



## The Third National Dialogue on Climate Ambition (NDCA)

### Financing the transition of UAE to net zero by 2050

#### Finance sector position

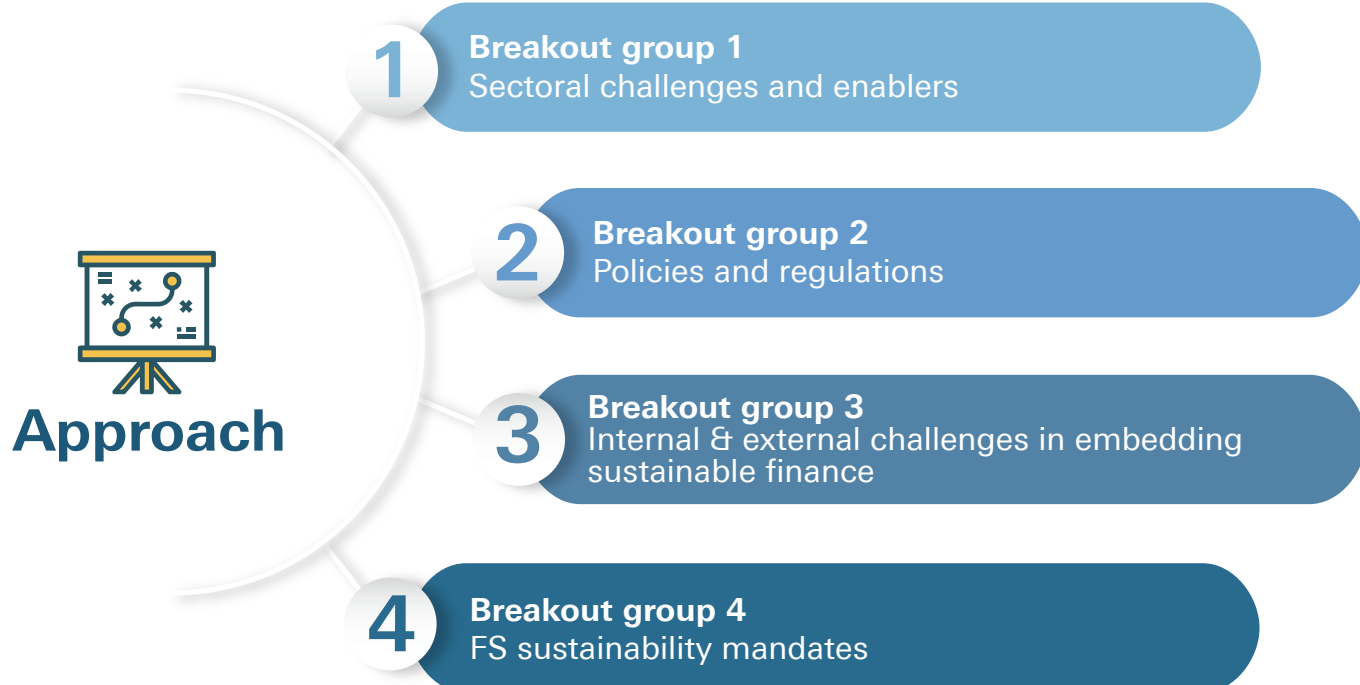
**80 representatives**  
from various banks, financial  
institutions, and insurance  
companies

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



#### 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

Developing **ESG** reporting, standards, and regulations

Establishing **partnerships** between financial institutions and specialized bodies

Study **establishing a price** for carbon to help finance projects

Encourage firms to **reach net zero** and provide support mechanisms to help them achieve it