

Balochistan's Development Analysis and Recommendations

Policy Brief

Balochistan has enormous resource potential which remains untapped, marking its lag in economic development. Though several initiatives have been taken through federal and provincial intervention to boost the economic potential of Balochistan, a number of challenges have slowed down the progress. The situation calls for prioritizing the portfolio of federal and provincial Public Sector Development Programmes so that fast-moving and strategic projects, targeting water security, energy sufficiency, infrastructure development, air and digital connectivity, and agricultural development, can be completed in time. This brief identifies strategic challenges and presents recommendations to the federal and provincial governments to reap the potential of resources in Balochistan for its development.¹

Introduction

Balochistan is the largest province of Pakistan, covering 44% of the country's area. However, it is home to only 5% of the country's population. Its strengths lie in its wealth of natural resources, the vast rangeland, the coastal belt with 750 km of as yet undeveloped coastline, and rich mineral and hydrocarbon deposits. This enormous resource potential, however, remains untapped. Balochistan thus lags behind other provinces in economic development. The average household income is low. There is little industrial activity and employment opportunities outside agriculture and mining are limited.

Though the development of the province has been given attention in recent times, it has been observed that there is thin spreading within the portfolio of Balochistan in the federal Public Sector Development Programmes (PSDPs). Even if no new project is initiated, the federal PSDP would take around eight years to complete the ongoing projects in the areas of

North-South and East-West regional connectivity, water security, electrification of remote areas, access to higher education opportunities for the youth and enhancing the overall standard of living of the populace.

Notwithstanding the federal allocation of Rs76 billion (FY 2019-20), Rs82 billion (FY 2020-21), and Rs108 billion (FY 2021-22) for projects and federal-cum-provincial development interventions in the form of packages like the accelerated South Balochistan Development Programme (Phase-I), having a total outlay of Rs654 billion covering projects worth Rs352 billion in the transport and infrastructure sector, Rs113 billion in the power and fuel sector, Rs99 billion in the water sector, and Rs41 billion in the human development and education sector, the progress of development projects has been suffering because of various constraints.²

The recent floods have also stalled the progress of these projects and worsened the situation. In order to complete the fast-moving and strategic projects in

¹ Only those sectors have been reviewed where the government has taken some initiatives for development.

² Ministry of Planning, Development & Special Initiatives, <https://www.pc.gov.pk/>; "Govt announces Rs 600 bln development package for South Balochistan," APP, November 19, 2020, <https://www.app.com.pk/top-news/govt-announces-rs-600-bln-development-package-for-south-balochistan/>

time, the federal PSDP must prioritize the development portfolio of Balochistan.

For example, in November 2022, based on Multidimensional Poverty Index (MPI) scores, the Ministry of Planning, Development and Special Initiatives launched a five-year (2022-27) project comprising special development initiatives for the 20 poorest districts across Pakistan. These also include 11 districts of Balochistan: Sherani, Kohlu, Jhal Magsi, Barkhan, Killa Abdullah, Zhob, Musakhel, Dera Bugti, Jaffarabad, Ziarat and Killa Saifullah.

In addition to targeting the under-privileged and less developed areas of Balochistan, the government must also work for the vital development objectives like overall water security, energy sufficiency, infrastructure uplift, air and digital connectivity, and agricultural development. As such, this brief is not a comprehensive study on the province's development and only highlights the limited sectors for which the government has recently initiated some steps for development.

Water Security

Given its scarcity, water is one of the most vital resources in Balochistan. From household to industrial to agricultural use, water is one of the major requirements. Supply of potable water for the residents of major cities, especially the economic hubs of Quetta and Gwadar, poses a major challenge whereas the success of industrial estates and economic zones also hinges upon the provision of abundant water. In the last two decades, most of the lush green pastures of Balochistan have turned into deserts due to a lack of water. The underground water level continues to deplete fast in Quetta, Pishin, Killa Abdullah, Kalat, Mastung, Khuzdar, Loralai, and other districts of the province.

To solve the water crisis of Quetta city, Mangi and Halak dams were conceptualized in 2007. Mangi primarily is a water storage dam along with a conveyance system for Quetta. After due feasibility, the project was approved in March 2016 with a cost of Rs9.334 billion on 50:50 cost sharing between the federal and provincial governments. The project includes a 54 km water conveyance system consisting of a pipeline and 10 pumping stations. The scheme has been delayed apparently due to a lack of clarity over the power source for the pumping stations and funding releases. The project authorities are yet to decide on an

individual or on-grid solar power station for the pumping stations.

Apart from its utility as a water source, the dam must also be considered for tourism prospects in the future. Lessons can be learned from the successful model of the water supply system of Faisalabad to ensure top-quality potable water. For future purposes, it is important that, along with the identification of more water sources, a comprehensive water usage and conservation strategy is developed.

The situation appears to have improved significantly at Gwadar where all three dams – Akra Kaur, Shadi Kaur, and Sawad – have been connected with the main water pipelines of the city. Recently, China provided a grant of Rs2.213 billion for installation of a 1.2 mgd desalination plant at Gwadar and, with fast follow-up, the project may be completed by April 2023.

