Climate Change and Green Growth Strategy

2025-2030

Pakistan Poverty Alleviation Fund
Delivering Prosperity

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Pakistan Poverty Alleviation Fund
Delivering Prosperity
Climate Change and Green Growth Strategy 2025 - 2030 – Islamabad: The Authority, 2026
ISBN 978-969-7807-18-5

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Climate Change and Green Growth Strategy

2025-2030

PAKISTAN POVERTY ALLEVIATION FUND

DELIVERING PROSPERITY

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CONTENTS

1 - Introduction 01

2 - Background 01

2.1 The PPAF in Perspective 01
2.1.1 Past Achievements 01
2.1.2 PPAF Overall Program Strategy 2021-25 – Reimagining the Future 02
2.1.3 Climate Actions 02
2.1.4 PPAF Financing 06
2.2 The National Context 07
2.3 The Global Context 08
2.4 Challenges and Opportunities 10

3 - The Theory of Change 11

3.1 Problem Statement 11
3.2 Premises of Change 11
3.3 The Logic 11

4 - The Strategy 13

4.1 Duration 2025-2030 13
4.2 Key Definitions 13
4.3 Core Values 14
4.4 Vision – prosperous living in a climate-resilient environment 14
4.5 Mission – support green growth and climate-resilience for prosperity 15
4.6 Overall Impact 16
4.7 Long-Term Outcomes 16
4.8 Short Term Results (2025-2030). 16
4.8.1 Climate Change Resilience and Adaptation 16
4.8.2 Climate Change Mitigation 16
4.8.3 Green Growth 17
4.8.4 Climate Awareness, Competence and Capacity 17
4.9 Key Strategies and Priorities 17
4.9.1 Overall 17
4.9.2 Climate Change Resilience and Adaptation 17
4.9.3 Climate Change Mitigation 21
4.9.4 Green Growth 22
4.9.5 Capacity Building 23

5 - Implementation Arrangements 26
6 - Financing 28

6.1 Financing – Climate Change Resilience and Adaptation 28
6.2 Financing Green Growth - Strengthening PPAF's Overall Funding Capacity 29

7 - Monitoring and Evaluation 31
Annex - 1 33
Annex - 2 35
Annex - 3 37

FOREWORD

Pakistan stands at a critical juncture where climate change, environmental degradation, and increasing disaster risks are intersecting with poverty and vulnerability. Floods, droughts, heatwaves, and land degradation are no longer isolated events; they are systemic challenges that demand integrated, forward-looking, and locally grounded solutions.

> Ending poverty on a livable planet requires all countries to enhance the resilience of their people and economies to the impacts of climate change, while also reducing greenhouse gas emissions and other damages to nature and the environment (World Bank, 2024).

At Pakistan Poverty Alleviation Fund (PPAF), we have long championed community-led development. The Climate Change and Green Growth Strategy places PPAF's community-level climate change adaptation efforts at the centre of resilient development. PPAF is deepening its engagement in green sectors of the economy, leveraging their potential for sustainable poverty alleviation. PPAF is actively promoting and enhancing climate awareness and understanding across its workforce, partner organisations, relevant government institutions, and the broader constituency whose engagement and support are vital to its mission.

This Strategy reflects our firm belief that nature is a powerful ally in addressing climate impact. The Strategy recognises communities not only as beneficiaries, but as stewards of natural capital and partners in resilience-building. By harnessing opportunities to blend with the development of green and grey, we can reduce disaster risks, enhance ecosystem services, protect biodiversity, diversify livelihoods, and improve the health and well-being of communities.

Importantly, this Strategy also aligns with national priorities, global climate commitments, and the Sustainable Development Goals, while opening avenues for green livelihoods and economic opportunities.

I commend Mr. Muhammad Rafiq, a renowned climate action specialist, for preparing the Strategy, drawing on his extensive experience in climate resilience, green growth, and policy-oriented development practice. I am grateful to PPAF Programmes Team, particularly Mr. Arshad Rashid, Chief Programmes, for supervision and leadership in steering the Strategy's direction and establishing focus areas to establish change. I appreciate the contributions of Ms. Uzma Nomani, Manager Climate Change for multiple rounds of feedback that helped strengthen the Strategy. I thank our Partner Organisations and the communities whose insights and experiences have meaningfully shaped this strategic document. Together, we can translate the Strategy's vision into action for strengthening resilience, safeguarding ecosystems, and ensuring a more secure and sustainable future for Pakistan's most vulnerable communities.

Nadir Gul Barech
Chief Executive Officer

ABBREVIATION / ACRONYM

ADB	Asian Development Bank
CC&GG	Climate Change and Green Growth
CO_2	Carbon Dioxide
COVID-19	Coronavirus Disease 2019
ESM	Environmental and Social Management
EU	European Union
GB	Gilgit-Baltistan
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIS	Geographic Information System
IAUP	Integrated Area Upgradation Programme
IFAD	International Fund for Agricultural Development
INDC	Intended Nationally Determined Contribution
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
LACIP	Livelihood Support and Promotion of Small Community Infrastructure Programme
M&E	Monitoring and Evaluation
NDMA	National Disaster Management Authority
PPAF	Pakistan Poverty Alleviation Fund
SDG	Sustainable Development Goal
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNU-WIDER	United Nations University World Institute for Development Economics Research
WASH	Water, Sanitation and Hygiene

1 INTRODUCTION

The Pakistan Poverty Alleviation Fund (PPAF) was established by the Government of Pakistan on February 6, 1997, as a non-profit company under the Companies Ordinance 1984[1], with a nationwide mandate The idea was to help and empower those in need to escape poverty and achieve a decent quality of life.

In carrying out its mission over the ensuing period, the PPAF also took on board the imperatives of sustainability, environment protection, and climate change, eventually creating, in 2023, a Climate Change and Green Growth (CC&GG) function, as a part of its core management structure.

This strategy outlines the PPAF's CC&GG aspirations as well as the strategic direction and path for taking those aspirations to fruition.

2 BACKGROUND

2.1. The PPAF in Perspective

2.1.1. Past Achievements

Since its inception nearly three decades ago, as of June 2023, Pakistan Poverty Alleviation Fund (PPAF) has created and continues to create a major footprint of integrated development across its target areas and population. It has completed 39,700 health, education, water and infrastructure projects, reaching more than 10 million beneficiaries in 150 districts of the country.

The underlying approach has been to empower people by providing them productive assets such as livestock, agricultural inputs, equipment for small enterprise, irrigation systems and water conservation technologies, renewable energy solutions, equipment and assets for fish farming, poultry farming and honey production, small-scale community physical infrastructure, and digital assets to enhance access to information and markets.

Improving access to finance has been an integral part of the approach with PPAF providing nearly 3 million interest free loans and another 8.4 million micro-credit loans to those in need and able to become a part of the economic mainstream.

Likewise, PPAF has continually worked for the development to be inclusive. Women have remained the focus of PPAF development interventions; 64% and 60% of the beneficiaries of the productive assets and microcredit programs have been respectively women.

A cause and an effect of these achievements has been the extensive country-wide network of 160 experienced and skilled partner organisations, linked to 150,900 community organisations and 440,000 Credit or Common Interest Groups that PPAF supported and strengthened as a measure of long-term sustainability and local resource development.

In the process, PPAF's own capacity has also increased, especially in terms of environmental policies and tools to guide its operations and work in the field. It has a publicly available environmental policy in place[2] backed by a comprehensive Environmental and Social Management Framework (6th Edition 2021)[3] to guide the design and execution of its various development interventions. It has now more people in its workforce that are knowledgeable and passionate about the climate issues.

Together its achievements, reach, partners' network, capacities and experiences have earned PPAF a lot of recognition in the society as evidenced by repeated calls on its services to assist in disasters such as floods and droughts.

1 - https://www.ppaf.org.pk/legal
2 - PPAF Environmental Policy 2014
3 - https://www.ppaf.org.pk/doc/ESM-TPVs/PPAF ESMF 6th Edition.pdf

2.1.2. PPAF Overall Program Strategy 2021-25 – Reimagining the Future

The work of Pakistan Poverty Alleviation Fund is guided by the organisation's overall "Strategy 2021-2025 – Reimagining the Future" with a vision of Restoring Hope, Securing the Future and Ending Poverty and a corresponding mission of transforming the lives of the poor to create a more equitable and prosperous Pakistan.

In carrying out its mission, PPAF is guided by its core values of inclusion, participation, accountability, transparency, and stewardship. Its theory of change is premised on building social and human capital that together with investment in essential rural infrastructure, development and sustainable use of economic assets such as land and water, productive assets, and access to financing would lead to empowered and prosperous communities free from all forms of poverty.

Accordingly, the organisation has four strategic goals[4]: (a) Foster institutions of, and for, the poor to reduce inequalities, promote inclusive governance and development; (b) Enhance sustainable and resilient livelihood opportunities to support households to graduate out of poverty; (c) Address systemic deprivations that exacerbate poverty through local infrastructure development and community wellbeing initiatives; and (d) Strengthen organisational effectiveness by aligning resource mobilization, people capabilities and partnerships to transform into a more agile, responsive and effective institution.



2.1.3. Climate Actions

Annex- 2 to the PPAF 2021-25 Strategy explicitly recognises climate change both as a threat and opportunity for its work but this recognition is not as visibly carried in the envisaged strategic goals, results and outputs that are understandably focused on the PPAF's core mandate of poverty alleviation.

However, two of the seven results under Goal 3 do address some of the climate issues, albeit indirectly. These include:



(a) Target areas of IAUP – Integrated Area Upgradation Program- show ground water level static (stable) or increased to sustainable levels.



(b) At least 50% of off-grid households have **access to electricity** through renewable energy.

4 - Strategy 2021-25- Reimagining the Future, Pakistan Poverty Alleviation Fund, 2021.









On the ground, and perhaps necessitated by the community needs following repeated incidents of catastrophic floods, droughts and other disasters, PPAF has been active in the climate arena with its work spanning many interventions and programs, sometimes blended and presented together with disaster relief and humanitarian aid. In particular, interventions in renewable energy, irrigation, agriculture, watersheds protection and natural resource management under various programmes and projects have been significantly contributing to climate change mitigation and adaptation and even if these were not envisaged as climate-specific results.

The organisation's adaptation-related efforts have included reducing risk and vulnerability through preparedness; inculcating change through knowledge, learning and awareness; and alleviating the peoples' exposure to extreme climate events through relief, recovery and diversification of livelihoods. In the area of climate change mitigation, PPAF has been seeking to reduce carbon emission (renewable energy) and increase carbon sequestration (tree planting).

Most of the PPAF's relief and rehabilitation operations have followed the occurrence of major disasters such as the earthquake of 2005 in the north of the country, the earthquake of 2013 in Balochistan, the devastating floods of 2010, the country-wide advent of COVID -19 in 2020, and the supper floods of 2022, mainly as a humanitarian and economic assistance.

In response to recurring floods and droughts, which often affect the same areas at different times, and the need for low-carbon solutions, PPAF developed a Disaster Management Strategy (2015-2020)[5]. This strategy focuses on preparedness, relief, and recovery, with many recommendations addressing climate change concerns.

Apart from momentary relief, PPAF's aims at creating a lasting impact in terms of water conservation and storage, aquifers recharge, efficient irrigation, restoration and sustainable use of land (for forestry, range-management, livestock farming and agriculture), climate education and awareness, early climate warning and tracking systems, energy security, food security and diversified livelihoods. The underlying idea is to reduce vulnerability, inculcate behavioural change for sustainability, manage risk, and enhance climate change adaptation and mitigation.

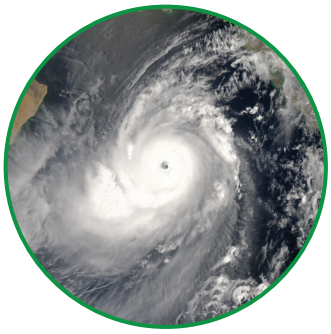
5 - https://www.ppaf.org.pk/doc/regional/4-PPAFDisasterManagementStrategy.pdf

CLIMATE ACTIONS

Following is a list of some major interventions and support projects undertaken in this regard[6]:



Drought Mitigation and Preparedness Programme. (PPAF I, II & III); 2000-2016



PHET Cyclone Disaster (Sindh and Balochistan); 2010



Flood Emergency Response: 2010-14, 2022, 2023



Rehabilitation and Reconstruction of Earthquake affected villages (AJK); 2012-22



Balochistan Earthquake Response; 2013



Renewable Energy (Hydro and Solar); 2013-21



Drought Response Health and Nutrition (Tharparkar Sindh); 2015



PPAF COVID -19 Emergency Response Fund for Economic Revival Assistance; 2020



Restoring Social Services and Climate Resilience (4 provinces); 2023-26



Green Growth and Climate Change Plans (GB & AJK): 2023 onwards



LACIP - Livelihood Support and Promotion of Small Community Infrastructure Programme (helping with disaster preparedness, mitigation and related trainings); 2012-2026

Overall, PPAF has completed nearly 13,000 big and small activities of constructing delay action dams, check-dams, rainwater harvesting ponds, lining of irrigation watercourses, laying irrigation pipes, building retaining walls and other flood protection works, afforestation, rangeland management, and strengthening renewable energy infrastructure (solar power generating units, mini and micro hydropower plants, wind power units, biogas plants and hybrid energy systems)[7].

