



The Third National Dialogue on Climate Ambition (NDCA)

Financing the transition of UAE to net zero by 2050



Finance sector position

80 representatives from various banks, financial institutions, and insurance companies

The UAE aims to establish itself as a center for sustainability by **developing innovative & cutting-edge approaches** that safeguard the environment and the economy for future generations

\$32 trillion investment across 6 key sectors
50% of total investments will be in the Electricity industry



Total Finance Required
Source: Race to Zero – Financing roadmap

Approach

- Breakout group 1**
Sectoral challenges and enablers
- Breakout group 2**
Policies and regulations
- Breakout group 3**
Internal & external challenges in embedding sustainable finance
- Breakout group 4**
FS sustainability mandates



Prioritizing Policies and Regulations

Action Required by UAE

Today

2030



Incentives

- ▶ Sectoral incentives required
- ▶ Reimbursement subsidization of sustainable bonds / finance
- ▶ Incremental roll out of green tax/ incentives/ subsidies etc.
- ▶ Provision of cheaper funds by CB for green loans



Transparency

- ▶ Detailed release of sustainable finance framework
- ▶ Make disclosures mandatory
- ▶ Sustainable finance project proponent are ranked and scored on the basis of their performance



Regulatory guidance

- ▶ Continuing dialogue between CB and banks / Fis to jointly design and inform about frameworks
- ▶ Register of pre certified projects for sustainable finance
- ▶ Setting expectations about upcoming regulations with FIs
- ▶ Ensuring adherence to international standards as much as possible
- ▶ Standardized data utility + ESG rating score for corporates
- ▶ Coordinated regional carbon trading market (GCC)



Trust

- ▶ Governmentally issued green bonds to establish market and prices
- ▶ Increased number of certification of green projects
- ▶ Incentivizing VC / lending for green projects / startups
- ▶ Nationalized green bond register with a formal approval process, to provide confidence to sustainable finance market participants



Prohibit

- ▶ Being fast follower of other markets (e.g., plastics reduction)
- ▶ Becoming pioneer in exploiting green technologies



Proposed Initiatives & enablers

- ▶ Incentivizing green projects/startups and reducing their costs
- ▶ Reimbursing/subsidization of green bonds
- ▶ Spreading awareness on a macro and micro-level
- ▶ Providing regulatory-required specialized training within financial institutions
- ▶ Enforcing disclosures and increased transparency in reporting
- ▶ Financing circular economy and recycling programs
- ▶ Imposing standards and tax subsidies to ensure alignment
- ▶ Establishing partnerships between banks and other service providers
- ▶ Improving efficiencies of existing portfolio companies

Way forward

