

MEDIA COVERAGE



Knowledge Brief

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Unlocking Climate Finance: Potential Carbon Credits from Renewable Energy

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Web Coverage

The Nation

<https://www.nation.com.pk/17-Feb-2025/expanding-off-grid-re-could-boost-pakistan-s-carbon-credit-earnings-up-to-dollar-43m-annually>

Pakistan Observer

<https://pakobserver.net/pakistans-renewable-energy-sector-can-earn-billions-in-climate-finance/>

Daily Times

<https://dailytimes.com.pk/1266248/pide-vc-calls-for-decisive-action-to-integrate-renewable-energy-with-carbon-credit-markets/>

APP Pakistan

<https://www.app.com.pk/business/pide-vc-calls-for-decisive-action-to-integrate-renewable-energy-with-carbon-credit-markets/>

Islamabad Post

<https://islamabadpost.com.pk/pakistans-renewable-energy-boom-unlocks-billions-in-climate-finance-pide/>

Samaa Urdu

<https://urdu.samaa.tv/2087330209>

MSN

<https://www.msn.com/en-xl/asia/pakistan/pakistan-s-renewable-energy-boom-unlocks-billions-in-climate-finance-pide/ar-AA1zdjju>

The Asian Telegraph

<https://theasiantelegraph.global/?p=25437>

UrduPoint

<https://www.urdupoint.com/en/business/pide-vc-calls-for-decisive-action-to-integrat-1925274.html>

<https://www.urdupoint.com/daily/livenews/2025-02-16/news-4334221.html>

Pro Pakistani

<https://propakistani.pk/2025/02/17/pakistans-renewable-energy-boom-can-unlock-billions-in-climate-finance-pide/>

Centreline

<https://centreline.com.pk/2025/02/16/pakistans-renewable-energy-boom-unlocks-billions-in-climate-finance-pide/>

Khabarwalay

<https://khabarwalay.com/2025/02/16/pakistan-can-tap-carbon-markets-for-millions-says-pide/>

Voice of Melange

<https://voiceofmelange.global/?p=23592>

Expanding off-grid RE could boost Pakistan's carbon credit earnings up to \$43m annually

FAWAD YOUSAFZAI
ISLAMABAD

Pakistan's renewable energy boom can unlock billions in climate finance, as country's carbon credit earnings can be increased to up to \$43 million annually by expanding off-grid renewable energy (RE).

Transitioning to clean energy sources presents a promising avenue for Pakistan to both mitigate carbon emissions and strengthen its economic prospects, said Pakistan Institute of Development Economics (PIDE).

PIDE has released a knowledge brief, "Unlocking Climate Finance: Potential Carbon Credits from Renewable Energy," highlighting how Pakistan can generate revenue while combating climate change by tapping into global carbon credit markets.

By leveraging solar energy sources and participating in carbon credit markets, Pakistan can not only earn revenue but also significantly reduce its carbon footprint. The potential revenue from the current RE

production in Pakistan is about \$21.5 to 43 million, the report said. Expanding solar energy generation would amplify these benefits significantly. If Pakistan were to annually increase its RE capacity by an amount equal to the current level, the country could potentially se-

emissions, such as RE projects, reforestation, or energy efficiency initiatives.

Renewable energy is the opportunity for Pakistan to reduce carbon emissions, lower electricity costs, alleviate power shortages, and enable the sale of Certified Emission

Transitioning to clean energy sources presents a promising avenue for Pakistan to both mitigate carbon emissions and strengthen its economic prospects: PIDE

Reduce carbon credits worth \$21.5 to 43 million each year, a fundamental aspect of Pakistan's energy transition for a greener and sustainable future and ensuring a better tomorrow for future generations.

A carbon credit is a tradable certificate representing the right to emit. These credits are generated through activities that reduce, avoid, or sequester

Reductions (CERs) in the international market. According to NEPRA, currently, only 4.58% of total electricity generation is coming from renewables, highlighting substantial room for growth in this sector. Moreover, electricity generation from RE sources including solar and wind is five times cheaper than other electricity generation methods in Pakistan.

