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> **Pakistan is among one of the most vulnerable countries to climate change and ranks 8th worst affected country on the Global Climate Risk Index 2024.**

Editor in Chief: Dr. M. Ejaz Sandhu
Editor: Muhammad Firas Shams
Designer: Tabinda Naz

Highlights

Focus Areas

Shahid Javed Burki
Chairman
The Shahid Javed Burki Institute
of Public Policy at NetSol

The Middle East is Edging Towards Persistent Crises

Recent events in the Middle East may mean that the region, after years of conflict, could be heading towards a period of persistent crises. Most of what is likely to happen to the region is because of the upheaval in Syria in December 2024 which saw the exit of President Bashar al Assad who had ruled the country for 24 years. One of the most telling accounts of life after Bashar is given in

article by Zaina Erhaim, a Syrian journalist

Had Syria not fallen apart, the region could have headed towards sustainable peace and stability. This had become possible because of the conclusions reached by the region's two major powers, Iran and Isreal. The Jewish state agreed to cease operations aimed at destroying the capability of the Iran-aided militias to inflict pain and damage on its side of the border with Lebanon. Isreal's response to the October 7, 2023, attack on its territory was a vicious campaign against what it saw as Hamas strongholds in the narrow Gaza strip. Close to 40,000 people were killed by the Israeli operations, most of them women and children. The International Criminal Court, the ICC, issued arrest warrants against Prime Minister Benjamin Netanyahu and his defense minister for the crimes committed in Gaza by their military.

In September 2023, Tur Wennesland, the top United Nations envoy for the Middle East peace process, left a meeting with Hamas leaders in Gaza thinking that he had helped to avert a major escalation of the conflict between the Israelis and the Palestinian militia. But, according to Patrick Kingsley, reporting for *The New York Times*, "Hamas had bluffed Mr. Wennesland along with the senior Israeli leadership and much of the international community. Days later, on October 7, 2023, the groups fighters entered Isreal, setting off the deadliest year in history of the Israeli Palestinian conflict."

The assault on Isreal was carried out by Hamas, one of several Iran-assisted militias in the region of Middle East. The Israelis decided to go after the militias that were planning to attack the Jewish state. A series of operations were carried out by Isreal to reduce the capability of Hezbollah to function as the most potent part of what Tehran called the "axis of resistance." Isreal's operations established its technological capacity along with its military power. Using its intelligence to locate Hasan Nasrallah, the Lebanon-based head of Hezbollah, the leader was killed by a missile fired from an Israeli war plane. Earlier, the Israeli intelligence had managed to place small explosive devices used by the militia personnel as pagers and mobile phones. These were used by Hezbollah fighters to communicate with one another.

Thus weakened, the militia was ready to conclude a peace agreement with Israel with the approval of Iran. The agreement was signed on November 27, 2024. A day before, Benjamin Netanyahu, the Israeli prime minister, boasted in a triumphal statement that his country had killed thousands of Hezbollah fighters and "pushed them decades back" and in assassinating Nasrallah "it had eliminated the axis of the axis." Under the terms of the agreement, which was brokered by the United States and France, Isreal had 60 days to withdraw its military from Lebanon, while Hezbollah was to pull back to the area north of the Liyani River, leaving a buffer in southern Lebanon between Hezbollah and Isreal's northern border. The Lebanese Army, which is not a party to the conflict, is expected to oversee and enforce security there.

The Israeli withdrawal is expected to happen in phases. The phased withdrawal is expected to happen over an expected period lasting 60 days. The details are styli to be negotiated with the Lebanese Army and overseen by an international committee headed by the United States.

But as is the case in the Middle East, anticipated events may turn on their head and the region may not proceed along the route planned by those who are involved. The big question remains how Iran and Isreal will deal with one another. In early 2025, Isreal sent more than 100 jets and drones to strike Iranian military bases.

This was Isreal's response to Iran's launching of over 180 ballistic missiles – most of which were shot down on October1. Tehran was avenging the killings of two top Hezbollah and Hamas leaders.

These tit for tat reactions by Tehran and Jerusalem put on alert nations around the globe for a broader regional war that would engulf most countries of the Middle East. General Hossein Salami, commander in chief of Iran's Islamic Revolutionary Guard, said that his country had decided to create "a new equation in dealing with the developing situation" Initially the conflict was carried out by both Isreal and Iran solely with deep precision missile strikes, fears that this exchange of fire could spread to more sensitive areas such as mainly targeting military bases in each other's country. Iran's nuclear facilities could be targeted by Isreal.

