



FACT SHEET  
**Islamic Republic of Pakistan**

Prepared by Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan

**Republic of Pakistan** is a country situated in southern part of Asia, bordering with China and the Russian federation to the north, Afghanistan and Iran to the west and India to the east. According to the Pakistan Bureau of Statistics, the total population of Pakistan in 2017 has been estimated to be 207,774,520.<sup>1</sup> The surface area of Pakistan is equivalent to 796.1 km<sup>2</sup> and its capital is Islamabad. Pakistan is a diversified country in terms of culture, landscape, and climate. To the north of Pakistan is the highest mountain system of the world, having its harsh climate. To the west are the fertile plains of Indus valley. While to the western and southern part exist the streaming deserts. Within its borders situate the Arabian Sea, which moderates the climate of its southern parts. As represented in Figure 1, Pakistan's CO<sub>2</sub> emissions raised to 0.8 metric tons per capita in 2013, and regarding its GDP, as shown in Figure 2, Pakistan reached 283,659,980.70 US \$ in 2016.

**Figure 1: CO<sub>2</sub> emissions (metric tons per capita) and Figure 2: GDP (current US\$)**

Figure 1

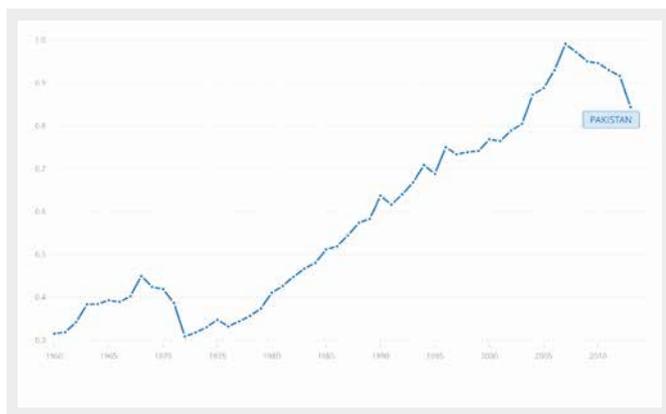
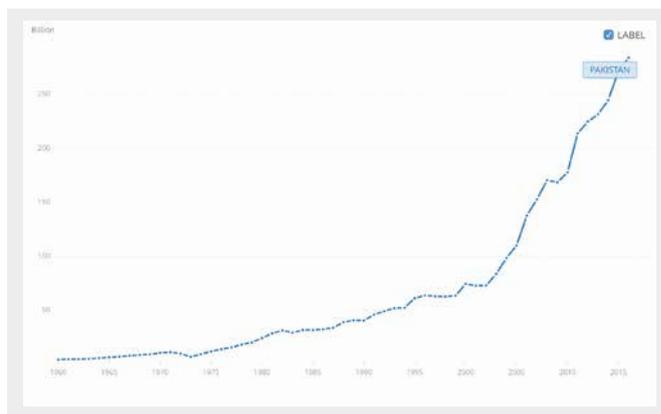


Figure 2



<sup>1</sup> Source is the Pakistan Bureau of Statistic based on the population census from 2017; see also <http://www.pbscensus.gov.pk/>

<sup>2</sup> Based on World bank data; see also [http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report\\_Name=CountryProfile&Id=b450fd57&tbar=y&idd=y&inf=n&zm=n&country=PAK](http://databank.worldbank.org/data/Views/Reports/ReportWidgetCustom.aspx?Report_Name=CountryProfile&Id=b450fd57&tbar=y&idd=y&inf=n&zm=n&country=PAK)

Figure 3: Pakistan Map<sup>3</sup>

Map No. 4181 Rev. 1 UNITED NATIONS  
January 2004

Department of Peacekeeping Operations  
Cartographic Section

<sup>3</sup> <http://www.un.org/Depts/Cartographic/map/profile/pakistan.pdf>



## 1. Nationally-Determined Contributions (NDCs)

### A. NDC Targets

Mitigation Target: 20% by 2030 per BAU Baseline. 41.01% of the reductions will come from the energy sector.

Adaptation objectives :

- Improving the irrigation system through actions such as lining of canals and irrigation channels
- Integrated watershed management
- Development and optimization of water resource allocation
- Strengthening risk management system for the agriculture sector
- Implementing a comprehensive Climate Smart Agriculture program
- Building climate-resilient infrastructure with focus on improved and safe operation of water-related infrastructure and better management of transport operations and energy transmission.

