



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 examines developments across governance, socio-economic affairs, security and law and order, and international affairs, highlighting Pakistan's efforts to strengthen institutions, improve public services, promote economic growth, and manage security challenges.

In Governance, Sindh prioritised water management to address flooding and water scarcity, while federal and provincial leaders pledged stronger counterterrorism coordination. Pakistan launched its first National Strategy to End Violence Against Children (2026–2031). Other developments concerned illegal billboards in Karachi, judicial oversight of university decisions, and fair assessment of criminal cases.

In Socio-Economic Affairs, the government set a Rs 2.2 trillion SME financing target by 2028, while the IMF projected 3.5% economic growth and 9.9% inflation. Electricity fuel adjustment measures aimed to provide consumer relief, and a Pakistan–Türkiye critical minerals venture in Balochistan offered opportunities for investment, employment, and domestic value addition.

Under Security and Law and Order, calls for parliamentary review of counterterrorism policy highlighted the need for political consensus and coordinated implementation. The successful test of Pakistan's Fatah-2 Extended Range missile reflected continued defence modernisation and efforts to strengthen conventional deterrence.

In International Affairs, Pakistan and Brazil agreed to expand defence cooperation, while Oman praised Pakistan's role in facilitating Iran–US dialogue. Pakistan condemned Houthi attacks on Saudi Arabia and reiterated support for Palestinian rights. Meanwhile, reports of possible US military action against Iran raised concerns about regional escalation, maritime security, and energy supplies.

The Policy Nuggets additionally address power-sector costs, tobacco regulation, regional security, digital public services, political tensions in KP, hunger, school safety, tax compliance, and diplomatic disputes over Jerusalem. Overall, the central theme is institutional strengthening and economic resilience amid security and economic pressures.

KEY SECTIONS SUMMARY

GOVERNANCE



Institutional Reform

SOCIO-ECONOMIC



Fiscal Management

SECURITY AND LAW & ORDER



Counterterrorism Operations

INTERNATIONAL AFFAIRS



Strategic Diplomacy

Overview

01

Governance

02

- Effective water management is Sindh's strategic priority, says Murad
- Centre, KP resolve to jointly fight terror
- Strategy to end violence against children unveiled
- Commissioner orders crackdown on 'illegal' billboards across Karachi
- University decisions not immune from judicial review: FCC
- Every Criminal Case Must Be Decided on Its Own Facts: Supreme Court

Socio-economic Issues

05

- PM sets Rs2.2tr SME financing target by 2028
- IMF sees growth at 3.5pc, inflation near 10pc
- September Power Fuel Adjustment Capped at Rs2.56 per Unit
- Pakistan and Türkiye Sign Joint Venture to Explore Critical Minerals in Balochistan

Security and Law & Order

07

- Fazl calls for in-camera parliamentary session to review anti-terror policy
- Pakistan Army successfully tests Fatah-2 Extended Range missile

International Affairs

08

- Brazilian military chief, CDF agree to boost collaboration
- Omani FM lauds Pak role in Iran-US dialogue
- Pakistan condemns Houthi attacks on Saudi Arabia at UNSC
- US weighs using 'Mother of All Bombs' against Iran: CNN

Policy Nuggets

10

Effective water management is Sindh's strategic priority, says Murad



Sindh Chief Minister Syed Murad Ali Shah stated that effective water management is a strategic priority for the province during an official delegation visit to China's Three Gorges Dam project. Highlighting Sindh's vulnerability to climate change, severe monsoon flooding, and dry-season water scarcity, the CM emphasized adopting international engineering models for flood control, reservoir storage, and navigation systems.

Analysis

Translating global engineering practices into local water security requires upgrading aging barrage infrastructure, enforcing equitable inter-provincial water distribution frameworks, and rehabilitating natural drainage corridors across lower Sindh.

