CHOOSING BETWEEN APPROACHING OR NOT APPROACHING IMF
Contents

Contours of a programme with IMF ..................................................................................................................... 1
Economic Growth and Job Creation ....................................................................................................................... 6
Preliminary EIA CPEC Northern Section Road Route (Haripur –Kashgar): ......................................................... 8
Welfare and Finance Bill 2018-19 ......................................................................................................................... 12
Welfare Impact of Withholding Taxes ................................................................................................................ 13
Are dams the only solution to water issues in Pakistan? ...................................................................................... 15
Climate change education and awareness manual ............................................................................................... 17
SDPI’s Twenty-first Sustainable Development Conference (SDC) & Eleventh South Asia Economic Summit (SAES XI) ......................................................................................................................... 18
Panel: Building Renewable Energy Supply Chains in South Asia ................................................................. 19
Panel: Can e-Commerce help South Asian Intra-regional Trade? ................................................................. 20
Panel: Emerging Methods in Policy Engagements and Public Private Dialogue ............................................ 20
Panel: Role of Women’s Home Journals and the Development of Female Education in South Asia ............. 21
Panel: Role of Private Sector in Climate Action ................................................................................................. 21
Panel: Harnessing the Potential of Agriculture Value Chains in South Asia .................................................... 22
Panel: Practicing Fiscal Decentralisation: Gaps and Challenges ..................................................................... 22
Panel: Transforming Regional Security Corridors into Knowledge Corridors .................................................. 23
Panel: Creating Shared Value:Private Financing for the Sustainable Development Goals ........................... 24
Panel: Redefining the Role of Civil Society Organisations in South Asia ....................................................... 26
Panel: Women in the Electoral Process in South Asia ....................................................................................... 26
Panel: Intra-regional Trade in South Asia: Challenges and Opportunities ..................................................... 27
Panel: Role of Judiciary in promoting Women’s Access to Justice in South Asia ............................................. 27
Panel: Competition and IP regime in South Asia ............................................................................................... 29
Panel: Regional Economic Integration in Central and South Asia ................................................................. 29
Panel: Regional Economic Corridors in South Asia: Opportunities and Challenges ....................................... 30
Panel: Achieving SDGs through Citizen-centric Health Reforms .................................................................... 30
Panel: Fiscal Policies in South Asia: Why is Revenue Mobilisation so Challenging? ..................................... 31
Panel: Knowledge and Technology Transfer Management under CPEC .................................................... 32
Panel: Blue Economy in South Asia: Prospects for Cooperation ..................................................................... 33
Panel: Regional Economic Prospects and Quality Education in South Asia .................................................. 33
Panel: Intra-regional Investment Cooperation for SMEs Development .......................................................... 34
Panel: Deepening Business-to-Business Engagement Processes in South Asia ............................................. 34
Panel: Women-led Social and Creative Enterprises for Marginalised Communities in South Asia ............. 35
Choosing between approaching or not approaching IMF
Dr Abid Qaiyum Suleri & Dr Vaqar Ahmed

After coming out of the situation of choosing between approaching or not approaching, IMF for macroeconomic stabilization, the discussion now focuses on the nitty-gritty of Pakistan’s home-grown solution that it would like to negotiate with IMF for its forthcoming arrangement. However, the catch is to maintain a fine balance between the fiscal reforms that strengthen the overall fiscal responsibility at the federal and provincial levels under an IMF programme, and an indigenous agenda of structural reforms in power and public sector enterprise (PSE) management. One would have to be careful not to overcommit on performance benchmarks on power and PSE reforms without losing the pace of those reforms.

Going to fund would have some structural and some implementation conditionalities. Structural conditionalities would include some prior actions, some performance criteria and certain benchmarks. On the other hand, implementation conditionalities would include quantitative performance criteria, actions implemented on time, actions delayed, actions not implemented, and actions against which a waiver was given by IMF. For a three-year programme under a front-load arrangement (which Pakistan cannot skip), almost half of the actions are required to be taken in the first year whereas rest of them are to be taken in 2nd and 3rd year. Usually the first year is focused on achieving stability of macroeconomic fundamentals, especially the stability of foreign exchange reserves. The second year is aimed at completion of stabilization measures and enhancing the efficiency through structural reforms, whereas the third year should focus on pro-growth and pro-job policies.

It is pertinent to mention that Pakistan took following “prior actions” (by five days prior to the Board meeting where the loan was approved) before the last IMF Programme (2013-16):

- Implementation of a series of fiscal adjustment measures,
- Elimination of electricity tariff differential subsidies (totaling 0.75 per cent of GDP in annualized savings),
- Net purchases of $125 million by the SBP in foreign exchange spot market,
- An agreement at the Council of Common Interest on respecting the 2013/14 fiscal balances for the provinces under the programme,
- Issuance of 10,000 collection notices to individuals not registered to pay taxes based where indirect methods suggest large potential income tax liabilities.

Fiscal belt tightening, reduction in electricity subsidies, and appreciation of dollar against rupee was a natural outcome of those prior actions, but those were a must to convince IMF Board that Pakistan was serious to implement reforms against the structural anomalies threatening its macroeconomic sustainability.

Apart from those prior actions, the structural benchmarks that former finance minister Ishaq Dar’s team agreed for the last IMF loan included approval of a reform strategy for loss making Public Sector Enterprises (PSE), hiring a professional audit firm to conduct a technical and financial audit of energy circular debt, making Central Power Purchasing Agency (CPPA) operational by separating it from the National Transmission and Dispatch Company (NTDC), privatizing 26 percent of PIA’s shares to strategic investors, and enacting the amendments to the Pakistan Penal Code 1860 and the Code of Criminal Procedures 1898. All those benchmarks were to be achieved before December 2013.

Backed by certain one-off positive factors, including low fuel prices in international market, CPEC inflows, US$ 5 billion from Saudi Arabia, and foreign exchange generated through bonds and auction of 3G-4G broadband spectrum, IMF loan resulted in favourable growth momentum. However, failure of implementing structural reforms in letter and spirit resulted in widening of external and fiscal imbalances, and a decline in foreign exchange reserves.

One needs to keep Pakistan’s immediate past engagement with IMF in mind while negotiating the next arrangement, as IMF would pick Pakistan on its slippages in that programme. In its first post-program discussion in February 2018, IMF mentioned widening...
external and fiscal imbalances as a result of those slippages and emphasized on continued exchange rate flexibility, monetary tightening, stronger fiscal discipline, and decisive efforts to contain losses in public enterprises.

Taking cue from the discussion, the elements of home-grown reform agenda apart from realistic monetary policy and continued exchange rate flexibility (which is now more or less adjusted to its real effective exchange rate) may also include rationalization of government’s current expenditure (rationalization of grants and subsidies, PSE reforms, rationalization of ministries and departments); tax policy and administration reforms (broadening of direct tax base and a gradual shift away from withholding tax regime, taxing all income beyond a minimum threshold, gradual move towards modified value added tax, correcting custom duty, and giving FBR autonomy); and power and gas sector reforms (new national power policy, going towards a single transmission and many distribution companies, and control of unaccounted for gas).

Many of the above measures would have to be taken as “prior actions” and many would be benchmark indicators. This would have inflationary impact. Low global oil prices helped PML-N to address many of those inflationary impacts. However, it is expected that once the US sanctions against Iran are imposed (from 4th November), the oil prices would go up. High oil prices and depreciation in rupee value would not only increase inflation but under constrictor monetary policy would also slow down the growth.

It is important for Pakistan to see IMF programme as yet another opportunity to implement and expedite three critical structural reforms:
• Tax administration
• Public sector enterprise management
• Energy sector governance

At the same time, it is important that key reforms may be put in place that strengthen the overall fiscal responsibility at the federal and provincial levels. This will include a tightening of current expenditure and aim to bring greater focus in federal public sector development programme and provincial annual development programmes – perhaps in line with the human resource development priorities of the Prime Minister.

Recipient countries usually have a choice (depending on the bargaining power) if they would like to front-load the reforms which involve relatively painful adjustment in the early periods. We may like to adopt this path and pursue the following sequencing of the programme.
• The first year of the IMF programme will naturally focus on achieving stability of macroeconomic fundamentals, in particular the stability of foreign exchange reserves. This year may see dampening of growth due to a contractionary fiscal and monetary policies.
• The second year should see the completion of measures which can induce efficiency in public sector management, expedite energy sector reform and help export-oriented industries. These reforms are mostly structural in nature.
• The remaining period of the programme should focus on pro-growth and pro-jobs policies and programmes. This period should also see our reliance on the IMF tranche gradually diminishing. The government will also be expected to exhibit willingness to reform critical areas of the economy. The following discussion acts as a start point on which there is near consensus as also indicated by parliamentarians during debate on Supplementary Finance Bill. These actions can be committed with the IMF as structural reform conditions however should be seen as Pakistan’s own priorities (as also indicated in the manifesto of Pakistan Tehreek Insaf (PTI).

Elements of home-grown reform agenda

a. Rationalization of Government’s Current Expenditure

Subsidies and grants should only be allowed after a scientifically conducted incidence analysis of benefits. The current levels of untargeted, hidden and cross subsidies are not pro-poor and act as an additional burden on the fiscal deficit.

There is an urgent need to bring down the losses of PSEs and to restructure their liabilities. This however is not possible without the reform of management in these enterprises and legal provisions that insulate management from political pressures. The priority cases include WAPDA (PEPCO) (including Pakistan Electric Power Company (Private) Limited), Oil and Gas Development Company Limited (OGDCL), Sui Northern Gas Pipelines Limited
(SNGPL) and Sui Southern Gas Company (SSGC), Pakistan International Airlines (PIA), Pakistan Steel, and Pakistan Railways.

There is room to rationalize the number of ministries and their attached departments. Several of these have seen their objective faded in recent times.

In order to keep government intervention to a minimum, it is important to reimagine the objectives and coverage of Fiscal Responsibility and Debt Limitation (FRDL) Act. A revision to FRDL Act is also important from the point of view of protecting budget allocation towards environmental protection, food security and human development priorities under Sustainable Development Goals (SDGs).

b. Tax Policy & Administration Reform

Rationalize the number and size of concessions: It is recommended that all incomes beyond a minimum threshold decided by parliament, should be treated equally for the purpose of taxation.

A broadening of the direct tax base will also allow a gradual shift away from the Withholding Taxes (WHT). The excessive reliance on presumptive taxation is distorting incentives to save and invest. The compliance of small businesses with WHT monthly reporting has increased costs.

There is a case for the simplification of the corporate tax regime in Pakistan as the current regime is a disincentive to corporatize. A four-pronged strategy to increase corporate taxes through: a) simplification of corporate tax laws, b) eliminating unfair exemptions from corporate taxes, c) broadening of the corporate tax base, and d) building capacity of the tax administration to evaluate and audit new forms of corporate incomes, can help raise greater revenues. The appeals management and grievance redressal mechanisms will also need to be sharpened in order to build trust.

A gradual move towards a modified value added tax (VAT): The existing GST on goods regime is not realizing its potential due to over invoicing of inputs and the inability of FBR to process the refunds in a timely manner. At the federal level, a reform towards a modified VAT will include setting of input-output norms across major industries, and pre-fixing the export rebate across major exported commodities.

Correcting customs duties: The effective rate of customs duty falls as the number and value of concessions (from customs duties) increase. Such concessions need to be reconsidered. Essential imports are also hurt by multiple slabs and differentiated rates across sectors. This in turn, affects the competitiveness of exporting sectors.

Revisiting the case for excise duty: There is a case for phasing out excise duties. There remains a need to see on a case-by-case basis where GSTs and federal excise duties are contributing to double taxation.

The 18th Constitutional Amendment allows the provinces, management of progressive taxes including wealth tax, capital gain tax on immovable property, gift tax and estate duty. The provincial assemblies may introduce and strengthen the levy of these taxes.

Revisit lessons from Tax Administration Reform Programme’s Evaluation: The project which started in 2005 and lasted until 2009 could not render the anticipated results and failed to improve, the efficiency of the tax administration and to broaden the tax base. The less than anticipated success of TARP calls for an updated independent evaluation to help the tax authorities understand why the current organizational structure in FBR is not delivering the desired results.

A full autonomy of FBR, similar to what was seen in the case of the State Bank of Pakistan, between 2000 and 2006 may be considered. FBR’s own human resource should be insulated from any political influence of the government, may it be in tactical functioning or related to recruitment, promotions, accountability and reward.

