



May 07, 2024

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Mr. Muhammad Aurangzeb,  
Federal Ministry of Finance,  
Islamabad.

**Subject: TI Pakistan Report: Financing Climate Action: Enhancing Effectiveness and  
Transparency in Pakistan's Climate Governance Frameworks**

Dear Sir,

Transparency International Pakistan would like to draw your attention towards its recently released report titled Financing Climate Action: Enhancing Effectiveness and Transparency in Pakistan's Climate Governance Frameworks. A copy of the report is attached for your reference.

Despite contributing a minimal 0.8% to global emissions, Pakistan ranks among the top 10 most vulnerable countries to climate change. This vulnerability translates into devastating consequences, with average annual losses exceeding US\$4 billion due to floods, droughts, and glacial melt. Pakistan has actively sought international climate finance, especially after the catastrophic 2022 floods.

Through this report, TI Pakistan has endeavored to identify critical gaps in climate governance which act as a roadblock for the country's ability to access finance for adaptation and mitigation. The report also provides roadmap for building a robust, transparent and accountable climate governance system at federal and provincial levels, which is essential for unlocking the potential of climate finance and achieving Pakistan's NDCs. TI Pakistan's recommendations include the following:

- **Alignment with Best Practices:** Pakistan must align its climate governance framework with international best practices. This includes enhanced coordination, inclusive policy-making, and capacity building at all levels. A robust set of tools based on climate data collection, regular climate budget reports, standardized reporting, public dissemination, and stakeholder consultations is vital.
- **Empowering Climate Change Institutions:** Fully operationalize existing climate change institutions like the Climate Change Authority, Climate Change Council and Climate Change Fund as set under the Climate Change Act.
- **Integrate Transparency & Climate perspective:** Improvements must be made at the project stage level, where planning & budgeting integrate climate, project design is evaluated based on climate metrics, and integrity and transparency mechanisms are expanded to ensure that the limited climate finance available is spent in the right sectors and on the most effective projects. In this regard, the report provides a checklist based on international best practices.
- **Strengthening Provincial Action:** Bridge the gap between national and provincial policy-making. The federal government should provide support and protocols to expedite policy adoption and implementation plans at the provincial level.
- **Compliance with Public Procuring Regulatory Authority (PPRA) Rules to enhance transparency of climate projects:** Ensure strict compliance with PPRA Rules 2004 in all



climate projects including ensuring open data base on climate finance and complaint mechanisms to enforce anti-corruption measures in climate investments.

It is hoped that the Ministry of Finance will positively consider the insights and recommendations presented in the report and ensure their adoption and implementation.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to eradicate corruption.

With Regards,

Advocate Daniyal Muzaffar  
Trustee/Legal Advisor  
Transparency International Pakistan