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NEWSLETTER

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From the Desk of the Chairman

Action on climate change: Young people take to the streets

Ever since the founding of our institution a dozen or so years ago, we have been working to understand the world we live in. This understanding, we believe, should improve the basis on which those who hold the reins of power formulate public policy. When we speak of the "world around us" we adopt a wider understanding: our view is that we should be fully aware of what is happening within the boundaries of the state of Pakistan but also beyond our borders. Defined that way, the world is faced with several challenges. Among the most serious of these is climate change and global warming. What is hurting the planet on

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which we live needs to enter the consciousness of the Pakistani citizenry as well as that of policymakers. That, unfortunately, is not happening. We don't fully understand the dangers we face. We live in the part of the world where unchecked climate change would make life unlivable for millions of people.

Several years ago, a senior official from Pakistan came to hold discussions with his American counterparts. He asked me if there were any issues, I would like him to raise with the people he was set to meet. I suggested that climate change should be one of the areas on which he should focus. His response surprised me. "Why should we bother; it is their problem. It is of no concern to us."

Previous Publications



He had probably not reflected on the consequences of rapid glacier melt in the mountains from which we draw most of the water for our fields, provide water to our industries and drink to stay alive. Frequent floods that have done a lot of damage to our agriculture punctuated by droughts are also the cases of climate change. The sea is rising and is likely to have parts of Karachi under water. And rising temperatures are making several cities unlivable in the country's desert areas. A recent issue of *Time* magazine has a long story on the city of Jacobabad that experts believe is the hottest urban area on the globe. Most of the city's people would be forced to leave. Pakistan's history is marked by mass movements of people from the time of its birth to the present times. Another is likely to occur caused this time by global warming.

It is important to increase awareness amongst the people and policymakers about the danger's climate change poses for us. On September 20 this year, the world's youths did not attend school. Instead they took to the streets to deliver a message. This event received little attention in Pakistan although *New York Times* on its front page in the issue of September 21 had the picture of a young

Islamabad girl with "Save Us" written in lipstick on her face. However, none of the major English newspapers gave it much space: a couple of them simply carried pictures of the demonstrations but wrote little about it. "In one of the largest youth-led demonstrations in history, millions of people from Manhattan to Mumbai took to the streets around the globe on Friday, their chants, speeches and homemade signs delivering the same stern message to world leaders: do more to combat climate change - and do it faster," wrote *The Washington Post* in a long story that began on the first page of the newspaper. "From small island nations such as Kiribati to war-torn countries such as Afghanistan and across the United States, young people left their classrooms to demand that governments act more with more urgency to wean the world off fossil fuels and cut carbon dioxide emissions," continued the newspaper.

There are many reasons for us to worry in Pakistan. At the Burki Institute of Public Policy (BIPP) we will develop a work program to highlight the problems we face in the area of climate change and the policies we should promote and adopt to deal with the developing situation. We will do our best to spread the word that we need to deal with what could become an existential threat for us.



Message of the Month

Lessons for Pakistan from Global turbulence

Regardless of one's politics it is difficult not to see that the world is in a state of unusually widespread turbulence. Western democracies appear to be shedding goals and principles that have guided them for

the past five decades. Principles that have led to unprecedented growth in global prosperity and poverty reduction (see Charles Kenny's "Getting Better" for evidence of these statements). Yet the UK and the USA would seem prepared to abandon these principles in favor of isolationism and nationalism. China and Russia are also pursuing isolationist policies in no small part because they don't believe that they have a choice.

These changes carry messages for Pakistan and the region. First and foremost, how can Pakistan avoid the malaise that is disrupting Europe, the UK and the US? The first step is to recognize what lies at

the core of these changes. While globalization has delivered huge increases in overall global welfare, it has also created winners and losers – and the gap between them has grown over time.

Globalization gave many people the sense that they were no longer in charge of their lives. It made people yearn for the "good old days," which, as Kenny shows, were anything but better on average. To avoid this, Pakistan's leadership needs to find instruments that will signal to all Pakistanis that they are part of the national equation. A proven way to do this would be to increase local autonomy.

Dennis de Tray
Member, Advisory Council
 The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



The 74th Session of UN General Assembly

The 74th United Nations General Assembly 23-30 September 2019 took place in the midst of multiplicity of grave challenges confronted by the international community for decades. UN, representing the collective will of the humanity, is committed to establishing a world order based on peace and security; development with equity; and guaranteeing the fundamental human rights irrespective of color, creed, religion, ethnicity or nationality.

The UN General Assembly (GA)

serves as a forum to the world leaders to articulate major issues of global concern and come up with a consensual framework to guide concrete actions towards creating and bequeath a better world to the posterity.

The 74th session, however, was marked by heightened tensions between the United States and Iran; the war and conflict in Yemen and Syria; trade dispute between USA and China; and not the least, the gross violation of human rights and human misery being brutally inflicted by India on the people of Kashmir.

Against this backdrop, some of the major issues highlighted by the world leaders included:

1. The climate summit: "A Race We Can Win, A Race We Must Win," held during the

GA 74th session deliberated upon the worsening impact of Climate Change on people's livelihoods, eco-system and health.