6 - PPAF Internal Communication. HRA Email 23 April 2024
7 - PPAF Climate Actions, Islamabad, Nov 14, 2023

In the process, as of 2023, PPAF has helped 1.8 million households affected by disasters, including support for reconstruction of 122,000 seismically safe houses[8]. Added to this are many other achievements[9] such as:

- 2.23 million m^3 of water conservation
- 80 km of flood protection walls protecting 80,000 households
- 16.34 MW renewable energy generation
- An annual offset of 160,000 tons of CO_2e of greenhouse gas emissions
- 14,000 individuals in 20 districts supported with resilience to disasters
- 39,000 individuals supported in food security
- About 232,000 trees planted since 2020 – mitigating climate change
- 168,000 olive trees planted for economic wellbeing - also mitigating climate change
- Environmental awareness reaching 7,000 students in 64 schools across 11 districts since 2020

8 - PPAF Climate Actions, Islamabad, Nov 14, 2023
9 - PPAF's presentation: The PPAF's Way to Climate Adaptation and Mitigation, May 2022

2.1.4. PPAF Financing

The Government of Pakistan is the primary source of funding for the Pakistan Poverty Alleviation Fund. Historically, international donors have included the World Bank, Asian Development Bank, European Union, and its member states, as well as the United States, United Kingdom, Japan, Australia, and Canada. Private sector entities and philanthropists have also contributed to PPAF's funding.

The exact amounts of contributions vary annually, depending on the projects undertaken. Over the last three years (2021-2023), PPAF received approximately PKR 10,541 million in donor support, with an annual average of about PKR 3,484 million.

A breakdown of the funds received from external funding agencies between 2021 and 2023 is presented below:

Funds Received by PPAF from External Funding Agencies 2021-23

Funding Agency	2023	2022	2021	Total
Government of Pakistan	-	-	4,980,000,000	4,980,000,000
IFAD	-	-	2,832,424,000	2,832,424,000
ITC/EU	457,998,000	435,466,000	55,554,000	949,018,000
KfW	345,928,000	276,550,000	252,750,000	875,228,000
UNHCR	375,942,000	117,616,000	126,434,000	619,992,000
Engro Foundation	-	-	70,000,000	70,000,000
Citi Foundation	33,152,000	-	31,528,000	64,680,000
PepsiCo	57,008,000	-	-	57,008,000
OGDCL	2,437,000	-	-	2,437,000
Total	**1,272,465,000**	**829,632,000**	**8,348,690,000**	**10,450,787,000**

Source: PPAF

It's worth noting that the funds deployed by PPAF during a given year may differ from the amount received. For instance, in 2023, PPAF deployed PKR 20,035 million[10], whereas it received PKR 1,272 million from various sources. This is because funds received in a year may be allocated for multiple years, deployed in subsequent years, or supplemented by PPAF's own funds.

However, attributing funds to specific sources and activities is challenging due to the structure, detail and complexity of the publicly reported information. Therefore, the trend in the levels and sources of funding for Climate Change and Green Growth (CC&GG) activities over the years, has also not been difficult to determine.

For instance, in the chapter on Climate Change and Disaster Risk Reduction, the 2023 Annual Report mentions a spending of PKR 371.10 million under the 'PPAF Emergency Relief Assistance for 2022 Flood Affected Populations' project. However, considering this alone would be an underestimate of PPAF's total effort in CC&GG. Other investments in renewable energy, micro-finance, and livelihoods also contributed to climate change-related efforts, but are not easily separable under the current reporting structure.

While PPAF's annual reports suggest significant funding allocations for CC&GG activities, most of these investments appear to focus on emergency relief and rehabilitation. Climate change mitigation, adaptation, and green growth as such are addressed to a limited extent within ongoing poverty alleviation projects, subject to the parameters of respective grants.

10 - https://www.ppaf.org.pk/doc/PPAF Annual Report 2023.pdf



2.2. The National Context

Pakistan contributes less than 1% to global greenhouse gases' emission[11] but is ranked among the top 10 countries most vulnerable to the impacts of climate change. The World Bank, Climate Risk Country Profile for Pakistan (2021)[12] indicates that:

a. Pakistan faces rates of warming considerably above the global average in wide ranges of temperatures that, depending on the emission pathways, will likely increase the pressure on human health, livelihoods, and ecosystems;

b. Changes in rainfall pattern and distribution and thus their implications for water resources and floods are highly uncertain but incidents of drought are likely to rise;

c. Extreme climate events of higher intensity may occur more often with increased disaster risk;

d. More people will be exposed to damages from floods in both river basins and coastal areas;

e. Yields of both food and cash crops may decline; and

f. More of the labour workforce and urban dwellers are likely to suffer from heat-related sickness and loss of life.

Viewed in the current context of malnutrition and deprivation, the negative fallouts of any of the climate risks materialising could be even more profound. Hence, the report notes 'the urgent need for further research and delivery of effective adaptation and disaster risk reduction measures".

Pakistan was thus one of the earlier signatories of the Paris Climate Accord (2015) with its parliament also adopting the related Global Sustainable Development Goals, on Feb 16, 2016[13], as the country's national development agenda. In the ensuing years, the government enacted the Pakistan Climate Change Act 2017[14], updated its

11 - Somani R. Global Warming in Pakistan and Its Impact on Public Health as Viewed Through a Health Equity Lens. International Journal of Social Determinants of Health and Health Services. 2023;53(2):154-157. doi:10.1177/27551938231154467
12 - https://climateknowledgeportal.worldbank.org/sites/default/files/2021-05/15078-WB_Pakistan Country Profile-WEB.pdf
13 - https://www.sdgpakistan.pk/web/sdgs#:~:text=Pakistan has displayed commendable commitment,as the national development agenda
14 - https://pakistancode.gov.pk/english/UY2FqaJw1-apaUY2Fqa-apaUY2JxZpc%3D-sg-jjjjjjjjjjjj

National Climate Change Policy[15] (2021), launched National Adaptation Plan 2023, and prepared numerous other plans, strategies and sector-policies to strengthen the related institutional infrastructure.

Considering the binding relationships between climate resilience and economic wellbeing, common to all the national policies and plans, and relevant to PPAF, is the emphasis on mainstreaming climate change mitigation and adaptation. Understandably, a greater focus is on adaptation as dictated by the climate risks and vulnerability facing the country.

The climate alarm and response are well-merited. Over the past two decades, Pakistan has been repeatedly experiencing extreme climate events of floods and droughts taking a major toll on both human lives and economic productivity. The country's scarce fiscal resources must inevitability be diverted to relief and rehabilitation slowing down development projects elsewhere.

The issue is exacerbated when infrastructure, such as roads, schools, health facilities, and irrigation networks, restored at significant cost, is repeatedly damaged by subsequent floods. This underscores the urgent need to accelerate Pakistan's climate change adaptation efforts. Integrating climate resilience into economic development, including the sustainability of physical and economic production infrastructure, would be of paramount importance in addressing this challenge.

However, developing countries like Pakistan lack capacities to address climate change. According to the United Nations University World Institute for Development Economics Research (UNU-WIDER)[16], capacity constraints hinder the pursuit of low-carbon development in these countries.

While access to funds and technology is crucial, many developing countries lack the capacity to effectively utilise these resources. As UNU-WIDER notes, they require "effective individuals, organisations, and political and economic systems" to make the most of available resources.

In its Climate Change Policy 2021[17] (Chapter 6), Pakistan itself acknowledges the country's inadequate preparedness to address climate change due to insufficient human resources and institutional capacities. The policy highlights the shortage of trained personnel, climate change scientists, modellers, technologists, and experts. Furthermore, it notes the lack of credible institutions in Pakistan to address comprehensive climate change science.

Ironically, the country's overall lack of climate capacity and demand for expertise make it difficult and expensive to source climate specialists, exacerbating the challenge of building climate capacity.

And PPAF is no exception. Despite its growing attention to climate change concerns, and the knowledge, skills and experiences it has acquired over the years, the organisation's needs reliable access to more climate expertise that would be a challenge to find at a considerable cost.



2.3. The Global Context

Climate change has been a subject of growing concern since the end of World War II, eventually leading to the global agreement on United Nations Framework Conventions (UNFCC) at the Earth Summit in 1992. Starting as an environmental issue, climate change has increasingly acquired economic, security, and social well-being dimensions requiring a concerted effort from all parts of the society, north and south, rich and poor, developed or developing, alike.

Climate change is increasingly seen as an existential threat to life on the planet as we know it. In recent years, a lot of the worlds' political capital and resources have been diverted to deal

15 - https://mocc.gov.pk/SiteImage/Policy/NCCP Report.pdf
16 - https://www.wider.unu.edu/publication/foreign-aid-capacity-building-and-climate-change#:~:text=The capacity to address climate,strengthening capacities in developing countries.
17 - https://mocc.gov.pk/SiteImage/Policy/NCCP Report.pdf

with increasing political conflicts such as in Ukraine and Middle East, pandemics such as COVID-19, and so called 'economic wars' such as between US and China but the frequency of the world's climate summits, now occurring almost every year, is a testimony to the climate change remaining a high priority for the global community.

The UNFCC Conference of the Parties (COP) 28 (Nov 30-Dec 13, 2023) held in Dubai represented a watershed in global climate policy. The COP considered the first-ever Stock-Take of the global efforts to address climate change under the Paris Agreement 2015. The stock-take indicated slow progress across all areas of greenhouse gases' emissions reduction, resilience building, access to finance, and technical support leading the Parties to seek acceleration in climate action.

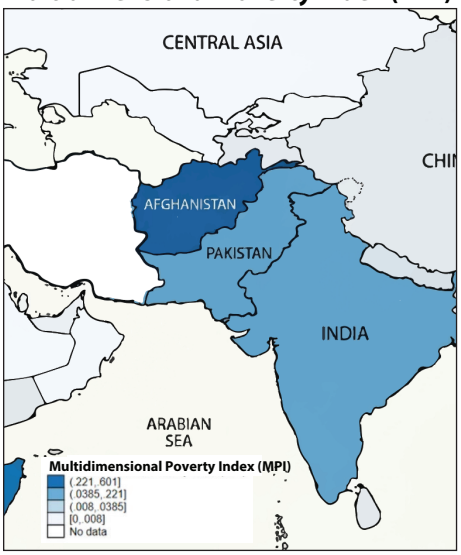
To this end, several key decisions were taken[18] including, inter alia: (a) transition to renewable sources of energy away from fossil fuels, (b) operationalizing loss and damage fund, (c) strengthening resilience efforts – agreeing specific targets for the Paris Agreement's Global Adaptation Goal of "enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change, with a view to contributing to sustainable development and ensuring an adequate adaptation response in the context of the temperature goal…."[19], (d) linking up climate action with nature conservation, and (e) ramping up practical climate solutions.

New pledges were made at COP 28 but, according to United Nations Environment Program (UNEP), the climate financing gap now stands at a staggering US$ 194–366 billion per year. "Even as needs are growing, international public funding for adaptation in developing economies declined by 15% in 2021"[20]. Therefore, while the developing countries rightly ask for increase in aid from the more polluting developed, expectations must be kept realistic. Climate finance is all likely to be much less than required, slow to materialise, and highly competitive to access.

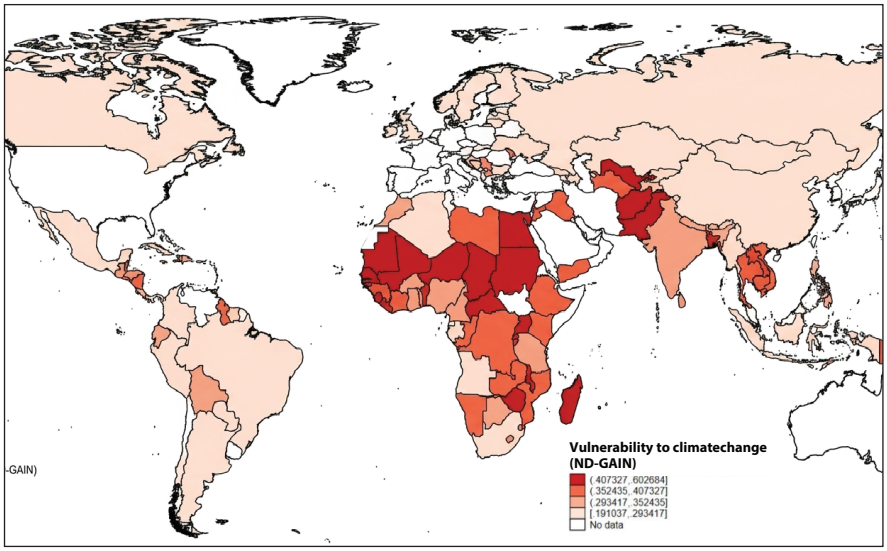
The capacity and progress to deal with the climate change is uneven. For example, seven amongst the top 11 countries 'leading the charge' on renewable energy are developed countries.[21] According to the World Economic Forum's Energy Transition Index[22], the developed countries rank higher than the developing countries; Pakistan being at 107 amongst the 120 listed countries. This may further constrain and slow the transition to a climate-resilient economy.