A risk-based audit along with forensic capabilities can help in the validation of tax returns. A medium term audit reform plan can help in clearly defining the roles of tax assessment auditor and recovery managers. This will also reduce the role of discretion by tax officials. The audit will also be helped by a simplification of rules, procedures, laws and relevant forms. This will reduce the transactions cost of both revenue officials and tax payers.
Strengthen Grievance Redressal Mechanism (GRM): A key issue faced by the business community is lack of effective mechanism to address their complaints. None of the tax authorities in the country have a documented and publicly communicated GRM.

Merge revenue departments at the provincial level: The newly formed bodies to collect GSTS may be structured as independent bodies, having legal cover through appropriate provincial legislation. The board of revenue, excise departments and other tax revenue collection bodies may be gradually merged into the newly formed entities e.g., Khyber Pakhtunkhwa Revenue Authority, Punjab Revenue Authority, and Sindh Revenue Board and Balochistan Revenue Authority. This will reduce compliance cost across the country.

c. Public Sector Enterprise Reform

The PSEs reform should remain a high priority involving restructuring of the boards of PSEs, attracting and retaining professional management having past commercial experience, and putting in place performance improvement plans. Some of these PSEs are incurring heavy losses for which the government may need to put in place a bail-out package comprising of both components: loans to PSEs and sovereign guarantees.

All PSEs should be encouraged to only cater for their core business and shut down all other ventures. This will encourage cost minimization with in these entities however Ministry of Finance will need to agree cost rationalization targets with the PSEs as part of the performance improvement plan. Advice from commercial sources may be required for revenue-enhancing measures. Once the entities achieve a certain level of financial fitness the government will need to consider models of ownership and operation which could include, public private partnership, disinvestment, and privatization (if necessary).

d. Power Sector Reform

The PTI-led government has already taken a step in the right direction to increase energy tariffs to better cover the cost of generation, transmission and distribution. Some concrete measures in this direction could be politically easier if in-built as a commitment to IMF.

The new National Power Policy should focus on strengthening efficiency, competitiveness and sustainability, as the redressal of the above three fundamental causes of energy crisis is of foremost importance. In this context, it is important to correct the structure of tariffs and subsidies in the power sector. Subsidies should only benefit the poorest of the poor.

Unaccounted-for-gas controls should be enforced and the saved gas should be diverted to the power sector. Current transmission losses of 3.6 per cent are higher than the NEPRA allowed losses. This immediately calls for introducing performance contracts (clearly mentioning targets for reduction in losses) for grid stations under National Transmission and Dispatch Company.

At the DISCOs level as well, the power policy aims for a similar mechanism of performance contracts aimed at increasing accountability of heads of DISCOs. It is further recommended that such contracts should have specific clauses on reduction in distribution losses and full collection of receivables from consumers.

e. Gas Sector Reform

In order to bring competition in the gas market, Competition Commission of Pakistan (CCP) needs to play a more proactive role. Second, the regulation should also enforce product standards in the gas sector. A large quantity of inefficient gas appliances are manufactured and supplied by small-scale producers without compliance with quality and safety standards. The low tariff for household consumers vis-à-vis registered commercial users has helped the growth of informal sector in micro and small-scale manufacturing.

Such low tariffs also encouraged inefficient usage and wastage of gas. The National Energy Conservation Centre had estimated that 20 per cent energy could be saved in the country through timely conservation measures and appropriate pricing.

Third, the judiciary dealing with gas sector cases will also deliver their part. The growth in gas theft persists as those involved know that lengthy conviction processes and legal lacunas cannot bring about
Fourth, consumer welfare in gas market is directly linked to creating competition. In the upstream, prices are set upfront without any price competition between Exploration and Production (E&P) firms. These firms will not face a substantial risk as the government, through a guarantee, will buy their gas through SNGPL or SSGC. In the downstream too, the government is the largest shareholder in both these companies. The Oil and Gas Regulatory Authority (OGRA) and Competition Commission of Pakistan (CCP) need to intervene here so that a fair competition is nurtured and consumer exploitation is curtailed.

Fifth, a related point is to unbundle the transmission and distribution which should allow perhaps a single transmission company with several distribution companies having specific and time bound key performance indicators. In the medium term, Unaccounted for Gas (UfG) losses can be curtailed through installation of smart meters network and prudent gas accounting.

Finally, several gas allocation and pricing decisions left to Economic Coordination Committee (ECC) require discussion with provinces. The provinces should have autonomy in sectoral gas allocation and management. It is, therefore, recommended that ECC decisions on gas sector allocation and pricing should be brought for approval of Council of Common Interest.

f. Ensuring export competitiveness

The Ministry of Commerce needs to focus on its core tasks as defined in Government of Pakistan’s Rules of Business 1973. This implies, for example, shedding the responsibilities of managing public sector entities such as State Life Insurance Corporation – an entirely unrelated subject. This can then allow the ministry to focus strictly on the objectives of trade policy.

The reforms towards enhancing competitiveness require a ‘whole of the government approach’, it is therefore necessary that the Prime Minister should take ownership of this agenda and convene the meetings of the Cabinet Committee on Exports and Production (CCEP) on priority. Large-scale reforms such as refunds of exporters, reducing energy costs for exports should be taken up by this committee, which should meet on a monthly basis.

Some short-term measures that can help the private sector should focus on reducing the trading costs, especially for the SMEs. The federal government can start from support towards the necessary product compliance and standard certifications required to enter and remain in a foreign market. Usually the costs and procedures towards these certifications are time consuming and expensive for SMEs and act as a barrier to their entry in the export markets.

The Ministry of Finance, using Export Development Fund (EDF), can incentivize containerization via railways for SMEs in export sectors. EDF can also be used to cover partial costs of transportation, e.g. transit levies especially in the case of trade with regional neighbours and transit trade. This could be a time bound incentive. The investments under CPEC and Central Asia Regional Economic Cooperation (CAREC) programme can also be aligned with this goal.

The small and medium scale exporters have weak access to policy making quarters and hence suffer from a deficit of information on incentives available under Strategic Trade Policy Framework (STPF). It is, therefore, recommended to expedite outreach and implementation of other measures announced under STPF, aimed at enhancing knowledge and capacity of current and potential exporters. The Chambers of Commerce and Industries may be invited to collaborate for outreach programmes and for their participation in foreign exhibitions.

The revised regional and bilateral trade agreements should go beyond the usually negotiated market access. In order to ensure trade-led investments, these revisions can now focus on specific clauses allowing investment in goods and services, and increasing the list of services for trade. Regional agreements could also carry provisions for transit arrangements for people, goods and natural resources (e.g. gas and electricity) and one-stop border posts, which can reduce travel time for goods, and expedite the establishments of supply chains across the region.

Other immediate measures could include:
- Comprehensive package to support SMEs Cost of Doing Business
- Administrative measures for curtailing informal and illegal trade
Reform of tariff regime faced by exporting sectors
Facilitation to integrate with regional and global supply chains
Insulating the export-oriented sectors from energy costs and stoppages

Mitigating Inflationary Impacts

The IMF programme will be accompanied by contractionary fiscal and monetary policies which, in turn, could result in low growth and employment (at least in the short-term). There may be, during the short to medium term, a rise in inflation owing to devaluation and increasing oil prices abroad. To mitigate these impacts, the government needs to strengthen social safety nets and social protection programmes. In line with PTI’s agenda of job creation, we also recommend pursing active and passive labour market policies which could include:

- Public sector employment generation schemes
- Youth paid-internship schemes
- Tax credits to employers who provide long-term contracts to employees
- Diverting PSDP to high-employment sectors
- Reforms to help startups and encourage self-employment

Economic Growth and Job Creation

Dr Sajid Amin

Along with productivity growth, job creation has always remained the central focus of economic policies the world over. In this regard, industrialization has emerged as a major area to create employment opportunities. Similarly, the manufacturing sector, as an employer, has also earned a greater attention the world over. Continuous creation of jobs becomes even more crucial for the developing countries wherein the population growth continues to add to the army of unemployed and economic recoveries are more often jobless. So, is the case for Pakistan. Manufacturing sector becomes important for employment promotion for multiple reasons.

First, agriculture sector in Pakistan has considerable disguised unemployment already. And, the youth is not interested to join low productivity jobs in agriculture sector. Second, productivity growth in manufacturing can generate well-paid jobs in a range of skills and professions. Third, manufacturing sector can create jobs not only through the goods’ production but also through the creation of services as many large manufacturing companies are also services companies such as sales and design among others. Fourth, manufacturing drives services while it is not true in reverse. Fifth, manufacturing drives technological change, and it is easy to trade than services.

From 1990s to 2016, Pakistan witnessed major structural changes in its economy. Noticeably, agricultural share in GDP declined substantially from 25 per cent to 20 per cent while that of mining and quarrying increases significantly from 0.7 per cent to 2.9 per cent. Manufacturing’s share dropped from 17 per cent to 13 per cent. Wholesale and retail trade sector share in GDP increased from 16 per cent to about 19 per cent during the period. Similarly, the increasing trend is recorded for transportation and communications and finance and insurance sector. 1

Most importantly however, no major shift has been documented for the employment contributions of major sectors of economy. A closer look into the distribution of employment in agriculture, industry and services shows that employment share in all the three sectors does not change significantly over the last 10 years and seem stagnant suggesting no structural transformation of the economy from the traditional agriculture sector to modern industry sector, when it comes to job creation.

However, worrisome is the falling share of manufacturing in providing jobs. Agriculture sector continues to absorb the major portion of the total labour force, though the share declined over the time. In contrast the share of employment in services continuously increases while that of industry shows a constant trend. This highlights one of the structural weaknesses of transformation facing Pakistan. 2

The economy moved from agriculture to services sector without consolidating the industrial sector. This is very important to understand as this is one

1 Source: Based on information from Pakistan economic survey various issues.
2 Source: Economic Survey of Pakistan and WDI database
of the probable reasons behind massive labour force remaining unemployed. As discussed in the opening section, manufacturing sector has the capacity to provide jobs for a range of skills and has larger room to absorb greater numbers as compared to service sector. This is particularly true for unskilled and semi-skilled jobs. The bypassing of manufacturing left lesser room of job creation at one hand while weakened the growth foundations of economy.

A lot needs to be done for securing future of textile sector. It is not about uninterrupted energy supply, it is about supply at lower cost also. It is not only about developing the skills; it is about developing the skills for innovation. A comprehensive manufacturing sector policy is needed. Structural problems need to be resolved. If past is any guide, the task is not easy. But, some indicators of hope are evident. CPEC provides us with one such opportunity.

As we have a big comparative advantage in Textiles, we should prioritize Textiles to address the ‘structural problems of manufacturing in Textiles’ and enhance the CPEC-worthiness of Pakistan’s Textiles sector. The supply-demand gap of energy is going to be matched soon which can be a new life for industrial sector of Pakistan. However, from right now, authorities need to put policies in place to ensure energy supply at lower cost otherwise further increase in the cost of production may offset the gains from improved supply of energy.

Most importantly however, the future of manufacturing (and textile) sector depends how efficiently Pakistan moves towards export promotion-led growth and development. Exports potential of textiles must be explored to its best. A well-organized plan for product diversification can contribute substantially to future growth of overall industrial sector of economy. This requires a massive paradigm shift in policy making, which include technological enhancement, global value chains, and skill and labour productivity increase.

Technological change is part of the world’s economy, and the sooner the policy implements tech-based reforms and incentives, the better the results will be. The focus must be on SMEs, as they have the greatest potential for job creation. Three-pronged policies ensuring price competiveness (competitive exchange rate), lower cost of production (ease of doing business) and improved human capital (skill development) needs to be put in place.

A meeting of the Senate Standing Committee on Health to restrict mercury dental amalgam use for children. SDPI that has conducted a number of research studies on mercury issues was the part of the committee. Later, through an advisory note F. No. 2-1/2018-Director (Inst) issued on September 27, 2018, the Ministry of National Health Services, Regulation and Coordination has directed all the health departments in four provinces, Azad Jammu & Kashmir and Gilgit-Baltistan to restrict the dental mercury amalgam fillings for children as well as pregnant and breastfeeding women.
China-Pakistan Economic Corridor (CPEC), Northern road route section (Islamabad Capital, Territory ICT, Pakistan to Kashgar, China) is part of the “Transport Infrastructure” which in the CPEC long-term plan (LTP) has been identified as one of the four priorities as well as key area of CPEC cooperation between the two countries. From ICT, three alignments – western, eastern & central follow which respectively connect to Gwadar, Khuzdar & Karachi. The investment/resources put into CPEC are huge and most obviously it would also have been part of the plan, to keep the environment cost to the minimum possible as well as not at all putting at risk, the health of the population in the surroundings of the CPEC activities across the country and or that of huge Chinese and Pakistani workforce, involved/would be involved in CPEC transport infrastructure and many other projects. The environmental and health impacts of the road construction activities are different and vary with the process, equipment and the material use. The magnitude of the resulting detrimental adverse effects depend upon the size of the exposed population and environmental segments (forest area, cultivated land area, water resources etc.) as well as the road length within a specific district area.

