

Central and South Asian Energy Projects: Prospects and Challenges for Pakistan

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Abstract

After the 2013 elections, the Government of Pakistan (GoP) stepped up its efforts to combat the energy crisis, persisting in the country. Due to limited energy resources and poor infrastructure, Pakistan looked towards resource-rich countries to secure energy supplies. On the other hand, the Central Asian Republics (CARs) have an abundance of energy resources and are looking for the markets to export their surplus energy resources. The Central Asia South Asia-1000 (CASA-1000), Turkmenistan-Afghanistan-Pakistan-India pipeline (TAPI) and Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP) electricity project have been launched. The development work on these projects is already underway. These projects are an attempt to promote development through cooperation. However, there are many obstacles that could impede energy transfer to Pakistan. This paper attempts to examine the impact of these projects on Pakistan's economic development. It also analyses the measures that have been taken to address the challenges and present some recommendations for ensuring efficient delivery of these projects.

Keywords: Energy, Pakistan, Central Asian Republics (CARs), Connectivity, Security, Development, Cooperation.

Introduction

The Central Asian Republics (CARs), which are rich in energy and mineral resources, are keen to foster the regional connectivity to new markets exporting their surplus energy resources. At the same time, the demand for energy is rising rapidly in the neighbouring countries. As a result, the need to develop cross-border energy projects has been realised by the Central and South Asian states with the involvement and support of a number of international institutions. Multiple projects have been launched through

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regional cooperation, which are Central Asia South Asia-1000 (CASA-1000), Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP) and Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline. These projects come under the Central Asia Regional Economic Cooperation (CAREC) programme which was launched in 2001.

The CAREC is a partnership of 11 countries which includes: Afghanistan, Azerbaijan, People's Republic of China, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan and Uzbekistan. The role played by international organisations in initiating these projects has been critical. In 2003, the CAREC partnered with the six multilateral institutions to assist and further the economic potential of the CAREC region and help mainstream regional cooperation in the areas of transport, trade and energy. These multilateral institutions are the Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), International Monetary Fund (IMF), Islamic Development Bank (IDB), United Nations Development Programme (UNDP) and World Bank. In line with its long-term vision "Good Neighbours, Good Partners and Good Prospects," the CAREC is actively supporting the development of these projects.¹ Following is a brief overview of these three major projects.

i. CASA-1000

The CASA-1000 will facilitate transmission of electricity from Central Asia to South Asia. The countries involved in this project are the Kyrgyz Republic, Tajikistan, Afghanistan and Pakistan. Under this project, there is no plan of additions in the generation capacity rather the surplus electricity will be transmitted to Afghanistan and Pakistan.² The transmission line will provide 1300 MW electricity of which Pakistan will get 1000 MW and Afghanistan will receive 300 MW. The cost of this project is US\$1.17 billion and is expected to complete in 2018.³

¹ "Central Asia Regional Economic Cooperation (CAREC) Programme," Asian Development Bank, <https://www.adb.org/countries/subregional-programs/carec>

² "About CASA-1000," CASA-1000, 2017, <http://www.casa-1000.org/MainPages/CASAAbout.php>

³ "CASA-1000 Project Launched, Pakistan to get 1,000 MW by 2018," *News*, May 12, 2016.

ii. TUTAP

The TUTAP aims to deliver electricity to Afghanistan and Pakistan from Central Asia by improving Afghanistan's domestic infrastructure. The TUTAP project aims at creating a unified national grid in Afghanistan that can make the electricity transmission more flexible and efficient. While the CASA-1000 will inject a fresh source of energy, the TUTAP will focus on improving Afghanistan's energy supply infrastructure. Pakistan will receive electricity from Central Asia via the upgraded Afghan infrastructure.⁴

iii. TAPI

TAPI will deliver natural gas from Turkmenistan to Afghanistan, Pakistan and India. The length of the proposed pipeline is 1,600 km and it will carry 33 billion cubic meters of natural gas per year. Pakistan's share in this project is 14 billion cubic meters a year. The construction of the pipeline is estimated to cost US\$10 billion and expected to complete in 2020.⁵

