



WEEKLY POLICY PULSE

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The central theme is institutional strengthening and economic management advancing governance reform, digital innovation, and diplomatic engagement amid fiscal pressures and security challenges.

This week's Policy Pulse highlights key developments across governance, socio-economic affairs, security and law and order, and international affairs, reflecting Pakistan's efforts to strengthen institutional capacity, improve public service delivery, manage economic pressures, address security challenges, and expand bilateral and multilateral engagement.

In Governance, major developments include Jamaat-e-Islami's mobilisation against the petroleum levy, the launch of Pakistan's competitive electricity market, and the introduction of a locally developed AI platform to address misogyny and gender bias in digital media. The government also announced measures to strengthen the National Cyber Crime Investigation Agency, while a review of civil service reforms highlighted the limited impact of successive reform initiatives. Other developments include integrating women's health and protection into disaster planning, action against tobacco-sector revenue losses, and the integration of Nadra's PakID app with the Pakistan Single Window for remote biometric verification.

In Socio-Economic Affairs, the Planning Ministry has sought greater involvement in IMF discussions to align economic stabilisation with development priorities. Pakistan also raised \$4.7 billion in foreign financing during the first two months of FY27, including a \$3 billion Eurobond.

Under Security and Law and Order, attacks on security personnel in Khyber Pakhtunkhwa and subsequent Pakistani operations along the Afghan border highlight continuing counter-terrorism and border-security challenges.

In International Affairs, Pakistan pursued diplomatic engagement during the UN General Assembly, while Pakistan, Türkiye and Saudi Arabia advanced defence cooperation. Italy to Ban Veils in Schools, Limit Foreign Students per Class, Pakistan and Saudi Arabia also signed a visa-waiver agreement for diplomatic and official/special passport holders.

The Policy Nuggets additionally cover public debt, education, taxation, online child protection, healthcare, inheritance law, nuclear proliferation concerns, and judicial digitisation.

Overall, the week's developments highlight the need for stronger institutional implementation, economic management, public-service reform, security coordination, and sustained diplomatic engagement to address Pakistan's immediate and longer-term governance challenges.

KEY SECTIONS SUMMARY

GOVERNANCE



Institutional Reform

SOCIO-ECONOMIC



Fiscal Management

SECURITY AND LAW & ORDER



Counterterrorism Operations

INTERNATIONAL AFFAIRS



Strategic Diplomacy

Overview

01

Governance

02

- Jamaat warns of 'backlash' if its protest is impeded
- Pakistan ushers in new era of competitive electricity trading
- Feminist AI platform launched to tackle misogyny in digital spaces
- Cybercrime biggest challenge of present era: interior secretary
- PM's Panel Acknowledges Limited Impact of Civil Service Reforms over 78 Years
- Punjab to Integrate Women's Health, Protection into Disaster Plans
- Senate Panel Takes Up Cigarette Theft, \$1bn Annual Tobacco Tax Loss
- PSW enables remote biometric verification via Nadra's PakID App

Socio-economic Issues

06

- Planning Ministry Asks PM to Revive Its Role in IMF Talks
- Pakistan Raises \$4.7bn in Foreign Loans over First Two FY27 Months

Security and Law & Order

07

- Two officers among six martyred in Hangu: ISPR
- Pakistan strikes terror hubs along Afghan border

International Affairs

08

- Pakistan stands out amid flurry of diplomacy at UNGA
- Makkah accord moves towards military cooperation
- Italy to Ban Veils in Schools, Limit Foreign Students per Class, Meloni Says
- Pakistan, KSA Sign Visa Waiver Pact for Diplomatic, Official Passport Holders

Policy Nuggets

10

Jamaat warns of 'backlash' if its protest is impeded



Jamaat-e-Islami (JI) Emir Hafiz Naeem launched a multi-city caravan and train march toward Islamabad, demanding the immediate abolition of the petroleum levy to lower fuel prices. The party leadership warned of severe escalation and a potential movement to oust the government if state authorities attempt to block their march.

Analysis

JI's sustained nationwide agitation leverages growing public frustration over fuel taxation to build grassroots momentum independent of opposition coalitions. By warning, the party places the burden of conflict avoidance on the government while expanding its political leverage ahead of capital sit-ins.

Way Forward

- Resume formal government-JI dialogue to address energy tax rationalization and prevent administrative deadlocks.
- Allocate specific, secure protest sites in Islamabad to protect constitutional assembly rights without closing major transit routes.
- Instruct security personnel to exercise restraint and avoid preemptive blockades that risk triggering wider public escalation.

