

# Khyber Journal of Public Policy



**National  
Institute of  
Public  
Administration**



**National  
School of  
Public  
Policy**

Print ISSN: 0215-0411 - Online ISSN : 0215-0419  
Volume: 2 , Issue: 3, Autumn 2023

**Autumn 2023**

## Contents

- <i>DG's Message</i>	<i>vii</i>
- <i>Preface</i>	<i>viii</i>
- <i>In this issue</i>	<i>ix</i>
Critical Appraisal of Regulatory Framework of Social Media in Pakistan: Challenges and the Way forward	01
Framing Smuggling Free Trade Policy at Afghan Border with Special Emphasis on Role of Customs: Challenges and Way Forward	12
Critical Analysis of the Juvenile Justice System in Pakistan: Challenges & Way Forward	26
CPEC and Special Economic Zones: Policy Recommendation for Pakistan	39
Role of IPPs and Problems in Energy Sector of Pakistan: Critical Evaluation	53
Evaluate Tsunami project in the context of Pakistan climate change policy: A critical appraisal	66



## Khyber Journal of Public Policy (KJPP)

*A Quarterly Publication of the  
National Institute of Public Administration, Peshawar  
(A Constituent unit of National School of Public Policy)*

---

<b>Patron in Chief</b>	Dr. Ijaz Munir, <i>Rector, National School of Public, Lahore.</i>
<b>Patron:</b>	Capt. (Retd.) Usman Gul, <i>Director General, NIPA, Peshawar.</i>
<b>Editor:</b>	Dr. Muqeem-ul-Islam <i>PhD (Public Policy &amp; Governance) Chief Instructor, NIPA, Peshawar.</i>
<b>Editorial Board</b>	
<ul style="list-style-type: none"><li>• Mr. Tariq Bakhtiar, Chief Instructor, NIPA, Peshawar</li><li>• Ms. Nafees Rahim, Directing Staff, NIPA, Peshawar</li><li>• Dr. Gohar Saeed, Additional Director, Pakistan Academy for Rural Development, Peshawar</li><li>• Mr. Abdul Sattar, Chief Instructor, Pakistan Provincial Services Academy, Peshawar</li></ul>	<ul style="list-style-type: none"><li>• Dr. Ibrar Ullah, Directing Staff, NIPA, Peshawar</li><li>• Mr. Muhammad Tayyab, Directing Staff, NIPA, Peshawar</li><li>• Mr. Shabidullah Wazir, Directing Staff, NIPA, Peshawar</li><li>• Mr. Jehanzeb Khan, Directing Staff, NIPA, Peshawar</li><li>• Dr. Muhammad Riaz Khan, Directing Staff, NIPA, Peshawar</li><li>• Dr. Muhammad Bakhsh, Sub-editor, Faculty Member, Pakistan Academy for Rural Development, Peshawar</li></ul>

---

---

## Advisory Board

---

- Dr. Kazim Niaz, Federal Secretary, Ministry of Economic Affairs, Government of Pakistan
  - Dr. Syed Abu Ahmad Akif, Former Federal Secretary, Islamabad, Pakistan
  - Prof. Dr. Anis Ahmad, Professor, Riphah International University, Islamabad, Pakistan
  - Dr. Irfan Moeen Khan, Assistant Professor, Lahore University of Management Sciences, Lahore
  - Dr. Lubna Ayub, Director General, National Institute of Public Administration, Karachi
  - Dr. Fahim Muhammad, Member, FBR, Islamabad, Pakistan
  - Dr. Zafar Iqbal Qadir, Former Federal Secretary, Islamabad, Pakistan
  - Dr. Aneel Salman, Assistant Professor, COMSATS University Islamabad, Pakistan
  - Prof. Dr. Mansoor Akbar Kundi, V.C. Bahauddin Zakariya University Multan, Pakistan
  - Prof. Dr. Fakhru Islam, Director, Pakistan Study Centre, University of Peshawar.
  - Dr. Tahir Hijazi, Former VC, University of Punjab, Lahore
  - Prof. S. Hussain Shaheed Soherwordi, Chairman, Department of International Relations, University of Peshawar.
  - Dr. Amir Ullah Khan, Faculty of Social Sciences, Islamia College University, Peshawar, Khyber Pakhtunkhwa, Pakistan
  - Dr. Karin Jesuis, Director of Institutional Consulting & Continuing Education Institute, American University of Iraq – Baghdad, Iraq
  - Dr. Muhammad Ali, Professor, V.C. Quaid-e-Azam University, Islamabad, Pakistan
  - Dr. Waqar Masood Khan, Khan & Ali Associates, Islamabad, Pakistan
  - Dr. Anwar Shah, Associate Professor, School of Economics Quaid-I-Azam University, Islamabad, Pakistan
  - Dr. Muhammad Kaleem, Assistant Professor, University of Kohat.
  - Dr. Iqrar Ahmad Khan, Vice Chancellor, University of Agriculture, Faisalabad.
  - Dr. Nasir Khan, Commissioner Income Tax, FBR, Islamabad
  - Dr. Farzand Ali Jan, Pro-Rector, Brains Institute, Peshawar
  - Dr. Atiquz Zafar, Professor of Economics, Riphah University, Islamabad
  - Prof. Dr. Shahid Munir, Chairperson, Provincial Higher Education Commission, Lahore.
-

### **About the Journal:**

The journal's focus on original research papers, reflective studies, and analyses related to international relations, Pakistan affairs, and faith & society reflects a commitment to addressing critical issues and proposing viable solutions to these issues. By bringing together researchers, experts, and policy practitioners, the journal provides a platform for a diverse range of perspectives and experiences, allowing for a more comprehensive and nuanced understanding of complex issues.

The focus on public policy further underscores the journal's commitment to making a tangible impact on national and international issues. By providing a space for research and analysis, the journal helps to inform policymakers and practitioners, who can then use this information to develop more effective policies and programs. Additionally, the focus on viable solutions emphasizes the importance of actionable recommendations that can be implemented in the real world.

Overall, the journal's focus on research, analysis, and practical solutions reflects a commitment to advancing knowledge and making a positive impact in the fields of international relations, Pakistan affairs, and faith & society. By providing a platform for diverse perspectives and experiences, the journal contributes to a more comprehensive understanding of complex issues and the development of effective policies and programs.

### **Indexing, Abstracting & Achieving:**

The Journal is striving to be indexed, abstracted and/or achieved in the following: International Political Science Abstracts (IPSA); PreQuest, EBSCO (Political Science Complete Database, Social Science Abstracts); JSTOR; Porticeo; Factive, Knowledge Unlatched, Keepers Registry; Crossref; Ovid; Research Bib; Google Scholar; Microsoft Academic; Duotrope; and Asianet Pakistan.

### **Copy Right Notice:**

This Journal is published under the Creative Commons License CC BY 4.0. This license allows users, scholars and readers, to read the content or any part of the content without charges. The license allows scholars to download and use the content for educational purposes. This license does not allow the content or any part of the content to be used for commercial purposes.

### **Feedback and Information:**

Editor, *Khyber Journal of Public Policy* , National Institute of Public Administration, Peshawar Pakistan. Email. [muqem@nim.gov.pk](mailto:muqem@nim.gov.pk), [muqemz@gmail.com](mailto:muqemz@gmail.com)

## **Guidelines for Contributors:**

*Khyber Journal of Public Policy* welcomes original, unpublished submissions with duly signed undertaking, plagiarism report, brief updated CV while ensuring that guidelines have been followed. All submissions undergo rigorous Editorial Board Review; shortlisted articles are reviewed by at least two peer reviewers. Publication in the Journal depends on Board's positive feedback and reviewer's availability and responsiveness.

While submitting a manuscript for the *Khyber Journal of Public Policy*, please follow these guidelines:

- Manuscript should be ideally around 5000 words;
- An abstract of about 150 words should be included;
- Five to six keywords should be provided;
- American English should be used;
- APA Manual of Style should be followed for Endnotes. In-text citations and bibliography are not required.;
- All the tables, charts, graphs and figures included in the manuscript should be in an editable, MS Word form.

The editors reserve the right to make modifications and editorial changes in the interest of pace, brevity, comprehension, consistency and/or other reasons deemed necessary by the Editorial Board. Views expressed in the articles are not necessarily shared by the NIPA, Peshawar.

The Khyber Journal of Public Policy follows a strict anti-plagiarism policy.

### **Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of NSPP or NIPA or its members/employees. The individuals or entities mentioned in this publication and the materials presented therein do not imply the expression of any opinion on the part of NIPA or NSPP or its employees regarding the legal status of any opinion, area, territory, institution, or individual, or regarding the accuracy, completeness, or suitability of any content or references.

# Khyber Journal of Public Policy

---

Volume: 2

Autumn 2023

Issue: 3

---

## Contents

- <i>DG's Message</i>	<i>vii</i>
- <i>Preface</i>	<i>viii</i>
- <i>In this issue</i>	<i>ix</i>
<b>Critical Appraisal of Regulatory Framework of Social Media in Pakistan: Challenges and the Way forward</b>	<b>01</b>
- <i>Najeeb Arjumand</i>	
<b>Framing Smuggling Free Trade Policy at Afghan Border with Special Emphasis on Role of Customs: Challenges and Way Forward</b>	<b>12</b>
- <i>Saiqa Abbas</i>	
<b>Critical Analysis of the Juvenile Justice System in Pakistan: Challenges &amp; Way Forward</b>	<b>26</b>
- <i>Shahid Khan</i>	
<b>CPEC and Special Economic Zones: Policy Recommendation for Pakistan</b>	<b>39</b>
- <i>Abdul Ghaffar Khan</i>	
<b>Role of IPPs and Problems in Energy Sector of Pakistan: Critical Evaluation</b>	<b>53</b>
- <i>Abid Ullah</i>	
<b>Evaluate Tsunami project in the context of Pakistan climate change policy: A critical appraisal</b>	<b>66</b>
- <i>Ahmed Kamal</i>	

## **Message of the Capt. (Retd) Usman Gul,**

*Director General National Institute of Public Administration, Peshawar  
on the eve of Inaugural Issue of the Khyber Journal of Public Policy:*

I am delighted to announce the inaugural issue of the Khyber Journal of Public Policy, an initiative led by Dr. Muqeem, Chief Instructor of NIPA Peshawar and supported by Dr. Ijaz Munir, Rector NSPP. The journal covers social science and related concepts to significant political, economic, and social issues, exploring the ways in which public policies are made. Its articles deal with topics of concern to public policy scholars and practitioners alike, often cutting across disciplines such as environmental issues, international political economy, international relations, regulatory policy, and other critical issues facing Pakistan.

The Khyber Journal of Public Policy has been developed to provide a platform for policy researchers, academics, and practitioners to share their insights and solutions to critical challenges faced by the nation.

As Director General of the National Institute of Public Administration Peshawar, I am proud to support this initiative and congratulate Dr. Muqeem and his team for their efforts in bringing this journal to fruition. I encourage all concerned to contribute to the journal and engage in the ongoing dialogue surrounding public policy issues. With the support of esteemed researchers and practitioners, I am confident that the Khyber Journal of Public Policy will become a leading resource in the field.

Thank you and congratulations once again on this milestone achievement

*Capt. (Retd) Usman Gul,*  
Director General  
National Institute of Public  
Administration, Peshawar



## **Preface**

*of the Special Issue of Khyber Journal of Public Policy*

We are pleased to present the first issue of the Khyber Journal of Public Policy (KJPP), a publication of the National Institute of Public Administration (NIPA), National School of Public Policy (NSPP), Peshawar. The KJPP is a valuable addition to the existing publications on public policy, serving as a platform for dissemination of policy research outcomes by the officers who have undergone the intensive training courses at NSPP.

The mid-career and senior level officers from various organs of the government undertake these courses, focusing on all aspects of public policy, including the critical analysis of policy design, implementation, and impact. The officers' research outcomes propose viable solutions to the pressing issues faced by the country, and are thus of great value to practitioners, professionals, and academicians.

The KJPP aims to fulfill the intent of its act by providing a forum for disseminating these precious outcomes as a ready reference for practitioners and academia in the field of public policy. The journal follows the prescribed procedure of printing and publishing, as described by the Higher Education Commission (HEC), and we are confident that it will soon receive recognition from HEC and other concerned international agencies.

We extend our sincere gratitude to the authors who have contributed their research outcomes for the first issue of the KJPP. We hope that the KJPP will serve as an excellent source of knowledge and insights for public policy practitioners and academicians, enabling them to adopt and implement the policy recommendations and novel solutions to the crucial problems faced by the nation.

Dr. Muqem Islam Soharwardy  
*PhD(Public Policy & Governance)*  
Editor ,  
Khyber Journal of Public Policy

## **In this Issue**

In the first paper author focuses on environmental issues of the Hind-o-Kush region. Hindu Kush Himalaya (HKH) provides essential resources and services to millions of people living downstream, but is being affected by unplanned land management, urbanization, and climate change. The buying and selling of land plays a significant role in land use patterns, which in turn affects the environment. To address these issues, the research suggests adopting a comprehensive approach to sustainable development projects in mountain regions of Gilgit Baltistan, with community participation. The study used a cause-and-effect method, analyzing available data to conclude that implementing a systematic land use policy can ensure sustainable development.

The second paper reviews the preferential trade agreement between turkey and Pakistan. Pakistan and Turkey have signed a Preferential Trade Agreement (PTA), strengthening their political and economic relations. The agreement is expected to have a positive impact on bilateral trade and domestic economic situation in both countries. However, potential issues and challenges need to be addressed, and recommendations have been made for optimizing the benefits of the PTA. The agreement reflects the cultural, religious, and historical ties between the two nations.

Third article highlights the emergence of digital diplomacy as an effective tool for diplomacy, with Pakistan's Ministry of Foreign Affairs recently incorporating it into its core functions. It covers the academic dimension of digital diplomacy and its integration with other tools by leading countries. The article also identifies the issues and challenges faced by Pakistan and makes recommendations to optimize the use of digital diplomacy.

Fourth study analyzes the factors responsible for Pakistan's dependence on imported edible oil, which has reached 92%. The lack of promotion of oilseed crops, liberal import policies, stagnant custom duties, and competition with major crops are among the factors. The study finds that minor crops like sunflower and canola are more profitable than major crops. India's vibrant import duties have helped protect local growers and meet 35% of their edible oil requirement from local production. Pakistan needs to encourage local production of oilseed crops to reduce dependence on imported oil, which is a serious threat to public health.

Fifth research paper focuses on the export of skilled, semi-skilled, and unskilled labor as a way for developing countries like Pakistan to address chronic problems like overpopulation, unemployment, low per capita income, and poverty. The study highlights the multifaceted market for labor exports and the contribution of foreign remittances to the growth of foreign reserves, which amounted to 31.2 billion USD in 2022. However, the research also identifies the challenges faced by Pakistan in the recruitment, placement, and exploitation of emigrants, as well as the smuggling of aspiring emigrants. The study aims to propose solutions to the gaps and weaknesses in the regulatory framework that give rise to illegalities and irregularities in the emigration structure, which could create distrust among overseas Pakistanis.

Last research paper of this issue highlights the challenges faced by Pakistan in addressing cybercrimes and the shortcomings of the Prevention of Electronic Crimes Act (PECA), 2016. The author argues that Pakistan needs to shift its policy orientation from being security-centric to citizen-centric, make amendments to PECA, and invest in capacity building of citizens and state agencies to effectively combat cybercrimes. The research emphasizes the need for a social contract between the state and citizens in the cyberworld, and the importance of indigenization of IT applications for socioeconomic empowerment. The author suggests that the state needs to exercise adequate control in the cyberworld while respecting digital rights.

# Critical Appraisal of Regulatory Framework of Social Media in Pakistan: Challenges and the Way forward

Najeeb Arjumand<sup>1</sup>

Mr. Shabidullah Wazir<sup>2</sup>

**KJPP**

**Citation:**

Arjumand, N. (2023). *Critical appraisal of the regulatory framework of social media in Pakistan: Challenges and the way forward*. Khyber Journal of Public Policy, 2(3), Autumn.

**Article Info:**

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

**Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

**Copy Right Statement:**

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

---

**Abstract:**

This research examines the evolving landscape of social media in Pakistan, highlighting both advancements and challenges within its regulatory framework. Social media's rapid expansion has prompted significant changes in communication, but it has also introduced concerns such as privacy violations, misinformation, hate speech, and the spread of harmful content. The study assesses Pakistan's current legal and regulatory measures, including the Prevention of Electronic Crimes Act (PECA) of 2016, and identifies gaps and areas needing improvement. Key findings indicate a need for clearer definitions of "illegal content," enhanced enforcement, and more effective stakeholder engagement. The research proposes legislative reforms, strengthened regulatory authorities, capacity-building initiatives, and improved collaboration with social media platforms to create a balanced and effective regulatory environment. These recommendations aim to protect user rights while promoting a safe and responsible online space.

---

**Key words:**

Social media regulation, privacy, cybercrime, hate speech, legislative reforms

---

<sup>1</sup> Currently posted as Deputy Collector

<sup>2</sup> Faculty Advisor

## *Introduction*

In the rapidly evolving digital landscape, social media has emerged as a powerful force reshaping how people communicate, share information, and engage with the outside world. Social media, which serves as a platform for self-expression, connectivity, and access to a wide range of knowledge, has expanded at an unprecedented rate in Pakistan and many other countries. However, the growth of online platforms has also spawned new issues and concerns, leading to a critical assessment of the national social media regulatory framework (Choi, 2018). As the virtual world becomes more intertwined with people's everyday lives, concerns related to privacy, false information, hate speech, and the proliferation of dangerous material have increased considerably. Given these difficulties, it is essential to assess Pakistan's current regulatory system and pinpoint its advantages, disadvantages, and possible areas for improvement. Such an evaluation is necessary to provide a secure, responsible, and welcoming online environment that supports people's rights while sustaining the social fabric.

Communication was revolutionized with the launch of the first social media platform, Facebook, in February 2004. Digital technologies and the widespread adoption of social networking platforms have created new channels and horizons for citizens to express their opinions, share information, mobilize support, and hold governments accountable. This policy research meticulously examines the legal system controlling social media in Pakistan. It aims to highlight the gaps, issues, and complexities that prevent effective governance by assessing the current policies, regulations, and practices. The objective of this paper is to provide a strong regulatory framework that strikes a balance between the requirements for user safety, free speech, and societal well-being. Additionally, it will offer beneficial guidance and a strategy to address the identified issues.

## *Statement of the Problem*

Despite the rapid growth and increasing influence of social media, there prevails a perception that there is a pressing need to assess the effectiveness and adequacy of existing social media regulations in Pakistan to ensure the responsible use of these platforms and safeguard the rights and interests of users and society as a whole. The paper at hand attempts to critically appraise the regulatory framework governing social media platforms in Pakistan, focusing on the challenges faced and exploring potential solutions for the way forward. This paper also aims to investigate the challenges encountered within the current regulatory framework, such as addressing misinformation, protecting privacy, combating hate speech, and balancing freedom of expression with the need for accountability. By identifying these obstacles and proposing viable solutions, this study aims to contribute to the

development of an improved and implementable regulatory framework for social media in Pakistan, promoting a safe, inclusive, and responsible digital ecosystem.

### *Methodology*

This study is qualitative in nature. The goal of qualitative research is to collect and examine non-numerical (descriptive) data in order to comprehend social reality, including people's attitudes, beliefs, and motivations (Merriam, 2015). Data for this study was collected from secondary sources, including news articles, research papers, social media, etc.

### *Scope of study*

The study seeks to critically appraise the regulatory framework, which includes: a) Legal Framework (PECA, Social Media Laws/Rules, etc.) and b) Institutional Framework (FIA, PTA, NITB, etc.). After a critical appraisal of the regulatory framework, this paper lists the way forward and provides recommendations.

### *Situational Analysis*

According to the PTA, Pakistan has around 193 million mobile cellular subscribers, 124 million mobile broadband subscribers, 3 million fixed telephone subscribers, and 127 million broadband subscribers (Indicators, 2023). According to an FIA report, the total number of cybercrime complaints was 107,493 in 2022. However, only 124 people were convicted of these crimes, indicating the weak capacity of relevant government authorities. Additionally, international companies like Facebook and other platforms are often hesitant to share data that may be used unlawfully.

