



WEEKLY

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The central theme is "resilience"—strengthening institutions, security, and governance amid fiscal and regional pressures, while sustaining diplomacy and digital reform to protect communities and navigate uncertainty.

This week's Policy Pulse highlights developments across security, governance, economic reform, international diplomacy, and climate resilience. The central theme is institutional resilience: strengthening legal accountability, protecting vulnerable communities, modernising public administration, and deepening strategic partnerships amid persistent security threats, economic pressures, and regional instability.

On governance and the socio-economic front, the government maintained fuel prices temporarily while accelerating FBR digitalisation and cashless economy reforms to expand the tax base. However, institutional inefficiencies persisted—delayed PWD salaries, UNESCO's inability to utilise Rs300 million in donor funds for remote education, and contradictory FPSC data on CSS recruitment raised transparency concerns. Punjab's drone-based flood surveillance and AI-powered governance initiatives signalled technological modernisation, though success depends on inter-agency coordination and robust data governance.

In security and law enforcement, authorities confronted a high-flood threat while intensifying counterterrorism operations in Balochistan following the targeted killing of a district judge. The FIA partnered with Meta to expedite cybercrime investigations and established a Cryptocurrency Investigation Unit to combat digital financial crimes, though privacy safeguards remain a concern. The Sahil report recorded over 3,100 gender-based violence cases in six months, exposing gaps in women's protection and justice delivery, while prison overcrowding at 150% capacity underscored systemic criminal justice weaknesses requiring comprehensive reforms.

Internationally, Pakistan secured US Treasury endorsement for economic reforms, expanded trade ties with Canada, and issued warnings to Houthi rebels over maritime security. Diplomatic engagements on Kashmir and the Indus Waters Treaty at multilateral forums reflected continued reliance on international law. Pakistan's participation in the China-led World Artificial Intelligence Cooperation Organisation highlighted AI governance's growing importance, though domestic preparedness in data protection and regulation remains critical.

The policy nuggets reinforce priorities of judicial reforms, water governance, polio vaccination, energy security, fiscal discipline, and external financing stability. Overall, the week underscores the need to strengthen institutions, protect frontline personnel and civilians, improve regulatory enforcement, accelerate digital transformation, and align domestic reforms with proactive international engagement to build sustainable resilience amid compounding challenges.

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SOCIO-ECONOMIC



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PSC rejects reports of declining youth interest in CSS



The Federal Public Service Commission (FPSC) has rejected claims of declining youth interest in the Central Superior Services (CSS), stating that 64,081 candidates registered for the 2025 CSS Screening Test (MPT), the highest in five years. However, the clarification has sparked debate as recruitment data published on the FPSC's official website indicates a decline in CSS examination registrations and appearances between 2022 and 2025.

Analysis

The conflicting data highlights the importance of transparency, consistency, and accuracy in public reporting by state institutions. Resolving discrepancies between official statements and published records is essential to maintaining public trust and ensuring informed policy discussions on civil service recruitment.

Way Forward

- Ensure consistency and transparency in official data by regularly updating and reconciling public records across all FPSC platforms.
- Publish comprehensive and standardised recruitment statistics distinguishing between MPT registrations, written examination applicants, and final recruitments to avoid misinterpretation.
- Strengthen youth engagement in the civil service through career awareness programmes, transparent recruitment processes, and periodic reviews of the CSS examination system to attract talented candidates.

S

enate panel calls for practical action to resolve PWD employees salaries issue



The Senate Standing Committee on Housing and Works directed relevant ministries to immediately release pending salaries and arrears of former Pakistan Public Works Department (Pak PWD) employees and ensure practical implementation of previous commitments. The committee also reviewed delays in public housing and infrastructure projects, calling for greater accountability and timely completion.

Analysis

The committee's intervention highlights the importance of effective parliamentary oversight in ensuring public sector accountability and protecting employees' rights. However, recurring delays in salary payments and development projects point to persistent administrative inefficiencies and weak implementation mechanisms within government institutions.

Way Forward

- Ensure timely payment of salaries and arrears by strengthening coordination among ministries and enforcing clear implementation timelines.
- Improve project governance and accountability through regular performance monitoring, transparent procurement, and timely resolution of administrative and legal bottlenecks.
- Strengthen parliamentary oversight and institutional coordination by ensuring compliance with committee recommendations and publishing periodic progress reports on public sector projects and employee welfare.

Pak prison crisis deepens as jails overflow beyond capacity



Pakistan's prisons are operating at nearly 150% of their authorised capacity, with over 102,000 inmates held nationwide, largely due to judicial delays that have increased the number of undertrial prisoners. Overcrowding has also intensified challenges related to healthcare, safety, and facilities for women and juvenile inmates.