Pakistan ushers in new era of competitive electricity trading



Energy Minister Sardar Awais Ahmad Khan Leghari announced the operational launch of Pakistan's first competitive electricity market under the Competitive Trading Bilateral Contract Market (CTBCM) framework. It announced the government's exit from central power procurement and allowing large industrial consumers (>1 MW) to purchase power directly from producers.

Analysis

Transitioning away from the traditional single-buyer model enhances export competitiveness, though long-term success requires transparent management of transmission grid bottlenecks and stranded cost recoveries.

Way Forward

- Mandate transparent node congestion disclosures to prevent arbitrary capacity caps during wheeling auctions.
- Enforce anti-collusion caps and clear conflict-of-interest rules to ensure non-discriminatory grid access for all market participants.
- Gradually lower the 1 MW consumption threshold to extend competitive electricity pricing.

Feminist AI platform launched to tackle misogyny in digital spaces



Uks Research Centre launched 'Seen, Heard, Respected: AI for Inclusive Communication', a localized Feminist AI platform designed to detect misogyny and gender bias in digital media. The privacy-centric tool offers media professionals Urdu-supported editing functions to correct stereotyping, guide ethical reporting, and protect victim dignity without sensationalism.

Analysis

Deploying localized AI models directly addresses structural algorithmic biases in commercial technology that often marginalize non-Western languages and contexts. However, this initiative bridges tech innovation with responsible journalism to counteract digital gender-based harassment.

Way Forward

- Embed the AI bias detector into newsroom editorial workflows to institutionalize gender-sensitive media reporting nationwide
- Accelerate Phase 2 development to expand Urdu and regional language processing capacities for comprehensive media monitoring
- Incorporate digital gender-sensitivity training into core communication curricula.

Cybercrime biggest challenge of present era: interior secretary



Interior Secretary Ahmad Raza Sarwar visited the National Cyber Crime Investigation Agency (NCCIA) headquarters, declaring cybercrime the era's primary security challenge. The Ministry of Interior pledged expanded financial resources, technical infrastructure, and manpower to scale up NCCIA's capacity against illegal call centers, financial fraud, online harassment, and transnational cyber networks.

Analysis

Expanding institutional mandates requires balancing law enforcement authority with judicial oversight to prevent anti-cybercrime frameworks from being misapplied against political speech or media freedom.

Way Forward

- Equip NCCIA operational circles with advanced forensic tools and real-time digital tracking systems.
- Establish strict oversight mechanisms prioritizing international syndicates, biometric data theft, and online extortion over political or media speech.
- Expand regular open courts across all operational circles to accelerate case disposal and protect citizen rights transparently.

P M's Panel Acknowledges Limited Impact of Civil Service Reforms over 78 Years



The Prime Minister's Civil Service Reform Committee has acknowledged that more than 25 commissions and committees established since independence have produced limited impact on Pakistan's public-sector structure. The committee noted that, despite reforms in 1973, 2001 and subsequent initiatives, the civil service remains largely hierarchical, seniority-based and rooted in the colonial administrative model.

Analysis

The long history of partially implemented reforms highlights the importance of translating recommendations into sustained institutional changes rather than repeatedly establishing new reform committees. Effective implementation, continuity across governments, performance-based administration and clear accountability could be central to achieving lasting civil service reform.

Way Forward

- Establish clear timelines, responsible institutions and measurable targets for implementing approved civil service reforms, with regular public reporting on progress.
- Improve recruitment, promotion, training and performance evaluation mechanisms to give greater weight to professional competence, skills and measurable results alongside seniority.
- Create a permanent mechanism to monitor reform implementation, identify administrative bottlenecks and ensure that recommendations from successive reform commissions are consolidated rather than repeatedly revisited.

P unjab to Integrate Women's Health, Protection into Disaster Plans



Punjab's Disaster Management Authority (PDMA), in coordination with the Health Department and UNFPA, is working to incorporate women's protection and reproductive health needs into disaster preparedness and flood mitigation plans. The proposed measures will address gender-based violence, family planning and access to sexual and reproductive healthcare during emergencies.

Analysis

Integrating gender-sensitive measures into disaster planning can help maintain essential health and protection services for women and girls during floods and other climate-related emergencies. Effective implementation will require coordination among disaster-management, health and protection institutions and adequate services at evacuation and relief facilities.

Way Forward

- Provincial disaster-management authorities should include women's health, protection and reproductive healthcare needs in preparedness, response and recovery plans.
- Establish dedicated health and protection services, including maternal and reproductive healthcare and GBV response mechanisms, at relief camps and evacuation centres.
- Improve coordination among PDMA, health departments, local administrations and humanitarian organisations and conduct regular drills and needs assessments in disaster-prone areas.