There are certainly huge economic benefits for all the participating countries if these energy transfer projects become operational in the coming years. However, the projects are confronted with the issues of regional insecurity, as well as political and economic disputes among different countries. The construction of these projects can be hampered by the tensions prevailing in the region and the lack of cooperation among the regional states. Lack of trust and economic cooperation in the past is one of the challenges being faced by the South Asian countries, looking towards Central Asia's energy resources. The regional instability, border disputes and diplomatic deadlocks will also adversely affect the implementation of such projects. The geopolitics of both the regions, South and Central Asia, is also far from stable with the major powers contesting to exert their influence over the region. Their economic and strategic agendas can also hinder the work on these projects.

Pakistan is one of these countries which have been struggling to meet its energy needs. However, due to limited resources the progress on addressing

⁴ "Afghanistan: Addendum to the Afghanistan Power Sector Master Plan," Asian Development Bank, November 2014.

⁵ "TAPI Gas Pipeline," Asian Development Bank, April 8, 2016, <https://www.adb.org/news/infographics/tapi-gas-pipeline>

Pakistan's energy problems has been sluggish. With a rapid population growth, domestic and commercial demand for energy has also increased. The shortfall of energy in domestic and commercial sector has become an obstacle for social and economic development in the country. The average shortfall in the power sector is around 4,000 MW and nearly 2 billion cubic feet per day (BCFD) in the natural gas sector.⁶ The shortfall in the power sector can rise to around 7,000 MW or 32 per cent of total demand for electricity.⁷ The chronic power shortage, in the form of load-shedding and power outages, cost billions of rupees to Pakistan's economy every year.

Pakistan's primary energy supply mix clearly shows that natural gas plays a major role in the country's economic development by accounting for nearly 50 per cent of its total primary energy supply mix. In the past, due to significant investment in the natural gas sector and initial gas discoveries, Pakistan's economy survived. However, after 2005, the natural gas production could not keep up with its demand.⁸ The fluctuating oil prices in the international market, higher cost due to gradual phasing out of subsidy and the circular debt problem have also exacerbated the country's power supply deficit. The GoP is taking diverse measures to circumvent this crisis. These efforts include expansion and refurbishment of the existing power plants, induction of new power plants — mainly under the China-Pakistan Economic Corridor (CPEC), encouragement of renewable energy and acquisition of power from captive power plants.

Pakistan is not the only country in the region that has been going through a prolonged energy crisis. The neighbouring countries like Afghanistan and India have also been facing similar challenge. The severity of energy crisis has prompted the hostile neighbouring countries to cooperate and develop the energy projects to address their respective domestic shortfalls. Despite multilateral collaborations and agreements, there are many challenges in successfully implementing these projects.

Evidently, implementation of the cross-border energy projects faces number of challenges and obstacles and, in many cases, they fail to be even

⁶ “7 Facts about Pakistan's Energy Crisis — and How You can Help End It,” *Dawn*, August 5, 2016.

⁷ *Ibid.*

⁸ “Diversifying Pakistan's Energy Needs – A Case of Natural Gas and LNG,” *Natural Gas Global*, June 20, 2016.

become operational. One of the examples is the Iran, Pakistan and India (IPI) gas pipeline in which India backed out due to pressure from the US, leaving both Iran and Pakistan to redress its terms.

