

EXCLUSIVE INTERVIEW



Dr. Musadik Masood Malik Federal Minister for Climate Change

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ICMA: Pakistan is launching a carbon market. How will this shape the country's climate finance landscape?

Dr. Musadik Malik: Pakistan's new carbon market is designed to fundamentally reshape the country's climate finance landscape by mobilizing private and public-sector investment for emissions reduction projects. This shifts the focus from aid-dependent models to market-based solutions, offering a path to self-sustaining climate action and economic growth. Pakistan has already signed bilateral government-to-government contracts in this regard. The Carbon market will create a direct financial incentive for entities to transition to low-emission technologies and develop projects that actively reduce greenhouse gas (GHG) emissions. The qualified projects will secure International

Investment, enhance transparency and bring about innovation in financial mechanisms. Last but not the least, the emerging carbon marketplace will support the National Climate Goals envisaged under NDCs.

ICMA: Global Climate Funds often favor major entities. How can Pakistan secure its fair share as a climate-vulnerable country?

Dr. Musadik Malik: Global climate finance has historically flowed disproportionately to large and middle-income countries, including major emitters, while the most climate-vulnerable, low-income nations remain underserved. This imbalance is compounded by a funding architecture that has prioritized mitigation over adaptation, despite the urgent needs of frontline states.

The most creative climate finance strategy in Pakistan is to create a web of startups, which will attract funding and create a robust green cluster. To secure its fair share, Pakistan is creating a portfolio of cutting-edge projects and exploring innovative financing instruments such as green bonds and debt-for-climate swaps. We are also strengthening climate governance through the National Climate Finance Strategy, while improving international engagement through platforms such as the V20 and the Global Shield.

ICMA: What practical steps can international partners take to ensure climate finance reaches Pakistan effectively?

Dr. Musadik Malik: To ensure climate finance reaches Pakistan effectively, international partners should support innovative financing mechanisms such as debt-for-climate swaps and green bonds, strengthen local institutional and technical capacity, and promote public-private partnerships to crowd in private investment.

ICMA: After recent floods, how will early warning systems and local resilience plans protect communities and save lives?

Dr. Musadik Malik: Following the recent floods, the Ministry of Climate Change and Environmental Coordination (MoCC&EC), in coordination with relevant ministries and departments, is supporting the development and upgradation of critical infrastructure, including automatic weather stations, weather radars, and regional data centres. These upgrades are improving forecasting accuracy and enabling earlier warnings for extreme weather events. Initiatives such as the GLOF-II Project, SAFER Project (Sustainable Action for Ecosystem Restoration in Pakistan), and Recharge Pakistan focus on glacial monitoring, flood-risk assessment, slope stabilization, community preparedness, groundwater recharge and flood-flow management.

The government has also approved comprehensive short-term and five-year flood management strategy that prioritizes the restoration and reinforcement of flood-protection infrastructure, including embankments, levees, floodgates, and urban drainage systems. These measures aim to enhance Pakistan's preparedness and resilience, reducing vulnerability and safeguarding communities against future climate-induced floods.

ICMA: Glaciers in the Himalayas-Karakoram-Hindu Kush are melting faster than ever. What international support is critical to address this threat?

Dr. Musadik Malik: The rapid melting of glaciers in the Himalayas-Karakoram-Hindu Kush (HKH) region poses a critical threat to Pakistan's water security, agriculture, and

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flood resilience. Pakistan is a low-emitter. High emissions globally, as well as in the neighbourhood, are leading to a rapid increase in temperature and glacier melting. While Pakistan continues to enhance its mitigation strategy, most of its urgent needs pertain to adaptation.

Climate finance from global mechanisms such as the Green Climate Fund (GCF), Adaptation Fund, and Loss & Damage Fund, along with bilateral and multilateral donor support, can help build infrastructure, hydrometeorological stations, and resilience projects in vulnerable regions. Knowledge sharing, capacity building, and technology transfer from developed countries are also critical for improving predictive modelling, risk assessment, and disaster-response planning.

ICMA: If there was one most impactful step or initiative to accelerate Pakistan's climate resilience and green growth, what would it be?

Dr. Musadik Malik: The most impactful step would be building the capacity of the communities and scaling up integrated climate adaptation and mitigation projects nationwide. It would entail combining early-warning systems, restoring the ecosystem, sustainable water management, and renewable energy deployment. By adopting a holistic approach, Pakistan can simultaneously reduce disaster risks, enhance natural resource management, and promote low-carbon economic growth.

The Editorial Board thanks Dr. Musadik Masood Malik, Federal Minister for Climate Change for sparing his precious time to give an exclusive interview for Chartered Management Accountant Journal.