Way Forward

- Upgrade aging barrages, canals, and embankments along the Indus River to withstand severe monsoon flood flows.
- Develop local water storage reservoirs and natural wetland retention basins to cushion against dry-season agricultural water deficits.
- Integrate automated flow monitoring and real-time hydraulic data sharing to optimize irrigation distribution across agrarian belts.

Centre, KP resolve to jointly fight terror



Federal Interior Minister Mohsin Naqvi and Khyber Pakhtunkhwa Governor Faisal Karim Kundi reaffirmed a shared commitment between the federal government and the provincial administration to eliminate terrorism. Both leaders agreed on enhancing intelligence-sharing, upgrading provincial police capabilities, and establishing unified operational coordination.

Analysis

Bridging administrative divides enables faster intelligence transmission, synchronizes border management, and ensures that provincial police units receive federal technological and material support during counter-terrorism drives.

Way Forward

- Establish integrated command centers bringing together federal agencies, civil armed forces, and provincial police to streamline tactical execution.
- Expedite federal provision of advanced weaponry, thermal imaging, and protective gear to KP police personnel in high-vulnerability districts.
- Build real-time data links between federal intelligence bodies and provincial Counter-Terrorism Departments.

S trategy to end violence against children unveiled



Pakistan launched its first National Strategy to End Violence Against Children (2026–2031) to establish a coordinated framework across legal, social, and administrative institutions. Grounded in the internationally recognized WHO INSPIRE model, the five-year plan addresses physical and sexual abuse, psychological harm, neglect, child marriage, trafficking, and child labor.

Analysis

Introducing a unified national strategy provides a policy baseline to tackle systemic child protection gaps, low birth registration rates, and extensive child labor. The policy focuses on strengthening legal enforcement, promoting safe learning environments, expanding parental support, maintaining response services, and building life skills

Way Forward

- Coordinate federal human rights mechanisms with provincial Child Protection and Welfare Bureaus for standardized case reporting and legal aid.
- Institutionalize positive parenting initiatives and school-based protection guidelines to address normalized domestic and educational violence.
- Link child protection services with NADRA to accelerate universal birth registration and trace vulnerable or working children.

C ommissioner orders crackdown on ‘illegal’ billboards across Karachi



Karachi Commissioner Syed Hassan Naqvi ordered an immediate, comprehensive crackdown against all illegal billboards and hoardings installed across the metropolis. Directing municipal commissioners, district administrations, and law enforcement agencies to execute the operation without exception.

Analysis

Unregulated and hazardous outdoor advertising remains a persistent municipal governance challenge in Pakistan's major urban centers, threatening public safety and eroding urban aesthetics.

Way Forward

- Institute continuous, district-level monitoring by local administration to prevent unauthorized re-installation of billboards.
- Implement centralized, transparent digital portals for outdoor advertising permits to eliminate illegal kickbacks and maximize municipal revenue collection.
- Mandate strict structural engineering certifications and wind-resistance safety audits for all legally permitted commercial signage.

University decisions not immune from judicial review: FCC



The Federal Constitutional Court (FCC) ruled that university decisions are subject to judicial review, even though courts generally defer to academic expertise. The court set aside the Islamabad High Court judgment and IIUI's rejection of a female PhD student's request for an extension to submit her thesis, finding that her circumstances had not been properly assessed. It directed the university's competent authority to reconsider the matter under the applicable policy, including circumstances affecting women's educational continuity.

Analysis

The ruling reinforces accountability and procedural fairness in higher education while preserving universities' authority over academic evaluation. It also highlights the need for transparent, reasoned decisions and appropriate flexibility when students face significant personal, health or family-related barriers to completing their studies.

Way Forward

- rward:
- Ensure universities assess extension requests individually and transparently, in accordance with applicable policies and relevant circumstances.
- Establish clear appeal and grievance-redress mechanisms for students challenging administrative decisions.
- Strengthen student-support policies that help women and other students facing significant personal or health-related challenges continue and complete higher education.

