



Weekly



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## Policy Nuggets



# OVERVIEW

This week's Policy Pulse highlights key developments across governance, socio-economic policy, health, security, and international affairs shaping Pakistan's policy landscape. Domestically, the focus centres on strengthening public service delivery, expanding digital infrastructure, and addressing structural human development challenges. Internationally, intensifying geopolitical tensions in the Middle East dominate strategic considerations.

In governance, the federal government's campaign to enroll 25,000 out-of-school children in Islamabad reflects renewed attention to persistent education crisis and the need to strengthen human capital development. Complementing it, directives to expand Nadra services in remote areas of Balochistan highlight efforts to improve state accessibility, and administrative inclusion in underserved regions. These initiatives illustrate that improved service delivery, stronger administrative outreach, and better documentation systems are essential to inclusive governance and national development.

Economic developments reveal both opportunity and vulnerability. Austerity measures following tensions around the Strait of Hormuz expose Pakistan's continued energy import dependence. Conversely, the 5G spectrum auction marks a significant step toward digital modernization. Planned Chinese investment in Balochistan's manufacturing and mineral sectors, alongside efforts to develop a competitive pulse value chain, reflects attempts to stimulate growth, enhance food security, and reduce import reliance. Public health concerns persist, with warnings of rising renal disease linked to unsafe drinking water and detection of locally transmitted m-pox cases underscoring the need for stronger preventive governance.

The policy nuggets further highlight key regulatory, fiscal, and strategic concerns, including petroleum market oversight, rising defence import dependency, fiscal negotiations with the IMF, protection of water infrastructure, and counter-terrorism diplomacy.

Overall, this week's developments emphasize that institutional reform, economic resilience, and proactive diplomacy remain central to navigating Pakistan's domestic challenges amid a rapidly shifting and increasingly volatile global environment.



**Pakistan seeks improved service delivery, stronger administrative outreach, and better documentation systems are essential to inclusive governance and national development**

# GOVERNANCE

## Federal Government Sets target to enroll 25,000 out-of-school children in three months



The Federal Ministry of Education and Professional Training has set a target to enroll 25,000 out-of-school children (OOSC) in Islamabad Capital Territory within three months under the "No Child Left Behind" campaign. The initiative will deploy field teams from FDE, NCHD, BECS, and the National Education Foundation to conduct household surveys and identify every OOSC. New community schools will be established near high-density OOSC hotspots, with education linked to skills development to incentivise parental participation.

### Analysis:

With Pakistan home to approximately 26 million out-of-school children, one of the highest figures globally, this campaign represents a critical step toward addressing a long-standing governance and human capital deficit. Linking enrollment to skills training is a pragmatically sound approach, as economic necessity remains the primary driver of school dropout. However, without sustained funding, robust follow-through mechanisms, and provincial coordination, short-term targets risk remaining symbolic rather than transformative.

### Way Forward:

- Expand household surveys to high-OOSC districts nationwide to create a real-time national OOSC database.
- Introduce conditional incentives (stipends or food support) for low-income families to sustain school enrollment.
- Launch a public accountability dashboard to track progress and align results with the National Education Emergency Action Plan.

## Nadra told to expand services in Balochistan



Senate Deputy Chairman Syedal Khan directed Nadra to expand modern services in remote and underdeveloped areas of Balochistan, using advanced technology to facilitate access to identity cards and essential national documents. The initiative aims to ensure equitable service delivery across the province and integrate residents of remote areas into Pakistan's national development process.

### Analysis:

This move reflects a strategic effort to strengthen governance and social inclusion in Balochistan. By modernizing Nadra offices and leveraging technology, Pakistan can improve accessibility, reduce administrative gaps, and empower citizens in remote areas, fostering greater socio-economic participation and integration with national development goals.

### Way Forward:

- Deploy mobile registration teams to rural districts and border regions of Balochistan to reduce travel barriers for residents.
- Strengthened documentation will also aid in planning, security, and resource allocation for Balochistan's development.
- Encourage community awareness campaigns to inform residents about available services and registration processes.

# SOCIO ECONOMIC ISSUES

**P**M lays out massive austerity plan amid global fuel crisis



Prime Minister Shehbaz Sharif announced a nationwide austerity plan after the global fuel crisis caused by the Strait of Hormuz closure and the US-Israel-Iran conflict disrupted oil supplies and pushed crude prices above \$100 per barrel. Pakistan increased fuel prices by 20% and introduced strict energy-saving measures including reduced government spending, work-from-home policies, fewer official vehicles, and a four-day workweek to manage the crisis.