As part of the SDPI study, the impact of road construction activities on environmental segments are assessed by considering the extent of emission/releases from different phases/processes during road construction. Relative district exposure to these impacts are assessed by taking into consideration the district road length, population, forest and cultivated areas. The overall districts categorization (in terms of most resistant to most vulnerable vis-a-vis CPEC road construction activities) is based on the collective exposure to the studied environmental segments (population, forest & cultivated areas) of each district. The road route & the comparative data for Hazara, KPK are shown in Figure 2 & 3.

The CPEC route road length in Mansehra district is about half that of Kohistan district, however, among all six KPK districts studied, it has the highest population, largest forest and cultivated areas

This report briefly describes our follow up study (in Gilgit-Baltistan) of an earlier preliminary environmental impact assessment (P-EIA), at SDPI in which a very narrow focus only on CPEC northern route road in Khyber Pakhtunkhwa KPK (334.2 km), from Haripur to Kohistan (Figure 2) was kept. The study supports the earlier very general studies reported last year (2017) by the two Chinese research teams, Huang et al and Zhang et al. According to these reports, air quality was found to be one of the top two challenges upon Chinese foreign direct investment (FDI), particularly given the existing environmental problems in Pakistan. However, specifically at the district level along the CPEC KPK northern route road, according to our study, both water and noise seem to be the second biggest challenge, resulting from road construction activities.

This report briefly describes our follow up study (in Gilgit-Baltistan) of an earlier preliminary environmental impact assessment (P-EIA), at SDPI in which a very narrow focus only on CPEC northern route road in Khyber Pakhtunkhwa KPK (334.2 km), from Haripur to Kohistan (Figure 2) was kept. The study supports the earlier very general studies reported last year (2017) by the two Chinese research teams, Huang et al and Zhang et al. According to these reports, air quality was found to be one of the top two challenges upon Chinese foreign direct investment (FDI), particularly given the existing environmental problems in Pakistan. However, specifically at the district level along the CPEC KPK northern route road, according to our study, both water and noise seem to be the second biggest challenge, resulting from road construction activities.
(Figure 3) and as such, Mansehra district population (including vulnerable children, women & elderly) and environment would be most adversely affected from the CPEC route road construction emissions & releases. Although the road length in Battagram district is of about the same length, as that of Abbottabad, among all the six districts it could be least adversely affected, as it has the lowest population (about one third of Abbottabad) and 2nd lowest cultivated area. Kohistan, Abbottabad & Shangla have the 2nd largest forest area, population & cultivated area, respectively and these would be more exposed/affected compared to the other districts, except Mansehra (Figure 3).

Data collection for the CPEC road route, Khunjrab to Kashgar (Figure 5), is in progress and its P-EIA would be reported at a later stage.

The process of road construction involves a lot of water usage, resulting in possible stress of water availability to the local populations of the studied districts. Such stress could be maximum for districts with longer road route and minimum for smaller road route. Other districts could also face water availability stress due to proportionately higher population in these districts. Construction of tunnels, as per need, in the CPEC route area, could make the surrounding ground unstable with increased risk of soil erosion. Use of explosives and the resulting releases may also affect the air quality. Noise arising from the drilling and blasting of mountains in tunnel construction and from function of heavy machines working on site could be a nuisance for the locals and could also scare the wildlife in the area. Areas along CPEC route with higher tunnels constructed, thus will experience high levels of noise. Districts having parts of CPEC route passing through highly dense populated areas and the population there could suffer the effects of substantially enhanced noise pollution.

It is also very obvious that to meet the additional energy, equipment and material needs for CPEC road route construction, the need and production of the same would have to be considerably enhanced which would result in further risks to environment and public health, also at their production site/s (close or away from the road construction sites), especially in the absence of adequate environmental legislation.
or lack of its implementation in the country. To minimize the exposure/impacts of the releases/emissions from these construction activities, there is a dire need for effective mitigation/control measures (during & post- CPEC project completion) in place (a few also recommended in the study report), if not already taken care of, to protect the environment and safeguarding health of the Chinese-Pakistani workers and of the population in the CPEC activities areas.

Figure 4: CPEC road route in Gilgit-Baltistan (GB)

Table 1: CPEC route lengths and major towns/villages in Gilgit-Baltistan

<table>
<thead>
<tr>
<th>Districts</th>
<th>Route Length (Km)</th>
<th>Route</th>
<th>Main Towns/Villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunza</td>
<td>195</td>
<td>Khunjerab, Kuksel, Deh, Beli, Sost, Sartiz, Gircha, Jamalabad, Moorkhoon, Gircha, Ghalapan, Khyber, Passu, Hussaini, Ghulkin, Gulmit, Shishkat, Ganish, Garelth, Dorkhan, Aliabad, Hassan Abad, Murtazabad, Nisarabad.</td>
<td>Sost, Gulmit, Aliabad</td>
</tr>
<tr>
<td>Nagar</td>
<td>32</td>
<td>Pisan, Yal, Ghulmet, Qasimabad, Thol, Nilt, Jaffarabad, Sikandarabad, Chalt.</td>
<td>G h u l m e t , Sikandarabad</td>
</tr>
<tr>
<td>Gilgit</td>
<td>87</td>
<td>JuglotGah, Rahimabad, Jutal, Sultanabad, Danyore, Gilgit (City), Sultanabad, Sakwar, Minawar, Chamugarh, Parri, Jaglot.</td>
<td>D a n y o r e , Gilgit (City), Jaglot</td>
</tr>
<tr>
<td>Diamer</td>
<td>140</td>
<td>Raikot, Gonar Farm, Chilas City, Shatyal, Sazin.</td>
<td>Chilas City</td>
</tr>
<tr>
<td>Total</td>
<td>454</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Salient features of districts on CPEC Northern Section in GB

<table>
<thead>
<tr>
<th>Districts</th>
<th>Hunza Nagar</th>
<th>Gilgit</th>
<th>Diamer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPEC Route Length (Km)</td>
<td>195</td>
<td>32</td>
<td>87</td>
<td>140</td>
</tr>
<tr>
<td>Forested Area (Ha)</td>
<td>0.382</td>
<td>4,644</td>
<td>25,400</td>
<td>177,324</td>
</tr>
<tr>
<td>Cultivated Area (Ha)</td>
<td>0.934</td>
<td>2,141</td>
<td>4,310</td>
<td>5,440</td>
</tr>
<tr>
<td>Total Area (Ha)</td>
<td>1153,709</td>
<td>329,410</td>
<td>412,339</td>
<td>699,523</td>
</tr>
<tr>
<td>Population 1998 Census</td>
<td>98,720</td>
<td>148,040</td>
<td>124,365</td>
<td>371,125</td>
</tr>
</tbody>
</table>

Table 3: Relative impact/exposure environmental segments of the studied GB districts to CPEC Northern route road construction activities

<table>
<thead>
<tr>
<th>Environment Segments</th>
<th>Maximum</th>
<th>2</th>
<th>3</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>G</td>
<td>D</td>
<td>H/N</td>
<td></td>
</tr>
<tr>
<td>Forest Area (Ha)</td>
<td>D</td>
<td>G</td>
<td>N</td>
<td>H</td>
</tr>
<tr>
<td>Cultivated Area (Ha)</td>
<td>D</td>
<td>G</td>
<td>N</td>
<td>H</td>
</tr>
<tr>
<td>Total Area (Ha)</td>
<td>H</td>
<td>D</td>
<td>G</td>
<td>N</td>
</tr>
<tr>
<td>CPEC Road Length (Km)</td>
<td>H</td>
<td>D</td>
<td>G</td>
<td>N</td>
</tr>
</tbody>
</table>

Legend: D = Diamer; G = Gilgit; H = Hunza; N = Nagar;
CPEC is considered a very beneficial project for both China and Pakistan as well as the region. Environmental degradation causes irreparable economic losses due to deterioration of public health, productivity and life quality. To maximize CPEC benefits, it is, therefore, most strongly recommended that “District Specific EIA” be also carried out, for all CPEC projects in the country (including transport infrastructure related) in all provinces, to identify the likely affected specific areas, with necessary and appropriate mitigation/control measures to protect environment and safeguarding public health and of the workforce. Environmental standards (Pakistan, China or international) for CPEC activities (including infrastructure development) be agreed, adapted and implemented by the two countries. “Connectivity” being the core objective, same may also be facilitated by China & Pakistan, between all stakeholders of the two countries, including researchers and academia. It is very much expected that environmental consideration would be most likely included and assured in the CPEC LTP, as it is a live document and recommended to be reviewed every two years by both sides.

Bibliography:
Ministry of Planning, Development and Reform 2017, “CPEC Long Term Plan (LTP) for China-Pakistan Economic Corridor (2017-2030).”


Irshad, MS, 2015, One Belt and One Road: Dose China-Pakistan Economic Corridor Benefit for Pakistan’s Economy? Journal of Economics and Sustainable Development, vol. 6, no. 24


Lohano, P 2017, GM (Planning), National Highway Authority (NHA), Islamabad Pakistan (Personnel Communication).


Acknowledgments:
The authors gratefully acknowledge the support of Ms. Hafsa Bashir & Shiza Durrani, for their contributions in collecting Maps/data, for the Khunjrab – Kashgar route, in China.
Welfare and Finance Bill 2018-19
Syed Shujaat Ahmed

Welfare and budget making are two core concepts which determine the strength of relationship between government and people of a country. A welfare approach, which people look forward and expect from the government, is in fact the ease in the cost of living in the form of reduced number of taxes and provision of basic facilities to ensure minimum living standards. Whereas for a government, this concept of welfare depends upon the approach it takes towards making budget in order to run the affairs of the state keeping in view the welfare approach.

Prior to general elections 2018 in Pakistan, all the mainstream political parties such as Pakistan Tehrik Insaf (PTI), Pakistan People’s Party (PPP) and Pakistan Muslim League (Nawaz) PML-N talked about the welfare of people in their manifestos and public meetings. PTI manifesto revolves around inclusive economic growth and social services by linking them to governance. PPP focused on social services and rebuilding economy which can work for all (Model of Economy for all) and PML-N during its recent term tried to come up with sustainable economic growth while building on the economic model more inclined towards infrastructure development.

Post-elections when PTI came into power, they narrowed down their agenda to short-term goals to determine long-term agenda based on manifesto. Therefore, 100 days’ agenda to set long-term goals was put on the table. One of the key actions of these 100 days was to revisit the existing finance bill and amend it accordingly by setting targets till the end of fiscal year 2018-19.

Amended finance bill which was presented in the National Assembly was the roadmap to clear many uncertainties but it didn’t work out for the government as was expected. There were some positive developments with results more linked to long-run policies whereas in some cases policy framework given is adversely affecting a common man belonging to middle income group.

In this amended finance bill, the government came up with some of the positive developments such as health initiatives, including initiation of card scheme in federal territory and FATA. The scheme was first tested by Khyber Pakhtunkhwa government. Similarly, on building new houses for the middle-income group, a significant amount is allocated in order to meet the target defined in manifesto and to provide easy shelter.

Other move, which may significantly improve the revenue side, is the tax by parliamentarians to be paid for accommodations and benefits. These things along with some other minors will signify the welfare concept and other actions may be able to give fruits in the long run.

These steps may signify the long-term impact but in the short run did have pressure on the people of minimum income group with increase in prices such as that of gas and no significant change in tax structure. The existing tax structure of Pakistan is more dependent on indirect taxes. While looking for recent developments post amended finance bill, significant work was done in juggling around with numbers and no significant relief was provided to the taxpayer prior to the bill presented.

Taking into account the withholding taxes, the only measure introduced was exemption of the dam funds collected. Further measures introduced include increase in the tax rates for those earning above PKR 2,400 thousand annually thus resulting in the disposable income to further going down. Similarly, for those earning PKR 400 thousand to PKR 800 thousand annually fixed rate of PKR 1,000 was retained as introduced by the previous government in their last budget presented.

This PKR 1,000 has negative impact on the taxpayer between PKR 400 thousand to 800 thousand. For a particular income group suppose those earning near to PKR 40 thousand decline in disposable income is significant. Annually a person if earning PKR 480,000 in a rated system where there was percentage only, annual tax was PKR 600 with 50 per month inclusive of all rebates. This itself shows that a total of PKR 400 per year decrease in disposable income from only one tax. Similarly, with other forms of indirect taxes this decrease in disposable income becomes more significant.
Further looking at the tax structure and income group earning minimum standard living wage and below only withholding taxes result in significant decline of disposable income. Within this income group those earning PKR 15,000 per month and below are the ones more hit. The amended finance bill failed to answer these challenges, thus the core approach to welfare was left out.