#### *Current Legal Framework for Regulating Social Media in Pakistan:*

- Electronic/Cybercrime Bill Ordinance 2007: The year 2007 saw the adoption of the Prevention of Electronic Crimes or Cybercrimes Ordinance (PECO), which covered electronic offenses such as data loss and electronic fraud.
- Prevention of Electronic Crimes Act (PECA-2016): The Prevention of Electronic Crimes Act (PECA) came into effect in 2016. It complies with the Cyber Crime Bill of 2007 and addresses online offenses such as cyber-terrorism, electronic forgery and fraud, denial of service attacks (DOS attacks), and unauthorized access to data (hacking).
- Citizens Protection (Against Online Harm) Rules, 2020: Deals with the establishment of the National Coordinator for citizen protection against online harms, along with obligations on social media companies with respect to blocking and removal of unlawful online content.

- Removal and Blocking of Unlawful Online Content Rules, 2021: These rules were framed with the aim of serving the causes of the glory of Islam, the security of Pakistan, public order, decency and morality, and the integrity and defense of Pakistan.

#### ***Current Institutional Framework for Regulating Social Media in Pakistan:***

In Pakistan, the government enacted the FIA Act 1974, which paved the way for the establishment of the FIA. The FIA set up its cybercrime wing in 2007 to battle online crime. Similarly, the Pakistan Telecommunication (Reorganization) Act (1996) led to the formation of the PTA, which later formed a wing to monitor online crimes and issues. However, the FIA is a major stakeholder that is approached in cases of electronic crimes. The Ministry of Information Technology, the Ministry of Interior, and the Ministry of Information and Broadcasting also deal with issues related to media and social media.

The government established the NITB in 2014 to promote and integrate an e-governance culture in the federal and provincial governments. In addition, one can also appeal to a court to seek justice in cases of online fraud or crime.

#### ***Issues and Challenges (GAP Analysis):***

The research has highlighted several problems with Pakistan's social media legislation as well as general issues with the country's strategy. Firstly, the vague "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2021" require social media businesses to make fundamental structural adjustments. Since Pakistan cannot order the removal or censorship of material from websites beyond its borders, websites that host certain content the government deems illegal may still be available to users everywhere. What is considered "unlawful" content as per the subject rules is still unclear, in addition to the statute's deceptive nomenclature.

Secondly, the "Citizens Protection (Against Online Harm) Rules, 2020," the first set of social media rules, omitted any reference to the right to free speech or expression. The first law with a clause on freedom of speech is the "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2021." Despite modifications in these rules, Pakistan has come under fire for failing to uphold Article 19 of its constitution, which guarantees its people the freedom of speech and expression.

In addition to the above-mentioned systematic issues, the objectives and parameters of the social media laws that have been approved and then repealed remain unclear. The "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2020" cover a wide

range of issues, including hate speech, privacy, and data security (Shafiq, 2022). Nonetheless, these features need more consideration and justification. In response to growing national and international concerns about data protection and privacy, governments and international bodies have developed policies. India, Pakistan's arch-rival, has also been seen trying to spread false information while disguising their actions as exercising their right to free speech and engaging in hybrid warfare. To lessen the effects of such attempts, the Pakistan Telecommunication Authority and external groups must pay attention.

Pakistan has previously carried out targeted steps to deal with issues. For instance, in the wake of the 2014 incident at the Army Public School, the GoP developed a targeted counterterrorism campaign in Pakistan (Purdon, 2015). In line with this plan to eradicate terrorism and militancy in Pakistan, the National Assembly approved the "Prevention of Electronic Crimes Act 2016." Although many claimed that the PECA just regulated speech and not criminal action, it had a definite intent and objective. The present legislation in Pakistan must thus have a precise, clearly defined purpose that it would target rather than implementing rules with a broad scope.

Businesses required to operate in Pakistan shall have physical locations here and licensed compliance officers who reside there under all social media regulations. These requirements are legitimate and necessary, but they also have due dates. For example, the registration period for the establishment of offices was available for three months after the rules were put into effect. In accordance with the "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2020," these offices must be established within nine months after the registration process. However, social networking sites pledged to stop functioning in Pakistan less than a day later. The "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2021," the most recent set of legislation, now enables the creation of offices "as and when feasible" in response to criticism from social networking companies and civil society.

They argued that in order to operate in Pakistan, social media firms require a friendly business climate. Businesses need to be encouraged rather than coerced because many other nations in the region provide a more favorable environment. Given the country's expanding internet user base, entrepreneurial culture, and untapped market, the government must emphasize that Pakistan is favorable to private digital enterprises.

### ***Analysis and Findings:***

#### ***Existing Laws and Regulations:***

Pakistan's rules and regulations for social media management have changed over time to address issues relating to privacy, misinformation, hate speech, and the dissemination of dangerous content. These legislations, which seek to



combine the right to free expression with responsible use of digital media, have had contradictory effects. One key piece of legislation is the Prevention of Electronic Crimes Act (PECA), introduced in 2016. PECA offers a framework for handling digital offenses relating to social media platforms, including cybercrime. It gives the government and the Pakistan Telecommunication Authority (PTA) the authority to pass laws that forbid particular activities, such as harassment, cyberbullying, and the dissemination of objectionable content (Shafiq, 2022). The advantage of PECA is that it has enabled law enforcement to combat online crimes and protect people from digital harm.

However, PECA's implementation has drawn criticism for potential limitations on the right to free expression and for the ambiguity of certain provisions. Due to the law's vague language and broad scope, it has been selectively interpreted, resulting in restrictions on what is permitted online. To silence online criticism, there have been cases of arbitrary arrests and prosecutions, negatively impacting people and journalists critical of the Act.

Additionally, the government has set rules specifically for social networking platforms. The "Citizens Protection (Against Online Harm) Rules, 2020" were established to regulate social media content and prevent online damage. Nevertheless, it drew criticism for limiting the right to free expression. In response, the "Removal and Blocking of Unlawful Online Content (Procedure, Oversight and Safeguards) Rules, 2021" included a clause protecting free speech. While this framework was a good idea, it is still unclear how this right will be properly maintained. The legal ambiguity around what constitutes "unlawful content" remains a problem. Laws are subjectively interpreted, leading to uneven enforcement and potential abuse. Since material the government deems illegal may still be accessible internationally, the effectiveness and reach of the legislation are in question.

Furthermore, social media networks manage a significant portion of content policing. Platforms are required to open local offices in Pakistan, choose which areas to focus on, and respond to removal requests in accordance with deadlines. Despite this strategy seeking to promote accountability, there are numerous limitations and practical difficulties. Complying with local legislation can be challenging due to the platforms' complex global nature. This has occasionally resulted in platform bans or brief suspensions due to disputes between the government and social media corporations. The law's positive outcome has been to increase awareness of the need for social media platforms to handle problems like misinformation and hate speech. The restrictions have sparked discussions and disagreements between the government, civil society, and social media corporations to come to a consensus and work together on solutions. Understanding of appropriate online conduct and the need for user safety has also risen.

However, it is necessary to continuously review and modify the existing laws and regulations. The current framework needs to be clearer, more accessible, and compliant with universal human rights standards. It is critical to strike a balance between defending people's right to free expression and protecting them from harm online (Regan, 2016). The government should also engage in in-depth conversations with stakeholders, such as social media companies and civil society organizations, to ensure that the policies are effective, reasonable, and inclusive.

It can be asserted that Pakistan's social media rules and regulations have made an effort to solve the problems created by online platforms. While they have helped deter cybercrime and inspire talks about responsible online conduct, there are concerns about constraints on free expression, the uncertainty of the definition of "unlawful content," and the practical difficulties of implementation. To offer a regulatory structure that preserves basic rights while successfully addressing online harm, the government and significant parties must strike a balance between user protection, responsibility, and freedom of speech.

#### ***Regulatory Authorities and their Role:***

The PTA significantly affects Pakistan's ability to implement legislation regarding the regulation of social media. Its advantages stem from its ability to provide recommendations, rules, and instructions compelling social media companies to adhere to local laws and regulations. The PTA may forbid or stop the use of a platform or a piece of content if it is determined to be unlawful or harmful to national interests. This requires the authority to be more prepared to act swiftly in response to problems like hate speech, inciting violence, and the dissemination of harmful information. The PTA has also set up a system for accepting and handling user complaints regarding questionable information to better protect users. However, the PTA's regulatory measures have come under fire for possible power abuse and a lack of transparency. Decisions made by the authority regarding blocking and suspension have occasionally been seen as arbitrary and influenced by political factors. This gives rise to worries about censorship and the restriction of free speech. To guarantee that regulatory measures are reasonable, fair, and founded on clearly stated criteria, clear rules and transparency in the decision-making processes are necessary.

The FIA is authorized to pursue legal action against anybody participating in illegal activities on social media platforms since it is the law enforcement organization in charge of investigating cybercrime. Its abilities to work with overseas peers to combat transnational offenses and its skill in examining cybercrimes are its key competencies. Through the FIA's efforts, persons responsible for online harassment, cyberbullying, and the distribution of

illicit content can be apprehended and put on trial. However, the FIA's inability to thoroughly investigate and prosecute cybercrimes is one of its shortcomings. It is difficult for the agency to remain on top of emerging risks given the quick development of digital platforms and the constantly changing nature of online offenses. Strengthening the FIA's ability requires enhanced training to combat cybercrimes and provide a secure online environment, investments in technological expertise, and infrastructure.

Another problem with the regulatory structure is the lack of coordination and cooperation between the regulatory bodies, social media companies, and civil society organizations. Moreover, the reduced availability of a thorough multi-stakeholder approach hinders the development of effective legislation and enforcement strategies. To achieve a balance between user safety, free expression, and responsible online conduct, a collaborative ecosystem is necessary for the stakeholders to address the complex challenges surrounding social media regulation. Notably, social media networks are under considerable strain as a result of the current regulations and controls over content. Despite the fact that this technique seeks to promote accountability, the different cultural, legal, and linguistic contexts make it challenging for platforms to consistently understand and apply the law.

### *Enforcement and Compliance Issues*

A major issue is the selective implementation of legislation, which leads to inconsistencies and the appearance of discrimination. Regulating opponents of the government or opposing viewpoints has occasionally been used to target or oppress them. This selective enforcement undermines the objective of creating a fair and balanced regulatory system, as it questions the right to free expression and creates the prospect of power abuse. For social media corporations, following local regulations has often been a controversial subject. Platforms typically find it challenging to comprehend and abide by complicated and evolving rules, particularly when such laws contravene the fundamentals of international free expression. Compliance efforts are further complicated by varying linguistic, legal, and cultural contexts. Furthermore, as social media platforms have a global reach, problems with other authorities often arise. Platforms located outside of Pakistan's boundaries may not always be immediately influenced by regulatory actions taken here. This can make it challenging to hold platforms accountable for content deletion or local law compliance due to enforcement gaps and limitations.

### *Conclusion*

The research highlights several positive qualities, including the existence of a legal framework to combat cybercrime, the acceptance of user protection, and the engagement of regulatory agencies. However, issues were discovered,

such as potential limitations on freedom of expression, unclear definitions of "illegal content," and the need for more effective enforcement and compliance techniques. To create a functional and well-balanced regulatory framework, it is essential to address these issues through transparent decision-making, multi-stakeholder participation, capacity-building initiatives, and the protection of fundamental rights. By implementing the following recommendations, Pakistan may work towards building a responsible, user-friendly, and safe internet environment that promotes user privacy and free expression.

### ***Policy Recommendations/ Way Forward***

In light of the above analysis, the following policy recommendations are proposed to support a robust and effective policy formulation process for social media regulation in Pakistan:

#### ***Legislative Reforms***

The following legal changes are suggested to address the issues in Pakistan's online environment. First, conduct a detailed analysis of the digital threat landscape to identify the most urgent problems, giving priority to topics like religious discrimination, sectarianism, and the violation of minority rights.

Next, create a precise definition of hate speech that is appropriate for Pakistan's cultural setting. Although there is no universally recognized definition of what constitutes hate speech, the government can learn from the self-regulatory guidelines of multinational social media organizations, such as Twitter's "Hateful Conduct Policy". This will enable the development of comprehensive laws against hate speech that address the specific challenges facing the nation.

Additionally, involve a wide range of stakeholders when creating regulations to combat online hate speech. These stakeholders should include those who have experienced hate speech firsthand, those who have perpetrated it, Internet Service Providers (ISPs), think tanks, social media platforms, civil society organizations, academic institutions, influencers, and the legal community. By including these parties, you'll not only facilitate the creation of effective policies but also encourage problem-sharing and the suggestion of workable solutions. This cooperative approach ensures accountability, transparency, and a thorough understanding of the challenges in addressing hate speech. Involving stakeholders early in the legislative process will also provide them with the opportunity to support the implementation of the rules and act as ambassadors for raising awareness.

### *Strengthening Regulatory Authorities*

The role of regulatory authorities needs to be strengthened to better address privacy concerns and misinformation. This can help combat hate speech and the spread of harmful content through the application of legal and regulatory measures. The regulatory environment, particularly the Prevention of Electronic Crimes Act (PECA) of 2016, has played a productive role and can maintain the use of social media with a comprehensive and effective regulatory framework in the future. However, the concerns associated with online platforms need to be addressed within the Act. While PTA's regulatory measures are beneficial, there is a need to enhance oversight to prevent power abuse and increase transparency on digital platforms. This can be achieved by granting more authority to ISPs, think tanks, and social media platforms' privacy tools.

### *Capacity Building and Awareness Programs*

Capacity building can support the law's positive outcomes for users. The role of the law can raise awareness about the need for social media platforms to handle issues like false information and hate speech. Both indirect and direct awareness can be provided in the context of religion. As an Islamic country, a cooperative strategy that emphasizes accountability and openness, with a thorough understanding of decency in speech, will help in eliminating hate speech. Capacity building can increase public confidence and encourage responsible social media use. Involving stakeholders early in the legislative process is beneficial, as they will promote awareness campaigns and support the implementation of the rules. Specific campaigns should be planned to regulate social media use and create a secure and business-friendly environment free of cybercrime. An awareness plan should be developed to counter targeted defamation campaigns launched by foreign social media users through policy support.

### *Collaboration with Social Media Platforms*

Collaboration is essential for managing digital platforms and portraying a positive image of the country. The most popular platforms in the country for communication and information exchange include Facebook, YouTube, WhatsApp, Instagram, and Twitter. They need to collaborate positively in managing these digital tools. The audience needs to learn about decency and proper use. While Pakistan's social media rules and regulations have made efforts to address issues, there needs to be greater attention from media operators and the public to ensure effective collaboration on online platforms. Given social media platforms' global reach, it is important to ensure that nothing harmful is portrayed. Problems should be addressed as they arise by using specialized tools for reporting digital crimes and exercising the right to safety.

## *References*

1. Choi, T. R. (2018, December). \*ScienceDirect\*. <https://www.sciencedirect.com/science/article/abs/pii/S0736585318306841>
2. Pakistan Telecommunication Authority. (2023). \*Telecom indicators\*. <https://www.pta.gov.pk/en/telecom-indicators>
3. Khan, S. (2019, June 30). \*Readers Insight\*. <https://readersinsight.net/jmi/article/view/566/737>
4. Merriam, S. B., & Tisdell, E. J. (2015). \*Qualitative research: A guide to design and implementation\*. Jossey-Bass.
5. Purdon, L. (2015, September). \*IDRC\*. <https://idl-bnc-idrc.dspacedirect.org/handle/10625/55606?show=full>
6. Regan, A. (2016, January). \*Risk communication and social media during food safety crises: A study of stakeholders' opinions in Ireland\*. ResearchGate. [https://www.researchgate.net/publication/265334588\\_Risk\\_communication\\_and\\_social\\_media\\_during\\_food\\_safety\\_crises\\_A\\_study\\_of\\_stakeholders'\\_opinions\\_in\\_Ireland](https://www.researchgate.net/publication/265334588_Risk_communication_and_social_media_during_food_safety_crises_A_study_of_stakeholders'_opinions_in_Ireland)
7. Shafiq, M. (2022). \*Journal of Mass Communication\*. <https://jmcd-uok.com/index.php/jmcd/article/view/220>
8. Zaheer, L. (2016). \*Use of social media and political participation\*. Semantic Scholar. <https://www.semanticscholar.org/paper/Use-of-Social-Media-and-Political-Participation-Zaheer/48b6ee525291387a4a237c36b15ed524f00cf080>
9. Zhong, M. (2022, May 20). \*Frontiers\*. <https://www.frontiersin.org/articles/10.3389/fpsyg.2022.887848/full>

# Framing Smuggling Free Trade Policy at Afghan Border with Special Emphasis on Role of Customs: Challenges and Way Forward.

Saiqa Abbas<sup>1</sup>

Mr. Muhammad Tayyab<sup>2</sup>

**KJPP**

**Citation:**

Abbas, S. (2023). Framing smuggling free trade policy at Afghan border with special emphasis on role of customs: Challenges and way forward. Khyber Journal of Public Policy, 2(3), Autumn

**Article Info:**

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

**Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

**Copy Right Statement:**

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Abstract:

Since its establishment in 1947, the Pakistan-Afghanistan border has been a focal point of tension and smuggling due to the contentious status of the Durand Line. The rough and porous terrain of this border has facilitated the smuggling of contraband goods, drugs, and weapons, leading to significant economic losses and internal security threats. Despite efforts by both countries to address this issue, the lack of mutual trust, coordinated actions, and effective data sharing has limited their success. This paper evaluates the current state of smuggling across the Pak-Afghan border, highlighting the constraints faced by Pakistan Customs, including corruption, insufficient infrastructure, and technological limitations. It offers a multi-faceted approach to improve smuggling control, including operationalizing border stations, rationalizing tariffs, and enhancing regional cooperation. The recommendations emphasize the need for a coordinated strategy involving both nations and international partners to effectively combat smuggling and ensure regional stability.

## Key words:

smuggling, Pak-Afghan border, Customs enforcement, border management, regional cooperation

<sup>1</sup> Currently posted as Deputy Collector

<sup>2</sup> Faculty Advisor

## *Introduction*

Since its inception in 1947, Pakistan has been continuously dealing with the Pak-Afghan border status, as Afghanistan, throughout these 75 years, has been creating issues regarding the status of the Durand Line. This border is not only a geographic demarcation but also a Pandora's box of complex issues, with smuggling being at the top of these. For decades, it has been used as an ideal route for smuggling contraband goods, drugs, and weapons due to its rough and porous terrain. The consequences of these activities extend beyond economic losses; they pose a serious threat to our internal security. Both countries have worked on this phenomenon, but in the absence of mutual trust, coordinated efforts, and data sharing, their steps have been futile. Pakistan Customs, as the lead agency in controlling smuggling, has managed only a limited amount of smuggling activities, as will be discussed further in this paper. To tackle the issue of smuggling across the Pakistan-Afghanistan border, urgent attention and collaborative efforts from both nations, as well as regional and international partners, are required. Only through a comprehensive understanding of the underlying challenges and the development of effective countermeasures can we hope to address this issue and foster greater security and prosperity in the region.

## *Statement of the Problem*

The Pak-Afghan border, a long, porous, and contentious boundary, is proving to be a gateway for smugglers and smuggling activities, affecting not only our economy and policy-making but also becoming a threat to our national security. Pakistan Customs, as the custodians of the border, is entrusted with the task of preventing smuggling, which they are unable to achieve due to various geographical, political, financial, technical, and administrative reasons. This study will focus on the following questions relating to the issue of border management and smuggling and how this can be managed:

1. How can we manage Afghan government hostility towards border fencing, which is currently necessary for effective border control?
2. What is the critical analysis of the role of Customs in combating smuggling at the Pak-Afghan border while providing trade facilitation?

## *Research Methodology*

This study will be descriptive and analytical in nature, utilizing a secondary data collection method. Various news articles, interviews, and research papers from different scholars were consulted. Situational analysis was applied to understand the current magnitude of smuggling. Stakeholder analysis and regulatory analysis were used to uncover the basic structure



dealing with smuggling. PESTEL analysis was applied to identify the causes of smuggling, and impact analysis and SWOT analysis were also used in this paper.

### *Situational Analysis*

Pakistan shares a 2,611-kilometer border with Afghanistan, which is long, porous, and volatile. A total of 11 out of 34 Afghan provinces adjoin Balochistan and Khyber Pakhtunkhwa, including the newly merged districts. The majority of the people living across the border are Pashtun, with family ties on both sides, making it practically impossible to prevent their cross-border movement. There are 23 divided villages, six in Khyber Pakhtunkhwa and 17 in Balochistan, split by the Pakistan-Afghanistan border. There are 8 authorized border stations along the Pak-Afghan border; in addition to these authorized routes, there are close to 100 other routes frequently used by locals and smugglers. According to rough estimates, daily passage through the Chaman and Torkham borders ranges from 10,000 to 30,000 people, with more than 5,000 crossing illegally through unauthorized routes. The border is secured by Pakistani security forces, the Afghan National Army, and the Afghan Border Police.