The main causes of water shortage in Balochistan appear to be the mismanagement of water for production and irrigation, installation of an excessive number of solar tube wells, and ignorance of the government regarding water resources. Finding new sources of water as well as a comprehensive strategy vis-à-vis conservation and recycling is the need of the hour for Balochistan.

Recommendations

To address such policy challenges, the following recommendations are made:

- **Water Policy:** The much-needed water policy should be formulated as a comprehensive document that covers all aspects regarding water availability, usage, transmission, recycling, and sewage treatment. The policy should have a time-bound objective that clearly enlists the development interventions required across the province over the coming years. It must link with future agriculture practices, livelihoods, and energy needs.
- **Water Management and Construction of Dams:** Currently, a number of projects of water storage and check dams are being executed in Balochistan through federal and provincial PSDP. Along with the construction of dams, a plan for ancillary watershed management and catchment area development should be worked out in partnership with the Federal Ministry of Water Resources and Planning Commission. It will help to achieve the desired water storage

requirements, increase the life of water works, enhance ecology and help boost climate-smart agriculture livelihoods. Water pricing and water fee collection must be central to water management. It will help in sustaining the irrigation and water supply networks.

Energy Sufficiency

Energy is one of the main drivers of growth worldwide. Along with fueling industrial growth, it has an added incentive of mitigating the exploitation of natural vegetation as a fuel. The latter has gained more importance against the backdrop of climate change. The availability of reliable energy sources in Balochistan has been observed to be minimal. From load shedding in larger towns to the import of additional electricity from Iran for the western and coastal parts of the province, Balochistan needs energy production and transmission. Regarding production, there is huge potential for renewable energy, i.e. solar and wind.

Recommendations

To address such policy challenges, the following recommendations are made:

- **Electrification:** It is the foremost requirement of Balochistan. Due to the size of the province and isolated dwellings, numerous isolated grids with local energy production, preferably through solar or other renewable sources, need to be developed. Government of Balochistan may consider land near grid stations for installation of on-grid solar projects. This will help solve the immediate issue of electrification which is also a national goal under Sustainable Development Goals (SDGs). In the second phase, these grids can be interconnected before eventually being connected to the national grid.
- **Energy Transmission:** Transmission lines connecting the province to the national grid are also required. Energy development measures, like interconnection of the isolated Makran network with the main network, expeditious development works, as done by Frontier Works Organization (FWO), and the availability of an additional 100 MW from Iran through a shorter route directly to Gwadar, as initiated by Power Division and National Transmission & Despatch Company (NTDC), are expected to help feed the ever-increasing demand for energy in the

growing urban centers of Balochistan, especially the southern and coastal regions, by the first quarter of 2023.

Road Infrastructure Development

Balochistan possesses almost half of the land mass of Pakistan. Coupled with rugged terrain, flash flooding, and the nomadic lifestyle of its indigenous people, the provision of a transport network gains huge importance. There is a growing requirement for North-South and East-West connectivity. Building a robust infrastructural network in this regard will open new areas by providing market access for trade and connectivity to major towns for better amenities of life.

While the Gwadar-Turbat-Hoshab sections of Motorway M-8 have been completed, Hoshab-Awaran (146 km) and Awaran-Naal (168 km) sections, started in August 2018, are yet to be completed by the National Highway Authority (NHA). This section is an important component of central China-Pakistan Economic Corridor (CPEC) alignment and connectivity with the northern part of the road network.

As per data available online, NHA has awarded a contract for the construction of Section 2 (Package-2C) of Hoshab-Awaran-Khuzdar section of M-8, also known as East-West Motorway, which is an important route of CPEC. The NHA has also awarded a contract for the Hoshab-Awaran-Khuzdar Section 2 (Package-2A). Another important artery under development is the dualization of the Khuzdar-Kuchlak section of Karachi-Quetta-Chaman N-25 (330 km), worth Rs91.5 billion. The NHA needs to complete this road project with the highest priority.

The future of communication is through digital connectivity. With the growing trend of e-commerce, digital connectivity has opened new avenues of trade and commerce. Balochistan currently has weak connectivity, and it is mostly confined to larger towns. There are huge gains to be made through better digital connectivity in terms of tourism, handicraft sales, tele-education, and tele-medicine besides many other fields.

Recommendations

To address the lack of road infrastructure, the following recommendations are made:

- **Surveys:** A comprehensive road requirement survey should be carried out in the province. The survey should identify the major arteries and local roads and differentiate the federal and provincial highways. Based on this survey, a criterion should be developed upon which the construction of roads in the future should be adjudged. Only the roads qualifying a certain threshold on the scorecard should be constructed.
- **Tolling:** National and provincial highway tolling need to be made more effective. This will help in fulfilling the operation and maintenance (O&M) of the existing roads and reduce the dependence on O&M budgets.
- **Digital Connectivity:** The NHA needs to share the alignment of its highways and motorways with MoIT&T/USF for synchronized initiation of projects for digital connectivity of entire Balochistan.