Similarly, just like objections in Pakistan over the CPEC routes, there has also been resistance in Afghanistan over the route of the TUTAP electricity project. The project would complement the CASA-1000, as without the TUTAP Afghanistan would be unable to act as a transit point for transmitting electricity from Central Asia to South Asia.⁹ Although Pakistan has managed to make progress in resolving the provincial disputes, the same may not hold true in Afghanistan's case because of its history of violence and ever lurking potential of tensions escalating exponentially. This can be ascertained from the fact that TAPI gas pipeline was conceived in the 1990s but due to the volatility in Afghanistan, the project could not get underway until 2017.¹⁰ Since the inauguration of the project, the tensions between Pakistan and Afghanistan have escalated and the US pressure could further delay the implementation of the project. According to the former Ambassador, Tariq Osman Hyder, "as long as the Americans are behind it, TAPI would be feasible."¹¹ For Pakistan, TAPI will be an important source of energy and it can also help in achieving diplomatic breakthroughs.

Taking all the pros and cons into consideration, this study will analyse the prospects of the Central and South Asian cross-border energy projects. It will cover the significance of these projects and analyse Pakistan's efforts towards enhancing cooperation with the CARs. It will also discuss major challenges in implementing these energy-transfer projects and the security concerns as they pass through the volatile territory of Afghanistan. Towards the end, the paper will offer some recommendations on how Pakistan can play its role in overcoming the challenges in implementing these projects.

⁹ "Rerouting of TUTAP Power Project: Protests in Afghanistan," Indian Council of World Affairs, May 27, 2016.

¹⁰ "Leaders Launch Start of Afghan Section of TAPI Gas Pipeline," *Reuters*, February 23, 2018.

¹¹ Khuldune Shahid, "Salam Central Asia," *Friday Times*, March 25, 2016.

Pak-CARs Ties: Progress and Challenges

Political and security compulsions, as well as energy, trade, transit and commercial gains, mainly determine Pakistan's policy towards Central Asia since 1991. Pakistan has always shown its intent to become a regional transit trade hub by linking it with Central Asia, Western China and South Asia. The access to Central Asia's energy resources is one of the main objectives of Pakistan's policy towards the region. The Economic Cooperation Organisation (ECO) and Gwadar port still hold high hopes of Pakistan in this regard. This endeavour has been revitalised in the recent times by Pakistan's membership of the Shanghai Cooperation Organisation (SCO) and the launch of the CPEC.

Pakistan was the second country to recognise the CARs and immediately extended diplomatic missions to the republics. It also started Special Technical Assistance Programme with the CARs from 1992 to 1993.¹² Under this programme, Pakistan provided training of English language, banking, accountancy and diplomacy, which were fully funded by the GoP to the nominees from these countries. The common cultural linkages, religious bonds and geographical proximity were some of the considerations that provided basis for the policy-formulation in Central Asia during the early post-Soviet period.

Pakistan offers the landlocked Central Asian countries a potentially lucrative access to seawater. In 2006, the former President of Pakistan, General Pervez Musharraf, during his visit to Central Asia stated that "Pakistan provides the natural link between the SCO states to connect the Eurasian 'heartland' with the Arabian Sea and South Asia, we offer the critical overland routes and connectivity for mutually beneficial trade and energy transactions intra-regionally and inter-regionally."¹³ Despite little success so far, Pakistan is trying to improve its connectivity to the CARs through Afghanistan and China.

Stable and peaceful Afghanistan is a pre-condition for Pakistan's access to Central Asia. Disintegration of the Soviet Union coupled with the

¹² Meena Singh Roy, "Pakistan's Strategies in Central Asia," Institute for Defence Studies and Analyses (IDSA), October, 2016.

¹³ Shabbir Ahmad Khan, "Pakistan's Policy towards Central Asia: An Evaluation Since 1991," Central Asia, University of Peshawar.

collapse of central government in Afghanistan and the eventual lawlessness made it a highly vulnerable conduit for trade. Pakistan has been actively engaged in Afghanistan for having a stable pro-Pakistan regime there and resultantly easy access to and from Central Asia. Pointing towards these efforts, the former caretaker Finance Minister, Salman Shah, states “It’s been nearly three decades since the CARs got their independence and we are yet to make any breakthrough into the region and this has primarily been due to the perpetual Afghan war.”¹⁴ Pakistan continues to express its support for peace in Afghanistan at all the international forums. During his official visit to Turkey in February 2017, Prime Minister Nawaz Sharif told media that Pakistan favours stability in Afghanistan and a peaceful Afghanistan is in the interest of the region.¹⁵

With the growing significance of the regional integration, Pakistan has stepped up its diplomatic ties with the CARs and has engaged with the international community to bring stability in the region. In March 2017, Pakistan announced its decision to participate in a 12-party conference on Afghanistan, hosted in Moscow and welcomed Russia’s decision to support an Afghan-led peace process that engaged all-warring factions at the bargaining table.