Every day, a wide range of items, including arms, narcotics, livestock, agricultural products, contraband goods, and currency, are smuggled across the Pakistan-Afghanistan border. According to unofficial estimates, the size of the informal economy is more than 50% of the GDP, meaning the informal economy is worth more than \$150 billion annually (Pakistan Observer, 2023). The following breakdown will help illustrate the gravity of the damage done to our economy due to the smuggling of the top 11 items.

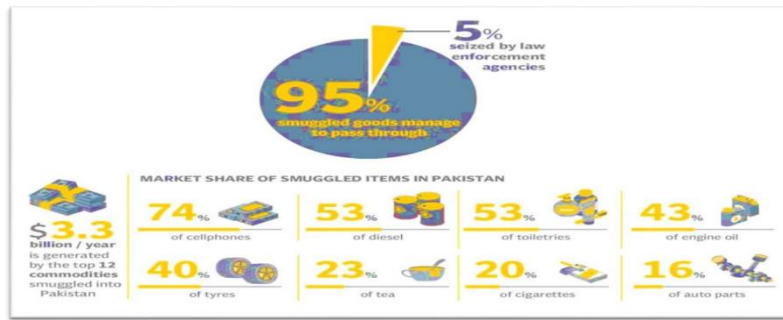
#### **LIST OF TOP 11 ITEMS**

Mobile phones	1100m US\$
Diesel	874m US\$
Plastic	222m US\$
Auto parts	184m US\$
Vehicles	175m US\$
Tyres	118m US\$
Steel sheets	112m US\$
Tea	77m US\$
Cigarettes	27m US\$

Electronic items	9m US\$
Garments	2.5m US\$

Source (Pakistan observer 2023)

The law enforcement agencies are trying hard to control this phenomenon, but a significant amount of smuggled goods still make their way into our local markets. The following diagram is self-explanatory regarding the extent of the informal economy currently in the field.



Source (How smuggling is bleeding Pakistan's revenue dry, 2020)

Smuggling is carried out not only by organized networks but also by common people as a means of earning a livelihood. At border stations, we see hundreds of young children carrying small packages of various goods to earn \$2-\$4 per day (UNICEF, 2023).

The same applies to the Pak-Afghan transit trade, which is in place for imports by Afghanistan through Pakistan's sea route. However, it is widely misused by smugglers to bring imported items into Pakistan. Recently, the Afghan government declared the worth of transit goods via Pakistan as \$14.8 billion, whereas according to Pakistani calculations, it was \$44.4 billion, meaning the remaining goods ended up in Pakistan's market (Aslam, 2023).

### Stakeholder Analysis

Stakeholder analysis will be conducted to highlight the interests and roles of different stakeholders in smuggling.

#### Law Enforcement Agencies

Customs, Frontier Corps, Anti-Narcotics Force, intelligence agencies, and many other government agencies have been assigned the task of enforcing border regulations, combating smuggling, and protecting national security and economic interests.

### *Local Communities*

People living along the border are directly affected by smuggling activities. Although smuggling is an income source for many people in border areas, and they may be involved as smugglers or facilitators, a large portion suffers from the negative consequences of smuggling, such as economic instability and increased criminal activity.

### *Smuggling Networks*

The key stakeholders in smuggling are the organized smuggling groups that have established strong connections not only with influential people but also with government officials. Combatting such groups is a challenge for both governments.

### *Businesses and Traders*

Legitimate businesses and traders face the direct impact of smuggling, as easy and cheap access to illicit goods may disrupt markets and create an uneven playing field. This makes competition even harder for them in the current economic scenario.

### *Media and Journalists*

The media play a significant role in reporting on smuggling activities, exposing their impact on society, and influencing public opinion. They can also highlight the efforts made by the government to tackle smuggling.

### *Financial Institutions*

Illegal financial networks are often used by smugglers for money movement, making it difficult to achieve a documented economy. Banks and financial institutions in Pakistan, responsible for maintaining economic transparency, are working hard to prevent money laundering and illegal financial transactions related to smuggling.

### *Judiciary and Legal Community*

The judiciary and legal community can play an important role in dealing with smuggling through the speedy disposal of cases and strict, merit-based decisions, rather than focusing on petty details.

### *NGOs and Civil Society*

Non-governmental organizations and civil society groups can advocate for better border management, support victims of smuggling, and work on initiatives to raise awareness about the adverse effects of smuggling.

To devise an effective strategy to combat smuggling, we need to analyze the interests of all stakeholders and formulate a policy based on these interests and their effects on our policy.

### *PESTEL Analysis of the Causes of Smuggling*

#### *Political Factors*

Political instability in both countries, weak governance structures, border disputes, lack of cooperation between Pakistan and Afghanistan, and inadequate facilities, such as accessible crossing points, have paved the way for smuggling.

#### *Economic Factors*

Poverty, unemployment, limited economic opportunities, and price differentials are some of the main economic reasons for the increase in smuggling. Smugglers see potential profit margins due to market imbalances.

#### *Socio-Cultural Factors*

Tribal culture, social acceptance, demand for specific goods (e.g., drugs, weapons), the presence of well-established smuggling networks, and the mindset of the people all contribute to smuggling activities.

#### *Technological Factors*

Our technology is not up-to-date or adequate for deployment throughout the border. The unavailability of required infrastructure and complex declaration/clearance systems contribute to the uninterrupted flow of smuggled goods into our country. On the other hand, smugglers are adapting to advancements in technology, communication, and transportation to carry out their activities smoothly.

#### *Environmental Factors*

The rough and challenging terrain along the border, tough weather conditions, and inaccessible areas make it difficult to establish physical barriers and effectively monitor the region.

#### *Legal Factors*

Legal frameworks are inadequate with many lacunae. Enforcement of these legal frameworks is compromised by corruption and collusion among law enforcement agencies, as well as lenient penalties for smuggling. All these factors combine to create a favorable environment for smuggling.

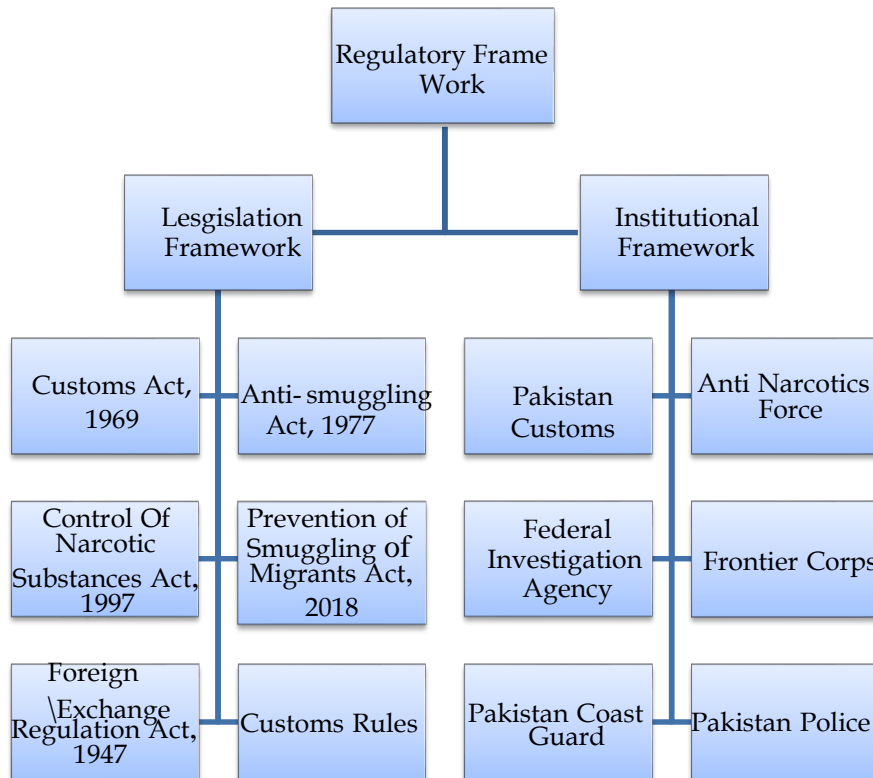
### *Impact Analysis*

- The first and foremost effect is on our economy through the loss of government revenue due to tax evasion on smuggled goods. The illicit trade burdens our domestic economy, investment in essential services, and infrastructure, thus hindering development, growth, and job creation.
- Local industries and businesses are severely harmed by the unfair competition posed by smuggled goods in the market. Local markets are flooded with smuggled goods available at cheap rates, resulting in reduced investment, a decline in the competitiveness of local businesses, and job losses.
- Criminal networks are growing stronger, leading to increased criminal activity. The easy access to illegal goods, drugs, and weapons used by these criminal groups poses a significant threat to our internal security.
- Smuggling fosters a culture of lawlessness, corruption, mistrust among institutions, and a sense of ultimate authority for these criminal networks, leading to social unrest, increased crime rates, and a breakdown of social cohesion in affected regions.
- The smuggling of timber and other items has adverse environmental effects, such as deforestation. The lack of regulation and oversight in smuggling operations can lead to environmental degradation, as evidenced by the United Nations Environmental Program report, which states, “Afghanistan's forest cover has decreased by about 50 percent over the past three decades” (Islamic State smuggling timber into Pakistan, 2016).
- The inability to address the smuggling menace on both sides will lead to accusations and mistrust between neighboring countries, resulting in hostile relations and non-cooperation on critical issues.
- Smuggling networks are often involved in human trafficking, exploiting the weak and vulnerable segments of society under the guise of providing better opportunities, which creates a humanitarian challenge for governments.
- The continuous smuggling phenomenon and its consequences on local industry have deterred foreign investors from investing in Pakistan.

A comprehensive approach is required to address the smuggling issue by improving border security, fostering mutual cooperation, implementing effective law enforcement, and enacting economic reforms targeting local industries. Only through such dedicated efforts can the adverse impacts of smuggling be mitigated, leading to greater economic stability, security, and social progress in the region.

### *Regulatory Framework Analysis*

Regulatory framework analysis is conducted to highlight the different organizations and their associated laws dealing with the phenomenon of smuggling. Some of these organizations handle specific items; for example, the Anti-Narcotics Force (ANF) deals with narcotics, while Customs deals with all types of items.



### *SWOT Analysis of Customs in Combating Smuggling*

Pakistan Customs plays a pivotal role by undertaking several critical tasks. Its primary responsibilities include the collection of duties and taxes from imports and exports, ensuring the smooth and efficient clearance of goods crossing the national borders, and actively combating the illegal smuggling of goods. The following table shows Customs' performance during 2022–2023.

	Currency		NDP vehicles		Misc Goods		Total	
	No of cases	value	No of cases	value	No of cases	value	No of cases	value
Cutoms Enforcement Peshawar	91	204m	83	337.15m	447	1959.85m	621	2501
Customs Enforcement D.I.Khan	11	21.23	40	357.80	98	3526.4	149	3905
Customs Intelligence KPK	-	-	119	470.55	108	1517.30	227	1987

*Source: (Customs Collectorate of Enforcement Peshawar, D.I.Khan, Customs intelligence)*

To understand and gauge the ability of Pakistan Customs to curb smuggling, we will conduct a SWOT analysis.

#### ***Strengths:***

**Experience and Expertise:** Customs authorities, being the front-line agency in dealing with cross-border trade and smuggling issues, possess valuable expertise in identifying illegal activities.

**Legal Authority:** They have the required legal backing in the form of the Customs Act 1969, Customs Rules 2001, and various other CGOs to inspect goods and vehicles crossing the border, which is crucial for the detection and prevention of smuggling.

**Technological Advancements:** Border terminals are now equipped with the latest technology, such as scanners, walk-through detectors, and mobile scanners, enabling Customs authorities to better detect and thwart smuggling attempts.

**Collaboration with Other Agencies:** Customs departments have delegated anti-smuggling roles to other departments, such as FC and Police, to assist in dealing with smuggling. They also collaborate with intelligence agencies to share information and coordinate efforts to combat smuggling.

### *Weaknesses:*

**Corruption:** Corruption within Customs remains a pressing concern, spreading its roots and affecting all corners of the service, which hinders effective smuggling control efforts.

**Resource Constraints:** Customs authorities may face resource limitations in terms of manpower, equipment, and budget, impacting their ability to effectively cover the vast and porous border.

**Challenges of Terrain:** The Pak-Afghan border has a long and rough terrain, making it challenging to access and control every part effectively, thereby creating opportunities for smugglers to operate.

**Intelligence Gaps:** Smugglers can be sophisticated and find ways to evade detection, exploiting intelligence gaps within the Customs organization.

### *Opportunities:*

**Regional Cooperation:** To achieve effective management of smuggling control, improved and consistent cooperation between the two countries is necessary. This will lead to better information sharing and joint efforts to combat smuggling at the border.

**Training and Capacity Building:** Training and capacity building are crucial for enhancing Customs officers' skills in the detection and prevention of smuggling, as well as keeping them updated on new innovations and best practices. Customs has a separate Directorate of Training and Research where capacity-building courses are conducted routinely, and they also collaborate with the WCO for international training of their officers.

**Customs Modernization:** Customs is moving towards the Pakistan Single Window (PSW) operation. With improved infrastructure and processes, they will become more efficient and effective in border control.

**Public Awareness Campaigns:** Raising awareness among the public about the negative impacts of smuggling, how it affects individuals and the nation as a whole, what agencies are doing, and what help is required from the public will not only dispel the notion that agencies are doing nothing but will also garner support and information to combat the issue.

### *Threats:*

**Cross-Border Conflicts:** Ongoing regional conflicts, tensions among security forces at the border, and the terrorism element can disrupt Customs operations and the control of smuggling at the border.



**Sophisticated Smuggling Techniques:** Smugglers' tactics are continuously evolving, using innovative and more sophisticated methods to avoid detection and detention by law enforcement agencies.

**Lack of Political Will:** Without strong political will and support, efforts to control smuggling are futile, as the availability of required resources for Customs will only be possible in the presence of a strong political will to act against troublemakers.

**Increased Demand for Illicit Goods:** High demand for certain smuggled goods can make it difficult to eradicate smuggling activities entirely. This is evident in cases of drug and arms smuggling, where higher demand results in higher rates of smuggling.

### *Conclusion*

The above discussion concludes that smuggling is indeed a complex phenomenon, and addressing this issue is not a simple task. Various factors, such as socio-economic conditions, political instability, and security issues, contribute to the growth of this menace. The government is making considerable efforts to control it, but physical constraints, corruption in the system, and technological limitations hinder effective management. A focused and coordinated approach, with the support of all stakeholders, is required to address the issue effectively.

### *Recommendations*

Controlling smuggling at the Pak-Afghan border requires a multi-faceted approach involving effective policies, cooperation between the two countries, and robust law enforcement measures. Here are several policy recommendations to help control smuggling:

- I. Currently, Pakistan has 8 notified Customs stations along the Pak-Afghan border: Torkham (Khyber), Chaman (Balochistan), Arandu (Chitral), Gursal (Bajaur), Nawa Pass (Mohmand), Kharlachi (Kurram), Ghulam Khan (North Waziristan), and Angoor Adda (South Waziristan). Out of these 8 stations, 2 are fully functional, 3 are semi-functional, and the remaining 3 are not operational at all. This situation reflects a lack of commitment to facilitating people, leaving them with no option but smuggling. It is impractical for someone to travel from Chitral to Khyber just for legal import. These stations need to be operationalized with proper deployment of Customs staff (Pakistan Border Crossings, 2023).
- II. Conduct more research to identify viable locations for new crossing points.

- III. Following the 31st Amendment, there is no longer a concept of exempted areas. We need to move towards focusing on the border and eliminate inland check posts by Customs. Anti-smuggling squads should operate only in border districts to facilitate trade within the rest of the country.
- IV. Rationalize tariffs. Smuggling is not cost-free but has a comparative advantage. Providing equal opportunities will naturally shift these elements toward legal trade.
- V. Implement stern measures on both sides of the border to curb smuggling under the Afghanistan-Pakistan Transit Trade Agreement (APTTA). This could include imposing a quota system or quantitative restrictions based on actual consumption, as the quantity of goods imported by Afghanistan often exceeds their actual requirement, leading to smuggling into Pakistan.
- VI. Address the economic conditions of the area with a focused approach by creating alternative economic opportunities through vocational training, microfinance initiatives, and investment in industries and agriculture to provide legal and sustainable economic avenues.
- VII. Invest in training and capacity-building programs for border guards, law enforcement personnel, and Customs officers to keep pace with world standards. The focus should be on specialized training in detection techniques, interdiction strategies, and the identification of smuggled goods, including drugs, weapons, and counterfeit items. Seek assistance from international organizations, such as the United Nations Office on Drugs and Crime (UNODC) and the World Customs Organization (WCO), to benefit from their expertise, training programs, and technical assistance.
- VIII. Promote intelligence sharing and cooperation between Pakistan and Afghanistan to exchange information on smuggling networks, routes, and key individuals involved. In addition to information sharing, establish joint task forces and dedicated units to investigate and disrupt smuggling operations.
- IX. Develop a countrywide database of criminals, smugglers, and vehicles used in the transportation of smuggled goods.
- X. Implement Coordinated Border Management (CBM) as defined by the World Customs Organization: “a coordinated approach by border control agencies, both domestic and international, in the context of seeking

greater efficiencies over managing trade and travel flows, while maintaining a balance with compliance requirements” (Coordinated Border Management, 2020). Regulate Pak-Afghan border affairs following the WCO CBM concept, involving four levels of commitment and coordination:

- Decision Level: Requires political will and mutual trust from both states to make important decisions regarding border management.
- Planning Level: Border agencies of both countries should interact and develop a mutually agreed-upon functional border management strategy.
- Coordination Level: Coordination between the headquarters of agencies deployed on both sides of the border is necessary for successful implementation of the strategies devised at the planning level.
- Execution Level: On-field bodies should resolve any issues or hurdles encountered during the implementation of the mutually agreed strategy.

- XI. XI. Establish border markets as a tool for the socio-economic uplift of the region. Although a project has been started, it faces many hurdles from the Afghan side. This issue should be discussed with the Afghan government, as implementing this project will create new opportunities for locals.
- XII.
- XIII. XII. Invest in border infrastructure by constructing proper border crossings, establishing Customs facilities, and upgrading roads and transportation networks. This will enable efficient trade and travel while facilitating better monitoring and control of goods and people crossing the border.
- XIV.
- XV. XIII. Establish Customs base stations (similar to Army/FC forts) in border districts with adequate logistics and Customs patrolling units. Focus on concrete measures for border security enhancement, such as increasing the deployment of well-trained staff, establishing additional checkpoints, using advanced surveillance technologies (cameras, drones, sensors), and improving communication networks to enhance coordination between different security agencies.

