

WEEKLY

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OVERVIEW

This week's *Policy Pulse* issue serves as a critical lens on Pakistan's evolving governance, security, and socio-economic challenges, offering timely insights for public sector leaders navigating complex policy landscapes. This week's edition underscores the tension between regulatory ambiguity and strategic innovation, alongside persistent security threats and human rights imperatives.

Pakistan's contradictory stance on cryptocurrency—with the SBP upholding a ban despite exploratory initiatives for a national bitcoin reserve—exemplifies policy incoherence that stifles digital innovation. Security remains precarious, as seen in the targeted killing of the Surab ADC in Balochistan and ongoing counterterrorism operations in KP. On human rights, the deportation of at-risk Afghans poses ethical dilemmas, while the landmark child marriage law in Islamabad signals progress amid religious opposition. Economically, partnerships like PAFLA-SIFC aim to empower freelancers, yet institutions like Pakistan Post struggle with systemic inefficiencies.

Such dynamics directly impact public sector efficacy. The crypto deadlock deters foreign investment, demanding urgent regulatory clarity. Security gaps in Balochistan undermine development projects, necessitating enhanced intelligence and community policing. The child marriage law's passage, though limited to Islamabad, pressures provinces to harmonize protections. Meanwhile, digital initiatives like PAFLA-SIFC's freelancer support offer scalable models for youth inclusion—already bridging gaps in underserved regions through skills training and tech access.

Policy Nuggets highlight critical levers of reform. Advancing the digital economy through tax incentives and cybersecurity upgrades reflects Pakistan's pivot toward financial inclusion and innovation. In health governance, urgent staffing at DRAP is essential to safeguard drug quality and public health. On the environmental front, enforcing real-time monitoring of industrial effluents can curb pollution and protect ecosystems. Collectively, these measures underscore the need for regulatory coherence, national security, and inclusive development as central to Pakistan's long-term resilience.

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Crypto policy in disarray as SBP, Ministry insist ban is still in place



- State Bank of Pakistan (SBP) and the Ministry of Finance have reiterated that cryptocurrency remains banned in Pakistan, despite recent initiatives suggesting a shift towards digital assets.
- This stance comes amidst reports of Pakistan's plans to establish a strategic bitcoin reserve, aiming to align with global digital finance trends.

Analysis

Pakistan's approach to cryptocurrency is marked by contradictions, with regulatory bodies maintaining a ban while other government initiatives suggest a move towards adoption. This inconsistency hampers the development of a coherent digital finance strategy and may deter potential investors and innovators.

Way Forward

- Clearly communicate legal stance to the public.
- Implement controlled pilot projects to explore the benefits and challenges of digital assets, providing data to inform future policy decisions.
- Government should convene a task force comprising representatives from the SBP, Ministry of Finance, and technology experts to develop a clear and cohesive cryptocurrency policy.

Pakistan Post under fire



- Pakistan Post faces criticism over operational inefficiencies and financial mismanagement.
- The institution struggles with outdated systems, leading to delays and customer dissatisfaction.
- Calls for modernization and accountability are growing louder from both the public and officials.

Analysis

Pakistan Post's outdated infrastructure hampers its ability to serve the public effectively, eroding trust in a vital national service. Without swift reforms, it risks further decline and irrelevance in the digital age.

Way Forward

- Invest in modern IT systems to streamline operations and improve service delivery.
- Implement strict auditing processes to ensure transparency and accountability.
- Establish feedback mechanisms to address public concerns and enhance satisfaction.

Pakistan urged not to deport at-risk Afghans, journalists



- Over 200 Afghan journalists and thousands of at-risk Afghans face potential deportation from Pakistan following a government crackdown on undocumented migrants.
- Human rights organizations warn that deporting these individuals could expose them to severe risks under Taliban rule.
- Many affected individuals are awaiting resettlement in third countries, but face delays and legal uncertainties in Pakistan.