In March 2017, Islamabad hosted the 13th ECO summit, which was attended by all the member states. The summit adopted Islamabad Declaration, which calls for the development of transport and communication infrastructure; facilitation of trade and investment; promotion of connectivity with other regions; effective use of energy resources and undertaking of measures for making the ECO effective and efficient. In his address, Prime Minister Sharif said that “the successful holding of the summit is a manifestation of the desire and commitment of the member states to transform the ECO into a vibrant regional bloc.”¹⁶

In order to bolster its foreign policy objectives and solidify its relations with the CARs, Pakistan has eagerly looked up to the SCO, which comprised of the CARs, China and Russia. Pakistan obtained the status of

¹⁴ Khuldune Shahid, “Salam Central Asia,” *Friday Times*, March 25, 2016.

¹⁵ “Pakistan Wants Peace, Stability in Afghanistan: PM Nawaz,” *Pakistan Today*, February 24, 2017.

¹⁶ Baqir Sajjad Syed, “ECO Summit for Doubling of Regional Trade,” *Dawn*, March 2, 2017.

an observer state in the organisation back in 2005, and after five years, it became the first observer state to apply for full membership. In June 2015, the process of Pakistan's admission in the SCO began after the SCO heads of states agreed on giving Pakistan full membership. Pakistan successfully completed all the required steps and subsequently the decision was made to give full membership status to Pakistan in June 2017. This decision was warmly welcomed in Islamabad. An official of Pakistan's Ministry of Foreign Affairs stated that it would "strengthen Pakistan's cooperation with the SCO member-states; advance our goals of effective contribution to regional peace, stability and development."¹⁷ India also secured its full membership of the SCO in June 2017. Pakistan can utilise this regional organisation as a platform for settling disputes with India and calmly pursuing cross border energy projects.

Benefits of Central and South Asian Energy Cooperation

The entire region can avail the benefits of these projects including the most volatile areas of Afghanistan, where only 43 per cent of the population has access to electricity. TAPI could provide relief and accelerate local economy. Aside from the US\$400 million per year of transit fees, which stands equal to about 2 per cent of Afghanistan's 2014 Gross Domestic Product (GDP), the project would provide jobs to 25,000 Afghans.¹⁸ Moreover, natural gas will offer Afghanistan a cheaper power-generation alternative to the diesel-based power generation.

Pakistan, in an effort to address chronic energy shortages, agreed to buy Liquefied Natural Gas (LNG) from Qatar for 15 years, from 2016 to 2030. According to the President of All Pakistan Business Forum, Ibrahim Qureshi, this deal will only supply enough to meet 20 per cent of Pakistan's demand.¹⁹ He, therefore, stressed early implementation of TAPI as a means to provide relief to Pakistan's manufacturing segment, currently suffering from severe power shortages. Pakistan would also get US\$200-250 million

¹⁷ Mian Abrar, "Pakistan to Attain Major Policy Goal with Permanent SCO Membership on June 8," *Pakistan Today*, June 3, 2017.

¹⁸ Mohsin Amin, "A Pipeline to South Asia Prosperity," *Foreign Policy*, February 9, 2016.

¹⁹ Salim Ahmed, "APBF Wants Early Implementation of other Projects as Qatar LNG Deal to Meet Just 20% of Demand," *Pakistan Observer*, February 21, 2016.

per year of transit fees from India for allowing the pipeline through its territory.