Senate Panel Takes Up Cigarette Theft, \$1bn Annual Tobacco Tax Loss



The Senate Standing Committee on Interior and Narcotics Control examined the theft of 2,828 cartons of cigarettes and an estimated \$1 billion annual revenue loss linked to tax evasion, illicit manufacturing and trade irregularities in the tobacco sector. It directed the FBR and FIA to submit comprehensive inquiry reports and called for accountability of officials responsible for enforcement and warehouse management.

Analysis

The committee's findings point to weaknesses in tax enforcement, inventory controls, inter-agency coordination and accountability within the tobacco sector. Strengthening digital tracking, warehouse controls and coordinated enforcement could help reduce revenue leakage and improve protection of public revenues.

Way Forward

- Introduce robust digital inventory, track-and-trace and CCTV systems for seized and taxable tobacco products to reduce theft and illicit movement.
- Establish a clearly defined mechanism for joint investigations, information-sharing and enforcement to address jurisdictional gaps and tax-related offences.
- Investigations should follow documented evidence and financial trails to identify manufacturers, financiers and organised networks involved in illicit trade, while ensuring due process and accountability.

PSW enables remote biometric verification via Nadra's PakID App



The Pakistan Single Window (PSW) has integrated its platform with Nadra's PakID Mobile App, enabling users to complete mandatory biometric verification remotely through smartphones. The facility eliminates the need for physical visits to Nadra's e-Sahulat Centres for PSW subscription, renewal and profile updates.

Analysis

The digital integration simplifies the onboarding process and strengthens the government's efforts to expand digital public services. It is particularly beneficial for overseas Pakistanis engaged in trade-related activities, as remote verification reduces the need to travel to Pakistan solely for biometric verification.

Way Forward

- Expand digital integration among government platforms to reduce physical visits and streamline business-related services.
- Strengthen cybersecurity, data protection and authentication mechanisms to ensure secure digital verification.
- Improve digital access and user support so that businesses and overseas Pakistanis can effectively use online government services.

P lanning Ministry Asks PM to Revive Its Role in IMF Talks



The Ministry of Planning has formally asked Prime Minister Shehbaz Sharif to include it alongside the Finance Division in negotiations with the IMF, arguing that discussions on growth, inflation, poverty and development fall within its mandate. The request comes ahead of the IMF's upcoming review talks with Pakistan.

Analysis

Greater coordination between the Planning Ministry and Finance Division could help align IMF-related fiscal measures with Pakistan's broader development and growth priorities. The government's stated focus on exports, private investment, productivity, human capital and climate resilience also highlights the need to balance short-term stabilisation with sustainable economic development.

Way Forward

- Establish a clear coordination mechanism between the Planning Ministry, Finance Division and other economic institutions to present consistent economic priorities during IMF discussions.
- Ensure that fiscal and structural measures under the IMF programme are aligned with long-term priorities such as exports, private investment, productivity and human capital.
- Use reliable economic data, impact assessments and monitoring mechanisms to evaluate IMF-related measures and their effects on growth, inflation, poverty and development outcomes.

P akistan Raises \$4.7bn in Foreign Loans over First Two FY27 Months



Pakistan secured \$1.7 billion in foreign loans and grants from bilateral and multilateral creditors during July–August 2026, compared with \$1.37 billion in the same period last year. Including the \$3 billion Eurobond, total foreign financing raised during the first two months of FY27 reached \$4.7 billion.

Analysis

The increase in external financing provides resources for Pakistan's financing and balance-of-payments needs, but also adds to future debt-servicing obligations. Greater reliance on concessional financing, export growth and domestic revenue mobilisation can help reduce pressure from commercial external borrowing over time.

Way Forward

- External loans should increasingly finance projects that strengthen exports, productivity, energy efficiency and economic capacity rather than recurring expenditure.
- Pakistan should maximise access to low-cost, longer-term multilateral and bilateral financing while carefully assessing the costs and risks of commercial borrowing.
- Broaden the tax base, improve revenue collection and support export-oriented sectors to reduce dependence on external borrowing and strengthen external-sector sustainability.

Two officers among six martyred in Hangu: ISPR



Six security personnel, including Captain Abuzar Farooq (23) and Lieutenant Sheraz Babar (22), embraced martyrdom when an armed military convoy was ambushed in KP's Hangu district. Security forces retaliated, eliminating eight Fitna al-Khawarij terrorists, before initiating a regional sanitization operation under the Azm-i-Istehkam framework.

Analysis

Escalating insurgent ambushes against military convoys reflect persistent intelligence gaps and localized transit vulnerabilities along KP's border belt. Sustaining counter-terrorism operations requires combining physical sanitization missions with predictive signal intelligence.