Air Connectivity

Currently, PIA is operating 30 flights weekly to only three cities of Balochistan (22 to Quetta, five to Turbat, and three to Gwadar) while Serene Air is operating three flights weekly from Islamabad to Quetta. As such the province, especially its southern and western parts, seriously lacks air connectivity. To visit Gwadar from any part of the country, one has no option but to travel to Karachi first, spend a night there, and then fly to Gwadar, and that too just twice a week. Lately, PIA has started a direct weekly flight from Islamabad to Turbat, which is again about three hours' drive from Gwadar. Considering the length and breadth of Balochistan, air connectivity is the need of the hour.

Recommendations

To address the challenges of air connectivity, the following recommendations are made:

- Upgradation and expansion of Quetta airport is progressing at a fast clip and planned to be completed by December 31, 2022. However, serious efforts need to be made to ensure that there are no delays and the project is completed within the planned time. The Aviation Division/PIA may work out a plan for Quetta's air connectivity with the Middle East (including Jeddah for a direct Hajj route instead of via Karachi/Islamabad).

- Upgradation of Turbat airport runway is under procurement by Pakistan Civil Aviation Authority (PCAA). The option to facilitate landing of A320 passenger planes should be considered by all concerned departments for improving air connectivity.
- Test flight landing at New Gwadar International Airport is planned for March 23, 2023. The Aviation Division may consider planning test flights by both Chinese and national airlines.
- Keeping in view the socio-economic dynamics of these routes as well as fuel price escalation, fares need to be kept on the lower side.

Agricultural Development

Agriculture has been a key economic activity throughout history. With vast tracts of arable land, Balochistan can make immense gains by tapping its agricultural potential. While increased food security improves the overall economic conditions, it also helps tackle poverty by creating jobs in allied activities. It has been observed that some of the most prosperous areas of Balochistan have booming agriculture, for example the valleys leading to Ziarat and adjoining areas of Turbat.

Recommendations

To make Balochistan reap its agricultural potential, the following recommendations are made:

- **Agricultural Planning:** Balochistan, having huge agriculture and livestock potential, needs to develop a robust arid area agriculture plan. The introduction of dry land farming techniques, drought-resistant seed variants, and corporatization of agriculture can bring investments in the sector.
- **Incentives:** To achieve this, special incentives such as crop buying guarantees and easy land leases, amongst others, can help boost the sector.
- **Water Conservation:** The conservation of scarce water must be a central consideration in agricultural practice and development.

Major Recommendations

The major recommendations for the federal and provincial governments for developing Balochistan are appended below:

- i. Federal or provincial intervention needs to be clearly defined and demarcated. It is recommended that only the projects of strategic, national, and inter-provincial nature should be funded through the federal PSDP.
- ii. The current portfolio of Balochistan in the federal PSDP has a thin spreading of funds. It is recommended that the Government of Balochistan should formulate a priority list of projects so that fast-moving and strategic projects can be adequately funded for timely completion.
- iii. The province of Balochistan has special development needs. To stimulate growth, it is recommended that sponsoring/executing agencies should identify changes in rules and regulations which can be relaxed to simplify the development process. Modifications to such clauses, if identified, can be made Balochistan-specific and time-bound.
- iv. With capacity gaps in the departments of Government of Balochistan, it is recommended that a panel of experts/consultants should be established. This panel should be multi-discipline and help Government of Balochistan in envisioning, tendering, executing, and monitoring development interventions.
- v. A proper study may be carried out to ascertain development interventions throughout the province which have not been able to generate the envisioned impact. A detailed index of these interventions, such as buildings of educational institutes and basic health units, should be distributed amongst all the stakeholders to see if the interventions can be made operational or be utilized for a more productive purpose.
- vi. Infrastructure development cannot bear fruit without proportionate human development. Human development programs should be launched simultaneously to complement infrastructure development. Programs for better

education, effective health care, and adequate child nutrition, amongst others, are recommended to be developed and implemented.

vii. Private sector is the real driver of the growth of countries across the globe. Government of Balochistan should encourage private sector growth in the province. Public-private partnerships should increasingly be the implementation mode for development projects in the province.

viii. Government of Balochistan should, in partnership with the federal government, develop a comprehensive 'Integrated Balochistan Governance and Development Strategy' on the lines of China's western provinces.

Conclusion

The province of Balochistan has been the center of development debate in Pakistan in the recent past. It offers some of the best assets for development as it is bestowed with natural and locational resources. There is an urgent need to harmonize the national and provincial efforts being undertaken for the uplift of Balochistan and its population. This needs a consensus at the political, administrative, and grassroots levels. Despite investments of almost Rs250 billion by the federal government in the past three years, the existing development model has not fully succeeded in addressing the needs of the people. This requires reorientation with customized and localized solutions for the delivery of public services. Complementing the development investments, adequate and sustainable current budgetary provisions are imperative for the provision of quality public services. Government of Balochistan, thus, ought to adopt a comprehensive approach to sustainable development and continued uplift of the people of the province. It is now time to build upon these efforts because a developing Balochistan will help sustain not only itself but a rising Pakistan as well.

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