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Bridging the implementation gap strengthening governance, economic resilience, security, and institutional accountability through transparent reforms and strategic diplomacy amid fiscal, climatic, and regional challenges.

This week's Policy Pulse highlights key challenges in governance, socio-economic development, security, public service delivery, and regional stability, alongside efforts to strengthen institutional capacity and policy implementation. A recurring theme is the need to bridge the gap between policy decisions and effective, transparent, and sustainable implementation.

In governance, debates over new provinces, the autonomy of literary institutions in Balochistan, additional administrative posts in Punjab, and NAB's reported asset recoveries highlight concerns over constitutional governance, institutional autonomy, administrative efficiency, and accountability. These developments underscore the importance of evidence-based reforms, stakeholder consultation, transparent oversight, and stronger provincial and local governance.

In socio-economic issues, wheat shortages, rising transport and infrastructure costs, and the threatened goods and oil transporters' strike highlight pressures on food security, supply chains, public services, and economic activity. Meanwhile, reforms in pensions, literacy, food security, critical minerals, pharmaceuticals, heritage tourism, and SOEs offer opportunities to strengthen economic resilience and public service delivery..

In security and law & order, unrest in AJK and proposed policing reforms demonstrate the need to balance public order with accountability, due process, professional policing, and public trust. Modern investigative technologies should be supported by institutional oversight, protection of rights, transparent communication, and impartial investigations.

In international affairs, developments involving the Strait of Hormuz, US interest in Pakistan's critical minerals, Pakistan Joins Saudi Arabia, Türkiye in 'All for One' Pact , Japan's defence posture, Pakistan-Iran trade, and Pakistan-Saudi Arabia relations underscore the importance of regional stability, economic diplomacy, energy security, and strategic partnerships.

The Policy Nuggets reinforce priorities including climate resilience, literacy, renewable energy, food security, pension governance, responsible mineral development, pharmaceutical exports, heritage conservation, and SOE reform. Overall, the week's developments point towards a policy agenda centred on accountable governance, economic resilience, institutional reform, climate preparedness, and inclusive development, with effective implementation remaining critical to translating policy commitments into tangible improvements in citizens' lives.

New Provinces Debate Will Fuel Terrorism, Defends Pakistan's Fault Lines, Says Rabbani



Former Senate Chairman Raza Rabbani criticised proposals for creating new provinces, arguing that Pakistan's governance challenges stem from weak democratic institutions, centralisation of power and poor implementation of the 1973 Constitution rather than the existing provincial structure. He warned that such a debate could intensify political divisions and security challenges.

Analysis

The article underscores the importance of constitutional governance, democratic continuity and provincial autonomy in maintaining federal stability. It suggests that structural governance reforms, rather than territorial reorganisation, are essential for addressing Pakistan's political and administrative challenges, while cautioning that divisive constitutional debates could exacerbate existing ethnic and regional tensions.

Way Forward

- Ensure consistent implementation of the 1973 Constitution, including provincial autonomy and the rule of law.
- Build consensus on governance reforms through Parliament and inter-provincial consultation before initiating major constitutional debates.
- Fully implement Article 140-A by empowering elected local governments with adequate political, administrative and financial authority.

Balochistan's languages bill termed a 'threat' to literary institutions



The Balochi Academy has opposed the proposed Balochistan Literary and Languages Bill, 2025, arguing that it threatens the autonomy of literary institutions. The academy also called for greater government support for Balochi language education, research, digitisation projects and cultural preservation.

Analysis

The article highlights the challenge of balancing government oversight with the institutional autonomy of cultural and literary organisations. It also underscores the growing importance of preserving regional languages through education, research and digital technologies while ensuring that legislative reforms are developed through stakeholder consultation.

Way Forward

- Ensure broad consultation with literary institutions, language experts and civil society before finalising legislation affecting cultural and educational bodies.
- Increase financial and institutional support for regional language education, research and digital preservation initiatives.
- Safeguard the autonomy of literary institutions while promoting transparent governance and accountability to preserve Pakistan's linguistic and cultural diversity.

Move to Create Over 100 New Additional Assistant Commissioner Posts in Punjab Opposed



The Punjab government's decision to create 101 Additional Assistant Commissioner (AAC) posts has been opposed by the Provincial Management Service (PMS) Association, which argues that the move weakens the PMS cadre, increases public expenditure and is unnecessary following the establishment of PERA. The association has announced protests if its concerns are not addressed.

Analysis

The article highlights tensions over civil service restructuring, reflecting concerns about administrative efficiency, institutional roles and career progression within the provincial bureaucracy. It also underscores the need to balance governance reforms with transparent human resource planning, fiscal responsibility and stakeholder consultation.