For the developing countries to wait in the hope of more international development assistance arriving would be self-defeating. There are already examples of developing countries such as Costa Rica, Uruguay, Kenya and Morocco leading the charge on renewables alongside developed countries. For the highly vulnerable countries such as Pakistan, in particular, the clock is ticking. They must do all they can with their own resources by a combination of increasing funding for climate actions and mainstreaming of climate change mitigation and adaption across all sectors of the economy.

Multidimensional Poverty Index (MPI)



Vulnerability to climatechange (ND-GAIN)



*Source: **

18 - https://unfccc.int/cop28/5-key-takeaways#:~:text=The 'global stocktake' is considered,plans due by February 2025.
19 - https://unfccc.int/files/meetings/paris_nov_2015/application/pdf/paris_agreement_english_.pdf?gad_source=1&gclid=CjwKCAiA29auBhBxEiwAnKcSqtbaALFvkHJcvYBV5N5HjAKkDI7qfRTrVXfr_s85wBT-IwMvB2JsoRoCqm0QAvD_BwE
20 - https://unfoundation.org/blog/post/getting-climate-ready-cop-28-and-the-global-goal-on-adaptation/?gad_source=1&gclid=CjwKCAiA29auBhBxEiwAnKcSqvupP3Om9J_9rv7uMpGdBwB85bNlv5R3-t3mq84uZ-NLdeO1EZhFFhoCau0QAvD_BwE
21- https://www.climatecouncil.org.au/11-countries-leading-the-charge-on-renewable-energy/
22 - https://www.weforum.org/publications/fostering-effective-energy-transition-2023/in-full/3-overall-results-d7f4444fb5/
* - https://link.springer.com/article/10.1007/s11403-025-00468-w/figures/1

2.4. Challenges and Opportunities

The preceding sections highlighted the numerous climate-related threats and challenges facing organisations like PPAF, particularly in terms of the disproportionate impact on the poor and the scarcity of capacity and resources. Additionally, Pakistan's political economy poses several indirect challenges, including:

1. Limited renewable energy generation



2. Reliance on fossil fuels, exacerbating energy crises and environmental degradation



3. Fiscal deficits and reliance on external finance, constraining development funding



4. Social inequities compounding climate-induced sufferings of the poor



However, there are also opportunities for PPAF to advance its Climate Change and Green Growth (CC&GG) work. These arise from:

- Evolving national and global contexts supporting environmental initiatives
- Green financing mechanisms (e.g., Green Climate Fund)
- Growing markets for ecosystem services
- Increased local funding
- Private sector interest in green enterprise investments
- Renewable energy expansion driven by energy deficits and rising costs
- Potential for renegotiating and re-profiling existing donor grants
- Climate-smart agriculture
- Collaboration with provincial and local governments
- Public-private partnerships
- Digital and nature-based solutions
- Circular economy approaches (recycling, re-use, value chain integration, and zero food-miles)

PPAF's mandate, leadership, knowledge, expertise, partnerships, and experience in policy advocacy and community-driven development also present opportunities for advancing its CC&GG work.

3 THE THEORY OF CHANGE

3.1. Problem Statement

Increased frequency and intensity of climate change-induced events—such as floods, heatwaves, and droughts—exacerbate the vulnerabilities of Pakistan's poorest communities, threatening both livelihoods and the sustainability of poverty alleviation investments. Access to climate-focused funding from both government and international donors is essential but increasingly linked to climate resilience, adaptation, and mitigation measures, demanding innovative, community-driven, and scalable solutions.

3.2. Premises of Change

This strategy is based on four foundational premises:

Climate-Induced Vulnerability of Poverty Alleviation Investments:

The impact of torrential rains, floods, and other extreme weather events can erode development gains, risking the loss of poverty alleviation investments

Disproportionate Impact of Climate Events on the Poor:

The poor face greater risks and losses from climate-induced events, making it even more challenging for them to escape poverty, thus, necessitating targeted interventions for marginalised groups, including women and persons with disabilities.

Funding Contingent on Climate Considerations:

Access to government and donor funding is increasingly tied to climate-focused projects that integrate resilience, adaptation, and mitigation measures, requiring measurable results and transparency.

Climate-Resilient Green Growth as an Opportunity:

A proactive climate-resilient strategy can unlock green growth opportunities, allowing PPAF to simultaneously tackle poverty and support national climate priorities, enhancing its role as a leader in inclusive and sustainable socio-economic development.

3.3. The Logic

The above considerations, grounded in the context described earlier determine the eventual vision, mission, impact and outcomes for the strategy as well as the strategic pathways for realizing them as shown in the following illustrations. In summary:

IF PPAF's investments in poverty alleviation are aligned and integrated with climate resilience and green growth principles; **AND**,

IF PPAF leverages partnerships and funding to build climate-adaptive infrastructure, diversify climate-resilient livelihoods, and strengthen climate-related capacities of stakeholders including local communities;

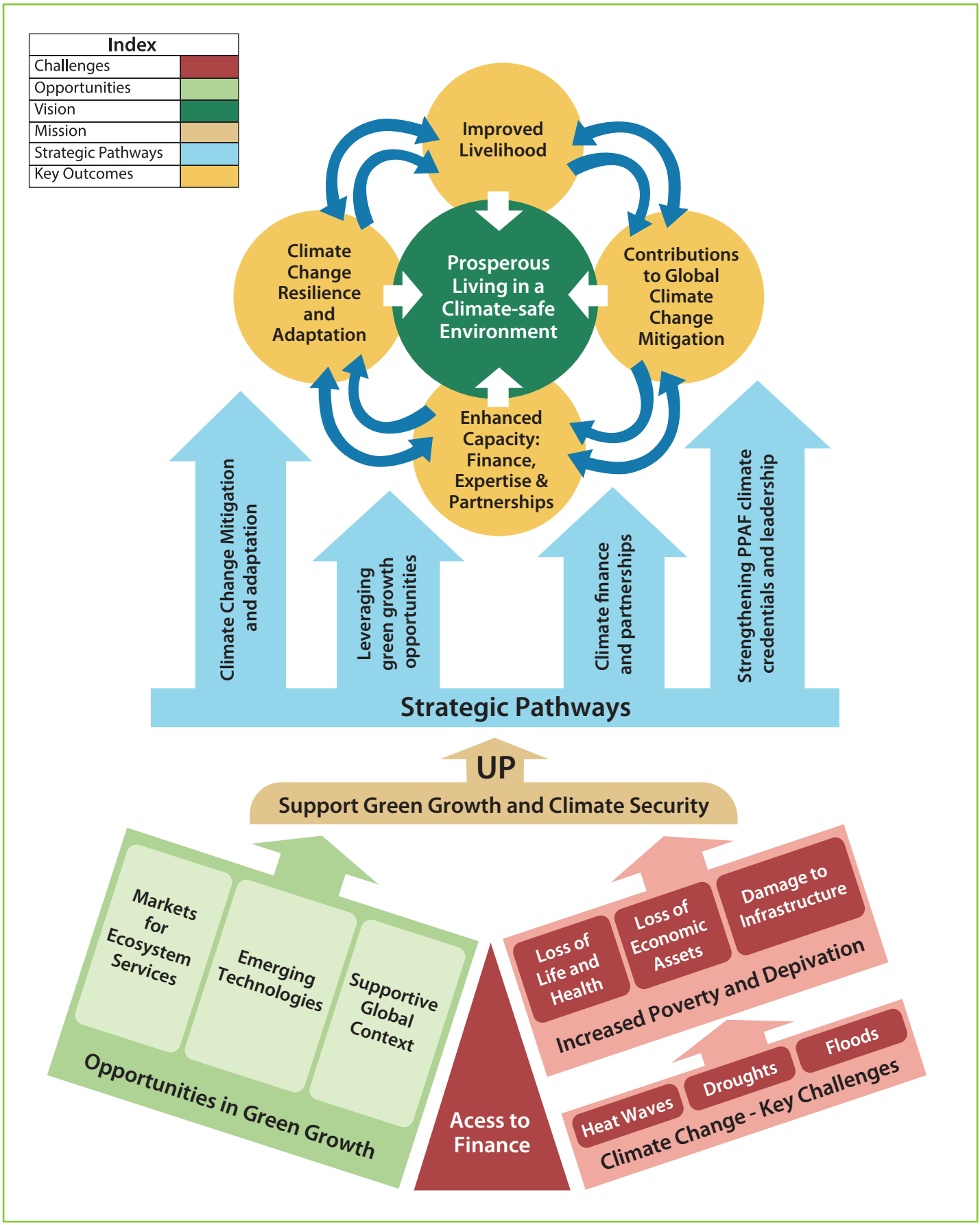
THEN communities will be able to withstand climate-induced shocks and experience sustainable, green growth that brings them greater prosperity, protects their livelihoods, and builds a climate-resilient society; **AND**,

PPAF will be recognised and rewarded for its climate leadership and contributions in the realms of climate change and green growth, serving as a model for similar organisations to follow;

BECAUSE the climate-friendly interventions will create economic stability, reduce vulnerability, and foster inclusive, long-term green growth sustained and scaled up with the climate awareness and capacities that will have been created in the process.

Some more details of the underlying rationale are provided in Annex-1.

THEORY OF CHANGE



4 THE STRATEGY

4.1. Duration 2025-2030

The PPAF's overall Strategy 2021-25 does not explicitly addresses the issues of green growth and climate change, thus, there is a need to provide a sense of strategic direction for the recently created CC&GG function of the organisation. This CC&GG strategy fulfils this need.

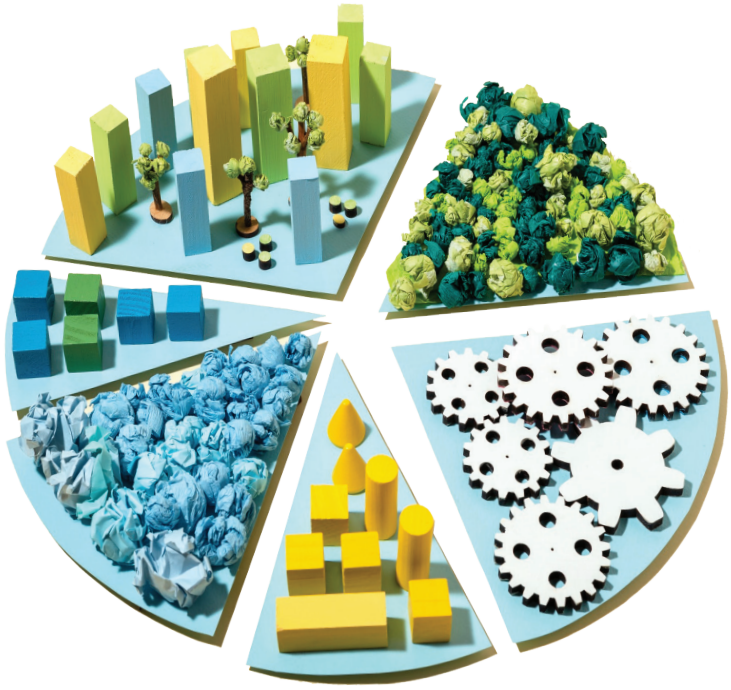
However, considering that the overall Strategy 2021-25 has only a year (2024-25) left of its original 5-year period, and that strategies are meant to be longer term, the CC&GG strategy has been conceived with a 6-year perspective. The idea is for it to meet the needs for strategic direction of the CC&GG Unit during 2024-25 as the last year of the 2021-25 Strategy as well as during the subsequent 5-year strategic planning cycle (2026-30) that would follow.

Accordingly, the CC&GG strategy shall also inform any impending review of the main 2021-25 Strategy as well as the preparation of its successor strategy.

For now, the CC&GG strategy will run concurrently with the PPAF overall 2021-25 Strategy. However, when preparing its follow-up, the PPAF may decide to integrate the CC&GG strategy into its overall strategic plan for the future.

4.2. Key Definitions

Strategic planning has been around for a long time. Along the way, the terms used for the purpose have been varyingly defined and interpreted. For example, some people use the terms goal, purpose and objective interchangeably to mean the same thing while others see them differently. Likewise, some people use the terms outcome and results for what would be goals and objectives in other planning processes. This leaves room for confusion to negatively affect implementation actions.



Therefore it is important that the terms adopted by an organisation in its planning processes are clearly defined for its workforce and constituency to interpret and use consistently with the same understanding.

Accordingly, Annex-2 defines the various planning terms (vision, mission, impact, outcome, result, output, activity, and strategy) for the purpose of this strategy.

The annex also defines some other key terms in relation to climate change and green growth. The climate change vocabulary is evolving. At times different terms with similar meaning are used or words with different meaning are interchangeably used. In the interest of brevity and clarity, this document uses only the terms climate-resilience or climate-resilient but in their broadest sense including, as far as relevant, the spirit of the other related terms of climate responsible, climate-friendly, climate-safety and climate-security.

4.3. Core Values

The PPAF has already established a set of core values: inclusion, participation, accountability, transparency and stewardship, as further explained in its 2021-25 Strategy. These core values are a reflection of the PPAF's organisational culture that it wishes to nurture, and form a basis for the performance standards that it carries in working with peers and partners including the beneficiary communities.

The CC&GG strategy has been designed in view of these values that will also guide the conduct and actions of those tasked with its implementation.

