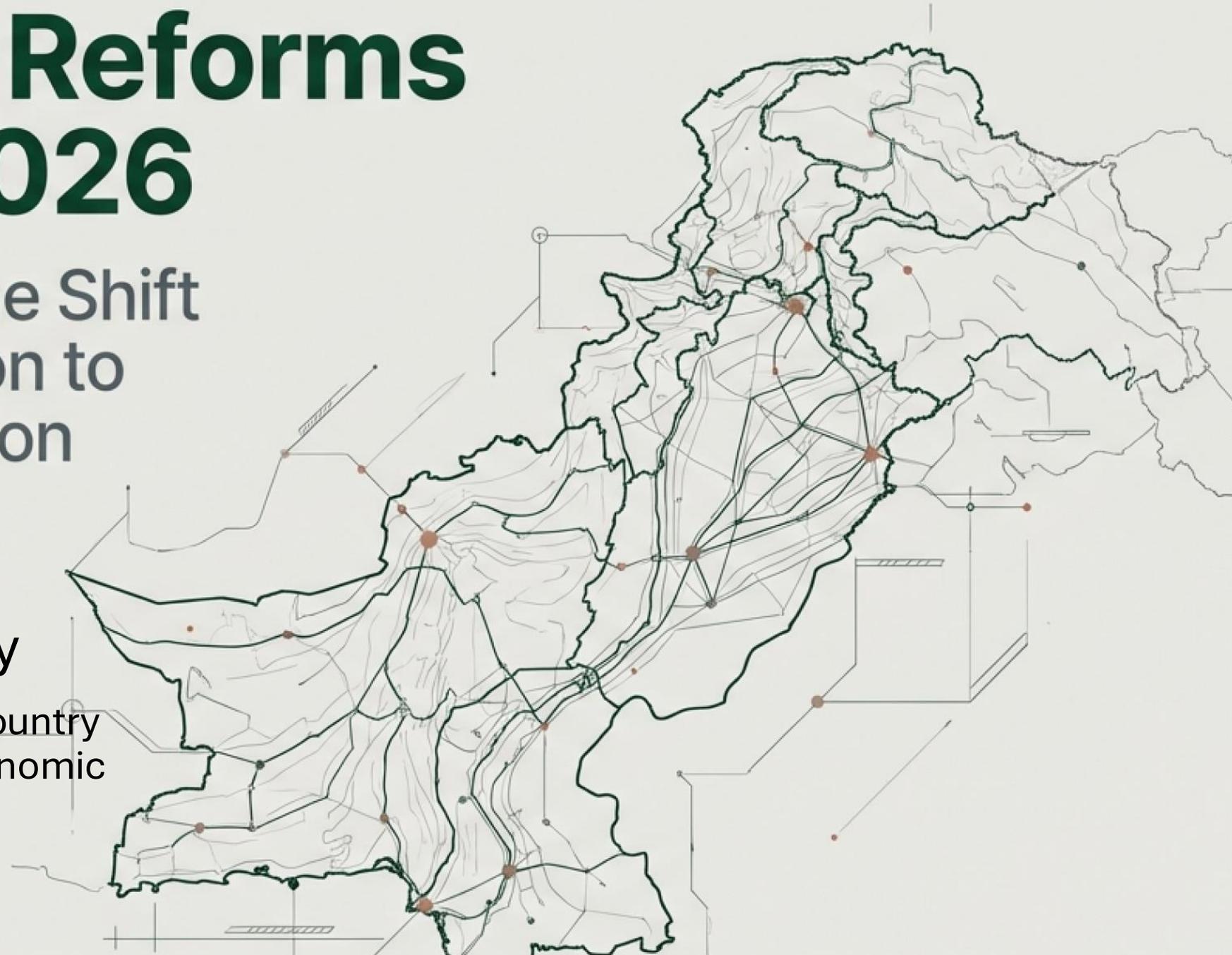


Pakistan Reforms Report 2026

Documenting the Shift
from Stabilization to
Institutionalization

Puruesh Chaudhary

Director, Mishal Pakistan Country
Partner Institute, World Economic
Forum





What Qualifies as a Reform

Policy, legal, regulatory or institutional change

Officially notified or implemented

Aimed at efficiency, transparency or service delivery improvement

Governance Under Extreme Pressure

The 2025 reform agenda progressed against a backdrop of four converging headwinds.



Fiscal Fragility

Macroeconomic constraints under IMF program requiring trade-offs between stabilization and development.