Way Forward

- Undertake an evidence-based review to determine whether new administrative posts are necessary for improving public service delivery.
- Consult civil service stakeholders before implementing structural reforms to ensure transparency and minimise institutional conflicts.
- Prioritise merit-based promotions, efficient workforce planning and fiscal sustainability while strengthening provincial administrative capacity.

NAB Claims Recovery of Rs2.45 Trillion in State Assets Through Anti-Corruption Drive



The National Accountability Bureau (NAB) claims it recovered state assets worth Rs2.45 trillion during the past three months, including over 1.07 million acres of state land across Pakistan. NAB also reported compensating over 24,000 victims of housing and financial fraud while introducing AI-powered, paperless investigation systems to strengthen accountability.

Analysis

The reported recoveries reflect an intensified anti-corruption and asset recovery campaign, alongside efforts to modernise accountability institutions through digital and AI-based investigations. However, the long-term credibility and effectiveness of these claims will depend on transparent verification, due process and institutional accountability.

Way Forward

- Strengthen independent oversight and public transparency by regularly publishing audited reports on recovered assets and their utilisation.
- Expand digital and AI-based accountability systems while ensuring legal safeguards, data security and protection of due process.
- Improve inter-agency coordination to accelerate asset recovery, prevent land encroachments and strengthen long-term anti-corruption enforcement.

Sindh Cabinet Approves Import of Wheat to Meet Projected Shortfall



The Sindh cabinet approved the import of 500,000 metric tons of wheat to address a projected wheat shortfall of 1.69 million metric tons in FY2026-27 and ensure food security, price stability and adequate provincial stocks. The cabinet also approved governance and institutional reforms, including restructuring the Public-Private Partnership (PPP) Unit, introducing a new land management framework and establishing the Shaheed Benazir Bhutto Institute for Democracy and Federalism.

Analysis

The decision reflects concerns over domestic wheat supply and the need for timely imports to prevent shortages and market volatility. Alongside immediate food security measures, the cabinet's institutional reforms indicate a broader effort to improve governance, strengthen public-private investment mechanisms and modernise land management to enhance administrative efficiency and economic development.

Way Forward

- Invest in climate-resilient farming, quality seeds and modern irrigation to reduce dependence on wheat imports.
- Improve forecasting, storage capacity and coordination between federal and provincial governments to ensure timely food security planning.
- Implement transparent land management, strengthen public-private partnerships and improve institutional capacity to attract investment and support sustainable economic growth.

Fuel Cost Hits Lahore Metro Service



The Lahore Metro Bus operator has announced that it may suspend services from August 11 due to rising fuel costs and unresolved financial issues with the Punjab Mass Transit Authority (PMA). The private company says increasing diesel prices and an inadequate fuel-cost reimbursement formula have resulted in continued financial losses. The PMA, meanwhile, has challenged the relevant court order and stated that it requires government approval to provide fuel from its own sources.

Analysis

The dispute highlights the financial pressures facing Pakistan's public transport systems amid rising operating costs. Continued increases in fuel prices can increase the cost of mass transit and place additional pressure on both private operators and government authorities. Any disruption to Lahore Metro services could also affect thousands of daily commuters, particularly those dependent on affordable public transportation.

Way Forward

- Establish a sustainable fuel-cost adjustment mechanism for mass transit operators to prevent sudden service disruptions.
- The government should strengthen public transport financing through transparent subsidies and long-term budget planning.
- Accelerate the transition toward fuel-efficient and electric public transport to reduce dependence on volatile fossil-fuel prices.

C DWP Approves Rs171bn Greater Karachi Bulk Water Supply Scheme



The Central Development Working Party (CDWP) approved the revised Greater Karachi Bulk Water Supply Scheme (K-IV), now costing Rs171.8 billion, and referred it to EcneC for final approval. The long-delayed project aims to improve Karachi's water supply through new intake, transmission, pumping, storage and treatment infrastructure.

Analysis

The project reflects the persistent challenges of cost overruns, repeated redesigns and implementation delays in Pakistan's public infrastructure development. While its completion could significantly improve water security and reduce dependence on water tankers, effective coordination, timely funding and strong project management will be essential to prevent further delays.

Way Forward

- Strengthen project management and oversight to minimise delays, cost escalations and repeated redesigns in major infrastructure projects.
- Ensure timely inter-agency coordination between federal and provincial authorities for power supply, funding and infrastructure integration.
- Establish transparent monitoring and accountability mechanisms to ensure the timely completion and efficient delivery of critical public water infrastructure.

