



ONE-DAY NATIONAL WORKSHOP

Solutions for Energy Crisis of Pakistan

One-day workshop on "Solutions for Energy Crisis of Pakistan" was organized by Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation (HSF) on December 17, 2014 at Marriott Hotel, Islamabad. In the first session, four experts made presentations on the following topics:

- **Review of Energy Sector** by Ms. Ameena Sohail, Independent Energy Analyst and Practicing Lawyer.
- **Challenges and Options for Implementation of National Energy Policy** by Mr. Ashfaq Mahmood, former Federal Secretary, Water and Power and former member Planning Commission of Pakistan.
- **Fund Raising for Energy Projects** by Dr. Vaqar Ahmed, Deputy Executive Director, Sustainable Development Policy Institute (SDPI).
- **Resource Mobilization in terms of Fuels and Finances** by Mr. Shaukat Hameed Khan, former Vice Chancellor GIK Institute of Engineering Sciences and Technology.

During the second session, ten discussants offered their comments on energy policy of Pakistan. Some of the recommendations made during the workshop are as under:

- There existed gaps between energy policy and its implementation. A power policy has been formulated but there is no energy policy. There is a need to formulate an integrated national energy policy supported by national commitment and provincial back up. This policy needs to be more transparent.



IPRI wishes all its readers a very Happy New Year

and enhancing energy conservation mechanism as well as conservation awareness.

- The custom duty on the import of renewable technologies needs to be revisited.
- Biased corporate taxation slabs should be discouraged as they reduce the domestic investment in energy sector.
- Discos code of corporate governance for public companies needs to be implemented.
- Institutional performance needs to be improved. Tangible steps include capacity building, equipping, training, supporting and facilitating institutions.
- Options available within the region to meet energy needs should not be overlooked.

There is a need to complete Iran-Pakistan gas pipeline as soon as possible. TAPI and import of LNG from Qatar will reduce energy shortfall in the country.

Continued on p. 3

Highlights

One-Day Workshop

- Solutions for Energy Crisis of Pakistan

Guest Lecture

- What Pakistan can Learn from SCO?

Review Meeting

- The US Pivot Towards Asia-Pacific

- The government should review power policy for proper implementation to overcome demand and supply gap, rising tariff linked to greater thermal power generation, non-availability of funds for new projects with low tariff, institutional disarray and circular debt.
- SROs of FBR on the energy sector should be rationalized.
- Board of Investment should promote investment in the energy sector by cutting down procedural formalities.
- The government of Pakistan should emphasize more on clean energy producing resources and strategies to avoid dangerous carbon emissions.
- There is a need to set the priorities right by creating a balanced energy mix, exploring indigenous resources



