

Minutes of the Board of Directors'7thMeeting

The Shahid Javed Burki Institute of Public Policy at NetSol

Date: Thursday, 27th June 2019

Time: 10:30 A.M

Venue: BIPP Committee Room

List of BOD Members & Participants:

Mr. Shahid Javed Burki. Chairman

Mr. Shahid Najam Vice Chairman

Mr. Tariq Husain Director

Mr. Ayub Ghauri Director

Also present:

Mr. Muhammad Jahanzaib Khan Assistant Manager Finance and Operations

Ms. Kainat Shakil Research Associate

(Mrs. Nasreen Mahmood Kasuri, Dr. Iftexhar Ahmed Chowdhury and Dr. Daud Ahmad, regretted their inability to attend the Board meeting)

The Chairman, Mr. Shahid Javed Burki., welcomed the participants for the 7th meeting of the Board of Directors (BOD) and thanked them for the assiduous interest and effort to make BIPP one of the premier public policy research institutes and think tanks in Pakistan. Thereafter, he asked for comments, if any, on the following agenda for the 7th meeting:

1. Progress report
2. Briefing on annual report 2019
3. Financial position of the Institute
4. BIPP governance
5. Other matters for decisions

The members adopted the agenda items. Mr. Shahid Najam, Vice Chairman, presented the details on each of the agenda items, as follows, for members information, comments and observations:

Agenda Item 2: Progress Report

(a) *Research and Consultancy*

BIPP has been engaged in a consultancy assignment by the Punjab Urban Unit on the project 'Industrial Corridor Development Plan'. The project duration is of 12 weeks with

total budget of Rs. 3 million. The earnings from this project will be ploughed back to meeting the operational costs of BIPP. The institute is also in the process of concretizing three other projects;

- a. Agriculture potential for Western China
- b. Development of Ten Years Integrated Connectivity Development Plan for Punjab – CPEC
- c. ADB study for potential relocation of China's industry to Pakistan and lack of utilization of Trade Agreement

Two other clients are in their evaluation and shortlisting phase of project-proposals submitted by BIPP. Price de-capping on meat and milk in Punjab [USAID and PEEP] and Vocational training and income enhancing capacity (Punjab Skills Support Program) are the two respective projects applied for.

(b) Think Tank

As part of the think-tank function, BIPP has been involved and associated with advocacy and advice function to the Government on matters of key policy significance e.g., agriculture, water, SEZs and SMEs development, youth employment, poverty alleviation, the 10 million job generation etc. BIPP's research staff has regularly participated in conferences and seminars across Punjab organized by government, CPPG, GCU, NIPP, SDPR, CERP etc.

The completion of Pak at 70 in collaboration with ISAS was also a major contribution of the Think Tank wing. Mr. Burki confirmed that the book is finalized and discussions with World Bank are taking place to launch the book.

VC reported that to expand rational policy making, the institution has also launched a *Lecture Series* which provides robust policy messages for dissemination and transfer of policy expertise across the development spectrum. First lecture, "Pakistan's need of the hour: A program of policy and structural change" was delivered by Mr. Shahid J. Burki at NIPP on June 19, 2019 in which 40-45 participants from public, private and academic circles participated. These lectures will be organized regularly on a quarterly basis.

Another initiative the *Policy Hub* has is also being implemented which features 10-15 minutes interview clips with renowned experts on issues of vital significance to Pakistan and the region. The Members were informed about the two episodes i.e., on agripreneurship and decentralized financing have been uploaded on BIPP's official YouTube channel. The goal is to publish one episode per week on the YouTube platform.

The members were also informed that BIPP sub-office in Islamabad is actively establishing contacts with World Bank, Asian Development Bank, Center of Excellence CPEC, Planning Commission of Pakistan and Pakistan Institute of Development Economics (PIDE) to bid for possible policy work and projects.