Further looking at the prices in amended finance bill, gas prices can see the significant change. Claim in this regard made by the government is that pressure will be mostly on commercial users where increase is up to 143 per cent. But, looking at the bigger picture end sufferer is a consumer buying product from the market, e.g. bread and bakery items. Some of the bread manufacturers have already decreased the size of bread, therefore, a bread charged to consumer at PKR 80 has now lesser pieces of bread. The consequence of this increase in gas price can further lead to inflation surging on the upper trend. Other impact itself comes in the form of further decrease in the income for domestic consumer with the change in price from minimum 10 per cent to maximum 143 per cent.

These steps and measures taken by the government have resulted in pressure on the welfare side of the taxpayer in general with severe pressure on lower and upper middle-income groups. More decline in the disposable income may result in poverty incidence for those people earning below minimum wage defined by the law. This decline may further put pressure on poverty incidence to increase during this on-going fiscal year.

The discussed steps though covering the revenue side but nothing has been proposed from the structural side and administrative side. There is no mention of the management structure for public sector enterprises, which are on the loss from past years.

To carry on with the business and running state affairs, the government needs to revisit the bill and take out those points where those paying taxes should not be made target and be made to compensate for the losses due to the non-taxpayers and other non-payments. As promised in its manifesto, strict accountability should be ensured for those becoming reason of losses in these public enterprises. This amended finance bill should bring in the mechanism to recover from non-taxpayers and non-payers of the utility bills. These will not only help those who are paying taxes in the long run to sustain but will also result in welfare gain achieved through budget.

**Welfare Impact of Withholding Taxes**

Syed Shujaat Ahmed

Taxes are considered the most important sources of revenue to run the government and state machinery. There should be more focus on direct taxes whereas taxpayers liable and coming in the income group should be brought to the tax net. Looking at these basics and bringing it to the Pakistani perspective, numbers do show that Pakistani authorities and revenue collection framework is more inclined towards withholding taxes (WHT).

Studies reveal that there are 68 provisions of WHT, which is one of the highest in South Asia and partners with which Pakistan is engaged in trade and investment activities. In Pakistan, withholding taxes are collected in two forms: 1) Withholding Income Tax; and 2) Withholding Sales Tax. Within these two collecting modes Withholding Income Tax is about 87-90 per cent of the revenue collected from direct taxes whereas Withholding Sales Tax is about 85 per cent of the total revenue of sales tax.

Components which come under the direct tax part of WHT include tax on contracts, which is contributing 30 per cent; followed by Imports with 22 per cent; banking transactions with 18 per cent; electricity 11 per cent; and tax on dividends 6 per cent. Similarly, taxes under indirect or sales tax part of WHT include tax on imports contributing 67 per cent to the revenue; tax on electricity contributing 10 per cent; and tax on local suppliers contributing 7 per cent. Looking at these rates, it seems they are arbitrarily set with no scientific evidence beyond them. Therefore, one cannot access during the budget making process that how much business climate or an individual will be hurt from such taxes.

Building on this argument, when one looks at the South Asian countries, Pakistan is found collecting WHT
on higher number of items when one looks at major revenue spinners such as imports; salaries; dividends; bank interests; contracts; exports (Pakistan being the only country in this region to collect Withholding Tax on exports); cash withdrawals; electricity; and telephone. Bangladesh follows Pakistan with taxes on dividends; interest; royalties; technical service fee; and branch remittance fee. India and Sri Lanka follows Bangladesh with only four items, e.g. India do collection on interests; royalties; technical services; and any other services for which individuals are liable to pay 30 per cent of the income whereas companies are liable to pay 40 per cent of the net income. Sri Lanka collects dividends; interests; rent and service fee along with contract payments.

Therefore, based on this argument of high number of withholding taxes and with major contribution going from Indirect taxes, there are income groups which are being hurt most. Lower income groups such as those having informal contracts earning below minimum wage of PKR 15,000 per month; earning maximum PKR 15,000 per month; and those earning minimum standard living wage are the ones, who are getting affected by such taxes.

Out of 68 provisions, while looking at electricity, contracts, communication and pre-paid cards these four provisions only cost a person earning below minimum wage about PKR 2000 per year more over the period inclusive price adjustments and tax rates. Similarly, for these taxes, a person who is earning equates to minimum wage per month is paying PKR 2,800 more over the period for these four taxes and a person who is earning monthly minimum living wage to meet standards of living is paying PKR 5,000 more over the period in one year.

Therefore, with the change in disposable income over the year, there is a probability of change in poverty headcount. Those earning at maximum Rs 10,000 per month are being pushed towards poverty by 0.58 per cent; those earning maximum Rs 15,000 per month are being pushed towards poverty by 0.61 per cent; and those who are earning minimum living wage to meet basic standards are being pushed towards poverty by 0.49 per cent.

So, it can be concluded that with the increase in WHT and adding more taxes to these numbers above there will be decline in disposable income with the lowest income group being most hit. Similarly, the lowest income groups particularly those below the minimum wage and inclined more towards poverty line have higher probability of being poorer. Thus, resulting in low disposable income and leading to low access towards basic needs by affecting costs and standards of living.

Thus, to control the welfare losses and prevent people from pushing towards poverty, first the new government should gradually phase out withholding taxes after an updated tax gap and tax incidence study. Second, to broaden the tax base, revenue authorities should be allowed to use Information Technology tools available as well as biometric information available with National Database and Registration Authority (NADRA). Further to broaden the tax base, all data warehouses should be integrated with access provided to all the revenue authorities. Third, people’s participation should be ensured with an oversight in revenue collection and audit through strengthening accountability and transparency mechanisms. Pakistan can work in this regard with Open Government Partnership to ensure the initiatives such as Open Budget as practiced in different countries especially the Commonwealth.

To conclude this, the new government as has hinted to reform tax system should focus on updating all the studies and numbers with gradual phasing out of WHT along with broadening of tax base and open budgetary initiatives. These initiatives will, therefore, bring in the welfare gains for people facing challenges in achieving basic standards of living.
Are dams the only solution to water issues in Pakistan?
Mina Bokharee

Water stress in Pakistan is a direct result of population increase, rapid urbanization, inefficient governance, construction of dams by India on shared rivers, poor management, and above all, plain ignorance when it comes to the water issue. The startling statement made by experts warns us that without immediate and substantial action, the country will have no water by 2025.

The situation has become more complex due to the insecurity brought forth by climate change. Statistics indicate that from 1997 to 2016, Pakistan lost 523 lives per year as a result of 141 severe weather incidents. As average global temperatures rise, the largely arid to semi-arid country has witnessed droughts, glacial lake outburst floods (GLOFs), cyclones, and heatwaves that have taken life and property. Such extreme weather events are said to only increase in number. The super flood of 2010 alone, according to Asian Development Bank, took the lives of 1,600 people, inundated an area of 38,600 square kilometers and caused damage worth approximately $10 billion. Additionally, records indicate that in the last decade, Thar Desert faced numerous droughts. In 2011, the desert received 1,200 millimetres of rainfall as compared to its average annual rainfall of 200 millimetres.

Many of our developmental actions have been taken without the forethought of the immense (long-term) consequences; and now the abysmal mismanagement of water has presented Pakistan with an enormous economic and moral predicament. The once distant peril is no longer looming in the background; it is now staring us right in the face. The country is running dry at a pace for which we are not ready.

Previous governments have been in a state of inertia over water policies. Their inaction is what has brought us to this grave problem. It is astonishing that a country that relies so heavily on its agriculture and its water intensive practices, would pay such little heed to its resources future. Presently, with 19.5% share in the GDP, agricultural output also engages 42.3% of the labour force. However, population is increasing and so is the need for agricultural production. Agriculture consumes the most water in Pakistan (approximately 90%) and the usage is expected to rise as a result of increased temperatures. The question arises – whilst sucking our rivers dry, what should be done to improve the efficiency rate which currently amounts to just 50%?

The answer? Better conservation and better utilization by creating a balance as water demand is projected to far exceed supply. The only way to conserve the excess rainwater due to erratic rainfall patterns, is to store it and release it in dry years, when needed. Thus, there is a call for better water governance. In the past, there has been no effective water regulation system to cater to water flows. This brings into discussion our obsession with dams. ‘Is this the only way? Are there no alternatives?’ are the questions.

Pakistan’s National Water Policy was approved in April 2018 after much debate for over a decade. Once again, it is astounding that it took this long for a plan of action to even be finalized. Although a step in the right direction, the incoherence and loopholes identified raises many questions regarding implementation. The financial resources and allocation for the targets set are essential. The document puts forth the plan for large dams. But, the time to have built bigger or better ones has long since passed. We neither have the funds nor the time in our favour. Bhasha will cost $14 billion for just 6MAF storage capacity. The proposition to publicly finance the project has recently been put forth; and the idea of receiving donations for dams is receiving much skepticism. If loans are a potential
choice, the cost of borrowing would mean another several years before we could even think of breaking even and getting a return on such an investment. If we do somehow manage the unfeasible economics of it, we still cannot possibly wait another 7 years (certainly more) for Diamer Bhasha to be up and running.

Additionally, before building a dam, it is vital to understand the natural flow regime as dams can greatly alter the amount of water running downstream. Even when these dams are made, they fill up (Tarbela 12bcm and Mangla 7bcm storage limit) and are still no match at the time of flooding. If not given enough leeway, which is almost always the case due to the lack of efficient monitoring, the water released is badly timed. In fact, dams do not actually control floods and have, in some cases worsened the event. As in the case of the 1992 flood, Mangla was filled to the brim and its stored water was hastily released at the time of the already fast approaching water through the river. The freed water only added to the damage.

Furthermore, our existing dams have silted up; reducing efficiency. Not to be misunderstood; dams are undoubtedly beneficial structures. They help boost the economy by catering to our agriculture and hydropower, aquifers are recharged, forestation and wildlife survivability is improved and flood water is harvested. The issue is not with the notion of big dams, it is the timing of it. Rather than building additional dams and drowning ourselves in further debt, it is time to move to new solutions. Insufficient focus has been put on the potential of emerging technologies and conventional methods need to now be discarded. The water loss in canals, loss of water through watercourses and field losses, totals to 77MAF, which indicates that finding means to obtain more water is not the need of the hour; the solution lies in better management.

Coming to the alternatives, Pakistan needs to employ smarter and less water intensive practices. There are numerous water management techniques that should be considered in order to improve our agricultural production. Flood and furrow technique should be discouraged as the amount of water used is wasted and in fact, ruins the crop. Drip, sprinkler and pot irrigation are methods that would greatly reduce the level of water used. Today every drop counts, and with these practices, the precision is what we are looking for and coupled with fertigation, these areas would receive the nutrients they require. Moreover, implementing bio saline agriculture, where specialized crops can be grown, would greatly increase and widen our produce.

Furthermore, to respond to the challenge of water storage – check dams dividing the streams and smaller reservoirs should be employed. They are cheaper and quicker to build. The water would be stored properly during monsoon season and efficient channels such as canals would help its redirection. Additionally, headworks should be maintained and their capacity increased in order for efficient diversion of water.

Urbanization has resulted in vast concrete surfaces; obstructing access and ultimately making it impossible for water to reach the soil. Thus, we must invest in more aquifers, and natural groundwater storage capacity along the major rivers should be maintained. Water sensitive urban design is a valuable approach which will efficiently make use of storm water, ground water, wastewater and the existing water supply. We have intense rain fall in several parts of the country. With more awareness, every household could play their part. For instance, by harnessing the rain water falling on their roofs, the uses could be many, such as converting it into drinkable water.

Restoration of wetlands, marshes, and other ecosystems, requires water to be put back in watercourses. However, as is the case in Sindh, the concern is that lessening access to fresh water flow that keeps sea water from coming forth, would create marshes. Thus, the key is to keep the water flowing and focus on bettering the channels.

Recycling is one of the simplest and most convenient ways to tackle the problem of a limited water resource. This is something that every individual in the country should be mindful of and act upon. Water re-use practices such as simply utilizing the washing water supply as flush water is an example of basic recycling. On a larger scale, we should capitalize on desalination plants. A desalination plant installed at the Gwadar Port is said to have a production capacity of 254,000 gallons of clean drinking water and that the reserve would be less expensive than the water stored at the Mirani Dam in Turbat.