Every Criminal Case Must Be Decided on Its Own Facts: Supreme Court



The Supreme Court has reaffirmed that every criminal case must be assessed on its individual facts and circumstances, emphasising that witnesses may react differently to traumatic events. While dismissing a murder convict's appeal, the court held that minor differences in eyewitness accounts do not automatically undermine their credibility when the central details remain consistent. It also cautioned against expecting witnesses to describe incidents with unrealistic, microscopic precision.

Analysis

The ruling reinforces evidence-based judicial decision-making and recognises the psychological impact of traumatic events on eyewitnesses. It highlights the need to assess testimony in its full context rather than applying rigid assumptions about human behaviour, while ensuring that convictions remain grounded in reliable evidence and fair trial standards.

Way Forward

- Provide judges and prosecutors with guidance on evaluating eyewitness testimony and the effects of trauma on memory and perception.
- Use forensic evidence and professional investigative methods to corroborate witness accounts rather than relying solely on exact verbal descriptions.
- Ensure each case is decided on its own evidence, with reasoned judgments that protect both the rights of accused persons and the interests of victims.

P M sets Rs2.2tr SME financing target by 2028



Prime Minister Shehbaz Sharif directed relevant financial and administrative authorities to double overall bank financing for Small and Medium-Sized Enterprises (SMEs) from Rs1.1 trillion to Rs2.2 trillion by 2028. PM approved measures including regional SMEDA expansion, guidance helplines in local languages, and e-commerce training for 10,000 SMEs in partnership with Alibaba.

Analysis

Expanding SME credit availability directly addresses structural bottlenecks in private-sector liquidity, where high interest rates and risk-averse commercial bank collateral requirements have historically crowded out small enterprises.

Way Forward

- Establish State Bank-backed partial credit guarantee schemes to reduce collateral friction for commercial banks lending to early-stage SMEs.
- Accelerate deployment of AI-powered multi-lingual helplines and localized portal tools to assist small businesses with credit compliance and export documentation.
- Leverage training partnerships with global platforms to integrate regional manufacturers directly into global supply chains.

I MF sees growth at 3.5pc, inflation near 10pc



In its latest World Economic Outlook report, IMF projected Pakistan's real GDP growth at 3.5% for the fiscal year, while consumer price inflation is expected to average near 10% (9.9%). The Fund highlighted that while macroeconomic stabilization measures under the financial program have helped reduce volatility, structural bottlenecks and external headwinds continue to constrain faster economic expansion.

Analysis

A 3.5% GDP growth projection leaves Pakistan trailing behind broader regional peers, highlighting the challenge of building a durable domestic growth engine within tight fiscal and monetary constraints.

Way Forward

- Focus economic policy on expanding export manufacturing and removing administrative barriers to boost private-sector productivity
- Coordinate State Bank monetary policy and federal administrative supply-chain interventions to anchor inflation expectations firmly within single digits.
- Shift public expenditure away from non-productive operational costs toward high-yield economic infrastructure, human capital development, and skill training.

September Power Fuel Adjustment Capped at Rs2.56 per Unit



The government capped September's electricity fuel cost adjustment (FCA) at Rs2.56 per unit, compared with the projected Rs5-Rs6, to limit the additional burden on consumers. The Power Division attributed the reduction to limited load management and supplying imported LNG to power plants at rates applicable to locally supplied gas, reducing costs by about 83 paise per unit. The total FCA impact was estimated at Rs32.7 billion amid rising international oil prices.

Analysis

The measures provided short-term relief to electricity consumers amid rising global fuel costs. However, load management may affect power availability, while containing fuel adjustments through government interventions may not address underlying generation costs and structural inefficiencies in the energy sector.