(c) Education and Learning

BIPP is currently working with a PhD scholar from the Hong Kong University of Science and Technology to carry out a research that maps the Science Technology and Innovation policy landscape in Pakistan. The ultimate objective of the study is to develop a National Innovation System for Pakistan.

The institute is also working with GCU on a possible collaboration for annual conference that will be held on November on the rise of fascism and rightwing politics across the globe. The collaboration with GCU has been enhanced by an MOU signed between the two parties.

BIPP has also supervised the syndicate research of probationary officers at Civil Services Academy, Lahore. This success has ensured that BIPP will continue to provide research training facilities to CSA. On BIPP's recommendations, CSA has agreed in principle to extend research hours and constitute smaller more focused research groups for the next training batch. Further, possible MOU signing with The Hong Kong University of Science and Technology, Nazarbayev University, and Smart Step: Training & Consulting are in the pipeline.

(d) Knowledge Management

The institute has been disseminating its knowledge products through publication of policy briefs, RPs, issue briefs, inhouse training sessions and NP editorials on the website. The members were also briefed of BIPP's effort to building an in-house data base of socio-economic indicators of districts in Pakistan.

As a part of the MOU BIPP has also made its first contribution to GCU's Gazette in an effort of collaborative research. Social media and digital presence of the organization is being enhanced by:

- i. BIPP's Policy Hub
- ii. Infographics on international days for various causes
- iii. Redesigning the website
- iv. Search engine optimization and Google AdWords

Bimonthly newsletter publication is a regular feature. Mr. Najam requested Mr. Tariq Husain to kindly contribute to the bimonthly news letter and highlighted that the readers enjoy Mr. Burki's articles in particular.

The board was also briefed on the Analytical and Published Work Update of BIPP for the past six months as follows;

Annual Report	01
Research Paper	01

Newsletters	03
Working Paper	01
Policy Briefs	04
Issue Briefs	01
Newspaper Articles	28

Finally, BIPP is also involved in training of interns through the Summer Internship Program. At present, three interns are working with BIPP.

Agenda Item 3: Briefing on Annual Report 2019

The board members were informed about the final structure/layout of the 2019 Annual Report. The annual report will be titled: “The State of the Economy: Pakistan’s Development Strategy in a Rapidly Changing Environment” with two segments comprising ten chapters. Following is the detailed distribution of work;

Foreword: Shahid Javed Burki

Part I: The Context

Chapter One: The model of Pakistan's political development: Shahid Javed Burki

Chapter Two: Why external relations matter for Pakistan: Shahid Javed Burki

Chapter Three: Once again an economic crisis: Farrukh Iqbal

Part II: China's expanding Road and Belt Initiative

Chapter Four: With the Road and Belt Initiative China expands into Europe: Shahid Javed Burki.

Chapter Five: CPEC and BRI: The score card: Daud Ahmad

Chapter Six: China's changing demand for food and agricultural products. Shahid Najam

Chapter Seven: Putting agriculture at the disposal of the CPEC: Tariq Husain

Chapter Eight: Linking up with China with supply chains: Mahmood Ahmad

Chapter Nine: Pakistan’s Potential - Development Plans of Western China: Daud Ahmad

Chapter Ten: Conclusion: Daud Ahmad and Shahid Najam

The report preparation will be coordinated by Dr. Daud Ahmad as usual. As for the timeline, the authors will be requested to submit their final drafts by 15 September for the launch of the report by 3rd week of November 2019.

Agenda Item 4: Financial Position of the Institute

(a) BIPP HR and Finance Management

During briefing on the human resource, the Members were informed about the opening of a sub-office in Islamabad with Mr. Ammar Qureshi as head. Mr. Saleem Ranjha has been instrumental in establishment of the office. Mr. Ammar Qureshi is not hired on a monthly salary rather his engagement with BIPP is based on project contracts. In addition, at the Lahore office induction of two new staff member for the positions of Assistant Manager IT and Assistant Manager Finance and Operations has also taken place. BIPP has received its ISO 9001: through the renewal of certification which is valid from June 2019- June 2020 and has registered with Punjab Revenue Authority (PRA). These affiliations will help with future projects and taxes respectively.