## English Newspaper Articles

- “Positive turn in Pak-US ties” by Aftab Hussain, Research Officer IPRI was published in *Pakistan Observer*, December 1, 2014, <http://epaper.pakobserver.net/201412/01/comments-2.php>
- “Pakistan-India relations via SAARC” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *The Frontier Post*, December 2, 2014, (*Online link not found*)
- “Bridging the trust deficit” by Khurram Minhas, Assistant Research Officer IPRI was published in *Daily Times*, December 5, 2014, <http://www.dailytimes.com.pk/E-Paper/lahore/2014-12-05/page-7>
- “London conference and rhetoric” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *The Nation*, December 7, 2014, <http://nation.com.pk/E-Paper/lahore/2014-12-07/page-7>
- “Our trouble oozing East and West” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *Pakistan Observer*, December 10, 2014, <http://epaper.pakobserver.net/201412/10/comments-1.php>
- “UNGA’s nuclear folly” by Gulshan Bibi, Assistant Research Officer IPRI was published in *Pakistan Observer*, December 10, 2014, <http://epaper.pakobserver.net/201412/10/comments-2.php>
- “Security policy options for Pakistan” by Asiya Mahar, Assistant Research Officer IPRI was published in *Pakistan Observer*, December 10, 2014, <http://epaper.pakobserver.net/201412/10/comments-2.php>
- “Time to revisit Pakistan-Iran economic relations” by Khurram Minhas, Assistant Research Officer IPRI was published in *Daily Times*, December 12, 2014 <http://www.dailytimes.com.pk/opinion/12-Dec-2014/time-to-revisit-pakistan-iran-economic-Relations>
- “Nobel connects Pakistan and India” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *The Nation*, December 15, 2014, <http://nation.com.pk/E-Paper/lahore/2014-12-15/page-7>
- “SCO & its importance for Pakistan” by Muhammad Nawaz Khan, Assistant Research Officer IPRI was published in *Pakistan Observer* December 18, 2014, <http://epaper.pakobserver.net/201412/18/comments-2.php>
- “Black lives matter” by Khurram Minhas, Assistant Research Officer IPRI was published in *Daily Times*, December 19, 2014, <http://www.dailytimes.com.pk/opinion/19-Dec-2014/black-lives-matter>
- “Action or more slumber?” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *The Nation*, December 21, 2014, <http://nation.com.pk/E-Paper/islamabad/2014-12-21/page-6>
- “What after Peshawar tragedy?” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *Pakistan Observer*, December 24, 2014, <http://epaper.pakobserver.net/201412/24/comments-1.php>
- “Evolving strategic setting in 2015” by Col (R) Muhammad Hanif, Research Fellow IPRI was published in *Pakistan Observer* December 24, 2014, <http://epaper.pakobserver.net/201412/24/comments-2.php>
- “Tunisia hails democracy” by Khurram Minhas, Assistant Research Officer IPRI was published in *Daily Times*, December 25, 2014, <http://www.dailytimes.com.pk/opinion/25-Dec-2014/tunisia-hails-democracy>
- “How to view Elections In IHK” by Muhammad Munir, Research Fellow IPRI was published in *Pakistan Observer*, December 28, 2014, <http://epaper.pakobserver.net/201412/28/comments-1.php>
- “Expansion of SAARC for better ends” by Col (R) Muhammad Hanif, Research Fellow IPRI was published in *Pakistan Observer*, December 28, 2014, <http://epaper.pakobserver.net/201412/28/comments-2.php>
- “Beyond national consensus” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *The Nation*, December 29, 2014, <http://nation.com.pk/E-Paper/islamabad/2014-12-29/page-7>
- “Committees, committees all around!” by Air Cdr (R) Khalid Iqbal, Consultant IPRI was published in *Pakistan Observer*, December 31, 2014, <http://epaper.pakobserver.net/201412/31/comments-1.php>

## IPRI Scholars Urdu Newspaper Articles in December 2014

- “6 December Aur Babri Masjid Ki Shahadat!” by Asghar Ali Shad, Research Fellow IPRI was published in *Sada-e-Chanar*, December 6, 2014, <http://www.sadaechanar.com/?page=cGFnZS00&dt=MTItMDYtMjAxNA==>
- “Jabri Tabdili Mazhab Aur Bharti Secularism” by Asghar Ali Shad, Research Fellow IPRI was published in *Nawa-i-Waqat*, December 15, 2014, <http://www.nawaiwaqt.com.pk/E-Paper/islamabad/2014-12-15/page-14>
- “16 December, Sarhad Par Dehshatghardi Aur Bharat” by Asghar Ali Shad, Research Fellow IPRI was published in *Daily Pakistan* December 16, 2014, <http://dailypakistan.pk/newsarchive.php?search=16/12/2014>
- “Mission 44 ... Jammu Ba Muqabla Kashmir” by Asghar Ali Shad, Research Fellow IPRI was published in *Nawa-i-Waqat*, December 29, 2014, <http://www.nawaiwaqt.com.pk/E-Paper/islamabad/2014-12-29/page-14>
- “Daish, Bharat Aur ...” by Asghar Ali Shad, Research Fellow IPRI was published in *Daily Pakistan*, December 29, 2014, <http://dailypakistan.pk/newsarchive.php?search=29/12/2014>

