



COP28 AND PAKISTAN'S ENERGY TRANSITION

Maha Kamal

This December, over 50,000 people are expected to gather in the financial capital of the Middle East, Dubai, for the first ever global stocktake. The 28th UN Climate Change Conference of the Parties, or COP28¹, is poised for climate actors from all around the world - world leaders, non-government representatives, the private sector and other stakeholders, to once again deliberate on the promises that countries made under the Paris Agreement 2015, but this time, take inventory on climate action and develop a stronger climate action plan.

The Vision2 that is central to COP28 is as follows:

- Fast-tracking the energy transition and slashing emissions before 2030
- Transforming climate finance, by delivering on old promises and setting the framework for a new deal on finance
- Putting nature, people, lives and livelihoods at the heart of climate action
- Mobilising for the most inclusive COP ever

For Pakistan, a country that has consistently featured in the top ten³ countries at the most risk of climate change, but emits less than 1%⁴ in global greenhouse gas emissions, climate change is an existential threat. The keywords for Pakistan from COP28 are energy transition, climate finance, lives and livelihoods and inclusion. However, climate change is the umbrella to

Pakistan's other growing security concerns around energy, water and food.

The Energy Security question is, of course, a question of economic growth. After all, the fifth most populous country in the world needs a pathway to sustainable development. This is contingent on a reliable, affordable and sustainable supply of energy, the classic energy trilemma⁵. Global geopolitics unveiling the fractures of traditional global energy supply, most recently amidst the Russia-Ukraine war and the shocks to global energy markets. This is in the face of the deepening consensus on the fact that fossil fuels are the largest driver of greenhouse gas emissions, and 90% of all carbon dioxide emissions⁶. This means that the global dependency on traditional sources of energy: coal, oil and gas is not only unsustainable in the environmental sense, it also remains unsustainable in the economic sense.

¹UNFCCC, 2023. <https://unfccc.int/cop28>

²UNFCCC, 2023. https://unfccc.int/sites/default/files/resource/COP28_Letter_July_2023_1.pdf

³German Watch, 2022. Global Climate Risk <https://www.germanwatch.org/en/cr>

⁴GOP, 2021. <https://unfccc.int/sites/default/files/NDC/2022-06/Pakistan%20Updated%20NDC%202021.pdf>

⁵World Energy Council, 2021. <https://www.worldenergy.org/transition-toolkit/world-energy-trilemma-index>

⁶UN, 2023. <https://www.un.org/en/climatechange/science/causes-effects-climate-change#:~:text=Fossil%20fuels%20%E2%80%93%20coal%2C%20oil%20and,they%20trap%20the%20sun's%20heat.>

For a developing economy like Pakistan, the energy crisis has loomed its ugly head consistently because of an unhealthy dependency⁷ on oil and natural gas. Not only has this exposed the energy sector to the risks of volatility in global energy markets, but it has also contributed to unaffordable primary energy at the source. This unaffordable energy is then subsidised by an economy that is already in crippling debt.

The answer may lie in swimming with the tide of the global clean energy transition. Pakistan has immense potential for renewable energy. The World Bank⁸ estimated that if less than 1 percent of Pakistan's land mass was used for solar photovoltaic (solar PV) generation, the current electricity demand would be met. Similarly, Pakistan has a high potential for wind energy with some wind corridors averaging wind speeds of about 8 m/s. Run of the river hydropower, geothermal and other renewable energy sources also show promise. Alongside new renewable energy capacity, energy efficiency will need to take centre stage to ensure that the energy trilemma is targeted fully.

In its quest to contribute to global mitigation of climate change, Pakistan committed to 60% renewable energy and 30% electric vehicles by 2030 in its updated Nationally Determined Contribution (NDC) 2021⁹. It also made a pledge to ban imported coal. The document was careful to point out that 35% of this figure is in fact 'conditional', contingent on mobilising international sources of finance. A clean energy transition for Pakistan comes with its costs, with estimates showing an upwards of USD 101 billion¹⁰ by 2030. The World Bank¹¹ placed its estimate to USD 348 billion for Pakistan's adaptation, resilience and decarbonisation.

Access to international climate finance is then critical for Pakistan to achieve a clean energy transition. Developing effective climate policy instruments, such as Carbon Markets as per Article 6 of the Paris Agreement is also key. Mobilising the private sector towards a shared goal of sustainability and climate action too may also be crucial for sustainability.

With clear goals of Pakistan's climate ambition, over the last few years, the Ministry of Climate Change has been developing a system for Monitoring, Reporting and Verification (MRV), a national carbon registry and an Emissions Trading System (ETS) framework. The Ministry is committed to the vision of a vibrant carbon market domestically, linked to international carbon markets. Pakistan also launched its first green bond in 2021, and is exploring other avenues in the international capital markets.

Transnational financing in support of the clean energy transition is an important agenda item for Pakistan's COP28 delegation. Pakistan is also looking towards Just Energy Transition Partnerships (JETP) which aim to accelerate decarbonisation in developing countries while taking measures to mitigate social costs.

At the heart of it, climate change is a complex global issue that requires multilateral solutions. The Clean

Energy Transition is a piece of the puzzle. For Pakistan, the road ahead may be long and arduous and require getting our house in order. This means that while it is important to look towards multi-stakeholder collaborations in the hopes of accessing international climate finance, there are important lessons to be learned from across Pakistan's policy space.

First, countries that develop a clear roadmap for the clean energy transition, and then clearly communicate a plan of action, have greater success in accessing climate funds. This was true of the first Just Energy Transition Partnership with South Africa which first sought pledges on the basis of a clear case of climate action at COP 26, and then communicated a robust implementation plan with actionable goals.

Second, climate change is a multi-sectoral issue that affects all ministries and departments, and cannot be viewed with just one hat on. Whether it is the just transition demanding clear targets for diversity, equity and social inclusion (DESI), or the design of a new climate bond, the nature of climate action is such that it demands effective coordination between departments and ministries. Local, provincial, national and international levels will need increasing levels of knowledge sharing and capacity building.

Third, the energy transition needs to be a just transition. The mistakes made in the fossil-fuel dependent energy crisis have widened disparities on the grounds of gender, class and other socio-economic factors. The clean energy transition will involve policy insights from front-line communities and local knowledge.

Last, clarity in vision will be the way forward for a cleaner energy future.

⁷GOP, 2023. https://www.finance.gov.pk/survey/chapters_23/14_Energy.pdf

⁸World Bank, 2020. <https://www.worldbank.org/en/news/feature/2020/11/09/a-renewable-energy-future-for-pakistans-power-system>

⁹Ibid.

¹⁰GOP, 2021. <https://unfccc.int/sites/default/files/NDC/2022-06/Pakistan%20Updated%20NDC%202021.pdf>

¹¹World Bank, 2022. <https://openknowledge.worldbank.org/entities/publication/614ddc2b-ca31-53c9-b59c-6bf12a56d336>

The author is an International Public Policy Specialist with a focus on energy and climate. She is the Co-Chair of Women in Energy Pakistan. She was a Chevening Scholar at Queen Mary University of London (MSc. International Public Policy), and was at Boston University prior to that.