

From Climate Risk to Resilience: The Private Sector's Role on the Road to COP31

Pakistan's climate-related challenges are increasingly becoming a question of economic resilience, energy security, and international competitiveness. The [Climate Risk Index 2025](#) ranked Pakistan as the world's most affected country for 2022, with more than USD 30 billion in damage and losses, whereas the 2025 monsoon floods destroyed livelihoods, displaced people, and damaged agriculture. The losses that have been reported by the [State Bank of Pakistan \(SBP\)](#) amounted to around USD 28 billion from the 2022 floods, and projects GDP losses of 4.5–9% by 2050, with agricultural and industrial output potentially declining by up to 17% if climate action is delayed. Climate resilience, therefore, needs to be discussed not only as an environmental agenda alone; it is increasingly an investment in economic stability and development in an uncertain world, especially in the context of geopolitical tensions.

The Strait of Hormuz crisis has exposed the economic risks associated with fossil fuel dependence, while Carbon Border Adjustment Mechanism (CBAM), buyer requirements and corporate disclosure standards are tightening carbon performance requirements for exporters. Export-oriented industries are bearing high energy costs. Insufficient MRV capacity and limited access to finance also continue to be significant transition barriers.

[Pakistan's Nationally Determined Contribution \(NDC\) 3.0](#) targets a 50% reduction in greenhouse gas emissions by 2035, comprising a 17% unconditional reduction and a further 33% conditional reduction, with an estimated investment requirement of USD 565.7 billion. This is particularly critical in the current fiscal framework: the Ministry of Climate Change's [PSDP allocation](#) for 2026–27 has declined to PKR 2.478 billion, compared with PKR 3.5 billion two years earlier. In the meanwhile, the Climate Support Levy on fuel has increased to PKR 5 per litre, following approximately [PKR 48 billion](#) collected in the previous year. This situation raises important questions about how climate-related revenues can be transparently linked to resilience and transition investments and how scarce public resources can be used to crowd in private capital through first-loss guarantees, partial credit guarantees, green refinancing, project preparation and blended finance.

In the backdrop of these existing multidimensional challenges the launch of the 'Fourth Pakistan Climate Conference Report' aims to explore how Pakistan can translate climate ambition into an investable, economically credible and resilient transition, balancing mitigation, adaptation and climate resilience. Ahead of COP31, Pakistan can strengthen its proposition through better domestic delivery and a more credible investment environment, while seeking international support commensurate with its climate vulnerability and financing needs. This discussion with prominent subject experts will focus on the following objectives:

- Analyse the implications of reduced public sector allocations for ESG and sustainability under the Federal Budget, particularly for climate resilience and implementation capacity,
- Identify key priorities for COP31 for strengthening climate resilience, adaptation, mitigation, energy security and sustainable economic development,
- Explore economical mechanisms for mobilising private, concessional and blended finance for NDC 3.0 needs, and
- Identify practical recommendations for government, industries, business and development partners to strengthen climate governance, market readiness and long-term economic resilience.

Organisers:

Ms Saleha Qureshi, Lead Pakistan Industrial Decarbonization Program & Senior Research Associate, Sustainable Development Policy Institute, Pakistan

Email: saleha@sdpi.org

Dr Khalid Waleed, Research Fellow, Sustainable Development Policy Institute, Pakistan

Email: khalidwaleed@sdpi.org