Way Forward

- Reduce reliance on costly fuels: Expand renewable energy and improve the efficiency of power generation to limit exposure to international oil price fluctuations.
- Ensure transparent cost management: Regularly disclose FCA calculations, subsidies and the financial impact of relief measures.
- Strengthen energy-sector reforms: Reduce transmission and distribution losses, improve bill recovery and ensure reliable electricity supply while protecting consumers from excessive cost increases.

Pakistan and Türkiye Sign Joint Venture to Explore Critical Minerals in Balochistan



Pakistan Mineral Development Corporation (PMDC) and Türkiye's MTA International Company (MTAIC) have signed a term sheet to jointly explore and develop critical and precious minerals across approximately 499 square kilometres in Pishin, Balochistan. The project covers antimony, copper, gold, silver and molybdenum under Exploration License EL-318. MTAIC will provide exploration technology and expertise, while a joint venture will include a designated entity of the Balochistan government. Definitive agreements are expected by December 31, 2026.

Analysis

The partnership could attract foreign direct investment, facilitate technology transfer, create jobs and strengthen Pakistan's position in global critical mineral supply chains. However, the economic benefits will depend on transparent agreements, responsible mining, local community participation and effective environmental safeguards.

Way Forward

- Finalise clear joint venture agreements covering revenue sharing, ownership, accountability and long-term national interests.
- Prioritise employment, technical training and business opportunities for Balochistan's communities while ensuring fair provincial benefits.
- Strengthen geological surveys, local processing and environmental monitoring to maximise domestic value addition and reduce dependence on raw mineral exports.

Fazl calls for in-camera parliamentary session to review anti-terror policy



JUI-F chief Maulana Fazlur Rehman called for an in-camera parliamentary session to review Pakistan's counterterrorism strategy and develop a unanimous national policy, arguing that the public should be taken into confidence. The government defended emergency measures and governor's rule in Khyber Pakhtunkhwa (KP) on security grounds, while urging implementation of National Action Plan 2. The ISPR DG criticised Fazl's remarks about the armed forces and martyrs, saying they promoted India's narrative.

Analysis

Differences among political leaders and state institutions over counterterrorism measures highlight the need for national consensus and clear public communication. Parliamentary scrutiny, coordinated implementation of counterterrorism policies and constructive political engagement could strengthen public trust and the effectiveness of security operations.

Way Forward

- Convene an in-camera parliamentary session to review counterterrorism outcomes, assess policy gaps and develop a consensus-based national strategy.
- Ensure consistent implementation of National Action Plan 2 through coordination among federal and provincial governments, security institutions and political parties.
- Strengthen public communication and democratic oversight while promoting responsible political discourse that respects the sacrifices of security personnel and supports national unity.

Pakistan Army successfully tests Fatah-2 Extended Range missile



The Pakistan Army successfully test-launched the Fatah-2 Extended Range (ER) missile on October 13, 2026. According to the report, the system features advanced navigation and avionics, precision-strike capabilities, and manoeuvrability designed to overcome missile defence systems. Its extended range is intended to enhance the Army's ability to engage targets at greater distances.

Analysis

The test highlights Pakistan's efforts to strengthen its conventional strike capabilities and technological preparedness. However, advances in missile technology also underscore the importance of strategic stability, effective deterrence and measures to prevent regional arms competition from escalating.

Way Forward

- Continue investing in indigenous defence research and development while strengthening technical expertise and testing standards.
- Maintain credible deterrence alongside strategic communication and diplomatic engagement to reduce regional security tensions.
- Ensure defence modernisation remains aligned with national security priorities, fiscal sustainability and regional stability.

Brazilian military chief, CDF agree to boost collaboration



The Chief of Defence Staff and the visiting Brazilian military chief held high-level delegation talks in Islamabad, agreeing to expand bilateral defense cooperation, military training exchanges, and strategic technical collaboration for regional peace and stability, fostering institutional dialogue between the armed forces of both nations.

Analysis

Expanding defense partnerships beyond traditional Western and regional allies diversifies Pakistan's strategic relationships and opens avenues for defense industry collaboration with major Latin American economies.