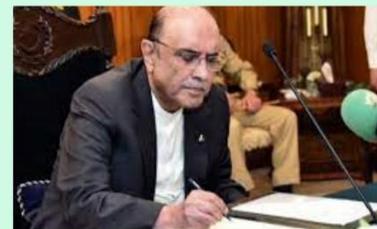
Analysis

Pakistan had provided them temporary shelter in 2021, after the Afghan Taliban came into power in Afghanistan, for resettlement in the US and other Western countries. But despite a lapse of more than three years the US has not facilitated them. As per agreement Pakistan is not bound to keep them here indefinitely. Nevertheless, their deportation would jeopardise their lives.

Way Forward

- Negotiate with the US to honour its agreement and give permanent refuge to the at-risk Afghans who had worked for them.
- Work with international organizations and host countries to expedite resettlement processes and provide necessary support to at-risk individuals.

President signs child marriage bill into law



- President Asif Ali Zardari signed the Islamabad Capital Territory Child Marriage Restraint Bill 2025 into law, setting the minimum legal age for marriage at 18 for both genders.
- Legal Implications: The law criminalizes child marriages and imposes penalties, including imprisonment, for those facilitating such unions.

Analysis

Enactment of this law marks a pivotal moment in Pakistan's legislative history, reflecting a commitment to protecting children's rights and aligning with international human rights standards. However, the opposition from religious groups indicates ongoing challenges in reconciling legal reforms with traditional interpretations of religious texts.

Way Forward

- Encourage provinces to adopt similar laws to ensure uniform protection against child marriage across the country.
- Launch nationwide initiatives to educate communities about the legal implications of child marriage and promote the rights of children.

PAFLA, SIFC sign deal to assist freelancers



- Pakistan Freelancers Association (PAFLA) and Innovista, a subsidiary of the Special Investment Facilitation Council (SIFC), have signed an agreement to enhance digital infrastructure for freelancers.
- The initiative aims to empower youth across Pakistan by providing training, access to technology, financial literacy, and global client connectivity.
- The program focuses on creating an inclusive environment, particularly targeting women and youth in underserved regions.

Analysis

This collaboration signifies a strategic move to bolster Pakistan's digital economy by investing in its freelance workforce. By addressing infrastructure and skill gaps, the initiative has the potential to increase foreign exchange earnings and promote self-sufficiency.

Way Forward

- Develop and roll out comprehensive training modules to enhance freelancers' skills and global competitiveness.
- Invest in reliable internet connectivity and digital tools, especially in remote and underserved areas.
- Facilitate access to financial services and literacy programs to empower freelancers economically.

Terrorists attack Surab; kill the ADC



- Assistant Deputy Commissioner Surab district, Hydayatullah Baledi, was martyred by the terrorists in Surab area, Khuzdar District of Balochistan.
- BLA terrorists, termed as 'Fitna al-Hindustan' targeted government installations including DC Office, police station and Levies Force headquarters.
- They looted a commercial bank and set fire to multiple government buildings including ADC Baledi's residence, where his family was present.

Analysis

The attack reveals that BLA terrorists had planned to target the ADC and they killed civilians who were mostly Balochis. It reflects the foreign support and guidance to Fitna al-Hindustan. The movement of armed terrorists on motorcycles and vehicles to attack Surab indicates lack of forewarning by the intelligence agencies. It has caused resentment among the public across the country.

Way Forward

- Strengthen intelligence networks to preempt and thwart insurgent plans, focusing on early detection of threats.
- Enhance security protocols for government officials, including secure accommodations and movement strategies.
- Implement community engagement programs to build trust, gather local intelligence, and counter insurgent narratives.

India's top general admits losses in conflict with Pakistan



- India's Chief of Defence Staff General Anil Chauhan has publicly acknowledged military losses during the recent armed conflict with Pakistan.
- This admission comes amid increased scrutiny over India's handling of the escalation.

Analysis

The acknowledgment came after a BJP politician Subrahmanyam Swamy claimed Pakistan had downed five Indian planes in the recent military escalation. This delayed admittance possibly aimed at damage control. It indicates the scale of Pakistan's successful military response. It may lead to domestic political pressure and strategic recalibrations in India.