4.4. Vision – prosperous living in a climate-resilient environment

PPAF's Climate Change and Green Growth Strategy envisions a future where vulnerable communities graduate out of poverty for a prosperous living in a climate-resilient environment enabled, in part, by their enhanced capacity and efforts for green growth and climate change adaptation and mitigation as responsible members of the global society.

This sits neatly with the organisation's overall vision of "Restoring Hope, Securing the Future and Ending Poverty" requiring a sharp focus on lifting economically impoverished and socially deprived people out of poverty as the raison d'être of the PPAF. It also implies that graduating out of poverty is not a destination in itself but a milestone on the journey to greater human wellbeing where people not only live prosperously but are productive members of the global society contributing to making the world a better place for all.

Further, the vision is premised on climate resilience and poverty alleviation being interdependent. While climate change mitigation and adaptation are vitally important for the poverty alleviation investments to be effective and sustainable, climate resilience will remain elusive if poverty induces short-term thinking, as it does, with people worrying about the next meal than what the climate change might bring the following day.

Thus, inherent in the CC&GG vision is the spirit of green growth, manifesting in two ways: (a) economic development interventions must be climate-resilient ensuring that natural resources continue to provide essential ecosystem goods and services; and (b) climate change mitigation and adaptation efforts must secure and expand opportunities for socio-economic growth and well-being.

Related also is the recognition of the principle of reciprocity in mutual obligation between the people as individuals and the society they collectively make. Human existence and wellbeing as a society is admittedly contingent on containing the threats of climate change requiring action and support from all the eight billion people co-inhabiting the earth. Reciprocally, people living and economically active in a climate-resilient environment would contribute more and better to arresting global climate change.

In practical terms, it means for the PPAF to strengthen its climate credentials and capacity, contain its own environment footprint, climate-proof its development interventions, build climate-resilience in communities, harness opportunities for green growth, and enlist the support of its constituency for a climate-resilient poverty alleviation and associated trade-offs in the extent, nature and quality of its interventions.



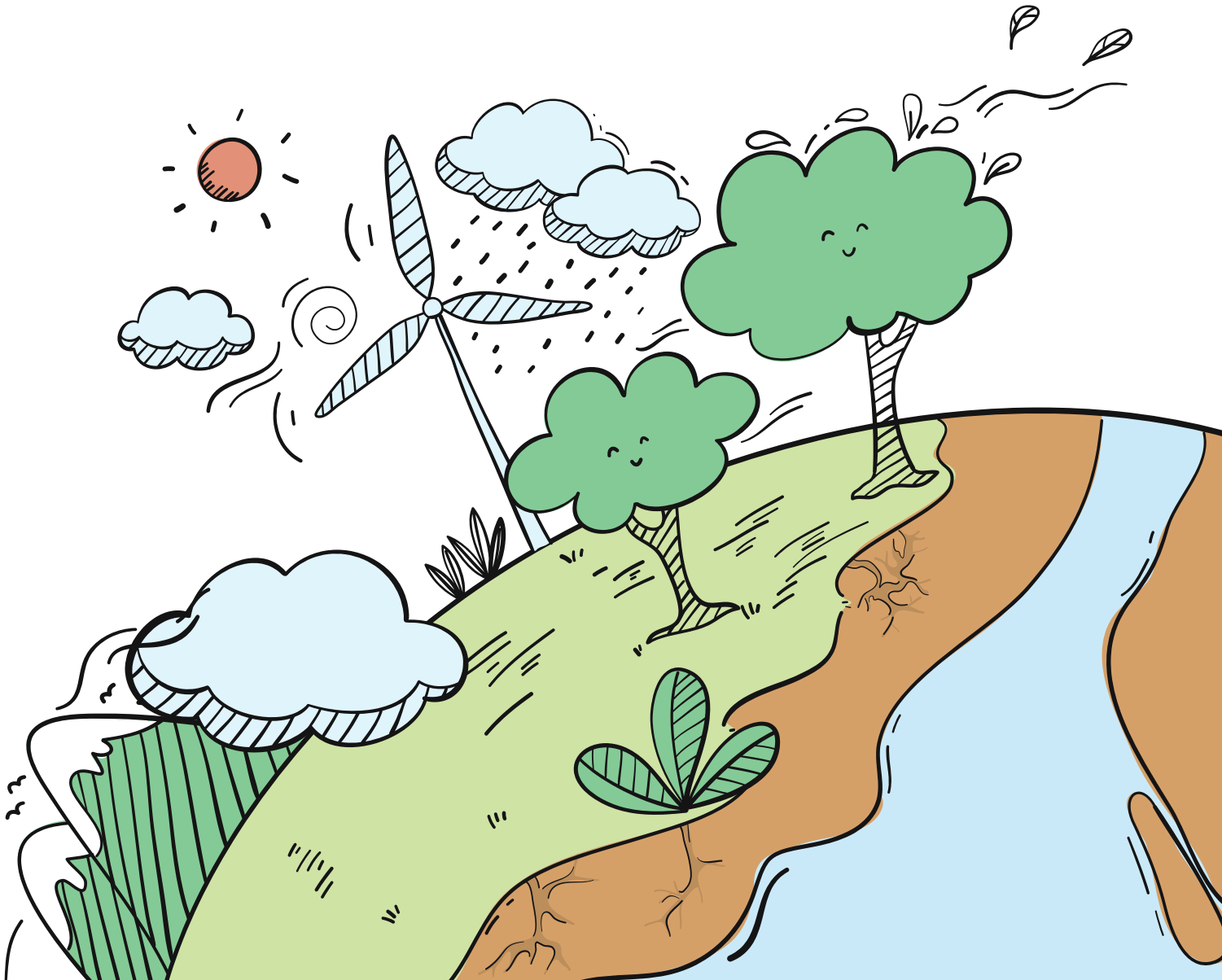
4.5. Mission – support green growth and climate-resilience for prosperity

The CC&GG Strategy will further the PPAF mission of "transforming the lives of the poor to create a more equitable and prosperous Pakistan". More specifically, it will endeavour *"to access and increase knowledge, awareness, capacity and support, within the PPAF and amongst its stakeholders, for a climate-resilient socio-economic development in marginalised parts of the society"*.

The mission statement for the CC&GG strategy is derived from the organisation's mission and is thus a subset of it. In particular, it addresses the core aspiration of 'transforming the lives of the poor' that are more vulnerable to natural hazards, such as floods, heat waves and drought believed to be caused or accentuated by climate change. Related is the exposure of the PPAF supported infrastructure to the risk of damages from disasters that can potentially erode the organisation's ability to carry its mission effectively.

In the same spirit, actions under the CC&GG strategy shall not substitute or displace any of the organisation's ongoing efforts and shall, instead, seek to strengthen and complement them with a view to increase their reach, longevity and climate-resilience.

Inherent in the mission is the imperative of knowledge, awareness, capacity, and support that will be accessed and harnessed for the implementation of the strategy to the best extent possible. Where lacking, the related knowledge, capacity, and support will be created or strengthened as required or useful. It also recognises that some climate knowledge, awareness, capacity, and support already exist within PPAF and its constituency, and that additional efforts would be needed to further augment them.



4.6. Overall Impact

More people in poverty afflicted parts of Pakistan experiencing sustained improvements in their wellbeing due to preparedness to adapt to climate change and green growth, while also aiding reduction in emission of greenhouse gases, enabled and helped by a competent and well-resourced PPAF recognised for its leadership in delivering a climate-resilient socio-economic development.

4.7. Long-Term Outcomes

In keeping with the vision, mission and envisaged impact outlined above, the CC&GG Strategy will seek to contribute to the following longer-term outcomes:

1- The people afflicted by poverty in Pakistan have reduced exposure to climate risks and are benefiting from improvements in their socio-economic infrastructure that is environment friendly and climate resilient as a measure of adaptation to climate change;

2- The PPAF and its poverty reduction efforts across Pakistan have significantly contributed to climate change mitigation

3- The economically impoverished regions of Pakistan have experienced reduction in poverty brought about, in greater proportion, by green growth in the respective areas of the country; and,

4- PPAF and its partner organisations, local governments and communities have the essential climate awareness, knowledge and capacity that also earn recognition and rewards for the PPAF

4.8. Short Term Results (2025-2030)

The following short-term results correspond to the long-term outcomes listed above. Each result is placed under the respective principal outcome, however, some results will contribute to other outcomes as well.

Likewise, various results will simultaneously contribute to several different global Sustainable Development Goals (SDGs). Key relevant SDGs and their targets are indicated against each result. and their targets are indicated against each result.



4.8.1. Climate Change Resilience and Adaptation

(a) Reduced exposure of the communities to risks from extreme climate events such as floods, heat waves and droughts in the immediate and near term (SDG 1, Target 1.1. SDG 2 Target 2.4; SDG 11 Target 11.5; SDG 13 Target 13.1)

(b) Enhanced preparedness to sustain life, livelihoods and economic productivity affected by climate change over the long term (SDG 1 Target 1.1; SDG 6 Target 6.4, SDG 7 Targets 7.1, 7.2 and 7.3; SDG 11 Target 11.5, SDG 13 Target 13.1)

4.8.2. Climate Change Mitigation

(a) Reduction in the carbon-footprint of the organisation's own operations (SDG 12 Target 12.2 and 12.6; SDG 13 Target 13.2);



(b) Enhanced carbon sequestration and reduced emission of greenhouse gases resulting from the organisation's socio-economic development activities in the field (SDG 1 Target 1.1, SDG 2 Target 2.4, SDG 7 Target 7.1 and 7.2, SDG Target 13.1 and 13.2, SDG 15 Target 15.1, 15.2 and 15.5)

(c) The organisation's development interventions across all sectors are more climate resilient: minimally polluting or climate-neutral or climate-positive in an ascending order of preference (SG 13 Target 13.2 and 13.3, SDG 15 Target 15.5).



4.8.3. Green Growth

(a) Enhanced engagement in green sectors graduating more people out of poverty while also measurably reducing greenhouse gases' emissions (SDG 1 Target 1.1, SDG 2 Target 2.4, SDG 7 Target 7.1 and 7.2; SDG Targets 13.1 and 13.2, SDG 15 Target 15.1, 15.2 and 15.5));

(b) Increased and sustainable production and trade of ecosystems goods and services (SDG 1 Target 1.1; SDG8 Targets 8.2 and 8.9; SDG 12 Target 12.2)

4.8.4. Climate Awareness, Competence and Capacity

(a) Heightened climate awareness and support for a climate-resilient economic development across PPAF and its broader constituency (SDG 13 Target 13.3, SDG 17 Target 17.16)

(b) PPAF has the institutional infrastructure, competence and capacity essential for it to effectively implement the CC& GG Strategy (SDG 13 Targets 13.1 and 13.3, SDG 17 Target 17.1);

(c) Increased climate competence and capacity in the PPAF's partner organisation, local governments and communities for climate-proofing the socio-economic development work (SDG 13 Targets 13.2 and 13.3, SDG 17 Target 17.1, 17.7, 17.16 and 17.17)

(d) PPAF is recognised and rewarded for its climate-credentials, competence, capacity, leadership and achievements by its constituency (SDG 13 Target 13.3; SDG 17 Target 17.9)



4.9. Key Strategies and Priorities

The matrix at Annex- 3 lists several strategic actions and approaches for achieving the envisaged results and outcomes. This section outlines a set of strategic direction for the overall framework as well as elaborates, for greater clarity, some of the key strategies listed in the matrix.

4.9.1 Overall

(a) Climate Change is an overwhelming national challenge demanding national responses, for example, managing the water flow and floods in the Indus River basin or protecting river banks or replacing power generation from fossil fuel with renewable energy. Thus any major climate infrastructure projects such as constructing large dams and reforming national irrigation or drainage infrastructure are better left to the state. PPAF, being a not-for profit organisation mostly dependent on funding from its supporters will, instead, stay sharply focussed on its core mandate of graduating people out of poverty, attending to the imperative of climate change as it affects or is affected by its work in the communities, and harnessing opportunities that the global attention to climate change has opened up for a climate-resilient sustainable development.

(b) Considering the funding and other limitations to what PPAF can do within its own mandate, it will further prioritise containing the climate-foot print of its work with a view to eventfully being net-positive for environment; building capacity for climate-resilient development; undertaking demonstration projects mainstreaming climate-resilience for it to learn from and scale up; using its knowledge, capacity, and achievements for discrete advocacy; and, leading the movement for a climate-friendly economic development across the country.

(c) The implementation of this strategy is not contingent on raising additional funds although it increases the prospects for doing so. Most and best rewards for PPAF, in terms of its climate change adaptation and mitigation aspirations, are likely to come from doing better what the PPAF already does by integrating climate change considerations in its development interventions. Thus, an objective assessment of the climate change impacts and opportunities will inform the design of each development project to ensure that the climate footprint of the development is contained and opportunities for positive contribution are realised.

(d) In doing so, PPAF will follow a comprehensive approach seeking to integrate all related aspects of climate change in a proposed development. For example, if a flood-affected rural health centre in Sindh has to be restored, it shall be designed to be not only flood-resilient but also to have enough clean drinking water-storage facility to cope with water scarcity in periods of drought or floods themselves.