Way Forward

- Deploy aerial drone reconnaissance and electronic countermeasure units along high-risk transit corridors prior to convoy movements.
- Deepen coordination between military intelligence, police CTD, and local communities in Hangu to neutralize ambush nodes preemptively.
- Expand targeted intelligence-based operations to destroy terrorist safe havens under the National Action Plan.

Pakistan strikes terror hubs along Afghan border



Following major terrorist attacks in Khyber Pakhtunkhwa, Pakistan executed calibrated precision airstrikes and ground operations along the border with Afghanistan. Security forces neutralized over 37 terrorists, including 28 in airstrikes that destroyed three targets.

Analysis

Executing precision strikes directly against cross-border staging grounds underscores Islamabad's shift to active kinetic intervention when diplomatic appeals to Kabul fail to dismantle TTP sanctuaries.

Way Forward

- Demand verifiable action from the Afghan administration against known border-belt staging grounds using UN and regional diplomatic channels.
- Scale electronic surveillance and heavy artillery positions across sensitive sectors to counter cross-border retaliatory shelling.
- Continue intelligence-based ground operations across KP transit corridors to prevent internal sleeper cell mobilization.

Pakistan stands out amid flurry of diplomacy at UNGA



During the UNGA session in New York, PM Shehbaz Sharif and Deputy PM Ishaq Dar spearheaded high-level diplomatic efforts to mediate between the US and Iran to resolve regional conflict. Endorsed by UN Secretary-General António Guterres and acknowledged by US President Donald Trump, Pakistan leveraged the Regional-4 framework alongside Turkey, Saudi Arabia, and Egypt to push dialogue and uphold the Islamabad MoU.

Analysis

Capitalizing on multilateral structures like the R-4 framework mitigates energy market spillover risks while reinforcing Pakistan's credibility as a stabilizing middle-power actor in regional crisis management.

Way Forward

- Pakistan should formalize periodic ministerial reviews to maintain momentum between US and Iranian working-level delegations.
- Pakistan can translate heightened political goodwill at the UN into concrete economic and trade engagements with regional and global partners.
- Pakistan should secure formal international backing for the Islamabad MoU to build sustainable crisis-containment mechanisms in the Middle East.

Makkah accord moves towards military cooperation



Pakistan, Türkiye and Saudi Arabia agreed to accelerate military cooperation under the Makkah Joint Defence Agreement, focusing on intelligence sharing, military coordination and capability integration. The trilateral meeting in Riyadh also condemned attacks targeting Saudi Arabia and reaffirmed collective defence commitments.

Analysis

The development indicates that the Makkah Agreement is moving from political commitment towards practical defence coordination. For Pakistan, the emphasis on defensive cooperation allows closer security engagement with Saudi Arabia while avoiding an immediate commitment to broader military operations in Yemen.

Way Forward

- Pakistan should strengthen intelligence-sharing, early-warning and defensive coordination with Saudi Arabia and Türkiye while keeping cooperation aligned with the agreement's stated collective-defence framework.
- Islamabad should maintain diplomatic engagement with regional parties to support de-escalation and prevent the security cooperation from becoming entangled in a wider regional conflict.
- Pakistan should develop clear institutional mechanisms for military coordination and capability integration while maintaining its stated policy of defensive cooperation and regional stability.

I taly to Ban Veils in Schools, Limit Foreign Students per Class, Meloni Says



Italy plans to introduce measures that would ban face-covering veils such as burqas and niqabs in schools and establish a maximum proportion of foreign students per class. Prime Minister Giorgia Meloni also said parents of foreign students facing significant integration difficulties would be required to learn Italian.

Analysis

The proposed measures reflect Italy's focus on language acquisition and integration within its education system amid continuing migration-related debates. Their implementation could raise broader questions about balancing integration policies, educational inclusion and individual rights, particularly concerning religious or cultural practices.

Way Forward

- Pakistan should promote language support and integration programmes for students from diverse linguistic and cultural backgrounds without creating barriers to access to education.
- Schools should provide language assistance, cultural orientation and counselling where needed to help students participate effectively in the education system.
- Pakistan should continue supporting dialogue on migration, education and cultural integration through relevant international platforms while respecting international human-rights commitments.

P akistan, KSA Sign Visa Waiver Pact for Diplomatic, Official Passport Holders



Pakistan and Saudi Arabia signed an agreement abolishing visa requirements for holders of diplomatic and official/special passports during the UN General Assembly session in New York. The agreement is intended to facilitate high-level engagement and institutional exchanges between the two countries.

