pakistanis and HRD
MPA	Member Provincial Assembly
MPFD	Macroeconomic Policy and Finance Division
NADRA	National Database and Registration Authority
NCSW	National Commission on the Status of Women
NDU	National Defence University
NDRMF	National Disaster and Risk Management Fund
NEECA	National Energy Efficiency & Conservation Authority
NTC	National Tariff Commission

Abbreviations & Acronyms

RSPN	Rural Support Programmes Network
PAGE	Pakistan Alliance for Girls Education
PAL	Pakistan Academy of Letters
PBC	Pakistan Business Council
PC	Programme Coordinator
PCI	Pakistan-China Institute
PCP	Pakistan Centre for Philanthropy
PDMA	Provincial Disaster Management Authority
PEPA	Pakistan Environmental Protection Agency
PIDE	Pakistan Institute of Development Economics
PILER	Pakistan Institute of Labour Education and Research
PMAS AAUR	Pir Mehr Ali Shah Arid Agriculture University Rawalpindi
PM	Program Manager
PML-N	Pakistan Muslim League-Nawaz
PMTA	Punjab Mass Transit Authority
PNWC	Pakistan Navy War College
PPP	Pakistan Peoples Party
PRCS	Pakistan Red Crescent Society
PREIA	Pakistan-Regional Economic Integration Activity
PTI	Pakistan Tehreek-e-Insaf
PU	University of Punjab
PWF	Pakistan Workers' Federation
RF	Research Fellow
RIS	Research and Information System for Developing Countries
RPC	Regional Programme Coordinator
SAARC	South Asian Association for Regional Cooperation
SANS	South Asia Network on the Sustainable Development Goals
SAPM	Special Assistant to the Prime Minister
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals

Abbreviations & Acronyms

SDPI	Sustainable Development Policy Institute
SEC	SAARC Energy Centre
SUDS	Sustainable Urban Development Section
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCAP-	United Nations Economic and Social Commission for Asia and the Pacific:
SSWA	Sub-regional Office for South and South-West Asia
UNIDO	United Nations Industrial Development Organization
UMT	University of Management and Technology
UNRCO	United Nations Resident Coordinator Office
UO	University of Oxford
UoF	University of Faisalabad
UoK	University of Karachi
UoP	University of Peshawar
UTHM	Universiti Tun Hussein Onn Malaysia
UTM	Universiti Teknologi Malaysia
VC	Vice Chancellor
VNRs	Voluntary National Reviews
VP	Vice President
WCCI	Women Chamber of Commerce and Industries
WFP	World Food Programme
WHO	World Health Organization
WWA	Women Workers' Alliance

About the Editors

***Uzma Tariq Haroon** is Director of the Sustainable Development Conference (SDC) Unit; and Managing Editor Journal of Development Policy, Research & Practice at the Sustainable Development Policy Institute in Islamabad, Pakistan. She has over 30 years of experience in media and communication and has been the tour de force behind SDPI's annual international conference series since 2003. She is also co-editor of the past 20 SDC anthologies, including this one. Previously, she has worked with the UNDP's project on 'Portrayal of Women in Media'; and The Nation newspaper for over ten years where she was editor of a weekly magazine and was also their senior reporter covering the social sector. She holds a Masters in Communications from the University of Hawaii, USA; and Masters in Journalism from the University of Punjab, Pakistan.*

***Sarah Siddiq Aneel** has dedicated over 20 years of her career to Pakistan's development sector with expertise in organisational governance, multi-donor programme coordination, strategy development, evaluation as well as primary research. However, scholarly publishing remains her first passion. She is the Founding Editor of several peer-reviewed journals, the most recent being the 'Journal of Aerospace & Security Studies.' Beyond journals, she has published over 40 books, encompassing a wide range of subjects such as sustainable development, environmental governance, international relations, defence & security, emerging technologies, and political economy. On the institutional front, she is overseeing the Publications & StratComm work at the Centre for Aerospace & Security Studies (CASS) in Islamabad. A Chevening Fellow and LUMS-McGill Fellow, she is also an alumna of Columbia University's Earth Institute, USA; and a profoundly blessed mother to the wisest, most patient 12-year-old.*

Sustainable Development in Unusual Times: Building Forward Better provides a comprehensive exploration of the intricate challenges and innovative solutions for the sustainable development of South Asia, with a central focus on Pakistan. Amidst an era marked by climatic adversities, geopolitical conflicts, and a global health crisis, this anthology serves as a pivotal reference, diving into multifaceted issues ranging from climate resilience and energy, trade, governance vulnerabilities to gender disparities and healthcare challenges.

The section on *Environmental & Economic Paradigms* addresses topics of climate resilience, renewable energy solutions, and forward-thinking trade policies for Pakistan. It underscores the potential of the Climate and Disaster Risk Finance and Insurance (CDRFI) model and stresses the importance of climate diplomacy and Green Bond markets. Authors discuss energy insecurity and urge that while the sector is traversing through uncertain phases, strong domestic policy and regulatory support is essential for adopting a low carbon pathway and addressing both demand and supply side concerns. Finally, the use of innovative financial instruments, such as Catastrophe (CAT) Bonds, hinting at a promising avenue to reinforce sustainable agriculture and mitigate natural disaster risks; and the need to broaden the country's trade vision, especially Free Trade Agreements (FTAs), are debated.

Governance Imperatives turns the lens to the profound societal impacts of public policy decisions. Authors conduct a deep dive of the Taliban's rise to power in Afghanistan and its implications, underscoring the importance of a well-structured, holistic refugee and asylum framework for Pakistan. Additionally, another chapter discusses the complexities of decentralisation stressing the latent promise of truly empowered local governments. The authors advocate for greater political ownership, adoption of best practices, streamlining bureaucratic processes, and enhancing public participation in decision-making to transform Pakistan's governance landscape.

In the concluding section, *Gender & Health Narratives*, the anthology examines societal constructs and healthcare challenges. This section zeroes in on strategic solutions, to overcome deep-seated gender disparities, such as a transformative shift in the patriarchal mindset through media engagement, boosting women's financial autonomy through interest-free loans, promoting their professional advancement with targeted tools and trainings, and promoting gender equality via educational reforms. The book then shifts its focus to the frequently neglected topic of rare diseases, highlighting the urgent need for inclusive healthcare policies, joint initiatives between the public and private sectors, community-centric healthcare strategies and prompt interventions in treating neurological ailments in Pakistan.

Written by the best and brightest minds, ***Sustainable Development in Unusual Times*** is not just a book, but a manifesto for change. It is a clarion call for collective action, an earnest invitation to rethink established paradigms, and a futuristic blueprint for ensuring a thriving, sustainable Pakistan.

- Sarah Siddiq Aneel