(e) However, the PPAF will not let perfect to be the enemy of good and, where the resource or time constraints so warrant, adopt the 80:20 Rule focussing on the 80% potential that can be realised with 20% effort and resources. The remaining 20% requiring 80% of the effort can wait or be skipped for the time being. Taking the same example of the restoration of a rural health centre, if resources don't permit to build an insulated building for coping with extreme heat waves, it shall not hold back the construction of a flood resilient building on a raised platform with some drinking water storage facility. The expensive insulation can wait for later.

(f) This is not an argument for a fragmented or casual approach. Instead, it is a call for considering the full spectrum of the climate change issues and consciously choosing and securing what is realistically possible than waiting for what may be optimally desirable.

(g) The organisation will prioritise climate change adaptation efforts. This is dictated by its core mission of poverty alleviation, the disproportionate vulnerability of the poor to floods, drought, and extreme heatwaves exacerbated by climate change, and PPAF's need to ensure the long-term sustainability of its community investments. However, as a national development entity and a responsible member of the global community, PPAF will also contribute to climate change mitigation efforts.

(h) PPAF exist to address inequalities in the society with a focus on poor. Therefore, and recognizing that some groups of people such as women, children and persons with disabilities may be more marginalised and vulnerable than others, PPAF will target highly marginalised groups in all actions under this strategy ranging from climate awareness raising to capacity building, to reducing vulnerability, to enhancing resilience to improving socio-economic well-being. They will be engaged and empowered, as necessary, for them to effectively participate in making and implementing decisions affecting them.

(i) Gender sensitive development will be a recurrent theme and requirement of all the interventions.



(j) Over the long-term, transformation from traditional model of economic development to a climate-resilient development model would require a profound behavioural change across the society. This would mean different things at different levels of the society. The public at large must be aware of climate change and accept the trade-off it entails (sustainability versus quick fixes). Governments must have the ability and willingness to integrate long term thinking in their short term decisions and support the necessary capacity building. Development organisations will need to equip themselves with new skills, tools and approaches. And, those responsible for planning and development must acquire the ability to think and act creatively. While many of this strategy's recommendation will support the behavioural change in some measure, it is better not left to chance and, instead, made a subject of continuing attention during implementation.

4.9.2 Climate Change Resilience and Adaptation

(a) Climate change adaptation is a vast subject and can be exceedingly capital intensive. The PPAF will therefore address the issue with great clarity in focus and priorities. To this end, consistent with the strategies at 4.9.1(a), the organisation will focus the PPAF's climate change adaptation efforts at community level in preference to a broader level. Although, in each community, in accord with strategy 4.9.2(d), it will preferably follow a comprehensive and integrated approach as much as possible. Likewise, depending on the nature of a project and donor support, it may work over an entire region or province but the efforts themselves will remain location-specific and community-based.

(b) Recognizing that Pakistan is vulnerable to some impacts of the climate change more than others, and in consideration of the PPAF's own mission and possibilities, the organisation will prioritise adaptation to excessive and uncertain rains and floods, droughts and extreme temperatures. From this perspective, the adaptation measures are grouped into two categories:

(i) Adaptation to immediate and near term fallouts of a climatic events such as occasional spells of drought, excessive rains or extreme temperatures. These measures mainly revolve around preventing or reducing exposure to immediate risks, protecting life, and surviving potentially disastrous event(s); and

(ii) Longer term impacts of climate change such as depletion of aquifers and repeated incidents of debilitating floods and droughts over the years warranting adaptation of the physical infrastructure and economic production systems to sustain socio-economic wellbeing in the face of inevitably changing climate.

(c) Regarding immediate and near term impacts of climate change, the PPAF is aware that natural events such as rains, floods, droughts and heat waves can't be prevented, except for a global effort of



climate change mitigation over a long term, However, efforts can be made to prevent the climate-induced extreme events from becoming disasters for the local communities and their livelihoods, and this shall remain a priority for the PPAF to support in its target communities.

(d) To this end, the PPAF will support the communities' access to early warning systems as may already be existing or developed by national and sub-national disaster management authorities. However, this by itself may not suffice. Equally important is how people use the information and respond to an impending emergency. Therefore, PPAF will also support the communities' ability to internalise and follow up on any distress signals emanating from the early warning system.

(e) Likewise, it will support the creation of infrastructure necessary for coping with climate emergencies. These may include, for example, small scale flood protection bunds, high-level water tanks for drinking water storages in flood-prone areas, emergency centres for escape to safety and relief, and food and water banks in areas facing repeated droughts. All such measures are better executed under community emergency and relief plans, demonstrated through pilot projects and scaled up over time.

(f) Harness all opportunities to blend the development of green and grey infrastructure for co-benefits. Nature-based solutions, such as rain gardens, soakaways, retention ponds, permeable pavements, tree planting, and improving soil absorption around buildings, can help reduce runoff and decrease the frequency and intensity of floods.

(g) For the sustained and long-term preparedness and resilience, it will be important to ensure that the infrastructure created for preventing and surviving climate emergencies are maintained and kept operational. This is in fact a major recurring problem – valuable assets and facilities created at significant cost suffering from neglect and degradation over time. Failure to pay attention to this can mean sunk costs and amplified risk exposure for the people.

(h) A key aspect of long term preparedness is socio-economic wellbeing under the imperatives of continuing or possibly aggravating climate change. The PPAF will seek the required long-term resilience by supporting: (i) Diversification of local economies - not being excessively dependent on one sector or one set of actions in a given



sector; (ii) Increasing awareness and knowledge of nature-based adaptation solutions; (iii) Adapting the systems of economic production to the imperative of climate change; and (iv) Climate-proofing the development and operation of social infrastructure;

(i) Adopting the system of economic production remains vital to adapting to climate change in the long terms. This will require a sustained effort and collaboration with respective research and development organisations, private sector entities and the beneficiary communities. Some examples of the key potential areas for attention would include:

- Promoting and increasing access to climate-resilient technologies such as climate-smart agriculture and livestock farming; communication technologies for profitable access to markets; adaptive planning to climate and weather forecasts, and others)
- Adapting crops choices, framing practices and schedules to changing climate;
- Adapting land-use – Fundamental shift in state forests' management for wood production to production of ecosystems goods and services,
- Reforming irrigation and drainage (flood protection) systems,
- Increasing access to renewable energy for farming and small scale industry;
- Surface water storages in small reservoirs;
- Recharging aquifers; and
- Investing in emerging climate-related industries (nature-based tourism, climate-friendly travel and transport)) and services (watershed protection, drinking water supply, climate consulting); and.

(j) For Climate-proofing, a separate report titled "Climate-Proofing Development Interventions" (December 2024) provides detailed guidance and will be followed as an integral part of this strategy. The report has several suggestions and recommendations. Following are two examples.

(i) If a rural health centre, a school building and a community centre can all be built together as a small community complex on a significantly raised platform, it can also serve as an emergency and relief centre for the community in the event of floods. In areas exposed to extreme temperatures, such a community complex can also be provided with necessary insulation and (or) other weather moderating influences (circulation of fresh air, provision of shade).

(ii) Similarly, the design and architecture of individual houses and other physical infrastructure can also be adapted for longer term climate resilience: a dwelling on a hillside can be easily designed to be hazard-safe while also collecting rainwater to reduce flash floods and build strategic water reserves.

4.9.3 Climate Change Mitigation

(a) Honouring Pakistan's commitment under its Intended Nationally Determined Contributions (2021)[23] and fulfilling its own responsibility as a global citizen, the organisation will directly contribute to mitigating climate change by optimally managing the PPAF's own carbon footprint. This will involve establishing a credible emission baseline that the PPAF will monitor and report on. Further, it will identify and harness opportunities to reduce its emission, and will seek to compensate or offset any residual footprint. It will also periodically review and adapt the scope of the organisation's carbon footprint reporting as necessary.

(b) A major contribution to climate change mitigation will come from leveraging more of the poverty alleviation potential in the green sectors as envisaged in results under Outcome 3 and corresponding specific strategies. It will not require any additional activities or strategies except properly documenting the reduction or sequestration of the emissions resulting from its green projects and intervention.

(c) Another major contribution to reducing greenhouse gases' emissions will come from integrating climate resilience (climate-proofing) in PPAF's work across all sectors of its engagement - also refer 4.9.2(h -iii) and (i) above The climate-proofing actions may range from appropriate site selection to suitably adapting the interventions' design and architecture, to making wiser choices of materials and technologies, to harnessing opportunities in socio-economic development for enhancing climate benefits.

An example of such an integrated approach would be restoration of forests on hill slopes around ***Karezes*** in Balochistan that would directly yield a multitude of sustainable development benefits: revenues from sale of wood and other forest products, climate change mitigation through carbon sequestration, and increased water yields from ***Karezes*** resulting from groundwater recharge.

23 - https://faolex.fao.org/docs/pdf/pak185076.pdf



(d) Climate-proofing will however require PPAF to review and adapt its Environment Policy (2014) and Social and Environmental Management (ESM) Framework (6th Edition 2021). The idea would be to move the ESM framework from the basic environmental premise of doing "no harm" to doing "more good" for the environment. In other words, to enable the PPAF's work to progress from causing "no net loss" to the environment to being "net positive" for the environment.

(e) Related would be reforming and strengthening the implementation of the ESM Framework to secure compliance and intended results on the ground.

4.9.4 Green Growth

(a) Green growth means economic growth that is environmentally sustainable. In that sense, all the envisaged outcomes and corresponding results and strategies represent the paths and milestones to green growth. However, for the benefit of PPAF's mission, this strategy also sets out a specific green growth outcome and corresponding results to explicitly capture the organisation's interest in leveraging green growth for its mission. This interest manifests itself in two ways:

(i) Greater engagement in green sectors of the economy directly relying on natural capital such as sustainable agriculture, forestry, fisheries and nature-based industry – renewable energy, eco-tourism, food industry, forest products industry, sport fishing, fish farming, honey production and others); and

(ii) Production and trade of ecosystem goods and services premised on non-consumptive uses of natural capital such as carbon credits, biodiversity offsets, watershed services, art, culture and others.

(b) Accordingly, the PPAF will increase engagement in green sectors of the economy leveraging their potential for poverty alleviation in a sustainable way. This will be pursued, in ascending order of priority, through:

(1) Sector-restricted individual interventions such as in horticulture, livestock farming and solar power generation;

(2) Employing the concepts of multiple land-use in a given sector such as of agro-forestry where, for example, an orchard may combine fruit trees with cover crops surrounded by forest trees along the boundaries, for greater assets' protection, efficiency in resource use and supplementing household income; and

(3) Multi-sector integrated development projects comprehensively addressing, as far as possible, the full spectrum of sustainable development needs and opportunities in a community.

(c) In all interventions, employ entrepreneurship, creativity, innovations and green technologies and practices such as solar-powered irrigation, weather prediction systems, and bioenergy solutions. To this end, PPAF will seek partnerships with tech companies and research institutions to pilot innovative solutions.

(d) The green growth will also entail improving and, where necessary, creating and sustaining green infrastructure such as forests, orchards, nature parks, wetlands and renewable energy primarily as economic assets whose sustainable management will also yield a multitude of environmental benefits.

(e) Equally important will be seeking and harnessing opportunities for waste recycling with a view to reduce consumption of primary resources, reduce pollution and

support socio-economic development. Examples include using animal waste for biogas, mixing crop residues with cement to produce bricks for low-cost housing, and recycling of household wastewater for irrigation.

(f) Traditionally, poverty alleviation in Pakistan has followed a fragmented approach. For example, tree planting and fish farming. What happens to the resulting products is seldom thought through. There is a great potential for increasing the return on investment in poverty alleviation by thinking through the entire supply chain, going beyond assets creation and supporting the processing, value addition and trade of the produce as well. This would spur local area development by multiplying the number of times a buck revolves within the community before it leaves.

For example, in forest sector, it could mean not only supporting the planting of trees but also the processing of wood and related small and micro industries, craft and trade. Likewise, forest can be a good source of producing high value mushrooms but its full potential can only be realised if, alongside their sustainable production, investments are made in their processing, packaging, marketing and export.

(g) In many cases, natural ecosystems can generate revenues through non-consumptive uses of nature and increasingly so due to the emergence of new markets such as for carbon credits, biodiversity offsets and nature-based tourism. Desert safaris in the Middle East are a good example. Such interventions do require investment but they need not be capital intensive, can be low cost and labour intensive, and relatively more suitable for poverty alleviation outcomes.

(h) Sustainable management of natural ecosystem often offer opportunities for creating and harnessing unique value proposition. Examples already exist in case of mangoes from Pakistan selling for a premium price in export market. Ceramic art and craft from Hala (Sindh) and Multan (Punjab) are other examples. Honey produced from apiculture in arid and semi-arid thorn forests of Pakistan is famous but it has been little investigated scientifically and much less supported as a significant economic opportunity in rural Pakistan. Manuka Honey from New Zeeland sells for eight time more than regular honey. There is no reason why some of the famous honey from Pakistan can't be processed and marketed for a much higher value. Consistent and sustained efforts is needed in piloting one or more projects for research, sustainable production, processing, branding and trade.

4.9.5 Capacity Building

(a) Awareness is fundamental to build further capacities on. Awareness about climate change is growing but less in the general public. Even for expert in climate change, gapes remain in understanding of the underlying issues of climate change and how these are best addressed. The PPAF will therefore seek and support greater climate-awareness in its work force, partner organisation, respective governments, and the broader constituency whose support is vital for its work.