The initial claims of infractions by both sides to the agreement are indication of the fragility of the deal and difficulty of enforcing it under international law more broadly. This was the assessment of Jennifer Kavanaugh, a senior fellow and director of military analysis at Defense Priorities, a foreign policy institute based in Washington. She said she expected violations and failures but was not entirely pessimistic, because all sides "have incentives to make it work."

The question now is whether the peace agreement signed by Israel and Hezbollah would survive and bring peace to at least one part of the troubled Middle East. Despite the agreement, Hezbollah and Israel have continued to fire on each other. On December 2, Hezbollah said that it fired munitions into a border area known as Shebaa Farms in response to a series of Israeli ceasefire violations, including airstrikes and artillery fire. Both Isreal and Lebanon claim Shebaa Farms as their property.

"I have been around Lebanon cease-fire agreements for decades, and there is no cease-fired agreement that wasn't initially broken," said Aaron Miller, a senior fellow at the Carnegie Endowment and a former State Department Middle East analyst and negotiator. The real question, he said, was whether the parties have the will to absorb violations and exercise restraint while they get through the initial 60-day phase. The situation in Gaza, in spite of the efforts made by the American government headed by President Donald Trump also remains unresolved.

Shahid Najam
Vice Chairman
The Shahid Javed Burki Institute of Public Policy at NetSol

Climate Change – Existential Threat

Climate change has already assumed appalling proportions as is manifested by rising sea levels, melting glaciers, rise in extreme weather events, heatwaves, floods, droughts, and wildfires. It poses an existential threat to human beings and all forms of life on the planet earth. 2024 was the warmest year and registered record breaking rise in the global mean temperature of more than 1.5° C which added 41 days of menacing heat harming human health, food security, ecosystems and overall environmental integrity and carrying capacity of the earth. 26 of the 29 weather events studied by World Weather Attribution were intensified by climate change killing at least 3700 people and uprooting and displacing millions.

There is therefore an urgent need for the countries and humanity, starting 2025, to make a resilient and sustained effort to dramatically reduce emissions, accelerate implementation of climate adaptation and GHG mitigation strategies and action plans, and provide for various forms of climate financing to be able to embark on a global transition to a renewable future and a safer planet. Pakistan is among one of the most vulnerable countries to climate change and ranks 8th worst affected country on the Global Climate Risk Index 2024. The country is committed to achieving 60% RE share by 20230 in its Nationally Determined Contributions (NDCs). However, a closer analysis of alignment of these targets with the country's broader economic development framework portrays a very alarming situation in terms of a pervasive mismatch between the NDCs and the country's 13th Economic Development Plan, fragmentation of institutional and governance tiers, absence of a coordinated approach, and incoherent policy framework oblivious of integrating climate action into the development plans. The political uncertainty, economic instability, the inclusivity deficit and external donors dictates and assistance packages aggravate the problem and either deny or delay formulation and implementation of climate-sensitive national development effort.

To add to the gravity of the problem, the credibility gap in NDCs pose a pressing challenge in terms of ambitious targets and failure to achieve these, lack of actionable plans at the national and provincial levels and inadequate budgetary allocations to implement them.

Pakistan, as such, has to go beyond the political rhetoric and hollow claims at the international forums and introduce realistic, research and evidence-based targets, concrete action plans at the federal and provincial levels, and corresponding financial commitments fully integrated in the PDSPs to combat climate change and its deleterious impact on lives and livelihood assets of the people. There is a huge untapped scope for accessing the global climate funds, such as, UNFCCC's Green Climate Fund and Loss and Damage Fund. This should be supplemented by establishing Carbon Markets and carbon pricing mechanisms along with a robust incentive structure for the private sector to invest in climate adaptation and mitigation projects.

Lastly, since the year 2025 marks the International year of Glacier's Preservation, Pakistan needs to redouble its effort to preserve its northern mountain ranges to prevent the ever increasing risks of glacial lake outburst floods (GLOFs), water scarcity, reduced agricultural productivity, and possible damage to infrastructure.