The Intergovernmental Panel on Climate Change (IPCC) has already fore-warned that greenhouse gas emissions must be drastically reduced within the next 11 years to stay within 1.5°C of warming above pre-industrial levels. The need for urgent collective action by 2020 for smooth transition to low-carbon economy was vehemently advocated urging the developed and rich countries to fund both the adaptation and mitigation measures as per the Paris Agreement

2. The slow progress on

Sustainable Development Goals (SDGs): The pace of achievement of SDGs does not seem to be on track to meet the targets by 2030. Economic fragility, conflict and climate change could further exacerbate poverty and deprivation in areas infested with conflict, social unrest and worst impacted by climate change. An amount of \$5-7 trillion in annual investments is needed to achieve SDGs. This calls for alignment of national policy and budgetary allocations, technological and financial inclusion and reorientation of private capital flows toward inclusive business for improving the livelihood assets of the poor.

3. The rising inequalities and violation of human rights: The fact that for consecutive 12 years, there has been a decline in global freedom, with 71 countries suffering net declines in political and civil liberties is a cause of grave concern. The worst manifestation of violation of human rights by India in Kashmir speaks volumes of inaction on the part of UN and world community. The lack of meaningful commitments to address global and local inequalities protect and preserve human rights and prevent infringement of the rights of minorities continue to remain the major challenges.
4. The humanitarian crises: Conflict, repression and the increase of natural disasters

are major impediments to development, peace, and security worldwide. The year 2019 witnessed worst deepening of humanitarian crises. The number of internally displaced people by conflict in Syria, Colombia, and the Democratic Republic of the Congo alone reached almost 20 million. Nigeria, Somalia, South Sudan, and Yemen continue to face displacement. A total of nearly 132 million people are entitled to receive humanitarian assistance at an estimated cost of \$21.9 billion.

This gloomy state of affairs call for an urgent collective action - at national, regional and global levels - within the multilateral and globalized institutional context.

**Shahid Najam,
Vice Chairman**

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



From Research & Consultancy Wing

Watershed Management Issues of The Indus Basin

Watershed erosion follows from the laws of physics. But it has remained a neglected issue for as long as we have looked at the Indus Basin as an integrated whole. As a result, little authoritative data is available on the rates of watershed erosion and their likely effects on *kharif* and *rabi* river flows and on the siltation of rivers and reservoirs.

Since human populations inhabit watershed areas, erosion control has a more immediate imperative-as it deals with the problem of poverty in the uplands, which is partly the result of misuse of watershed areas through over intensive farming on steep slopes, over grazing of rangelands and removal of forest undergrowth. Loss of vegetation in low rainfall hilly areas through uncontrolled grazing has not only reduced the carrying capacity of the land for livestock, but has led to loss of topsoil, in some cases, down to bedrock and has increased rainfall runoff rates, aggravating flooding downstream. In many

areas this process has already gone beyond the point of reversibility.

Although modification and addition of physical facilities for downstream flood control and protection continues, this is more costly than prevention of erosion upstream. Further when larger structures for flood control have been built, attention will shift to tributary streams and hill torrents. In these the economics will favor prevention rather than structural solutions downstream. While dealing with these more numerous smaller streams flood management strategies should reorient towards multiple uses—

irrigation, groundwater recharge, range and forestry development as well as flood control.

The watershed management issue must be seen in a broader and longer-term perspective. The objectives of watershed management should be broadened to include flood reduction, water conservation, enhanced range and forest production and reduction of sediment damage to stream channels.



Meanwhile high priority should be given to systematic collection of hydrological, biological and, most importantly, sociological information in these areas.

Basin Planning within a country should, at least, incorporate downstream costs in its strategic calculations.

At this time none of the above is being done at a satisfactory level. That is an ignored priority with both immediate and longer-term costs.

Tariq Husain
Member, BOD

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**From
Research &
Consultancy
Wing**

Canada, Last Hope for Political Liberalism

The world is witnessing erosion of the liberal democracy tradition which, in the post-World War II period, became source of inspiration for many third world countries engaged in establishing democratic order. The political right, majoritarianism and myopic nationalism to the total neglect of the minority rights and politics of dissent seem to gain momentum. In Israel, Benjamin Nethyanhu might be able to form a coalition government again;

Narendra Modi, based on Hindutva which envisages supremacy of Hinduism to the utter disregard of minorities, has already won elections in India; Boris Johnson is occupying Downing Street; and, with Democrats still in disarray Donald Trump might return to White House second time in 2020. Just last week, in United Nations General Assembly session, President Trump proclaimed that future belongs to “patriots” instead of “globalists”. The surge in populist leaders has shook the liberal democratic order.

In Canada also, October 2019 elections will determine whether Canada becomes part of political right spectrum or retain its liberal and multicultural values. Before the surfacing of damaging

pictures of Canadian Prime Minister in the media, Justin Trudeau was viewed as the torch bearer of liberal values. His government has introduced various liberal policies to the extent of aiding the attempted suicide victims and legalizing marijuana. As part of these policies, Trudeau openly welcomed the refugees from Syria. This year Canada will witness one percent increase in total population due to open immigration policy. Canadian citizens are free to write their gender or keep it empty on passports. Under his leadership, the country has made remarkable strides to combat Climate Change- pricing of the carbon emissions. In absence of the US support, Trudeau has become one of the staunch supporters of World Trade

Organization (WTO) in North America.