(b) For the organisation's workforce, a sustained efforts combining a multitude of approaches of awareness raising will be required. These may range from offering dedicated training courses, to supporting participation in conferences, hosting physical or virtual seminars and workshops on issues of PPAF's interest, inviting sector leaders from peers and Partner Organisations for a regular lecture series at PPAF's premises, site visits to see climate actions by PPAF and other organisations, and suitably harnessing the power of social media with due regard to its pitfalls.



(c) At the local level, for communities and local government officials, creating and facilitating electronic network of community activists with interest in climate issues would be useful as would be regular and topical discussions in community meetings, site visits, internships, volunteer programs, exchange visits, and other similar approaches.

(d) Standalone public awareness raising projects are hard to fund and sustain. Therefore, the organisation will endeavour to make climate awareness raising in communities an integral part of PPAF's development projects in all sectors. If otherwise feasible and useful, the PPAF may also support the creation of a country-wide electronic network of people interested in poverty-climate nexus.

(e) Awareness raising at the higher levels of governments, policy makers, peers, partners, influencers, donors and entrepreneurs will be geared to advocacy to create, enhance and sustain an enabling policy environment and support for a climate-resilient economic development. Aggressive and provocative advocacy campaigns that can turn controversial and expensive would not suit PPAF. Therefore, its advocacy will be discrete, objective and engaging mainly reliant on delivering quality results (let the work speak for itself) and properly documenting, showcasing and communicating the results. This will be complemented by hosting invited visits to the organisation's climate work for journalists, policy makers, donors and other opinion leaders as well as by presenting the PPAF's climate work in external conferences locally, nationally and internationally.

(f) PPAF heavily relies on its partner organisation to implement its program. This makes realising the organisation's CC&GG aspirations critically dependent on its capacity to define and direct, if not control, the climate content and orientation of its development projects, to secure conformity to agreed content from the partner organisation, to ensure results on the ground, and to learn and adapt the course as necessary and useful. Therefore, the PPAF will review, reorient and strengthen the institutional arrangements for implementing its CC&GG Strategy as a priority. See more on this under Section-5 on institutional arrangements.

(g) Likewise, the PPAF will also review and strengthen its existing management and technical tools and approaches, or develop new ones, as required for its climate change and green growth work. Key among them would be PPAF Environment Policy, ESM Framework, due diligence and accreditation of partner organisations, collaboration agreements with Partner Organisations across different sectors, monitoring and reporting tools, field verifications and oversight, consultant's Terms of Reference, and modular design and architectures for common development interventions. Included also but worth mentioning separately are the tools and processes for the organisation to access climate-related technical capacities in different sector.

(h) A strategic point of influence in the process of planning a development intervention is the project design stage. Therefore, the PPAF will, suitably adapt its Terms of Reference for various consultancies to develop projects or specific interventions so as to include, alongside other tasks, the responsibility to:

- Establish a baseline of climate change mitigation and adaptation situation, opportunities and issues, including but not limited to climate footprint; and

- Integrate the r resolution or pursuit of the identified issues and opportunities in the project design. Considering the overall lack of relevant expertise and experiences in the country, PPAF will initially pilot this approach and learn, adapt and scale up along the way.

(i) Acknowledging that PPAF can't afford to retain the full set of diverse technical capacities on its pay role, that such capacities may be hard to access through normal consulting, that not one single organisation can reasonably have the diverse capacities under one roof, that the organisation needs a reliable access to strong technical and conceptual skills, creativity and innovative thinking; the PPAF will initiate, develop and maintain country-wide rostrums of climate experts in diverse fields of PPAF's interest, for the organisation to source the expertise from on specific issues and projects, if and as needed. In fact, it can potentially be a PPAF's major contribution to climate capacity building in the country at large.

(j) Equally important, the PPAF will also adapt and acquire anew, if so needed, robust financial and monitoring capacities in support of the work contemplated under this strategy. For more details, please see the respective sections 6 and 7 further below.

(k) In view of the fact that the projects in the field are delivered through them, competence and capacity of the Partner Organisations for climate change mitigation and adaptation in the respective fields is of utmost important and priority. The PPAF will secure this by factoring the availability or lack of required capacities in engaging partner organisations: due diligence, accreditation and collaboration agreements.

(l) Acknowledging the overall shortage of climate expertise in the market, the PPAF will be careful as to not limit its choices for partnerships to deliver its core mandate of poverty alleviation by excessively focussing on lacking climate capacity as a reason to drop a potential partner organisation. The emphasis of assessing potential Partner Organisations will instead be on identifying the partner organizations' needs for capacity building and support alongside strong interest and commitment to fill gaps in their capacities related to climate change.

(m) In supporting capacity building of the Partner Organisations the PPAF will follow a common but differentiated approach. Common to all will be a reliable access to required capacity. The differentiation will be in the approach to securing the required access. For example, larger partner organisation with a possibility to retain the required climate expert full time on their payroll, will be encouraged and supported to do so. They may also be offered required training and skills' enhancement support. However, for relatively small and less formal organisations, the PPAF will facilitate and support their access to climate capacity from the rostrums of sector experts. Refer Section 4.9.5(i) above. Alternatively, they may be linked up with a larger partner organisation having the required expertise.

(n) Further, PPAF will seek to establish and maintain mutually rewarding collaborations with relevant universities, research organisation and private sector. These collaborations may include accessing, adapting or developing new greener technologies in areas such as for water efficiency, waste minimisation, recycling, cleaner energy and others.

(o) Finally, it is important to note that the different results and respective strategies have capacity building implications. The many suggestions in this section seek to address some of the capacity building needs, however, the list is not exhaustive. Therefore, PPAF will review this document to draw a capacity development plan to be implemented over the duration of the strategy. It will be important to keep the exercise simple and objective as to not let it become a purpose in itself. Instead, a simple matrix of required capacities, corresponding actions and implementation schedule will suffice.

5 IMPLEMENTATION ARRANGEMENTS

The CC&GG strategy is envisaged to complement and support the organisation's overall 2021-25 strategy "Re-imagining the Future 2021-25". Initially, they will run in parallel mutually supporting each other. In future, the same arrangement may continue or the two may be merged together along the way.

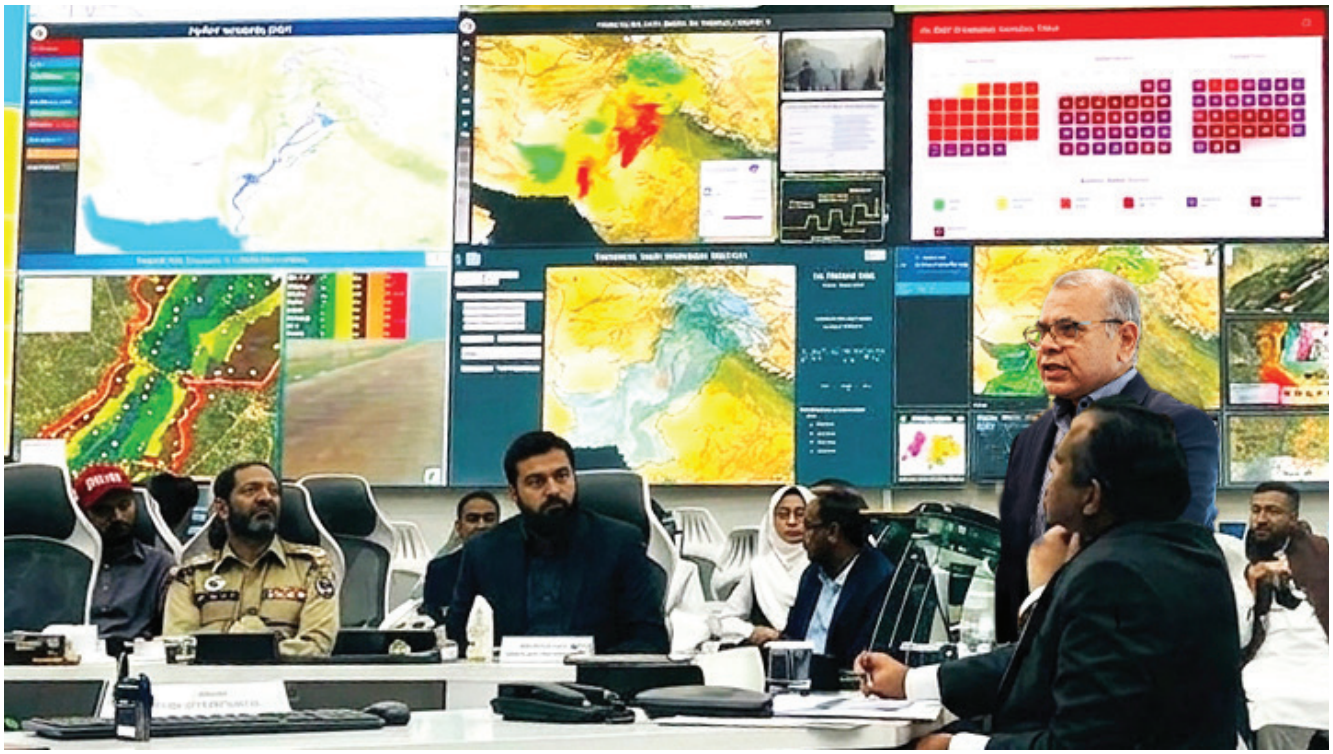
In any event, The Head, Climate Change and Green Growth Function will be the custodian of the CC&GG Strategy overseeing its implementation, leading from the front as an integral part of the PPAF's overall Program team. Other members of the program team will be responsible for integrating the strategy in their respective components. Green growth and climate change are overarching and cross sectoral, and thus achievable only through an organisation-wide ownership and effort.

To this end, the position of the Head, CC&GG will be re-profiled from what appeared to be a coordinating and advisory function into a management function clearly mandated to ensure conceptual and management excellence, result-orientation, and effective coordination of the strategy's implementation within the PPAF and across its constituency including Partner Organisations.

An important part of the re-profiling of the job will be that the incumbent must be a climate change expert, at least in one of the key sectors of PAAF's interest, with a good understanding of the related issues in other sectors. The expectation will be that, apart from managing the overall strategy, s/he leads the strategy's implementation by example in his or her own area of expertise while facilitating the access of the PPAF's and its Partner Organisations to the requisite CC&GG expertise in other sectors.

Moreover, to allow an undiluted focus for greater result-orientation, PPAF will decouple climate change and green growth from emergency relief that is by nature episodic and dependent on, if and when funds are available. In practical terms this will mean, emergency relief will be carved away and entrusted to another part of the organisation leaving the CC&GG function to focus on climate change adaptation, mitigation and green growth.

The strategy's implementation in the field, as mentioned before, will be carried out through the Partner Organisations supported by the PPAF especially for a reliable access to quality expertise in the respective fields of CC&GG. The sector-specific rostrums (networks) of experts,



created and maintained as a part of overall capacity building, will be a useful resource in this regard.

A critical aspect of the field operations is early warning systems as a part of preparedness for extreme climate-induced events. Here, the national Disaster Management Authority (NDMA) and their sub-national authorities play a very important role that PPAF and its partner organisation must closely work with. For the PPAF, Head Climate Change and Green Growth will be the responsible liaison with the NDMA, also maintaining communications with subnational disaster management authorities, and supporting collaboration between them, Partner Organisation and target communities, as necessary and useful.

Securing conformity to the provisions of collaboration agreements related to climate change will be a key to successful implementation of the strategy. To do so cost-effectively, PPAF will retain an environmental auditor on its payroll visiting all the field projects, as frequently as necessary, to ensure the realization of CC&GG results. The cost of his or her salary and travel will be borne by the respective projects.

The ultimate interface between climate and development is at the beneficiaries' level. Therefore, the PPAF will encourage and support its target communities to fulfil their role and responsibility in relation to climate change. This shall be done through the Partner Organisations working directly with respective individuals such as owners and managers of the SMEs receiving PPAF support or through the respective community organisations where the broader community needs to be collectively engaged such as for establishing a rural health centre. In all cases, the preference shall be to work with and strengthen existing community organisations or other structures and to avoid burdening the communities by imposing new and overlapping structures that would be hard to sustain beyond the life of the development activity.

The PPAF will also explore opportunities for engaging the private sector to partake implementation of the strategy ranging from research and development to collaborative implementation of projects for green growth and climate-resilience in vulnerable communities.





6 FINANCING

From a finance perspective, this strategy is two-dimensional. One is about financing the implementation of this strategy, and the other is about this strategy increasing the PPAF's access to funding for its core mission of poverty alleviation.

6.1. Financing – Climate Change Resilience and Adaptation

The implementation of this strategy itself is largely independent of external funding because most of the envisaged results in the areas of climate change adaptation and resilience are to be achieved by adding a climate-resilience component to the economic development projects that the PPAF would be normally implementing in the pursuit of its mission. The donor community is increasingly open to, if not itself demanding, the integration of climate-resilience in economic development.

However, PPAF needs the capacity of staff and (or) consultants able to put together attractive funding proposal for climate-resilient economic developments, and this capacity will be possible to finance from the organisation's own resources. In some cases, once viable concept papers are presented, the remaining costs of developing full project proposals can be supported by the interested donors many of whom provide project development grants.

