

WEEKLY

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OVERVIEW

This week's *Policy Pulse* captures Pakistan's struggle with climate-induced disasters, economic reforms, and shifting geopolitical dynamics. Catastrophic monsoon floods, glacier melting and dam releases from India have devastated Punjab, KP, and Gilgit-Baltistan, displacing millions and threatening Sindh with a potential "super flood." These crises underscore Pakistan's urgent need for resilient infrastructure, improved disaster preparedness, and stronger transboundary water diplomacy. On the economic front, Pakistan is deepening collaboration with the Asian Development Bank (ADB) to secure long-term financing through green bonds, debt-for-nature swaps, and structural reforms. In parallel, Islamabad has finalized a government-to-government deal with the UAE for managing Islamabad Airport and received a \$3 million ADB grant for flood relief. Meanwhile, the government unveiled neonatal resuscitation guidelines to address high infant mortality and confronted warnings from the Pakistan Medical Association over a severe shortage of essential drugs. Moreover, with the Presidential assent to Land Port Authority Bill and amendments to petroleum and criminal laws the government signals its intent to streamline border trade, curb smuggling and strengthening regulation, respectively. Diplomatically, Pakistan aligned itself with China's vision at the Shanghai Cooperation Organization (SCO) summit while condemning Israel's airstrikes on Gaza's Nasser Hospital and Israel's incursion into Syria. Internationally, China declined to be part of denuclearisation talks with US and Russia whilst North Korea reaffirmed its nuclear stance and criticized South Korea as its call for denuclearisation as hypocritical.

On the other hand, Policy Nuggets emphasize energy diversification, climate-smart agriculture, counter-terrorism, and sustainable tourism as forward-looking measures. Collectively, this issue portrays Pakistan at a critical juncture—balancing emergency relief and governance challenges with strategic reforms and international partnerships aimed at securing economic stability and climate resilience.

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Pakistan seeks Asian Development Bank's support for reforms



Pakistan's Finance Minister, Muhammad Aurangzeb, has sought deeper, long-term collaboration with the Asian Development Bank (ADB)—including policy-based lending and innovative instruments like green bonds and debt-for-nature swaps—under a new 10-year Country Partnership Strategy (2026–35), to support reforms in energy transition, climate resilience, transport and logistics, human capital development, and resource mobilization.

Analysis

Pakistan is positioning itself to diversify and modernize funding sources by exploring market-based and climate-aligned financing while committing to structural reforms. These efforts highlight that the government is committed to its reform program to ensure fiscal stability and boost investors' confidence to attract more foreign investment.

Way Forward

- Develop a clear roadmap for issuing green bonds and Panda bonds for transparent, impactful climate and infrastructure investments.
- Prioritize capacity-building within key institutions to efficiently manage new financial instruments.
- Strengthen public-private partnerships (PPPs) by embedding performance-based and reform-linked wedges in infrastructure financing to boost private capital.

Pakistan launches its first national neonatal resuscitation guidelines



Pakistan launched its first national neonatal resuscitation guidelines to improve newborn survival rates, especially in under-resourced areas. As many healthcare facilities cannot afford or maintain advanced equipment, the manual offers simple alternatives in clear language, algorithms and diagrams.

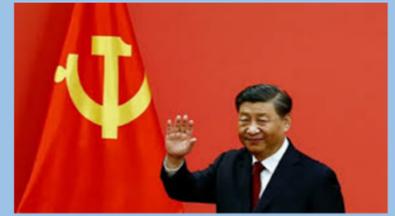
Analysis

This marks a critical step towards reducing neonatal mortality by standardizing care and empowering healthcare providers with evidence-based practices.

Way Forward

- Organize nationwide training programs for doctors, nurses, and midwives on the new guidelines, especially in rural areas.
- Ensure availability of essential resuscitation equipment in all hospitals, particularly in primary and secondary healthcare centers.
- Develop a system to monitor guideline implementation and track outcomes to identify gaps and improve practices.

China won't take part in denuclearisation talks with US, Russia



China rejected joining US-Russia denuclearisation talks, citing its smaller nuclear arsenal, while North Korea dismissed South Korea's calls for denuclearisation as unrealistic and hypocritical.

