

# Pakistan

## General Information

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### ETS Description

Pakistan is considering market-based climate policy instruments, including an ETS, to tap into low-cost abatement opportunities and leverage low-carbon investments. The Ministry of Climate Change and Environmental Coordination (MoCC&EC) has received support from the UNFCCC and the World Bank in developing a MRV roadmap, establishing a domestic ETS framework, and in building a communication strategy for carbon pricing. The ongoing work on establishing a registry and MRV system has progressed to the implementation phase. The MoCC&EC has received support from World Bank and Climate Action Data Trust to develop a national carbon registry. After a series of technical discussions, the registry has been customized for Pakistan and is expected to be launched soon.

The 2017 “Pakistan Climate Change Act” provides the legal and institutional framework for climate policy in Pakistan. It establishes the cross-ministerial Pakistan Climate Change Council, responsible for the country’s overall climate strategy, as well as the Pakistan Climate Change Authority, which is tasked with coordinating climate policy development and implementation, in addition to designing and establishing a national registry and database on GHG emissions. In 2019, the MoCC&EC, in cooperation with the UNFCCC secretariat and the Institute for Global Environmental Strategies, published a study on carbon pricing which underlined the potential for emissions trading in Pakistan in the power and industrial sectors.

Following the outcomes of the study, Pakistan launched the National Committee on Establishment of Carbon Markets (NCEC) in December 2019, which coordinated ministerial activities on carbon pricing. Among other responsibilities, the one-year committee was tasked with assessing the role and scope of carbon markets in delivering Pakistan’s NDC and identifying opportunities for and challenges to improving emissions data. The NCEC reviewed existing carbon market designs, deliberated with national stakeholders, and coordinated information-sharing and capacity-building activities. The MoCC&EC is currently advancing the work in these areas under the World Bank’s PMI program where the initial mapping exercise has led to the implementation of activities contributing to four broad outcomes. The country will initiate work on: 1) domestic carbon pricing policy; 2) international carbon market to operationalize Article 6; 3) MRV framework; and 4) knowledge management/capacity building under the current support in next five years.

Besides a domestic ETS, Pakistan aims to launch credit-based trading mechanisms linked to international carbon markets, which would enable it to supply offset credits to partner countries. Policy guidelines are being drafted to provide a roadmap for carbon trading in international markets. This includes the guidelines for developing emission reduction projects and protocols for corresponding adjustment. The draft policy is under review and will be presented to the cabinet for approval.

### ETS Status

under consideration

### Jurisdictions

Pakistan

## Emissions & Targets

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Overall GHG Emissions excl. LULUCF (MtCO<sub>2e</sub>)

489.9 MtCO<sub>2</sub>e (2018)

### **GHG reduction targets**

**BY 2030:** 50% below BAU including LULUCF; the first 15% below BAU is unconditional and the remaining 35% conditional on international support (NDC submitted in 2021)

## **Other Information**

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### **Institutions involved**

**Ministry of Climate Change and Environmental Coordination (MoCC&EC):** Responsible for national climate mitigation and adaptation policy.

**Pakistan Climate Change Council:** Responsible for overall climate strategy.

**Pakistan Climate Change Authority:** Tasked with coordinating climate policy development and implementation.

### **Regulatory Framework**

[Pakistan Climate Change Act 2017](#)

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