Geopolitical Shock

May 2025 India-Pakistan escalation diverted diplomatic and security bandwidth.



Internal Security

Insurgency challenges in Balochistan and KP affecting infrastructure delivery.

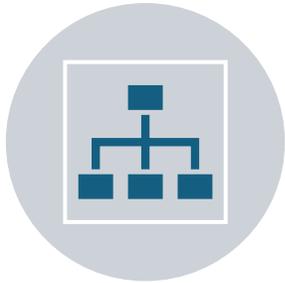


Legacy Inertia

Deep-rooted structural inefficiencies, circular debt, and loss-making SOEs.

Bottom Line: Despite these shocks, the state sustained a 'whole-of-government' reform momentum.

Why the Pakistan Reforms Report?



Lack of a consolidated national reform repository



Reform efforts often remain undocumented



Global indices capture outcomes, not processes



Need for an evidence-based governance narrative

Reform Typology

Categories of institutional change documented across all 135 covered institutions



Policy & Legal Frameworks

Legislative amendments, regulatory policies, and statutory reforms



Regulatory Simplification

Streamlined procedures, reduced bureaucracy, and compliance ease



Digital Governance

Automation, e-governance platforms, and technology-enabled service delivery



Institutional Restructuring

Organizational redesign, mandate clarifications, and operational reorganization



Service Improvements

Enhanced public service quality, accessibility, and citizen experience



Climate Actions

Sustainability initiatives, environmental regulations, and green governance

Why This Matters Internationally



Provides verified reform evidence



Supports investor and partner confidence



Contextualizes global governance rankings



First systematic, evidence-based documentation of reforms



Moves beyond announcements to institutions and systems



Supports donor alignment, policy sequencing, and confidence building

What Makes This Report Different



Not a political
scorecard



Not a perception
index



Documentation of
reforms, not
evaluation



Focus on institutions
and governance
processes



Alignment with SDGs

SDG Alignment

Majority of reforms directly support institutional strengthening and sustainable development goals

SDG 16
Peace, Justice & Strong Institutions –
primary alignment

SDG 13
Climate Action

SDG 9
Industry, Innovation & Infrastructure



SDG 3
Good Health & Well-Being

SDG 4
Quality Education

SDG 8
Decent Work & Economic Growth

Methodology

Systematic data collection and verification process ensuring accuracy and credibility



Official Requests

Data collection from federal ministries and institutions



Standardized Template

Consistent reform reporting framework applied universally



Document Review

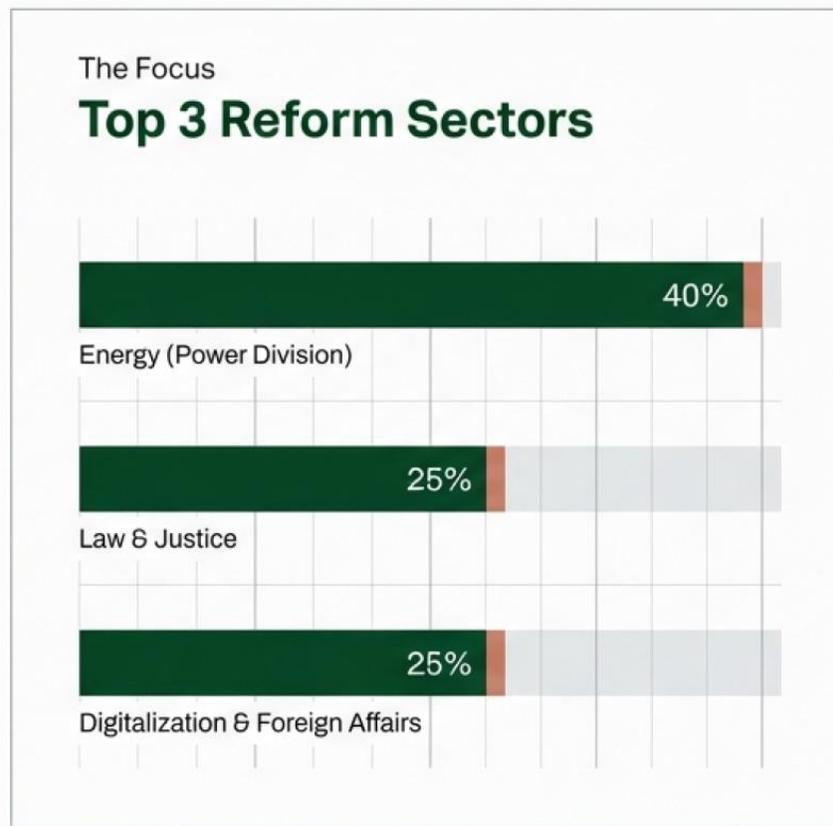
Analysis of notifications, policies, laws, and digital portals



Cross-Verification

Validation against official public records and sources

The State of Reform: A 2025 Snapshot



Key Insight: Reform momentum has graduated from crisis response to building the institutional backbone of the state.

