

# MONTHLY NEWSLETTER

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## 'Banking on Renewables' Recommends for Green Energy Reforms



Amid pressing challenges of climate change and growing concerns over energy sustainability, the Indus Consortium hosted an impactful event titled Banking on Renewables in Karachi. The gathering brought together prominent stakeholders, including banking sector professionals, civil society organizations (CSOs), environmental experts, and community representatives to discuss sustainable financing practices and energy transition strategies.

The event highlighted the critical role of financial institutions in mitigating environmental risks and promoting low-carbon economic growth. It explored the State Bank of Pakistan's (SBP) initiatives, such as the Green Banking Guidelines (GBGs), Environmental and Social Risk Management (ESRM) frameworks and Green Taxonomy. However, speakers emphasized the need for overcoming implementation barriers, including insufficient technical expertise and varying compliance levels across the banking sector.

Liaquat Ali, Chairman Indus Consortium, inaugurated the event with opening remarks, underscoring the importance of fostering public-private partnerships to advance renewable energy solutions. He called upon financial institutions to actively support the ongoing solar energy boom in Pakistan, highlighting its potential to reduce dependency on fossil fuels.

The first session focused on sustainable finance, with a panel moderated by Ms Laila Nisar. Panelists, including Zarak Khan, Deputy Director SME Housing & Sustainable Finance Department, State Bank of Pakistan; Rashid Azeem, Head ESG United Bank Limited; Ms Sadia Bukhari, EVP/Head Risk Management Division & Chief Green Banking Officer, Sindh Bank Ltd.; Wajih Zaman, Head of Operational Risk, Green Banking, Soneri Bank Ltd; Muhammad Mustafa Amjad, Director Programs Renewable First; Dr Khalid Waleed, Research Fellow, Sustainable Development Policy Institute, and Dr Raza Ali Khan, Former Chairman, Dept. of Economics and Management Sciences, NED University of Engineering and Technology explored strategies for enhancing ESRM implementation. They said that the process was slow in the implementation of the Green Banking Guidelines, which would be swift in the green taxonomy regime in coming days.

Panelists said that there were some challenges in the implementation of these mechanisms as private banks had not formulated their own guidelines. The process was slow but there would be swift development in coming days, they said.

Environmental experts emphasized the significance of engaging communities and CSOs to ensure equitable access to green financing.

## Study on Socio-economic Impacts of Gas Infrastructure Launched



'Banking on Renewables' also marked the launch of two significant research studies. Dr. Aamir Jahan Khan from CBER, IBA Karachi presented findings on the socio-economic and environmental impacts of Pakistan's expanding Liquefied Natural Gas (LNG) sector. Dr. Majid Ali from NUST shared insights on the politico-economic challenges associated with the country's gas sector. Both studies highlighted the environmental degradation and socio-economic risks faced by coastal communities due to LNG infrastructure development.

According to recommendations of the research study done with the collaboration of CBER, IBA, Pakistan's reliance on LNG is leading to economic strain, environmental degradation, and health risks for local communities. The expansion of LNG infrastructure threatens to lock the country into fossil fuel dependency, increasing debt and the risk of stranded assets. To align with climate goals and global best practices, Pakistan must halt new LNG projects and redirect investments toward renewable energy sources such as solar, wind, and small hydro, leveraging its immense potential.

Electrification for heating and cooling should be prioritized to reduce reliance on imported gas. Additionally, stringent environmental safeguards are essential—mandating methane leakage monitoring, strengthening Environmental Impact Assessments (EIAs), and establishing public health monitoring systems for communities near LNG terminals.

Transparency in LNG operations at Port Qasim and formal community engagement mechanisms must be implemented, ensuring affected communities have a voice. A strict ban on industrial waste disposal into coastal waters is also necessary to protect marine biodiversity and local fisheries. Shifting from fossil gas to renewables will enhance energy security, economic stability, and climate resilience, positioning Pakistan for a just and sustainable energy transition.

A dynamic panel discussion followed, moderated by Ms. Izzah Batool from the Indus Consortium. Community representative Ms Fatima Majeed; Arif Ali Khokar, conservator Forest, Sindh; and Muhammad Ali Haider, convenor LPG committee of the FPCCI, shared firsthand experiences of how LNG expansion has disrupted local livelihoods and ecosystems.

Calls for a just energy transition resonated throughout the session, emphasizing the importance of adopting renewable energy technologies.

A vote of thanks by Jamshaid Farid, Board Member Indus Consortium, acknowledged the collective efforts of all stakeholders in advancing Pakistan's sustainability goals.

The Banking on Renewables event served as a vital platform for dialogue and collaboration, charting a path forward for sustainable development in Pakistan's energy and finance sectors. The call for increased investment in renewable energy and environmental due diligence echoed as a key takeaway, with participants advocating for a greener, more inclusive future.

## Sindh Forest Dept Triples Mangrove Cover in Indus Delta



The Sindh Forest Department recently hosted members of the Indus Consortium and Grow Green Network for a visit to the thriving mangrove forests near Keti Bunder coast. These forests, planted as part of a large-scale restoration initiative, have significantly contributed to the ecological health of the Indus Delta region.

Over the past three decades, the department has expanded mangrove cover from approximately 80,000 hectares in 1990 to nearly 240,000 hectares today. This remarkable achievement has been realized through extensive planting efforts and community engagement in areas such as Thatta and Sujawal districts.

Mangrove forests play a critical role in supporting marine life by serving as nurseries for fish and shrimp. Additionally, they act as a natural barrier against cyclones, offering vital protection to coastal communities in the face of climate change.