

Climate Finance for WASH: Pakistan



Water, sanitation and hygiene (WASH) is integral to supporting community climate resilience that ensures no one is left behind. Inclusive, climate-resilient WASH goes beyond infrastructure to ensure that solutions meet the needs of the most marginalised and can continue functioning in the face of climate hazards.

Accessing climate adaptation financing for WASH projects has been a challenge for civil society organisations (CSOs) due to a number of procedural, design and systemic barriers. This brief provides a short overview of the climate finance available for the WASH sector in Pakistan. It identifies the main barriers to climate finance access and highlights proven pathways to funding. It also recommends ways for CSOs and funders (primarily donor governments and multilateral development banks) to improve access to funds for climate-resilient WASH. It is one of a series of briefs covering several countries in the Asia and Pacific region. It is based on analysis of secondary data from a desk review and interviews with key climate finance stakeholders¹ in late 2022.

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Introduction

According to Pakistan's Ministry of Climate Change (MoCC), the country urgently needs to transition to a climate-resilient economy (adaptation and mitigation). MoCC estimated that the country requires USD7 billion to 14 billion annually until 2050 for adaptation alone. For mitigation, Pakistan intends to set an ambitious aim of an overall 50% reduction in its projected emissions by 2030. This includes a 15% drop in emissions from the current benchmark via activities funded from the country's own resources, and an additional 35% drop from activities funded from international support. These targets are estimated to require USD101 billion just for energy transition.

Pakistan is one of the most water-stressed countries: per capita water availability decreased from 5,237m³/year in 1962 to 1,188m³/year in 2021.² The Government of Pakistan, in its National Climate Change Policy 2021, prioritised climate-related risks based on an assessment of technological and infrastructure options to improve resilience in the WASH sector. The policy's goal for 2030 is to ensure sustainable management of water resources for all, in alignment with Sustainable Development Goal (SDG) 6 (Clean Water and Sanitation). After the COVID-19 pandemic, MoCC initiated a strong interest in the WASH sector and established a WASH strategic unit.³

Pakistan's adaptation efforts focus on flood reduction and groundwater recharge, as well as increasing the coverage of protected areas. The MoCC aims to reduce flood risk and enhance water recharge at six sites in the Indus Basin by 2030, building the resilience of 10 million people and strengthening vulnerable ecosystems. Pakistan has applied for support from the Green Climate Fund (GCF) for these objectives, and in the meantime has allocated PKR6 billion (USD36 million) of public funds to commence activities in three sites.⁴



With a population of [more than 238 million](#), Pakistan is the fifth most populous country in the world. It is also one of the most water-stressed countries and faces several challenges when it comes to water safety, sanitation and hygiene practices

Overview of Pakistan's climate finance for WASH

Interviews with representatives of the MoCC, CSOs and analysis of secondary information revealed that 59% of overall funds for climate change secured by CSOs in the past five years are earmarked for climate adaptation, with 41% allotted for mitigation. About 22% of the total funds are dedicated for WASH sector programming, an increase from 17% in 2018–19.

CSOs can access financing in Pakistan from multilateral donors, bilateral partnerships and private sector organisations. Some examples of the major funds are described below.

Large global funds

The Green Climate Fund

- As of 2022, Pakistan has secured about USD131 million through intermediary funding from the GCF.⁵
- The process for accessing these funds is lengthy and complex, and the project proposals are accepted only through the national designated authority, the MoCC.

The Global Environment Facility

- Pakistan has received about USD426 million from the Global Environment Facility (GEF).⁶

The Adaptation Fund

- Pakistan has received about USD10 million from the Adaptation Fund.⁷ Only ~10% of these funds were dedicated to the WASH sector.

Regional funds

- Numerous donor agencies are funding climate change projects in Pakistan, mostly taking an integrated approach in sectors such as agriculture, food security, WASH, nutrition, education, health and energy. The major donors providing integrated multisectoral program funds are the Asian Development Bank (ADB), European Union, and the Japan International Cooperation Agency. Primary and secondary sources suggest that standalone WASH programs are rarely implemented in Pakistan.