Sectoral Distribution and Reform Concentration

Reforms were unevenly but strategically distributed across sectors, reflecting fiscal, governance, and service-delivery priorities:

- Power & Energy Sector: 118 reforms (largest contributor), underscoring its centrality to fiscal stability and economic recovery.
- Law, Justice & Legal Affairs: 96 reforms, reflecting emphasis on rule of law, digital justice, procurement transparency, and enforcement.
- Digital Governance & IT: 74 reforms, positioning digitalization as the backbone of reform sustainability.
- Economic Management & Finance: 68 reforms, including taxation, debt transparency, capital markets, and SOE oversight.
- Foreign Affairs & External Relations: 42 reforms, driven by digitization of visas, consular services, compliance frameworks, and multilateral engagement.
- Other notable sectors include Interior & Security (39), Health & Social Protection (36), Science & Technology (34), Climate & Environment (29), Education & Skills (27), Transport & Aviation (24), Privatization & SOEs (21), and Information & Media (19).

The Strategic Pivot: Beyond Transactional Governance

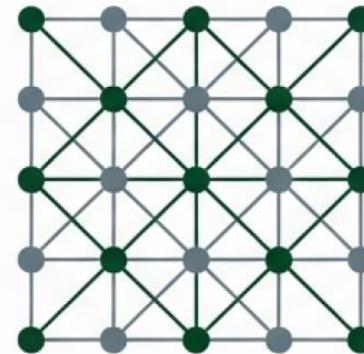
Transactional Governance (Legacy)

- ✗ Ad-hoc crisis management
- ✗ Manual/Discretionary workflows
- ✗ Siloed ministries
- ✗ Personality-driven decisions



Institutional Governance (2026)

- ✓ Automated/Digital platforms
- ✓ Rules-based governance
- ✓ Inter-ministerial interoperability
- ✓ Data-driven decision making



Evidence:
Digitization is the dominant modality (30-35% of all reforms).

A Governance-First Development Strategy

Sequencing development by building the institutional backbone first.

The Enabler: SDG 9
(Industry, Innovation & Infrastructure)



46 Reforms

The Engine: SDG 8
(Decent Work & Growth)



54 Reforms

The Foundation: SDG 16
(Peace, Justice & Institutions)



78 Reforms

Insight

Pakistan is sequencing its development. Building strong institutions (SDG 16) is the prerequisite for long-term social and climate goals.

Power Sector Reset: Stopping the Hemorrhage

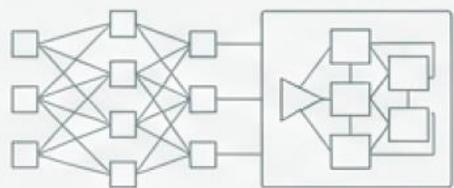
PKR 1.225 Trillion

Financing arrangement to settle legacy liabilities.



PKR 1.4 Trillion

Projected lifecycle savings from renegotiated IPP contracts.



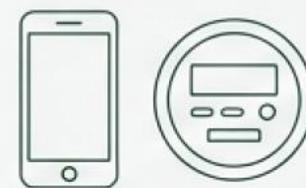
Market Structure

Operationalization of Independent System & Market Operator (ISMO) to unbundle transmission from market ops.



The Sustainability Shift

Transition from Net-Metering to Net-Billing to correct grid cost imbalances.



Consumer Interface

Digital billing, mobile apps, and 'Apna Meter' initiatives for transparency.

Unlocking Resources & Liberalizing Energy Markets

Indigenous Resource Maximization

- **The Reko Diq Breakthrough:** Progress toward financial close on ~USD 6 Billion copper/gold project.
- **Exploration:** Tight Gas Policy 2024 & Offshore Bidding targeting USD 5 Billion investment.

Market Liberalization

- **Deregulation:** Third-Party Access (TPA) allowing private sector use of gas pipelines.
- **Transparency:** Track & Trace systems for oil tankers (15,000+ units monitored).



