

## **Annual State of Renewable Energy 2024**

### *High-Level Dialogue*

#### ***This plenary is not accepting abstracts***

### **Background**

Last year, during COP28, the first global stocktake of the Paris Agreement took place, emphasising the need for systems transformation if emissions are to be curbed. One of the central proposals - tripling Renewable Energy (RE) capacity - though not unanimously accepted - emerged as a focal point in these climate negotiations.

According to the International Renewable Energy Agency (IREA), renewables accounted for 86% of new power capacity additions in 2023. Despite this significant uptake, the distribution of these additions remains uneven across different regions, suggesting that reaching the global target of tripling renewable power capacity by 2030 remains a challenging objective (IRENA 2024). Solar PV represents nearly two-thirds of this overall capacity increase. Advancements in corporate procurements, supply chain efficiencies, and a consistent decrease in costs underscore that renewables are the most economically and environmentally viable options moving forward.

Pakistan, like many other countries globally, is committed to transitioning towards RE sources to ensure sustainable development and mitigate the impacts of climate change. The government and various stakeholders recognise the importance of mobilising adequate financial resources to achieve ambitious RE targets. However, financing remains a critical challenge in scaling up RE projects, in terms of infrastructure, technology, and capacity building.

### **Pakistan's Renewable Energy Landscape**

Since 2019, Pakistan has introduced several policy measures to support and accelerate its RE development. These include the Alternate and Renewable Energy Policy 2019, the Indicative Generation Capacity Expansion Plan (IGCEP), the National Electricity Policy, the Competitive Trading Bilateral Contracts Market (CTBCM), and the updated Nationally Determined Contributions (NDCs). However, despite the policies, the RE sector continues to face significant challenges, ranging from regulatory hurdles to financing issues. Currently, RE (excluding large hydro) accounts for less than 7% of Pakistan's total primary energy supplies and approximately 5% of its total power generation (U.S. Department of Commerce 2024).

Given these challenges and Pakistan's heavy dependency on fuel imports to meet energy demands, it is crucial to address the significant financing obstacles impeding RE growth. Developing a comprehensive roadmap to harness RE opportunities effectively is now more important than ever.

### **Scope and Objectives**

In this backdrop, a dialogue on '*Tripling Renewables and Growing Financing Needs*' is being organised. The primary objective of this dialogue is to conduct a meticulous review of the existing financing mechanisms for RE. It aims to convene national and international experts, providing a platform where policymakers, industry leaders, investors, and Civil Society Organisations (CSOs) can share knowledge, exchange ideas, and explore strategies to overcome the financial and market barriers hindering RE adoption. Furthermore, the dialogue will help enhance collaboration among stakeholders to mobilise financing for RE projects and

examine the achievements, setbacks, and emerging trends that will guide future policy decisions, industry strategies, and collaborative efforts.

### **References**

International Renewable Energy Agency (IRENA) 2024, 'Record Growth in Renewables But Progress Needs to be Equitable', Press Release, 27 March, <<https://www.irena.org/News/pressreleases/2024/Mar/Record-Growth-in-Renewables-but-Progress-Needs-to-be-Equitable>>.

U.S. Department of Commerce 2024, 'Pakistan - Renewable Energy. In Country Commercial Guide', International Trade Administration, 1 January, <<https://www.trade.gov/country-commercial-guides/pakistan-renewable-energy>>.

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