Bilateral funds

- Bilateral donors for climate action in Pakistan include the Australian Government Department of Foreign Affairs and Trade (DFAT), the Government of the United Kingdom Foreign, Commonwealth & Development Office (FCDO), Action on Climate Today, the Swedish International Development Agency, Global Affairs Canada, and the United States Agency for International Development (USAID).
- Countries including Canada, Australia, Japan, the United States, the United Kingdom, Italy, France, Germany, Turkey, Saudi Arabia and Qatar provide small grants for WASH and climate change through their embassies in Pakistan, although these are small projects.
- Grants are also offered for innovative ideas and in most cases require a bilateral agreement for support from the MoCC.



Villagers fill water containers from one of three collection points where a solar-powered pump and system connected to a bore now serve more than 140 households in Yakhdara rural village, Khyber Pakhtunkhwa Province
Credit: International Rescue Committee (IRC)/ Anil Kumar

Other funding opportunities

- In 2021–22, the Government of Pakistan allocated PKR22.5 billion (USD99 million) to WASH from federal and provincial budgets. Budgetary allocations for WASH were 24.6% greater in 2021–22 than 2020–21, partly due to the launch of the Clean Green Pakistan Movement in 2018.
- In 2021–22, WASH sector financing from international donors totalled PKR37.5 billion (USD170 million).

Barriers to CSOs accessing finance

Top three barriers to CSOs

- 1. Lack of WASH-specific funds.** Despite huge needs, WASH-specific funding opportunities in Pakistan are very limited and highly competitive. Apart from DFAT and FCDO, few donors will fund standalone WASH programs; most prefer integrated programs. United Nations (UN) agencies offer very small amounts of funding for WASH in all provinces.
- 2. Stringent donor requirements.** Many interviews with CSOs highlighted that donor requirements (due diligence, banking channels, memoranda of understanding, No Objection Certificates) often involve lengthy, complex compliance processes. CSOs noted that this was the case with donors like GCF, the National Disaster Risk Management Fund (NDRMF), ADB, USAID and the World Bank. Compliance requires specialist staff who don't necessarily add to organisations' technical expertise. Moreover, many funders require co-funding, which can be very difficult to obtain. For example, the NDRMF, a multi-donor in-country fund, is accessible to all local and international CSOs in Pakistan, but requires the field implementing partner to contribute 30% of total funding. This is beyond the capacity of most CSOs working in Pakistan. As a result, NDRMF funds have been underutilised over the last five years.
- 3. Proposals must be comprehensively detailed.** Many CSOs struggle to perform proper needs assessments and produce a project proposal that articulates a clear need for funding. Others are unable to produce the quality or quantity of evidence that funders require. Additionally, some funders focus on specific geographic areas, such as hard-to-reach and remote areas. Few organisations have experience in those areas and many lack WASH expertise.

Recommendations and opportunities

For civil society

- Engage and collaborate with federal and provincial-level ministries and departments to capitalise on their learning and prepare a collaborative strategy for including WASH within climate initiatives.
- Explore partnerships with national and multinational private sector companies. For instance, Unilever, Procter and Gamble, PepsiCo and Coca-Cola provide corporate social responsibility funds to UN agencies and organisations like WaterAid and Gesellschaft für Internationale Zusammenarbeit (GIZ) in Pakistan.
- Engage with other specialised organisations and explore projects that address topics broader than WASH alone — funders are often interested in integrated project proposals. For example, the European Union-funded Programme for Improved Nutrition in Sindh has a EUR60 million budget, with 40% allocated for WASH.
- Develop a clear rationale for the link between investing in WASH and climate resilience — climate-resilient WASH is an evolving concept.

For more information, see Water for Women's finance brief for civil society organisations: [Improving opportunities for civil society to access climate adaptation funding for WASH](#)

Pathways to access funding



— Provide clear evidence of climate-related need for proposed project interventions



— Support sector-wide efforts to build evidence about WASH's contribution to resilience and mitigation and the impacts of climate hazards on WASH



— Link proposed activities directly to climate mitigation or adaptation outcomes



— Check what else is being done and reference and build on existing climate programs



— Directly align proposals with national targets and plans



— Seek to collaborate with other sectors so that WASH is included as part of larger programmes



— Build and maintain relationships with donors and advocate for inclusion of WASH in future programs

For funders

- Climate change is a multifaceted problem, and a multi-pronged approach is needed to achieve mitigation and adaptation aims. Climate-resilient WASH is a vital element of the climate response. It is recommended that donor organisations allocate at least 35% of their climate-related budget for WASH, up from an estimated 22% in Pakistan. A data repository would be helpful to ensure funding is used most cost-effectively and avoid any duplication.
- Most funders operate from an international perspective, and funding often appears to be targeted at an international audience, disadvantaging many national CSOs. Funders should circulate requests for proposals to as wide an audience as possible through multiple channels (local clusters, newspapers, online). Funders could also run orientation workshops for national organisations to support them directly with proposal development.