On poll day, other options for Canadians include Andrew Scheer of Conservative Party and Jagmeet Singh of New Democratic Party. In electoral calculus, they are certainly helped by Trudeau 'blackface' scandal - pictures showing culture misappropriation and racism.

Currently, the Conservatives are neck- and-neck with the Liberals in the pre-election gallop polls. In February this year, the SNC-Lavalin affairs had damaged Liberals electoral prospects when it was found that Trudeau had improperly influenced the Justice Department to intervene in an ongoing criminal case against Quebec based construction firm SNC-Lavalin. In midst of this, the far-right is gaining strength in Canada. For instance, ultra-right politician Maxime Bernier founded the *People's Party* in September 2018. The rise of the party has alarmed both people

inside Canada and abroad. The party opposes Trudeau's "cult of diversity" and wants to undo many of his liberal policies. A coalition of right-wing parties, as a result of October elections, will mean demise of one of the last bastions for globalism, multilateralism and liberalism.

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From Knowledge Management Wing

Pakistan's Trade Profile 2018-19

Pakistan is the 57th largest export and 45th largest import economy in the world. Pakistan exported US \$23.6 billion and imported US \$60.2 billion, resulting in a negative trade balance of US \$36.5 billion in 2018. Exports and imports increased by 8.01 and 4.74 percent respectively as compared to 2017. Pakistan's share in world's exports and imports is only 0.15 and 0.37 percent respectively.

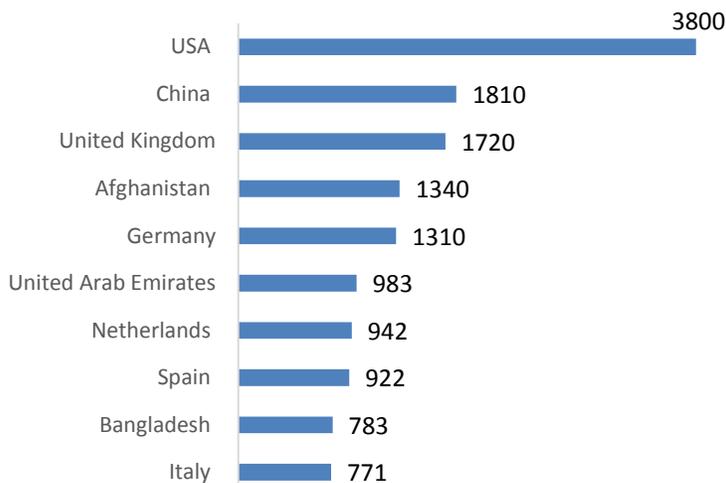


Pakistan's Export Profile

USA was the largest market for exports from Pakistan (\$ 3.8 billion or 16% of total exports) followed by China (\$ 1.81 billion or 7.7% of total exports) and United Kingdom (1.72 billion or 7.3% of total exports) in 2018.

The top exported product from Pakistan was from the commodity *Group No. 63* "Other made up textile articles; sets; worn clothing and worn textile articles; rags". - The value of exports of this group amounted to \$ 4.05 billion.

Pakistan's Top ten Export Partners in 2018 (US \$Millions)



Top Export Partners' Contribution in Pakistan's Total Exports



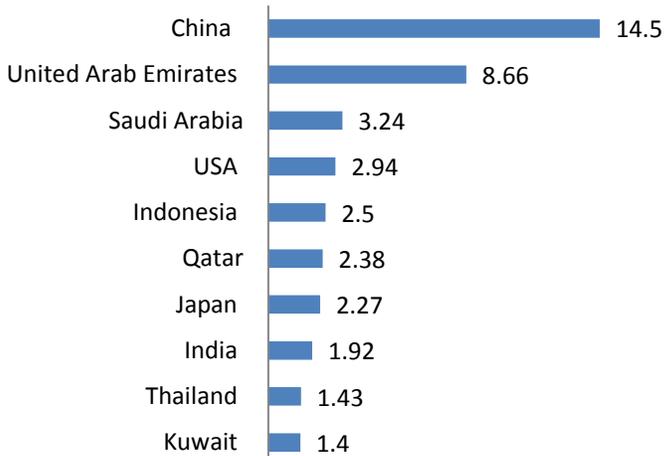
Top-10 Exports of Goods to the World in 2018 (US\$ Million)