The ground-breaking ceremony of TAPI gas pipeline was held in Ashgabat on December 12, 2015, the four parties being represented, respectively, by President G Berdimuhamedov, President Ashraf Ghani, Prime Minister Sharif and Vice President, Mohammad Hamid Ansari. The conference was titled “A Policy of Neutrality: International Co-operation for Peace, Security and Development.” At the occasion, Vice President Ansari said that TAPI is “more than a project,” describing it as “the first step towards the unification of the region.” He added, “it is a reflection of the common desire of the four member countries to reconnect. We are seeking to reclaim our shared geography and revitalise an age-old legacy of our mutually enriching interactions.”²⁰

Similar to TAPI, the CASA-1000 holds great potential in promoting growth and stability in the region. This project is also backed by the US, which is a major stakeholder in the region. According to the former Assistant Secretary of State for South and Central Asia Affairs, Nisha Biswal, the “CASA would not only create an energy grid that provides direct benefits to the Tajikistani, Kyrgyzstani, Afghan and Pakistani people. It would also establish an important model for energy and economic cooperation between South and Central Asia. By working more closely together, the countries of the region can build the mutual trust needed to address other contentious issues, such as trans-boundary water sharing, in a more constructive manner.”²¹

These energy projects are also paving the way for normalising the bilateral relationships among the regional countries by facilitating their economic interdependence. They have brought together senior officials from each country to discuss and address development challenges faced by the region. The announcement of these projects also helped in revealing

²⁰ Address by M Hamid Ansari, Vice President of India at the Ground-breaking Ceremony of the TAPI Gas Pipeline Project at Mary, Turkmenistan, December 13, 2015, <http://vicepresidentofindia.nic.in/speechesinterviews/address-shri-m-hamid-ansari-honourable-vice-president-india-groundbreaking>

²¹ Nate Bills, “Powering a New Silk Road: Helping Connect Supply with Demand in South and Central Asia,” *Frontlines*, November/December, 2014.

many of the outstanding regional issues, which has induced countries into expanding their diplomatic engagements.

For Pakistan, these projects will complement the CPEC. Although a third of investment, planned under the CPEC, is for energy projects, it will not be sufficient to match the growing demand in the short term because of the longer completion time of many of the projects. The CASA-1000 and TAPI will be critical for the efficient functioning of new industrial setups under the CPEC. During his visit to Turkmenistan in 2016, Prime Minister Sharif called for harmonisation between TAPI and CPEC as they would bring unimaginable development benefits to the entire region.²²

Importance of Peace and Stability in Afghanistan

Pakistan has been playing an active role in the Afghan peace process for years. To extend support to Afghanistan, Pakistan is engaged with global powers like the US, China and Russia along with the CARs. Despite disagreements on the security-related issues, Islamabad has always pushed for a consistent dialogue process, which can help in gradually overcoming mistrust between the two sides.

Connectivity is vital in strengthening Afghanistan and to stem instability in the country. Facilitated by the US, the 2010 Afghanistan-Pakistan Transit Trade Agreement (APTTA) was a part of the effort to enhance Afghanistan's trade. For Pakistan, it created a much-needed mechanism for trade linkages with Afghanistan along with improving the prospects of connectivity to Central Asia through Afghanistan. In 2012, the donors of Afghanistan committed to work towards "a peaceful, stable and self-sustaining Afghanistan" based on "sustainable economic growth and development and fiscal self-reliance."²³ Strengthening the state economically can help it fight against the terrorist outfits more effectively. Better economic opportunities will also diminish the appeal of militant organisations, which look to exploit economically vulnerable individuals.

²² Salim Bokhari, "TAPI-CPEC Harmonisation can Multiply Benefits," *Nation*, November 26, 2016.

²³ Arushi Kumar, "Why China's One Belt, One Road Matters for Afghanistan," *South Asian Voices*, May 12, 2017.