Analysis

The growing prison overcrowding reflects systemic weaknesses in the criminal justice system, particularly prolonged case pendency and inadequate correctional infrastructure. Addressing these challenges requires comprehensive judicial, legal, and prison reforms to uphold human rights and improve the efficiency of the justice system.

Way Forward

- Expedite judicial proceedings by strengthening case management, increasing judicial capacity, and expanding alternative dispute resolution to reduce the undertrial prisoner population.
- Upgrade prison infrastructure and correctional facilities by expanding capacity and improving healthcare, rehabilitation services, and separate facilities for women and juvenile inmates.
- Promote non-custodial sentencing and prison reforms by encouraging probation, parole, and community service for eligible offenders to reduce overcrowding and improve rehabilitation outcomes.

Punjab launches drone surveillance for early flood warning



The Punjab government has launched drone-based surveillance to monitor rivers, barrages, and headworks for early flood detection and improved disaster preparedness. The initiative, along with rapid rainwater drainage operations and emergency response measures across 41 districts, aims to mitigate flood risks during the monsoon season.

Analysis

The adoption of drone technology marks a significant step towards modernising disaster risk management and strengthening early warning systems in Punjab. Its effectiveness, however, will depend on real-time coordination among disaster management agencies, local administrations, and timely evacuation of vulnerable communities.

Way Forward

- Expand technology-driven flood monitoring by integrating drones with satellite imagery, GIS mapping, and real-time hydrological data for nationwide early warning systems.
- Strengthen disaster preparedness and inter-agency coordination through regular emergency drills, community awareness campaigns, and timely evacuation plans in high-risk areas.
- Invest in climate-resilient infrastructure by improving drainage systems, reinforcing flood protection structures, and implementing long-term flood risk reduction strategies in vulnerable regions.

No change in petrol, diesel prices today, tomorrow



The government kept petrol and high-speed diesel prices unchanged at Rs335.18 and Rs383.46 per litre for July 26–27, as international Platts fuel prices are not published over the weekend. The decision temporarily extends the rates announced on July 25 under the daily petroleum pricing mechanism.

Analysis

While unchanged fuel prices provide short-term price stability, the already elevated fuel costs continue to increase transportation, freight, agricultural, and business expenses. Sustained high diesel prices could contribute to inflationary pressures and higher consumer prices if maintained over the longer term.

Way Forward

- Enhance energy security by expanding domestic refining capacity and diversifying energy sources to reduce dependence on imported petroleum.
- Strengthen fuel price management through transparent pricing mechanisms and targeted relief for vulnerable sectors such as agriculture and public transport.
- Promote energy efficiency and alternative fuels, including electric mobility and renewable energy, to reduce long-term fuel consumption and economic vulnerability.

Work under way rapidly on FBR reforms, cashless economy: Aurangzeb



Finance Minister Muhammad Aurangzeb said the government is accelerating reforms in the Federal Board of Revenue (FBR) by improving tax administration, promoting a cashless economy, and adopting digital technologies, including AI. The reforms aim to expand the tax base, curb tax evasion, and enhance transparency and taxpayer confidence.

Analysis

The reforms reflect Pakistan's broader strategy to strengthen fiscal governance, increase revenue collection, and modernise public financial management. However, their success will depend on effective implementation, institutional capacity, digital infrastructure, and sustained public trust in the tax system.

Way Forward

- Accelerate FBR digital transformation by integrating AI, data-sharing systems, and e-governance tools to improve tax compliance and reduce leakages.
- Broaden the tax base through documentation of the informal economy while ensuring fair and transparent tax policies that encourage voluntary compliance.
- Promote a cashless economy by expanding digital payment infrastructure, strengthening cybersecurity, and increasing financial inclusion for individuals and businesses.

High flood threat looms for Chenab, other rivers



Authorities have warned of a potential high-flood situation in the Chenab River and other major rivers due to heavy monsoon rains across Pakistan and India-held Kashmir. The Pakistan Meteorological Department has also forecast flash floods and urban flooding in several regions, prompting heightened preparedness.

Analysis

The forecast highlights Pakistan's increasing vulnerability to extreme weather events driven by climate change, posing significant risks to communities, infrastructure, and agriculture. Effective early warning systems and coordinated disaster response will be essential to minimise potential human and economic losses.