Tariq Hussain
Advisor to Chairman
The Shahid Javed Burki Institute of Public Policy at NetSol

Climate Change and Megadroghts Worldwide

There has been extensive reporting of the effects of Climate Change on excess rainfall and resultant floods. There has been much less reporting about the effects of Climate Change on the shortage of rainfall and droughts — especially megadroughts which are increasing worldwide. Many of these megadroughts are multi-year; even multi decade. For example, in Southwest North America the mega drought {2008—2020++} has dried out parts of the land

area, including the California Nicasio Reservoir with massive damage to both rural and urban life.

Since 1980, Planet Earth has experienced a significant increase in both frequency and intensity of these persistent droughts. Dr Carolyn Gramling {Science News, March 2025} has written about the rising global toll of megadroughts. Using data on precipitation, evapotranspiration and regional vegetation changes, the team of Dr Liang Zhi Chen of Swiss federal Institute for Forests, Snow, and Landscape Research estimated the effects of multi-year droughts on ecosystems. During this period nearly every corner of the world has experienced megadrought. {See Table}

Top Megadroughts –1980-2018

Southwest North America	2008-2014
Sahel	1981-1987
Central Asia	1998-2005
Congo Basin	2010-2018
Southern Africa	1992-1996
Russia	1987-1991
Southwestern Amazon	2010-2018
Russia	2007-2012
Eastern Brazil	2014-2017
Central United States	1987-1990

The worst was southwestern North America's long-running dry period. That drought was the region's most extreme in 1200 years and has contributed to California's recent bouts with fire—including the one in Los Angeles in January 2025.Flames incinerated over 20,000.00 hectares-- an area larger than Washington D.C.

Megadroughts have the biggest impact on grasslands. The growing severity and frequency in Earth's megadroughts might push even the most resilient ecosystems past their limits.

Yet, the **human** (Governments; Owners of Fossil Fuels; Private sector as intermediary for providing transportation and power providing technologies for continued use of fossil fuels) **efforts** to moderate contribution of carbon to the atmosphere continue to be sinfully lukewarm.

Prof. Dr. Mohammad Nizamuddin
Member BOD
The Shahid Javed Burki Institute of Public Policy at NetSol

Bridging Academia, Industry, and Policy through Localized Research

Enhancing educational quality, particularly for students from diverse socio-economic backgrounds, including those from remote and underprivileged areas, requires a multifaceted and inclusive approach. A key strategy in this endeavor is the development of a robust knowledge base through localized research. Universities and educational institutions must actively engage students in research projects that focus on their immediate communities, addressing pressing socio-economic, cultural, and infrastructural challenges. By integrating student-led research into academic curricula, institutions can generate valuable data that serves as the foundation for future scholarly investigations, policy reforms, industrial innovations, and business community advancements.

Localized research plays a pivotal role in bridging the gap between academia and real-world problem-solving. When students are assigned research projects centered on their communities, they gain firsthand insights into

local issues while simultaneously developing critical thinking, analytical, and problem-solving skills. Such an approach ensures that academic inquiry remains contextually relevant and socially impactful. Furthermore, the findings from these research projects can provide actionable solutions to local challenges, thus fostering a direct link between education, business community engagement, and community development. This method not only enriches students' learning experiences but also strengthens the role of universities as catalysts for societal and economic transformation.

A well-structured and systematically maintained research database is essential for maximizing the impact of localized studies. Universities should establish dedicated research repositories where data collected from student-led projects is archived, analyzed, and made accessible for future research. This database can serve multiple purposes, including informing government policies, guiding business and industry initiatives, supporting community development efforts, and offering evidence-based recommendations for social and economic improvements. Moreover, such an initiative encourages interdisciplinary collaboration among scholars, practitioners, policymakers, and business leaders, further enhancing the utility of research outcomes.

Beyond academia, the integration of localized research findings into industry practices and business strategies is crucial for fostering innovation and economic growth. Governments, Industries and business communities often struggle with developing solutions that are tailored to specific regional contexts due to a lack of comprehensive, grassroots-level data. By leveraging the insights generated through localized academic research, businesses and industries can design products, services, and interventions that are better suited to the needs of diverse communities. In this way, universities, government institutions, business houses, and industries can collaborate more effectively, ensuring that academic research translates into practical, market-driven solutions while also shaping evidence-based policymaking.