### B. NDC Funding Requirements and Gaps

Level of Reduction in GHG Emissions by 2030	Investment Required (US\$)
20%	40 billion
15%	15.6 billion
10%	5.5 billion

The mitigation target is subject to availability of international grants to meet the total abatement cost for the indicated 20 percent reduction amounting to about US\$ 40 billion at current prices. Pakistan's adaptation needs range between US\$ 7 to US\$ 14 billion/annum during this period

## 2. Climate Finance Stakeholder Mapping

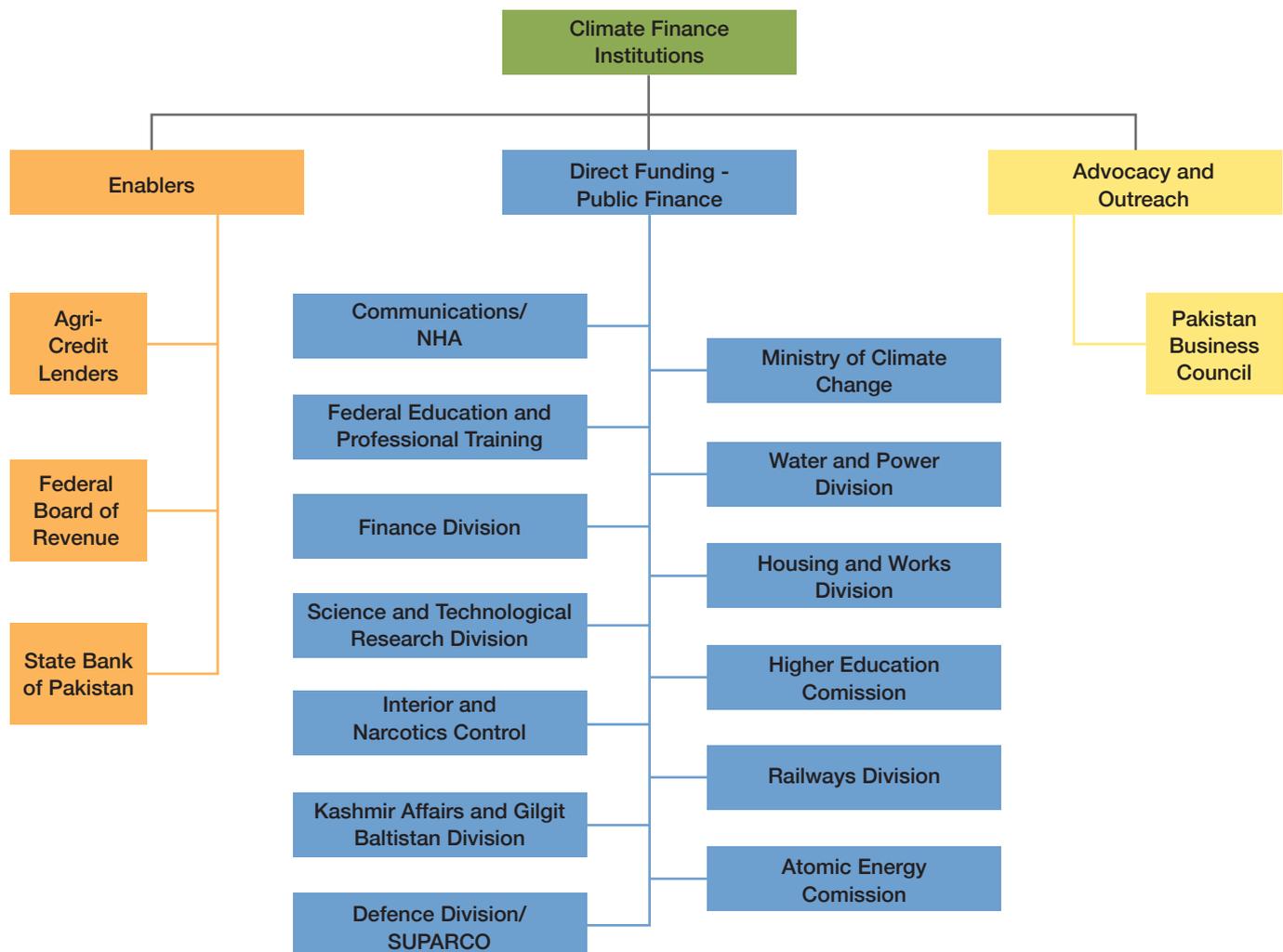
### A. Mapping of National Institutions and Actors involved in Climate Financing

In Pakistan, different institutions and actors are involved in climate financing in different capacities. Public sector is involved as the direct financier of the low carbon climate resilient development. Public sector expenditure is divided into current and development expenditure. The projects initiated through development expenditure has direct bearing on low carbon development. The focal agency for doing so is the Ministry of Climate Change. For the fiscal year 2017-18, Government of Pakistan announced a development budget of Rs. 1,001 billion. In it, Rs. 815 million have been allocated for climate change schemes. As a proportion of overall development budget, it is very low. However, if one looks at the developmental expenditure allocated for food security, water and power, water conservation, they all contribute to climate change adaptation or mitigation.



