Unlocking financing for climate action in Pakistan

Pakistan represents a 'special case' for climate resilient development and disaster risk reduction needs

Bilal Anwar October 15, 2022

The writer represents the National Disaster Risk Management Fund

The 2022 flood devastation has galvanised two paramount questions in the country. One, why has Pakistan to bear the brunt of the adverse impacts of global carbon emissions despite being an infinitesimal contributor? Two, should Pakistan bear the costs of damages from climate-induced disasters?

Both are vital questions and will be addressed here and in subsequent interlinked topics lined up in this space. We need to see what the international climate policy and climate action financing agreements prescribe for this rather peculiar situation.

Current climate challenges are the cumulative outcome of aggressively pursued industrialisation-led, energy intensive economic growth of economically advanced countries — causing damagingly soaring concentration of carbon emissions with climatic impacts for the rest of the world.
Probably the best way to understand how severe this historically orchestrated current carbon inequality is to know the global distribution of carbon emissions. Data shows global emitters (771 million individuals) emitting on average 31 tons of carbon per person per year accumulating to about 48% of total global emissions; whereas, the bottom 50% — a staggering 3.8 billion individuals, comprising primarily global south — emitting on average 1.6 tons responsible for merely 12% of all global emissions in 2019. Even more revealing is the fact that top 1% individuals representing higher echelons of western countries emitting on average 110 tons contributing 17% of all emissions per year. (Source: Global Carbon Inequality — Global Inequality Report, 2021)

In this grave global carbon inequality map, Pakistan lies at the lower rungs of bottom 50% of emitters where per person emissions have marginally risen from 1.2 tons to 1.6 tons on average from 1990 onwards. This intensifies the ongoing debate that Pakistan, like many other developing countries of the world, has absolutely no role in making of this mess but its people and economy are suffering well beyond its coping capacities.

Projections show that Pakistan's overall emissions are likely to increase 64% by 2030. However, on comparative basis, Pakistan will remain a low carbon emitter and its per head emissions will continue to remain marginal contribution to the fast depleting global carbon budget. Besides, Pakistan already committed to cut down its carbon emissions up to 50% by 2030 subject to access and availability of adequate financing from international climate finance mechanisms.

This brings us to the critical question of how Pakistan can unlock required financing to deal with the ongoing disaster and also to finance its future climate action campaign. While it is uncomfortably apparent that Pakistan represents a 'special case' for climate resilient development and disaster risk reduction needs. But experience shows that international funding does not readily translate into effective prioritisation or allocation of funds to most deserving countries and places; nor does Pakistan seem institutionally tuned to the intricate eligibility and compliance requirements of multilateral and bilateral donors to invest in programmatic approaches through embedded financial models.

Lately, compelling demands have voiced up, justifying moral obligations of Western nations to financially compensate the damages of the ongoing floods which have so far been estimated at $30 billion. A number of international climate policy and financial mechanisms and instruments may be accessible. Cashing out project-based financing from Green Climate Fund and dedicated climate investment funds for reconstruction of public infrastructure is the most obvious first step. Claiming compensations from the international mechanism of loss and damage and exploring financial options for nature to debt swap demands are also viable but demands strong diplomatic lobbying and petitioning. Additionally, carbon financing, as one of the viable climate mitigation and investment options, could be promising. It largely depends on how well we present our case and have the doable projects and programmes ready to conceive and implement. Some institutional readjustments will be imperative for making this happen.

Published in The Express Tribune, October 15th, 2022.

https://tribune.com.pk/story/2381574/unlocking-financing-for-climate-action-in-pakistan