## The US Pivot Towards Asia-Pacific

*Continued from p. 3*

- Keeping in view, India’s profile in Asia Pacific, Pakistan should work to neutralize Indian influence by enhancing its relations with ASEAN and China. Pakistan holds Sectoral Dialogue Partnership (SDP) of ASEAN. Efforts should be made to attain the Full Dialogue Partnership (FDP) status. Pakistan could also offer connectivity to ASEAN with Western China and Central Asian Republics (CARs) by both land and sea through Gwadar port.



## The US Pivot Towards Asia-Pacific



Ms. Amna Ejaz Rafi, Assistant Research Officer, Islamabad Policy Research Institute (IPRI) gave a presentation on “The US Pivot Towards Asia Pacific” on December 29, 2014. Ms. Amna discussed prevailing economic trends in Asia Pacific, US's politico-military strategy towards the region, China's growing role, India-US strategic partnership in the region and also gave critical analysis of the US pivot towards Asia-Pacific. The salient points of her presentation are as follows:

- **US Pivot to Asia Pacific:** The US “Pivot to Asia Pacific” was launched by the Obama administration. The pivot aims to expand bilateral and multilateral cooperation between the US and the region, thus, reflecting the region's significance in US calculus. The area defined within the pivot is from India to New Zealand and Pacific Islands to Japan and Korean Peninsula.
- **Drivers of the Pivot:** The global economic opportunities in the Asia Pacific, presence of major US allies in the region (Japan, South Korea and Australia) and the rise of China raise the area's significance for the US.
- **Regional Response**
  - **China** is skeptical of the American activism in the region and views the

pivot, a policy to contain it. China considers the US interference in the South China Sea as unnecessary international-ization of the issue.

- **Japan** supports the US presence in the region. The US had pledged to support Japan over the island disputes with China (US-Japan Security Treaty). Japan is also a member of the American backed Trans-Pacific Partnership (TPP), and views the economic grouping a strategic opportunity to revitalize Japan's economy.
- **South Korea** also supports US presence in the region, and sees the pivot as a deterrent against the belligerent North Korea.
- **Oceanic States:** The US is a key security



partner for both Australia and New Zealand. Australia and New Zealand support the US pivot to Asia Pacific.

- **ASEAN Countries:** Economically, the ASEAN economies are well integrated with China (China-ASEAN bilateral trade is US \$ 443.61 billion, expected to reach US \$ 1 trillion by 2020). However, the issues of South China Sea have prompted a few smaller ASEAN states to look upon

the US as a balancer against China.

- **India-US Strategic Partnership in the Region**

- US strategic cooperation with India is yet another move targeted at a rapidly rising China. Thus, both the US and India view China as a competitor in the region.
- India-US cooperation across the Sea Lanes of Communications (SLOCs) in the Indian Ocean region including the Strait of Malacca and the sea-lanes in the South China Sea reflect their anti-China policy. Both the countries want to prevent the Eastern Indian Ocean region and the Western Pacific region from falling under Chinese naval domination.
- **Budgetary Constraints:** The US plan to restructure/reinforce military deployments in Asia Pacific may prove to be a costly affair. The uncertainty as to whether or not the US can support/sustain the military costs of the pivot exists.
- **A US Balancing Act:** Some countries in the region want strategic reassurance from the US, and they favour a robust, multidimensional US presence in the region. On the other hand, a robust US presence will be seen by many in Beijing as a US led containment strategy directed at China. The challenge for the US will be to provide strategic reassurance to allies in the region without provoking a strategic backlash from China.

*Continued on p. 2*

## Solutions for Energy Crisis of Pakistan

*Continued from p. 1*

- Institutional disarray should be addressed by taking into confidence all institutions related to energy and power sectors as per constitutional provisions.
- Rebalancing the energy mix with increased focus on hydroelectric offers a way out of energy crisis. Public-private partnership in hydropower sector should be reinvigorated.
- Imported coal, being cheaper, i.e., 2.83 US dollars per ton, can reduce the production cost.
- A Regulatory Advisory Committee at

NEPRA that can provide institutional mechanism to elicit response and inputs of the stakeholders is required.