In addition of direct financing by public sector, the role of enablers is also very important. State Bank of Pakistan is one such institution that has devised Green Banking Guidelines (GBGs) and also launched a Renewable Energy Refinance Scheme. Through GBGs, SBP seeks to provide enabling environment to the private sector for undertaking climate friendly investments. Federal Board of Revenue is also an enabler which has given rebates and exemptions in the Income Tax Ordinance as well as Sales Tax Act for expenditures on renewable energy undertakings.

Pakistan Business Council plays its role in climate financing on advocacy front. It encourages the private sector towards climate change related investments through awareness and outreach tools.



The above map shows institutions involved in climate change related initiatives. The institutions that are part of the Direct Funding group have been taken from the Climate Public Expenditure and Institutional Review (CPEIR) Report, 2015 published by UNDP Pakistan. It has listed the institutions according to the climate change related expenditures that may fall in the following themes:

- i. Adaptation or A/M (Examples: Water management, Risk management, Legislative framework, Capacity enhancement, etc.)
- ii. Mitigation or A/M (Examples: Clean energy technologies, Aviation and Railways, Research and development, Policies and regulations formulation, etc.)
- iii. Supporting Areas (Examples: Institutional mechanisms, Educations, Awareness raising, etc.)



## B. Role of Central Bank

**State Bank of Pakistan (SBP)** is the national financial regulatory authority who regulate, supervise, examine and investigate the financial services sector (including banking). It draws its genesis from the State Bank of Pakistan Act 1956, responsible for regulating the monetary and credit system of Pakistan in a proactive manner and to foster its economic growth with finest national interest in view of securing Pakistan's monetary sustainability with better utilization of the country's resources. There are two main subordinates of SBP to enhance its functions; the first one is SBP- **Banking Services Corporations (SBP-BSC)** which is recognized under the SBP-BSC Act 2001 and responsible for different functions, i.e. it handles sales and purchase of saving instruments, monitoring of currency and credit management, foreign exchange operations, collect revenues and clear their payments on behalf of the government. It also manages the public debt. The second one is the **National Institute of Banking and Finance (NIBAF)** which is responsible for conducting training in different departments of SBP and it is also responsible for conducting training on international courses with the collaboration of government of Pakistan in commercial and central banking system. In 2016, according to pro-poor budgetary expenditure, SBP spent on calamities and disaster approximately 0.1% of GDP while the amount spent on total budgetary expenditure is about 3.8% of GDP in the year 2016 ("SBP Annual Reports," 2015-16)

SBP has taken the lead to promote green banking finance. In 2013, SBP proposed a **Green Banking Unit/Sustainable Banking Unit** in central bank. The major purpose of this unit was to promote environmental friendly practices in banks in their operational activities. There are four major functions of this unit i.e. lending to environment friendly projects, promote efficient utilization of energy resources, promote paper less banking, and introduce green branches. SBP plays a vital role in promoting climate investment as well as for sustainable development in the country. To increase the capacity building of their employees; SBP provides the facility of workshops and seminars. They have proposed Green Banking Guidelines for all banks in Pakistan and DFIs to invest in green projects/environmental friendly projects.

## 3. Enabling Policy Framework

- **State Bank of Pakistan Refinance Scheme for Renewable Energy 2009.** With a view to meet the growing electricity demand and to promote renewable energy projects in the country SBP decided to provide financing for establishment of new Power Projects Using Renewable Energy with a capacity of up-to 10 MW. Sponsors of power projects can avail financing facility through banks/DFIs for new imported and locally manufactured plant, machinery and equipment. Preference is given to projects being established in the less developed areas of the country.
- **The National Climate Change Policy of 2012** provides a framework for addressing the issues that Pakistan faces or will face in future due to the changing climate. This covers policy measures to address issues in various sectors such as water, agriculture, forestry, coastal areas, biodiversity and other vulnerable ecosystems
- **Pakistan Climate Change Fund** established in 2017 under the Climate Change Act of 2017.
- The **Framework for Implementation of Climate Change Policy (2014-2030)** was developed as a catalyst for mainstreaming climate change concerns into decision making that will create enabling conditions for integrated climate compatible development processes.
- **Zarai Taraqati Bank Limited**, as the flagship Development Finance Institution of Pakistan, helps build adaptive and mitigation capacities of agriculture sector. It reschedules & restructures Loans in Disaster/Climate Hit Areas and extends credit facilities to enable the farmers of Disaster/Climate Hit Area to sustain their agricultural activities/livelihoods. It also provides Crop Loan Insurance against disasters/calamities for five major crops (Wheat, Cotton, Sugarcane, Rice, Maize) and Live Stock Insurance up-to 10 animals.

It recently completed a project of cultivating soya bean in 100 acres Thatta, Sindh. As the cropping pattern has changed, the farmers have a room of one and half month to sow and harvest soya bean before sowing wheat. Soya bean crop has enormous potential of fixing organic matter in the soil.