The completion of Central and South Asia energy projects will provide energy resources to support economic activity in Afghanistan and improve the living standards of the local population, which has limited access to these resources. In addition, the transmission lines and gas pipeline crossing through Afghanistan will earn it substantial transit fees. The years of unrest have denied Afghanistan the opportunity of making use of its critical geographical location. Afghanistan has also lost out on earning transit fees from trading activities among the CARs and the South Asian countries. Peace and stability in Afghanistan is in the interest of the entire region. With its emergence as a regional power and economic expansion plans, China has looked over its traditional policy of non-interference and has sought ways to bring peace in its neighbouring country. China realises that continued instability in Afghanistan will limit its ambitions.

China's Role

China has also included Afghanistan in its expansive Belt and Road Initiative (BRI), making China a stakeholder in the affairs of Afghanistan. It is already the largest source of Foreign Direct Investment (FDI) in Afghanistan and has also significantly raised its economic aid to the country after the launch of the BRI.²⁴ In his speech marking the first freight train's arrival from China to Afghanistan in September 2016, the Chinese ambassador in Afghanistan said, "Without Afghan connectivity, there is no way to connect China with the rest of the world."²⁵

The BRI includes the construction of railways and highways to better connect Central Asia, South Asia and the Middle East. Afghanistan is located at the geographical hub of these regions and has the potential to serve as a regional conduit in these energy projects but the prolonged unrest or civil war would only make it difficult for Beijing's strategy to succeed. Other than economic expansion, China has its own security interests in Afghanistan as it borders China's Xinjiang province, which has become quite vulnerable to extremism in recent years. China has started delivering

²⁴ "China Pledges \$327 Million in Aid to Afghanistan," *Wall Street Journal*, October 29, 2014.

²⁵ Eltaf Najafizada, "China Lays New Brick in Silk Road with First Afghan Rail Freight," *Bloomberg*, September 12, 2016.

military aid to Afghanistan to support peace building measures in the country and to prevent expansion of militancy within its own borders.²⁶

Alongside China, Pakistan is also pushing for stability in Afghanistan. With the initiation of the CPEC and the Central Asian energy projects, Pakistan's long-term economic prospects are intertwined with the situation in its neighbourhood. Pakistan has been looking for the ways to enhance cooperation with Afghanistan and also offered it to join the CPEC. In May 2017, the first round of China-Afghanistan-Pakistan Practical Cooperation Dialogue was held in Beijing. In a statement, the Pakistan Foreign Office stated that "trilateral cooperation among Pakistan, Afghanistan and China is conducive to peace, stability and development of Afghanistan and the region. The three countries appreciated the CPEC and its benefits for promoting regional connectivity. They agreed to advance practical cooperation in various areas so as to promote mutual benefit and regional economic integration under the framework of the BRI."²⁷

China has also facilitated the peace talks between Afghan Taliban and Ashraf Ghani's government as it considers reconciliation through negotiations vital for lasting peace and stability. Afghanistan has been thankful for the efforts made by China in improving the security situation and easing the political tensions in the country.²⁸ In 2016, the Quadrilateral Coordination Group (QCG) consisting of Pakistan, Afghanistan, China and the US was an attempt to expedite the peace process in Afghanistan.

The mediation of China is critical for smooth dialogue between Kabul and Islamabad. The events like cross border firings, blame game on deteriorating security at official level and closing of border between the countries suggest that extra effort is required to normalise the relation between the two countries. As a regional power, China can exercise its influence and bring the two closer. Beijing's offer to mediate between

²⁶ "China Delivers First Batch of Military Aid to Afghanistan," *Voice of America*, July 3, 2016.

²⁷ Mubashir Zaidi, "China, Afghanistan, Pakistan Discuss OBOR," *Hindu*, May 27, 2017.

²⁸ *Ministry of Foreign Affairs of Afghanistan*, Press Release on the First Meeting of Formal Peace Negotiations between Official Delegations of the High Peace Council of Afghanistan and the Afghan Taliban Movement, Kabul, 2015.