Restoring Financial Discipline Through Transparency

Public Finance



- **Unified Debt Database:** Integration of Domestic Debt into DMFAS system for real-time visibility.
- **SOE Oversight:** Launch of 'SOEs Online Database' monitoring state enterprise health.

Capital Markets (SECP)



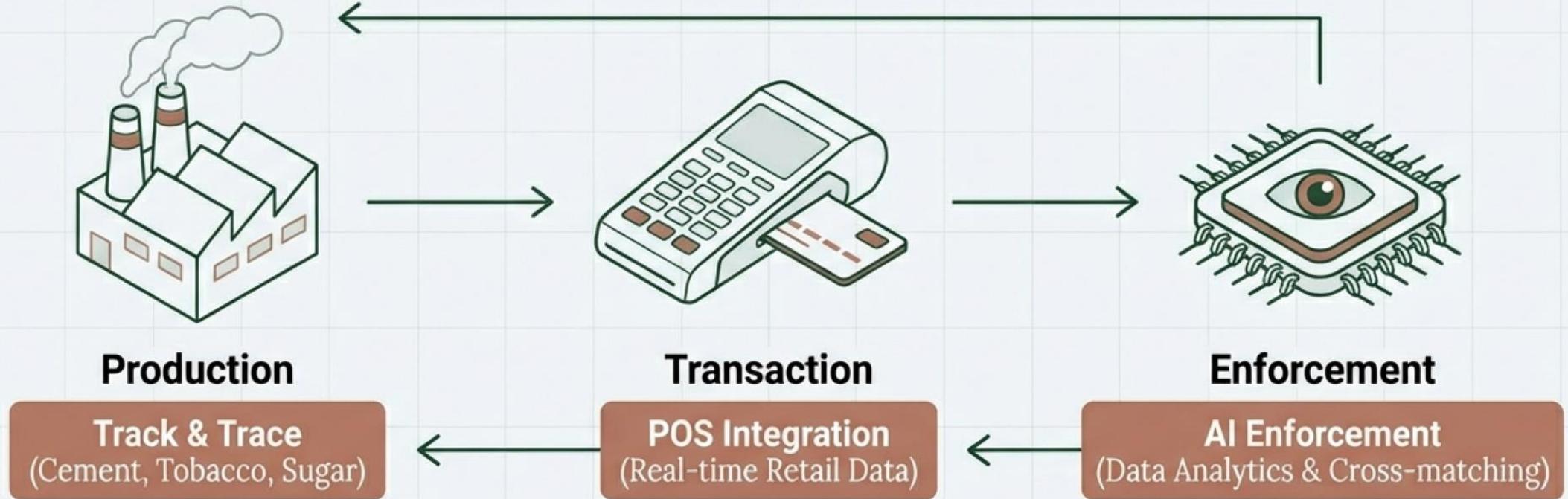
- **Green Sukuk:** Issuance of PKR 30 Billion via PSX.
- **Market Liquidity:** Roadmap for T+1 Settlement cycle.
- **Digital Entry:** Launch of Digital Corporate Registry.



Transparency & Digital Oversight

Taxation: The Digital Clampdown on Evasion

Reducing human interaction to curb corruption and expand the tax net.



Institutional Shift: Separation of Policy and Enforcement functions & Single Portal for filing.

Building the Digital State

USD 3.8 Billion

IT Exports (Tech Destination Pakistan)



Legislation

Digital Nation Pakistan Act 2025
(Digital Authority)
Artificial Intelligence Policy 2025



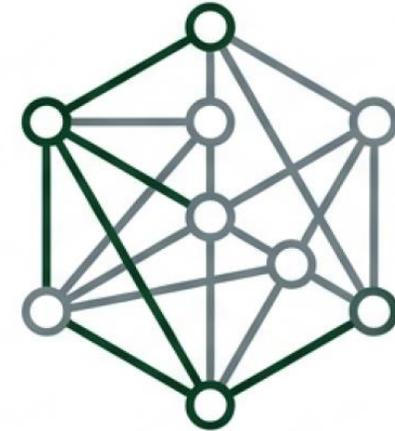
Governance

E-Office rollout across
federal ministries
(Paperless Gov)



Infrastructure

5G Spectrum Readiness
Connect Pakistan 2030



SDG 9: Innovation

Competitiveness & Global Integration

Shifting from import substitution to export competitiveness.



National Tariff Policy: Rationalizing 7,000+ tariff lines to lower industrial costs (PKR 125B relief).



Special Technology Zones (STZA): One-Window Portal and digital customs clearance.

