

EXCLUSIVE» INTERVIEW

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Dr. Adil Najam

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ICMA: How can philanthropy in Pakistan, especially corporate giving, be measured and reported in a meaningful way, and what role can accountants play in ensuring transparency and impact?

Dr. Adil Najam: Building on my work on giving in Pakistan, undertaken for the Pakistan Centre for Philanthropy (PCP), I would strongly advocate for the training and education of accountants on how to better measure and report philanthropic giving by corporates in Pakistan. Although many companies in Pakistan engage generously in philanthropic activities, not all of them report these activities consistently and clearly in their annual accounts. ICMA and its membership can help address this challenge by helping develop clear processes for philanthropic reporting in corporate annual reports.

During our research we found many instances where philanthropic activities are clearly highlighted in the narrative sections but are inadequately reflected or entirely missing in the Financial Statements and Accounts. As a result, these contributions are not properly counted or recognized. This is a missed opportunity because a company's value lies not only in

doing good but also in being visibly and credibly recognized for doing good, whether as CSR or under ESG frameworks or through charitable initiatives such as support to hospitals and other social causes.



Accountants can play a crucial role in ensuring that the positive impact being made in areas like environment, health, and education is measured and reported in a systematic and standardized way. For example, while the Securities and Exchange Commission of Pakistan encourages companies to report their philanthropic activities, it is not mandatory. Accountants have a special responsibility to highlight and account for these contributions. Doing so benefits companies, society, and encourages others to follow suit, enhancing transparency, credibility, and alignment with the ESG frameworks

ICMA: Countries like Pakistan contribute very little to global emissions but face some of the harshest impacts. How can climate finance be made truly fair and effective for countries in this position?

Dr. Adil Najam: It is true that developing and less industrialized countries, such as Pakistan, emit far less than countries that have been industrialized for a long time. It is also true that the impacts of climate change are often particularly harsh on the poorest people living in these countries. We have seen this in the recent floods of 2022 and 2025 in Pakistan, in drought across Africa, and in water stress across Asia. There is a clear climate injustice built into the system where those less responsible for creating the problem are bearing its greatest costs.

When it comes to climate finance, there are two main points to focus on. At the international level, governments of industrialized countries, which are responsible for the greatest historical pollution, should be pushed to provide financing to help developing countries take the technological leap. This will reduce both current suffering and future emissions. At the same time, access to finance within countries like Pakistan is critical. Even if industries want to adopt cleaner energy or more sustainable practices, there are additional costs involved, and international assistance is needed to cover them.

However, the available climate finance is limited compared to the global need. Developing countries must also focus on protecting their own people from the immediate impacts of climate change. Floods, heatwaves, and poor air quality affect people differently within the country. Wealthier individuals who lead more resource-intensive lives, emit more, so domestic differences in emissions must also be considered.

In short, internationally we should push for the highly industrialized countries to provide more financing, while domestically, we must use available resources to reduce the harmful effects of climate change for our population. This includes, for example, designing better cities, providing shade in Karachi, controlling floods along the Indus, and creating breathable air in Lahore and other urban areas.

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ICMA: The World Wildlife Fund promotes nature-based solutions globally. How can these approaches attract more investment while also delivering real benefits to local communities?

Dr. Adil Najam: This is very important because we are living in the age of climate change. It is not a distant future; it is happening now. In addition to reducing emissions, we must also prepare for the impacts of climate change. Nature-based solutions are particularly critical in this context.

One obvious nature-based solution is planting trees, but there is a large number of other ecosystem and nature-based solutions that must be harnessed. These solutions leverage the bounty of nature to create a healthier environment instead of working against it. However, human activity has disrupted nature's balance, making such solutions especially important for countries like Pakistan.

Nature-based solutions also directly benefit local populations, particularly indigenous and vulnerable communities. For example, floods in Pakistan are not only caused by rainfall, melting glaciers, monsoons, and cloudbursts, but the resulting disaster is amplified by the state of both built and natural infrastructure. Nature-based solutions can address these challenges by restoring and maintaining natural ecosystems.

The key idea is to consider natural capital — water, soil, and air — as we do economic capital, using it as a partner in achieving positive environmental change. From planting trees to cleaning water and recharging underground aquifers, nature-based solutions improve resilience and sustainability.

They are particularly important because the majority of vulnerable Pakistanis depend directly on natural resources for their livelihoods. Nature should not be seen as opposing economic development or human well-being, but as a critical partner in sustainable development.

ICMA: ESG is often compliance-focused. How can it deliver real environmental and social impact in developing countries like Pakistan?

Dr. Adil Najam: Over the past three decades, our understanding of Corporate Social Responsibility (CSR) and how businesses interact with the environment has evolved significantly, including in the evolution of Environmental, Social, and Governance (ESG) standards. CSR was often about doing whatever a company could as a voluntarily approach. ESG, if implemented correctly, is more structured and target-oriented. Companies set specific ESG targets, measure their performance against them, and integrate these targets into their business strategy, just like they do with profit or production goals. ESG discussions largely originated from businesses themselves, emphasizing accountability and measurable impact.