G oods, Oil Transporters' Strike Threatens Industry, Exports



A nationwide strike by goods transporters and oil tankers has suspended the movement of more than 400,000 vehicles, disrupting industrial and export supply chains. Transporters are protesting the government's daily fuel-pricing mechanism, high withholding taxes, toll charges, parking issues and other regulatory concerns. Industrialists have warned that prolonged disruption could halt factory production, delay exports and increase financial losses.

Analysis

The strike highlights the vulnerability of Pakistan's industrial and export sectors to disruptions in the transport and logistics system. Daily fuel-price changes make transportation costs difficult to predict, while high energy and production costs are already placing pressure on industries. A prolonged strike could cause shortages of raw materials, production stoppages, delayed export shipments, job losses and further economic pressure.

Way Forward

- Resolve the dispute through immediate negotiations between the government, transporters and industry representatives.
- The government should review the daily fuel-pricing mechanism and consider a system that provides greater predictability for transporters and businesses.
- The government should strengthen supply-chain resilience and ensure uninterrupted movement of essential goods, industrial inputs and export consignments.

Seven Law Enforcers Martyred in Recent Unrest: AJK Govt



The AJK government stated that seven law enforcement personnel were killed and dozens injured during recent unrest, rejecting allegations of excessive force and accusing the banned JAAC of armed violence and misinformation. The government also criticised foreign media coverage, while press freedom groups raised concerns over internet restrictions and the detention of journalists.

Analysis

The article highlights the growing governance and security challenges arising from political unrest in AJK, alongside competing narratives over accountability, public order and media coverage. It also underscores the tension between maintaining law and order and protecting press freedom and access to information during periods of political instability.

Way Forward

- Conduct impartial inquiries into the unrest, casualties and allegations from all sides to strengthen public trust and accountability.
- Engage all legitimate stakeholders through peaceful negotiations to address grievances and reduce the risk of further violence.
- Restore communication services promptly, facilitate independent reporting and provide timely official information to counter misinformation while respecting security considerations.

Govt to Pilot China-Modelled Law Enforcement Centre



The federal government announced plans to establish a China-modelled Law Enforcement Investigation Centre in Islamabad to modernise policing and improve the criminal justice system. The initiative includes overseas training for police officers, advanced surveillance technologies, specialised investigation facilities, drone deployment and updated police training to enhance law enforcement efficiency.

Analysis

The proposed reforms reflect Pakistan's efforts to strengthen policing capacity through international cooperation, technological modernisation and institutional reforms. If implemented effectively, the initiative could improve crime investigation, law enforcement efficiency and public security. However, its success will depend on transparent implementation, adequate oversight, respect for due process and sustained investment in institutional capacity.

Way Forward

- Strengthen institutional capacity by integrating modern policing technologies with comprehensive training and professional development for law enforcement personnel.
- Ensure transparency and accountability by implementing robust oversight mechanisms to safeguard human rights and due process within the new law enforcement framework.
- Invest in sustainable police reforms by expanding digital investigation capabilities, enhancing inter-agency coordination and adopting international best practices suited to Pakistan's legal and security context.

I ran, Oman Agree on Route Through Hormuz



Iran and Oman have reached a preliminary agreement on a new shipping route through the Strait of Hormuz, while negotiations continue over its management and security. The development comes amid heightened regional tensions, including Houthi attacks on Saudi oil tankers, US-Iran diplomatic engagement and Iranian warnings of retaliation against Gulf energy infrastructure if conflict escalates.

Analysis

The article highlights the strategic importance of the Strait of Hormuz to global energy security and international trade, while demonstrating that diplomatic negotiations remain closely linked with ongoing military and geopolitical tensions in the Gulf.

Way Forward

- Pakistan should continue supporting diplomatic initiatives and regional dialogue to reduce tensions and promote stability in the Gulf.
- Pakistan should diversify its energy import sources and strengthen contingency planning to reduce vulnerability to disruptions in the Strait of Hormuz.
- Pakistan should enhance maritime security cooperation with regional partners to safeguard critical sea lanes and protect its trade and energy interests.

US Firms Look to Pakistan for Critical Mineral Supplies



US companies are exploring investments in Pakistan's critical minerals sector, including smaller mines and major copper and antimony projects, while bilateral trade talks between Pakistan and the US continue to advance. The US has also reaffirmed financial support for the Reko Diq project and encouraged Pakistan to improve the investment climate by reducing regulatory barriers.

Analysis

The article highlights the growing strategic importance of critical minerals in global supply chains, driven by rising demand for clean energy, defence and advanced technologies. It also reflects increasing international competition for mineral resources, with investment decisions depending not only on resource availability but also on transparent regulations, institutional capacity and security conditions.