## Analysis:

The policy reflects Pakistan's vulnerability to external energy shocks due to heavy dependence on Gulf oil imports. While austerity and fuel conservation may temporarily stabilise energy supply and fiscal pressure, rising fuel costs risk increasing inflation, transport expenses, and agricultural input prices, potentially affecting food security and economic stability.

## Way Forward:

- Reduce government fuel consumption by 50% and cut non-essential official vehicle usage.
- Strengthen diplomatic engagement with Gulf allies and other friendly nations to stabilize regional energy flows.
- Strengthen maritime security through continuous naval escort operations to safeguard Sea Lines of Communication (SLOCs) and ensure uninterrupted energy imports.

**A**ll cellular operators set for 5G auction today as govt accepts demands



The government of Pakistan has addressed the major demands of cellular operators, enabling Jazz, Zong, and Ufone to participate in today's 5G spectrum auction. A total of 600 MHz across multiple bands, including 3500 MHz, 2600 MHz, and 700 MHz, is being offered, effectively doubling available spectrum and enhancing both 4G quality and 5G rollout. The auction is digital, fair, and expected to generate \$300–700 million in revenue.

## Analysis:

This move reflects a strategic push to modernize Pakistan's telecom infrastructure, reduce network congestion, and ensure competitive 5G deployment. By mandating minimum spectrum acquisition and introducing long-distance bands, the government balances operator viability with nationwide coverage, fostering technological growth while generating significant fiscal revenue.

## Way Forward:

- Maintain PTA oversight to ensure adherence to spectrum rules and facilitate smooth rollout.
- Plan for next-generation technologies and digital services, positioning Pakistan as a regional leader in telecom innovation.
- Promote private sector investment while balancing affordability for consumers.

# SOCIO ECONOMIC ISSUES

## C hinese firms plan to invest \$2.6bn in Balochistan



Chinese firms plan to invest \$2.6 billion in Balochistan's manufacturing sector and \$14 million in minerals, targeting sectors such as mining, agriculture, transport, and tourism over the next five years. Discussions between the Chinese delegation, led by Zhang Yang, and Pakistani officials highlighted opportunities for enhanced Pakistan-China economic cooperation and job creation in the province.

### Analysis:

The planned investments signal a strategic boost to Balochistan's industrial and economic development, potentially generating significant employment and infrastructure growth. Strengthening Pakistan-China cooperation in diverse sectors can enhance regional stability, attract further foreign investment, and integrate Balochistan more closely into national and regional economic corridors.

### Way Forward:

- Align investments with local employment initiatives to generate jobs for Balochistan's population.
- Leverage economic growth to strengthen social and political stability in Balochistan.
- Position Balochistan as a regional hub for industry, trade, and tourism, integrating it with national development goals.

## T anveer highlights competitive value chain for pulses critical for food security



The Federal Minister for Industries and Production emphasized the need for a competitive value chain for pulses to enhance food security. He stressed that strengthening all stages from production, processing and marketing are essential to reduce import dependence. The minister called for public-private collaboration to boost local pulse cultivation.

### Analysis:

Pakistan remains heavily reliant on pulse imports to meet domestic demand while having to face price volatility and supply disruptions. Developing a competitive local value chain requires supporting farmer incomes, and advanced farming technology. Pakistan needs to coordinate efforts in research, seed quality, post-harvest storage, and market access.

### Way Forward:

- Provide certified high-yielding seed varieties and technical support to farmers to increase local pulse production
- Establish modern storage facilities and processing units to reduce post-harvest losses and improve quality
- Manage and prevent feudal conflicts to prevent both loss of harvest and unused land.

# HEALTH

**U**p to 50,000 new renal disease cases may emerge this year, PMA warns



The Pakistan Medical Association has warned that 25,000 to 50,000 new end-stage renal disease patients may emerge this year, primarily due to contaminated water consumption. Studies show up to 80% of Pakistanis lack access to safe drinking water, with contamination from heavy metals, hard minerals, and pathogens. The PMA has demanded a national emergency plan for clean water provision.

#### Analysis:

The projected surge in kidney failure cases exposes a public health crisis rooted in fundamental governance failures; the inability to provide clean drinking water to citizens. The government needs to ensure preventive investment in water infrastructure considering the heavy cost related to dialysis and transplantation for patients hence disproportionately affecting the poor who cannot afford private facilities.