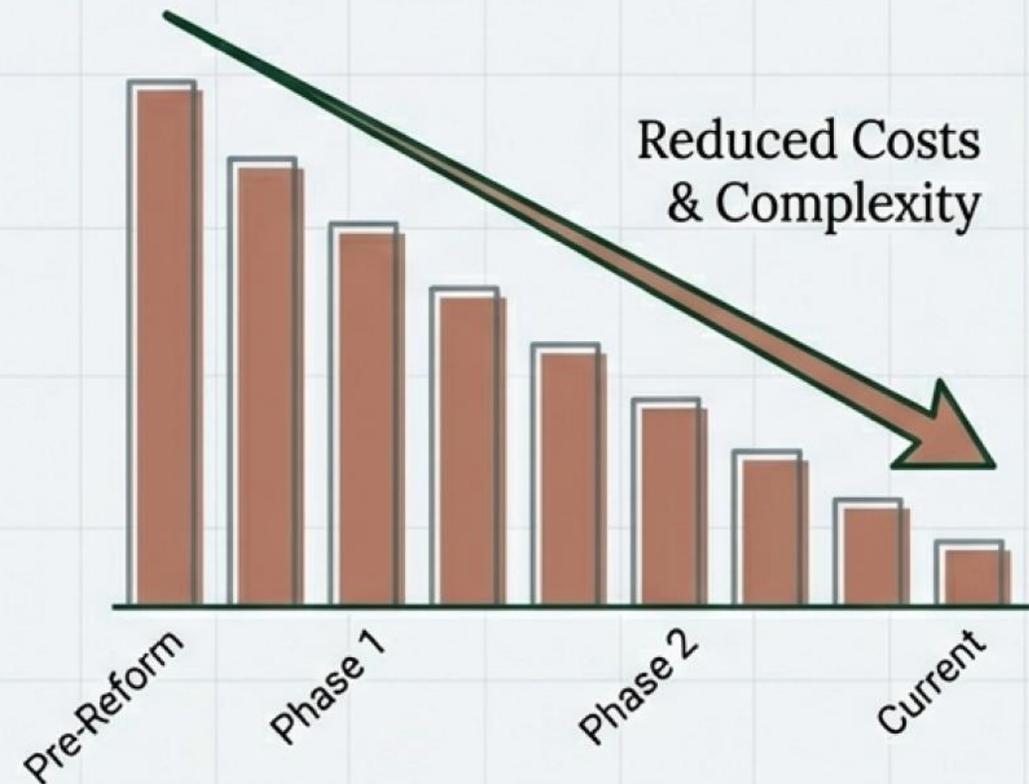


Competition Commission: Recovery of PKR 1.2B in penalties from cartels.



Diplomacy: New transit agreements with Afghanistan and Azerbaijan.

Tariff Lines Rationalized



Modernizing the Pillars of State: Defense & Justice

Defense Reforms



- Leadership Structure: Chief of Defence Staff (CDS) framework.
- Aviation: Restoring ICAO certification and segregating CAA functions.

Legal Reforms



- Digital Justice: Smart courts, automated case management.
- ADR: Mainstreaming Alternative Dispute Resolution to clear backlogs.
- Accountability: 'Track & Trace' for parliamentary business.

Investing in Human Capital & Social Resilience



BISP & Social Safety:

Transition to 'Dynamic Registry' for real-time poverty targeting.



Overseas Pakistanis:

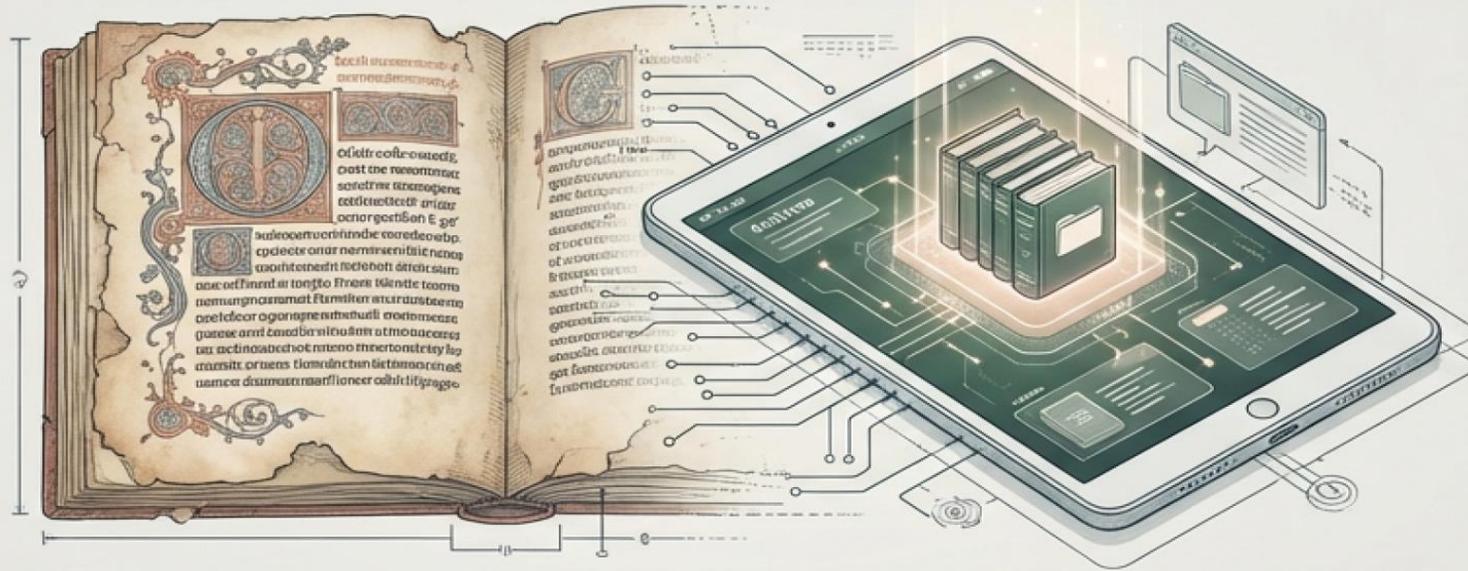
National Emigration Policy treating migrants as strategic 'Human Capital Exports'.



Skills:

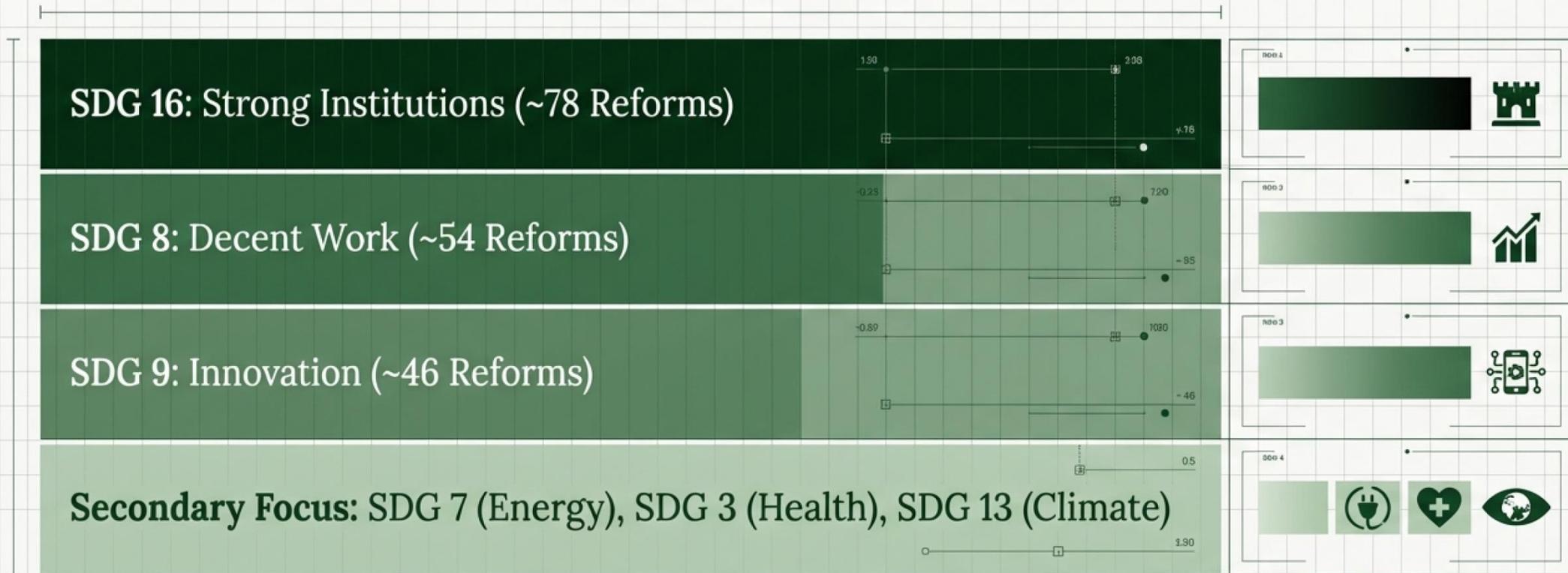
Partnerships with Google (Career Certificates) and Huawei to make youth export-ready.