At COP-29, developed nations pledged to increase climate finance to \$300 billion annually, yet this still falls USD 1 trillion short of what is needed. This financing gap has amplified the significance of carbon markets—a mechanism where corporations and countries offset their emissions by purchasing credits from nations investing in green projects. Pakistan, with its abundant solar and wind resources, has yet to fully capitalize on this opportunity. Despite policy guidelines for carbon trading, only 4.58% of Pakistan's electricity currently comes from renewables—a stark contrast to the country's untapped potential.

According to the knowledge brief, Pakistan's solar energy potential exceeds 100,000MW annually, particularly in the Sunny Belt regions. Expanding RE and net metering could not only reduce reliance on imported energy but also unlock millions of dollars in carbon credit revenues. Consumers in Pakistan already export approximately 481,863 MWh of

solar electricity to the national grid. Given an emission rate of 1 ton of CO₂ per MWh, this equates to 475,840 tons of CO₂ avoided annually—a potential revenue of USD 6.1 million at a conservative carbon price of USD 12.90 per ton. Future projections suggest that expanding off-grid renewable energy could increase earnings to between \$21.5 million and \$43 million, depending on market pricing mechanisms. With scaled-up investments, these figures could grow exponentially.

The knowledge brief urges policymakers, investors, and energy stakeholders to accelerate renewable energy adoption to maximize carbon credit revenues, strengthen carbon credit verification systems to meet international standards, and align with global carbon trading frameworks to secure Pakistan's position in the international carbon market. With the right policies, Pakistan can transform its energy landscape, attract climate finance, and ensure long-term economic resilience.



February 17, 2025

PIDE VC calls for decisive action to integrate renewable energy with carbon-credit markets

ISLAMABAD: Newly appointed Pakistan Institute of Development Economics (PIDE) Vice Chancellor Dr Nadeem Javaid, while sharing his vision to position climate finance as both an environmental necessity and an economic imperative, on Sunday called for immediate and decisive action to integrate renewable energy with carbon credit markets.

"Climate change is no longer a distant threat but a present reality. The recent climate-induced disasters in Pakistan highlight the direct link between environmental security and economic resilience. We must adopt bold policies and strategic investments to harness our vast renewable energy potential," he said, according to a PIDE news release.

He said Pakistan stood at a pivotal moment in its fight against climate change, with an opportunity to transform its renewable energy sector into a revenue-generating powerhouse.

In line with this vision, PIDE has released a groundbreaking knowledge brief, "Unlocking Climate Finance: Potential Carbon Credits from Renewable Energy," authored by Muhammad Faisal Ali, Research Fellow at PIDE, and Usama Abdul Rauf, Research Associate at RASTA.

The brief highlights how Pakistan can generate revenue while combating climate change by tapping into global carbon credit markets.

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February 17, 2025

Pakistan's Renewable Energy Boom Unlocks Billions in Climate Finance: PIDE

■ DNA

ISLAMABAD

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Expanding renewable energy and net metering could not only reduce reliance on imported energy but also unlock millions of dollars in carbon credit revenues. Consumers in Pakistan already export approximately 481,863 MWh of

solar electricity to the national grid.

Given an emission rate of 1 ton of CO₂ per MWh, this equates to 475,840 tons of CO₂ avoided annually—a potential revenue of USD 6.1 million at a conservative carbon price of USD 12.90 per ton. Future projections suggest that expanding off-grid renewable energy could increase earnings to between USD 21.5 million and USD 43 million, depending on market pricing mechanisms.

With scaled-up investments, these figures could grow exponentially. The knowledge brief urges policymakers, investors, and energy stakeholders to accelerate renewable energy adoption to maximize carbon credit revenues, strengthen carbon credit verification systems to meet international standards, and align with global carbon trading frameworks to secure Pakistan's position in the international carbon market.

With the right policies, Pakistan can transform its energy landscape, attract climate finance, and ensure long-term economic resilience. As Dr. Javaid reaffirmed, "PIDE remains committed to providing data-driven policy solutions that align with sustainable development goals and secure Pakistan's energy future."

Pak's renewable energy boom unlocks billions in climate finance

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The Frontier Post

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"With the right policies, Pakistan can transform its energy landscape, attract climate finance, and ensure long-term economic resilience," it added.

In line with vision of the VC, PIDE said it remained committed to providing data-driven policy solutions that aligned with sustainable development goals and secured Pakistan's energy future. APP

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 **Commerce Desk**

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