One challenge arises when companies set ESG targets superficially or use them as slogans. This creates a gap between what is promised and what is delivered, which invites criticism. Good ESG, however, should drive meaningful strategic conversations at the Board and Executive levels, leading to achievable yet ambitious targets that enhance both sustainability and business performance. The key is to approach ESG as a strategic tool, not just a compliance or a marketing exercise. When done right, ESG can create opportunities for both environmental progress and corporate growth.

ICMA: Based on your global experience, what bold climate finance ideas could Pakistan adopt to build resilience quickly?

Dr. Adil Najam: At one level, the right climate finance actions depend on the specific realities of countries and even individual companies. However, if we focus on bold ideas, I would highlight three main points. First, we should examine mistakes in the current financing model. Often, we view climate finance only as new funds coming in for climate action. But sometimes the greatest impact comes from stopping harmful financing practices. A clear example is subsidies that encourage environmentally harmful behaviors. One bold step is to identify and remove these distortions from the financing system.

Second, Pakistan should recognize and support climate financing already happening at the individual and corporate levels. Many ordinary people invest their own savings in renewable energy solutions, such as solar



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panels, because conventional energy has become too expensive. Over the past two decades, many manufacturers have also shifted to producing their own renewable energy. Smart climate finance should focus on rewarding such positive actions rather than incentivizing harmful practices.

Third, Pakistan has not fully utilized available international climate finance. Compared to similar countries, Pakistan lags in accessing global financing from multilateral financial institutions, infrastructure financing bodies, and other international sources. While access can be challenging, stronger partnerships and coordinated efforts between government, businesses, and financial institutions can significantly improve Pakistan's ability to mobilize these resources.

ICMA: How can young leaders and local communities take the lead in driving climate action and ESG initiatives?

Dr. Adil Najam: The two groups you have mentioned, young people and local communities, are the most important actors in climate action. Young people matter deeply in these discussions because they are the ones who will live with the long-term realities of climate change. It is therefore essential to give young people meaningful opportunities to engage in climate action. They can become drivers of innovation, particularly through new technologies and creative approaches to problem solving.

Local communities, on the other hand, are on the front lines of climate change. They are the first to experience floods, droughts, and heatwaves. Any effective climate or ESG strategy must therefore prioritize their wellbeing and livelihoods, particularly those of the poorest and most vulnerable groups. We must learn to look at nature and people together, and in doing so must focus first and foremost on the most vulnerable.

Bringing these two forces together creates a powerful and practical pathway toward climate resilience and sustainability.

ICMA: How can South Asia achieve economic growth while keeping social fairness and environmental protection at the core of ESG?

Dr. Adil Najam: South Asia as a region aspires to economic prosperity, yet we are arriving at this stage later than other parts of the world, such as Europe or the United States, which reached similar levels of development many decades earlier. The pressing question is whether we can chart a path that avoids the errors of the past. Can we use the lessons learned by others to leapfrog ahead? I believe we can.

Take, for instance, the adoption of mobile technology. Rather than reinventing the wheel, countries like ours were able to embrace this innovation without enduring the prolonged trial-and-error processes experienced by the original innovators. Similarly, advances in governance, technology, and strategic ideas offer opportunities to bypass outdated practices and accelerate progress. China's rapid development in our neighborhood provides a compelling example of the power of leapfrogging.

For South Asia, and Pakistan in particular, the imperative is not to replicate the developmental trajectories of others but to assimilate their experiences and ascend directly to a more sustainable trajectory. While this is undoubtedly challenging, it also presents a remarkable opportunity. If executed wisely, we can achieve robust economic development while embedding environmental sustainability and social equity at the very core of our development agenda.

ICMA: Is Pakistan doing enough to tackle climate change and protect the environment? What recommendations would you give the Ministry of Climate Change, especially given the recurring floods?

Dr. Adil Najam: I think, like many countries, Pakistan is doing some things well, and there are many areas where we can do better. Some of the challenges relate to costs and capacity. We should acknowledge and celebrate what is working, while also being willing to change what is not.

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When it comes to climate change, much of what happens globally is beyond Pakistan's control. What is within our control is our own emissions and, more importantly, our ability to adapt. These areas deserve greater attention. This means two things. First, we should try to leapfrog by avoiding the mistakes others have made. Second, adaptation must be a priority for Pakistan. We need to focus on how local communities and the country as a whole deal with climate impacts so that we are better prepared. For example, we may not be able to prevent floods, but we can certainly reduce the destruction they cause through better adaptation measures.

Most importantly, we must turn environment into a 'desi' issue. Our development pathway should be greener not because the world expects it, but because it is in the best interest of the Pakistani people. Pollution is not an external or foreign issue. It is a domestic problem that directly affects our health, livelihoods, and quality of life. The real goal of environmental policy should be to improve the lives of Pakistanis, keeping people at the center of all decisions.

Many of the challenges we discussed, including ESG, are ultimately accounting questions. How do we measure progress, how do we value resources, and how do we know whether goals are being met? Without proper accounting, real impact remains invisible. This is where accountants can help.

The Editorial Board thanks Dr. Adil Najam, President of WWF International & Dean Emeritus and Professor of International Relations and Earth and Environment, Frederick S. Pardee School of Global Studies, Boston University for sparing his precious time to give an exclusive interview for Chartered Management Accountant Journal.