#### Way Forward:

- Declare a national emergency on water quality with immediate funding for filtration plants, particularly in high-risk rural areas of Sindh and Balochistan
- Establish mandatory water quality monitoring and testing regimes at district level with public disclosure of results to ensure accountability
- Launch mass public awareness campaigns on boiling water, reducing salt intake, and avoiding processed foods to prevent kidney disease

**H**ealth dept issues alert as KP records 26 mpox cases



Khyber Pakhtunkhwa (KP) has recorded 26 mpox cases over the past year, including both imported and locally transmitted infections. Health authorities have issued alerts to hospitals for early detection, isolation, and testing, emphasizing adherence to National Institute of Health (NIH) guidelines and infection prevention protocols. The shift toward local transmission and absence of travel history in recent cases signals a changing epidemiological pattern.

#### Analysis:

The emergence of locally transmitted mpox in KP highlights the need for strengthened surveillance, public awareness, and rapid response systems. Prompt identification, strict infection control, and coordination with national and international health agencies are critical to prevent further spread. This trend underscores Pakistan's vulnerability to zoonotic diseases and the importance of proactive public health preparedness.

#### Way Forward:

- Expand diagnostic capabilities, including PCR testing at district-level and provincial laboratories.
- Conduct awareness campaigns to educate citizens about mpox symptoms, preventive measures, and when to seek medical care.
- Align response with NIH, WHO, and US CDC guidelines to ensure consistent and effective outbreak management.

# SECURITY AND LAW & ORDER

## P M and MBS agree to work towards regional peace



Prime Minister Shehbaz Sharif met Saudi Crown Prince Mohammed Bin Salman in Jeddah, with both leaders agreeing to work together for regional peace and stability amid the ongoing US-Israel war on Iran. The prime minister expressed Pakistan's full solidarity with Saudi Arabia during these challenging times. Deputy PM Ishaq Dar and Field Marshal Asim Munir accompanied the premier.

### Analysis:

The visit underscores the strategic significance of Pakistan-Saudi ties and operationalisation of their mutual defence agreement. Pakistan is positioning itself as a "bridge builder" by maintaining communication channels with all stakeholders, including Iran and the US.

### Way Forward:

- Sustain diplomatic engagement with all regional capitals to reinforce Pakistan's role as a credible facilitator for dialogue and de-escalation
- Leverage the Strategic Mutual Defence Agreement framework to enhance bilateral security cooperation while avoiding direct entanglement in the conflict
- Conduct meetings with US representatives to stop strikes against Iran from regional bases and to limit aggression on civilian infrastructure.

## F O confirms engagement with China to reduce Kabul tensions



The Foreign Office confirmed Pakistan is engaging with China to help reduce tensions with Afghanistan following recent border hostilities. Deputy PM Ishaq Dar discussed the issue with Chinese Foreign Minister Wang Yi, while China's special envoy is shuttling between both countries. Beijing stated the "most urgent task" is preventing fighting from expanding and returning both nations to the negotiating table.

### Analysis:

China's active mediation role leverages its strategic partnership with both Pakistan and its economic interests in Afghanistan. Beijing's investments in regional minerals give it a stake in stability, positioning it as a credible facilitator.

### Way Forward:

- Pakistan must work closely with China's special envoy to develop a mutually acceptable framework for dialogue with Afghanistan
- Pakistan can make use of Afghani diaspora to engage Afghan govt to diminish its support for terrorist organizations like TTP and focus on economic development.
- Clearly articulate Pakistan's red lines regarding terrorist sanctuaries while remaining open to confidence-building measures

# INTERNATIONAL AFFAIRS

**I**ran's new supreme leader calls on Gulf countries to close US bases



Iran's new Supreme Leader Mojtaba Khamenei called on Gulf nations to shut US bases on their territory and vowed to keep the Strait of Hormuz closed as leverage against the US and Israel. In his first attributed remarks since succeeding his slain father, he assured Iran would continue its "effective defence" and make the "enemy regret it." The statement warned neighbouring countries hosting US facilities.

## Analysis:

The call to close US bases directly pressures Gulf Arab states already caught between their security dependence on Washington and proximity to Iran. By framing Strait closure as strategic leverage, Tehran signals willingness to sustain economic disruption despite global consequences.

## Way Forward:

- Pakistan must support Iran's claims and aims to contain the conflict by hosting talks with the US to stop strikes against Iran.
- Middle Eastern states must realize the impact of US bases in the region and rethink their military engagement with the US.
- Pakistan must engage all regional states to discuss Israel's claims for 'Greater Israel' and develop a strategy to strengthen the region against aggression from any state.