Rehan Sayeed
Consultant BIPP
The Shahid Javed Burki Institute of Public Policy at NetSol

Quantum Technology - A Revolution at our Doorstep

We all have heard the English phrase 'Quantum Leap'. Well, this is literally what's going to happen, and it's just around the corner. Quantum Mechanics, along with the power of AI, are on the verge of bringing about a technological revolution like never before.

Most of us already have a good idea about AI-based applications and the changes they're bringing into our daily lives, though we have only started to realize their true potential and impact on society. However, few are aware yet of Quantum technology and the power it holds within to drastically alter the way we use technology.

So, let's first dwell a bit on the basic concepts of Quantum. A quantum, the singular form of quanta, is the smallest discrete unit of any physical entity. For example, a quantum of light is a photon, and a quantum of electricity is an electron. Quantum comes from the Latin word meaning an amount or how much. If something

is quantifiable, it can be measured. German physicist Max Planck introduced the modern concept of quantum in physics in 1901. Instead of assuming that the energy from heat was emitted in a constant wave, he postulated that the energy was emitted in discrete packets or bundles, termed quanta of energy. This led him to the discovery of Planck's constant, which is a fundamental universal value. Planck's constant relates the energy in one photon to the frequency of the photon. The discovery of quanta and the quantum nature of subatomic particles led to the birth of quantum physics.

Let's fast forward to the present era, where Quantum postulations are not mere theories any more. Quantum mechanics principles are now at the threshold of being applied practically in ways unimaginable. Emerging Quantum Technologies include: Quantum Computing, Quantum Communication, Quantum Entanglement, Quantum Cryptography, Quantum Sensors, Quantum Materials, etc.

We are aware of the imminent emergence of quantum computers, for example, and their awesome capability of solving complex problems that are not solvable through classical computers or even supercomputers of today.

But how many of us know what sets quantum computers way ahead of even the fastest of today's classic computer systems? Quantum Computers are radically different to our classic computers. They use quantum bits, otherwise known as qubits, to perform tasks considered too complex for classical computers to handle. They use quantum phenomena, known as entanglement, to achieve high-speed communication.

So what are 'qubits' and what is the 'entanglement' phenomenon,' which are the core to making the quantum mechanism work?

Classical computers are based on a binary system of either a '0' or a '1' state. However, in the case of Quantum computing, the qubits can exist in '0' or '1' or in both states simultaneously, normally referred to as a 'superposition'. This ability of quantum computers to operate in both states at the same time results in processing data at extraordinarily high speeds.

This brings us to the 'entanglement' phenomenon mentioned above. The two qubits are said to be entangled when the state of one qubit is directly related to the state of the other, irrespective of how far apart they are from each other. If the property of one qubit changes, the property of the other will also change in the same manner without any delay or connection between them. The advent of large-scale versions of these quantum computers will open up endless new possibilities never comprehended before. With the speed-ups brought by entanglement and superposition, a single quantum computer would outperform all traditional computers in problem-solving. Computers will be able to perform calculations and solve algorithms considered too complex to be solved with currently available computing power.

One thing is for sure. We are on the threshold of a Quantum revolution in almost all spheres of life. Some of the emerging technologies which will be impacted most include Q/Computing (discussed above), Q/Communications: utilizing Q/phenomenon of Entanglement, Q/Sensors: to achieve high precision measurements with applications including imaging, navigation and environmental monitoring (through more accurate simulations of atmospheric and oceanic processes), Q/Materials and so on.

Quantum research is making huge strides, and it won't be too long before we start realizing its full impact on an astronomical scale. Quantum technology, together with Artificial Intelligence, has the potential to revolutionize all aspects of our lives beyond our imagination. We stand on the threshold of a new era of discovery and innovation, driven by the power of quantum technology and AI, about to witness a transformation on a scale never witnessed before.

Atr un Nisa
Research Associate
The Shahid Javed Burki Institute of Public Policy at NetSol

Economic Resilience: Public Policy Strategies for Uncertain Times

The capacity of an economy to absorb and recover from shock has emerged as a critical area of public policy concern in the volatile world of today. Governments across the globe have experienced various crises over the past decade, such as the COVID-19 crisis, geopolitical tensions, inflationary pressures, and supply chain disruptions. Policymakers need to implement strategic interventions that support economic resilience, secure vulnerable segments, and foster sustainable growth in order to counter these challenges.