Analysis

These developments highlight deepening global nuclear divides with confidence building measures required to make any progress towards nuclear disarmament. China's statement that the "special and primary responsibility for nuclear disarmament" falls on the countries with the largest nuclear arsenal and North Korea's reinforcing its irreversible nuclear stance reveals that confidence building measures from US would be necessary to engage with these countries on the matter.

Way Forward

- Encourage neutral countries or international organizations to mediate between North and South Korea to reduce hostility and open dialogue channels.
- Establish a multilateral forum including the US, South Korea, China, Japan, and Russia to address Korean Peninsula security concerns collectively.
- Strengthen existing treaties like the Nuclear Non-Proliferation Treaty (NPT) and promote new confidence-building measures globally.

Pakistan joins world condemnation of Israel's attack on Gaza hospital



Pakistan condemned Israel's airstrikes on Gaza's Nasser Hospital, calling them a grave violation of human rights, humanitarian law, and press freedom. The Israel's incursion into Syria was also condemned as violation of international law.

Analysis

Pakistan has urged the international community to hold Israel accountable, prevent regional destabilization, and respect Syria's sovereignty.

Way Forward

- Advocate at the UN and other global forums for independent investigations into Israeli attacks on civilians and medical facilities.
- Encourage the use of international legal mechanisms like the International Court of Justice for accountability.
- Reaffirm support for Syria's sovereignty and territorial integrity at global diplomatic platforms.

PMA alarmed over 'severe shortage' of life-saving drugs across country



The Pakistan Medical Association (PMA) warns of a severe shortage of 80 essential medicines, including 25 with no substitutes, due to unchecked operation of black markets. PMA has called it a “life-threatening” issue for patients with chronic and critical diseases and has urged the government to immediately approve a new, pragmatic drug pricing and establish a high-powered task force to overcome the current shortages.

Analysis

The crisis highlights urgent gaps in drug regulation, pricing policies, and enforcement. The PMA demands for an immediate government action and a high-powered task force to prevent further health catastrophes reveal the lack of attention paid by the government to the health sector.

Way Forward

- Approve a pragmatic policy that aligns drug prices with production costs to keep essential medicines affordable and ensure continuous manufacturing.
- Facilitate local production and maintain backup arrangements for imports to counter international supply chain disruptions.
- Establish a body comprising the Health Ministry, PMA, and pharmaceutical industry representatives with authority to make rapid decisions on imports, licensing, and production.

US moves to limit students, journalists' stay



The Trump administration proposed limits on foreign students' stays to four years and journalists to 240 days, whilst the Chinese journalists will be restricted to 90 days, with possibility of extension. The proposed restrictions are being put in place due to security and cost concerns. However, the administration does not explain how US citizens and taxpayers were being hurt by the international students as according to Commerce Department statistics, they contributed more than \$50bn to the US economy in 2023.

Analysis

Critics argue the move risks deterring international talent, weakening US universities' global competitiveness, and creating unnecessary bureaucratic barriers.

Way Forward

- Use economic and security data to ensure visa regulations protect national interests without harming education and research sectors.
- Introduce transparent, quick procedures for visa renewals to reduce uncertainty for students and journalists.
- Foster regional academic collaboration by establishing joint degree programs with universities in friendly nations to reduce reliance on US institutions and sustain educational continuity.

Pakistan moves to hand over Islamabad Airport operations to UAE in G2G deal



Pakistan approved handing over Islamabad International Airport operations to the UAE under a government-to-government deal to improve efficiency and attract investment.

Analysis

The move aims to upgrade infrastructure, reduce financial losses, and boost investor confidence as part of broader economic reform efforts.

Way Forward

- Establish a joint monitoring committee to regularly review performance, finances, and compliance.
- Use this project as a pilot model before outsourcing operations of other major airports in Pakistan.
- Encourage private sector participation alongside G2G deals to diversify expertise and investments.

ADB commits \$3 million grant for flood relief



ADB has committed US\$3million grant from its Asia Pacific Disaster Response Fund to support Pakistan's emergency flood relief efforts for the affected communities amidst devastating monsoon floods. The announcement was made by the ADB President Masato Kanda at the conclusion of his three-day official visit to Pakistan and offered his condolences for the flood victims. He also met the PM during his visit.