## References

1. Express Tribune. (2016, April 17). \*Islamic State smuggling timber into Pakistan\*. <https://tribune.com.pk/story/1043687/islamic-state-smuggling-timber-into-pakistan-say-afghan-officials>
2. Express Tribune. (2016, April 17). \*Islamic State smuggling timber into Pakistan, say Afghan officials\*. <https://tribune.com.pk/story/1043687/islamic-state-smuggling-timber-into-pakistan-say-afghan-officials>
3. World Customs Organization. (2020). \*Coordinated border management\*. [https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wtoatf/dev/cbm\\_compendium\\_1.pdf?la=en#:~:text=Coordinated%20Border%20Management%20\(CBM\)%20refers,a%20balance%20with%20compliance%20requirements](https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wtoatf/dev/cbm_compendium_1.pdf?la=en#:~:text=Coordinated%20Border%20Management%20(CBM)%20refers,a%20balance%20with%20compliance%20requirements)
4. Caravanistan. (2023). \*Pakistan border crossings\*. [https://caravanistan.com/border-crossings/pakistan/#:~:text=weekly%20\(report\).-,Pakistan%20%E2%80%93%20Afghanistan%20border%20crossings,Spin%20Boldak%20have%20international%20status](https://caravanistan.com/border-crossings/pakistan/#:~:text=weekly%20(report).-,Pakistan%20%E2%80%93%20Afghanistan%20border%20crossings,Spin%20Boldak%20have%20international%20status)
5. Pakistan Observer. (2023, July 18). \*Smuggling of 11 goods causing \$2.63b loss to Pakistan\*. <https://pakobserver.net/smuggling-of-11-goods-causing-2-63b-loss-to-pakistan/>
6. UNICEF. (2023, June 19). \*For every child: A short and perilous children's smuggling journey across Afghanistan's border\*. <https://www.unicef.org/afghanistan/stories/short-perilous-childrens-smuggling-journey-across-afghanistans-border>
7. Asif, R. (2020, October 27). \*How smuggling is bleeding Pakistan's revenue dry\*. Express Tribune. <https://tribune.com.pk/story/2273439/how-smuggling-is-bleeding-pakistans-revenue-dry>
8. Aslam, M. (2023, May 3). \*Smuggling under the garb of Afghan transit trade: A growing concern in Pakistan\*. Customsnews.pk. <https://customnews.pk/2023/05/03/smuggling-under-the-garb-of-afghan-transit-trade-a-growing-concern-in-pakistan/>

# Critical Analysis of the Juvenile Justice System in Pakistan: Challenges & Way Forward

Shahid Khan<sup>1</sup>

Mr. Jehanzeb Khan Orakzai<sup>2</sup>

**KJPP**

**Citation:**

Khan, S. (2023). *Critical analysis of the juvenile justice system in Pakistan: Challenges & way forward*. Khyber Journal of Public Policy, 2(3), Autumn.

**Article Info:**

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

**Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

**Copy Right Statement:**

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Abstract:

The juvenile justice system addresses the needs and legal issues of minors in conflict with the law. This paper critically examines the challenges and systemic deficiencies in Pakistan's juvenile justice system, highlighting issues such as the non-implementation of laws, discrimination, inadequate resources, and social inequalities. Despite the legislative frameworks provided by the Juvenile Justice System Act 2018 and international conventions like the UNCRC, practical enforcement remains inadequate. The study emphasizes the urgent need for enhanced legal awareness, improved resource allocation, better coordination, and effective monitoring mechanisms to address these challenges. Recommendations include increasing legal and public education, allocating resources for infrastructure and rehabilitation, and combating biases within the system. By addressing these issues, Pakistan can work towards a more equitable juvenile justice system that supports the rehabilitation and reintegration of young offenders into society.

## Key words:

Juvenile justice system, Legal awareness, Discrimination, Rehabilitation, Resource allocation

<sup>1</sup> Currently posted as OSD E&AD.

<sup>2</sup> Faculty Advisor

## *Introduction*

The term "juvenile justice system" refers to a system that deals with juveniles who come into contact with or are in conflict with state laws and societal standards. According to Abbas, Chughtai, and Hussain (2022), the criminal justice system's structure deals with offenses committed by minors between the ages of 10 and 18. The important feature of the juvenile justice system is the separate court proceedings for minor offenders compared to adults. The concept of the juvenile justice system is derived from the belief that the problem of juvenile delinquency cannot be treated in a traditional manner within the adult criminal justice system (Howell, 1980). It has now become a global issue that affects both industrialized and underdeveloped nations (Mallow, 2015).

A juvenile justice system creates a framework for the prevention and rehabilitation of juvenile offenders or delinquents and is dedicated to serving the needs of young people who have come into contact or are in conflict with the law. It consists of laws, regulations, rules, customs, personnel, institutions, and particular care for dealing with juvenile offenders (Abbas et al., 2022).

According to the report of the Society for the Protection of the Rights of the Child (SPARC), "The State of Pakistan's Children," there are between 1,500 and 2,000 juvenile offenders incarcerated in Pakistan. However, it was predicted that this number would be a little higher in March 2021. Ninety percent (90%) of these offenders are only awaiting trial. In Punjab jail, as of April 2021, there were 540 children, including adolescent girls, and more than 464 were still awaiting trial. Around 260 juveniles are detained in Sindh, 510 in Khyber Pakhtunkhwa (KP), and 55 in Baluchistan (Rafique, 2017).

Although there are other problems, such as a lack of funding, inadequate resources, a joint court system, inhumane conditions in detention facilities, abuse and exploitation at the hands of the police, and a poor prosecution system, the core problem is the non-implementation of laws and discrimination by the stakeholders (police, judiciary, prison authorities, and forensic experts) (Lotse, 2006).

The Act and policies are prerequisites and essential factors responsible for the implementation of the laws and acts formulated to achieve and accomplish the desired aims. The juvenile justice system is seen as being essential to the advancement of the rule of law and the general welfare of society by significant international organizations and institutions (Hoffman & Baerg, 2011).

The research will investigate a critical examination of the discrimination and non-implementation of legislation in Pakistan's juvenile justice system.

Furthermore, it will explain and elucidate the 2018 juvenile justice system legislation, the United Nations Convention on the Rights of the Child (UNCRC) spirit, and other international laws and regulations like the Beijing and Riyadh Rules (Shah, Balasingam, Salman, Dhanapal, & Ansari, 2020). A child in conflict with the law should have their reintegration into society and encouragement to play a positive role in society prioritized by this legislative framework. The foundation and spirit of these international conventions are sadly lacking in Pakistan.

Therefore, challenges and their impacts, along with remedial measures, would be analyzed for the best implementation through the stakeholders in Pakistan to rehabilitate, resocialize, and reintegrate juveniles in Pakistan.

### *Statement of the Problem*

Although the Juvenile Justice System Act (JJSA) of 2018 provides a strong theoretical basis for dealing with juvenile offenders, it is ineffective without actual implementation. The system faces considerable obstacles, and the failure to enforce laws and discrimination cases limits its efficacy and fairness. These difficulties stem from a lack of coordination and monitoring systems, poor resource allocation, and a lack of legal understanding and expertise among participants. Moreover, social and economic disparities, gender bias, and ethnic or religious discrimination exacerbate the issue. As a consequence, the denial of rights, hindered rehabilitation, the perpetuation of social and economic inequalities, and eroded confidence in the legal system have emerged as pressing concerns. Resolving these problems is crucial for establishing a juvenile justice system that ensures the protection of rights and facilitates the rehabilitation, reintegration, and resocialization of young offenders in Pakistan, as guaranteed by Article 9 of the Constitution of Pakistan.

### *Research Methodology*

The research was conducted by adopting qualitative data analysis, collecting data from primary and secondary sources to identify the factors responsible for the non-implementation and discrimination in the juvenile system of Pakistan. The research will analyze the data and put forward recommendations for policymakers.

### *Analysis and findings*

It is important to critically assess the non-implementation of laws and discrimination in Pakistan's juvenile justice system. This policy paper applied a variety of analytical approaches, such as situational, legal, stakeholder, and

PESTLE analysis, in order to identify the issues and offer a way forward.

### ***SITUATIONAL ANALYSIS***

Statistics reveal that about 1,500 to 2,000 juvenile offenders are in Pakistani jails, with approximately 90% awaiting trial. In Punjab, 540 minors, including teenage girls, were detained by April 2021, with over 464 awaiting trial. In Sindh, around 260 minors are imprisoned, Khyber Pakhtunkhwa has 510, and Baluchistan has around 55 (Rafique, 2017).

According to Sajid (2009), Pakistan's 29.5% birth registration rate makes it challenging to determine the exact age of individuals accused of violating penal law. The state must take pertinent actions to amend laws, policies, and institutional frameworks accordingly. Before the promulgation of the Juvenile Justice System Ordinance (JJSO) 2000, only the provinces of Punjab and Sindh had juvenile laws, whereas Baluchistan and Khyber Pakhtunkhwa had none.

Over the past five decades, several national laws have been enacted to safeguard the rights of juveniles. The most recent law in Pakistan is the JJS Act 2018; however, due to implementation issues and general ignorance, it has not been successful. Additionally, there is inadequate infrastructure to deal with this specialized subject, such as separate courts for juveniles, rehabilitation institutions, and pre-trial detention centers.

The juvenile justice system in Pakistan falls short in fully safeguarding the human rights of juveniles. Although Pakistan has ratified international treaties like the UNCRC and the International Covenant on Civil and Political Rights (ICCPR), and enacted native legislation to protect the basic human rights of juvenile offenders and promote their reintegration into society, challenges still exist (Malik, 2019).

### ***LEGAL ANALYSIS***

#### ***Legal Framework***

In Pakistan, the foundation of the juvenile justice system originated with laws introduced by colonial masters before the country gained independence in 1947. These laws, such as the Reformatory Schools Act 1897 and the Borstal School Act 1926, aimed to provide specialized institutional treatment for young offenders to facilitate their rehabilitation (Jabeen, 2013). The Constitution of Pakistan serves as the supreme law of the land, offering numerous guarantees and safeguards for children's rights.

#### ***The Juvenile Justice System Ordinance of 2000***

The Juvenile Justice System Ordinance of 2000 was adopted to develop a fair, centralized, and standardized system to deal with juvenile offenders. This



legislation substantially complies with globally accepted guidelines and methods for addressing the needs of young people engaged in criminal activity. The adoption of the Juvenile Justice System Ordinance marked a significant turning point in Pakistan's attempts to protect and advance the welfare of young offenders. The main goal of this ordinance was to create a comprehensive legislative framework that prioritized juvenile offenders' rehabilitation and effective reintegration into society while attending to their basic needs. To achieve this, the law established specialized juvenile courts, which were crucial in managing cases involving young criminals.

### *The Juvenile Justice Act, 2018*

The Juvenile Justice System Ordinance 2000 failed to adequately protect child delinquents, subjecting them to harsh and outdated punishments, as seen in the case of Sher Ali in 2001 and Mohammad Nadeem's excessive prison sentence. The slow implementation of JJSO 2000 resulted in significant and irreversible harm to the concept of a juvenile justice system, with many children suffering cruel penalties. To address these issues, the Juvenile Justice System Act 2018 was passed, aiming to establish specific measures for the legal protection of child offenders and ensure the new law supersedes conflicting legislation.

However, despite the enactment of JJSA 2018, minors in Pakistan continue to experience discrimination and violence within police stations and prisons. In addition to police custodial deaths, questions have been raised regarding the implementation of JJSA 2018. The law stipulates that arrested children should be kept in observation homes instead of police stations and that their parents, guardians, and probation officers should be informed of the arrest (Iftikhar, 2019). The Priyantha case serves as an example of the juvenile justice system's functioning, with separate trials held for juvenile and non-juvenile accused individuals in accordance with JJSA 2018.

In Pakistan, a lack of clear legislative guidelines and implementation of the convention against torture results in minor offenders being subjected to abuse, murder in custody, and rape during investigation by police and incarceration. A notable local incident in Peshawar, involving the death of a 14-year-old boy, highlights the need to review the circumstances under section 176 of "The Code of Criminal Procedure (CRPC)" 1898 to determine the true cause of his death while in police custody.

Although JJSA 2018 allows for the establishment of observation homes separate from police stations, juvenile prisoners in Pakistan still face an outdated and unjust penal system. Children's innocence and naivety are further corrupted in adult jails, where they are influenced to become hardened criminals. The inadequate juvenile justice system in Pakistan is a primary source of this problem, with only two borstal facilities for

approximately 1,400 juvenile prisoners, including 20% girls. Furthermore, 90% of them are awaiting trial, and in some cases, they wait until adulthood, after which they receive life sentences and are executed without being given the opportunity for rehabilitation.

### *Stakeholder Analysis*

Many stakeholders are involved in the implementation of the juvenile justice system in the country to ensure the rights of juveniles on one hand and commitment to international agreements on the other. Important stakeholders include police, probation, prosecution, courts, and correctional institutions.

#### *Police System*

In any criminal justice system, the police are the most important and first agency. Pakistan's police department lacks trained staff to deal with juvenile case investigations, prevention, awareness, training on juvenile justice laws, and an online data system for juveniles in conflict with the law. The Police Child and Women Protection Committee (PCWPC), a new database system for young offenders and victims, and the development of the Police Child Protection Centre (PCPC) in Peshawar are just a few examples of individual efforts being made to improve the problem. The formation of a Juvenile Justice Working Group (JJWG) at the provincial level, with police playing the major role in KP, is one of several initiatives being coordinated and organized by Pakistan's National Police Bureau. A lack of clear legislation in Pakistan's implementation of the convention against torture results in minor offenders being subjected to abuse, murder in custody, and rape during police investigations and incarceration.

#### *Prosecution System*

The Prosecution Ordinance, 2005 in Pakistan has made it an autonomous department and separated it from the police. The prosecutors are tasked with defending the stand of the police in the court of law, but a lack of coordination, low interest, and lack of specialized prosecutors often add to the miseries of juveniles.

#### *Judiciary/Courts*

The concept of juvenile court is central to dealing with case hearings and providing justice to juveniles. The courts in Pakistan face various issues like a huge number of cases, lack of mechanisms regarding the prioritization of various types of cases, and the absence of specialized courts for juveniles.

### ***Probation System***

Probation is an alternative method to imprisonment, where a probationer is required to act properly and refrain from indulging in unlawful acts to prevent going to jail. The probation system and its importance are not widely understood, providing an opportunity for other stakeholders to exploit juveniles in various forms.

### ***Associated Agencies***

The primary components of the juvenile justice system are the police, probation, prosecution, courts, and correctional institutions. However, secondary components and associated agencies must also be taken into account, such as the Social Welfare Department. Parents, teachers, and the state should all be concerned about juvenile delinquency. Since having numerous children is encouraged in Islam, good child rearing and education are the responsibility of the parents. Theologians should give precise information about Islamic doctrine regarding childbirth and education.

### ***International Best Practices***

International best practices in the juvenile justice system aim to ensure fair treatment and rehabilitation of young offenders. These practices are based on international agreements, guidelines, and conventions that prioritize children's rights and welfare. The Beijing and Tokyo Rules emphasize preventing unwarranted detention and providing educational opportunities, while the UNCRC emphasizes diversion, rehabilitation, and reintegration programs. These best practices encourage restorative justice strategies, community involvement, and age- and culturally-appropriate therapy throughout the judicial process.

### ***PESTLE Analysis***

#### ***Political Factors***

Lack of political will to prioritize the implementation and reform of the juvenile justice system.

Political instability and changes in government may hinder the consistent enforcement of laws and policies.

Influence of powerful interest groups that may undermine efforts to address discrimination in the system.

#### ***Economic Factors***

Limited financial resources allocated to the juvenile justice system, leading to inadequate infrastructure, training, and staff.

Socioeconomic disparities contribute to discrimination, as marginalized groups may struggle to access legal representation.

### *Social Factors*

Prevalence of cultural and societal norms that perpetuate discrimination against certain groups, such as gender or religious minorities.

Lack of awareness and understanding among the general public about the rights of juveniles and the importance of their rehabilitation.

### *Technological Factors*

Limited use of modern technology in the juvenile justice system, leading to inefficiencies in handling cases and monitoring progress.

Inadequate information systems and databases that hinder data collection and analysis for evidence-based decision-making.

### *Environmental Factors*

Poor conditions in detention centers and lack of access to basic amenities, which can negatively impact the physical and mental well-being of juveniles.

Environmental challenges, such as natural disasters or conflict, may exacerbate the vulnerabilities of juveniles in the justice system.

### *Legal Factors*

Inconsistent implementation and enforcement of laws and regulations related to juvenile justice.

Laws and policies may not adequately address discrimination or protect the rights of juveniles, leaving room for biased decision-making.

Overall, these factors contribute to the non-implementation of juvenile laws in Pakistan. Addressing these issues requires a comprehensive approach that combines political commitment, allocation of resources, public awareness campaigns, technological advancements, and legal reforms.

## **CHALLENGES**

The policy paper addresses difficulties and problems identified during the analytical process, including:

### *Discrimination*

Discrimination refers to the treatment of juvenile offenders based on social, economic, or geographical backgrounds, affecting access to legal counsel, education, and rehabilitation facilities. This prejudice hinders the system's ability to provide equitable protection and support for juvenile offenders.

### ***Social and Economic Inequalities***

Social and economic disparities in the juvenile justice system cause unequal access to legal counsel and rehabilitative resources, disproportionately harming marginalized adolescents. These discrepancies can prolong criminal cycles and reduce rehabilitation prospects, affecting their likelihood of reintegration into society.

### ***Gender Bias***

Gender bias in juvenile justice refers to the unfair treatment of boys and girls based on gender, resulting in distinct punishment and rehabilitation outcomes. This bias can exacerbate unequal treatment and reinforce stereotypes.

### ***Ethnic and Religious Bias***

Ethnic and religious bias in juvenile justice refers to the unfair treatment and disproportionate impact on young people from specific ethnic or religious backgrounds, potentially compromising justice and equality.

### ***Lack of Legal Awareness***

The lack of legal knowledge among juveniles exposes them to exploitation and unfair treatment. Increasing adolescents' understanding of the law can help safeguard their rights and prevent exploitation.

### ***Inadequate Infrastructure***

Inadequate infrastructure in the juvenile justice system hinders essential care, rehabilitation, and education for young offenders, jeopardizing their smooth reintegration into society. Improving facilities and resources is crucial for a more effective and humane system.

### ***Resource Allocation***

Resource allocation is crucial for securing financing for rehabilitation programs, mental health services, and educational opportunities within juvenile justice, promoting reintegration and reducing recidivism rates.

### ***Weak Coordination***

Ineffective coordination in juvenile justice leads to fragmented efforts, uneven interventions, and inadequate rehabilitation and well-being assistance.

### ***Monitoring Mechanisms***

Monitoring systems in juvenile justice are essential for ensuring legal compliance, protecting rights, and promoting rehabilitation initiatives.

### *Legislative and Institutional Gaps*

Legislative and institutional gaps in juvenile justice lead to unequal treatment and limited rehabilitation access for young offenders. Addressing these gaps is crucial for a fair and effective system that prioritizes well-being and successful reintegration.

### *Conclusion*

To conclude, it is evident that Pakistan's juvenile justice system highlights the pressing challenges arising from the non-implementation of laws and instances of discrimination. The examination has identified several contributing factors, including limited legal awareness, insufficient resource allocation, coordination deficiencies, and social inequalities. Discrimination based on various factors further compounds the difficulties faced by juvenile offenders.

Addressing these challenges is vital to establishing an equitable and effective juvenile justice system in Pakistan. The recommendations presented offer a roadmap for tackling the identified issues. Strengthening legal awareness, improving resource allocation, establishing coordination mechanisms, and combating discrimination are key areas requiring attention. Additionally, enhancing monitoring and evaluation processes, promoting restorative justice approaches, and engaging civil society and non-governmental organizations can contribute to positive systemic reforms.

The successful implementation of these recommendations requires collaborative efforts from relevant stakeholders, including governmental entities, law enforcement agencies, the judiciary, social welfare departments, civil society organizations, and the wider community. Adequate resource provision, capacity-building initiatives, and policy reforms are essential elements of this process.

By addressing the challenges related to the non-implementation of laws and discrimination, Pakistan can foster a juvenile justice system that upholds the rights of young offenders, ensures their rehabilitation, and facilitates their reintegration into society. Ultimately, a reformed juvenile justice system will promote a more just and inclusive society, enabling every young person to fulfill their potential.

### *Recommendations/Way Forward*

Children are the most important element in every society and the foundation upon which any nation's future is built. They are regarded as the most

essential and valuable asset in every community. Based on the analysis carried out, the following recommendations are proposed to maximize the effective utilization of the Benazir Income Support Programme and alleviate poverty in the country:

#### ***Legal Awareness and Capacity Building***

Efforts should be made to enhance legal awareness among stakeholders, including law enforcement officials, judges, lawyers, social workers, and the public. Training programs and workshops can be conducted to ensure a better understanding of the juvenile justice system and its principles.

#### ***Resource Allocation and Infrastructure***

Adequate resources should be allocated to the juvenile justice system, including funding for rehabilitation programs, staff training, and infrastructure development. This will help improve the quality of services provided to young offenders and ensure their proper rehabilitation.

#### ***Coordination and Monitoring Mechanisms***

Strong coordination and monitoring mechanisms should be established to ensure the effective implementation of the Juvenile Justice System Act. This can involve creating specialized bodies or committees responsible for overseeing the functioning of the system and addressing any issues that arise.

#### ***Addressing Social and Economic Disparities***

Efforts should be made to address social and economic disparities that contribute to the challenges in the juvenile justice system. This can include providing equal access to education, healthcare, and social services, as well as addressing poverty and inequality.