Way Forward

- Strengthen flood forecasting and early warning systems by improving real-time monitoring, inter-agency coordination, and timely public alerts in vulnerable areas.
- Enhance flood resilience through climate-adaptive infrastructure, including embankments, drainage networks, and river management projects in flood-prone regions.
- Implement comprehensive community-based disaster preparedness programmes through evacuation planning, emergency response training, and public awareness campaigns to reduce disaster risks.

FIA partners with Meta to expedite cybercrime investigation



The Federal Investigation Agency (FIA) has established a direct communication channel with Meta Asia Pacific to expedite investigations into cybercrime, online fraud, hate speech, terrorism, and child exploitation. The new mechanism will significantly reduce response times for lawful data requests related to Facebook, Instagram, and WhatsApp.

Analysis

The partnership strengthens Pakistan's cybercrime investigation capabilities by improving the speed and efficiency of digital evidence collection through secure institutional cooperation. However, effective implementation will require strict legal oversight, robust data protection measures, and enhanced investigative capacity to safeguard privacy and ensure accountability.

Way Forward

- Strengthen cybercrime investigation capacity by providing specialised training, digital forensic tools, and technical expertise to law enforcement agencies.
- Enact and enforce robust data protection and privacy regulations to ensure lawful, transparent, and accountable handling of digital evidence.
- Expand collaboration with global technology companies and international partners to improve intelligence sharing, combat cross-border cybercrime, and enhance cybersecurity resilience.

3,172 gender violence cases reported in six months



A Sahil report recorded 3,172 gender-based violence (GBV) cases across Pakistan during the first half of 2026, with murders, torture, abductions, and rape among the most reported crimes. Punjab accounted for 74% of cases, while most incidents occurred in victims' homes.

Analysis

The high incidence of gender-based violence highlights persistent gaps in women's protection, law enforcement, and prevention mechanisms despite most cases being registered with the police. The findings underscore the need for stronger institutional responses, timely justice, and community-based interventions to address GBV.

Way Forward

- Strengthen enforcement of GBV laws by improving police investigations, victim protection services, and expediting prosecution through specialised gender-based violence courts.
- Expand prevention and support mechanisms by increasing access to shelters, legal aid, psychosocial counselling, and helplines, particularly in high-risk districts.
- Promote nationwide awareness and community engagement through education, public campaigns, and collaboration with civil society to challenge harmful social norms and encourage reporting of gender-based violence.

CDF Asim vows relentless action to secure lasting peace in Balochistan



Field Marshal Syed Asim Munir reaffirmed Pakistan's commitment to eliminating terrorism and restoring lasting peace in Balochistan through continued security operations and public support. The statement came as unidentified gunmen martyred a district and sessions judge and his security guard in Mastung, prompting nationwide condemnation and intensified counterterrorism efforts.

Analysis

The attack on judicial officials underscores the persistent security challenges facing Balochistan and the continued threat posed by militant groups to state institutions. It also highlights the need for a comprehensive strategy that combines robust security measures with governance, justice, and socioeconomic development to achieve sustainable peace.

Way Forward

- Strengthen intelligence-led counterterrorism operations and enhance coordination among security agencies to dismantle militant networks while improving protection for judges, law enforcement personnel, and other public officials.
- Accelerate socioeconomic development in Balochistan through targeted investments in education, employment, infrastructure, and public services to address underlying drivers of instability.
- Promote inclusive governance and community engagement by strengthening local institutions, encouraging public participation, and reinforcing the rule of law to build long-term peace and resilience.

Pakistan, Canada agree to deepen trade, investment ties



Pakistan and Canada agreed to expand bilateral cooperation in trade, investment, clean energy, mining, agriculture, and other priority sectors during Canadian Foreign Minister Anita Anand's visit to Islamabad. Canada also announced over \$2.2 million for security cooperation and \$45 million in development assistance to support climate resilience, education, healthcare, and disaster recovery.

Analysis

The visit marks a significant step in revitalising Pakistan-Canada relations by strengthening economic partnerships alongside security and development cooperation. Concluding the investment protection agreement and expanding sectoral collaboration could enhance investor confidence, diversify trade, and support Pakistan's sustainable economic growth.

Way Forward

- Expedite the conclusion and implementation of the Foreign Investment Promotion and Protection Agreement (FIPA) to strengthen investor confidence and attract greater Canadian investment.
- Expand bilateral trade and investment cooperation by facilitating business-to-business partnerships in clean energy, mining, agriculture, technology, and infrastructure.
- Strengthen institutional and people-to-people linkages through regular high-level dialogue, academic collaboration, trade delegations, and skills development to deepen long-term bilateral relations.