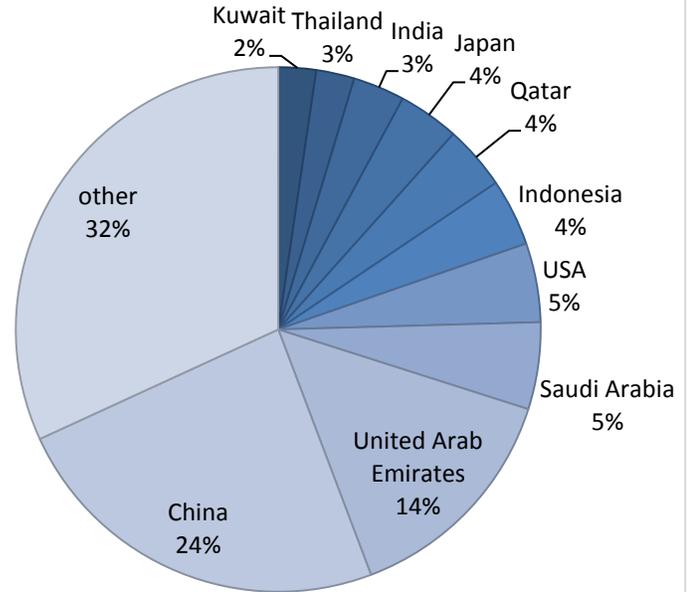
Pakistan's Import Profile

China was the largest supplier of goods to Pakistan (\$ 14.5 billion or 24% of total merchandise imports) followed by United Arab Emirates (\$ 8.7 billion or 14.4% of total imports) and Saudi Arabia (3.24 billion or 5.38% of total; imports) in 2018. The top imported product to Pakistan in 2018 (11.3%) was from commodity Group 27" Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes." - The value of imports of this category was equal to 17.1 billion US \$.

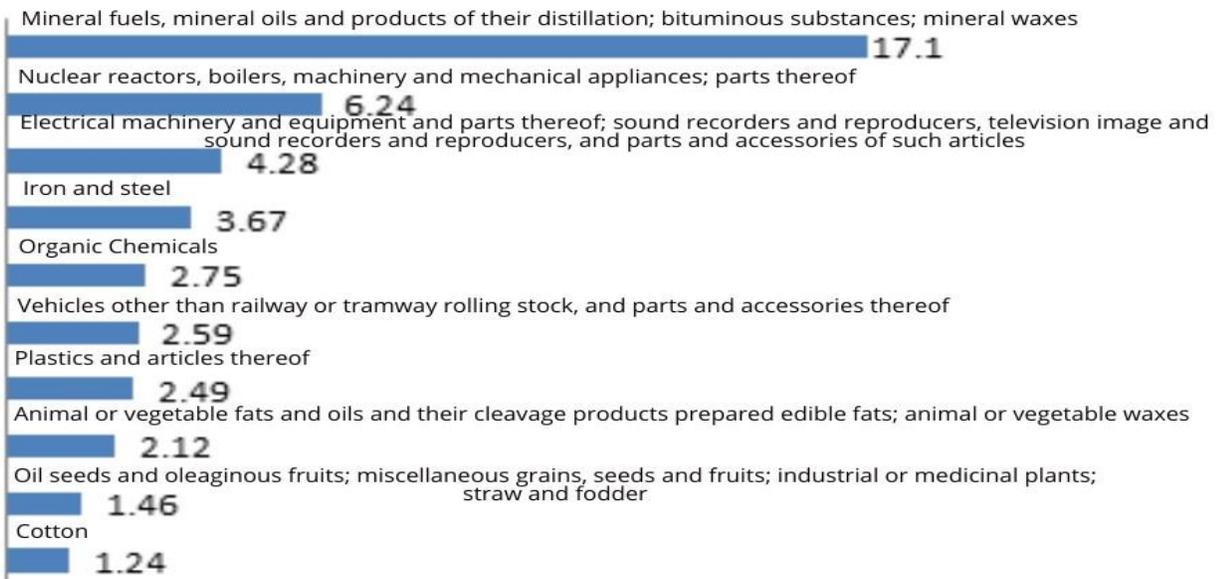
Top Ten Import Origins of Pakistan in 2018 (US \$ Billion)



Top Import Partners' Contribution in Pakistan's Total Imports



Top-Ten Imports of Goods from the World in 2018 (US\$ Billion)



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From Education and Learning Wing

Spatial Equity and Urban Designing

Today around fifty-five percent of the global population resides in cities and by 2050 sixty-eight percent of the global population is forecasted to live in urbanized settlements. Urbanization has meant that cities are becoming increasingly important in the lives of people. With socio-economic dynamics playing out in the urban landscape, these hubs are becoming a stage for contestation and tension with a potential for conflict between various stakeholders. The situation is further aggravated by the vagaries of climate change posing ominous challenges to the cities including maintaining peace and order and the livability for the residents. Metropolitans and urban centers, both in the South and North, are equally confronted with the diversity and magnitude of urbanization challenges though differential in complexion.

Urban conflict or contestation needs to be viewed from the perspective of urban planning that shapes the lives of those who live in these cities. A key to building climate change resilient cities is spatial equity. Based on this premise David Harvey's concept of the *political economy of urban space* explains how urban planning has become key in either securing rights or marginalizing the rights of various groups living in a metropolitan landscape. Urban planning needs to be sensitive to the social-economic status, ethnicity, faith, gender and other social realities of a polity when making and designing tangible and intangible changes.

Pakistan experiences one of the fastest rates of urbanization in the region. In the past, cities in the country have not been reflective of spatial equity. Shrinking public spaces, uneven access to basic utilities, hyper inflated land prices, poor public transport, dilapidated streets and footpaths, etc., mushroom growth of slum areas are some of the indicators of lack of pro-poor and equitable urban planning. Pakistan is amongst the most vulnerable countries when it comes to climate change; without equitable designing and planning of city space and public provisions these densely populated cities are bound to become governance disasters in the future.