Way Forward

- Simplify regulatory procedures, ensure transparent licensing and provide a level playing field to attract responsible foreign and domestic investment.
- Develop local mineral processing and refining industries to increase exports, create skilled jobs and maximise economic benefits instead of exporting raw materials.
- Improve security in mining regions, strengthen environmental safeguards and build local technical capacity so mineral development contributes to long-term, inclusive economic growth.

Pakistan Joins Saudi Arabia, Türkiye in 'All for One' Pact



Pakistan, Saudi Arabia and Türkiye have signed the Makkah Joint Defence Agreement, under which an armed attack against one member will be regarded as an attack against all. The agreement aims to strengthen collective deterrence, defence cooperation, counterterrorism efforts and regional security. The three countries said the pact is intended to promote peace and stability and does not target any particular country.

Analysis

The agreement represents a significant development in Pakistan's regional security and defence diplomacy. It strengthens Pakistan's strategic cooperation with two important regional partners and could enhance collective deterrence amid growing instability in the Middle East. It may also provide opportunities for greater defence-industry cooperation and coordinated responses to emerging security threats. However, Pakistan will need to balance this trilateral defence partnership with its broader diplomatic relationships and commitment to regional stability.

Way Forward

- Use the agreement to strengthen regional security cooperation while maintaining a balanced foreign policy.
- Pakistan should expand joint counterterrorism, intelligence and defence cooperation with Saudi Arabia and Türkiye.
- Prioritise diplomacy and dialogue to prevent the pact from contributing to regional polarisation.

Japan Plans Urgent Military Buildup Amid Rising Regional Security Threats



Japan has announced the need to strengthen its military with greater urgency, citing growing security threats from China, North Korea and Russia. Its latest defence white paper highlights increasing Chinese military activity near Japan and expanding strategic cooperation between China-Russia and Russia-North Korea.

Analysis

The decision reflects Japan's shift toward a stronger defence posture in response to an increasingly volatile regional security environment. Rising military competition and strategic rivalries in the Indo-Pacific are accelerating regional arms modernisation and increasing the risk of geopolitical tensions and security dilemmas.

Way Forward

- Pakistan should closely monitor evolving Indo-Pacific security dynamics and assess their implications for regional stability and its strategic interests.
- Pakistan should continue pursuing a balanced foreign policy by maintaining constructive diplomatic engagement with all major regional and global powers.
- Pakistan should strengthen its own defence preparedness and strategic partnerships while supporting dialogue and confidence-building measures to reduce regional tensions.

Pakistan and Iran Reaffirm Commitment to Expand Bilateral Trade to \$10 Billion



Pakistan and Iran reaffirmed their commitment to increasing bilateral trade to \$10 billion, discussing the early conclusion of a Free Trade Agreement (FTA), expansion of border trade, improved logistics and greater investment cooperation. Both countries also explored enhancing trade through Karachi and Gwadar ports despite regional challenges and sanctions.

Analysis

The renewed commitment reflects both countries' intent to deepen economic cooperation by improving trade facilitation, connectivity and institutional collaboration. However, achieving the \$10 billion target will depend on overcoming sanctions-related banking constraints, removing border trade barriers and effectively implementing agreed trade and investment initiatives.

Way Forward

- Pakistan should expedite negotiations on the Pakistan-Iran Free Trade Agreement (FTA) to provide a stronger institutional framework for bilateral trade.
- Pakistan should modernise border infrastructure and customs systems by expanding border markets, improving logistics and adopting digital trade facilitation measures.
- Pakistan should diversify exports and strengthen regional connectivity by promoting value-added products, encouraging joint ventures and utilising Karachi and Gwadar ports to enhance regional trade.

PM Arrives in Jeddah as Gulf Tensions Simmer



Prime Minister Shehbaz Sharif arrived in Saudi Arabia on a three-day official visit to hold talks with Crown Prince Mohammed bin Salman on strengthening bilateral relations and discussing regional developments amid escalating Gulf tensions. The visit also aims to enhance strategic cooperation and coordination on regional and international issues.

Analysis

The visit underscores Pakistan's diplomatic engagement with Saudi Arabia during a period of heightened regional instability and reflects the importance of strategic dialogue on security, economic cooperation and Middle East developments. It also highlights Pakistan's effort to balance regional diplomacy while reinforcing its long-standing partnership with a key Gulf ally.