#### ***Combating Gender Bias and Discrimination***

Gender bias and discrimination, along with ethnic and religious discrimination, should be actively addressed within the juvenile justice system. Training programs can be implemented to sensitize stakeholders about the importance of treating young offenders without bias and ensuring their rights are protected regardless of their gender, ethnicity, or religion.

#### ***Rehabilitation and Reintegration Programs***

Effective rehabilitation and reintegration programs should be developed to help young offenders reintegrate into society. These programs can include educational opportunities, vocational training, counseling services, and support for their families.

### *Social and Economic Disparities*

Discrimination based on social and economic factors is a significant challenge within the juvenile justice system. Juvenile offenders from marginalized communities, economically disadvantaged backgrounds, and minority groups often experience unequal treatment and outcomes, perpetuating existing disparities.

### *Gender Bias*

Gender bias and discrimination persist within the juvenile justice system, particularly affecting female juvenile offenders. Cultural norms, limited access to resources, and societal perceptions create additional challenges for them. Gender-sensitive approaches are essential to addressing these disparities.

### *Ethnic and Religious Bias*

Discrimination based on ethnicity and religion exacerbates challenges within the juvenile justice system. Bias against certain ethnic or religious groups can result in differential treatment, erode trust in the system, and perpetuate cycles of discrimination.

### *Legislative*

A discrepancy exists between the existence of laws designed to protect juvenile offenders' rights, such as the Juvenile Justice System Act 2018 (JJSA 2018), and their actual implementation. Despite the enactment of JJSA 2018, effective enforcement and adherence to its provisions are lacking, highlighting a failure to translate legislative intent into practical action.

### *Institutional*

Various institutions involved in the juvenile justice system, including law enforcement agencies, the judiciary, and correctional institutions, exhibit gaps in practices and capacities. These gaps manifest as discriminatory treatment, inadequate personnel training, resource deficiencies, and overcrowded facilities. Failing to bridge these gaps hinders the proper functioning of the juvenile justice system and perpetuates discrimination against juvenile offenders.



## *References*

1. Abbas, H. G., Chughtai, A. M., & Hussain, K. (2022). Juvenile justice system in Pakistan: A critical appraisal. *\*International Research Journal of Education and Innovation, 3\*(1), 76-92.*
2. Hoffman, S., & Baergg, C. (2011). *\*Juvenile justice in Ghana: A study to assess the status of juvenile justice in Ghana\**. Commonwealth Human Rights Initiative.
3. Howell, J. C. (1980). *\*Juvenile justice: Before and after the onset of delinquency\**. United States Discussion Paper for the Sixth United Nations Congress on the Prevention of Crime and the Treatment of Offenders.
4. Iftikhar, K. (2019). Does a juvenile get a better law this time? A comparative review of the new and old juvenile laws of Pakistan. *\*LUMS LJ, 6\*, 102.*
5. Jabeen, T. (2013). Pakistan's child protection legislative and policy frameworks: A critical review. *\*Pakistan Journal of Criminology, 5\*(2), 159.*
6. Lotse, C. (2006). *\*Juvenile justice in South Asia: Improving protection for children in conflict with the law\**. Kathmandu, Nepal: The United Nations Children's Fund (UNICEF), Regional Office for South Asia.
7. Malik, W. A. (2019). The juvenile justice system and the right to dignity of juvenile offenders in Pakistan. *\*PLR, 10\*, 141.*
8. Mallow, M. S. (2015). Juvenile delinquency in Malaysia: Current issues and promising approaches. Paper presented at the 2nd International Conference on Education and Social Sciences (INTCESS '15).
9. Rafique, A. (2017). Report on juvenile delinquency in Pakistan. *\*Daily Times\**.
10. Sajid, I. A. (2009). Juvenile justice policy: Gaps identification and role of key stakeholders in Pakistan. *\*Pakistan Journal of Criminology, 1\*(3), 119-138.*
11. Shah, S. A., Balasingam, U., Salman, N. W., Dhanapal, S., & Ansari, K. M. (2020). Restorative juvenile justice system in Pakistan: An overview. *\*International Journal of Criminal Justice Sciences, 15\*(2), 266-282.*

# CPEC AND SPECIAL ECONOMIC ZONES: POLICY RECOMMENDATION FOR PAKISTAN

Abdul Ghaffar Khan<sup>1</sup>

Mr. Jehanzeb Khan Orakzai<sup>2</sup>

**KJPP**

**Citation:**

Khan, A. G. (2023). CPEC and Special Economic Zones: Policy recommendation for Pakistan. *Khyber Journal of Public Policy*, 2(3), Autumn

**Article Info:**

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

**Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

**Copy Right Statement:**

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Abstract:

Special Economic Zones (SEZs) are designated areas within a country that possess distinct economic regulations designed to attract foreign direct investment and stimulate economic growth. In Pakistan, SEZs were introduced in 2012 under the Special Economic Zones Act, providing fiscal and non-fiscal incentives, simplified regulatory procedures, and necessary infrastructure to support industrial activities. This study explores the evolution and impact of SEZs in Pakistan, emphasizing their potential to boost economic development, create jobs, and attract investment. Drawing on China's successful SEZ model, the paper identifies key factors such as stable governance, transparent policies, and robust infrastructure that can enhance SEZ effectiveness in Pakistan. It also offers policy recommendations for optimizing SEZ performance, including focusing on pilot projects, ensuring regulatory stability, improving intellectual property protection, and fostering collaboration among stakeholders. By implementing these strategies, Pakistan can maximize the benefits of SEZs and achieve sustainable economic growth.

## Key words:

Special Economic Zones, foreign direct investment, Industrial development, Pakistan

<sup>1</sup> Currently posted as Section Officer/(AFA)

<sup>2</sup> Faculty Advisor

## *Introduction*

Special Economic Zones (SEZs) or industrial parks can help promote the growth of industries and facilitate structural changes in a country, but they must be set up correctly and under appropriate circumstances to be effective (Zeng, 2016). The term "Special Economic Zone" refers to a geographically demarcated area within a state that includes a separate regulatory and financial administrative framework from the rest of the country (UNDP, 2015).

According to Section 3(n) of the Special Economic Zones Act 2016, an SEZ is a geographically defined and delimited area that has been approved and notified by the Board of Investment, Pakistan. SEZs are regions within a country that have different economic regulations compared to other regions within the same country. The regulations in SEZs are typically designed to attract foreign direct investment (FDI) and promote rapid economic growth through tax incentives and other financial policies. SEZs aim to increase trade balance, employment, investment, job creation, and effective administration.

SEZs can be broadly classified by four characteristics: they are geographically secured, managed by a single administrative authority, offer significant financial and investment opportunities exclusively within the zone, and provide duty-free benefits with streamlined methods to attract investment. Additionally, SEZs have specific features to attract investment (Akin, 2008), including special administration under which SEZs enjoy slightly more liberal financial laws compared to prevailing national laws.

### *Introduction of SEZs in Pakistan*

Special Economic Zones (SEZs) were introduced in Pakistan in 2012 with the enactment of the Special Economic Zones Act. The government recognized the potential of SEZs as catalysts for economic growth, attracting foreign investment, boosting exports, and creating employment opportunities. SEZs are designated areas that offer specific incentives, infrastructure, and regulatory frameworks to promote economic activities and facilitate trade.

Since there are many schemes to facilitate the business community and attract foreign investment in the country, understanding the various types of special zones with their characteristics is essential. The types of special zones are as follows:

Name of Zone	Characteristics
Free Trade Zones	Free Trade Zones (FTZs), or commercial-free zones, are special areas that have fences around them and where no taxes are charged. These zones provide places to store and transport goods for trading, moving items from one

	place to another, and sending items out of the country again.
Export Processing Zones	Export Processing Zones (EPZs) are industrial estates aimed primarily at foreign markets. They offer firms free-trade conditions and a favorable administrative environment. There are generally two types of EPZs: one is a comprehensive type, open to all businesses; the other is a specialized type, open only to certain specialized sectors/products.
Comprehensive Special Economic Zones	Comprehensive SEZs, also known as "Multi-functional Economic Zones," are areas that are quite large and have a combination of different industries, services, and urban facilities. Sometimes, these areas can include an entire city or jurisdiction, like Shenzhen and Hainan in China, where a province is a smaller region or area within the country.
Industrial Parks	Industrial Parks, also known as Industrial Zones, are places where most of the manufacturing activities take place. There are other types of economic zones similar to the ones mentioned above, but they are usually smaller. Industrial Parks typically provide many facilities and advantages.
Bonded Areas	Bonded Areas (also known as "Bonded Warehouses") are specific buildings or other secured regions where products may be stored, manipulated, or undergo manufacturing operations without the payment of duties that would normally be imposed.
Specialized Zones	Specialized Zones are places designed for specific industries and purposes. Some of these zones are for science and technology companies, some are for petrochemical companies, some are for logistics companies, and some are located near airports.
Eco-Industrial Zones or Parks	Eco-Industrial Zones or Parks are areas that aim to improve the environment by reducing waste and helping companies to be more environmentally friendly. They usually use a concept called "Industrial Symbiosis" and environmentally-friendly technologies to save energy and resources. More and more countries are adopting this new type of area due to serious environmental problems.

Note: Data from Akini (2008), Zeng D. Z. (2010), and the author's research were used as sources.

The SEZ Act's main features include the establishment of a legal framework to govern SEZs, the provision of fiscal and non-fiscal incentives for investors, simplified regulatory procedures, and the creation of a one-stop shop for investors' convenience. The Act provides for the establishment of SEZ authorities, which are responsible for the development, management, and promotion of SEZs.

Facilities provided in SEZ areas include exemptions from customs duties and taxes on imports of machinery, equipment, and raw materials, income tax exemptions, a simplified registration process, and streamlined procedures for setting up businesses. SEZs are equipped with necessary infrastructure such as roads, utilities, industrial estates, and commercial areas to support industrial and commercial activities.

During the 1960s, Pakistan was seen as one of the countries with a rapidly growing economy. Pakistan was ahead of China in terms of GDP per person in 1965, with a value of \$114, whereas the GDP per capita of China was \$98 in 1965 (<https://countryeconomy.com/gdp?year=1965>, 2023). However, since the 1970s, the economic development of Pakistan has declined. Pakistan does not have a strong foundation, which makes it difficult to attract foreign investment. SEZs were established in 2012 with the passing of the Special Economic Zones Act.

In conclusion, SEZs in Pakistan have evolved over time and have become an integral part of the country's economic development strategy. With ongoing initiatives such as CPEC, Pakistan is further expanding its SEZ infrastructure and attracting foreign investment to foster industrial growth and economic prosperity. The China-Pakistan Economic Corridor (CPEC) holds immense importance for Pakistan. It is expected that CPEC will bring significant economic growth to Pakistan. It includes many infrastructure projects such as roads, railways, ports, and energy projects, which will enhance connectivity and trade within the country and with China and other countries. Economic opportunities created by CPEC, combined with the establishment of Special Economic Zones with their associated facilities and tax and customs duty relaxations, will stimulate economic activity, attract foreign investment, create job opportunities, and boost industrial development.

### ***Problem Statement***

Pakistan's economy has struggled to achieve its proposed economic goals despite its potential in natural resources and human capital. The China-Pakistan Economic Corridor (CPEC) offers new opportunities for mutual economic cooperation, investment, human resource development, sustained industrialization, and the consolidation of CPEC. However, the proposed Special Economic Zones (SEZs) under CPEC face several challenges, ranging from structural issues to security problems. This situation raises questions about why Pakistan has been unable to achieve the desired objectives with its

SEZs while China has succeeded. Identifying the key factors and addressing the underlying challenges is crucial for formulating effective strategies to rectify the situation and enable Pakistan to realize the potential benefits of its SEZs. This policy paper aims to provide a comprehensive set of strategies to convert these challenges into capabilities and offer policy recommendations for Pakistan.

## *Situational Analysis of Special Economic Zones in Pakistan*

### *The Main Goals of Creating SEZs in Pakistan*

The Government of Pakistan, recognizing the potential of SEZs to strengthen the economy and attract foreign investments, promulgated the SEZs Act of 2012.

1. **Foreign Investment:** SEZs are designed to encourage Foreign Direct Investment (FDI) by offering various incentives, such as tax exemptions, duty-free imports of machinery and raw materials, simplified procedures, and favorable policies for investors. These benefits aim to attract both local and international investors to establish businesses in these zones.
2. **Trade Advancement:** SEZs focus on industries that export products, creating a conducive environment for manufacturing, managing logistics, and connecting to international markets. This aims to increase Pakistan's exports and enhance its competitiveness in global trade.
3. **Job Creation:** SEZs are intended to generate employment by attracting investments in labor-intensive industries, addressing unemployment issues and improving overall living standards.

### *Current Status and Progress of SEZs in Pakistan*

Since the introduction of SEZs, several zones have been approved in Pakistan, targeting sectors such as manufacturing, agriculture, textiles, information technology, and automotive industries. However, the progress of SEZs in Pakistan has been unsatisfactory, and the anticipated outcomes have not been achieved. Various challenges and issues have impeded the effective establishment and management of SEZs in the country.

### *Current Status of the CPEC-Related SEZs*

Ser.	Name of SEZ	Area	Location	Present Status
i.	Rashakai	1000 Acres	Nowshehra, KP, near Motorway	a. Concession Agreement Signed. b. Development Agreement Signed.

				c. Groundbreaking held on 28-05-2021.
ii.	Dhabeji	1530 Acres	Thatta, Sindh, 8 km from Port Qasim	Bidding Awaited
iii.	Allama Iqbal Industrial Zone	3217 Acres	Faisalabad, Adjacent to M-3 Industrial City and Motorway	Under Construction
iv.	Bostan SEZ	1000 Acres	District Pishin, near Quetta, 32 km from Dry Port Quetta	Under Construction
v.	ICT Model SEZ	-	Islamabad	In Pipeline
vi.	Industrial Park	-	Steel Mill Area, Karachi	In Pipeline
vii.	Mirpur Industrial Zone	-	AJK	In Pipeline
viii.	Mehmand Marble City	-	Mehmand Agency, KP	In Pipeline
ix.	Moqpondass SEZ	-	Gilgit-Baltistan	In Pipeline

Source: (MoPD&SI, 2023)

### *Overview of the Special Economic Zones in China*

**Favorable Policies:** China's SEZs were characterized by special policies and incentives, including tax breaks, preferential customs regulations, simplified administrative procedures, and flexible labor regulations. These policies aimed to attract both domestic and foreign investors and create a favorable business environment.

**Strategic Locations:** SEZs were strategically located in coastal areas, close to major ports and international trade routes. This facilitated easy access to global markets and enhanced connectivity for trade and logistics.

**Infrastructure Development:** China prioritized infrastructure development in SEZs, including transportation networks, ports, industrial parks, and residential facilities. This infrastructure supported the growth of industries, facilitated logistics, and improved the overall business environment.

**Market-Oriented Reforms:** SEZs served as testing grounds for market-oriented reforms, allowing the introduction of free-market mechanisms,

foreign investment, and competition. These reforms gradually spread to other parts of China, contributing to its overall economic liberalization.

**Government Stability:** The stability of the government, which ensures the continuity of economic policies, plays a pivotal role in economic development (Masry, 2015). In China, there has been no regime change since 1978.

**Strict Laws to Control Corruption:** China addresses corruption with a strict legal framework. Corrupt officials face severe penalties, including the death penalty for embezzlement or bribery of 3 million Renminbi (\$463,000) or more. Additionally, embezzling disaster-relief funds can result in death by firing squad (Shanghai, 2016). As a result of these stringent laws, China has achieved a 45% score in transparency and ranks 65 out of 180 countries in the Transparency International Report for 2022 (Transparency International, 2022). Corruption negatively affects economic growth by impacting investment, taxation, public expenditure, and human development (Chene, 2014). In contrast, Pakistan ranks 140 out of 180 countries with a 27% score according to the Transparency International Report for 2022. Investors are more likely to invest in countries with lower corruption levels. To attract foreign investment to its SEZs, Pakistan needs to improve its transparency index.

#### *Lessons Learned from the Chinese Experience Applicable to Pakistan*

Based on the analysis of Chinese SEZs, the following lessons can be applied to enhance the effectiveness of SEZs in Pakistan:

1. **Government Stability:** Ensuring the continuity of economic development through stable governance is crucial.
2. **Continuity of Microeconomic Policies:** Since 1978, China has not experienced a regime change, allowing macroeconomic policies to remain consistent. This stability increased the trust of foreign investors.
3. **Pilot Projects:** Instead of establishing several SEZs simultaneously, Pakistan should initiate one or two SEZs as pilot projects. These should be equipped with all necessary infrastructure, legal foundations, utilities, and other facilities. After evaluating and analyzing the outcomes, lessons learned can guide the introduction of additional SEZs.

#### *Challenges for Pakistan*

After a detailed discussion on the factors behind the success of SEZs in China, several key aspects to consider in Pakistan emerge. (Zeng D., 2016) explains the SEZ model in a straightforward manner:

1. **Administrative and Legal System:** The rules and laws governing SEZs can be complex and confusing, discouraging investors and creating operational difficulties.



2. **Infrastructure Development:** Essential infrastructure such as roads, power lines, and communication systems are currently inadequate, posing challenges for businesses in SEZs.
3. **Skilled Labor Accessibility:** There is a shortage of skilled labor. Training workers with the specific skills required by industries in SEZs is vital for their success.
4. **Regulatory Challenges:** Complicated paperwork, bureaucratic hurdles, and corruption make business operations and investment in SEZs difficult.
5. **Environmental Sustainability and Social Responsibility:** Ensuring environmental protection and responsible land use is crucial for the long-term success of SEZs. Addressing social issues such as workers' rights and safety is also essential. Tackling these challenges will enhance the effectiveness and success of SEZs in Pakistan. The government is working on improving regulations, building infrastructure, simplifying administrative processes, enhancing skills training, and ensuring environmental protection in designated areas.

### *Conclusion*

Creating and managing Special Economic Zones (SEZs) in Pakistan presents both opportunities and challenges. By examining China's successful experience, Pakistan can derive valuable insights to address these challenges and maximize the benefits of its own SEZs. China's success in developing SEZs is attributed to several key factors. These include having a stable government that ensures continuity in economic policies, transparency in government affairs which builds investor confidence, and the implementation of well-thought-out policies that offer attractive incentives for investors. Furthermore, China's emphasis on building robust infrastructure, such as transportation networks, ports, and industrial facilities, facilitated seamless logistics and supported industrial growth. Additionally, the development of a skilled workforce, coupled with simplified administrative procedures, reduced bureaucratic hurdles and made it easier for businesses to operate. Sustainable development practices also played a crucial role in ensuring long-term viability. These lessons can guide Pakistan in establishing and managing its SEZs effectively. To follow these suggestions, it is crucial for the government, businesses, and international partners to work together. Continuous monitoring and evaluation of SEZs are essential to assess their performance, identify and address emerging challenges, and make necessary adjustments. By adapting these insights to its context, Pakistan can enhance its SEZs, boosting economic growth, attracting foreign investment, and creating job opportunities, thereby driving long-term industrial development and prosperity. Such a

collaborative and adaptive approach will be instrumental in ensuring that SEZs become a cornerstone of Pakistan's economic development strategy.

### *Recommendations*

In light of the above analysis, the following recommendations are proposed to achieve the goals of Special Economic Zones (SEZs):

1. Initially, Pakistan should establish one SEZ as a pilot project, preferably the one nearest to completion. Given Pakistan's limited resources compared to China, it should concentrate all available resources on making this single SEZ successful. A successful SEZ will yield better results than thirteen incomplete or unsuccessful ones.
2. To ensure the continuity of regulations and policies regarding SEZs, Pakistan should enact an Act with the consensus of opposition parties, guaranteeing that the rules and policies of SEZs will remain unchanged for the next ten years.
3. Improve the protection of intellectual property rights within SEZs to encourage innovation and attract industries that rely on advanced technology. Additionally, introduce regulations to ensure fair treatment, safety, and protection of workers' rights in SEZs.
4. Focus on enhancing infrastructure, including roads, bridges, energy sources, healthcare facilities, storage areas, and communication systems, to improve connectivity both within and outside SEZs.
5. Collaborate with educational institutions and businesses to develop vocational training programs that equip workers with the skills needed for SEZ industries. Support partnerships between industries and academic institutions to foster research and development efforts within SEZs.
6. Simplify administrative procedures and eliminate unnecessary bureaucratic hurdles to facilitate business operations in SEZs. Establish a single service center in each SEZ to provide comprehensive and efficient services to investors. Utilize digital tools to streamline government processes, enhancing transparency and efficiency.
7. Promote strong collaboration between the government, private sector, and international partners, leveraging their expertise, knowledge, and resources to effectively develop and manage Special Economic Zones.