Shortage of water, episodes of heat waves, inadequate waste management, and urban flooding in Karachi, the largest city of Pakistan, are glimpses of what the future can look like for millions of its residents. Urban spatial equity cannot reverse the impact of climate change but can prepare the tangible and intangible infrastructure of a municipality to absorb shocks. There is a need for a paradigm-shift that enables urban planners and policy makers to make cities inclusive and resilient, to brace future changes and challenges.

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Research Associate

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From Education & Learning Wing

Harnessing Export Potential

“No generation has had the opportunity, as we now have, to build a global economy that leaves no-one behind. It is a wonderful opportunity, but also a profound responsibility.” -Former US President Bill Clinton

The world is a globalized place where markets cater to vast and varied segments in multiple geographical location. Reaching out to the diverse and distant pool of consumers is an integral part of running a business in this global market. For private sector enterprises accessing export markets and building an international reputation are absolute imperatives and much more than just increasing profit margins. They also spur the socio-economic growth of the parent company’s country of origin as well as help maintain trade balance.

Unfortunately, in Pakistan, balance of trade has always been a major economic challenge. Major industrial hubs in the country seem to have little clue regarding international marketing strategies. The country’s industry is dependent

on Small and Medium Enterprises (SMEs) which constitute more than 90% of the businesses in Pakistan, employing over 80% of the non-agricultural labor and contributes 40% in the GDP of Pakistan. A look at the Sialkot’s industrial hub shows why SMEs exports suffer.

Firms owners are more involved in supplying high quality products to the renowned brands worldwide i.e. Nike, FIFA, Adidas, Levis, Guess, etc. but none of the businesses have introduced their manufactured goods as "brands" in the global arena for genuine recognition, primarily on account of "margin of profits" reasons and low motivation for research and innovation. The possible solution to boost the sector can be driven by new marketing strategies that help owners establish their products internationally. This can be done by providing soft-skills training, restructuring the trade factors to shift the industrial growth thrust e.g. product development, international markets information system, rationalizing tariffs and barriers, access to government financing, brand marketing and awareness of exports. Zambia and Uganda have both used service export approach using these mediums with focus on seminars, training workshops, advocacy and outreach through media and internet to create awareness among manufacturers and exporters.

Pakistan has huge ratio of its demographic with access to

media, social media and internet These mediums have great potential to reach out to global consumers. Basic knowledge of social media marketing or digital marketing could help to reach out the international markets and can act as first steps for SMEs from Pakistan to explore the option of branding their products.

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From Education & Learning Wing

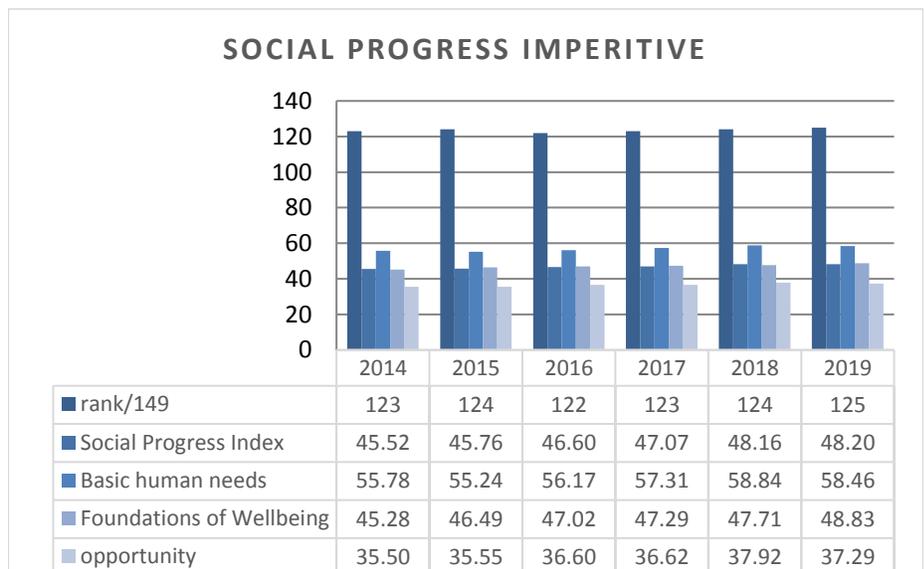
The Social Progress Imperative, a US based non-profit organization, conducts a comprehensive review annually using the Social Progress Index (SPI) framework to assess the level of human development in 149 countries around the world. The index explores three realms to generate an overall SPI score: (i) basic human needs, (ii) foundation of wellbeing, and (iii) opportunity. Each realm uses multiple indicators to calculate a country score.

The last six years of Index's data for Pakistan is shown in the adjacent figure. As it is evident, Pakistan has consistently ranked in the lower end of the spectrum though data shows that Pakistan has shown slight levels of progress over the six-year period (2014-2019). Foundation of wellbeing has witnessed progress with variation of 3.55 points while Basic human needs showed marked improvement by 2.68 points.