Way Forward

- Pakistan should leverage this admission in international forums to counter Indian aggression narratives.
- Strengthen diplomatic channels to highlight Pakistan's defensive posture and responsibility.
- Maintain high operational readiness and invest in strategic communication to shape regional perception.

'Death is their companion', UN envoy says about Palestinians



- UN envoy Sigrid Kaag described Gaza's situation as "man-made" and emphasized that Palestinians "deserve more than survival".
- An American surgeon testified that Gaza's healthcare system has been systematically dismantled, leaving children without protection.
- Kaag urged for a concrete path toward a two-state solution, highlighting an upcoming international conference as a critical opportunity.

Analysis

UN's stark depiction underscores the severity of Gaza's humanitarian crisis, emphasizing the need for immediate international intervention. The dismantling of healthcare infrastructure and the psychological trauma inflicted on children highlight the long-term consequences of the ongoing conflict.

Way Forward

- Facilitate unrestricted humanitarian aid to address urgent needs in Gaza.
- Rebuild and support Gaza's healthcare system through international collaboration.
- Organize and support international conferences aimed at achieving a two-state solution.

FO hits out at Modi over 'inflammatory monologue'



- Foreign Office (FO) of Pakistan condemned Indian Prime Minister's recent comments questioning the Indus Waters Treaty, labeling them as an "inflammatory monologue" and a departure from international norms.
- Pakistan urged India to exercise restraint in both language and action, emphasizing that jingoism undermines long-term peace and stability.

Analysis

Modi's remarks on the Indus Waters Treaty have escalated tensions between India and Pakistan, with Pakistan viewing them as a threat to regional stability. The FO's response highlights concerns over India's approach to shared resources and its impact on bilateral relations.

Way Forward

- Engage in bilateral talks to address concerns over the Indus Waters Treaty and prevent further escalation.
- Seek involvement of neutral international bodies to mediate and ensure adherence to treaty obligations.
- Encourage collaborative efforts on water resource management to build trust and mutual benefit.

Pakistan will neither forget Kashmir nor abandon it: COAS



- Field Marshal Syed Asim Munir reaffirmed Pakistan's unwavering commitment to the Kashmir issue, stating that the nation will neither forget nor abandon the cause.
- He emphasized that water rights are a "red line" for Pakistan, asserting that no compromise will be made on the fundamental rights of its 240 million citizens.
- COAS dismissed India's claims linking Pakistan to terrorism, attributing such issues to India's internal oppression and discrimination against minorities.

Analysis

Field Marshal Munir's statements underscore Pakistan's firm position on Kashmir and its broader regional concerns, such as water rights. By framing these issues as non-negotiable, Pakistan signals its readiness to confront challenges to its sovereignty and essential resources.

Way Forward

- Use diplomatic forums to raise Kashmir and water concerns.
- Engage regional allies on shared water rights.
- Maintain internal stability to strengthen global stance.

Four soldiers martyred in North Waziristan



- Twelve terrorists were killed in separate operations by security forces in Khyber Pakhtunkhwa (KP) and Balochistan.
- Four soldiers, including a lieutenant, were martyred in North Waziristan, and two Coast Guard personnel were killed in Jiwani near the Iran border.
- A policeman was killed and two others injured in a militant attack in Bannu; five terrorists were killed in Balochistan operations.

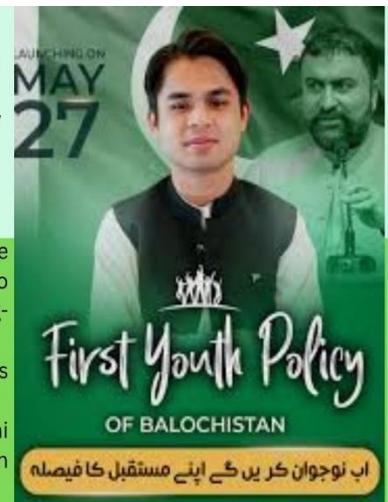
Analysis

Recent operations highlight the persistent threat of militancy in KP and Balochistan, with security forces actively engaging to neutralize these threats. The loss of security personnel underscores the high cost of maintaining stability in these regions.