Analysis

The visa waiver can streamline official travel and strengthen diplomatic and institutional contacts between Pakistan and Saudi Arabia. Easier movement for government officials may also support more frequent bilateral consultations and cooperation across areas of mutual interest.

Way Forward

- Pakistan should use the facilitated travel arrangements to increase regular government-to-government consultations, technical exchanges and official delegations.
- Relevant ministries should leverage increased official engagement to advance cooperation in trade, investment, energy, security and human-resource development.
- Pakistan should establish clear administrative procedures for eligible passport holders to ensure the agreement is implemented smoothly and consistently.

01

6 MILLION CITIZENS REGISTERED UNDER PM'S FUEL RELIEF SCHEME

Impact: Expands direct fuel-cost relief to low-income commuters, cushioning the effect of regional fuel-price volatility on household budgets.

Recommendation: Strengthen outreach in under-represented regions such as Balochistan and Gilgit-Baltistan, and sustain real-time monitoring to ensure transparent, efficient disbursement.

"In this hour of difficulty, we will not leave the public alone."
Shehbaz Sharif

02

160 SCHOOLS ISSUED SHOW-CAUSE NOTICES, ACTION LAUNCHED AGAINST 40 OTHERS FOR POOR RESULTS

Impact: Enforcing institutional accountability highlights systemic gaps in public education while driving emergency quality-improvement measures.

Recommendation: Pair disciplinary action with targeted teacher-training programs and curriculum support to sustainably raise learning outcomes.

"Education is the movement from darkness to light."
Allan Bloom

03

ADB REMAINS COMMITTED TO SUPPORTING MULTI-SECTORAL INITIATIVES IN SINDH

Impact: Multi-sectoral foreign funding accelerates infrastructure, climate resilience, and social development projects.

Recommendation: Ensure timely project execution to maximize impact and retain international donor confidence.

"Partnership and targeted investment are essential to building resilient, inclusive communities."
Emma Fan

04

FBR PLANS PENALTIES AMID WEAK RESPONSE TO AASAAN TAX SCHEME

Impact: Low voluntary compliance in simplified tax schemes forces punitive measures, risking increased friction between small traders and tax authorities.

Recommendation: Combine enforcement penalties with targeted trader outreach and simplified digital onboarding to drive tax base expansion.

"Taxation is not just about raising revenue; it is about building trust between the state and its citizens."
Mahbub ul Haq

05

1.5M PAKISTANI CHILDREN SEXUALLY EXPLOITED ONLINE: UNICEF

Impact: Widespread digital exploitation threatens youth safety while exposing severe gaps in child cyber-protection frameworks.

Recommendation: Enforce strict digital safety regulations, confidential reporting, and awareness campaigns.

"Keeping children safe online cannot be their responsibility alone; we need safer platforms, stronger accountability, and better protection."
UNICEF

06

SAUDI ARABIA HASN'T RULED OUT MAKING NUKES: REPORT

Impact: Raises concerns over nuclear proliferation and the potential for a wider arms race in the Middle East.

Recommendation: Strengthen non-proliferation safeguards, IAEA monitoring, and regional diplomatic mechanisms to prevent nuclear escalation.

"The only way to win a nuclear war is to make sure it never starts."
Ronald Reagan

07

MARYAM ORDERS HIRING OF 40,000 DOCTORS, OTHER STAFF

Impact: Expands healthcare workforce and improves access to medical services, particularly across hospitals and underserved areas of Punjab.

Recommendation: Ensure merit-based recruitment, equitable staff deployment, and continuous monitoring to improve healthcare quality and service delivery.

"The first wealth is health."
Ralph Waldo Emerson

08

INHERITANCE RIGHTS DO NOT ARISE MERELY FROM BLOOD RELATIONSHIP: FCC

Impact: Clarifies the scope of inheritance law and provides greater certainty in determining succession rights under Section 4 of the Muslim Family Laws Ordinance, 1961.

Recommendation: Strengthen public awareness of succession laws and ensure consistent legal guidance to prevent inheritance disputes and misinterpretation.

"Justice is the constant and perpetual will to allot to every person his due."
Justinian I

09

E-FILING TO BEGIN WITH FAMILY CASES ON PILOT BASIS: CJP

Impact: The pilot introduction of e-filing for family cases could improve access to justice, reduce paperwork and streamline case filing, while supporting greater consistency and efficiency across courts.

Recommendation: Expand digital filing gradually after evaluating the pilot, with adequate technical infrastructure, staff training and support for litigants who may face difficulties accessing digital services.

"Digital transformation can make justice more accessible, transparent and efficient for citizens."
United Nations Development Programme (UNDP)



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