The Opportunity realm has grown really slow with only an improvement of 1.79 points. Despite these slight

improvements, Pakistan continues to fail in improving the overall global ranking. This, a priori, warrants a conscious shift for improved social policy framework accompanied by substantial increase in human capital investment to be able to achieve the desired level of sustainable human development. The adverse impact of climate change further aggravates the situation for Pakistan. The country is among the top ten hardest hit countries in the world. Estimates suggest that increasing floods would affect more than a billion people by 2050, while agriculture yield could fall by an alarming 50% in 2020. Under these circumstances, it is imperative that the country needs to strengthen its commitment

conflict, especially those residing in marginal ecosystems and poverty-stricken areas are vulnerable to climate change who in the absence of well-orchestrated social policy framework and programmatic interventions are likely to be further alienated with increased sense of inequality and social deprivation. A technology driven low-carbon economy can unleash plethora of opportunities for the poor making optimal use of endowment and local livelihood-based interventions and schemes. This challenge can be turned into an opportunity for making Pakistan a more harmonious and inclusive place for its citizens. However, to attain this goal meticulous planning and dedication to the cause of human development is required.



tangibly through set of policy and budgetary allocation for the social welfare-security system and wellbeing of its people. Its population is already afflicted by persistent threat of violence and

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From Education & Learning Wing

US-China Trade War and Pakistan

Whenever elephants fight, the grass underneath their feet gets crushed. Likewise, whenever the economic giants collide, it is the developing countries that suffer. The US imposed tariffs on key imports from China followed by a similar action by Chinese government, sparking a trade war. A war which can jeopardize global economic growth. With the agenda of America First the US President, Donald Trump, has imposed 25% tariffs on some of the key imports from China. The USA has embarked on protectionist policies to block China's growing influence in the US markets. The impact of this trade war is unlikely to be limited to only two countries; if escalates, this will have adverse effects on global trade supply chain.

As for Pakistan, the US-China trade war will have moderate effect in short-term due to Pakistan's limited integration with the global trade supply chain. But again, if the trade war continues, Pakistan could face serious economic implications.

China Pakistan Economic Corridor (CPEC) is a bilateral project which is a key component of "One Belt One Road Initiative" by China.

In the last decade, Sino-Pak relations have seen a growing economic and diplomatic cooperation. Pakistan, despite being a longtime ally of USA, has experienced a turbulent and uneven relationship. The prolonged involvement of US in Afghans with direct implications for Pakistan, however, will necessitate a possible alliance between US and Pakistan. In this context, Pakistan needs to balance the act between two super powers.

The country is still recovering from the direct and indirect consequences of the Cold War and active conflict between the then super powers, USA and Soviet Union, in the form of the Afghan War in the 1980s. It's not just trade; it is an entire political environment that will impact Pakistan's position.

To cope effectively with the ensuing economic challenges, there is a need to enhance economic ties especially with the countries in Central Asian: Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan; also reach out to the European markets because of CPEC-BRI enhanced connectivity. This will also help Pakistan diversify its trade and reduce dependence on the traditional highly competitive and shrinking external markets.

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From Knowledge Management Wing

During the period of August-September 2019, BIPP staff participated and hosted several inhouse meetings and presentations.

On Friday 30 August 2019, BIPP staff joined the nation by observing 'Kashmir Hour'. In response to the Prime Minister's call to express solidarity with the people of Indian Occupied Kashmir (IOK), the staff held a peaceful protest to mark their concern and distress over the Indian atrocities in IOK.



On 13th September, BIPP's research team participated in an inhouse lecture by Mr. Asad Ejaz Butt, former Director at the Institute, on the topic "Tourism Policy for Pakistan". The presenter shared the case study of evidence-based policymaking used for designing an upcoming tourism policy. The audience was informed about the importance of multi-stakeholder perspectives, standardization, skills development, cultural sensitivity, governance, infrastructure, and regional competitiveness as key elements used for exploiting the full potential of tourism sector in Pakistan.



The Shahid Javed Burki Institute of Public Policy at NetSol (BIPP) has initiated Policy Hub, a discussion forum, to highlight vital issues of socio-economic significance in Pakistan. Visit the following link to view insightful and in-depth analyses by seasoned experts.

<https://www.youtube.com/watch?v=yAqffCk1mEY&t=5s>

On September 18, 2019, Mr. Waqas Nawaz, Research Assistant at BIPP, as on-going knowledge sharing and learning effort, made

a presentation on the evolving global political landscape and the potential challenges posed to the democratic tradition. His topic was: '1984 And the Global Trends of Freedom and Liberty' inspired by the theoretical premise of 'unfreedom' depicted by George Orwell's fictional classic Nineteen Eighty-Four: A Novel.



BIPP also hosted a meeting between representatives from the Punjab Urban Unit regarding the project Industrial Corridor Development Plan (ICD) for Sialkot-Daska-Sambrial on 19 September 2019. The objective of the project is to assist the government re-organize industrial development along the corridor from an urban system perspective for accelerating and incentivizing the pace of industrial development.



