



NATIONAL INSTITUTE OF PUBLIC POLICY

OVERVIEW

During the period under review, Pakistan's policy actions underscore a multifaceted approach to domestic challenges and international opportunities, highlighting the country's balancing act between pressing local issues and strategic foreign engagements. The government's response to Lahore's alarming air quality crisis by introducing "green lockdown" exemplifies the struggle between immediate reactive measures and the need for lasting solutions.

On the global stage, Pakistan is actively leveraging investment forums like the Future Investment Initiative (FII) to secure foreign direct investment in emerging sectors such as AI and healthcare. Such a forward-looking approach in investment policy also resonates with CM Maryam Nawaz's recent engagement with Italy, seeking collaborations in agriculture, livestock, and industrial production.

In terms of regional security, the assurance from Afghan Charge d'Affaires that Afghanistan's land will not be used against Pakistan opens a new, albeit cautious, chapter in Pakistan-Afghanistan relations. This diplomatic statement, however, is shadowed by long-standing mistrust and unresolved security concerns regarding TTP activities. The juxtaposition of such positive rhetoric with the ongoing security issues reflects Pakistan's complex regional dynamics, where strategic cooperation is needed to mitigate persistent security threats along the porous Pakistan-Afghanistan border.

Domestically, the surge in tuberculosis cases, reported as the highest on record by the WHO, underscores critical gaps in Pakistan's healthcare infrastructure, exacerbated by socio-economic disparities. The ongoing terrorist threats in Balochistan and Khyber Pakhtunkhwa add further strain to national resources, demanding a more adaptive and localized counter-terrorism strategy. These combined health and security challenges reveal the pressing need for integrated policy responses that address both public safety and social welfare.

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Worst Air Quality Persists in Lahore

Lahore, provincial capital of Punjab, continued to suffer from hazardous air quality, recently ranking as the world's most polluted city with an AQI of 708. Contributing factors include high vehicle usage, waste burning, and rapid urbanization, though precise data on these factors remains limited. Alarming the AQI had touched 1000 too. Usually, the city's AQI fluctuated between 246 (4–5 PM) and 708 (11 PM). Key sources identified by the Ministry of Climate Change, FAO, and the Urban Unit include heavy traffic, brick kilns, and night transport of construction materials, which release harmful pollutants.



Winds from eastern Punjab, India, further worsen Lahore's smog levels. In response, Chief Minister Punjab, Maryam Nawaz ordered to impose a "green lockdown" across eleven smog hotspots in Lahore, targeting barbecue joints, motorcycle-rickshaws, and marriage halls. She also announced plans to plant trees around Lahore to reduce emissions. Primary schools have been close for one week.

Analysis

Lahore is facing the worst AQI in the world. This dubious distinction is alarming. For a few days New Delhi clinched this slot. This situation poses severe health risks and environmental challenges, emphasizing the need for effective pollution management. The Punjab Government is tackling the crisis through initiatives like the "green lockdown," launching thirty electric buses and e-bikes, daily e-challans for smoke-emitting vehicles, and penalties for waste burning. Reactive measures fail to have long-lasting impact. Even the burning of crops did not stop. CM Punjab rightly proposed "climate diplomacy" with India to address cross-border pollution sources.

Way Forward

- Invest in research to identify smog sources and effective countermeasures.
- Establish a robust real-time air quality monitoring system.
- Enforce stricter regulations on industrial emissions and vehicle standards.
- Promote sustainable practices like recycling and energy conservation.
- Collaborate with local businesses, NGOs, farmers, and communities to develop smog reduction strategies.
- Incentivize renewable energy use to reduce fossil fuel reliance.

Future Investment Initiative: PM Seeks Investment in AI and Health Sectors

PM Shehbaz Sharif participated in the 8th session of the Future Investment Initiative (FII) under the patronage of King Salman bin Abdulaziz Al-Saud. FII serves as a premier platform for countries to showcase economic potential, attract foreign investments, and engage in sustainable development discussions. This year's theme, "Infinite Horizons: Investing Today, Shaping Tomorrow," emphasizes global investments addressing AI, robotics, education, energy, space, finance, healthcare, and sustainability.



The PM invited global companies to invest in Pakistan's AI and health sectors, particularly in genome sequencing and personalized medicine, emphasizing the importance of collaboration in tackling today's challenges. Pakistan is actively embracing AI and other innovative technologies to drive economic growth.

Analysis

Investment forums like FII are essential for developing countries, offering platforms to attract foreign direct investment crucial for economic growth. Pakistan's participation provides opportunities to connect local businesses with international investors, fostering partnerships for technology transfer, job creation, and infrastructure development. By highlighting its resources and potential, Pakistan can build investor confidence and create a favorable business environment, ultimately advancing sustainable development and improving living standards.

Way Forward

- **Streamline Regulatory Processes:** Simplify regulations to make it easier for foreign investors, fostering transparency and building confidence.
- **Government-Backed Investment Funds:** Establish funds to support startups and small businesses, promoting innovation.
- **One-Stop Shop for Healthcare and AI Investment:** Implement streamlined facilities for foreign investors in healthcare and AI technologies.

Diplomatic Relations

Afghanistan's Land Will Not Be Used Against Pakistan

Afghan Charge d'Affaires in Pakistan, Moulvi Sardar Ahmad Shakeeb, asserted that Afghanistan does not permit its territory to be used against Pakistan, calling such claims unfounded. While acknowledging Pakistan's concerns, he emphasized that no Afghan engages in terrorism within Pakistan, citing formal fatwas

prohibiting jihad in neighboring countries. He also noted Afghanistan's ongoing efforts to improve trade and investment relations with Pakistan, though challenges remain.