Afghanistan and Pakistan can ease tensions and make room for greater economic and political cooperation between the two countries.

Recommendations

Pakistan should enhance its diplomatic engagement with all the participating countries to ensure that security and political hurdles do not halt the progress of the energy transfer projects between Central and South Asia. In this regard, Pakistan must make the most of its recently earned full membership of the SCO. Consisting of the Central and South Asian countries, it could prove to be an effective platform for addressing concerns of partner countries. After the disintegration of the Soviet Union, this forum played a critical role in settling disputes between the newly independent CARs. The organisation wishes its member states to resolve regional issues collectively and Pakistan should count on it to resolve the issues with India and Afghanistan. In addition, the SCO provides Pakistan the opportunity to strengthen its ties with China, Russia and the CARs and demonstrate its commitment towards regional peace and development.

The cross-border energy projects can only be sustainable if peace is ensured over a long period of time. For these projects to materialise, it is also crucial to augment efforts in the Afghan peace process. Pakistan should extend its support for such initiatives and also work on improving economic ties with Afghanistan. The present situation in Afghanistan is not desirable for any country in the region and concrete measures need to be taken at the earliest. Instead of pursuing their self-interest in Afghanistan, the regional countries should adopt a collective approach. The US has politically and financially supported these energy projects as they can bind the warring factions into an interdependent cooperative framework and ultimately help it achieve its security interests. The continued American support will be crucial for these to materialise and Pakistan should look to expand its sphere of cooperation with the US.

Moreover, Pakistan can extend cooperation with the regional countries through offering them opportunities in the CPEC. It offers numerous opportunities for the Central and South Asian countries. This can also enhance economic interdependence amongst the states and deter them from engaging in conflicts in the future. The CARs have expressed their interest

in joining the CPEC.²⁹ It is also high time for Afghanistan to work towards strong regional cooperation in order to address its economic problems. The stakeholders in the Afghan peace process must give greater priority to economic development and regional integration. Greater economic opportunities will go a long way in resolving social unrest, which has been a major source of armed conflict in the country.

China's role in the completion of these projects is pivotal. The experts view that there are psychological disconnects resulting into political denials and economic disruptors in the form of trade and non-trade barriers underwritten by lingering territorial and resource sharing disputes. With its reputation of treating all states equally, Beijing can judiciously carry forward all the connectivity projects in the region.³⁰ The officials of the participating countries should prepare and put in place arrangements that will facilitate trade and resource sharing. This will enable these projects to deliver maximum benefits to the people in an efficient and sustainable manner. Since Central Asia has abundant renewable energy resources, smooth implementation of these projects will encourage countries and international organisations to enhance economic cooperation with the CARs. These projects should be used as a stepping stone towards a possible green energy corridor in the region.

Conclusion

The countries do not live in a vacuum or in isolation, so, there is a real synergy or benefit for all if countries cooperate, if they connect with each other and they trade with each other.³¹ Therefore, regional connectivity and energy trade have enormous economic benefits and the Central, as well as South Asian countries can avail themselves of the eventual benefits. For Pakistan, these projects are vital to meet the growing energy needs and, hence, all out efforts should be made to bring them into effect. These projects will usher in economic interdependence among the competing

²⁹ "Central Asian Republics Ready to Join CPEC: Envoys," *Daily Times*, May 1, 2018.

³⁰ Khalid Iqbal, "The Political Perspective of South Asia-Central Asia Connectivity," *Criterion Quarterly*, April 2, 2018.

³¹ "Working Together in Central and West Asia," Asian Development Bank, October 27, 2017.

states in the region, thus, making the costs of conflict too high and peaceful coexistence more desirable.

From an elusive dream a few years ago, the Central Asia-South Asia energy transfer projects seem to be nearing reality. More trust needs to be built with regional states and convergence on security issues must to be ensured. Otherwise, progress on the economic front may not be substantial. Greater and organised regional cooperation is the key to peace and prosperity across the region.