

As
~~[TO BE INTRODUCED IN THE SENATE]~~

A

BILL

to provide for policy continuity, economic predictability, long-term national planning, industrial competitiveness and parliamentary oversight in respect of major public policies

WHEREAS frequent policy reversals, retroactive fiscal and regulatory measures, inadequate stakeholder consultation, and the absence of structured long-term planning have adversely affected economic growth, industrial development and public confidence; and

WHEREAS it is expedient to establish a statutory framework to ensure continuity and predictability in public policy, promote long-term national planning, strengthen investor confidence, safeguard industrial competitiveness, and provide for structured parliamentary oversight in respect of major public policies.

It is hereby enacted as follows: —

1. Short title, extent and commencement. - (1) This Act may be called the Policy Continuity, Economic Predictability and National Planning Framework Act, 2026.

(2) It extends to the whole of Pakistan and shall apply to all Federal Ministries, Divisions, Attached Departments, Statutory Regulatory Authorities and other Federal Public Offices.

(3) It shall come into force at once.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context,—

- (a) "Government" means the Federal Government of Pakistan;
- (b) "Regulatory Impact Assessment" means an assessment of the anticipated financial, economic, environmental, fiscal and market impacts of a proposed policy prior to its approval;
- (c) "Regional Competitiveness Index" means a comparative assessment of industrial input costs, including electricity, gas, taxation and logistics, relative to regional competitor economies, in accordance with criteria notified by the Government; and
- (d) "Sovereign Commitment" means any sovereign guarantee, capacity payment obligation, tax concession, currency-indexed return or similar financial obligation assumed by the Government.

3. Multi-year planning framework. (1) Every major policy relating to industry, commerce, taxation, customs, energy, water resources, population, infrastructure or any other sector notified by the Government shall specify measurable objectives for—

- (a) the short-term period of up to three years;
- (b) the medium-term period of more than three years but not exceeding five years; and
- (c) the long-term period of more than five years but not exceeding ten years.

(2) Every such policy submitted to the Cabinet for approval shall be accompanied by—

- (a) a ten-year financial projection;
- (b) an implementation roadmap;
- (c) measurable performance indicators; and
- (d) a Regulatory Impact Assessment.

4. Protection of notified policy incentives. (1) Any fiscal, industrial, tariff or investment incentive granted under a notified policy shall not be withdrawn, varied or modified with retrospective effect during the period specified in that policy except by an Act of Majlis-e-Shoora (Parliament) or where expressly provided therein.

(2) Any proposed amendment affecting customs duties, taxation, industrial incentives or energy tariff structures having a material impact upon business operations shall, except in cases of national emergency declared under the Constitution, be notified not less than one hundred and eighty days before its proposed commencement.

5. Public consultation and stakeholder engagement. (1) Before the approval of any Long-Term Policy, the Federal Government shall publish the draft policy for public comments for a period of not less than sixty days.

(2) During such period, consultations shall be held with representatives of industry, chambers of commerce and industry, trade associations, consumer organisations, academia and other stakeholders considered appropriate.

(3) Every policy involving a Sovereign Commitment shall be accompanied by a published risk assessment addressing fiscal sustainability, exchange rate volatility, inflation, projected demand and other material financial risks.

6. Safeguards relating to Sovereign Commitments and industrial competitiveness. (1) No Long-Term Policy shall provide for an unconditional sovereign guarantee, perpetual single-buyer arrangement or unhedged foreign currency-indexed financial return unless such policy provides for a transition to a competitive market structure within a period not exceeding seven years.

(2) Before notifying any policy relating to taxation, customs, energy pricing or industrial inputs, the Government shall certify that the proposed policy has been evaluated against the Regional Competitiveness Index and its likely impact upon domestic industrial competitiveness.

7. Long-term national strategies. (1) The Government shall, in consultation with the Council of Common Interests where required by the Constitution, prepare and publish—

- (a) a ten-year National Population Stabilisation Strategy;
- (b) a ten-year National Energy Grid and Integrated System Plan; and
- (c) a ten-year National Water Security Strategy.

(2) The strategies referred to in sub-section (1) shall include measurable objectives, annual implementation targets and periodic performance reviews.

(3) The existing consumers installing distributed renewable energy systems under a notified policy shall continue to enjoy the tariff structure applicable on the date of installation for a period of not less than five years, subject to the terms and conditions of such policy.

8. Parliamentary scrutiny. (1) Every Long-Term Policy notified under this Act shall be laid before both Houses of Majlis-e-Shoora (Parliament).

(2) A Standing Committee to which any matter under this Act is referred shall endeavour to submit its report within forty-five days or within such further period as may be permitted under the Rules of Procedure of the respective House.

9. Parliamentary Council on Policy Continuity. (1) The Government shall, in consultation with the Speaker of the National Assembly and the Chairman of the Senate, take necessary measures for the establishment, in accordance with the applicable law and the Rules of Procedure, of a Joint Parliamentary Council to be known as the Parliamentary Council on Policy Continuity.

(2) The Council shall review the implementation of Long-Term Policies and may make recommendations to the Government regarding the continuation, amendment or termination of such policies.

(3) Where the Government proposes to terminate or substantially alter a notified Long-Term Policy before the expiry of its specified implementation period, it shall place before the Council the reasons for such proposal together with the supporting economic and fiscal assessment.

10. Powers to make rules. - The Government may, by notification in the official gazette, make rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

Pakistan has experienced significant economic uncertainty owing to frequent policy reversals, inconsistent fiscal and regulatory measures, inadequate long-term planning and insufficient stakeholder consultation. Such practices have adversely affected investor confidence, industrial competitiveness and sustainable economic growth.

2. The purpose of this Bill is to establish a statutory framework for policy continuity by requiring multi-year planning horizons, protecting notified policy incentives from arbitrary alteration, mandating public consultation and regulatory impact assessments, strengthening safeguards relating to sovereign financial commitments, promoting regional industrial competitiveness and ensuring parliamentary oversight of major long-term public policies.

3. The Bill also requires the preparation of long-term national strategies relating to population, energy and water security in order to improve policy coordination and national planning.

4. The Bill has been designed to achieve the aforesaid objectives.

SENATOR DR. ZARQA SUHARWARDY TAIMUR
Member-in-Charge