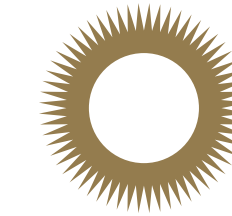




UNITED ARAB EMIRATES
MINISTRY OF CLIMATE CHANGE
& ENVIRONMENT



ABU DHABI
GLOBAL MARKET

State of Sustainable Finance Report





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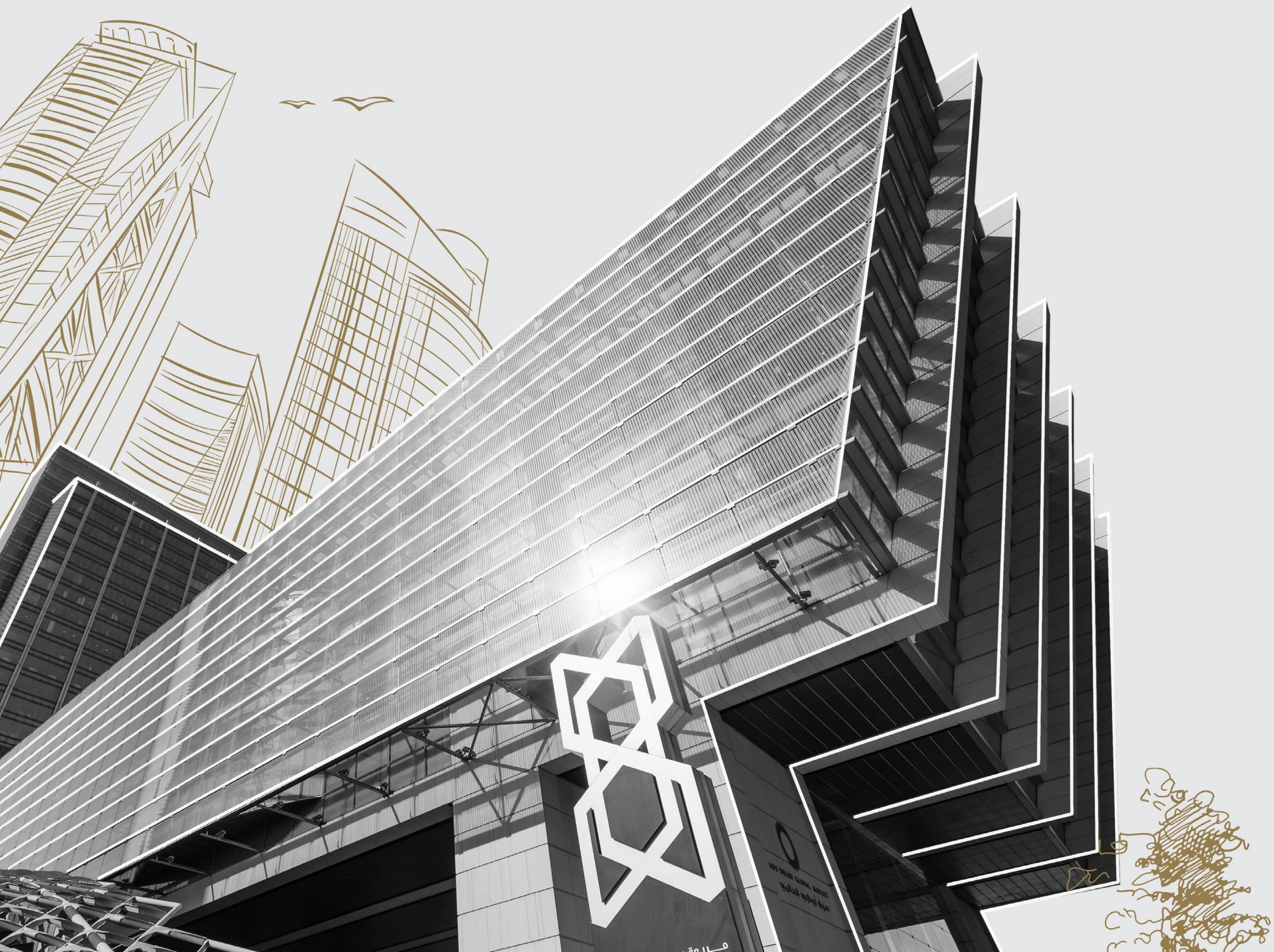
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A. Background