### *Logical Frame Matrix of Rashakai SEZs in Pakistan*

As development/progress on Rashakai SEZ is ahead of other SEZs, it is recommended that this be completed as a pilot project.

S.No	Project Development Pathway	Description
I	Goal (Overall Objective)	To attract foreign direct investment to Pakistan through the establishment and successful operation of Rashakai Special Economic Zone to stimulate economic growth.
II	Purpose (Specific Objective)	To create a modern and business-friendly industrial zone in Rashakai, fostering infrastructure development and providing incentives for businesses and foreign investors to invest and operate efficiently, leading to increased inflow of foreign investment and exportable goods and services.
III	Input / Resources	<ul style="list-style-type: none"> <li>a. Infrastructure development</li> <li>b. Investment promotions and facilitation</li> <li>c. Job creation and skill development</li> <li>d. Business environment improvement</li> <li>e. Establish medical treatment/care centers.</li> </ul>
IV	Activities/Strategy	<ul style="list-style-type: none"> <li>a. Conduct feasibility studies and design approval plan.</li> <li>b. Secure funding and start construction of roads, telephone, electricity, water, internet, sewerage system, industrial park, etc.</li> <li>c. Establish an investment promotion unit and conduct a marketing campaign.</li> <li>d. Simplify and streamline the investment approval process.</li> <li>e. Collaborate with local educational institutions to provide skill development programs.</li> <li>f. Allotment of plots to investors for construction of offices, factories, etc.</li> <li>g. Engage stakeholders and relevant Government agencies to improve business-related policies and regulations.</li> </ul>
V	KPIs	a. Increase in developed land, increase in established industries, availability of utilities (electricity, telephone, water, gas, sanitation, sewerage system), and storage areas.

		<ul style="list-style-type: none"> <li>b. Number of investment inquiries, value of approved investment, and average time for investment approval.</li> <li>c. Number of jobs created, percentage change in local employment, number of training programs conducted.</li> <li>d. Ease of doing business ranking, number of regulatory reforms implemented, investor satisfaction survey results.</li> <li>e. Availability of medical facilities.</li> </ul>
VI	Means Verification of	<ul style="list-style-type: none"> <li>a. Surveys and interviews.</li> <li>b. Reports and documentation of relevant Government offices.</li> <li>c. Feedback and testimonials from investors and stakeholders.</li> </ul>
VII	Timeframe	Two years. From 1st September 2023 to 30 August 2025.
VIII	Output	<ul style="list-style-type: none"> <li>a. Completed feasibility studies and infrastructure plans.</li> <li>b. Developed roads, utilities, and industrial parks/storage.</li> <li>c. An investment promotion unit established and investment campaign launched.</li> <li>d. Streamlined investment approval process.</li> <li>e. Skill development programs initiated and conducted.</li> <li>f. Policy and regulatory reforms implemented.</li> </ul>
IX	Outcome	<ul style="list-style-type: none"> <li>a. Improved accessibility and availability of modern infrastructure for business.</li> <li>b. Increased investment from domestic and foreign companies.</li> <li>c. Growth in industrial output and productivity within the SEZ.</li> <li>d. Creation of a significant number of jobs for the local workforce.</li> <li>e. Improved skills and employment of the local workforce.</li> </ul>
X	Impact	<ul style="list-style-type: none"> <li>a. Sustainable economic growth and development in the region.</li> <li>b. Attraction of foreign investment to Pakistan.</li> <li>c. Increased employment opportunities and reduced poverty in the area.</li> </ul>

		d. Increased industrialization and economic diversification.
XI	Assumptions	a. Availability of required funds. b. There will be a stable political environment in Pakistan. c. Sufficient level of interest and satisfaction from local and foreign investors. d. Support from the local communities. e. Global economic conditions and competitiveness will not hinder investment in SEZ Rashakai. f. Effective governance and implementation. g. Skilled and trained labor force will be available.
XII	Executing Agency	a. Ministry of Planning Development and Special Initiatives. b. Board of Investment. c. CPEC Secretariat. d. 4. KP Economic Zone Development and Management Company.

### *References*

1. Center for Disaster Philanthropy. (2023, June 28). 2022 Pakistan floods. <https://disasterphilanthropy.org/disasters/2022-pakistan-floods/>
2. Ahmed, Z. (2013). Disaster risks and disaster management policies and practices in Pakistan: A critical analysis of Disaster Management Act 2010 of Pakistan. *\*International Journal of Disaster Risk Reduction, 4\**, 15–20. <https://doi.org/10.1016/j.ijdr.2013.03.003>
3. Aslam, M. (2018). Flood management current state, challenges and prospects in Pakistan: A review. *\*Mehran University Research Journal of Engineering & Technology, 37\*(2), 297–314.* <https://doi.org/10.3316/informit.443904665290819>
4. Bhutta, Z. A., Bhutta, S. Z., Raza, S., & Sheikh, A. T. (2022). Addressing the human costs and consequences of the Pakistan flood disaster. *\*The Lancet, 400\*(10360), 1287–1289.* [https://doi.org/10.1016/S0140-6736\(22\)01874-8](https://doi.org/10.1016/S0140-6736(22)01874-8)
5. Climate change in rural Pakistan: Evidence and experiences from a people-centered perspective. (n.d.). SpringerLink. Retrieved July 9, 2023, from <https://link.springer.com/article/10.1007/s11625-021-01036-4>
6. Dawn.com. (2022, December 12). PTI-ruled provinces demand 'rightful' payment of funds by Centre. DAWN.COM. <https://www.dawn.com/news/1725980>
7. UNICEF. (n.d.). Devastating floods in Pakistan. Retrieved July 9, 2023, from <https://www.unicef.org/emergencies/devastating-floods-pakistan-2022>

8. Finance Division, Government of Pakistan. (2023). \*Economic survey of Pakistan 2022-23 highlights\*. [https://www.finance.gov.pk/survey/chapters\\_23/Highlights.pdf](https://www.finance.gov.pk/survey/chapters_23/Highlights.pdf)
9. Haq, M., Akhtar, M., Muhammad, S., Paras, S., & Rahmatullah, J. (2012). Techniques of remote sensing and GIS for flood monitoring and damage assessment: A case study of Sindh province, Pakistan. \*The Egyptian Journal of Remote Sensing and Space Science, 15\*(2), 135-141. <https://doi.org/10.1016/j.ejrs.2012.07.002>
10. Hussain, M., Butt, A. R., Uzma, F., Ahmed, R., Irshad, S., Yousaf, B., & Rahman, A. (2020). A comprehensive review of climate change impacts, adaptation, and mitigation on environmental and natural calamities in Pakistan. SpringerLink. <https://link.springer.com/article/10.1007/s10661-019-7956-4>
11. Iqbal, M., Rabbani, A., Haq, F., & Bhimani, S. (2022). The floods of 2022: Economic and health crisis hits Pakistan. \*Annals of Medicine and Surgery, 84\*, 104800. <https://doi.org/10.1016/j.amsu.2022.104800>
12. Kirsch, T. D., Wadhwani, C., Sauer, L., Doocy, S., & Catlett, C. (2012). Impact of the 2010 Pakistan floods on rural and urban populations at six months. \*PLoS Currents, 4\*, e4fdfb212d2432. <https://doi.org/10.1371/4fdfb212d2432>
13. Manzoor, Z., Ehsan, M., Khan, M. B., Manzoor, A., Akhter, M. M., Sohail, M. T., Hussain, A., Shafi, A., Abu-Alam, T., & Abioui, M. (2022). Floods and flood management and its socio-economic impact on Pakistan: A review of the empirical literature. \*Frontiers in Environmental Science, 10\*. <https://www.frontiersin.org/articles/10.3389/fenvs.2022.1021862>
14. Mustafa, Z. (n.d.). Climate change and its impact with special focus in Pakistan.
15. Nabi, I. (2023, February 10). Responding to Pakistan floods. Brookings. <https://www.brookings.edu/articles/pakistan-floods/>
16. World Bank. (n.d.). Pakistan: Flood damages and economic losses. Retrieved July 9, 2023, from <https://www.worldbank.org/en/news/press-release/2022/10/28/pakistan-flood-damages-and-economic-losses-over-usd-30-billion-and-reconstruction-needs-over-usd-16-billion-new-assessme>
17. Pakistan Meteorological Department. (2022). \*Pakistan's monthly climate summary\*. [https://www.pmd.gov.pk/cdpc/Pakistan\\_Monthly\\_Climate\\_Summary\\_August\\_2022.pdf](https://www.pmd.gov.pk/cdpc/Pakistan_Monthly_Climate_Summary_August_2022.pdf)
18. Qazlbash, S. K., Zubair, M., Manzoor, S. A., Haq, A. ul, & Baloch, M. S. (2021). Socioeconomic determinants of climate change adaptations in the flood-prone rural community of Indus Basin, Pakistan. \*Environmental Development, 37\*, 100603. <https://doi.org/10.1016/j.envdev.2020.100603>
19. Rahim, K. (n.d.). Brief history of disasters and its management in Pakistan.

- HILAL. Retrieved July 9, 2023, from <https://www.hilal.gov.pk/eng-article/detail/Mzk0MA==.html>
20. Rehman, A., Jingdong, L., Du, Y., Khatoon, R., Wagan, S. A., & Nisar, S. K. (2015). Flood disaster in Pakistan and its impact on agriculture growth.
  21. Shah, A. A., Ajiang, C., Khan, N. A., Alotaibi, B. A., & Tariq, M. A. U. R. (2022). Flood risk perception and its attributes among rural households under developing country conditions: The case of Pakistan. *\*Water, 14\*(6), Article 6.* <https://doi.org/10.3390/w14060992>
  22. The Express Tribune. (2022, October 31). Illegal hotels on riverbanks intensified flash floods. The Express Tribune. <https://tribune.com.pk/story/2383961/illegal-hotels-on-riverbanks-intensified-flash-floods>
  23. The Express Tribune. (2018, March 19). 'No new dam acceptable without consensus among all stakeholders'. <https://tribune.com.pk/story/1664274/no-new-dam-acceptable-without-consensus-among-stakeholders>
  24. The Express Tribune. (2018, June 22). Pakistan's water storage capacity falling continuously. <https://tribune.com.pk/story/1739509/pakistans-water-storage-capacity-falling-continuously>
  25. Turner, G., Said, F., Afzal, U., & Campbell, K. (2014). The effect of early flood warnings on mitigation and recovery during the 2010 Pakistan floods. In A. Singh & Z. Zommers (Eds.), *\*Reducing disaster: Early warning systems for climate change\** (pp. 249–264). Springer Netherlands. [https://doi.org/10.1007/978-94-017-8598-3\\_13](https://doi.org/10.1007/978-94-017-8598-3_13)
  26. Wang, L., Cui, S., Li, Y., Huang, H., Manandhar, B., Nitivattananon, V., Fang, X., & Huang, W. (2022). A review of the flood management: From flood control to flood resilience. *\*Heliyon, 8\*(11), e11763.* <https://doi.org/10.1016/j.heliyon.2022.e11763>
  27. Waseem, H. B., & Rana, I. A. (2023). Floods in Pakistan: A state-of-the-art review. *\*Natural Hazards Research\**. <https://doi.org/10.1016/j.nhres.2023.06.005>
  28. Yaqub, M., Eren, B., & Dogan, E. (2015). Flood causes, consequences and protection measures in Pakistan. *\*Disaster Science and Engineering, 1\*(1), 8-1.*

# Role of IPPs and Problems in Energy Sector of Pakistan: Critical Evaluation

Abid Ullah<sup>1</sup>

Mr. Shabidullah Wazir<sup>2</sup>

**KJPP**

## Citation:

Ullah, A. (2023). Role of IPPs and problems in the energy sector of Pakistan: Critical evaluation. Khyber Journal of Public Policy, 2(3), Autumn

## Article Info:

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

## Disclaimer:

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

## Copy Right Statement:

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Abstract:

Pakistan's energy sector has been facing a severe crisis for decades due to increasing population and industrial growth, which have strained its power infrastructure. Independent Power Producers (IPPs) were introduced as a solution to attract private investment and alleviate pressure on the public sector while speeding up power project development. Initially praised, IPPs have faced numerous challenges, necessitating a critical assessment of their effectiveness. Key issues include overreliance on expensive fuels, circular debt, and inefficient transmission and distribution systems. The sector must now adopt best practices to address these problems, embrace sustainability, and implement better tariff policies. Additionally, improving distribution efficiency and privatizing distribution companies could enhance revenue collection and operational performance. Ensuring the timely completion of power transmission projects is crucial for optimizing electricity evacuation from new power plants. This policy paper outlines necessary interventions to tackle Pakistan's energy crisis and foster a more efficient and sustainable energy sector.

**Key words:** Pakistan, energy sector, Independent Power Producers (IPPs), circular debt, transmission and distribution efficiency

<sup>1</sup> Currently posted as Acting Director (Ministry of Foreign Affairs)

<sup>2</sup> Faculty Advisor



## *Introduction*

Pakistan's energy sector has been grappling with a severe crisis for decades. The increasing population, as well as industrial growth, has placed an immense burden on the country's power infrastructure. In this context, Independent Power Producers (IPPs) emerged as a key solution to meet the nation's energy requirements. The introduction of IPPs was hailed as a groundbreaking approach to attract private investment, alleviate the burden on the public sector, and expedite the development of power projects. However, as time progressed, the sector encountered a myriad of challenges, prompting a critical evaluation of the effectiveness and efficiency of IPPs in addressing the energy crisis. There is a need to critically evaluate the energy sector, introduce best practices, and learn from past shortcomings. The energy sector, while meeting the nation's power needs, must embrace sustainability and environmental consciousness.

## *Problem Statement*

The energy sector in Pakistan is faced with heavy reliance on imported fossil fuels, high tariffs, and inadequate investment in infrastructure. There is a need to establish a feasible, affordable, and environmentally friendly energy mix. One major area of concern is the contracts signed with IPPs, which are criticized for lacking transparency and long-term vision. The "Capacity Payments" method used in power purchase agreements with IPPs has resulted in substantial circular debts and high tariffs. If the current situation remains unchanged, the circular debt in the power sector will soon balloon to unsustainable levels. The paper intends to evaluate the operational efficiency and effectiveness of IPPs in meeting the supply-side requirements of the power sector and assess their impact on the economy and environment in Pakistan.

## *Scope:*

The paper will delve into the historical context of IPPs' evolution and will examine the advantages offered by IPPs, including accelerated project implementation, diversified energy sources, and reduced strain on government finances. The paper will shed light on the persistent problems plaguing the power sector and the IPPs exacerbating certain issues like high tariffs, regulatory hurdles, contractual disputes, delayed payments, and environmental concerns. The paper aims to propose policy recommendations that can bridge the existing gaps and ensure accountability.

## *Research methodology*

A combination of quantitative and qualitative methods has been utilized in this research. Extensive exploration of relevant databases has been conducted to gather data. All the aforementioned sources have been critically analyzed to derive empirical findings and formulate sustainable recommendations.

### *Literature Review:*

Extensive research involved consulting well-researched articles on the internet to gain insights into the government's policies and initiatives concerning the power sector and to identify the key challenges it faces. The study relies on power system statistics from NEPRA and NTDC annual reports, along with research papers comparing the efficiency and environmental impact of private power plants. Due to the technical nature of the topic, a comprehensive understanding of the parameters was necessary to conduct an in-depth and objective analysis of the private sector's role in meeting power sector demands. Relevant data was gathered from the Economic Survey of Pakistan, the websites of the Energy Ministry and various regulatory authorities, as well as scholarly articles on the subject and journals.

### *Overview of Energy Landscape:*

There are both public and private sector entities for electricity generation in Pakistan:

**IPPs:** To meet the rising demand for power, the government resorted to Independent Power Producers (IPPs), which are private entities operating power plants and selling electricity to the government. They have played a crucial role in augmenting power generation capacity and reducing the burden on government-owned utilities. Privately owned independent power producers generated 53% of the country's power (ADB, 2021). The current fuel mix in Pakistan indicates that 68.7% of the installed capacity is based on thermal sources, with five thermal IPPs using a combined cycle system for higher efficiency and lower emissions (Fahd Ali, 2007). Pakistan's total installed capacity for power generation is 41,557 MW against the peak demand of 31,000 MW (Energy, 2022).

The major components of the energy mix include:

**Thermal Power:** The largest contributor to electricity generation in Pakistan is thermal power, primarily fueled by natural gas and oil. This includes both government-owned power plants and Independent Power Producers (IPPs). The system energy generated by public sector thermal power plants is significantly less than that of IPP thermal units, despite a relatively small difference in installed capacities. During the year 2021-22, a total of 31.8% was

generated from natural gas, furnace oil contributed 14.3%, while 12.6% of the power was generated from coal (Finance, 2022).

**Hydropower:** Pakistan is endowed with significant hydropower potential due to its geographical location and various rivers. The contribution of hydropower was 25.8% during 2021-22 (Finance, 2022).

**Renewable Energy:** Recently, the government has been trying to harness wind, solar, and biomass. Though their share is increasing, they still represent a relatively small portion of the overall energy mix: wind 4.6%, solar 1.4%, and bagasse 0.9% of the installed capacity (Finance, 2022).

**Nuclear:** A portion of the energy is delivered by nuclear power plants. Nuclear power plants contributed 8.6%.

### *Consumption Pattern*

A total of 89,361 GWh of energy was consumed in the year 2021-22. Households were by far the largest consumers, consuming 47% of the total energy consumption. The industrial sector consumed 28%, the agriculture sector 9%, commercial 7%, while 8% of power was consumed in other sectors (Energy, 2022). More energy consumption in households than in the industrial sector is in itself a worrisome indicator.

### *Energy Demand-Supply Gap*

The demand for electricity consistently exceeds the available supply, leading to frequent blackouts and load shedding. This shortfall hampers industrial productivity, economic growth, and the quality of life for the population. The maximum total demand stands at nearly 31,000 MW, whereas the transmission and distribution capacity is stalled at approximately 22,000 MW (Rehman, 2019). The installed capacity hovers above 41,000 MW, which means Pakistan has 10,000 MW of extra capacity installed for power generation, but the demand of industries and households cannot be met due to a lack of capacity in the transmission and evacuation lines, resulting in power outages and load management at times of peak demand. As the IPPs are paid based on installed capacity, the government has to make payments without utilizing any electricity.

### *Regulatory Framework*

The Ministry of Energy is the overarching authority formulating and implementing the energy policy of Pakistan and overseeing the National Grid. Under the Ministry of Energy are PPIB and AEDB. PPIB deals with investments in generation and transmission, while AEDB deals with projects based on renewable energy resources. Ten regional distribution companies under PEPCO are connected to a single national grid (PPIB, 2021). There are four thermal plants owned by the government, the 'National Transmission and Dispatch Company' (NTDC), as well as CPPA-G. WAPDA and NEPRA

set and review the tariffs, while the hydropower plants in the country are owned by WAPDA as WAPDA Hydroelectric. K-Electric generates and distributes power for Karachi and is a public limited company. Other key players in the power sector of Pakistan are PAEC, the provinces, AJK, and GB, as provinces have been empowered after the 18th Amendment to generate and sell energy to the National Grid.

### ***PPIB***

It was set up following the 1994 power policy, with the goal of promoting private sector investment. It facilitates private sector investors through one-window operations in projects and related infrastructure, executes performance agreements with sponsors, and deals with sovereign guarantees on behalf of the government. PPIB has also been mandated to facilitate specified public sector projects (PPIB, 2021).

### ***Central Power Purchase Authority-G***

In 2002, NTDC obtained a license and was assigned the CPPA function. As a result, all DISCOs now purchase power through a representative responsible for negotiating, signing, administering billing, and settling PPAs. In 2009, CPPA-G was established as a power company to take over CPPA and market development functions from NTDC. The formal transfer of functions between NTDC and CPPA-G was completed in mid-2015, marking the commencement of CPPA-G's commercial operation. The authority and scope of CPPA-G are regulated by NEPRA Market Operator Rules.