One of the economic resilience strategies is diversifying economic structures. Economic dependence on one industry or one export sector leaves economies exposed to external shocks. Singapore and Germany have achieved economic policies that ensure a blend of industries, ranging from manufacturing to digital technology and financial services (World Economic Forum, 2023). Through economic diversification, governments can minimize risks and provide several opportunities for growth and employment creation.

Public policies that prioritize strong social safety nets are key to economic resilience. In times of economic recession, unemployment insurance, food security initiatives, and universal health care assist low-income individuals in avoiding extreme financial distress. For instance, when the COVID-19 pandemic hit, strong welfare states like Denmark and Canada were able to respond with timely relief, avoiding a drastic hike in poverty and inequality (International Monetary Fund, 2022). Building on these social protections guarantees that economic dislocations do not disproportionately affect the most vulnerable sections of society.

States are also looking ahead to future-proof their economies by investing in digitalization and green technologies. Digitalization increases economic effectiveness through enhanced supply chains, remote work, and e-commerce. At the same time, investment in green energy and climate-resilient infrastructure can generate jobs that are sustainable and decrease fossil fuel dependence. The European Union's Green Deal, for example, seeks to shift towards a low-carbon economy while building long-term economic resilience (European Commission, 2024). These forward-looking policies make sure that economies are competitive and responsive to new challenges.

No economy is stand-alone, hence global collaboration being a crucial part of resilience. Trade deals, regional associations, and international organizations contribute to maintaining stability in times of crises through stabilizing the markets.

The African Continental Free Trade Area (AfCFTA), for instance, is purposed at improving intra-African trade to avoid external dependence and promote regional economic security (United Nations Conference on Trade and Development, 2023). Coordinated policies tend to ease the risks and contribute to common economic growth.

In a time of uncertainty, economic resilience requires forward-looking public policy interventions that facilitate diversification, social protection, technological advancement, and international cooperation. Governments that adopt adaptive policies are able to better protect their economies from shocks and set the stage for long-term prosperity. As new challenges emerge, resilient economic policies will be critical in maintaining stability and inclusive growth for all.

Muhammad Firas Shams
Research Associate
The Shahid Javed Burki Institute of Public Policy at NetSol

Blockchain Democracy & Governance

It is said that the printing press closed the knowledge gap, while the creation of engine closed the power gap. Similarly, the internet closed the distance gap, while blockchain is being described for over a decade as closing the trust gap. For a layman, blockchain could be a blindspot or perhaps they would at least understand it in the context of cryptocurrency which uses blockchain technology as a digital ledgers to register "blocks" or records of all transactions on this system. The unique lineaments of the aforementioned technology such as no centralized server, transparency, accessibility and closing the trust gap as useful for other purposes such use in governance, elections and redefining democracy as a whole.

For starters, blockchain technology can be used in elections in especially those countries where elections are smeared with machinations questioning its legitimacy. Blockchain technology has already been tested in Japan and Switzerland. It operates like a system where everyone has access to the blockchain enabled election edifice, so there is transparency and issues like tempering with the ballots can be efficiently circumvented or the absence of a centralized authority or covert single server, closes the trust gap here. In terms of budget, it factors in cost-effectiveness to the whole election process.

In terms of e-governance it can revolutionize and streamline government's service delivery. Estonia is a trailblazer in this regard as it is described as the most advanced democracy in the world. By a simple click Estonians have been casting their ballot, pay their taxes and traffic tickets, availing other services. Pioneers and even those who dabble with the idea of blockchain technology envisage a future where specialized identities will exist on a public blockchain system, where despotic governments can't get rid of a person, where identity theft is made virtually impossible, where refugees will still an identity and record despite losing their home. A world where taxes of any individual could be instantly calculated and paid online, where a vote could be elicited on various issues or for a candidate without physically visiting a polling station.

It could empower a common denizen or a netizen could see how their governments expend taxes, which contractors are securing government contracts, which governments are receiving foreign aid. Blockchain democracy

could materialize concepts like liquid democracy where one votes for the delegate/expert on a specific issue and direct democracy where one constantly votes online. Block chain can bring about bona fide participatory governance, it won't be hyperbole to call it the future of democracy and governance.