Pakistan bags one silver at Biology Olympiad 2026



Pakistan won one silver medal and one honourable mention at the 37th International Biology Olympiad 2026 in Lithuania. The achievement reflects the country's continued participation in global science competitions through the HEC-PIEAS STEM Careers Programme, although Pakistan did not secure a gold medal.

Analysis

The achievement highlights Pakistan's growing investment in science education and talent development through specialised training programmes. However, the absence of a gold medal compared with stronger regional competitors underscores the need to further strengthen STEM education, research exposure, and advanced student training.

Way Forward

- Strengthen STEM education and talent identification by expanding science olympiad programmes and outreach to students across all provinces.
- Enhance advanced scientific training and international exposure through sustained mentorship, research opportunities, and collaborations with leading global institutions.
- Increase investment in laboratory facilities, teacher capacity building, and innovation-focused education to improve Pakistan's competitiveness in international science competitions.

Treasury's Bessent welcomes Pakistan's reforms, push to return to capital markets



US Treasury Secretary Scott Bessent welcomed Pakistan's progress in restoring macroeconomic stability and implementing economic reforms during a meeting with Finance Minister Muhammad Aurangzeb. He also encouraged Pakistan to continue reforms to facilitate a successful return to international capital markets.

Analysis

The US endorsement reflects growing international confidence in Pakistan's economic reform agenda and could strengthen investor sentiment and access to global financial markets. However, sustaining fiscal discipline and structural reforms remains essential for achieving long-term economic stability and attracting foreign investment.

Way Forward

- Sustain macroeconomic reforms by maintaining fiscal discipline, broadening the tax base, and implementing structural reforms to strengthen economic stability and investor confidence.
- Strengthen the investment climate by improving regulatory transparency, ensuring policy continuity, and accelerating reforms in state-owned enterprises to facilitate Pakistan's return to international capital markets.
- Diversify external financing and boost exports by expanding export competitiveness, attracting quality foreign direct investment (FDI), and reducing reliance on short-term external borrowing for sustainable economic growth.

Kashmir, Indus treaty issues threaten 'peaceful coexistence', says Dar



Deputy Prime Minister Ishaq Dar told the ASEAN Regional Forum that the unresolved Kashmir dispute and India's suspension of the Indus Waters Treaty threaten regional peace and stability. At the UN Security Council, Pakistan rejected India's position, calling the treaty's suspension illegal and accusing New Delhi of using shared water resources for political coercion.

Analysis

Pakistan is using multilateral diplomatic platforms to highlight concerns over Kashmir and the Indus Waters Treaty, reinforcing its commitment to resolving disputes through international law. The issue underscores the growing linkage between regional security, water security, and diplomatic engagement in South Asia.

Way Forward

- Strengthen diplomatic engagement through the UN, ASEAN Regional Forum, and other multilateral platforms to advocate for the peaceful resolution of the Kashmir dispute and adherence to international law.
- Pursue legal and treaty-based mechanisms to safeguard Pakistan's water rights under the Indus Waters Treaty while maintaining dialogue to prevent further escalation.
- Enhance regional confidence-building measures by promoting sustained diplomatic dialogue, conflict prevention, and cooperative water resource management to preserve regional peace and stability.

Pakistan warns Houthi rebels to steer clear of its ships



Pakistan warned Yemen's Houthi rebels that any attack on Pakistani-flagged vessels or maritime interests would be treated as an attack on the country and met with a swift response. Islamabad also reaffirmed its support for Saudi Arabia's security and pledged to work for the uninterrupted flow of commercial shipping through the Red Sea and Bab el-Mandab.

Analysis

Pakistan's firm stance reflects its commitment to protecting national maritime interests while supporting regional stability and freedom of navigation. Simultaneously, its continued advocacy for dialogue and diplomacy demonstrates an effort to balance security commitments with conflict de-escalation in the Middle East.

Way Forward

- Strengthen maritime security and surveillance by enhancing naval preparedness, intelligence sharing, and coordination with regional partners to safeguard Pakistani shipping and trade routes.
- Continue proactive diplomatic engagement with Gulf states, Oman, and other stakeholders to support dialogue, de-escalation, and the peaceful resolution of regional conflicts.
- Enhance contingency planning for maritime trade by diversifying shipping routes, improving risk assessment mechanisms, and protecting critical sea lines of communication to ensure uninterrupted trade and energy supplies.

Education learning in six districts: Unesco unable to utilise Rs300m Italian grant within timeframe



UNESCO was unable to complete a Rs300 million Italian-funded education project within the planned timeframe in six underserved districts due to operational challenges, including weak radio signals, difficult terrain, floods, and security constraints. Questions have also been raised about the effectiveness of the project's Interactive Radio Instruction (IRI) methodology and classroom implementation.