Analysis

This statement is more reasonable as compared to the earlier mocking statements issued by Afghan Taliban spokesperson which further fueled the fire. There are undeniable proofs to establish that TTP militants are based in Afghanistan and carry out attacks from there.



In many cases the terrorist attacks that took place inside Pakistan were planned and directed by TTP leadership based in Afghanistan. Pakistan repeatedly informed the Afghan Taliban government about it but to no avail. Although the relations between Pakistan and Afghanistan are marked by historical grievances, security issues, and complex geopolitics, Pakistan must capitalize on the positive statement of the Taliban envoy. Pakistan considers Afghanistan key to its security, particularly to counter regional influences, while Afghanistan often accuses Pakistan of interference related to militant activity along their shared border.

Way Forward

- **Maintain Diplomatic Channels:** Establish regular dialogue to address grievances and foster cooperation.
- **Strengthen Border Security:** Control illegal crossings and smuggling while facilitating legal trade.
- **Negotiate Trade Agreements:** Reduce tariffs and promote interdependence, focusing on agriculture, textiles, and pharmaceuticals.

Foreign Direct Investment

CM Seeks Italian Investment in Pakistan

Punjab Chief Minister Maryam Nawaz met with the Italian Ambassador to Pakistan, Marilina Armellini, to discuss mutual interests and opportunities for strengthening trade and business ties. The ambassador expressed interest in investing in olive cultivation, livestock, and dairy projects. Additional sectors considered for collaboration included tourism, textiles, leather, marble, and carpets.



Analysis

Italy is a key European partner for Pakistan, with trade encompassing machinery, automobiles, and industrial products from Italy, while Pakistan exports textiles, garments, and agricultural goods. Both countries support each other in multilateral organizations, such as the United Nations, reinforcing their commitment to global peace and development. Strengthening cooperation in agriculture, dairy, and livestock would further solidify bilateral ties. Sizable Pakistani diaspora in Italy also fosters deeper cultural connections, which could be enhanced through Italian language programs, art exhibitions, and educational

collaborations. Additionally, both nations share interests in renewable energy, science, and technology, promoting sustainable growth and prosperity.

Way Forward:

- **Promote Tourism:** Encourage Italian tourists by offering incentives and fostering people-to-people exchanges.
- **Facilitate High-Level Visits:** Arrange visits of policymakers and entrepreneurs to enhance industrial ties.
- **Encourage Joint Ventures:** Propose collaborations in technology transfer, renewable energy, and high-tech manufacturing, focusing on areas like automobiles and machinery.

Policy Nuggets

Incident/ News	Impact	Recommendation	Priority
Pakistan, Russia reaffirm to boost ties	Areas of trade, commerce, investment, agriculture, and energy will get a boost for the benefit of the two countries.	Pakistan must develop and diversify its foreign relations with neighbours and non-traditional partners. <i>"The more diversified a country's foreign relations, the more it ensures resilience and adaptability in the global order."</i> – Global Policy Journal	High
Hate-motivated attack against a Muslim family in London, Canada.	Islamophobia is on the rise. PM Trudeau condemned it as abhorrent and unacceptable.	Islamophobia is deadly, and we need to name it and condemn it loudly wherever we see it. As advised by PM Trudeau.	High
SC devises plan for 59,191 pending cases.	Resolve to implement the Case Management Plan in full is a good omen.	Continuity and commitment are required to ensure swift and speedy case resolution. <i>"Justice delayed is justice denied. The judiciary must adopt efficient case management to restore public trust."</i> –International Association for Court Administration	Highest

<p>Backlash as Israel passes bill on ban UN aid body</p>	<p>Open defiance against UN means Israel is going outright against the world peace.</p>	<p>All countries of the world should demand of the UN to suspend Israel's membership. <i>"The United Nations is an institution meant to foster peace and dialogue; member states must uphold its core principles or face consequences."</i> – UN Charter Commentary</p>	<p>High</p>
<p>Polio teams attacked in Orakzai, Kohat, North Waziristan</p>	<p>Terrorists have intensified action against Polio campaign.</p>	<p>To counter the terrorists and send them a strong message, Govt must double the efforts to ensure unhindered running of polio campaign. <i>"A country that allows its public health initiatives to be attacked allows disease to thrive. We must protect health workers and immunization campaigns at all costs."</i> – World Health Organization</p>	<p>Highest</p>
<p>France-based arbitration: Pakistan hires 3 law firms to argue case against Iran</p>	<p>Pak-Iran relations will suffer.</p>	<p>CBMs should be adopted to mitigate the impact. <i>"Confidence-building measures (CBMs) are essential for maintaining diplomatic channels, even in times of conflict."</i> – Institute of Peace and Conflict Studies</p>	<p>Highest</p>
<p>Tuberculosis cases hit record 8.2m high in 2023: WHO</p>	<p>An alarming public health challenge, exacerbated by underfunding & socio-economic factors.</p>	<p>Preventive measures are essential. Address socio-economic factors. <i>"Public health is the foundation of national security; investment in preventive measures and addressing socio-economic disparities is crucial."</i> – World Health Organization</p>	<p>Highest</p>

<p>Terrorism persists: 5 security guards killed in Panjgur; 3 security men martyred in Bannu; Pak Army major, 2 soldiers martyred in KP IBO; Children among 8 dead in Mastung bombing; 4 terrorists killed in KP, convoys of security men attacked</p>	<p>Balochistan and tribal districts of KP are experiencing frequent terrorist attacks.</p>	<p>Pakistan must go all out to annihilate the terrorist groups; CT strategy must be revised. Take the locals on board. <i>"An effective counter-terrorism strategy is adaptive, proactive, and rooted in an understanding of the local context."</i> – Global Counterterrorism Forum</p>	<p>Highest</p>
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