Madiha Liaqat
Data Scientist
The Shahid Javed Burki Institute of Public Policy at NetSol

Beyond Traditional AI: The Power of LLM Agents in a Multi-Agent World

Artificial Intelligence (AI) is rapidly evolving, and at the heart of this transformation lies Large Language Models (LLMs). These models are redefining how machines understand and generate human language, driving innovations across industries. From chatbots to content creation, LLMs are expanding AI's capabilities, enabling more dynamic and intelligent interactions. However, despite their potential, traditional LLMs face certain limitations that necessitate further advancements.

Machine learning serves as the backbone of AI, enabling systems to learn from data, recognize patterns, and make informed decisions. At its core, machine learning is deeply rooted in statistical principles, where algorithms analyze vast datasets to derive meaningful insights. This statistical foundation ensures that AI models, including LLMs, are trained effectively to generalize and adapt to new data. Given the statistical nature of machine learning, the role of statisticians in AI development is crucial. Their expertise in data analysis, probability theory, and model evaluation enhances the robustness and reliability of AI systems, ensuring accurate and unbiased outcomes.

LLMs operate on the principle of next-token prediction, where they generate text by predicting the most probable next word based on given input. This capability allows them to process and respond to complex queries, simulate conversations, and assist in various analytical tasks. While these models exhibit impressive linguistic abilities, they struggle with challenges such as maintaining context over extended interactions and performing precise computations. These shortcomings highlight the need for augmenting LLMs to enhance their functionality.

To address these limitations, the underlying algorithm of LLMs is continually evolving. LLM agents incorporate external tools, memory retention, and retrieval systems to improve their effectiveness. By integrating memory mechanisms, these agents can retain context, ensuring more coherent and meaningful interactions. Additionally, through external resources like databases and computational tools, they overcome mathematical limitations and improve decision-making processes. Multi-agent systems take this evolution further by enabling multiple LLMs to collaborate, where each agent specializes in a particular task, refining overall accuracy and efficiency.

As AI continues to progress, policymakers must implement strategic recommendations to ensure the ethical and effective deployment of LLMs. Regulatory frameworks should focus on data privacy, bias mitigation, and transparency in AI decision-making. Standardizing guidelines for AI accountability can help build public trust and ensure responsible use. Additionally, continuous research and development should be encouraged to advance the augmentation

of LLMs while maintaining compliance with ethical AI principles. Collaboration between policymakers, AI researchers, and industry leaders is crucial to harnessing the full potential of LLMs while safeguarding societal interests.

The future of AI depends on refining and augmenting LLMs to bridge their existing gaps. By leveraging advanced algorithms, integrating multi-agent systems, and implementing thoughtful policies, LLM agents can revolutionize the way AI interacts with humans. This transformation paves the way for a more efficient, intelligent, and ethical AI-driven world.

Tabinda Naz
Assistant Manager IT/Knowledge Management
The Shahid Javed Burki Institute of Public Policy at NetSol

BIPP Round Up

On 3rd of February 2025, Information Technology University (ITU) hosted the launch of BIPP's 17th Annual Report "The State of the Economy: Beyond the Horizons - Frontier of Emerging Technology". Dr. Adnan Noor Mian (Vice Chancellor, ITU) presided over the event. Mr. Shahid Javed Burki (Chairman BIPP) and Mr. Shahid Najam (Vice Chairman BIPP) provided an overview of the report followed by a presentation on Key Findings and Recommendations by Mr. Firas Shams (Research Associate BIPP). Dr. Mohammad Nizamuddin (Chairman KITAAS/ Pro Rector Superior University) and Mr. Faisal Janjua (Chancellor, Institute of Arts and Culture) provided their valuable remarks. Event concluded with a Question/Answer session and vote of thanks by Dr. Ejaz Sandhu (Director BIPP).

Moreover, on the 6th of February 2025, Federal Minister for Finance and Revenue, Senator Muhammad Aurangzeb held a meeting with veteran economist and former caretaker Ministers for Finance, Mr. Shahid Javed Burki. During the meeting, views on the country's economic progress and the government's strategic efforts towards restoring macroeconomic stability and laying the foundation for sustainable economic growth were exchanged. Mr. Burki who is widely respected for his expertise and leadership in financial and economic matters, shared valuable insights and perspectives from his vast experience, providing constructive input to Senator Aurangzeb's ongoing efforts in economic governance and recovery. The Senator lauded the contributions of the veteran economist in institutional building, economic policy formulation, and economic management in various capacities.