Preserving Memory, Projecting Soft Power



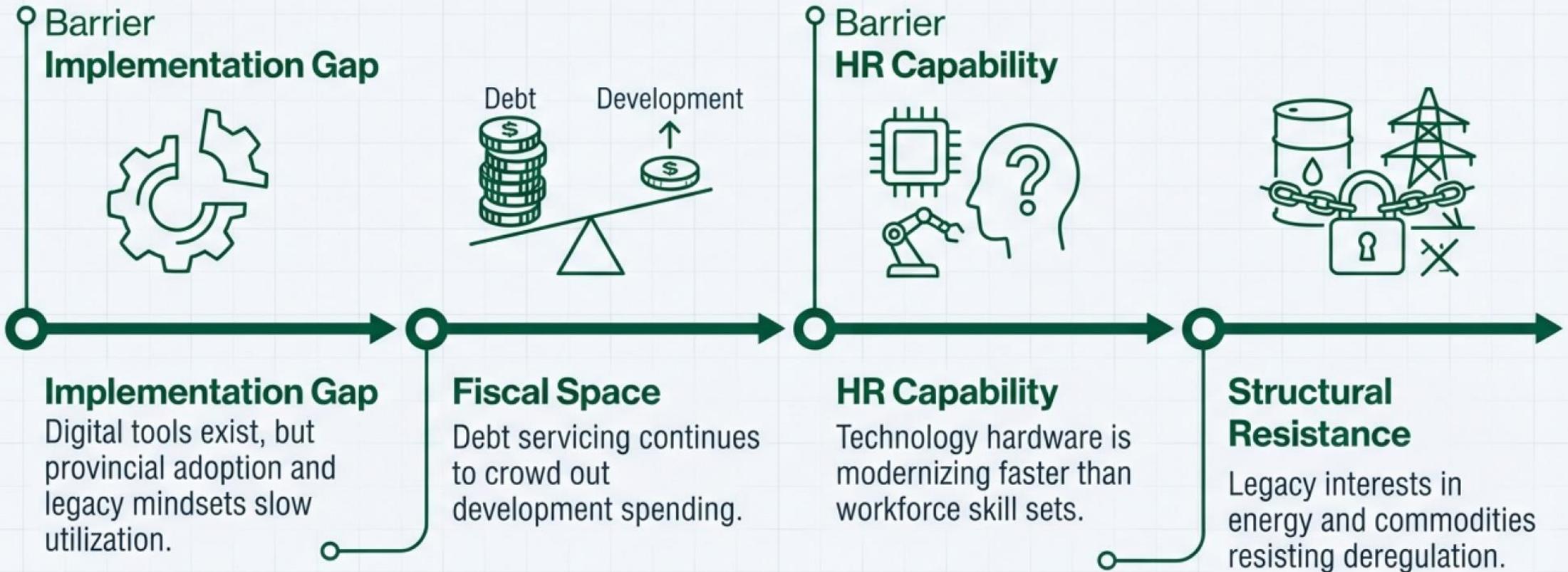
- **PTV Digital/Satellite:** Launching English-language global news channels.
- **Digitizing History:** Archiving Quaid's speeches and establishing the National Information & Media Archival Repository (NIMAR).
- **Creative Economy:** Initiatives for screen tourism and film finance.