Samra Naz
Assistant Manager KM/IT
The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



From Think Tank Wing

Perception- a challenge for policy making

Henry David Thoreau once remarked that it is not what you look at that matters rather it is what you see. Humans experience this undeniable and widespread phenomenon that makes people's perception more powerful than reality itself. This human attribute is also found in policymakers, legislators, politicians, researchers and common folks.

'FACTFULNESS' is the number one *Sunday Times* best seller by Hans Rosling. Ola Rosling and Anna Rosling Ronnlund argue

that the binary of media and human dramatic instincts play a key role in making people trust their perceptions over facts. The authors argue that in the US, 3172 people died from terrorism, in the last 20 years, an average of 159 casualties per year. At the same time during these two decades, alcohol contributed to the death of 1.4 million people in the United States- an average of 69,000 deaths every year. The risk of losing a loved one to alcohol abuse is 50 times higher than falling a victim of a deadly terrorist attack. However, according to a Gallup International, in 2015, 51% of the Americans perceived that a family member's safety is more likely threatened by terrorism. This case demonstrates how perception blurs factual reality.

In another example, through an online survey, when people were enquired about their perception of safety during air travel, a majority thought of it as risky. However, contrary to popular belief data negates the perception. In 1930,

there were 2,100 deaths per 10 billion passenger miles in commercial air flights. Between 2010-16, this safety level increased making it 1 death per 10 billion passenger miles. The year 2016 was the second safest year in aviation history. Again, this proves that perception is more powerful than reality.

In order to have a knowledge-based understanding, evidence-based research and enquiry effort are indeed core components for policy formulation. Moreover, the need to upgrade knowledge and skills which differentiate fact from perception and substance from fiction remains significantly important. Outdated and unauthenticated knowledge often proves to be a bedrock for ignorance and falsified perceptions and lead to gross rationality deficit in decision and policy making.

M. Waqas Nawaz
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From Think Tank Wing

Sustaining Growth through Natural Resource Management

In Pakistan, over 90% of water is consumed by the agricultural sector out of which 80% of the water goes to a small number of

crops that generate less than 5% of the national GDP.

Due to low water pricing and poor management of the irrigation network, water use is highly inefficient. Over the last fifty years, agriculture sector's growth rate has declined from 4.5% to 2.5% per year. Poor governance and water policy deficit have also escalated the inefficient use of water, as successive governments

have failed to provide minimal incentives for saving water. This results in overall low economic productivity, i.e. around US\$1 per cubic meter, one of the lowest in the world. Water demand is projected to increase by 40% over the next 30 years.

In addition, climate change will further intensify water's demand as against the rising stress and scarcity.

(vi) Maintenance (O&M) costs and the externalities related with extraction of groundwater.

forecasting;

(iv) Modernizing existing irrigation networks to diminish water-logging and salinity;

(v) Updating water allocation processes and expanding its transparency and equity; Adopting successful "Abiana" rates to cover Operations and

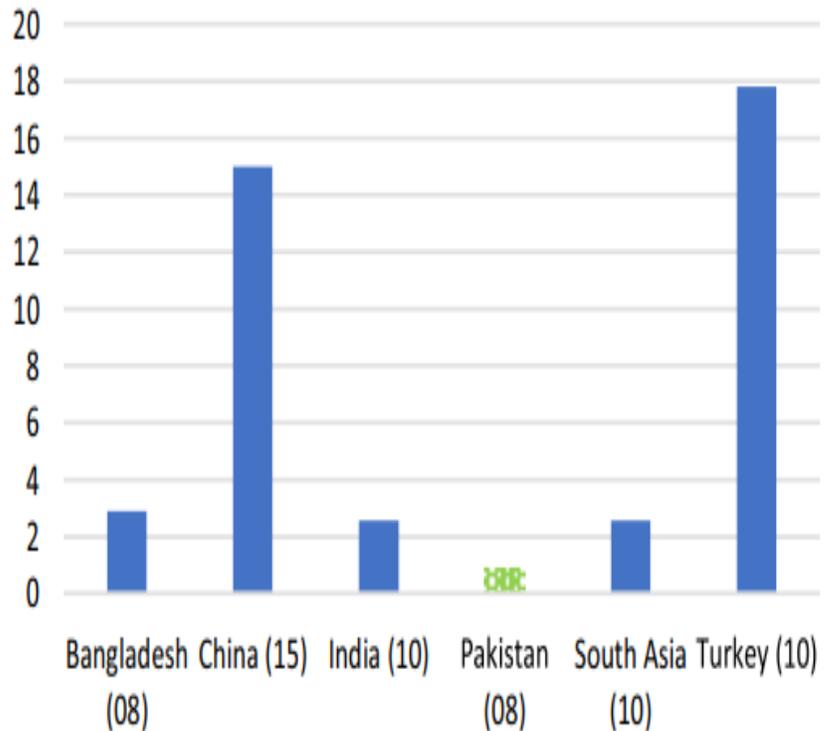
Current withdrawal levels as of now are nearing 60% of renewable water supply, depleting the already strained natural resource. With the rise in demand forecasts, the current pattern of unsustainable groundwater pumping needs to be effectively checked.

It is indeed imperative to improve water productivity in the agriculture sector through a set of policy, institutional and development interventions for achieving higher water efficiency and value gains.