**S**trike on Beirut kills 12 after Israel's 'land grab' threat



An Israeli strike on a central Beirut seafront area sheltering displaced families killed 12 people and wounded 28. Israel's defence minister threatened to "take the territory" if Lebanon cannot control Hezbollah, and ordered residents to flee a tenth of southern Lebanese territory. Hezbollah responded with approximately 200 rockets and 20 drones in its "biggest barrage" since the conflict began.

## Analysis:

The strike on a civilian area housing displaced families, combined with explicit land grab threats, signals a dangerous escalation in Israel's military objectives toward territorial expansion. Forcing residents from a tenth of Lebanese territory suggests a systematic campaign of displacement rather than targeted operations. This widening conflict risks drawing in additional regional actors and further destabilizing an already volatile Middle East.

## Way Forward:

- Israel has made great use of conflict with Iran to terrorise neighbouring states and it needs to be held accountable on the international platforms.
- Pakistan must condemn attacks on civilian populations and violations of Lebanese sovereignty in international forums, including the UN and OIC for collective action.
- Advocate for protection of displaced civilians and unhindered humanitarian access to affected areas

# INTERNATIONAL AFFAIRS

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## Water emerges as a dangerous new war target



Attacks on water infrastructure, particularly desalination plants in the Middle East, are emerging as a dangerous wartime tactic, with recent drone strikes by Iran and accusations against the US highlighting the vulnerability of critical water supplies. Desalination provides a large portion of drinking water in Gulf countries, making it highly strategic for cities like Riyadh and Dubai. While safeguards exist, disruptions could trigger severe humanitarian, economic, and urban crises.

### Analysis:

Water infrastructure is becoming a high-value target in modern conflicts due to its essential role in urban survival, industry, and economic stability. Even short-term attacks or outages could force rationing, population displacement, and industrial disruption, emphasizing the urgent need for fortified protection, redundancy, and regional cooperation to safeguard water security in arid and conflict-prone regions.

### Way Forward:

- Pakistan should ensure water systems are interconnected and maintain emergency reserves to supply cities and industries during crises.
- Pakistan should fortify dams, reservoirs, treatment plants, and key pipelines against attacks, sabotage, or drone threats.
- Pakistan should treat water as a strategic national asset, integrating its protection into defense, disaster preparedness, and economic planning.

## Iran war puts Trump's Gaza disarmament plan on hold



Negotiations on President Donald Trump's Gaza disarmament plan have been put on hold following the joint US-Israel strikes on Iran, which escalated into a broader Middle East conflict. Talks between Hamas and mediators from Egypt, Qatar, and Turkey were canceled, stalling progress on disarmament and reconstruction in Gaza. Despite reduced Israeli strikes, regional instability has disrupted diplomatic efforts, and humanitarian impacts continue with casualties reported in Gaza.

### Analysis:

The Iran war highlights how regional conflicts can derail peace initiatives, slowing disarmament and reconstruction efforts in Gaza. Dependence on Gulf-state funding and backchannel diplomacy is now uncertain, while ongoing violence reinforces Hamas' control and complicates Israeli-Palestinian negotiations. This underscores the fragility of peace processes in conflict-prone regions and the need for contingency planning in diplomacy.

### Way Forward:

- Leverage Pakistan's credibility with Muslim-majority nations to act as a constructive mediator.
- Pakistan should advocate for an immediate ceasefire in Gaza and broader Middle East conflicts to protect civilians.
- Support initiatives that separate humanitarian assistance from military or political agendas.

# INTERNATIONAL AFFAIRS

**P**akistan's Dr T chosen to facilitate key agriculture talks at global ministerial moot



Dr. Syed Tauqir Shah, Adviser to Pakistan's Prime Minister, has been nominated by the WTO to facilitate agriculture negotiations at the 14th Ministerial Conference (MC14) in Cameroon. His role will involve guiding discussions on contentious issues like farm subsidies, market access, and food security, leveraging his extensive experience in trade diplomacy and multilateral negotiations.

### Analysis:

Dr. Shah's nomination enhances Pakistan's standing in global trade diplomacy, reflecting international confidence in its expertise. By steering agricultural consultations at MC14, Pakistan can influence key decisions on subsidies and food security, advocate for developing countries' interests, and strengthen its role in shaping WTO reforms.

### Way Forward:

- Align WTO negotiation outcomes with Pakistan's national agricultural plans to enhance productivity, export competitiveness, and food security.
- Capitalize on Dr. Shah's nomination to enhance Pakistan's credibility and influence within the WTO and broader multilateral trading system.
- Build alliances with other developing nations to collectively advocate for balanced agricultural policies.