A Globally Aligned Agenda

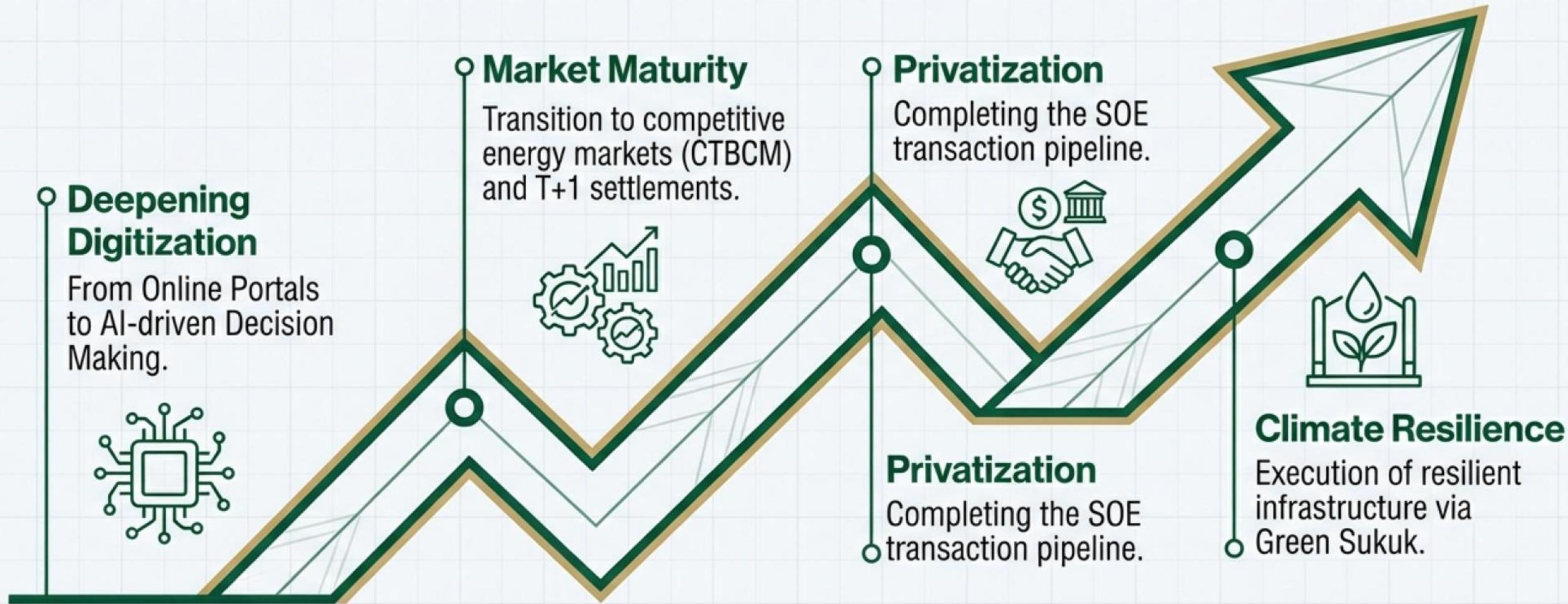


The government prioritized Institutional Strength (SDG 16) as the prerequisite for all other development goals.

The Unfinished Agenda: Systemic Limitations & Risks



Future Outlook (2026-2029): Consolidation & Growth



The 2026 Report documents a state in transition: building the institutional memory and capacity required for a resilient future.

The Way Forward: From Momentum to Sustainability

Deepening Digitization

Full interoperability and data exchange between ministries.

Privatization

Completing the unfinished agenda (PIA, DISCOs).

Climate Resilience

Mainstreaming green finance (Green Sukuk).

“The 2026 Report signals that reform documentation is now part of the governance architecture—creating a baseline for accountability and continuity.”

Key Findings

Institutionalization

- Shift from ad-hoc initiatives
- Movement towards rule-based governance
- Emphasis on continuity and systems

Digital Governance

- Expansion of e-portals and online services
- Reduction in discretion
- Increased transparency and efficiency

Economic Orientation

- Focus on ease of doing business
- Investment facilitation reforms
- Energy and trade sector stabilization

Why This Matters Domestically

- Builds institutional memory
- Encourages reform continuity
- Supports evidence-based policymaking

Key Strategic Takeaways

- Reform activity is broader than perceived
- Institutional strengthening is accelerating
- Documentation itself is a governance reform

Key Risks Ahead

- Execution fatigue and coordination gaps
- Uneven institutional capacity
- Climate and security shocks
- Need to move from pilots to scale

Strategic Takeaway

- Pakistan is transitioning from episodic reform to institutional transformation
- Digital systems are now the backbone of governance reform
- Next phase: consolidation, scaling, and citizen-level impact

Nature of Reforms

- Shift from policy intent to implementation
- Digital-first governance
- System-level institutional reform

People-Centric Governance

- 160–190 public-facing reforms
- Digital portals, apps & grievance systems
- Transparency & access focus

Strategic Insight

- Pakistan shifting from episodic to institutional reform
- Digital systems as reform backbone
- Execution & consolidation are next priorities

The Way Forward

- Annual continuation of the report
- Integration with perception and performance tools
- Use as reference for policy and investment
- Scale successful systems
- Strengthen coordination
- Deepen citizen impact
- Sustain reform momentum