(b) BIPP Endowment Fund's Status

Following is the update on the endowment fund.

List of Contributors	Balance in Dec-2014	Contribution in Mar-2016	Contribution in Aug-2016	Contribution in May-2017	Contribution in Jun-2017	Contribution in Dec-2017	Contribution in Feb & March-2018	Contribution in Sep-2018	Contribution in Jan-2019	Contribution in April-2019	To Date Balance
Abid & Sons (Pvt.) Ltd	1,000,000										1,000,000
Builders & Developers (Pvt.) Ltd.	1,500,000										1,500,000
Mr. Kamal Moonnoo	3,000,000										3,000,000
Mr. Sartaj Aziz	110,000					\$35,000	\$15,000+PKR 45000	\$47,500	\$76,000		110,000
Mr. Shahid Javed Burki	1,912,000	4,141,200				3,710,962	1,639,090	5,871,000	10,510,800		27,785,052
Dr. Parvez Hassan	2,084,000	602,000				1,047,418		587,100	656,925		4,977,443
Re-invested Profit from Endowment Fund	835,000			-			\$10,000	\$4,750	\$4,750		835,000
Mrs. Nauina Afaf Khan		2,074,634									2,074,634
Mrs. Hamida Farhat Burki	-	2,000,000									2,000,000
Mr. Emmad Salamat Burki								\$4,750	656,925		656,925
Ms. Sairah Salamat Burki								\$4,750	656,925		656,925
Mr. Tariq Hussain								\$4,750	656,925		656,925
Mr. Shahid Najam	-	1,662,400	1,130,600		1,000,000						3,793,000
Mr. Khalid Sherdil	-	42,000									42,000
Mr. Faheem Younus	-	24,000									24,000
Mr. Ayub Ghauri							550,000				550,000
NetSol	-	5,225,000	5,225,000	5,235,000			-			3,542,500	19,227,500
Dr. Daud Ahmad									100,506		100,506
TOTAL - BIPP Endowment Fund	10,441,000	15,771,234	6,355,600	5,235,000	1,000,000	4,758,380	2,189,090	6,458,100	13,239,006	3,542,500	68,989,910

A payment of Rs. 3.542 million was received from NetSol in April as a part of their pledged contribution to endowment fund. It will be followed by another payment equivalent \$25,000 in July 2019. The members acknowledged NetSol's contribution with appreciation. In addition, other the contributions made in 2019 were also reviewed. The Board noted the accumulation of more than Rs. 68.9 million in the endowment fund and observed that effort should be made to raise the endowment fund to at least \$ 1 million to make BIPP financially sustainable.

(c) Endowment Investment

The expected returns and actual returns for the investments were reviewed and discussed. The poor performance of the stock market and financial market, it was observed was severely impacting the capital investment which led to a capital loss of around Rs 8.8 million. It was also noted that the monthly expenditures range from Rs 600,000 to Rs 750,000 including salaries, office rent, utilities and services bills, and miscellaneous expenditures which entail investments in the instruments generating maximum possible returns.

(d) Financial Health

BIPP's financial health's critical situation was reviewed. The members were also informed that a detailed meeting to review BIPP's financial health was convened by the Chairman BIPP with VC, M/s Tariq Husain, Khalid Sherdil, Awais Khalid, Redwood Advisors and representatives of Meezan Bank, Muslim Commercial Bank and Alflah Investment with whom the endowment investments have been made. After thorough deliberations, the following decisions were taken:

1. To maintain reasonable size of liquidity and cash flow, an amount of Rs. 500,000 to 600,000 shall be kept with BIPP's finance team as cash in Bank at all times.
2. **Meezan Bank:** The investment shall be withdrawn immediately after receiving dividends by end of this month (June-2019) and put into Bank AlFalah (13% as negotiated by Mr. Sherdil) or MCB (second priority after negotiating).
3. Mr. Awais Khalid (Finance Manager, BIPP) would check dividends from Meezan bank on 1 July and ensure that rightful amount is received by BIPP.
4. **AKD Securities:** The BIPP would wait for another 3 months as suggested by Chairman, Mr. Shahid Javed Burki before making decisions about the withdrawal of investment or otherwise..
5. As for the Redwood Advisors, an amount of Rs. 175,000 per month towards redemption of the debentures would be received as a guaranteed amount by 1st of every month. The profit amount of Rs. 250,000 per month would be received by 22nd of every month at the latest. In case of delay after 22nd of each month, 2% shall be a penalty for each day.

It was agreed that establishing a healthy endowment fund will ensure financial stability. With payment from BNU coming to an end there will be a massive financial void in the organization's maintenance expenses. A fund raiser that in Lahore and later in the US will hopefully resolve the precarious monetary situation. Extending the Advisory Council membership was also seen as means to help with fiscal stability.

(e) Immediate Resources

The Board Members discussed the need for a fulltime economist. The cost of hiring an economist with substantive research experience and a PhD was estimated to be roughly between Rs 125,000 to 150,000 per month. It was decided that the hiring process is essential but can be halted till August given the financial situation of BIPP. The possibility of a salary

raise for the staff was also discussed and approved during the meeting to bring it closer to the market rates. Chairman and Director Mr. Tariq Husain will raise resources for immediate requirement later in July 2019 on return to US by engaging expatriate doctors' community.

Agenda Item 5: BIPP Governance

(a) Board Restructuring

It was agreed that Mr. Tariq Husain will be a part of the BIPP Executive Board. Mr. Khalid Sherdil's resignation from the Board was also approved. The regular absence of Mr. Shahid Hafeez Kardar (attended only 1 out of 7 meetings) was noted with concern. Given his lack of interest and the requirement of attendance enshrined in MoA and AA, the members agreed to discontinue and remove his membership from BOD.

Mr. Burki suggested the addition of Mr. Riaz Hasan, a world renowned sociologist, to the Board and agreed to pursue the matter with him. Mr. Najam will approach Mr. Khalid Aftab, the ex-VC of GCU, for induction to the Board.

(b) Induction of Mr. Dennis deTray in the Advisory Council

The nomination of Mr. Dennis deTray to the Advisory Council was proposed by the Vice Chairman who recently visited BIPP and showed keen interest in associating with BIPP's work on *pro bono* basis. Mr. DeTray is a renowned economist and development practitioner with around 50 years of global experience with multiple agencies like RAND Corporation, World Bank and many universities. He is currently the Adviser to the President Kazakhstan, and member of the Board of Trustees of Nazarbayev University, a new English language university in Astana and principal with the Results for Development Institute, and a non-resident fellow at the Center for Strategic and International Studies (CSIS) both in Washington D.C.

In view of his expertise and commitment to Pakistan's development, the Board approved his induction to the Advisory Council.

Agenda Item 6: Any Other Matter

On Mr. Burki's recommendation it was decided that the focus of BIPP's future research work will also be on the following:

- i. *Micro studies to address the local development issues.* The Sialkot City Study will be the first micro study to be followed by that of Faisalabad and Sargodha and elsewhere in Pakistan.
- ii. *Health Sector:* BIPP's work on the health sector of Pakistan will have a special focus on harnessing the potential of rich expertise and the facilities in the private sector e.g. health tourism. Mr. Burki and Mr. Husain will pursue this objective further.
- iii. *Psephology:* This is an area with huge potential in Pakistan. the Chairman and VC will explore the possibility of initiating a course at NIPP and GCU..

The meeting ended with a vote of thanks.