Way Forward

- Pakistan should further identify mutually beneficial areas for technology transfer and defense production cooperation.
- Pakistan can increase reciprocal slots for military officers in specialized defense colleges and tactical training schools.
- Establish formal, recurring defense committee meetings between Pakistan and Brazil to sustain long-term military cooperation.

Omani FM lauds Pak role in Iran-US dialogue



Omani Foreign Minister praised Pakistan's constructive diplomatic role and quiet mediation efforts in facilitating backchannel dialogue between Iran and the United States to de-escalate regional tensions. During diplomatic consultations, both sides emphasized the necessity of diplomatic channels, peaceful conflict resolution, and regional stability across the Middle East and South Asia.

Analysis

Leveraging historical ties with Oman and Iran allows Islamabad to play a stabilizing diplomatic role, mitigating regional security risks and projecting an image of a responsible, peace-building regional actor.

Way Forward

- Pakistan should utilize backchannel diplomatic ties with Gulf partners and Western capitals to promote ongoing de-escalation frameworks
- Pakistan should expand strategic, maritime, and economic cooperation with Oman to secure vital sea lanes and trade corridors in the Arabian Sea.
- Pakistan can further strengthen the Ministry of Foreign Affairs' dedicated diplomatic mediation cells to effectively manage complex multi-lateral peace initiatives.

Pakistan condemns Houthi attacks on Saudi Arabia at UNSC



Pakistan strongly condemned Houthi attacks on Saudi Arabia at a United Nations Security Council debate, reaffirming support for the kingdom's security and calling for a peaceful settlement in Yemen. Pakistan also called for a ceasefire in Gaza, unhindered humanitarian assistance, reconstruction, support for UNRWA and an end to forced displacement and settlement expansion. It reiterated support for an independent Palestinian state based on pre-1967 borders, with Al-Quds Al-Sharif as its capital, under the two-state solution.

Analysis

Pakistan's position reflects its support for Saudi security and a negotiated resolution of regional conflicts. Continued violence in Yemen, fragile ceasefire conditions in Gaza and restrictions on humanitarian assistance threaten regional stability and underscore the need for sustained international diplomacy and implementation of UN resolutions.

Way Forward

- Continue diplomatic engagement at the UN and with regional partners to support de-escalation in Yemen and protect Saudi Arabia's security.
- Advocate for a durable Gaza ceasefire, unrestricted humanitarian aid, reconstruction and protection of Palestinian civilians under international law.
- Build international support for a viable two-state solution and the implementation of relevant UN resolutions while opposing forced displacement and settlement expansion.

US weighs using 'Mother of All Bombs' against Iran: CNN



CNN reported that the United States was considering using the GBU-43/B Massive Ordnance Air Blast (MOAB), its largest non-nuclear bomb, against Iranian energy infrastructure and nuclear sites if hostilities resumed. Officials reportedly questioned its effectiveness against underground facilities and warned of civilian casualties. Meanwhile, escalating Houthi attacks on Saudi infrastructure, including airports and oil installations, heightened regional tensions, while Iran rejected US pressure and warned against a possible ground invasion.

Analysis

The reported military option raises concerns about renewed US-Iran hostilities, civilian harm and further disruption to regional security. Continued attacks around Saudi Arabia and tensions involving the Strait of Hormuz could threaten energy supplies, maritime trade and global oil prices, exposing Pakistan to economic and diplomatic risks.

Way Forward

- Intensify diplomatic engagement with the United States, Iran, Oman and Gulf states to prevent renewed hostilities and encourage a negotiated settlement.
- Prepare contingency plans for disruptions to oil imports, maritime routes and energy supplies, while diversifying procurement and strengthening conservation measures.
- Support regional de-escalation, protection of civilian infrastructure and adherence to international humanitarian law through the UN and other diplomatic forums.