On immediate basis, Pakistan needs to strengthen its institutional capacity and information and monitoring systems, which can then be utilized to better manage and price water resources appropriately to achieve target of US\$12 per cubic meter by 2047(World Bank Report). The priority reforms should include:

- (i) Encouraging more efficient water use;
- (ii) Improving water measurement and accounting to oversee water supply;
- (iii) Strengthening water resource planning and improved flood hazard evaluation and

Water Productivity, Total (constant 2010 US\$ GDP per cubic meter of total freshwater withdrawal)



Source: World Development Indicators (Data point years in brackets)

Tabeer Riaz
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From Finance & Administrative Wing

Stock Market Review regarding BIPP' Investment:

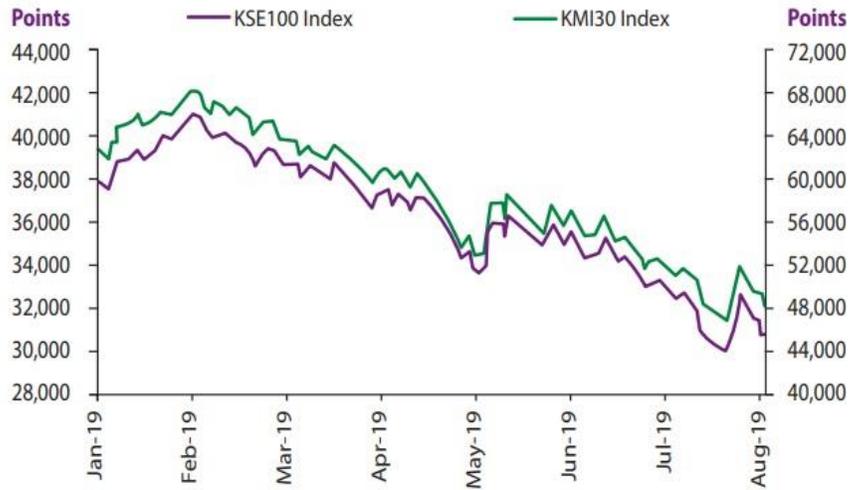
The KSE100 index underwent a decline of 2,266 points in August 2019, translating into a negative return 7.1% and 5.5% in USD terms for the month.

BIPP's Finance committee is reviewing the investment portfolio on weekly basis to minimize the market risk and is taking 22% exposure of the total portfolio in Stock Market.

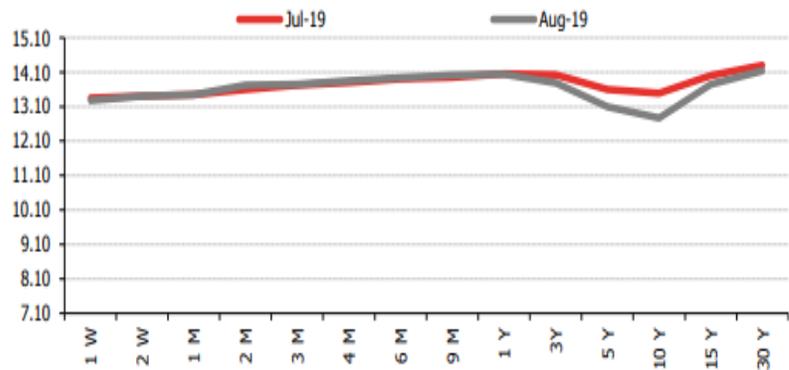
Money Market Review regarding BIPP' Investment:

During the month of August, the market continued its momentum shift. As set in the last monetary policy statement, in an anticipation of stable economic environment, several adjustments have been done to get best gains on interest rates.

BIPP's management decided to take 32% exposure of total portfolio in the Money Market and 20% in TDR's of AA+ credit rating commercial banks.



Yield Curve (Monthly)

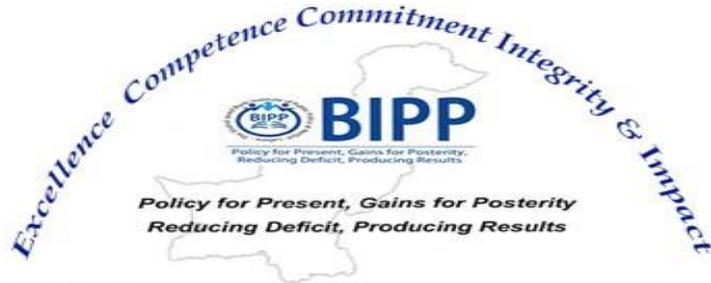


New Intern Announcement:

Ms. Nimra Ahmad and Mr. Obaid-ur-Rehman joined BIPP as interns in September 2019. Both are students of University of Central Punjab perusing their undergraduate degrees in economics. We wish them best of luck for their assignments and future studies, with the hope that the internship experience will enhance their professional and personal growth.

Awais Khalid
Manager Operations & Finance

The Shahid Javed Burki Institute of Public Policy at NetSol, Pakistan



Mission Statement

IPP's mission is to improve welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive growth, socio-economic stability and sustainable development, besides fully harnessing the potential for regional and global integration.

Partners