Analysis

The commitment of US \$3 million as grant underlines ADB's agile crisis response and reinforces its broader commitment to Pakistan's resilience-building—aligning immediate humanitarian support with its long-term development agenda.

Way Forward

- Strengthen disaster-funding oversight by implementing real-time tracking and transparent reporting mechanisms.
- Expand local capacity by equipping provincial disaster management units with pre-positioned relief stocks to enable faster and equitable distribution during crises.
- Invest in pre-emptive resilience infrastructure to reduce reliance on reactive aid and enhance preparedness across vulnerable regions.

Floods, rains continue to wreak havoc on KP, Punjab as Sindh remains on alert



As severe flooding in Sutlej, Ravi, and Chenab rivers rains led to massive evacuations across Punjab, the authorities in Punjab have reported dangerously high water levels across key river sites, with several nearing or exceeding critical levels. The overflows in Punjab is expected to cause havoc in Sindh, it is projected that over 1.65 million people are at risk along both banks of the Indus River. Moreover, the glacier melting has triggered exceptional flooding across KP and Gilgit-Baltistan.

Analysis

The crisis underscores Pakistan's urgent need for climate-resilient infrastructure, regional water management coordination, and stronger disaster preparedness to mitigate escalating flood risks.

Way Forward

- Upgrade early warning systems with satellite data and cross-border information sharing to anticipate river inflows and glacier melts.
- Construct and reinforce embankments, barrages, and drainage systems designed to withstand extreme weather events.
- Develop a national water management plan that coordinates with provinces and engages with upstream countries to regulate water flows.

At SCO, PM Shehbaz stresses alignment with Xi's vision



At the SCO summit in Tianjin, PM Shehbaz Sharif highlighted Pakistan's alignment with President Xi Jinping's vision and praised the Chinese leadership and its people for transforming the country into the second-largest economy and military powerhouse in the world. Apart from President Xi, PM Shehbaz also met various world leaders including Russian President Vladimir Putin, Malaysian PM Anwar Ibrahim, Turkish President Recep Tayyip Erdogan and United Nations Secretary General Antonio Guterres. He also attended the reception for world leaders, where he was welcomed by President Xi and First Lady Peng Liyuan. However, there was no bilateral meeting with Indian PM Modi, who was also present at the reception.

Analysis

His remarks signal Pakistan's strategic tilt towards China and the Global South, reflecting Islamabad's reliance on Beijing for economic and diplomatic support.

Way Forward

- Expand collaboration with China in infrastructure, technology, agriculture, and green energy to align with Xi's vision.
- Use SCO as a platform to raise development concerns of the Global South and seek collective solutions for security, energy, and climate challenges.
- Encourage academic, cultural, and youth linkages with SCO countries to strengthen long-term cooperation.

President assents to Land Port Authority Bill



President Asif Ali Zardari signed multiple key bills into law, which included approval of the Pakistan Land Port Authority Bill to streamline border trade, approval to change in the constitution of the 11th NFC as Balochistan nominated Mahfooz Ali Khan as its non-ex officio member in the 11th NFC, and assented to the amendments to petroleum and criminal laws to curb smuggling and strengthening regulation, respectively.

Analysis

These measures collectively signal Pakistan's push for regional trade integration, stronger fiscal representation, and stricter governance, reflecting a broader agenda of economic modernization and institutional strengthening.

Way Forward

- Build a professional and well-resourced Pakistan Land Port Authority to ensure seamless coordination among border agencies.
- Introduce IT-based systems for real-time monitoring of cross-border trade, petroleum tracking, and law enforcement.
- Use the revised NFC structure to promote transparent and fair resource distribution, addressing long-standing provincial concerns.

Over 2m displaced as Punjab braces for more torrents from India



Over 2 million people have been displaced across some 2,200 villages in Punjab due to flooding from the overflowing Chenab, Ravi, and Sutlej rivers since August 23. Provincial Disaster Management Authority (PDMA) has warned that the next 48 hours (through September 3) are critical as "exceptionally high flood" levels persist and additional surges may arrive as India release dam. This has potentially dangerous consequences for Sindh where officials have warned of a "super flood" as massive inflows from Punjab move downstream.

