**Funding the Future**

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As climate change accelerates globally, its impacts on developing countries have become devastating and unavoidable, putting the need for climate finance at the forefront of international discourse. Pakistan stands as a crucial case within this conversation, a country acutely vulnerable to climate risks yet constrained by economic limitations that hinder its ability to respond effectively. Climate finance – the provision of financial assistance by wealthy nations to aid vulnerable countries in climate adaptation and mitigation – is central to Pakistan’s strategy for tackling these challenges. Forums like the Conference of the Parties (COP) present unique opportunities for Pakistan to negotiate its climate finance needs. However, while COP has catalyzed some progress, significant hurdles remain, with promises often falling short of actions. For Pakistan, effective access to climate finance is not merely desirable but essential for national security and sustainable development.

Pakistan’s diverse geography and climate, stretching from coastal plains to mountain ranges, exposes it to a multitude of climate risks. The nation frequently suffers from floods, droughts, glacial melt, and heatwaves, each exacerbating vulnerabilities in its economic, agricultural, and social frameworks. The catastrophic 2022 floods, which left millions displaced and caused over $30 billion in damage, underscored Pakistan’s dire need for climate resilience. These floods washed away not only homes and infrastructure but also crucial agricultural land, leading to food insecurity and economic instability. With recurring natural disasters of this scale, Pakistan’s fiscal constraints prevent it from financing the extensive adaptations needed, making international climate finance a critical tool for rebuilding and future resilience.

COP serves as a crucial platform in this regard, gathering global leaders and stakeholders to address climate issues and define funding strategies. High-income countries have committed to providing $100 billion annually in climate finance to developing nations, but delivery on these promises has been insufficient. Pakistan, one of the top ten most climate-vulnerable nations, finds itself in urgent need of adaptation funds, yet receives only a fraction of the required assistance. Each COP iteration renews hope, yet tangible progress remains limited. This financial shortfall creates a vicious cycle for Pakistan, wherein inadequate funding restricts its capacity to prepare for climate impacts, which then further exacerbate its socio-economic vulnerabilities. The gap between pledges and actual disbursements leaves Pakistan, along with other similarly positioned nations, struggling to achieve climate resilience on their own.

In the regional context, Pakistan’s climate finance needs are further influenced by its location in South Asia – a region facing shared climate threats. South Asia, home to nearly one-quarter of the world’s population, is increasingly experiencing the impacts of rising temperatures, erratic monsoon patterns, and melting glaciers. The Himalayan glaciers, a critical water source for Pakistan and its neighboring countries, are receding at an alarming rate due to warming temperatures. This phenomenon not only threatens water availability but also heightens flood risks during the monsoon season. The potential for regional cooperation on climate adaptation is substantial, particularly on issues like water management, shared disaster response, and renewable energy. However, historical tensions, especially between Pakistan and India, often complicate collaborative efforts, hindering the region from addressing these shared vulnerabilities with a united approach.

A case in point is the Indus Water Treaty, an agreement between Pakistan and India that governs shared water resources but has faced challenges as both nations navigate water scarcity. The treaty has managed to survive the ups and downs of the bilateral relationship, but strains are emerging as climate change places increasing pressure on shared water systems. While collective action on water conservation and resource management could yield benefits for both countries, longstanding political divisions limit the possibilities for cooperation. Without a coordinated approach, each country is left to address climate impacts within its own borders, reducing the overall effectiveness of adaptation efforts and increasing the costs of inaction.

Internally, Pakistan faces significant governance challenges in managing climate finance effectively. Even when international funds become accessible, inefficient institutional frameworks, bureaucratic obstacles, and limited accountability often impede their successful utilization. Climate finance must be allocated to priority areas where it can have the most impact, but weak governance mechanisms create inefficiencies and increase the risk of mismanagement. For Pakistan to make the most of climate finance, it must establish regulatory structures that ensure transparency and effective fund allocation. Building capacity in climate governance, particularly through trained personnel, targeted strategies, and independent monitoring systems, will be essential for Pakistan to maximize the impact of international climate support.