Most of the funding requirements would be for capacity building as the vehicle to deliver other parts of the strategy. It would be possible to package the capacity building requirements in a separate funding proposal for consideration of the different donors including Government of Pakistan but fundraising for climate capacity building is likely to be more successful if integrated in respective development project(s). The PPAF will preferentially do so.

While PPAF will preferably seek to integrate climate-proofing (resilience) of development interventions into respective project proposals themselves, it would be possible to develop a separate project proposal for the purpose around existing development projects. For example, if Government of Sindh is constructing rural roads for the poor, the PPAF may offer to support the incremental costs of climate proofing through a parallel project it may raise with bilateral donors or multilaterals such as Green Climate Fund and Global Environment Facility interested in covering the incremental costs of global environmental aspects.

Likewise, PPAF may also renegotiate its current donor agreement enabling it to add and integrate climate resilience in existing projects if not already included.

Enhancing the PPAF's climate credentials as the leader in climate-resilient economic development will mostly result from other actions of capacity building and climate-proofing of the fieldwork, and not require separate funding. However, establishing, monitoring and managing the PPAF carbon footprint will require additional funding. The requirements are not likely to be large and would be possible to meet from the PPAF's own resources. Nonetheless, the organisation will seek and welcome donor support to free up its own resources for reaching out to more of its target population of marginalised people.

Some capacity building projects can be self-financing, at least partly. For example, training of partner organisation in climate-resilience, if not covered by a donor-funded project, could be part-financed from registration and subscription fees payable by participants or their employers. Likewise, the network of climate experts in different sectors may carry an accreditation or membership fee to cover partly, if not entirely, the costs of creating and maintaining such networks. The success of such self-financing approaches is directly dependent on the value proposition that has to be visibly attractive for the program participants to pay the required fees.

6.2. Financing Green Growth - Strengthening PPAF's Overall Funding Capacity

The CC&GG Strategy envisages increasing the organisation's work in green growth that can attract financing from the many multilateral funds and support mechanisms already in place. These include, inter alia, Green Climate Fund, Nordic Development Fund, Nordic Climate Fund, Global environment Facility, Global Biodiversity Framework Fund, Special Climate Change Fund, The Climate Investment Funds, International Fund for Agricultural Development, The European Union, UNDP and other member entities of the UN System. Then there are bilateral funding agencies with growing interest in climate change mitigation as well as national instruments such as National Disaster Risk Reduction and Management Fund (NDRM) and impending Climate Change Fund.

These are essentially the sources of grant financing. However, raising funds from them successfully would require climate credential and capacities alongside a compelling organisational mission that the PPAF has. A strength of this strategy is internal coherence and synergy: the pursuit of one component contributing to the implementation of the others. From a financing perspective, this means that building the PPAF's capacity and credentials in climate change will enable it better access donor support for green growth. If successful, it will also diversify and grow the PPAF's overall funding base for a climate- resilient socio-economic development.

Attention to the following considerations will further increase the PPAF's prospects to successfully access donor support for green growth:

Collaboration with other organisations already accredited to some of the funding mechanisms such as IUCN, WWF, UNEP accredited to GEF and Green Climate fund;

Collaboration with a European charity that is often required by multilateral donors such as UND, EU and Nordic Climate Fund to channel their funding through;

Acquiring direct access such as through securing PPAF's own accreditation with Green Climate Fund;

Designing project proposals geared to multiple benefits meaning same investment producing multiple outcomes that would be attractive to any donor. For example, GEF would welcome investment opportunities that would reduce global emissions through reduction in forest loss and degradation while also increasing food security and access to sustainable energy locally.

Likewise, writing private sector's participation and contributions in a project proposals amplifies the proposal's appeal to donors; however, care will need to be taken that the private sector neither benefits nor appears to benefit at the expense of target population or greater public good.

Financing poverty alleviation with expensive debt would not be a good idea especially at the moment when the country is reeling under a heavy debt burden but debt swaps for environment and development would be worth exploring with support from the government. Bilateral donors may particularly be more amenable to the idea of debt swaps in the current political economy of Pakistan. It is a time consuming process but, if successful, dividends would be worth the effort.

The emergence of markets for ecosystems goods and services offers further space and opportunities for organisations such as PPAF to participate and raise funds for their mission-related work. More specifically, PPAF will explore the prospects of generating and trading carbon offsets in the international market. Before doing so, it will need to secure clarity as to if and how much of the carbon credits generated with donor funds the PPAF can claim and trade.

PPAF will also explore if it can indeed create a market for some ecosystem services locally. One example would be for a community protecting a watershed and selling the water to a municipality down-stream. The idea has long been followed in different ways across the world. In Pakistan itself, there is the example of Dong Gali Catchment Area (Location Forests) in Khyber Pakhtunkhwa that is protected to supply drinking water to Murree in Punjab, albeit free of cost. The underlying consideration will be to monetise an ecosystem service for the benefit of the custodian communities and, in the process, free up the PPAF's resources to spend elsewhere. Success in a few locations could be a game-changer for the entire country.

Another opportunity to expand the funding base for green growth resides in collaboration with the private sector, for example, a cement company providing cement at discounted prices for low cost housing for the poor or supporting production of low cost-bricks using a mixture of cement and crop residues.

Many of the large private sector companies have their own charitable foundations, such as Engro Foundation, mainly tasked with carrying out their corporate social responsibility projects. These foundations would welcome collaboration and pooling resources for development, especially in communities hosting their production facilities or from where they source raw material.

Other private sector companies, especially multinationals such as Nestle, Unilever and Shell, may or may not have their own local foundations but provide direct support in aid of their target (host) populations.

The private sector collaboration comes with a certain risk of so called 'green washing' but is manageable.



7 MONITORING AND EVALUATION

The strategy's implementation will be monitored regularly. The monitoring will focus on activities and outputs undertaken for the envisaged results to ensure the implementation is on track and to correct the course, if and as required. This will be done as a part of the overall monitoring of the organisation's work. The temptation of instituting parallel monitoring will be resisted to avoid unnecessarily burdening the organisation's resources.

However, the PPAF's existing data collection and reporting tools will be reviewed and adapted to accommodate the monitoring requirements of the CC&GG Strategy.

PPAF has already developed a set of indicators in the areas of disaster risk reduction, renewable energy, Water, Sanitation and Hygiene (WASH), infrastructure development, climate change and green growth. The development process of this strategy contributed to the indicators on climate change and green growth. However, these indicators will need to be revisited and updated to ensure all key aspects of this strategy are adequately captured. This is essential for several reasons: (a) tracking the progress and performance of the strategy; (b) documenting the strategy's contribution to PPAF's overall vision and mission; (c) effectively communicating the organisation's CC&GG work; and (d) maintaining a course of continual learning and improvement.

Considering that the different results and strategies are interlinked, it will be important that these interlinkages are recognised and duly reported on. For example, results under the green growth outcome will have its own set of indicators in terms of socio economic impacts. However, it will also be important to document and report the contributions that these activities will be making, in parallel, to other results and outcomes related to climate change mitigation and adaptation.





Aware that monitoring can get excessively complicated, burdensome and self-serving, the PPAF will endeavour to keep the monitoring simple, robust and objective. It will better select and credibly report on fewer meaningful indicators than trying to capture too many indicators with questionable data and unverifiable assumptions.

The responsibility for the selected indicators and related data and reporting will be delegated to the partner organisations, as much as feasible, by integrating the monitoring and data collection requirements in the collaboration agreements.

The monitoring responsibilities that can't be reasonably assigned to the partner organisation or which PPAF may otherwise wish to retain, will be carried out by the PPAF itself. The work and reporting by the environmental auditor, envisaged as a part of the implementation arrangements above, will nonetheless remain the PPAF's responsibility.

In any event, PPAF will ensure that no gaps remain in reporting materiality, and will, accordingly, clearly establish upfront the distribution of responsibility for data collection, monitoring and reporting between the Partner Organisations and the PPAF.

PPAF has already developed a set of indicators in the areas of disaster risk reduction, renewable energy, Water, Sanitation and Health (WASH), infrastructure development, climate change and green growth. The development process of this strategy contributed to the indicators on climate change and green growth. However, now that the strategy is finalised, these indicators will need to be revisited and updated to ensure all key aspects of the strategy are adequately captured. This is essential for several reasons: (a) tracking the progress and performance of the strategy; (b) documenting the strategy's contribution to PPAF's overall vision and mission; (c) effectively communicating the organisation's CC&GG work; and (d) maintaining a course of continual learning and improvement.

It will be important to establish a credible baseline or to update any existing baseline for the selected indicators to accurately capture and discern the contributions that the organisation's CC&GG work will be making over time. This will earn PPAF the confidence and trust of its beneficiaries and donors. The organisation will also benefit from it in terms of its credibility, confidence, climate leadership and stronger foundation for future planning.

The baseline and subsequent data collection and reporting will not be numbers alone. The efficacy and effectiveness of monitoring, reporting and communication dictate that data collection will also include visuals (such as repeat photographs and audio clips from same locations to allow tracking changes on the ground over time) and testimonials from beneficiaries, community leaders and partner organisations.

In this spirit, the PPAF will seek and establish collaboration with respective research and development organisations to upgrade or develop new digital tools such as GIS mapping, real-time data collection apps, and feedback platforms for an efficient implementation and monitoring.

The strategy's performance will be periodically evaluated. The evaluation will focus on the envisaged outcomes. The core questions to address will be: if and how far the achievement of results is contributing to the envisaged outcomes?

A mid-term and terminal evaluations are envisaged. However, these need not be standalone evaluations and are preferably carried out as a part of the periodic assessments of the organisation's overall strategy. This will be more resource-efficient. Also, it will further strengthen the mainstreaming of CC&GG in the organisation's work.

ANNEX-1

Underlying Rationale of the PPAF's Climate Change and Green Growth Strategy 2025-30 (Some Additional Considerations)

The background and context in the main document provides the rationale for the PPAF Climate Change and Green Growth Strategy, also indicating the direction it may take and what PPAF may do to address the climate change challenges and opportunities facing the organisation. This annex lists some additional considerations underlying the strategy.

The PPAF's past and current work related to climate change is lacking an overall framework – a framework that would enable the organisation to make informed choices as to the nature, mix and orientation of its development interventions in future, and to track, document and effectively communicate its climate-preparedness and contribution as a prime poverty alleviation organisation in the country. This means somewhat retrofitting of the CC&GG strategy to the existing climate change work of the organisation.

The PPAF already has a 2021-25 Strategy for its organisation-wide program also covering climate change, albeit only indicatively. The CC&GG Strategy is being developed midway during the course of implementation of the overall program strategy. Therefore, the CC&GG strategy needs to complement the existing overall program strategy, also informing its impending review and possible revision. Eventually, the CC&GG strategy may be subsumed and integrated into the next iteration of the main strategy, although there may be an advantage in retaining the CC&GG Strategy, standalone as it would be, in terms of the PPAF's profile, reach and influence in the climate arena.

Likewise, the CC&GG strategy must also take into account that the PPAF already has in place an environment policy (2014) as well as a comprehensive Social and Environmental Management Framework to guide its development interventions in the field that are better built on and suitably strengthened but not duplicated.

The humanitarian assistance and emergency relief and climate actions are currently seen and presented under the same umbrella (organisational structure) that makes it harder to track and communicate the investments in climate-specific actions. For greater efficacy and impact, the two sets of interventions may need to be more clearly delineated and possibly assigned to different parts of the organisational structure.

The climate change is increasingly recognised as both a cause and effect of poverty. Many of the PPAF investments, notably those in social, communication and irrigation infrastructure, are exposed to repeated floods of growing intensity, and will be at the risk of peril unless climate-resilient. Likewise, the organisation may have to carry the continuing burden of supporting the vulnerable poor communities if their systems of economic production and livelihoods are not adapted to the imperatives of climate change. Therefore, it is imperative for the PPAF to climate-proof and protect its investments for it to effectively deliver its vision and mission.

Pakistan aspires to mainstream climate change mitigation and adaptation across the different sectors of economy, and organisation such as the PPAF will be expected to share that responsibility - delivering poverty alleviation, green growth and climate resilience in tandem. Accordingly, the Government of Pakistan's support for the PPAF may become more contingent on its capacity, credentials and preparedness to mainstream climate actions in its portfolio.

International development assistance from bilateral and multilateral donors has remained a major source of funding for the PPAF work.

These donors or their financiers are themselves on the path of integrating climate change and economic development. The increasingly expect the recipients of their grants and loans to tread a similar path. In fact, much of the international development assistance is already either coming through the climate window such as the various vertical instruments of Green Climate Funds and others or access to funds such as The Global Environment Facility is increasingly linked to climate actions.

In fact, international funding for other sectors, not as visibly linked to climate change, is also influenced by considerations of climate change. For example, The Global Fund created to primarily deal with infectious diseases (HIV, TB and Malaria) links its support to climate vulnerability and action. The Fund envisions to respond to the climate challenge by "*promoting low-carbon, climate-resilient health systems and addressing the impacts of climate change on the fight against HIV, TB and malaria" supporting "countries that are the most vulnerable to the impacts of climate change – 71% of our new investments (2023-2025) will go to the 50 most climate-vulnerable countries"* [24].