On 19th February 2025, The Shahid Javed Burki Institute of Public Policy (BIPP) awarded 9 scholarships to students of Khaldunia Institute of Technology and Applied Sciences (KITAAS) among the disciplines of Doctor of Physical Therapy (DPT) and Computer Sciences. Mr. Burki addressed the audience and presented certificates to scholarship recipients, reaffirming BIPP's commitment to supporting academic excellence and fostering future leaders in the field of technology and healthcare.

Apart from this on 21st of February 2025, a Memorandum of Understanding (MOU) was signed between the BIPP and National School of Public Policy (NSPP). The document was duly endorsed with the signatures of Mr. Shahid Javed Burki (Chairman BIPP) and Dr. Ijaz Munir (Rector NSPP). The purpose of this MOU is to provide a framework of cooperation between the parties, in the areas of mutual interest on a non-exclusive basis especially relating to political, economic, social, and governance issues in the context of Pakistan and developing short-term courses in international business, globalization, governance, public policy, information technology, and professional training; collaborate in holding and organizing policy dialogues, seminars and workshops. Also jointly conducting education and learning and courses and modules; and undertaking joint research (R&D), consultancy, capacity buildings and skills management programs.

While on 25th of February 2025, an MOU was signed between the BIPP and NAMAL University Mianwali. The document was duly endorsed with the signatures of Mr. Shahid Najam (Vice Chairman BIPP) and Dr. M. Najam ul Islam (Rector, NAMAL University). This MOU aims to foster collaboration in key strategic areas that contribute to economic development, technological advancement, and sustainable growth. The scope of this cooperation includes joint research initiatives, policy recommendations, capacity-building

programs, and the implementation of sustainable solutions to drive innovation and economic resilience aligned with the Sustainable Development Goals (SDGs).

Furthermore on 26th of February, 2025, the University Of Lahore proudly established the Shahid Javed Burki Chair of Public Policy, Governance, Leadership and Economic Security, marking a significant milestone in the pursuit of academic excellence and evidence-based policymaking. This prestigious chair is dedicated to fostering advanced research, education, and policy analysis in critical areas such as governance, economic security, and leadership.

By serving as a hub for intellectual discourse, the Chair will organize national and international conferences, conduct expert seminars, and develop specialized academic programs to equip future leaders with the necessary knowledge and skills. With a strong focus on practical policy applications, it aims to bridge academia, industry, and government, ensuring a sustainable impact on policymaking and development. The initiative is a testament to the University of Lahore's commitment to academic leadership and its vision for shaping policies that drive national and global progress. The event featured the launch of Mr. Shahid Javed Burki's book, *"My Work on China".*

Whereas on the 3rd of March 2025, an MOU was signed between BIPP and Lahore University of Management Sciences (LUMS). The purpose of this MOU is to provide a framework of cooperation between the parties, in the areas of mutual interest on a non-exclusive basis especially relating to political, economic, social and governance issues in the context of Pakistan. A key focus will be on utilizing LUMS's expertise through the Mahbub-ul-Haq Research Centre (MHRC), including its Public Finance, Governance, Public Health and Social Inclusion Clusters, as well as its work in Technology in Society.

Together, the parties aim to develop short term courses in international business, globalization, governance, public policy, information technology and professional training; collaborate in holding and organizing policy dialogues, seminars and workshops; jointly conducting education and learning course and module; and undertaking joint research (R&D), consultancy, capacity building and skill management programs.

On 5th March 2025, BIPP awarded 10 scholarships to the students of the University of Home Economics (UHE). These scholarships were granted across a range of diverse academic disciplines, reflecting BIPP's commitment to fostering educational opportunities and supporting talented individuals in their pursuit of higher learning.

In the month of March, the Centre for Chinese Legal Studies at LUMS hosted a workshop on "Lessons from CPEC Phase I and the Way Forward for Phase II," in collaboration with BIPP, for the 52nd common CSP officers.

