UNDP initiated the first in-depth analysis of climate public expenditure in Pakistan, as part of an international initiative on climate-related public finance.

Governance of Climate Change Finance to Benefit the Poor and Vulnerable in South Asia

Communities are at the heart of efforts to mitigate and adapt to the effects of climate change. To increase resilience in the face of natural calamities, UNDP launched the first in-depth analysis of climate-related public expenditure in Pakistan, as part of an international initiative on climate-related public finance.

The Global Climate Risk Index 1993–2012 has ranked Pakistan 12th in the list of countries most affected by extreme weather events. Vulnerability to climate change is high because of its extreme weather and unpredictable monsoon which causes floods, glacier melting and disturbed cropping patterns. Yet Pakistan’s commitment to mitigating climate change is low. Unlike Bangladesh and some other countries, Pakistan has not been able to make effective use of Global Climate Finance.

QUICK FACTS
Duration: 2015 - 2019
Implementing partners: Government of Pakistan and the Ministry of Finance
Funding partner: The Department for International Development (DFID), United Kingdom
Location: Nationwide
Annual budget (2018): US$415,000
Contact: Mr Asif Shah, Regional Public Finance Management Expert
asif.shah@undp.org

This project mainstreams climate finance and strengthens the institutions involved in planning, budgeting and implementing climate change actions. It helps to integrate climate change into budgets and planning, and works with the Ministry of Finance to develop systems to track climate change expenditure.
On the recommendation of the Ministry of Climate Change, the project held a Climate Public Expenditure Institutional Review (CPEIR) to map patterns of expenditure. The CPEIR found that 5.78–7.57 percent of federal government expenditures relate to climate change. Similar assessments were done for Khyber Pakhtunkhwa (KP), Azad Jammu and Kashmir (AJK), and Gilgit-Baltistan (GB). In KP, the CPEIR found that these expenditures ranged between 5.2 and 7.1 percent of the total budget during the four years under review.

Objectives
- Tracking and reporting on public sector climate change related expenditures.
- Integrating climate change finance into the budgetary and planning processes.
- Increasing awareness of how critical climate change finance is for the economy and community resilience.

Expected results
- Climate change is integrated into budgets at both national and sub-national levels.
- As part of the budget process, institutions track and report on climate change expenditures.
- Knowledge is shared across countries in the region and with international policy processes.

Main achievements
- Worked with government on policy reforms to mainstream climate change in budgeting by inclusion of climate change in Budget in Brief and Budget Call Circular.
- UNDP carried out CPEIRs at the federal level as well as in Khyber-Pakhtunkhwa, Azad Jammu & Kashmir and Gilgit-Baltistan. This was the first ever assessment of Pakistan’s climate-related expenditures and helped to identify key patterns for improving cost effectiveness. CPEIR is completed in May 2017.
- Project advocacy efforts are starting to generate wider appreciation of the need for more transparent and climate-responsive public spending. As part of engagement with media and KP Assembly, orientation sessions were held with journalists and KP Assembly members in different cities for increased awareness on Climate Change.

What’s next?
In the next two years, the project will assist the Government of Pakistan in implementing reforms on the integration of climate change finance into public finance management systems. Working with the Ministry of Finance and the Department of Finance KP, the project will implement the following initiatives:
- Approval from the government of draft Climate Change Financing Framework (CCFF) with a reporting mechanism and integrated into existing budgeting processes.
- The project will help the Ministry of Finance of Pakistan in putting in place reliable climate change budget coding system.
- The project will help to increase public awareness of climate change and a media and communication strategy will be formulated and implemented.
- Continue engagement with media for advocacy on climate change finance and strengthen climate change accountability.
- The project will work with members of parliament and possibly the civil society organizations to increase their understanding and improve accountability for climate change expenditure.

Where we work

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.