**I**ran vows to keep Hormuz strait blocked as long as war continues



Iran has vowed to keep the Strait of Hormuz blocked as long as its conflict with the US and Israel continues, while both nations have carried out intense strikes on Iranian targets. Civilian infrastructure, including schools and historical sites, has been damaged, and missile exchanges are ongoing. Pakistan is actively pursuing diplomatic efforts, urging the international community to de-escalate tensions, condemning Israeli aggression in Lebanon, and coordinating with Gulf allies to promote regional stability.

### Analysis:

The ongoing Iran-US-Israel conflict threatens global energy security due to disruption in the Strait of Hormuz, a critical oil route. Pakistan's proactive diplomacy emphasizes mediation, regional dialogue, and solidarity with affected Gulf states. Sustained engagement is crucial to protect Pakistan's economic and strategic interests, maintain energy supply security, and prevent spillover of regional instability.

### Way Forward:

- Pakistan should implement energy conservation measures and economic contingency plans to counter rising fuel prices and supply shocks.
- Pakistan should maintain close communication with Saudi Arabia, Bahrain, and UAE, ensuring alignment on security, trade, and diplomatic measures.
- Strengthen ties with Gulf allies, OIC nations, and multilateral organizations to shape regional policies and future crisis responses.

# POLICY NUGGETS

## 1 Aurangzeb moves to curb OMC profiteering amid petroleum price hike

### Impact

Unchecked inventory gains erode public trust in market regulation during a fragile economic period.

### Recommendation

Institutionalize real-time price monitoring and enforce strict OMC inventory compliance.

*“The first duty of society is justice.” –Alexander Hamilton*

## 2 Pakistan's arms imports surge 66% on back of deepening China reliance

### Impact

Deepening strategic dependency on a single source narrows diplomatic flexibility and raises interoperability concerns.

### Recommendation

Gradually diversify defence procurement to reduce single-source vulnerability.

*“To be prepared for war is one of the most effective means of preserving peace.” –George Washington*

## 3 ICG urges third-party mediation to defuse Pakistan-Afghanistan tensions

### Impact

Without structured engagement, cross-border escalation could spiral into prolonged conflict.

### Recommendation

Leverage mediation platforms offered by Qatar, Turkey, and China to restart dialogue.

*“Peace is not the absence of conflict, but the ability to handle conflict by peaceful means.” – Ronald Reagan*

## 4 Pakistan completes 5G spectrum auction

### Impact

Marks a major step toward digital transformation by improving connectivity and supporting emerging technologies.

### Recommendation

Accelerate digital infrastructure development and ensure affordable access so that the benefits of 5G reach urban and rural population.

*“The Internet is becoming the town square for the global village of tomorrow.” –Bill Gates*

## 5 Pakistan, IMF near agreement on revised fiscal targets

### Impact

Reflects persistent revenue collection challenges, structural weaknesses in Pakistan's fiscal system and pressure on budget.

### Recommendation

Accelerate tax reforms and improve enforcement to strengthen revenue mobilisation and reduce reliance on repeated target revisions.

*“Sustainable public finances are the cornerstone of economic stability.” –Christine Lagarde*

## 6 Govt urges media caution on Middle East tensions

### Impact

Unregulated commentary could complicate Pakistan's diplomatic relations with friendly countries.

### Recommendation

Strengthen strategic communication while promoting responsible media engagement on international conflicts.

*“There can be no higher law in journalism than to tell the truth and to shame the devil.” –Walter Lippmann*

## 7 Pakistan raises terrorism concerns at UN Security Council

### Impact

Highlights escalating regional security tensions, reinforcing Pakistan's concerns about cross-border terrorism.

### Recommendation

Intensify diplomatic engagement with international partners and regional stakeholders to address cross-border terrorism.

*“We will not enjoy security without development, we will not enjoy development without security.” –Kofi Annan*

## 8 Attacks on desalination plants raise water security concerns

### Impact

Highlight growing risks to critical water infrastructure in the Middle East, threatening water security for millions.

### Recommendation

Closely monitor emerging water-security risks in global conflicts and strengthen its own critical water infrastructure.

*“The wars of the twenty-first century will be fought over water.” –Ismail Serageldin*

## 9 Govt reduces highway speed limits to conserve fuel

### Impact

Aim to reduce fuel consumption and help manage energy pressures amid the global fuel crisis.

### Recommendation

Complement short-term conservation measures with long-term energy diversification, including investment in renewable energy.

*“Energy efficiency is the first and best fuel.” –Fatih Birol*



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