01

CPPA-G SEEKS RS3.37BN REVENUE

Impact: Tariff adjustments and revenue petitions exacerbate industrial cost pressures and squeeze consumer purchasing power.

Recommendation: Rigorously audit power sector inefficiencies, circular debt accumulation, and transmission losses before approving.

"Energy pricing must balance utility financial viability with economic affordability to prevent industrial stagnation."

Ahsan Iqbal

02

COURT BANS SHEESHA CAFES IN CAPITAL UNTIL GOVERNMENT FRAMES LEGISLATION

Impact: Judicial intervention halts unregulated tobacco consumption spaces, safeguarding public health while exposing regulatory gaps in urban commercial licensing.

Recommendation: Draft transparent statutory frameworks and enforce licensing controls to regulate tobacco alternatives.

"Public health cannot be compromised in the name of recreation; regulation must protect our youth from hidden health hazards."

Dr. Sania Nishtar

03

DAR URGES REGIONAL POWERS TO INSTITUTE INDEPENDENT SECURITY MECHANISM

Impact: Promoting localized security frameworks counters external geopolitical interventions and addresses cross-border terrorism threats in South Asia.

Recommendation: Leverage multilateral platforms like the SCO to operationalize intelligence-sharing and joint counterterrorism frameworks.

"Regional security cannot be outsourced; stability depends on collective ownership and mutual trust among neighboring states."

Ishaq Dar

04

FO INTRODUCES DIGITAL DOCUMENT ATTESTATION SYSTEM

Impact: Digitizing consular attestation streamlines bureaucratic workflows, reduces processing times, and enhances security against document fraud.

Recommendation: Scale digital infrastructure, ensure robust data encryption, and expand public awareness to facilitate seamless global mobility for citizens.

"Digital transformation in public administration is not just about adopting new tools; it is about restoring citizen trust through efficiency, transparency, and accessibility."

Aminul Haque

05

UNITED OPPOSITION SLAMS EMERGENCY, GOVERNOR'S RULE IN KP

Impact: Political confrontation risks deepening constitutional uncertainty and undermining democratic stability.

Recommendation: Ensure constitutional compliance and prioritise political dialogue and joint counterterrorism efforts.

"Democracy is based upon the conviction that there are extraordinary possibilities in ordinary people."

Harry Emerson Fosdick

06

PAKISTAN RANKS SECOND-WORST IN SOUTH ASIA ON HUNGER INDEX

Impact: Persistent hunger and child malnutrition threaten public health, human development and economic productivity.

Recommendation: Strengthen nutrition programmes, support food-insecure households and improve access to affordable, nutritious food.

"A world without hunger is within our reach."

World Food Programme

07

PESHAWAR SCHOOL ROOF COLLAPSE KILLS 33, EXPOSES SAFETY FAILURES

Impact: The tragedy highlights serious gaps in school building safety, inspections and regulatory enforcement.

Recommendation: Conduct province-wide structural audits, enforce building codes and hold negligent officials and owners accountable.

"Going to school should never put a child's life at risk."

Pernille Ironside

08

FBR EXTENDS INCOME TAX RETURN FILING DEADLINE TO OCT 31

Impact: The extension provides taxpayers more time to comply, but low participation in the retailers' tax scheme highlights challenges in broadening the tax base.

Recommendation: Simplify tax filing, improve retailer outreach and enforcement, and strengthen trust through transparent and fair tax administration.

"A fair tax system is one in which everyone pays their fair share."

OECD principle

09

PAKISTAN, 17 OTHER MUSLIM STATES SLAM COLOMBIA FOR OPENING EMBASSY IN JERUSALEM

Impact: The move heightens diplomatic tensions over Jerusalem's status and reinforces divisions over Palestinian statehood and international law.

Recommendation: Pakistan should pursue coordinated diplomatic engagement through the UN and the OIC to uphold relevant resolutions and advance a two-state solution.

"The maintenance of international peace and security."

Article 24, UN Charter



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