On the subject of power generation, the debate over whether solar power or hydro power is better, there is no clear winner. Granted both are expensive
constructions, but the predictability of the sun is of course much higher than our already scarce water resources. However, though solar energy should be invested in, hydro power should not be abandoned or neglected as the idea of more dams isn’t being either, just temporarily halted as the main solution.

There are many possibilities if we start moving in the right direction, immediately. Pakistan needs to manage its water, invest in cheaper and more efficient methods in order to save us and our future generations from a time where water becomes more valuable than gold. It is crucial for the new government to keep this a high priority issue. The insubstantial action as well as lethargy has got to go. There is a serious need to review the overall water management paradigm with special focus on conservation through small interventions at local levels. It is vital to ensure that the National Water Policy has pragmatic and practical purpose, else it will primarily remain a document of half-hearted cooperation and meaningless outcomes.

The plan to build mega dams will not be discarded. However, only after we have sorted out our short-term policy and catered to the immediate mismanagement issue, can we start thinking of investing in dams again, because they aren’t a burden, we just can’t afford the luxury at present.

(The opinions expressed in this article are solely of the author, and publishing it does not constitute an endorsement of SDPI.)

Climate change education and awareness manual
Waqar Ahmed

SDPI has prepared a climate-related manual to educate students of higher educational institutions about the climate change phenomenon. This manual uses a very concise language and simple terminology so that the students of various disciplines might understand and analyze the information and knowledge about future climatic scenario across different sectors.

The manual has been divided into three sections. The first section addresses the basic questions: what is climate change and climate variability? what is the difference between climate and weather? and what are the key causes of climate change? The second section highlights the climate change impacts on water, air and human health. Besides, the manual also discusses the climatic impact on wildlife, agriculture, forestry, energy, etc. The third and last section is about the responses and mitigation strategies towards different areas and sectors. The key parts which have been covered are forest management, water wastage and its efficient management, climate change vulnerability and its components.

The main objectives of this manual are as follows:
• To analyze the causes and effects of climate change
• To explain the relationship between human activities and climate change with emphasis on ecosystem and conservation
• To assess the impact of human activities on climate and the impact of climate change on ecosystem services and socio-economic systems
• To identify the potential responses and solutions to climate change challenges, and assess their feasibility and potential effectiveness
• To apply the appropriate communication strategies on climate change mitigation and adaptation to different types of audiences
• To include a glossary, which consists of the basic climate change related terminology

The intended target groups of this manual are graduate and undergraduate students as well as general public. The manual will be disseminated through the established networks of Higher Education Commission (HEC) to its accredited and affiliated colleges and universities. To raise awareness regarding this crucial subject, an Urdu version of this manual can also be prepared for the general public.

Keeping in view the aim of this manual, a glossary has been added to it as an annexure, which contains simple and non-technical language instead of heavy and technical jargons. The purpose of the glossary is to explain briefly the commonly used terminology with regard to climate change. Common terms such as greenhouse effect and greenhouse gases, global warming, deforestation, ecosystem among others are concisely described. This manual is being prepared in collaboration with Global Change Impact Studies Centre (GCISC), the research arm of Ministry of Climate Change, and the Higher Education Commission (HEC), Pakistan.
Sustainable Development Policy Institute (SDPI) is pleased to announce its Twenty-first Sustainable Development Conference (SDC). The overarching theme of this year’s Conference is “Corridors of Knowledge for Peace and Development”. The Eleventh South Asia Economic Summit (SAES XI), which is being hosted by SDPI in Islamabad this year, will also coincide with the SDC. The joint mega-events will be held from 4 – 7 December 2018 in Islamabad, Pakistan.

Conference Format:
There will be three to four keynote plenary sessions in which prominent keynote speakers will be invited to address significant areas as highlighted in the overarching theme. The plenary each day will be followed by concurrent sessions / panels on sub-themes. The plenary will last for one hour and 30 minutes while the duration of each panel will be two hours with three to five presentations followed by question-and-answer sessions.

List of Panels and Panel Write-ups:
List of proposed panels along with their panel write-ups is available at www.sdpi.org/sdc.php. Specific key questions will be addressed in each of the session as given in the panel write-ups.

1. Opening Plenary
2. Regional Economic Integration in Central and South Asia – Panel Organisers: Dr Vaqar Ahmed and Ms Rabia Manzoor, SDPI
3. Emerging Methods in Policy Engagements and Public Private Dialogue – Panel Organisers: Dr Vaqar Ahmed and Mr Ahad Nazir, SDPI
4. Women in the Electoral Procedure in South Asia – Panel Organisers: Dr Nathalene Reynolds and Mr Junaid Zahid, SDPI
5. Role of Women’s Home Journals and the Development of Female Education in South Asia– Panel Organisers: Dr Humaira Ishfaq and Mr Ahmed Salim, SDPI
8. Building Renewable Energy Supply Chains in South Asia - Panel Organiser: Mr Ahad Nazir, SDPI
9. Can e-Commerce help South Asian Intra-regional Trade? - Panel Organisers: Mr Ahad Nazir and Mr Syed Shujaat Ahmed, SDPI
10. Intra-regional Trade in South Asia: Challenges and Opportunities - Panel Organiser: Mr Asif Javed, SDPI
11. Harnessing the Potential of Agriculture Value Chains in South Asia - Panel Organiser: Mr Asif Javed and Mr Syed Shujaat Ahmed, SDPI
12. Blue Economy in South Asia: Prospects for Cooperation - Panel Organiser: Ms Samavia Batool, SDPI
13. Intra-regional Investment Cooperation for SMEs Development – Panel Organiser: Mr Wasif Naqvi, SDPI
14. Deepening Business-to-Business Engagement Processes in South Asia - Panel Organiser: Mr Wasif Naqvi, SDPI
15. Women-led Social and Creative Enterprises for Marginalised Communities in South Asia - Panel Organiser: Mr Ahad Nazir, SDPI and Ms Zeenia Faraz, British Council.
16. Transforming Regional Security Corridors into Knowledge Corridors – Panel Organisers: Prof. Dr. Feroz Hassan Khan, Naval Postgraduate School, U.S. and Ms Rabia Tabassum, SDPI
17. Regional Economic Prospects and Quality Education in South Asia - Panel Organiser: Mr Shahid Minhas, SDPI
18. Competition and IP regime in South Asia - Panel Organiser: Ms Rabia Manzoor, SDPI and Mr Ahad Nazir, SDPI
19. Regional Economic Corridors in South Asia: Opportunities and Challenges - Panel Organisers:
Ms Rabia Manzoor and Syed Shujaat Ahmed, SDPI
20. Role of Judiciary in Promoting Women’s Access to Justice in South Asia – Panel Organisers: Ms Saman Ahsan, UNWomen, Ms Imrana Niazi and Ms Rabia Manzoor, SDPI
21. Creating Shared Values – Private Financing for the Sustainable Development Goals(SDGs) - Panel Organisers: Ms Margaretha Jacqueline van der Woude and Mr Bernhard Hartleiter, GIZ and Ms Amna Sandhu and Dr Shafqat Munir, SDPI
22. Redefining the Role of Civil Society Organisations in South Asia - Panel Organisers: Dr Nathalene Reynolds and Mr Junaid Zahid, SDPI
23. Achieving SDGs through Citizen-centric Health Reforms– Panel Organisers: Mr Rana Nazir and Ms Nabila Kanwal, SDPI
24. Knowledge and Technology Transfer Management under CPEC – Panel Organisers: Dr Sajid Amin and Mr Wajid Ali, SDPI and Dr Fahd Amjad, Centre of Excellence – China Pakistan Economic Corridor, Islamabad.
25. Services Trade in South Asia – Panel Organisers: Ms Rabia Manzoor and Mr Asif Javed, SDPI
26. Practicing Fiscal Decentralisation: Gaps and Challenges – Panel Organisers: Mr Christian Seiler, GIZ, Dr Shafqat Munir and Ms Rabia Tabassum, SDPI
27. Role of Private Sector in Climate Action – Panel Organisers: Mr Arif Rahman, Hashoo Foundation and Mr Ahmed Awais Khaver, SDPI
28. Social Construction of State Legitimacy in Swat – Panel Organizer: Dr Shehryar Khan and Ms Aoife McCullough-ODI
29. Giving Voices to the Minorities – Panel Organisers: Dr Shafqat Munir and Ms Uzma T. Haroon, SDPI
30. Readiness of Private Sector to Tap in Business Opportunities in Central Asia Region – Panel Organisers: Mr Shakeel Ahmad Ramay, Mr Talal Akhter and Mr Waqar Ahmed, SDPI
31. Analysis of Socio-economic Impact of Afghan Refugees in Pakistan – Panel Organizer: Dr Shehryar Khan & UNHCR
32. Knowledge Corridors for Peace and Development across Silk Road – Panel Organisers: Mr. Shakeel Ahmad Ramay, China Study Centre, SDPI, Ms. Maryam Shabbir, SDPI and Mr. Kasif Noon, CAREC Institute, China
33. The Climate Risk Food Security Analysis – Panel Organisers: World Food Programme, Pakistan and SDPI
34. Regional and Trans-Regional Integration – Panel Organisers: Mr Shakeel Ahmad Ramay, Ms Maliha Naveed and Mr Talal Akhter, SDPI
35. Adaptation and Resilience: Evidence Based Research from Climate Hotspots – Panel Organisers: Dr Imran Khalid and Ms Samavia Batool, SDPI
36. Role of Media in Building Knowledge Corridors for Sustainable Development -- Panel Organisers: Mr Shakeel Ahmad Ramay, Ms Maliha Naveed and Mr Waqar Ahmed, SDPI
37. Poverty Reduction through Social Mobilisation in South Asia – Panel Organizers: Ms Shandana Khan, RSPN and Mr Muhammad Awais Umer, SDPI
38. Closing Plenary: H.U. Beg Memorial Lecture

Panel: Building Renewable Energy Supply Chains in South Asia

Energy security of South Asia and all member states of South Asian Association for Regional Cooperation (SAARC) is compromised due to excessive focus on import-dependent generation. Due to limited regional focus on renewable energy and insignificant regional cooperation, energy security of millions of people is at risk. The energy-based export potential of each South Asian country is significant and can augment the region’s energy security, along with technology transfer and cooperation in research and development. This panel, of the South Asian Economic Summit (SAES), will focus on the following key questions:

- What are the ways through which smarter energy supply chains can be promoted through the public and private sector in the region?
- What are the effective ways of technology transfer across the region, especially with regards to renewable and alternate sources of energy e.g., wind, biomass and biogas-based power projects?
- What are the current mechanisms in place for energy trade in the region; and what new pathways can be potentially included in order to improve energy trade across SAARC members?

Panel Organizer:
Mr Ahad Nazir, Project Coordinator, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: ahad@sdpi.org
Panel: Can e-Commerce help South Asian Intra-regional Trade?

E-commerce is flourishing globally with a value of over USD 25.3 trillion. South Asia has had fast-paced growth and development in the tech-based industry and this can have a direct impact on regional trade development. Some member states have put more attention to e-commerce than others. This provides an interesting and important prospect for regional cooperation and trade. In this regard, the readiness and e-commerce ecosystem of each South Asian country needs to be examined in detail, including incubators, accelerators and co-working spaces. The following major issues will come under discussion during this session:

- Overview of the state of e-commerce in South Asia
- Major barriers to promotion of e-commerce in South Asian Association for Regional Cooperation (SAARC) member states
- Major barriers to regional cooperation in e-commerce
- Lessons which may be learnt from other regional blocs.

Panel Organizers:
Mr Ahad Nazir, Project Coordinator, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: ahad@sdpi.org
Syed Shujaat Ahmed, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: shujaat@sdpi.org


Manifestos not only directly reflect the economic, political, social and cultural agenda of a particular party, but also highlight how they perceive contemporary problems of a nation. In Pakistan, there is hardly any political party with pre-election preparation and agenda on all policy issues ranging from social to economic, domestic to regional and regional to global.

Unfortunately, political parties are first hit by the private sector due to lack of vision, insight and research base in the commitments made by them towards economic reforms in their manifestos. Most segments of the private sector, particularly those represented by Pakistan Business Council, and Federation of Chambers of Commerce and Industry, have expressed their concerns regarding lack of economic reforms package in political parties’ manifestos. Equally important is their concern about not being consulted by the political parties regarding their business facilitation needs and initiatives.

To fill this gap in public-private policy engagement, SDPI is hosting this panel with participation from political representatives, the business community and other stakeholders from across the country to bridge the gap between the private sector and political parties.