### ***National Electric Power Regulatory Authority (NEPRA):***

NEPRA's primary duties include granting licenses for electric power generation, transmission, and distribution. They are responsible for setting and enforcing standards to ensure the safe operation and supply of electric power to users. Additionally, NEPRA is tasked with evaluating and approving investments and programs proposed by utility companies. NEPRA plays a crucial role in determining tariffs for electricity generation, transmission, and distribution. It establishes tariffs for independent power plants based on the type of fuel used (NEPRA, 2023).

### ***Power Policies in Perspective***

Tarbela and Mangla dams mostly met the power demand until the late 1980s. However, demand for power was continuously rising, and it was felt that additional capacity would be needed. As power projects required significant capital investment, the government faced difficulties in financing such projects. Over the years, the government implemented various energy policies to attract private investment, promote renewable energy, improve energy efficiency, and enhance the overall performance and sustainability of

the sector. With the support of the World Bank, PSEDF was launched in 1986 to attract private investment. The power sector gradually transitioned from being dominated by public utilities WAPDA and KESC to greater and greater involvement of the private sector (Fahd Ali, 2007).

The 1994 power policy introduced bulk power tariffs with capacity payments and energy payments, offering attractive financial arrangements and fiscal incentives to investors. The 1998 policy emphasized competitive tariffs and a focus on indigenous coal and hydropower projects. The exemption available to power projects under the 1994 policy was reduced to promote competition with local producers. The policies successfully attracted investments, and by 2002, the total power generation from IPPs reached around 3500 MW (Fraser, 2005). The 2002 policy included international competitive bidding and provided options for negotiations in project planning. It outlined different arrangements for hydropower and thermal power projects and guaranteed payments. The 2013 power policy faced criticism for inadequate stakeholder deliberations and not addressing the power sector's unjustified energy mix. The policy failed to address the growing trend of domestic energy consumption surpassing industrial consumption. The 2015 power policy aimed to provide sufficient and cost-efficient generating capacity, encourage the use of indigenous resources, cater to all stakeholders, and protect the environment. The policy includes provisions for water usage charges for hydropower projects, indexed tariffs for inflation, and facilitation of foreign exchange remittance for project-related payments. The policy explored opportunities for cross-border energy trade to import electricity from neighboring countries and promote regional energy cooperation. It also opened the way for private investment in transmission lines and energy infrastructure. The Alternative and Renewable Energy Policy (Finance, 2022) was introduced in 2019 with renewed emphasis on solar and wind. The National Electricity Policy 2021 aims for a self-sustainable power sector for optimal utilization of indigenous resources; integrated planning approach; efficient, liquid, and competitive market design; and affordable and environmentally friendly outcomes for consumers (Energy, 2021).

#### ***COMMISSIONED IPPs & ITP:***

The 2015 policy allowed for Independent Transmission Lines (ITP) in addition to IPPs. A list of IPPs and an ITP commissioned under various power policies so far is attached as Annex-A.

#### ***Critical Appraisal of IPPs***

##### ***Contractual Pitfalls:***

The evaluation of Independent Power Producers (IPPs) in Pakistan requires an analysis of the contracts signed by the government. The 1994 policy aimed to redefine incentives based on input from financial investors and the

international financial community, leading to the establishment of 20 IPPs with a combined capacity of 4,500 MW, of which 4,075 MW was actualized. The success of the 1994 policy in attracting investment can be attributed to several factors, including an elaborate contract framework, indicative bulk tariffs with indexation for fuel and inflation, attractive fiscal incentives, a standardized security package, and the creation of PPIB (Fraser, 2005). Despite the achievement of establishing numerous IPPs, the objective of providing low-cost electricity to consumers was compromised. Instead of competitive bidding, a tariff ceiling was set (US cents 6.1/KWh for the first ten years and US cents 5.5/KWh over the project's life), offering little incentive for investors to reduce costs or produce efficiently. As a result, the energy sector's privatization yielded generous returns for investors but led to overcapacity. Lack of consideration for the capacity and location of plants, along with the absence of fuel efficiency incentives, resulted in the installation of plants using imported furnace oil as fuel. These plants relied on less efficient technology, such as diesel sets and steam turbines, instead of more efficient combined cycle plants. Generous incentives attracted excessive investment, which initially did not align with economic growth, causing overcapacity. Consequently, returns were guaranteed regardless of whether the extra capacity was utilized or not.

In the contracts, two major issues arose. Firstly, despite specifying English Law as the governing law, all cases were decided under Pakistani law. Secondly, the contracts allowed Independent Power Producers (IPPs) the right to pursue international arbitration, but the Government did not honor this provision. In January 1999, WAPDA took legal action against HUBCO and others in a senior civil judge's court in Lahore, trying to prevent HUBCO from resorting to international arbitration. The court initially ruled in favor of WAPDA, issuing an *ex parte* order restraining HUBCO from pursuing international arbitration. However, in March 1999, the Sindh High Court overturned this ruling. Unfortunately, the Supreme Court later favored the initial senior civil court's order, reinstating the restriction on HUBCO from seeking international arbitration.

### *Operational Efficiencies of IPPs*

One of the key goals of a well-functioning energy system is to provide electricity at affordable prices. The high cost of electricity has led to payment defaults by individual consumers and has also raised the production costs for industries, making Pakistani exports less competitive in the global market. To evaluate the operational efficiency of Independent Power Producers (IPPs), essential parameters include auxiliary consumption, maximum load, plant load factor, capacity factor, and utilization factor. Some IPPs, namely AES Lalpir, AES Pak Gen, Saba Power, Saif Power, Sapphire, and Halmore, demonstrate lower capacity and utilization factors, indicating inefficiency. It is important to note that despite this, IPPs generally outperform public thermal power plants in terms of operational efficiency. The primary reason

for the underperformance of certain IPPs is attributed to high tariffs and the resulting shortage of working capital caused by non-payment of charges by the CPPA (Central Power Purchasing Agency). Consequently, these IPPs face difficulties in meeting their fuel payment obligations to suppliers like PSO (Pakistan State Oil).

### *Cost Factor of Electrical Energy*

The affordability aspect of each source of energy can be gauged from two essential factors: the cost of generating electricity (COGE) and capital expenditure (CAPEX). Nuclear and hydel sources of energy have the highest CAPEX, whereas solar and natural gas have low CAPEX. The CAPEX for wind and oil is average or medium. Nuclear power has the lowest cost of generation. Considering the cost of generation aspect, the IPPs have not fared well. The cost per kWh ranges from Rs. 17 to 25 for IPPs running on furnace oil. The IPPs are low CAPEX and high COGE projects, thus negating the very principle of the need for finance from the private sector for capital-intensive projects. The agreed-upon tariff rate conceals the actual cost of Independent Power Producers (IPPs) to WAPDA and the public. The capacity payment, designed to ensure attractive returns for investors, created no incentive for IPPs to be cost-effective. Determining the true cost per unit of electricity produced by IPPs is challenging, making it difficult to assess potential lower tariffs. However, renegotiations have shown that tariffs can be reduced while still providing satisfactory returns to IPPs. The argument for offering indexation to inflation and the exchange rate to attract investment resulted in excessively high tariff rates (Fahd Ali, 2007).

### *Undue Incentives to IPPs*

The major costs related to Independent Power Producers (IPPs) were incurred through fiscal incentives, which were likely offered to attract IPPs initially. However, it is unclear whether these incentives were truly necessary. There should have been a clearer tariff structure that incorporated all IPP benefits into a transparent rate or provided detailed and reliable cost information to the public for an informed decision. Hindsight raises questions about whether the significant public funds spent on IPPs could have been used to finance higher-capacity public plants instead, leading to doubts about the necessity of attracting IPPs or if support should have been directed to WAPDA instead (Fahd Ali, 2007). Furthermore, the IPPs faced accusations of charging excessive tariffs, but they adhered to the agreements and calculated tariffs based on their costs as per the bulk power tariff scheme. The accuracy of their quoted costs and whether they took sufficient cost-reduction measures, given their guaranteed profits, remain topics of debate.

### *Circular Debt*

The energy supply chain involves Generation Companies (GENCOs) selling electricity to Distribution Companies (DISCOs), who, in turn, supply it to consumers. Independent Power Producers (IPPs) heavily reliant on oil as fuel

face liquidity issues due to this vicious cycle and often operate their plants at lower capacities. The circular debt flow has been influenced by five main factors. Firstly, the high cost of power generation has resulted in collection and operational inefficiencies for Distribution Companies (DISCOs). Secondly, delays and shortcomings in tariff determination have contributed to the circular debt. Thirdly, line losses, along with poor revenue collection, have played a role. Fourthly, the government's partial and often delayed payment of Tariff Differential Subsidies (TDS) to DISCOs and K-Electric has been a contributing factor. Lastly, the circular debt has been compounded by expensive borrowings by PHPL and expensive late-payment charges on the payables of CPPA-G. The net annual circular debt flow for the year 2019-2020 stood at PRs 538 billion, and it increased to Rs 2.58 trillion by 30 June 2021. The circular debt balance is equivalent to 5.6% of the country's gross domestic product (GDP) and accounts for 6.8% of Pakistan's general government debt (ADB, 2021).

#### *Negative Impact on BoP:*

Power generation is specifically dominated by thermal plants running on oil and gas. The analysis of thermal generation reveals that furnace oil is the leading contributor to system energy, i.e., 52.4% of the total fuels used for electricity generation. It is followed by natural gas, diesel oil, and coal. Considering the huge quantum of imports of crude oil, it is evident that they directly contribute to the current account deficit. Therefore, to reduce the current account deficit, electricity generation through oil must be reduced.

#### *Govt Power Purchase Model:*

Attention is drawn to the element of capacity purchase price determined via Fixed Energy Invoice (FEI), which is charged at a bulk tariff rate. FEI comprises various components, including fixed operations and maintenance costs, insurance costs, administrative costs, and the return on equity. The size of the escalable component increases based on a predetermined indexation set at the time of financial close. This policy guarantees that the profit of the IPPs, represented by the return on equity, will be paid and will also rise over time. In other words, investors face no business risk since they are assured of a specific return on their investment. However, this assurance can lead to cost inefficiencies on the IPP side. Additionally, the FEI being paid in US dollars instead of rupees is burdensome, as the steady devaluation of the rupee results in the government paying more in real terms.

#### *Transparency and Accountability in IPP Operations:*

The Government leveled official accusations against certain Independent Power Producers (IPPs), particularly HUBCO, claiming that they coerced the Government into signing deceptive and unaffordable contracts. Despite legal actions taken, no significant outcomes were achieved, but Pakistan's reputation suffered, resulting in a decreased likelihood of attracting new foreign investments. Conflict resolution mechanisms in such contracts should



be clear.

### *Environmental Concerns:*

Heavy reliance on fossil fuel-based power generation in Pakistan has resulted in environmental concerns, with significant air pollution and greenhouse gas emissions. Oil-fueled power plants are major contributors to CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub> emissions, while natural gas is the least harmful, emitting only CO<sub>2</sub>. Coal-fired plants are the most harmful, releasing substantial quantities of CO<sub>2</sub>, SO<sub>2</sub>, Nitrous Oxide, and Mercury Oxides. Environmental impact assessments and guidelines were initially ignored in policies promoting private sector investment. Recently, there has been a shift towards cleaner renewable energy sources, but these projects take time to establish. Meanwhile, the government has turned to coal-fired power plants due to their cost-effectiveness, despite their massive pollution. Although coal is cheaper for electricity production, its environmental impact may outweigh the benefits. Under CPEC, coal-fired plants with more efficient super-critical and ultra-super critical boilers are being prioritized to enhance power generation in the short term.

### *Impact of the Energy Crisis*

- a. Frequent power outages and energy shortages lead to disruptions in industrial operations, reduced capacity utilization, and increased production costs. This caused reduced productivity and competitiveness, impacting economic growth.
- b. As energy is a crucial input, its price increases have led to an increase in the overall price level, causing severe inflation in the economy.
- c. The government subsidizes energy prices to ease the burden on consumers. These subsidies have diverted resources that could have been used for development projects and essential services.
- d. The energy crisis constrains economic growth by limiting industrial output, reducing investor confidence, and increasing production costs. As a result, GDP growth is hampered, making it challenging for the country to achieve its development targets. Some industries have relocated to China and Bangladesh, causing an increase in unemployment.
- e. Energy shortages and frequent power outages have impacted the daily lives of citizens. Public dissatisfaction with the government's inability to address the crisis has, at times, led to protests and demonstrations, putting pressure on the government.
- f. The energy crisis was the focus of opposition parties to criticize the government's performance. Political opponents used the crisis to highlight governance failures and demand a change in leadership. Successive governments' popularity has suffered because of the energy crisis, particularly the PPP government of 2008-2013.
- g. The crisis led to questions about the transparency of government

decisions related to energy policies, subsidies, and allocation of resources. Allegations of corruption or mismanagement in the energy sector have eroded public trust in the government.

### *Recommendations*

- a. There is a need for an improved and transparent regulatory framework for IPPs. The licensing and approval process must be streamlined. The inconsistencies in policies and uncertainties in the redressal mechanism must be addressed as a priority. There should be a clear tariff and pricing mechanism and a fair competitive process for ensuring balanced contracts. Timely payments and dispute resolution mechanisms should be in place. The role of Public-Private Partnerships (PPP) in the energy sector must be enhanced.
- b. Steps must be taken to increase renewable energy capacity with increased incentives for green energy projects. AEDB must ensure the implementation of environmental standards and monitoring mechanisms. The introduction of smart grid technologies, including advanced metering infrastructure (AMI), distribution automation, and remote monitoring, can enhance system efficiency and reduce losses.
- c. Keeping in view past fallacies, studies for forecasting future demand should be carried out with extreme caution. Efforts should be made toward energy conservation and demand management through public awareness and education campaigns. Energy efficiency standards should be incorporated into building codes and strictly imposed before giving electricity connections from the grid.
- d. There should be an annual independent audit and performance evaluation of each and every IPP and public sector utility company. All IPP contracts, agreements, annual performance reports, and financial cash flows should be publicly available and must be scrutinized by parliamentary committees. Citizen engagement and feedback mechanisms would ensure transparency.
- e. Given the primary goal of addressing the energy shortfall, it is advisable to establish new power plants using more affordable fuels like coal and LNG in the short term. When considering coal-fired plants, it is highly recommended to opt for those equipped with ultra-supercritical boilers, as they are known for their superior efficiency.
- f. With the aim of cost reduction and improved efficiency, the government may carefully renegotiate contracts with existing IPPs, keeping in view the sanctity of contracts but ensuring equity. The contracts may be evaluated by experts with the objective of cost reduction and improving efficiency.
- g. Immediate attention should be given to breaking the vicious cycle of circular debt by clearing outstanding payments. Considering the government's recent initiatives in investing in coal-based and R-LNG-

based power plants, it is advisable to discontinue sourcing from oil-fired power plants. This action would lead to a reduction in the import of furnace oil, ultimately easing the strain on foreign exchange reserves and lowering the trade deficit.

- h. The abundant coal reserves in Sindh should be harnessed for electricity generation, and the government should explore the possibility of utilizing underground coal gasification as an environmentally friendly option for power production. The coal reserves in Thar are predominantly lignite, and the government's choice of subcritical boilers for electricity generation from local coal may lead to pollution and environmental harm. Given these circumstances, underground coal gasification appears to be the most suitable approach for generating electricity from these reserves.
- i. The electrical energy system in Pakistan is severely hindered by transmission and distribution losses. Distribution Companies (DISCOs) face challenges in collecting payments for the energy lost during transmission and distribution before reaching the end consumers. The government's performance in this regard has been unsatisfactory. It is crucial for the government to take the initiative to privatize the distribution companies to improve the collection system's efficiency and enhance their capacity to make timely payments to power generators.
- j. Timely completion of power transmission projects is necessary to facilitate power evacuation from newly installed power generation projects. The IPP model should be used to harness private investment in transmission and distribution networks.

### *Conclusion*

The energy crisis in Pakistan presents a pressing challenge that requires immediate attention and well-considered policy interventions. The reliance on IPPs has brought its own set of issues, contributing to the complexity of the energy landscape. The policy paper has shed light on critical issues such as overdependence on costly fuels, circular debt, an inefficient transmission and distribution system, and environmental concerns. The thrust towards private sector investment was not accompanied by measures to enhance distribution efficiency and set appropriate tariff policies. Keeping in view carefully considered future demand growth, efforts should be made to bring efficient energy generation systems into Pakistan. Moreover, the privatization of distribution companies should be pursued to improve efficiency, revenue collection, and timely payments to power generators. Timely completion of power transmission projects must be ensured to evacuate electricity from new power plants effectively.

### *References*

1. Asian Development Bank (ADB). (2016). *Access to Clean Energy*

- Investment Program*. Asian Development Bank.
2. Asian Development Bank (ADB). (2021). *Circular debt impact on power sector investment*.
  3. Ministry of Energy. (2021). *National Electricity Policy, 2021*. Retrieved from <https://www.ppib.gov.pk/policies/National%20Electricity%20Policy%202021.pdf>
  4. Ministry of Energy. (2022).
  5. Fahd Ali, F. B. (2007). *The history of private power in Pakistan*.
  6. Ministry of Finance. (2022). *Economic survey of Pakistan*. Retrieved from [https://www.finance.gov.pk/survey/chapter\\_22/PES14-ENERGY.pdf](https://www.finance.gov.pk/survey/chapter_22/PES14-ENERGY.pdf)
  7. Fraser, J. M. (2005). *Lessons from the independent private power experience in Pakistan*. Retrieved from <https://ppp.worldbank.org/public-private-partnership/library/lessons-independent-private-power-experience-pakistan-0>
  8. National Electric Power Regulatory Authority (NEPRA). (2023).
  9. Private Power and Infrastructure Board (PPIB). (2021). Retrieved from <https://www.ppib.gov.pk/>
  10. Rehman, M. (2019, July 22). Why do we still have load shedding? *Dawn.*), 8-1

# Evaluate Tsunami project in the context of Pakistan climate change policy: A critical appraisal

Ahmed Kamal<sup>1</sup>

Mr. Syed Khizar Ali Shah<sup>2</sup>

**KJPP**

Kamal, A. (2023). Evaluate Tsunami project in the context of Pakistan climate change policy: A critical appraisal. Khyber Journal of Public Policy, 2(3), Autumn

**Article Info:**

Received: 29/07/2023

Revised: 04/08/2023

Accepted: 20/08/2023


Published: 20/09/2023

**Disclaimer:**

The opinions expressed in this publication do not implicitly or explicitly reflect the opinions or views of the editors, members, employees, or the organization. The mention of individuals or entities and the materials presented in this publication do not imply any opinion by the editors or employees regarding the legal status of any opinion, area, territory, institution, or individual, nor do they guarantee the accuracy, completeness, or suitability of any content or references.

**Copy Right Statement:**

© 2022 Khyber Journal of Public Policy

 This work is licensed under a Creative Commons Attribution 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

## Abstract:

The Billion Tree Tsunami Project represents a significant initiative aimed at enhancing environmental sustainability and biodiversity in Pakistan through extensive tree plantation. This paper evaluates the project's comprehensive approach to ecosystem restoration across diverse landscapes, including forests, wastelands, and privately-owned lands. Central to its success is active community engagement and stakeholder collaboration to ensure effective implementation. The study conducts a PESTEL analysis to explore political, economic, social, technological, environmental, and legal factors influencing the project. Key findings highlight the project's socio-economic impacts, financial management, administrative structure, and overarching objectives. Challenges such as community resistance and funding constraints are addressed, alongside short-term recommendations for conflict resolution, awareness raising, and caretaker training. Long-term strategies emphasize sustained community involvement, secure funding mechanisms, education outreach, enhanced forest management, innovation in conservation practices, and holistic planning. By adopting these strategies, the Billion Tree Tsunami Project aims to continue its positive trajectory towards achieving environmental conservation and fostering a greener future.

**Key words:** Billion Tree Tsunami Project, environmental sustainability, community engagement, PESTEL analysis, forest conservation

<sup>1</sup> Currently posted as Deputy Secretary (Elementary & Secondary Education Department)

<sup>2</sup> Faculty Advisor

## *Introduction*

The Billion Tree Tsunami Project aims to bring drastic changes in its approach toward making the environment human and animal-friendly. This project focuses on improving ecosystems in forests, waste lands, and privately-run farm lands in the area. The project task force and management work in collaboration with communities and relevant stakeholders to ensure their maximum participation. This policy paper attempts to discuss and analyze the overall project, focusing on various aspects including its importance, socio-economic outcomes, finances, administrative structure, overall objectives, and issues and challenges during implementation. The policy paper also includes a PESTEL analysis of the project and provides recommendations.