- Universities should voluntarily have regular energy audits and should launch a campaign for energy conservation at national level.
- The crisis of gas shortage is manageable through efficient allocation, rationalization of gas prices, capacity building of regulators and improving management.
- There should be a separate Ministry of Energy which should be responsible

for planning and implementation of all energy related projects.



## What Pakistan can Learn from SCO?



Dr. Najam Abbas, Senior Fellow, South and Central Asia, East-West Institute, Belgium visited IPRI on December 31, 2014 to deliver a guest lecture on “Ascertaining Agendas for Alternative Alliances: What Pakistan can Learn from SCO?” Following are the salient points of his lecture:

- SCO has the capacity to mediate and channelise competition, particularly between Russia and China for mutually advantageous policies, which they were pursuing.

- Russia intended to take coordinated steps in spheres such as economic, finance, energy and industrial safety. A consensus-based approach and joint response would be reflected in the SCO Development Vision till 2025, which would be prepared by the summit of SCO member states scheduled for July 2015 in Ufa, Russia.
- Partnership between China and Russia would serve as a strategic factor in tandem with the economic rise of Russia.
- SCO’s membership would be in Pakistan’s interest. It would enhance Pakistan’s stature in the region. Membership of SCO would not only provide an opportunity to Pakistan in influencing the regional security architecture to its benefit but it could also enable it to acquire an important position in the SCO’s 2015-2025 vision.
- Pakistan should prepare itself

well to avail the openings and opportunities offered by SCO because SCO had proven its effectiveness in dispute resolution and conflict prevention mechanism.

- Pakistan’s defence and security perspectives as well as objectives would be better served if it could become a permanent member of the SCO.



## OUR VISITORS

### Students of Harvard Kennedy School Visit IPRI

Pakistani students Ms. Maria Qazi and Sardar Karim studying at the Harvard Kennedy School for Masters of Public Administration in International Development Programme visited Islamabad Policy Research Institute (IPRI) on December 31<sup>st</sup>, 2014 for an in-house discussion with IPRI Scholars on “Non-conventional Ways of Addressing Anti-state Violence in Pakistan.” The students were interested to know about “household” factors of anti-state violence and non-conventional policy tools used by the government of Pakistan to address the anti-state violence.

The salient points of the meeting are as under:

- Education and poverty alone are one not responsible for anti-state violence in Pakistan.



- External factors like anti-Pakistan foreign agencies have played a greater role in fanning anti-state violence in Pakistan.
- Internal factors like weak law and order, illiteracy, social injustice, economic disparity and religious intolerance are the other contributory factors.
- Pakistan has done its level best to deal with the menace of terrorism. Successful military operations namely Rah-e-Nijat and Rah-e-Rast were conducted and Zarb-e-Azb is in progress. The government of Pakistan on 26<sup>th</sup> December, 2014, constituted a special committee for the implementation of the National Action Plan for counter-terrorism. National Counter Terrorism Authority (NACTA) is being reinvigorated.
- The government of Pakistan with the support of the entire nation is determined to root out extremism, terrorism and anti-state activities.
- Pakistan is a peace loving moderate country. It is playing its due role in combating extremism. The citizens of Pakistan must propagate moderate culture of Pakistan to earn goodwill of international community and eliminate misconstrued beliefs.



### Islamabad Policy Research Institute (IPRI)

House No.6, Street No. 63, Ismail Zabeeh Road, Sector F-8/4, Islamabad Ph: +92 51 9261348-50 Email: iprinewsletter@gmail.com; Website: www.ipripak.org  
Editor-in-Chief: Ambassador (R) Sohail Amin, Editor: Saira Ijaz, Composer: Noreen Hameed