Panel Organizers:
Dr Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: vaqar@sdpi.org
Mr Ahad Nazir, Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan. Email: ahad@sdpi.org


2018 marks the bicentennial year of Karl Marx, one of the founders of modern Social Sciences, who said, ‘The philosophers have only interpreted the world in various ways, the point, however, is to change it.’ Taking inspiration from Marx, the fundamental question today for those in South Asia is: how to categorise or theorise the various attempts to change state and society over the last few decades? South Asian states have tried socialism, secularism, populism, fundamentalist Islam/Hinduism/Buddhism, parliamentary democracy, military rule, and even different variants of these systems and ideologies. Or is the answer to be found in violent revolution or even Sufism, which, perhaps, has been more successful in building progressive consciousness necessary for changing South Asia. This panel will review the legacy of left politics in South Asia over the past 71 years and its lessons for the present, and way forward.

---

1 As reported by United Nations Conference on Trade and Development in 2015
2 This panel is not open for abstracts
Panel Organizers:
Mr Ahmad Salim, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: asalimkhawaja@gmail.com

Dr Humera Ishfaq, Research Fellow, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: jahanzad1@gmail.com

Mr Shahbaz Tufail, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: shahbaztufail@sdpi.org

Panel: Role of Women’s Home Journals and the Development of Female Education in South Asia

Women’s home journals published during the late 19th and first half of 20th century played a crucial role in the development and promotion of female education in South Asia, particularly in India, Pakistan and Bangladesh. Maulvi Syed Mumtaz Ali and Muhammadi Begum started the weekly Tehzib-un-Niswan in 1898 from Lahore. Sheikh Abdullah and Begum Abdullah started the monthly Khatoon from Aligarh in 1904; and Allama Rashid-ul-Khairi launched the monthly Ismat from Delhi in 1908. All three journals were published in Urdu, a common and link language of northern India. Ruqayya Sakhawat Hossain from the Bengal province used Bangla language for the cause of female education there. These initiatives from Punjab, Bengal and Uttar Pradesh caused a social revolution to promote female education in northern India. Female madrassas (religious schools) were started in these areas which changed the social conditions of women.

In this panel, speakers from India, Pakistan and Bangladesh will:

- Highlight the services of Maulvi Syed Mumtaz Ali, Sheikh Abdullah, Ruqayya Sakhawat Hossain and Allama Rashid-ul-Khairi during the 20th century; and,
- Explore the historical and social importance of the various journals published by these scholars, especially in terms of how they impacted and reflected the social status of women in north India.

Panel: Role of Private Sector in Climate Action

The 2030 Agenda for Sustainable Development is a global commitment to tackle poverty and human development by adopting an integrated approach towards achieving 17 Sustainable Development Goals (SDGs). ‘Goal 13: Climate Action’ pertains to urgent collective action in mitigating and adapting to climate change; it aims to mobilise USD 100 billion annually by 2020 to enable Climate Action (UNDP n.d.).

The private sector is the prime contributor to climate finance. it committed USD 243 billion in 2014 to climate-related investments and this amount increased by USD 50 billion in 2015 (World Bank 2015). The private sector’s role is not restricted to financial contribution only; it can achieve a breakthrough in Climate Action by leveraging innovation. Globally, the private sector has actively participated with all other stakeholders in attendance at the Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC) through different fora and panels, post-Paris Agreement.

In Pakistan, the newly elected government’s narrative is inclined towards facilitating Climate Action, manifested by the ‘Plant for Pakistan’ afforestation drive which aims to plant 10 billion trees in Pakistan during the next five years. Additionally, Pakistan is at a critical juncture in its economic history, with the onset of the China-Pakistan Economic Corridor (CPEC) on the verge of achieving economic breakthrough, while simultaneously intensifying its carbon emissions. This context indicates a growing need for a private sector alliance for enabling Climate Action.

This panel will outline the role of the private sector in Climate Action in Pakistan by addressing the following:
Private sector engagement for Climate Action in Pakistan
• CPEC and its implication on Pakistan’s international commitments pertaining to Climate Change
• Opportunities and barriers for enabling Climate Action
• Identifying priority sectors and players
• Key recommendations.

References


Panel Organizers:
Mr Arif Rahman, Senior Program Manager, Environment, Climate Change, and DRR, Hashoo Foundation, Islamabad, Pakistan.
Email: arifrahman@hashoofoundation.org
Mr Ahmed Awais Khaver, Research Assistant, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: ahmedkhaver@sdpi.org

Panel: Harnessing the Potential of Agriculture Value Chains in South Asia

Experiences from East Asia, Europe and North America demonstrate that regional value chains (RVCs) remain a key foundation towards becoming an active participant in global value chains (GVCs). The key channel through which this happens is the potential opportunities for exports and imports of intermediate and finished goods and services. In this context, national and regional trade policies, along with bilateral and regional agreements, play a key role in bringing countries and their enterprises closer. A number of preferential agreements today are designed with the objective to promote value chains. Apart from this, Foreign Direct Investment (FDI) in exporting industries, which also carries a technology transfer component, helps a country’s integration into value chains. In this context, the determinants of FDI also impact the country’s progress towards integration with RVC. This panel will, thus, focus on the following aspects of agricultural value chains:
• What are the major channels which can promote RVCs?
• How can national industrial, trade and investment policies help create and strengthen RVCs?
• Which trade barriers need to be urgently addressed across South Asia for helping RVCs?
• Which supply side issues in agriculture need to be addressed for boosting productivity in South Asian Association for Regional Cooperation (SAARC) member countries?

Panel Organizers:
Mr Asif Javed, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: asifjaved@sdpi.org
Mr Syed Shujaat Ahmed, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: shujaat@sdpi.org

Panel: Practicing Fiscal Decentralisation: Gaps and Challenges

Following the 18th Constitutional Amendment in 2010, the Federal Government devolved fiscal, planning and administrative powers to the provinces (PIDE and FoF 2012). Transfers of fiscal resources from federal to provincial governments are regulated by the National Finance Commission (NFC) established under Article 160 of the Constitution of Pakistan. The NFC determines the NFC award, which fixes distribution of fiscal resources in the form of ‘divisible pool’ transfers to the provincial governments (Pasha and Pasha 2015).

At the same time, Article 140A of the 18th Amendment prescribes the provinces to establish, by law, a Local Government System (LGS) and to devolve political, administrative and financial responsibility and authority to the elected representatives of the local governments. In light of this, fiscal resources need to be transferred from the provinces to the local government through the Provincial Finance Commission (PFC).

The fiscal decentralisation architecture in Pakistan...
faces several critical issues hindering effective public service delivery at national and sub-national levels. Fiscal imbalance with financial gaps at the federal level is one of the major issues due to which the 7th NFC award has led to vertical monetary imbalances between the Federal Government and the provinces. Moreover, the high dependency of provincial and local governments on fiscal transfers might result in negative incentives for revenue generation at their level.

Insufficient horizontal equalisation is another major policy concern that needs to be addressed in order to promote equal opportunities for the less developed areas to achieve the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development under the principle of ‘Leave No-one Behind.’ All the aforementioned gaps and challenges need to be further explored to strengthen fiscal decentralisation since the latter is crucial to support the process of localising the SDGs.

The goal of this panel is to discuss the role of NFC and PFC awards in sustaining the LGS created under the 18th Constitutional Amendment. Government representatives, researchers and experts on fiscal decentralisation will present their views in the panel. Key issues which will be highlighted include:

- Best practices, lessons learnt, and common challenges from peer countries in Asia and from Germany.
- What are the common challenges in fiscal decentralisation in Pakistan and peer countries in Asia?
- How can fiscal imbalances due to differences in assignment of functions and devolution of taxation powers between different tiers of government be reduced?
- How can the horizontal distribution formulas of the NFC and PFC awards be modified to favour less developed areas under the principle of ‘Leave No-one Behind’?

Additional points which will be addressed in the panel include:

- How can the fiscal gap at the federal level be closed?
- How can the format and the composition of the NFC or PFCs be modified to better adapt it to the challenges of fiscal decentralisation under the 18th Constitutional Amendment?

• What role can/should the 2030 Agenda and the SDGs play in determining the design of the NFC and PFC awards?
• How can local governments be incentivised to generate their revenues through the PFC distribution formula?
• Are there good practices elsewhere that could guide the design of NFC/PFC in Pakistan?

References


Panel Organizers:
Mr Christian Seiler, Support to Local Governance (LoGo) Program, Technical Advisor Strengthening Local Governance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. Email: christian.seiler@giz.de

Dr Shafqat Munir, Associate Research Fellow, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: shafqat@sdpi.org

Ms Rabia Tabassum, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: rabia_tabassum@sdpi.org

Panel: Transforming Regional Security Corridors into Knowledge Corridors

Discussions of national security presume it to be ontologically a priori. The condition of security must be satisfied for knowledge generation to take place. This panel considers a reverse causality. Education, knowledge transmission, and learning - particularly in regional/interstate settings - may abet national security, development, and peace. Regional, interstate knowledge corridors seek to generate efficiencies, clusters, and spillover effects by creating mutual space...
for new ideas, advanced learning, and development. An offshoot of mutual skill-building could be intergroup social contact to reduce prejudices and advance pro-social behaviour.

The panel pools insights from the experiences of academic institutions, think tanks, and non-government organisations (NGOs) to transform security corridors into knowledge corridors by asking the following questions:

• How does economic development through significant investments in education enhance national cohesion, growth, and influence of nations, such as Japan and South Korea?
• How do technology transfers through international engagement facilitate disruptive innovation and development, as in the cases of Israel and Rwanda?
• How does training for ‘thick concepts’ and dispassionate analysis within Social Sciences advance sophisticated strategic thinking and geopolitical maneuvering as Singapore has demonstrated?
• How applicable are the above three questions to the case of South Asian countries? What are the obstacles and how do we overcome them?

Panel Organizers:
Dr Feroz Hassan Khan, Research Professor, U.S. Naval Postgraduate School, Monterey, California, USA.
Email: fhkhan@nps.edu

Ms Rabia Tabassum, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: rabia_tabassum@sdpi.org

Panel: Creating Shared Value – Private Financing for the Sustainable Development Goals

Currently, there is a huge gap between the available funding and the actual financial need to realise the Sustainable Development Goals (SDGs). The cost to fulfil Agenda 2030 and achieve the SDGs is estimated to be between USD5-7 trillion, with an investment gap in developing countries of about USD 2.5 trillion (UNCTAD 2014: 140). At the same time, the latest report on Official Development Assistance (ODA) by the Organisation for Economic Co-operation and Development (OECD) shows that in 2017 net ODA reached USD 146.6 billion which is only a fraction of the resources that are needed (OECD 2018: 17). The inadequacy of currently available resources for the implementation of Agenda 2030 required the international community to call upon the private sector to contribute. Addis Ababa Action Agenda (AAAA) 2015, the outcome document of 3rd International Conference on Financing for Development (FfD) reflects the need to involve the private sector to achieve the SDGs. As an integral part of Agenda 2030, the AAAA developed a framework for financing the post-2015 development agenda and called for the mobilisation of additional private funds geared towards sustainability (UN 2015a; GIZ 2017).

The private sector can contribute towards achieving the SDGs in many ways. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) argues that there are six different emerging approaches to discuss the role of private economy in development. However, only two approaches seem to hold an opportunity for the private sector to directly allocate financial resources towards the SDGs. These are: a) provide private capital to finance sustainable development worldwide; and b) maximise positive effects resulting from the core business.

The mobilisation of private capital through innovative approaches is high on the agenda of the international community. The FfD conference recognises the role of both public and private finance and discusses ‘blended finance instruments’ such as public-private partnerships (PPPs) and how they serve to lower investment-specific risks, and to incentivise additional private sector finance across key development sectors (UN 2015a; GIZ 2017).

In Pakistan, it is well recognised that the private sector’s support is needed to achieve the SDGs. During the Local Government Summit on the Sustainable Development Goals in March 2017, local representatives identified lack of financing as the most pressing obstacle to development (GoP 2017). As a lower-middle-income country, the financing potential of civil society is constrained. Pakistan’s government presumes that 75 percent of the financial resources required to achieve the SDGs must come from the private sector. There are several initiatives both in the areas of creating ‘shared value’ and innovative financing mechanisms. However, a substantial engagement between the public and private sector to mobilise private financial contribution is missing.
Moreover, it remains unclear to what extent businesses are developing links between their business strategy and Corporate Social Responsibility (CSR).