With its diverse portfolio, in climate change mitigation and adaptation and green growth, PPAF has an opportunity to sharpen its focus for greater returns on its investment, yielding multiple outcomes in various but related spheres of poverty alleviation, climate change and sustainability. For example, instead of supporting forest trees' planting on farmlands for climate change mitigations while separately supporting orchards for increasing household income, it may choose fruit trees for planting in an agro-forestry system that simultaneously delivers both the livelihood and climate outcomes.

The PPAF works across the country in different geographies, sub-cultures and eco-regions and an approach of 'one size fit all' wouldn't work. Instead, a common but differentiated approach may be merited. This would mean that, while improvements in social and economic indicators, climate resilience and wellbeing, capacity building and long-term sustainability may remain common to all interventions, the interventions may vary in their focus and composition.

To elucidate, while watershed protection and rainwater harvesting would be worthy of support to increase local water supply for drinking and irrigation also reducing the incidents and intensity of flash floods in the rainy northern and western temperate mountainous region; flood protection, water-spreading and groundwater-recharge would be a priority for protecting and adapting livelihoods to climate change in the hot and arid regions of the country to the south; and,

Finally, the climate change challenges and opportunities facing the PPAF are compelling indeed but an excessive emphasis on addressing them risks distracting the organisation from its core mandate of poverty alleviation. Therefore, the CC&GG strategy will need to strengthen, than weaken in anyway, the PPAF's ability, capacity, profile and focus as the country's premier organisation lifting people out of poverty in a climate-resilient and sustainable way.

24 - https://www.theglobalfund.org/en/climate-change/

ANNEX-2

Important Definitions

1. Key Planning Terms

Vision describes a *future state* of the world, or a part of it, that an organisation envisions and wishes to contribute to. It can have a time-frame such as vision-2050 or can be open-ended. Seldom, if ever, any organisation can achieve it fully. Therefore it remains an aspiration that guides the work of the organisation on a continuing basis.

Mission is action-oriented and is thus a statement of *recurrent actions* that an organisation regularly takes in the pursuit of its vision, day in and day out, such as 'to enable and empower communities to graduate out of poverty'.

Impact is similar to vision in that it is broad and long-term. The difference between the two may be more nuanced depending on where and how the two terms are used. While vision describes a future state of the world, impact seeks to capture the *change in the future* state that an organisation's work is intended to contribute to. In that sense, impact would be a sub-set of the vision and may or may not have a time-frame.

Outcome is the likely *consequence of different sets of results* contributing to it. These may be results from the work of an organisation itself or from the work of other organisations. Thus, outcomes are relatively long-term, broad, seldom quantified, and their achievement, or lack of it, is not entirely in the control of an organisation. For example, 'mainstreaming climate change in poverty alleviation' would be a legitimate outcome for the PPAF to envisage; however, many other organisations could also be contributing to this and, thus, the PPAF alone can't be held accountable for realising it. Instead, the PPAF, will be responsible for the contributions it accepts to make towards the envisaged outcome and these contributions are embodied in specific 'results'.

Results are specific, preferably quantified, and time-bound achievements of an organisation as its contributions to the defined outcomes and eventually to the envisaged impact. The results are relatively short term, time-specific and meant to be within the organisations' reach; therefore the respective organisation is accountable for its envisaged results and can claim full credit for achieving them. For example, 'PPAF will mitigate 80% of its carbon foot print by 2030'.

Output is a concrete "indicators" of a result being achieved such as 'a map of the PPAF's carbon footprint', or '500 hectares of a forest plantation established to offset the PPAF carbon footprint'.

Activity is an input to producing an output as such as 'hiring a consultant' to produce a 'a map of the carbon footprint of the PPAF'

Strategy: While outcome and results defines what an organisation may achieve, a strategy addresses the question of *how* it will be achieved. A strategy can be *overarching strategy* with broad scope or it can be specific to a situation. An overall strategy such as the SS&GG Strategy is always a composite of the many sets of specific strategies employed to achieve the different results and outcomes.

Core values are the moral principles that are deeply ingrained in the culture of an organisations guiding all its work and the conduct of its workforce. Serving as the ethical cornerstones of an entity, core values are inherent and sacrosanct and can never be compromised, either for convenience or short-term economic gain.

2. Terms Related to Climate Change and Green Growth

The climate change vocabulary is evolving. At times different terms with similar meaning are used or words with different meaning are interchangeably used. Following are some of the more common terms relevant to the CC&GG Strategy:

Climate-responsible means action that address the climate crisis and the responsibility that individuals, organisations, and governments have in mitigating its effects.

Climate-resilient is having Climate-resilience as the ability to prepare for, adapt to, and recover from the effects of climate change.

Climate-friendly mean something that doesn't cause damage to the Earth's weather patterns, or that doesn't make climate change worse by producing carbon dioxide.

Climate-safety refers to the impact of climate change on occupational safety and health.

Climate-security is the state of being protected from the negative effects of climate change and is premised on how climate change can increase existing risks to the security of people, ecosystems, economies, infrastructure, and societies.

Climate change adaptation the process of adjusting social, economic, or ecological systems to respond to climate change.

Climate change mitigation is the reduction of greenhouse gas emissions or the enhancement of their removal from the atmosphere.

Climate Neutral refers to reducing all greenhouses gases' emissions to the point of zero while eliminating all other negative environmental impacts that an organisation may cause.

Climate-positive means that an entity, such as a business, product, or initiative, removes more carbon dioxide from the atmosphere than it emits.

Early warning system is an integrated system that provides information about when hazardous weather is approaching, and how to minimise its impact.

Green sectors interventions mean activities with no significant negative impacts on the environment such as watershed management, forest conservation, trade in forest carbon credits, sustainable trophy and sport hunting, nature-based tourism, farm-waste recycling and other such activities.

Interventions in other economic sectors mean carbon-footprint reducing activities in sectors such as construction, mining, farming and others inevitably having some negative environmental impact or activities that will have the potential to yield other positive climate benefits.

Index

Overall Impact (Continuing)
Outcomes (Long term)
Shor-term Results
Specific Strategies (Actions)

ANNEX-3

PPAF Climate Change and Green Growth Strategy Matrix

Impact: More people in poverty afflicted parts of Pakistan experiencing sustained improvements in their wellbeing due to preparedness to adapt to climate change and green growth, while also aiding reduction in emission of greenhouse gases, enabled and helped by a competent and well-resourced PPAF recognised for its leadership in delivering a climate-resilient socio-economic development.				
Outcome 1: The people afflicted by poverty in Pakistan have reduced exposure to climate risks and are benefiting from improvements in their socio-economic infrastructure that is environment friendly and climate resilient as a measure of adaptation to climate change				
1.1. Reduced exposure of the communities to risks from extreme climate events such as floods, heat waves and droughts in the immediate and near term (SDG 1, Target 1.1. SDG 2 Target 2.4; SDG 11 Target 11.5; SDG 13 Target 13.1))	1.1.1. Prioritise and support the prevention of extreme climate events from becoming emergencies.	1.1.2. Support the development of, and the communities access to, robust early warning systems	1.1.3. Enhance communities' ability to internalise and follow up on any distress signals emanating from the early warning system.	1.1.4. Create and sustain infrastructure necessary for coping with climate emergencies in the immediate and near term.
1.2 Enhanced preparedness to sustain life, livelihoods and economic productivity affected by climate change over the long term (SDG 1 Target 1.1; SDG 6 Target 6.4, SDG 7 Targets 7.1, 7.2 and 7.3; SDG 11 Target 11.5, SDG 13 Target 13.1)	1.2.1. Seek and support sustainability of infrastructure created for coping with climate change emergencies (Strategy 1.1.4) over the long term	1.2.2. Diversify local economies in vulnerable areas.	1.2.3. Adapt the systems of economic production to the imperative of climate change	1.2.4. Reform the development and operation of social infrastructure from climate change perspective.
Outcome 2: The PPAF and its poverty reduction efforts across Pakistan have significantly contributed to climate change mitigation				
Result 2.1. Reduction in the carbon-footprint of the organisation's own operations (SDG 12 Target 12.2 and 12.6; SDG 13 Target 13.2)	2.1.1. Establish and report a credible baseline of the carbon footprint of PPAF's own operations; monitor and report periodic updates as well.	2.1.2. Identify and harness opportunities for reducing the climate footprint of the organisation's operations	2.1.3. Compensate or offset any residual carbon footprint of the organisation's operations.	2.1.4. Periodically review and adapt the scope of the organisation's carbon footprint reporting as necessary.
Result 2.2. Enhanced carbon sequestration and reduced emission of greenhouse gases resulting from the organisation's socio-economic development activities in the field (SDG 1 Target 1.1, SDG 2 Target 2.4, SDG 7 Target 7.1 and 7.2; SDG Targets 13.1 and 13.2, SDG 15 Target 15.1, 15.2 and 15.5)	No separate strategies or action needed. The work for Result 1.1 will also directly lead to the achievement of this result.			However, it will be important that the reduction or sequestration of the carbon emissions is properly measured and documented including the establishment of an accurate baseline.
Result 2.3. The organisation's development interventions across all sectors are more climate resilient: minimally polluting or climate-neutral or climate-positive in an ascending order of preference (SG 13 Target 13.2 and 13.3, SDG 15 Target 15.5)	2.3.1. Seek and pursue climate-proofing (integrating climate resilience) in PPAF's work across all sectors of its engagement. Example: Improved building designs for housing, schools, health facilities, and community centers.	2.3.2. Review, adapt and reform the PPAF's Environment Policy (2014) and Social and Environmental Management Framework (6th Edition 2021)		

Outcome 3: The economically impoverished regions of Pakistan have experienced reduction in poverty brought about, in greater proportion, by green growth in the respective areas of the country				
Result 3.1. Enhanced engagement in green sectors graduating more people out of poverty while also measurably reducing greenhouse gases' emissions (SDG 1 Target 1.1, SDG 2 Target 2.4, SDG 7 Target 7.1 and 7.2; SDG Targets 13.1 and 13.2, SDG 15 Target 15.1, 15.2 and 15.5)	3.1.1. Increase the number of green sector projects through, in ascending order of priority, sector-restricted individual activities, multiple land-use interventions in a given sector, and multi-sector integrated development projects.	3.1.2. Improve, restore or create, green infrastructure as economic assets also yielding environmental benefits.	3.1.3. Seek and harness opportunities for waste recycling	3.1.4. In all interventions, employ entrepreneurship, creativity, innovations and green technologies and practices,
Result 3.2. Increased and sustainable production and trade of ecosystems goods and services (SDG 1 Target 1.1; SDG8 Targets 8.2 and 8.9; SDG 12 Target 12.2	3.2.1. Support sustainable production, value addition (SMEs) and trade of goods from natural ecosystems.	3.2.2 Encourage and support SMEs based on non-consumptive uses of nature such as nature-based tourism, carbon credits, biodiversity offsets, and watershed values.	3.2.3. Pilot production, branding and trade of ecosystems' products with high value proposition for international trade (fruits and honey for example)	
Outcome 4: PPAF and its partner organisations, local governments and communities have the essential climate awareness, knowledge and capacity that also earn recognition and rewards for the PPAF				
Result 4.1. Heightened climate awareness and support for a climate-resilient economic development across the PPAF and its broader constituency SDG 13 Target 13.3, SDG 17 Target 17.16)	4.1.1. Undertake a sustained effort of educating and awareness raising amongst the workforce of PPAF	4.1.2. Make climate change awareness raising and education in Partner Organisations and communities an integral part of all the field projects	4.1.3. Carry out a targeted and sustained advocacy for a climate resilient economic development.	
Result 4.2. PPAF's has the institutional infrastructure, competence and capacity essential for it to effectively implement the CC& GG Strategy (SDG 13 Targets 13.1 and 13.3, SDG 17 Target 17.1)	4.2.1. Reorient and strengthen the institutional arrangements and structure for effectively implementing the PPAF's CC&GG Strategy.	4.2.2. Sharpen existing management and technical tools, approaches and capacities, or develop and employ new ones.	4.2.3. Increase financial capacity for integrating climate change in the PPAF's development portfolio.	4.2.4. Institute and sustain adequate capacities for a robust monitoring of the CC8GG Strategy.
Result 4.3. Increased climate competence and capacity in the PPAF's partner organisation, local governments and communities for climate- proofing the socio-economic development work (SDG 13 Targets 13.2 and 13.3, SDG 17 Target 17.1, 17.7, 17.16 and 17.17)	4.3.1. Factor the (non) availability of climate change related capacities in collaboration agreements with the Partner Organisations	4.3.2. Help partner organisation to acquire or access additional capacities required for the PPAF work.	4.3.3. Employ a differentiated approach to capacity building of the Partner Organisations depending on their existing capacities, experiences and resources	4.3.4. Establish mutually rewarding collaborations with relevant universities, research organisations and private sector
Result 4.4. PPAF is recognised and rewarded for its climate-credentials, competence, capacity, leadership and achievements by its constituency (SDG 13 Target 13.3; SDG 17 Target 17.9)	This result will come from a combination of all the other results and strategies and doesn't require a separate set of strategies. However, it will additionally require proper documentation and effective communication of the PPAF's achievements in the areas of climate change and green growth.			



Pakistan Poverty Alleviation Fund | Delivering Prosperity

A Company set up under section 42 of the Companies Act, 2017

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