Way Forward

- Pakistan should strengthen strategic dialogue with Saudi Arabia to enhance cooperation on regional security, economic development and energy security.
- Pakistan should continue supporting diplomatic efforts that promote de-escalation and peaceful resolution of conflicts in the Middle East.
- Pakistan should expand bilateral economic and investment cooperation with Saudi Arabia by accelerating collaboration in trade, investment and development projects.

GOVT SIGNS AGREEMENTS WITH PENSION FUND MANAGERS.

Impact: Strengthens pension fund management and improves the long-term sustainability of public sector retirement financing.

Recommendation: Establish transparent oversight and regular performance audits to ensure efficient pension fund management.

"THE GOAL IS NOT MERELY TO FINANCE PENSIONS, BUT TO SECURE DIGNITY IN RETIREMENT."

ROBERT C. MERTON

KP TARGETS 30% LITERACY RATE WITHIN TWO YEARS.

Impact: Strengthens human capital, employability, and long-term economic development.

Recommendation: Pair literacy programmers with teacher training, digital learning, and stronger school retention initiatives.

"EDUCATION IS THE MOST POWERFUL WEAPON WHICH YOU CAN USE TO CHANGE THE WORLD."

NELSON MANDELA

PAKISTAN AND THE WORLD FOOD PROGRAMME EXPAND FOOD SECURITY COOPERATION.

Impact: Enhanced collaboration can strengthen nutrition programmes and improve resilience against food insecurity.

Recommendation: Integrate food assistance with climate-smart agriculture and social protection initiatives.

"FOOD SECURITY IS FUNDAMENTAL TO PEACE AND SUSTAINABLE DEVELOPMENT."

DAVID BEASLEY

PAKISTAN STRENGTHENS PHARMACEUTICAL EXPORTS THROUGH REGULATORY REFORMS.

Impact: Expands access to international markets, boosts pharmaceutical exports, and enhances the industry's global competitiveness.

Recommendation: Accelerate regulatory harmonisation with international standards and support local manufacturers.

"TRADE IS A POWERFUL ENGINE OF ECONOMIC GROWTH AND DEVELOPMENT."

NGOZI OKONJO-IWEALA

PM ORDERS TIMELY COMPLETION OF STATE-OWNED ENTERPRISES (SOES) PRIVATISATION.

Impact: Reduces the government's fiscal burden, improves operational efficiency, and attracts private investment.

Recommendation: Ensure transparent, competitive privatisation with strong regulatory oversight to protect public interest and maintain service quality.

"COMPETITION, TRANSPARENCY, AND ACCOUNTABILITY ARE THE FOUNDATIONS OF A HEALTHY ECONOMY."

ÁNGEL GURRÍA

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CHITRAL WAS HIT BY GLOF AND CLOUDBURST DISASTERS.

Impact: Repeated climate-induced disasters threaten livelihoods, infrastructure, and local economic resilience.

Recommendation: Expand glacier monitoring systems, climate adaptation projects, and community-based disaster preparedness.

"CLIMATE RESILIENCE BEGINS WITH PREPAREDNESS, NOT RECOVERY."

MAMI MIZUTORI

EXPERTS CALL FOR REFORMS TO SUSTAIN PAKISTAN'S SOLAR REVOLUTION.

Impact: Ensure renewable energy growth remains financially viable and accessible to all consumers.

Recommendation: Introduce balanced net-metering reforms and strengthen grid infrastructure to support renewable energy expansion.

"THE CLEAN ENERGY TRANSITION IS ALSO AN ECONOMIC OPPORTUNITY."

FATIH BIROL

OGDCL AND PINSTECH PARTNER ON LITHIUM EXTRACTION.

Impact: Supports industrial diversification and future clean-energy industries.

Recommendation: Establish clear environmental safeguards and a national critical minerals strategy before large-scale extraction.

"CRITICAL MINERALS WILL SHAPE THE ENERGY SYSTEMS OF THE FUTURE."

FATIH BIROL

HISTORIC SHAH ALLAH DITTA CAVES TO BE DEVELOPED AS A WORLD-CLASS HERITAGE SITE.

Impact: Heritage conservation can promote tourism, preserve cultural assets, and generate local economic opportunities.

Recommendation: Adopt sustainable tourism practices while ensuring long-term preservation of archaeological heritage.

"CULTURAL HERITAGE IS A BRIDGE BETWEEN THE PAST AND THE FUTURE."

IRINA BOKOVA



Editorial Team

Dr. Naveed Elahi

Naeema Naeem

Jahanzeb Waheed

Editorial Assistants

Saffa Amjad

Syed Muhammad Ahmad Mustafa

Laiba Tanveer

National School of Public Policy
87- Shahrah-e-Quaid-e-Azam, Lahore
Email: polycypulse.nipp@nspp.gov.pk