- Creating pooled funds for WASH and climate resilience that are accessible solely to national and local organisations would enable them to work independent of intermediaries.
- Donors could establish an international ranking for CSOs working on climate change, particularly for specialised areas such as climate-resilient WASH. Funding could be channelled to and through high-ranked organisations to ensure high quality and consistency of initiatives.

For more information, see Water for Women’s finance brief for funders: [Accelerating adaptation finance for climate-resilient WASH in Asia and the Pacific](#)

Conclusion

Climate-sensitive WASH funding opportunities are few in Pakistan, and few evidence-based programming examples exist. The MoCC is responsible for devising climate-related policies and guidelines, while the implementation of climate-related projects is the responsibility of provincial-level departments, hindering coordination. Coordination between key stakeholders — ministries, departments, academia, research and development organisations, donors and CSOs — must improve to avoid project duplication and create a comprehensive data repository for climate-sensitive WASH. Most funders prefer an integrated approach to climate programming that addresses nutrition, food security and livelihoods alongside WASH, but many allocate minimal funds for WASH activities.

Major donors like the GCF, GEF, World Bank and ADB have lengthy and complex application processes. Many CSOs cannot produce sufficiently detailed information to support their climate proposals, and/or lack the human resource capacity to develop aligned project proposals. To enable local CSOs to apply for funding from global sources for climate-resilient WASH activities in Pakistan, their staff need training and support.

Endnotes

¹ ACTED international, Asian Development Bank (ADB), Concern Worldwide, Gesellschaft für Internationale Zusammenarbeit (GIZ), Institute of Management Sciences, Islamic Relief Pakistan, Muslim Aid, Ministry of Climate Change (MoCC), Norwegian Church Aid (NCA), Secours Islamique France (SIF), Rural Support Program Network, SIF, WaterAid, Welthungerhilfe, World Bank

² Habib et al., *Water availability, use and challenges in Pakistan - Water sector challenges in the Indus Basin and impact of climate change*, Food and Agriculture Organization (FAO) of the United Nations, Islamabad, 2021, accessed from <https://doi.org/10.4060/cb0718en>

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⁴ Government of Pakistan, *Pakistan: Updated Nationally Determined Contributions 2021*, Government of Pakistan, 2021, accessed from <https://mocc.gov.pk/Sitelmage/Misc/files/PakistanUpdatedNDC2021-compressed.pdf>

⁵ Green Climate Fund, *Pakistan Dashboard*, GCF, 2022, accessed from <https://www.greenclimate.fund/countries/pakistan>

⁶ Global Environment Facility, *Pakistan Country at a Glance*, GEF, 2022, accessed from <https://www.thegef.org/projects-operations/country-profiles/pakistan>

⁷ Adaptation Fund, *Pakistan*, Adaptation Fund, 2022, accessed from <https://www.adaptation-fund.org/?s=Pakistan>

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Header image: As the sun goes down on Buner, Pakistan, the dust haze becomes more visible. The impact of climate change on the region of Khyber Pakhtunkhwa has been quite alarming. Credit: IRC Pakistan

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Limitations: The finance information in this brief was collected from online sources and interviews and was correct when compiled. Unfortunately, reporting of WASH and climate finance in Pakistan is not comprehensive; most figures provided represent total funds invested or available.



Learn more
wfw.fund/WASHFinancing

About Water for Women

Water for Women supports improved health, gender equality and wellbeing in Asian and Pacific communities through socially inclusive and climate-resilient water, sanitation and hygiene (WASH) projects and research. It is the Australian Government's flagship WASH program, investing AUD154.9 million over seven years. Water for Women is partnering with civil society organisations, research organisations and local partners to deliver 40 projects in 16 countries from 2018 to 2024. Knowledge and learning are central to Water for Women, positioning the Fund as an important contributor to global knowledge development and sharing in inclusive and climate-resilient WASH. Water for Women's Learning Agenda promotes collaborative learning, knowledge development and sharing to support long-term transformative change to WASH policy and practice globally.

Find out more at
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Building Climate Change Resilience and Adaptation in Inclusive WASH