Analysis

The delays highlight persistent implementation and monitoring challenges in delivering education initiatives to remote and vulnerable areas. The case underscores the need for stronger project oversight, improved infrastructure, and better alignment between programme design and on-ground realities to ensure effective learning outcomes.

Way Forward

- Strengthen project monitoring and accountability by conducting regular independent evaluations and ensuring timely utilisation of donor-funded education projects.
- Invest in digital and offline learning infrastructure, including reliable radio, solar-powered devices, internet connectivity, and teacher training, to improve education access in remote districts.
- Enhance coordination between federal and provincial education departments, UNESCO, and development partners to ensure projects are completed on time and deliver measurable learning outcomes.

PAKISTAN MOVES TO ALIGN THE JUDICIAL SYSTEM WITH GLOBAL RULE OF LAW STANDARDS.

Impact: Strengthens judicial credibility, improves legal certainty, and enhances investor confidence.

Recommendation: Ensure reforms prioritise judicial independence, efficiency, and timely case disposal.

"THE RULE OF LAW IS THE FOUNDATION FOR COMMUNITIES OF OPPORTUNITY AND EQUITY." — KOFI ANNAN

PUNJAB LAUNCHES CAMPAIGN WITH GIRL GUIDES TO STRENGTHEN POLIO VACCINATION.

Impact: Encourages community participation and improves immunisation coverage among vulnerable children.

Recommendation: Expand youth-led awareness campaigns alongside routine immunisation services in high-risk districts.

"VACCINES ARE ONE OF HUMANITY'S GREATEST ACHIEVEMENTS." — TEDROS ADHANOM GHEBREYESUS

PM OFFICE LAUNCHES AI-POWERED GOVERNANCE SYSTEM.

Impact: Improves public service delivery, administrative efficiency, and evidence-based policymaking.

Recommendation: Establish robust data governance, cybersecurity safeguards, and civil servant capacity-building for AI adoption.

"ARTIFICIAL INTELLIGENCE IS A TOOL. THE CHOICE ABOUT HOW IT GETS DEPLOYED IS OURS." — FEI-FEI LI

GOVERNMENT EXTENDS AUSTERITY MEASURES TO CONTAIN PUBLIC EXPENDITURE.

Impact: Supports fiscal discipline and IMF commitments but may constrain public service delivery if applied indiscriminately.

Recommendation: Prioritise efficiency-based spending cuts while protecting social welfare and development programmes.

"BUDGET DISCIPLINE IS NOT ABOUT SPENDING LESS, BUT SPENDING WISELY." — PETER DRUCKER

FIA ESTABLISHES CRYPTOCURRENCY INVESTIGATION UNIT TO COMBAT FINANCIAL CRIMES.

Impact: Enhances Pakistan's ability to tackle digital financial fraud, money laundering, and cyber-enabled crimes.

Recommendation: Develop specialised investigative capacity and update financial regulations to address emerging digital risks.

"TECHNOLOGY CHANGES RAPIDLY, BUT TRUST REMAINS THE FOUNDATION OF EVERY FINANCIAL SYSTEM." — AGUSTÍN CARSTENS

SINDH RAISES CONCERNS OVER RECEIVING LESS THAN ITS ALLOCATED WATER SHARE.

Impact: Affects agriculture, livelihoods, and inter-provincial harmony.

Recommendation: Strengthen transparent water accounting and accelerate consensus-based water governance mechanisms.

"WATER IS AT THE CORE OF SUSTAINABLE DEVELOPMENT." — BAN KI-MOON

PAKISTAN AND IRAN AGREE TO EXPAND BILATERAL TRADE AND BORDER COOPERATION.

Impact: Boosts regional trade, improves border management, and enhances economic connectivity.

Recommendation: Strengthen border infrastructure and simplify customs procedures to maximise trade benefits.

"TRADE IS A POWERFUL ENGINE OF ECONOMIC GROWTH AND REGIONAL COOPERATION." — NGOZI OKONJO-IWEALA

PAKISTAN DIVERSIFIES CRUDE OIL IMPORTS AMID HORMUZ CLOSURE RISKS.

Impact: Reduces vulnerability to geopolitical disruptions and strengthens national energy security.

Recommendation: Accelerate energy diversification through strategic reserves and greater investment in renewable energy.

"ENERGY SECURITY IS ACHIEVED THROUGH DIVERSITY, RESILIENCE, AND FORESIGHT." — FATIH BIROL

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