## *STATEMENT OF THE PROBLEM*

The Billion Tree Tsunami Project (TBTP) in Pakistan was launched in 2014 as part of the country's efforts to combat deforestation, mitigate the impacts of climate change, and promote sustainable development. It aims to plant one billion trees across the country by 2023. Initiated in 2014 with the Government of Khyber Pakhtunkhwa's "Green Growth Initiative," this project aligns with Pakistan's climate change policy, focusing on parts 4, 5, and 7 of the national climate change policy. Furthermore, it is linked with Pakistan's commitments to the Bonn Challenge and the Paris Agreement. This policy paper will analyze challenges faced by the project, such as the exact number of trees planted, their survival rate and quality, viability of reforested areas, transparency and accountability during implementation, community engagement, addressing root causes of deforestation, inadequate attention to climate change adaptation, and long-term funding for sustainability. It will also examine these issues in the broader context of Pakistan's Climate Change Policy and the improvements it brings to the overall policy framework.

## *RESEARCH METHODOLOGY*

The methodology is based on qualitative and quantitative approaches. The paper comprises necessary statistics explained in paragraphs, followed by discussion and analysis in the body of this policy paper. The referencing and citation style follows APA guidelines, with footnotes on every page (references) and a bibliography provided at the end.

### *THE BILLION TREES TSUNAMI PROGRAMME - A GLANCE*

The "Ten Billion Tree Tsunami" Programme (TBTT) was initiated by the Government of Khyber Pakhtunkhwa in 2014, coinciding with the formation of the Pakistan Tehreek-i-Insaf (PTI) ministry in the province. Subsequently, after coming into power nationally in 2018, the then Prime Minister and

Chairman of PTI extended the program to all provinces and regions. The program focuses on maintaining necessary steps for a smooth and effective working environment, including close liaison with relevant departments and stakeholders, cooperation, coordination, and ensuring timely availability of necessary items. According to various published reports, Pakistan has been listed as one of the most vulnerable states regarding deteriorating climatic conditions on the Global Climate Index.

At the federal level, the program is operated by the Federal Government of Pakistan and implemented by the Federal Ministry of Climate Change in coordination with provincial Forest and Wildlife departments. Inaugurated by the then Prime Minister on September 2, 2018, the program aims to reform existing forest and wildlife resources, promote eco-tourism, engage communities at a local level, create job opportunities, and enhance ecosystem improvement.

Communities at a local level, create job opportunities, and enhance ecosystem improvement.

#### ***OBJECTIVES/KEY FEATURES OF THE PROGRAM***

As mentioned above, the TBTP aims to achieve several objectives, including planting 10 billion trees across Pakistan by 2023 and revitalizing forest resources to enhance tourism. Other key features of the project include:

1. Improving forest cover across Pakistan to ensure a sustainable landscape.
2. Conserving biodiversity to support preservation of existing species in current flora and fauna.
3. Restructuring existing institutions, including the Zoological Survey of Pakistan.
4. Taking steps to safeguard endangered/protected parks that contribute to maintaining forest cover and ecosystem sustainability.

#### ***ADMINISTRATIVE STRUCTURE OF THE PROGRAM***

The Secretary Environment leads the project in direct coordination with the Project Steering Committee and indirectly with the Project Management Unit (PMU). Supervision is provided over three Chief Conservator of Forests (CCF) departments: CCF Southern Forest Region-I, CCF Hazara Forest Region-II, and CCF Malakand Region-III. While all three CCFs work closely together, each has separate assigned responsibilities managed by their respective staff.

The CCF Southern Region-I is supported by the Project Director PMU, Director Integrated Specialist Unit (ISU), and Territorial Conservator Forest. Similarly, CCFs Hazara Forest Region-II and Malakand Forest Region-III are assisted by their respective staff, including CFSs, DFOs, and SDFOs. The

Project Director PMU is further assisted by staff members such as the Planning Officer Head Quarter, Monitoring and Evaluation Officer, SDFO, Accounts Officer, GIS Specialist, GIS Technician, Web Manager, Computer Operator, Office Assistant, Accounts Assistant, Forester, Forest Guards, and Photographer.

#### ***ROLES AND RESPONSIBILITIES***

To ensure a smooth working environment, roles and responsibilities are assigned to various officers across relevant departments. At the federal level, the Ministry of Climate Change arranges funds through the Project Coordinator for the TBTT Project's smooth operation. At the provincial level, the Secretary of Forestry, Environment, and Wildlife Department supervises the project through project staff. The Project Steering Committee (PSC) provides policy and strategic directions to the project staff, approves annual work plans, reviews progress, and approves minor changes in the PC-1. The Project Management Unit (PMU) oversees planning, coordination, budgeting, reporting, and monitoring of the project, as well as facilitates logistic and administrative support to the Project Steering Committee. On-ground implementation of the project is managed by the Forest Department, while the Integrated Specialized Unit of the province provides management through expertise on specific issues via directorates such as Planning and Monitoring (FP&M), Community Development, Extension & Gender and Development (CDE&GAD), Non-timber Forest Products, Research & Development (R&D), Institutional & Human Resource Development & Management (I&HRD&M), and Pakistan Forest Institute (PFI).

#### ***COST OF THE PROJECT***

The project's cost is Rs. 125 billion (700 million US Dollars), primarily financed through locally generated resources. An Ecosystem Restoration Fund (ERF) has been established to receive financing from various donors and supporting stakeholders. Within this fund, Rs. 109.12 billion is allocated for forestry, while Rs. 15.853 billion is reserved for biodiversity and wildlife. The federal government allocated Rs. 27.34 billion for the project cost in Khyber Pakhtunkhwa. However, budget cuts were implemented from 2019-2021 due to lower allocations by the Federal Government, attributed to economic crises caused by the COVID-19 pandemic affecting various projects, including this one.

#### ***GREEN GROWTH INITIATIVE-KHYBER PAKHTUNKHWA***

The Government of Khyber Pakhtunkhwa has initiated the "Green Growth Initiative" program, and a task force has been established for this purpose. It has identified six focus areas: Forestry, Clean Energy, Climatic Resilience, Water and Sanitation, Waste Management, and Protected Areas. This initiative is the KP government's representation of its efforts to ensure a better quality of life for its citizens, provide equal job opportunities for youth, and uplift social conditions, thereby ensuring poverty eradication across various



regions. Forests play a vital role in creating green economies, contributing significantly to achieving sustainable development goals. They provide solutions to various challenges such as environmental sustainability, poverty alleviation, livelihood support, biodiversity conservation, climate change adaptation, land degradation combat, and disaster risk reduction and management.

After expert discussions, Forestry was given due importance, and on February 9th, 2014, the following targets were set:

- Increase the existing forested area by 2% through the conversion of an additional 30,000 hectares.
- Improve the density of degraded forests by 7% through measures like grazing and fire control.
- Launch the "Billion Tree Afforestation" campaign, engaging locals to transform Khyber Pakhtunkhwa into Green Khyber Pakhtunkhwa.
- Establish rules for REDD+ to assign carbon value to forests and utilize REDD+ as a conservation tool.
- Conserve Khyber Pakhtunkhwa's forests as valuable natural assets.

#### ***OUTCOMES OF THE PROJECT***

The Billion Tree Tsunami Programme has yielded significant outcomes since its inception in 2014. Through coordinated efforts at provincial and national levels, the project has made substantial contributions to environmental conservation and sustainable development in Pakistan.

- **Reforestation Success:** The project has made remarkable progress in planting 10 billion trees across the country by 2023, significantly increasing forest cover and promoting a more sustainable landscape.
- **Biodiversity Conservation:** Efforts to preserve and protect species in flora and fauna have enhanced biodiversity, safeguarding numerous endangered and threatened species.
- **Institutional Reforms:** Restructuring institutions, including the Zoological Survey of Pakistan, has improved efficiency and effectiveness in conservation efforts.
- **Protected Parks Management:** Initiatives to manage endangered and protected parks have sustained forest cover and supported ecosystem health.
- **Community Involvement:** Involving communities has fostered ownership and responsibility, enhancing engagement in environmental conservation.

- **Eco-tourism Promotion:** Emphasis on eco-tourism has created sustainable tourism opportunities, generating economic benefits and raising environmental awareness.
- **Job Opportunities:** Project activities have created jobs in the forestry sector, supporting livelihoods in local communities.
- **Ecosystem Improvement:** Reforestation efforts have improved ecosystems, mitigating climate change impacts and enhancing resilience.
- **Climate Change Adaptation:** Emphasis on climate change adaptation has helped communities cope with changing climatic conditions.
- **Sustainable Development:** Addressing poverty, supporting livelihoods, and combating land degradation have contributed significantly to sustainable development.
- **Green Economy Promotion:** Focus on forests and environmental conservation has promoted green economies, fostering a sustainable future.
- **Global Recognition:** The Billion Tree Tsunami Programme has earned global recognition for Pakistan's commitment to combating climate change and conserving the environment.

Overall, the project's outcomes underscore its positive impact on Pakistan's environment, communities, and sustainable development, making it a notable example of successful large-scale reforestation and conservation initiatives internationally.

#### ***ALIGNING THE TBTP WITH NATIONAL CLIMATE CHANGE POLICY***

In the context of the climate change threats faced by Pakistan and the objectives of the National Climate Change Policy (NCCP), let's evaluate the Billion Tree Tsunami Project to see how it aligns with these priorities:

##### ***Climate Change Mitigation:***

The Billion Tree Tsunami Project aims to counter deforestation and promote reforestation. By planting a billion trees, it contributes to increasing forest cover and sequestering carbon dioxide, thereby supporting the national objective of promoting cleaner, lower emission, and less carbon-intensive development (NCCP Objective 8).

##### ***Climate-Resilient Infrastructure:***

Reforestation efforts under the project can contribute to building climate-resilient infrastructure by reducing the risks associated with extreme weather events such as floods and droughts (NCCP Objective 4).

***Water, Food, and Energy Security:***

The project's focus on tree plantation and conservation of natural resources aligns with the need to track the impact of climate change on water, food, and energy security in Pakistan. By enhancing water inflows, supporting sustainable agriculture, and contributing to carbon sequestration, the project supports the objectives of safeguarding water, food, and energy resources (NCCP Objective 5).

***Climate-Resilient Agriculture:***

The Billion Tree Tsunami Project's efforts to develop climate-resilient agriculture and food systems align with NCCP Objective 7, which aims to promote climate-resilient agriculture in all agroecological zones of the country.

***Vulnerability to Climate Change Threats:***

The project's objective of promoting tree plantation and conservation of natural resources directly addresses some of the climate change threats mentioned in the context, such as increasing forest cover and mitigating the effects of heat and water-stressed conditions in arid and semi-arid regions.

***Enhanced Awareness and Institutional Capacity:***

The project's efforts to enhance awareness about the importance of tree plantation and conservation contribute to NCCP Objective 13, which seeks to increase awareness, skills, and institutional capacity of relevant stakeholders in climate change mitigation and adaptation.

***Inter-Provincial Coordination:***

The project, as a provincial initiative, can potentially align with the national policy by fostering inter-ministerial and inter-provincial decision-making and coordination mechanisms on climate change (NCCP Objective 10).

***Financial Opportunities:***

The project's alignment with the national climate change policy can help facilitate the effective use of financial opportunities, both nationally and internationally, to support its implementation (NCCP Objective 11).

Overall, the Billion Tree Tsunami Project aligns well with several objectives of Pakistan's National Climate Change Policy, particularly in terms of climate change mitigation, resilience-building, promoting sustainable agriculture, enhancing awareness, and capacity-building. By addressing deforestation and promoting tree plantation, the project directly contributes to mitigating climate change impacts and enhancing the country's resilience to climate-related threats.

The Billion Tree Tsunami Project (TBTP) is a remarkable endeavor aimed at restoring our forests through a critical component known as "enclosures."

These enclosures involve temporarily closing off specific areas of forests to facilitate tree regeneration. However, this approach has encountered challenges as neighboring communities feel their access to resources, such as firewood and grazing land, is restricted, viewing it as a resource grab. Over time, this has led to conflicts, including fires, vandalism, and legal disputes.

To address these issues, the project recognized the importance of involving local communities in forest management. This led to the concept of "nigahbans" or caretakers, who play a crucial role in safeguarding the enclosures. These forest guards are thoughtfully chosen from nearby communities. Their responsibility is to protect the enclosures from human activities and prevent potential fire hazards. Although this approach has shown promising results, frequent changes in nigahbans have caused tensions within communities, affecting the overall protection of the enclosures.

In response, the current project has decided to be more cautious in the selection process for nigahbans. It now considers not only their abilities but also their social standing within the community. Additionally, forest staff collaborates closely with communities to ensure a balanced and impartial selection process.

### ***PESTEL ANALYSIS***

To gain a comprehensive understanding of the external factors influencing the project, a PESTEL analysis proves beneficial:

#### ***Political Factors:***

A thorough evaluation of the government's unwavering support and commitment to the project, considering political stability, policy framework, and allocated funding.

#### ***Economic Factors:***

A meticulous assessment of the availability of financial resources, the economic benefits yielded by the project, and its potential impact on job creation, tourism revenue, and forestry sector development.

#### ***Social Factors:***

An in-depth analysis of the level of public awareness and engagement regarding climate change initiatives in Pakistan, along with the willingness of local communities to actively participate in the Billion Tree Tsunami project and the social advantages it can bring.

#### ***Technological Factors:***

A critical evaluation of relevant technologies at hand, including the use of advanced remote sensing, GIS (Geographic Information System), and monitoring technologies to bolster tree plantation and conservation efforts.

Additionally, the assessment of existing infrastructure, including transportation, irrigation, and nurseries required for successful project execution.

***Environmental Factors:***

A thorough analysis of the specific environmental challenges faced by Pakistan due to climate change, and how the Billion Tree Tsunami project aims to combat these challenges by mitigating deforestation, promoting reforestation, and enhancing biodiversity. An assessment of the potential environmental benefits such as carbon sequestration, watershed protection, soil erosion prevention, and wildlife habitat preservation is also vital.

***Legal Factors:***

A careful examination of existing environmental laws and regulations in Pakistan governing reforestation and conservation efforts, along with any legal constraints or requirements that may influence the implementation of the project.

## **ISSUES AND CHALLENGES**

***Community Resistance:***

Some nearby communities may resist the enclosures as they feel restricted from accessing resources like firewood and grazing land, leading to conflicts and tensions.

***Limited Financial Resources:***

Insufficient funding and budget cuts can hinder the project's ability to carry out large-scale reforestation efforts effectively.

***Sustainable Funding:***

Securing long-term and consistent funding sources is essential for the project's continuity and success over time.

***Community Engagement:***

Engaging and involving local communities in decision-making processes and project planning can be challenging, requiring effective communication and collaboration.

***Caretaker Selection:***

Ensuring a fair and transparent selection process for nighabans (caretakers) to avoid conflicts and maintain community trust.

***Environmental Protection:***

Protecting the enclosures from illegal activities like tree cutting and smuggling can be challenging and may require increased vigilance.

***Legal Compliance:***

Adhering to environmental laws and regulations while implementing the project can pose administrative challenges and may require coordination with relevant authorities.

***Monitoring and Evaluation:***

Establishing a robust monitoring system to assess the project's impact and address any shortcomings in real-time.

***Climate Change Impact:***

Adapting to the changing climate and its potential impact on reforestation efforts can present challenges in achieving the project's goals.

***Technological Integration:***

Incorporating advanced technologies, such as remote sensing and GIS, into the project's implementation may require training and capacity-building for project staff.

Overcoming these challenges will require a concerted effort from all stakeholders involved, fostering community participation, ensuring sustainable funding, and adopting innovative approaches to ensure the success of the Billion Tree Tsunami Project in restoring and conserving Pakistan's forests.

**CONCLUSION**

In conclusion, the Billion Tree Tsunami Project has been doing a fantastic job in restoring and protecting our forests. They use enclosures to help trees grow back. However, some nearby communities are not happy because they can't use the forests like before, causing conflicts and difficulties.

To address these issues, the project has hired special caretakers from the local communities, called "nigahbans," to protect the enclosures. This initiative has been beneficial, although frequent changes in caretakers have sometimes led to problems within the communities.

To further improve, the project needs to involve the communities more, listen to their needs, and ensure sufficient funding to maintain smooth operations. Fair selection of caretakers and proactive monitoring are also crucial to identifying and resolving issues early.

Looking at the broader perspective, the project must consider government support, financial stability, community impacts, technological advancements, environmental concerns, and applicable regulations.

By implementing these recommendations and addressing challenges, the Billion Tree Tsunami Project can continue making a positive impact on our forests and environment. With collective effort from all stakeholders, we can work towards creating a greener and healthier future for our planet.

## ***RECOMMENDATIONS***

### ***SHORT-TERM RECOMMENDATIONS***

- **Engage with the Community:** Organize regular meetings with nearby communities to listen to their concerns and gather their ideas about the project.
- **Resolve Conflicts:** Establish mechanisms to resolve disputes arising from the enclosures, fostering better collaboration among stakeholders.
- **Raise Awareness:** Educate communities on the significance of the Billion Tree Tsunami Project and its benefits for both them and the environment.
- **Train Caretakers:** Provide specialized training for nigahbans and forest staff to enhance their effectiveness in managing challenges.
- **Secure Additional Funding:** Seek increased financial support from the government or other sources to ensure sustained project operations.
- **Implement Monitoring Systems:** Establish robust monitoring procedures to track project progress and swiftly address any emerging issues.

### ***LONG-TERM RECOMMENDATIONS:***

- **Foster Community Involvement:** Integrate communities into project planning and decision-making processes to enhance their sense of ownership.
- **Ensure Sustainable Funding:** Develop a long-term funding strategy to maintain project continuity and effectiveness over the years.
- **Promote Education and Knowledge Sharing:** Educate students and community members about forest conservation and environmental stewardship.
- **Strengthen Forest Management:** Support capacity-building efforts for the Forest Department and allied organizations to improve forest protection measures.
- **Innovate and Experiment:** Collaborate with partners to explore innovative approaches for enhancing tree restoration and project efficiency.
- **Plan Holistically:** Adopt a comprehensive approach that balances ecological restoration with community well-being and environmental sustainability.

By adhering to these practical and inclusive recommendations, the Billion Tree Tsunami Project can overcome immediate challenges and achieve

greater success in revitalizing our forests. Together, through collaboration with communities, government agencies, and all stakeholders, we can contribute to a healthier and greener future for our planet.

### *References*

1. Ashraf, U. (2022), Participation and exclusion in mega tree-planting projects: a case study of the Ten Billion Tree Tsunami Programme, Pakistan. IIED, London. Retrieved from <http://pubs.iied.org/IIED20996>.
2. Government of Khyber Pakhtunkhwa. (n.d.). About Billion Tree Tsunami Afforestation Project. Retrieved from [https://few.kp.gov.pk/page/about\\_billion\\_tree\\_tsunami\\_afforestation\\_project#sthash.w29mpd2f.dpuf](https://few.kp.gov.pk/page/about_billion_tree_tsunami_afforestation_project#sthash.w29mpd2f.dpuf).
3. Kamal, Asid, et al. (2018), International Journal of Law and Society 2018; 1(4): 159. Retrieved from <http://www.sciencepublishinggroup.com/j/ijls>.
4. Khan, Malik Amin Aslam (2015), The International Journal on Green Growth and Development, Vol.1, No.2.
5. Ministry of Climate Change. (2012). National Climate Change Policy. Islamabad.
6. Ministry of Climate Change. (2021). National Climate Change Policy. Islamabad.
7. Ten Billion Tree Tsunami Programme. (n.d.). About. Retrieved from <https://tbttp.gov.pk/about.php>.
8. Ministry of Climate Change. (n.d.). Ten Billion Tree Tsunami Programme. Retrieved from <https://mocc.gov.pk/ProjectDetail/M2QzOWJmMjUtZTU3MC00NmFkLWE4YmMtZDFhMmRlOGU2NGRh#:~:text=The%20%22Ten%20Billion%20Tree%20Tsunami,territorial%20Forest%20and%20Wildlife%20departments>.
9. Radio Free Europe/Radio Liberty. (n.d.). Pakistan Launches 'Tree Tsunami' as Khan Vows to Fight Climate Change. Retrieved from <https://www.rferl.org/a/pakistan-tree-planting-tsunami-khan/31973782.html>