Analysis

This catastrophic flood surge, fuelled by intense monsoon rains and unannounced cross-border dam releases, highlights the fragility of Pakistan's flood preparedness. It also reveals the dire need for transnational water diplomacy and climate-resilient infrastructure to ensure that geopolitical vulnerability to water management is reduced.

Way Forward

- Deploy community-based river-level monitoring and SMS alerts in vulnerable riverine districts so residents can evacuate promptly, especially during flash floods or dam releases.
- Construct elevated multipurpose shelters and reinforce embankments near flood-prone settlements, while enforcing zoning rules to prevent rebuilding on exposed floodplains.
- Support grassroots and NGO-run relief initiatives particularly as government capacity is stretched.

Policy Nuggets

1 Inefficient farming threatens food security amid floods

Impact

Exposes agriculture to climate shocks, raises production costs, and endangers food security.

Recommendation

Invest in solar pumps, energy-efficient tube wells, cold storage; and public-private financing models to modernize farming.

"Climate change is the single biggest health threat facing humanity." – Dr. Tedros Adhanom

4 PM raises Indus Waters Treaty issue at SCO summit

Impact

Highlights Pakistan's concerns over India's unilateral actions; reinforces commitment to multilateralism, diplomacy, and regional peace.

Recommendation

Pursue structured dialogue within SCO; leverage international legal forums; and strengthen water diplomacy to safeguard treaty rights and regional stability.

"Water is the driving force of all nature." – Leonardo da Vinci

7 Terrorist attacks target police stations in Bannu, Bajaur

Impact

Rising militant violence undermines security, endangers civilians, and strains law enforcement capacity.

Recommendation

Enhance counter-terror intelligence; fortify police stations; strengthen community-security coordination; and deploy advanced surveillance against drone threats.

"Terrorism has no religion, no nationality, no humanity." – António Guterres

2 Pakistan unveils \$55bn power sector plan (IGCEP 2025–35)

Impact

Transforms energy mix, cuts emissions, and strengthens long-term energy security.

Recommendation

Accelerate renewable investments; ensure financing mechanisms; and strengthen transmission reforms and governance to curb circular debt.

"The future will be green, or not at all." – Jonathan Porritt

5 Monsoon floods claim hundreds of lives, expose flawed urban planning

Impact

Recurring climate disasters exacerbated by poor governance and unregulated construction.

Recommendation

Enforce watershed protection laws; mandate climate-resilient building codes; and create a federal taskforce to desilt and modernize drainage infrastructure in major cities.

"The environment and the economy are really both two sides of the same coin. If we cannot sustain the environment, we cannot sustain ourselves" – Wangari Maathai

8 Pakistan secures US seafood export approval for 4 years

Impact

Boosts seafood exports, ensures compliance with global sustainability standards, and strengthens access to new markets.

Recommendation

Enhance marine conservation practices; invest in value-added seafood processing; and leverage tariff cuts to expand exports to Europe and Gulf.

"Sustainability is no longer about doing less harm. It's about doing more good." – Jochen Zeitz

3 Polio drive launched in Balochistan amid tragic attack

Impact

Boosts vaccination coverage in high-risk areas but faces setbacks from violence against health workers.

Recommendation

Strengthen security for vaccination teams; expand community engagement to counter resistance; and ensure uninterrupted campaign momentum.

"The highest attainable standard of health is one of the fundamental rights of every human being."

– World Health Organization

6 Pakistan admits failure to convert flood aid pledges into projects

Impact

Unmaterialized donor commitments hinder climate resilience and economic recovery.

Recommendation

Establish a dedicated project preparation facility under the Ministry of Planning; fast-track approvals for climate-resilient infrastructure; and create a digital portal for real-time donor coordination and transparency.

"A promise is a cloud; fulfillment is rain." – Arabian Proverb

9 Tourism in GB drops 90% amid climate disasters, conflicts

Impact

Severe decline in tourism devastates local economy, livelihoods, and regional investment.

Recommendation

Introduce climate-resilient tourism strategies; subsidize permits; promote domestic tourism; and strengthen safety and infrastructure for climbers and visitors.

"Climate change is the greatest threat to sustainable development." – Gro Harlem Brundtland



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