This panel inspires further thinking and debate about the mobilisation of private resources for financing Agenda 2030 and the SDGs in Pakistan. The panel would focus on both the mobilisation of private capital through innovative financing mechanisms and maximising positive effects resulting from core business. Presentations by technical experts will lay out the current financial and business climate in Pakistan and introduce a vision for the future. The discussion will provide an answer to the core question ‘What is the business case for the SDGs?’ Specifically, the presentations will focus on the following key questions:

• Who should take the lead in enabling innovative financing for development in Pakistan? Who are the key actors and what are their roles and capacities? What role can government actors play? How can government actors in Pakistan facilitate the private sector in contributing towards achieving the SDGs? (see, e.g., Porter and Kramer 2011).

• What are examples and/or best practices of innovative financing and creating shared value for development in the region?

• Is the only responsibility of a company towards its shareholders? What is the current thinking, awareness and understanding concerning business strategies for CSR, corporate sustainability and creating shared value (CSV) in the business community in Pakistan? Why do the SDGs matter for business? What are incentives for corporations worldwide and in Pakistan to contribute towards achieving the SDGs?

• Are there any regulations for the SDGs? Are mandatory private sector contributions effective and what is the risk that government regulations are counterproductive for companies to create ‘shared value’? What makes regulations conducive to creating shared value? (see, e.g., Porter and Kramer 2011).

• Are the boundaries between the private and public sector becoming less defined? What are examples and what are the consequences (and risks)? (see, e.g., Porter and Kramer 2011).

References


Panel Organisers:
Mr Bernhard Hartleitner
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Islamabad, Pakistan.
Email: bernhard.hartleitner@giz.de

Ms Margaretha Jacqueline Van der Woude
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Islamabad, Pakistan.
Email: margaretha.woude@giz.de

Dr Shafqat Munir
Associate Research Fellow, Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan
Email: shafqat@sdpi.org

Ms Amna Sandhu
Project Associate, Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan
Email: amna@sdpi.org
Panel: Redefining the Role of Civil Society Organisations in South Asia

In her book *Women, Work, and Economic Reform in the Middle East and North Africa*, Valentine Moghadam divides the work of non-governmental organisations (NGOs) into seven basic types: (1) welfare (charitable) organisations; (2) professional associations; (3) research institutes which often engage in advocacy work; (4) human rights and women’s rights organisations; (5) development NGOs that provide ‘technical assistance and expertise on such issues as sustainable development, literacy and education, health, family planning and community development’; (6) organisations affiliated with a political party; and (7) worker-based and grassroots organisations (Moghadam 1998:37). Kim and McNeal (2005, p.96) emphasise that NGOs are ‘nongovernmental, nonprofit, politically neutral, voluntary, and independent organizations set up by those who agree to work together for shared goals or common goods and to empower citizens vis-à-vis a domineering state.’ However NGOs, while closely linked to the state, ‘operate outside the parameters of the formal state apparatus’ (Ibid.).

Researchers, social workers and activists are invited to explore the concept of Civil Society Organisations (CSOs) in South Asia and the work they undertake within their given limitations. The states, often subjected to a globalisation synonymous with liberalism, rely on them, while attempting if not to control their activities, then at least to guide their actions. In effect CSOs constitute ‘an alternative quasi-public institution’ (Ibid.). They, thus, tend to play ‘the role of policy entrepreneurs’, assisting governments in defining and implementing policy, while trying to protect public interest by monitoring government and business activities’ (Kim 2003, p. 58)

References


Panel Organizers:

Dr Nathalène Reynolds, Visiting Fellow, Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan
Email: nathalenereynolds@gmail.com

Mr Junaid Zahid, Project Associate, Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan
Email: junaid@sdpi.org

Panel: Women in the Electoral Process in South Asia

In their constitution, new states, born of the decolonisation movement, most often granted to their citizens the fundamental rights as provided under the Universal Declaration of Human Rights which the United Nations General Assembly adopted on 10 December 1948. Of course, women took part in the struggle against the colonisers, however, they frequently consented to stay in the shadow of their male independentists. Once victory was achieved, the latter declared that women had to return to the social duties which the Divine and nature had dedicated them. This reading continues today to prevail when one examines, for example, the delicate recognition in Nepal of the contribution of female fighters during the recent civil war.

Some provinces in South Asia are undoubtedly facing a difficult problem: that of the free participation of women in national, provincial and local elections. An eminently patriarchal system continues, as formerly in Western Europe, to judge that men alone would be able to guide (for the greater good of all, and thus, the preservation of the Divine Message) the destinies of Humanity.

Researchers, observers and activists are invited to examine the problem of the exercise by South Asian women of their right to vote, not overlooking the class question, and therefore, the place the latter occupy in the environment to which they belong. Rather than condemning men who oppose the highly fashionable theme of gender equality, it is more a question of trying to analyse their argumentation. We will, then, be able to envisage recommendations that might be useful to civil society organisations (CSOs). Case studies, including those that look at the July 2018 General Elections in Pakistan, will be welcome.
Panel: Intraregional Trade in South Asia: Challenges and Opportunities

South Asian countries struggle to promote trade within the region and trade relations are negatively impacted by political issues between some member states. Lack of favourable regional customs regime incites the non-tariff barriers (NTBs) which in turn force producers and traders to source merchandise from countries outside the region. India and Pakistan, being the two major economies in South Asia, still have meagre trade volumes compared to an estimated trade potential which is more than triple the current value of total bilateral trade. Insignificant trade volumes also make a weak case for boosting transit trade relations across the region. The session will highlight the political, economic and procedural issues hurting intraregional trade, with a specific focus on the following questions:

• What are the barriers in regional integration in terms of trade and transport connectivity?
• How can South Asia overcome infrastructure and customs-related deficits to promote regional trade?
• How can South Asia resolve political challenges which prevent government-to-government and business-to-business dialogue on trade enhancement?

This session will also discuss the potential of services trade. The services sector has become an important driving force for economic growth throughout the world as it comprises of around 69 per cent of the economies as measured by Gross Domestic Product (GDP). To induce growth in developing countries, the potential of the services sector is significant, but underutilized. Since the 1990s, the services sector has made an important contribution to GDP, especially in South Asian countries. Unfortunately, trade in services in these countries is very low.

The ‘intangibility’ and ‘inseparability’ factors are the key impediments to trade in services. The services sector was not included in the multilateral trading system until the inception of the Uruguay Round of General Agreement on Tariffs and Trade. The General Agreement on Trade in Services (GATS) was the first initiative that aimed at the progressive liberalisation of trade in services. Since January 1995, the World Trade Organization (WTO) has been administering this agreement and, services trade is getting the necessary importance in the multilateral trading system.

Despite the above mentioned, trade in services is still a vastly untapped area providing immense opportunities for inclusive growth. This panel further aims to look into:

• Provide an overview of services trade in South Asia, including a discussion on key sectors in which intra-regional services trade is taking place.
• Identify the major barriers to enhancing trade in services across the region, and,
• Look at the lessons which may be learnt from other regions.

References


Panel Organisers:
Ms Rabia Manzoor, Senior Research Associate, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: rabia@sdpi.org

Mr Asif Javed, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: asifjaved@sdpi.org
security and their political, social, and economic status’ (UN Women 2017: 6). High prevalence of gender inequality across South Asian countries remains one of the biggest challenges with regard to gender justice. In many of these countries, domestic violence, rape, sexual harassment and other forms of gender-based violence are also widespread. According to the World Bank (2018), ‘Globally, as many as 38% of murders of women are committed by an intimate partner; 200 million women have experienced female genital mutilation/cutting; 35% of women worldwide have experienced either physical and/or sexual intimate partner violence or non-partner sexual violence; and Globally, 7% of women have been sexually assaulted by someone other than a partner.’

Yet, access to justice is hampered due to several systemic barriers such as insufficient public legal awareness, ‘limited capacity of police and prosecutors to investigate and prosecute crimes against women,’ (Ibid.: 6), lack of quality services to support survivors, complicated and lengthy legal procedures, and biases held by judges. Further, survivors often have limited mobility, ‘inadequate educational and financial means, as well as a general lack of knowledge about options, services and remedies’ (Ibid.: 6). The hurdles for women in need of access to justice are manifold, and crimes of this nature are often committed with impunity.

‘Several efforts have been made towards improving access to justice for women by creating easier reporting mechanisms and better quality service provision for survivors of violence – including both domestic violence and violence outside the home, and by the adoption of women-friendly laws’ (Ibid.: 6). In recent years, the legal frameworks to tackle violence against women have been considerably strengthened in South Asian countries. While these legislative initiatives are commendable, their impact is being undermined by weak implementation and enforcement. Therefore, there is a dire need to look into the ‘transparency, accountability and credibility of the legal system and duty bearers as well as the political will of the state to address violence against women’ (OHCHR n.d.). In this situation, a proactive approach by the judiciary can make a significant contribution towards addressing the gaps and challenges in survivors’ access to justice.

According to the World Economic Forum’s Global Gender Gap Report 2015, Pakistan ranks 144th on gender equality in a list of 145 countries. Hence, there is a dire need for a gender-responsive approach to ensure that women who experience violence are supported throughout the entire process, from being a survivor of VAW to becoming an equal and empowered citizen. In this background, UN Women Pakistan and SDPI are inviting research and discussion on the role of the judiciary for improving women’s access to justice. This panel aims to discuss key issues faced by South Asian countries in their judicial systems. Some of the issues which the panel will explore include:

- Challenges and opportunities in the judicial system with regard to women’s access to justice in South Asia.
- Implementation issues with the existing legal frameworks, laws, rules, regulations and action plans.
- Lessons learnt and policy measures needed to improve the judicial system for enhancing women’s access to justice.

References


Panel: Competition and IP regime in South Asia

This panel aims to compare and contrast the Intellectual Property Rights (IPRs) environment in South Asia. There are several international best practices and rules available regarding the control of international anti-competitive practices (UNCTAD 2015). There is a need to recognise the adverse economic impact of Restricted Business Practices (RBPs), especially with regards to the developing countries and the global economy (Manzoor, Ahmed and Samad 2016).

Foreseeing the positive impact of the RBPs on the global economy, there has been an increase in patent filing in South Asia in the last ten years. IPRs provide a firm with a competitive edge and enable it to differentiate itself from competitors. A firm with poor IPR protection discourages local and foreign investment. Unfortunately, South Asian countries still do not provide viable IPR regimes in several sectors. Most of these countries have a legacy of a large government footprint and red tape that impede progress on improving indicators such as starting and closing businesses, getting credit, trading, employing workers and enforcing contracts. Corruption, by powerful firms and certain government bureaucracies, is also a major impediment to enhanced competition. Effective competition laws and policies would ease these obstacles, but these can happen only with the political will and support for change from pro-competition stakeholders.

Some of the issues which would be discussed during this session include:

- Overview of competition law and its implementation in South Asia
- Key barriers to implementation of competition and IPR laws
- Lessons and policy measures from other regions to promote competition and enforcement of IPRs.

References


for transit facilities and China’s willingness to support a major infrastructure programme under the Belt and Road initiative presents an important opportunity for improving trade and transport-related infrastructure. Pakistan and the region’s preparedness to quickly implement trade-related interventions under China Pakistan Economic Corridor (CPEC) and Central Asia Regional Economic Cooperation (CAREC) will also come under discussion.

Some of the questions which the panel will aim to answer are:

• Can enhanced regional trade and investment create economic interdependencies and help in strengthening political relations across South Asia?
• How can trade and transit-related reforms in the region benefit supply chains?
• What is the role of think tanks and media in policy engagement and highlighting key bottlenecks in trade, and at the same time offering innovative solutions to reducing cost of doing business, rationalise tariff and non-tariff barriers to trade?
• How are the development partners helping to improve the capacity of trade and transit governance, and competitiveness of the private sector in South Asia?
• Can South Asia’s enhanced market access under GSP Plus and free trade agreements with new partner countries help in improving competitiveness for regional trade?

Panel Organizers:
Dr Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Islamabad, Pakistan. Email: vaqar@sdpi.org

Rabia Manzoor, Senior Research Associate, Sustainable Development Policy Institute, Islamabad, Pakistan. E-mail: rabia@sdpi.org

Panel: Achieving SDGs through Citizen-centric Health Reforms

In 2015, Pakistan was not able to achieve the key health Millennium Development Goals (MDGs), particularly target 4 (child health) and 5 (maternal health). Legislative gaps, lack of accountability, data, awareness, political will, and focus on citizen-centric healthcare were a few of the major barriers in accomplishment of these MDG targets. Hence,
it is important to learn from previous mistakes and improve Pakistan’s performance towards its new global commitments of transforming lives by 2030 through the Sustainable Development Goals (SDGs). In order to do so, it has to be a top priority to map out the progress and gaps in health-related commitments and the reasons for those gaps. Moreover, to avoid any lags in progress towards achieving SDG-3 (Good Health and Well-Being), complete dedication and a strong will has to be the heart of all the healthcare-related initiatives.