On 7th of March 2025, Mr. Shahid Javed Burki (Chairman BIPP), former World Bank Vice President, delivered a keynote on Pakistan's public sector management, blending historical insights with future strategies in a session hosted by Staff College, National School of Public Policy (NSPP). Reflecting on his World Bank tenure, he highlighted the role of Pakistan's founding industrialists in stabilizing the economy and revealed his early involvement in the China-Pakistan Economic Corridor concept. Emphasizing Pakistan's demographic advantage, he stressed the need for youth and female education, proposing AI hubs to leverage global opportunities.

He critiqued past policy missteps and advocated for a shift to high-value agriculture. Addressing national pessimism, he urged a cultural shift towards optimism and reform. The session ended with a Q&A, where Mr. Burki reinforced the importance of strategic alliances, youth empowerment, and governance reforms to position Pakistan as a regional economic leader.

Lastly on March 17, 2025, officers from the 2rd Specialized Training Course (STC) of Civil Service Academy (CSA) visited BIPP. The visit featured an informative presentation led by Mr. Shahid Najam, Vice Chairman of BIPP, and Mr. Firas Shams, Research Associate at BIPP. During the session, the BIPP leadership presented a comprehensive overview of the institute, highlighting its vision, mission, and strategic areas of interest. The presentation covered BIPP's innovative policy frameworks and intervention models that have been proposed across various sectors. The officers were briefed on BIPP's work in key policy areas and ongoing initiatives designed to drive sustainable development and economic growth. Following the presentation, an interactive question and answer session allowed the visiting officers to engage directly with the BIPP team, discussing practical policy challenges and potential solutions.

Awais Khalid
Manager Finance & Operations
The Shahid Javed Burki Institute of Public Policy at NetSol

Economic Round-up

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) met on March 10, 2025, and determined to keep the policy rate at 12%. This choice was impacted by a number of economic trends and indicators:

Inflationary Trends: In February 2025, inflation dropped more than expected, mostly as a result of lower costs for food and energy. Notwithstanding this drop, the MPC voiced concerns about these prices' volatility and the continuation of high core inflation. The downward trend in inflation may be reversed by an increase in the cost of food and energy.

Economic Activity: Larger import volumes, better consumer and corporate confidence, and larger sales of cement, cars, and

petroleum products are examples of high-frequency indicators that point to an acceleration in economic activity. Nonetheless, during the first half of FY25, large-scale manufacturing (LSM) shrank 1.9%, mostly as a result of downturns in a few subsectors. The MPC anticipates more economic momentum in the second half of the fiscal year and estimates real GDP growth for FY25 to be between 2.5% and 3.5%.

External Sector: The cumulative surplus for July-January FY25 was reduced to $0.7 billion when the current account shifted to a $0.4 billion deficit in January 2025. This shift was brought about by a widespread rise in imports, which was a reflection of the expansion of the global economy and the growing cost of commodities. Due to a lack of planned government inflows, net financial inflows were poor even if these imports were financed in part by strong worker remittances and moderate export growth. The MPC predicts that SBP's foreign exchange reserves would likely surpass $13 billion by June 2025 due to reduced loan repayments and the anticipated realization of scheduled official inflows in the remaining months of FY25.

Fiscal Developments: In order to maintain macroeconomic stability, the committee saw a growing deficit in tax receipts in January and February of 2025, highlighting the necessity of fiscal reduction and enhanced revenue production.

Worldwide Context: There are possible hazards to global economic development, trade, and commodity prices from increased global uncertainty, especially as a result of continued tariff escalations. In response, central banks have lately reduced the rate of monetary easing in both advanced and emerging economies.

In conclusion, the MPC's cautious approach to maintaining sustainable economic development and stabilizing inflation within the target range of 5-7 percent is reflected in its decision to maintain the policy rate at its current level. The committee stressed that in order to ensure long-term macroeconomic stability, structural changes must be implemented in conjunction with a cautious monetary policy approach.

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Mission Statement

BIPP's mission is to improve the welfare of the citizenry with particular emphasis on identifying policy measures that will lead to inclusive, people-centered growth with equity, political stability and sustainable development besides fully harnessing the potential for regional and global integration of the country. BIPP primary areas of interest encompass social, economic, environmental and political development and security, trade and foreign policy-related issues.

http://www.sjbipp.org/

admin@sjbipp.org

+92-42-35913304

138, Abubakar Block, New Garden Town, Lahore