Way Forward

- Strengthen surveillance and patrols along the Iran-Pakistan border to prevent cross-border militant movements.
- Foster collaboration with local communities to gather intelligence and build trust, aiding in early threat detection.
- Provide advanced training and equipment to security personnel operating in high-risk areas to improve operational effectiveness.

Balochistan CM Bugti launches youth policy



- CM Sarfraz Bugti launched the Balochistan Youth Policy to empower youth and tackle long-standing neglect.
- He noted a six-month delay in its rollout due to various challenges.
- Bugti credited Jamal Khan Raisani and Meena Majeed for their role in shaping the policy.

Analysis

The launch of the Youth Policy signifies a strategic move by the Balochistan government to invest in its young population, aiming to foster development and stability in the region. By addressing previous delays and acknowledging contributors, the leadership demonstrates a commitment to inclusive governance and policy implementation.

Way Forward

- Develop a clear roadmap for effective execution of the Youth Policy.
- Involve youth representatives, civil society, and educational institutions in the policy's rollout to ensure it meets the actual needs of the youth.

Policy Nuggets

1 PM thanks Baku for firm support amid tensions with India

Impact

Reinforces strategic alignment with Azerbaijan amidst heightened regional tensions

Recommendation

Deepen political coordination through joint diplomatic initiatives; Expand defense cooperation channels to deter future provocations.

"Friendship is born at that moment when one person says to another: What! You too?" – C.S. Lewis

4 Afghan Taliban commander warns terrorists against fighting Pak forces

Impact

Offers opportunity for cross-border stability via shared security narratives

Recommendation

Leverage messaging for diplomatic traction; Increase engagement with Afghan authorities on mutual counterterrorism threats.

"Sometimes the enemy of your enemy is your friend." – Arab Proverb

7 FBR faces Rs200bn revenue shortfall

Impact

Threatens fiscal balance and IMF benchmarks

Recommendation

Expand the tax base to include under-taxed sectors; Improve enforcement via automated digital audits; Review and rationalize tax incentives and exemptions.

"In this world nothing can be said to be certain, except death and taxes." – Benjamin Franklin

2 Government plans curbs, incentives to push cashless economy

Impact

Signals major policy shift toward formalization of economy via digital payments

Recommendation

Introduce tax rebates and micro-loans for small businesses using digital transactions; Implement robust cybersecurity protocols to build public trust; 1

"The future of money is digital currency." – Bill Gates

5 Five India-sponsored terrorists killed in two Balochistan operations: ISPR

Impact

Demonstrates intelligence-led counterterrorism capability

Recommendation

Institutionalize cross-agency coordination and border surveillance systems.

"The price of freedom is eternal vigilance." – Thomas Jefferson

8 Arshad Nadeem thanks nation for javelin victory ahead of arrival in Lahore

Impact

Elevates national pride and showcases potential in athletics

Recommendation

Invest in talent development and nationwide sports academies; Institutionalize sports funding mechanisms for grassroots and elite athletes.

"Sports do not build character. They reveal it." – Heywood Broun

3 Pakistan, Iran to keep border open 24/7 for pilgrims

Impact

Enhances bilateral religious tourism and cross-border facilitation

Recommendation

Strengthen biometric and customs infrastructure at crossings; Launch a joint border coordination committee to manage flows.

"Good fences make good neighbors." – Robert Frost

6 NA panel raises alarm over staff shortage at DRAP, urges recruitment on merit

Impact

Regulatory gaps risk slowing approvals and compromising drug quality

Recommendation

Launch emergency hiring through NTS/PSC to fill vacant posts; Digitize DRAP operations to reduce manual processing burden; Establish HR reform unit to sustain long-term capacity.

"An army of principles can penetrate where an army of soldiers cannot." – Thomas Paine

9 Punjab to launch drive against toxic water discharge into drains

Impact

Marks a critical step toward controlling industrial pollution and protecting public health

Recommendation

Strengthen enforcement; establish industrial compliance through incentives and penalties

"We won't have a society if we destroy the environment." – Margaret Mead



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