Though the only SDG solely dedicated to health is Goal 3, several other goals tend to directly or indirectly have a massive impact on it. Hence, when talking about health, it is important to inculcate the opinions of multiple stakeholders, including citizens to draw an overall picture. It is also important to come up with a holistic approach with collaborative efforts to identify and bridge the gaps in the health sector and come together to strengthen our existing policies. For this, a bottom-up approach is needed which can close the persistent gap of partiality and injustice. To address these gaps which exist at almost all levels of management, an integrated action for social sector development, emphasising health and education, is indispensable. Therefore, it is critical to discuss the increasingly intricate link between health and development and peace and prosperity. This panel will try to address the following questions:

- What are the current institutional mechanisms to implement the SDGs at national and provincial levels and how are these arrangements are interlinked with each other?
- What are the gaps and challenges in implementing the integrated and multi-sectoral approaches to achieve the health sector goals?
- What should be the best way to align the health goals with other sectors and what could be the framework for implementation in this regard?

Panel Organizers:
Mr Rana Nazir, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: nazir@sdpi.org

Ms Nabila Kanwal, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: Nabila@sdpi.org

Panel: Fiscal Policies in South Asia: Why is Revenue Mobilisation so Challenging?

Fiscal deficits in South Asia have been traditionally large, especially when taking into account the deficits of sub-national levels of government. India, Pakistan and Sri Lanka all run general fiscal deficits in excess of 5 percent of Gross Domestic Product (GDP). Over the past three years, government revenue in South Asia has increased by a very modest 0.8 percent of GDP. Meanwhile, public expenditures grew by 2.6 percentage points, to reach 25 percent of GDP in 2017. With revenues and expenditures increasingly drifting apart, fiscal deficits are worsening and debt levels are rising. Public debt in South Asia is high by international comparison, and has recently surpassed 60 percent of GDP. Compared to international standards, revenue generation is also very low in South Asia (Figure 1):

Figure 1: Revenues of South Asia Countries by International Comparison


The developments described above, and the low revenue generation raise the following important points:

1. Governments are struggling to expand their tax base through new tax instruments and greater reliance on information technology. However, tax exemptions continue to be granted, raising doubts on the ability to increase government revenue as economies expand.
2. Fiscal deficits are often tolerated under the assumption that they support greater economic activity, but evidence on the impact of government
spending and revenue on short-term growth is scant.

This panel will:
• analyse revenue generation in South Asia
• discuss challenges to mobilise revenue
• explain why revenue generation is so low, and
• think about a way forward.

Panel Organizer:
Email: rcmbeyer@worldbank.org

Dr. Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: vaqar@sdpi.org

Syed Shujaat Ahmed, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: shujaat@sdpi.org

Panel: Knowledge and Technology Transfer Management under CPEC

The core of the discussion in this panel builds around the fact that technology transfer under the China-Pakistan Economic Corridor (CPEC) is not a choice, rather it is precondition to enhance not only industrial capacity and economic productivity of Pakistan, but also to maximise gains from CPEC. Sustainable socioeconomic gains from CPEC are contingent on effective capacity building of Pakistan. It requires introducing modern technological knowledge and training local labour to use modern methods of production through effective skills development.

The panel argues that the productivity gains of local firms depend on integration of CPEC-related investments with domestic investments on the one hand, and well-designed systematic efforts to enhance industrial capacity and productivity on the other. This also involves enabling domestic firms/industry to apply efficient management techniques.

In this context, this panel sets to evaluate the possible modes of technology transfer keeping in view the local milieu. Accordingly, it attempts to identify the relevant local, Chinese and global stakeholders who can facilitate the process. The setting of the panel involves reflection on five years of CPEC and experience of technology transfer. This entails assessment of challenges and prospects from the supply and demand side from the Chinese and Pakistan perspective. In continuation, the panel also envisages assessing readiness of the domestic industry to absorb the modern technological ideas and preparedness of the labour market to adopt modern skills which involves discussion on skills development in Pakistan.

China in general and its private sector in particular has key role to play in this regard. In this context, this panel will assess the role of Chinese firms, particularly from the private sector in promoting technology transfer. How can Pakistan facilitate the process—remains the key question that panel wants to take on with central focus on identifying technology spill-over mechanism and innovation management. In this regard, legal and policy framework earns particular attention, along with reflections on required institutional arrangements. Specifically, the panel attempts to find the answers for some key questions as below:

1. What has been happening on the technology transfer front over the last five years under CPEC?
   a. What were the major challenges faced from the demand side [capacity to absorb] and the supply side [the China side]? [The key focus is on Pakistan’s capacity to imitate Chinese technology.]
   b. Are there any plans/policies [both from China and Pakistan] to promote technology transfer as a component of CPEC?
   c. How can one assess the stream of transfer of technology with Pakistan’s capacity to absorb [in the short-, medium- and long-term]?
   d. Are there any lessons which Pakistan can learn from China in particular and other global economies in general?

2. How willing is China’s private sector for technology transfer and capacity building of Pakistan? And what can be the best mode in this regard?
   a. What are the Chinese private sector investment patterns in Pakistan?
   b. How can these investments be efficiently channelised for capacity building of the local industry?
      i. What are the prerequisites in this regard [in
3. How does Pakistan’s policy and legal framework facilitate technology transfer with particular focus on CPEC?

a. What kind of regulatory/mandatory changes need to take place?

b. What institutional arrangements are needed to facilitate this transfer?

c. How can Pakistan unlock its potential for successful technology transfer and what role can provinces play in this regard [and what arrangements does this require]?

i. What can government agencies do to enhance opportunities?

Panel Organizers:

Dr Sajid Amin, Research Fellow, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: sajidamin@sdpi.org

Dr Fahd Amjad, Head of Policy Division - Regional Connectivity, Centre of Excellence – China Pakistan Economic Corridor, Islamabad, Pakistan.
Email: fahd.amjad@cpec-centre.pk

Mr Wajid Ali, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: wajid@sdpi.org

Panel: Blue Economy in South Asia: Prospects for Cooperation

Given the rapid pace of urbanisation, climate change, population growth and other land-based issues, the focus of global policy discussions is gradually shifting towards ‘blue’ resources of the world, which if managed sustainably will have positive implications for socio-economic and environmental aspects for life on land. Despite an emerging concept, blue economy - which entails the sustainable use of ocean resources for economic growth and job creation - has already become a priority for the European Union and Africa’s development agenda and efforts are being made to bring other regions on board to strengthen and better manage blue economy within and across continents.

Promoting and strengthening a blue economy holds immense promise for the South Asian region as well, which is a hub of world trade and has an extensive ocean-wide network of energy supply lines. On the flipside, South Asia is faced with a multitude of socio-economic challenges and a blue economy, in this context, offers a pathway to address some of these. Against this backdrop, this panel aims to discuss sustainable exploitation of marine resources; maritime security; marine tourism; ocean governance; and the role of businesses in ocean resource management. Some of the more specific questions that will be posed include:

1. How does the blue economy concept fit into the sustainable development framework?

2. How can South Asia as a region cash-in on the benefits of the blue economy; what are the barriers in harnessing maritime resources and how to ensure good ocean governance in the region?

3. How can maritime cooperation between South Asian countries help promote employment and economic growth by fostering new partnerships, leveraging existing institutional relationships and innovative investments in a blue economy?

Panel Organizer:

Ms Samavia Batool, Research Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: samavia@sdpi.org

Panel: Regional Economic Prospects and Quality Education in South Asia

Education is a fundamental right. Transformation of education is a continuous and challenging process. It has been found that along with others, quality of education is actually widening the gap between the developed and developing world in terms of human development and interfaith harmony. Another major challenge in many developing countries is gender-based education.

While there are numerous similarities in the education systems of South Asia, the South Asian Association for Regional Cooperation (SAARC) countries, except Sri Lanka, have been facing quality education challenges for many decades. Pakistan and Afghanistan are on the top in such challenges at the basic, secondary and
Research & News Bulletin

higher education levels. Such discrepancies also lead to skill development problems, intellectual discourse analysis and job opportunities in the open market as per qualification.

South Asia, while home to more than 20 percent of the world’s population, the largest youth bulge of under 30s, is quite unfortunate since the region has not been able to transform its entire population into a trained human resource to improve living standards as well as its political economy. Although improving trends in education, especially increased enrollment of girls and women, have been observed over the last few decades, there is still a long way to go to achieve minimum standards of quality education. Investing and focusing on quality of education at all levels, may take about thirty years to become visible in the global education market. According to Halil Dundar from the World Bank, ‘The poor quality of education in South Asia is a major obstacle to the region’s future economic prospects.’

Quality education systems have also been ignored because of the region’s weak economies, high population growth rate, extreme religious trends, multiple education systems and political instability. According to Philippe Le Houérou, South Asia Vice-President at the World Bank, regional governments are now realising that, ‘Just spending time in school is not enough. There has to be a significant gain in skills that requires an improvement in the quality of education.’ This will help countries in the region to reap the full expected returns on their investments and generate gains in productivity and economic growth.

A significant improvement in education has been observed since United Nations agencies and international development institutions, particularly, UNESCO, DFID, USAID, the World Bank and CIDA have been putting in efforts to improve quality of education in South Asia, especially in Pakistan. The panel will explore challenges and opportunities associated with provision of quality education at basic and higher education levels.

Panel Organizer:
Mr Shahid Minhas, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: shahidminhas@sdpi.org

Panel: Intra-regional Investment Cooperation for SMEs Development

A large part of economic growth seen across South Asia is driven by the micro, Small And Medium Enterprises (SMEs). While many have been successful, a large proportion of these SMEs struggle to graduate and grow large enough to become exporting entities. The start-ups in non-traditional manufacturing or services sectors also face difficulties in even setting up, getting credit or embracing mainstream marketing channels. While there are national and sub-national polices across South Asian Association for Regional Cooperation (SAARC) members states, aimed at enhancing the productivity of SMEs, there is little research on how intra-regional investment cooperation through government-to-government agreements (e.g. Bilateral Investment Treaties [BITs]) or otherwise help the sustainability and growth of SMEs.

In view of the above mentioned issues, this session aims to explore:

- Current state of intra-regional investment cooperation
- Binding constraints to investment cooperation across South Asia
- Successful examples or case studies of investment cooperation helping SMEs in South Asia or other regions
- How technology can help reduce transaction costs faced by businesses interested in intra-regional investment or joint ventures in the region.

Panel Organisers:
Mr Wasif Naqvi, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: wasif@sdpi.org

Panel: Deepening Business-to-Business Engagement Processes in South Asia

The political and capacity gaps which have prevented trade and investment integration in South Asia have resulted in losses to businesses in the form of higher import costs (from outside the region), as well as prevented them from exploring non-traditional markets across the region. Enterprise surveys, conducted by regional think tanks, point to a strong intent of manufacturers to source inputs from within South Asia. However, several uncertainties prevent
them from making decisions which could help intra-regional trade and investment, and ultimately promote small and medium enterprises (SMEs) and sustainable livelihoods in the region. This session will be co-organized by SDPI and the SAARC Chamber of Commerce and Industries with the objective to explore:

- How economic prosperity in the region can be reimagined?
- How can business associations in the region strengthen the cause of regional cooperation?
- How can business associations innovate their methods to engage governments of member states?
- How can SMEs be helped through public or private sector support to integrate in regional value chains?

**Panel Organizers:**
Mr Wasif Naqvi, Project Associate, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: wasif@sdpi.org

**Panel: Women-led Social and Creative Enterprises for Marginalised Communities in South Asia**

The role of Social and Creative Enterprises (SCEs) in the development process is being widely recognised. The Sustainable Development Goals (SDGs) also attach significant importance to the potential of such enterprises in promoting more inclusive growth and welfare. These enterprises are, however, subject to laws which are similar to conventional for-profit enterprises, thus, threatening their sustainability. A general lack of understanding regarding the national level ecosystem required to promote women-led SCEs is a key reason regulatory, taxation and procurement rules at national and sub-national levels continue to stifle the prospects of social entrepreneurship. This panel will explore the:

- Role that the women-led social and creative industries play within the economy
- Current state of SCEs in South Asian Association for Regional Cooperation (SAARC) member countries
- Potential for regional cooperation to promote women-led SCEs; and how national governments and business associations can help this process.

**Panel Organizers:**
Mr Ahad Nazir, Project Coordinator, Sustainable Development Policy Institute, Islamabad, Pakistan.
Email: ahad@sdpi.org
Ms Zeenia Faraz, Head of Programmes, British Council, Islamabad, Pakistan.
Email: zeenia.faraz@britishcouncil.org.pk