Adding to these institutional challenges are Pakistan’s economic constraints, which limit the country’s ability to self-fund climate adaptation projects. High levels of national debt, a narrow tax base, and a significant portion of the budget dedicated to debt servicing restrict Pakistan’s fiscal capacity. As a result, the government often finds itself balancing immediate economic needs with the longer-term imperative of climate adaptation. External financing, therefore, becomes indispensable. However, international climate finance often comes with conditionalities that can conflict with Pakistan’s domestic socio-economic priorities. The challenge for Pakistan is to negotiate terms that allow flexibility, enabling the country to address urgent adaptation needs without compromising economic stability or social welfare.

Despite these barriers, climate finance holds transformative potential for Pakistan. Investments in renewable energy, sustainable agriculture, disaster preparedness, and climate-resilient infrastructure could address immediate adaptation needs while creating economic opportunities. For example, reducing reliance on imported fossil fuels by investing in renewable energy sources would not only cut energy costs but also promote energy independence. Similarly, improving agricultural practices to make them climate-resilient could enhance food security, protect rural livelihoods, and stabilize the economy. If deployed strategically, climate finance could help Pakistan not only manage climate risks but also embark on a sustainable development path.

Regional climate finance opportunities could also serve as a bridge for collaboration within South Asia. Initiatives such as joint early warning systems for disasters, shared data platforms, and cross-border renewable energy projects could build resilience while fostering political stability. For instance, a regional project to create a shared network of climate-resilient infrastructure – spanning energy grids, flood defenses, and water conservation systems – could enhance the region’s collective capacity to withstand climate impacts. However, realizing such initiatives requires overcoming deep-rooted political differences. Climate diplomacy can be instrumental here, with Pakistan taking an active role in promoting a regional framework for climate resilience. By engaging in multilateral discussions on shared climate issues, Pakistan could advocate for cooperative projects that would benefit the entire region.

As Pakistan explores its climate finance options, alternative financing mechanisms such as green bonds, carbon credits, and public-private partnerships could complement traditional international funding sources. Green bonds, for example, offer an innovative way to attract investment for environmentally sustainable projects. By issuing these bonds, Pakistan could direct funds toward specific projects, such as renewable energy installations or infrastructure improvements, while also attracting investors interested in supporting sustainable initiatives. Similarly, carbon credits could provide a revenue stream by allowing companies to offset their emissions through investments in verified green projects within Pakistan. Public-private partnerships could further enhance climate finance by combining public resources with private sector expertise, enabling large-scale adaptation projects that would otherwise be difficult to fund.

In the international context, developed countries bear a moral responsibility to support Pakistan’s climate adaptation efforts. As the world’s major emitters, wealthy nations have contributed disproportionately to global warming and therefore have an obligation to assist vulnerable countries. However, meaningful assistance requires more than promises; it necessitates a commitment to delivering on financial pledges while also offering capacity-building support. This support could take the form of technical assistance, knowledge transfer, and technology sharing, all of which would empower Pakistan to manage climate risks independently in the long term. For international partners, the objective should be to move from a donor-recipient relationship to a collaborative partnership that fosters sustainable development and resilience.

In conclusion, Pakistan’s journey in securing and utilizing climate finance is emblematic of the broader challenges faced by climate-vulnerable nations. The interplay of global financing commitments, regional politics, and domestic institutional hurdles creates a complex landscape that Pakistan must navigate strategically. The need for climate finance in Pakistan is urgent and multifaceted, touching on issues of national security, economic stability, and social well-being. By improving governance, pursuing innovative financing solutions, and advocating for regional cooperation, Pakistan can strengthen its climate resilience and carve a path toward sustainable development. This path is not only vital for Pakistan’s future but also has implications for other developing nations facing similar climate threats. In a world where climate change is reshaping socio-economic landscapes, Pakistan’s success-or failure-in climate adaptation will serve as a critical example for the global community.

The climate crisis presents both an existential threat and an unprecedented opportunity for transformation. For Pakistan, the choices made today will define its resilience and development trajectory for decades to come. With the right mix of domestic reforms, regional alliances, and international support, Pakistan can turn the challenges of climate change into a catalyst for progress, setting an example of resilience and adaptability in the face of global adversity.

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