A. Background

1. The State of Sustainable Finance Report (Report) provides an overview of the initiatives that Abu Dhabi Global Market (ADGM), the Ministry of Climate Change and Environment (MOCCA), and their public and private partners, comprising signatories of the Abu Dhabi Declaration and other key United Arab Emirates (UAE) stakeholders, have taken to date in furthering the UAE's sustainable finance priorities.
2. The objectives of this Report are to –
 - take stock of the progress that both public and private stakeholders in the UAE have made, and highlight the actions/steps that they continue to take as part of their collective Sustainable Finance Agendas;
 - celebrate the recent initiatives and achievements of key partners and fellow signatories of the Abu Dhabi Declaration; and
 - act as a call to action to accelerate collective efforts geared towards enabling the financial industry to play a full role in achieving a resilient, yet sustainable, economy.
3. The UAE government, including relevant federal entities and local authorities, as well as relevant stakeholders from the private sector, have collectively provided leadership in working towards meeting the Sustainable Development Goals (SDGs) and fulfilling the commitments made under the [Paris Agreement](#).
4. In line with these goals and commitments, MOCCA has developed the UAE Green Agenda 2015-2030 and the National Climate Change Plan of the UAE 2017-2050 to strengthen the country's capacity to promote a green and inclusive economy and bolster its ability to address growing climate change concerns and pollution risks to its people, industry and environment.
5. Other federal and local authorities have also contributed to the development of relevant strategies and initiatives that ensure the sustainability of the UAE's economic growth, including

the UAE National Energy Strategy, UAE Smart Mobility Strategy, 2020 Federal Sustainability Guideline, as well as the Abu Dhabi Plan 2030, Abu Dhabi Environment Vision 2030, Low Emission Vehicle Strategy 2030 and Dubai Clean Energy Strategy 2050, among many others.

6. The Report aims to highlight the need to achieve the national strategies and relevant initiatives developed by the UAE government through innovative sustainable finance practices, as well as the integration of corporate sustainability practices and green-focused agendas throughout the UAE's financial sector.
7. Accordingly, ADGM places environmental and social objectives at the forefront of its own strategy, with sustainable finance playing an instrumental role in the achievement of its objectives.
8. The crisis we face today encourages us to accelerate and strengthen our sustainable finance efforts to rebuild a better, safer, fairer and more prosperous world. We call on governments, regulators, development finance institutions, credit-rating agencies, companies and institutional investors to continue our collective efforts in support of sustainable finance.
9. In compiling the Report, ADGM has invited signatories of the Abu Dhabi Declaration (**Annex A** to this Report) and other key UAE stakeholders to provide contributions and examples of the progress being made in the delivery of sustainable finance solutions. The Report outlines the ongoing and collective commitment to sustainability and illustrates the continued importance of driving this momentum forward.

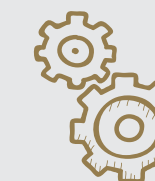
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Take stock of the progress that both public and private stakeholders in the UAE have made, and highlight the actions/steps that they continue to take as part of their collective Sustainable Finance Agendas;



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B. The pursuit of a sustainable growth pathway in the UAE

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Against this backdrop, the UAE, Abu Dhabi and Dubai have provided leadership in their respective areas of the Sustainable Development Goals and the Paris Agreement.

10. The sustainability imperative is rapidly gaining momentum, underpinned by significant global commitments made in recent years. The 2030 United Nations Agenda for Sustainable Development - described as 'a plan of action for people, planet and prosperity' - aspires for a better future for all and, through the SDGs, emphasises the need for collective action. This has been complemented by the Paris Agreement, ratified in 2015, setting out a global framework for action to address climate change.
11. Against this backdrop, the UAE, Abu Dhabi and Dubai have provided leadership in their respective areas of the SDGs and the Paris Agreement. At the policy level, the UAE Vision 2021, the UAE Green Agenda 2015-2030 and the [National Climate Change Plan of the UAE 2017-2050](#) demonstrate the UAE government's commitment to driving positive economic, social and environmental outcomes.

MOCCA's vision – environmental pioneering for sustainable development

12. In 2016, the then Ministry of Environment and Water (MoEW) was transformed into the current Ministry of Climate Change and Environment, marking an important milestone. The establishment of MOCCA has enhanced the UAE's efforts to address climate change through the implementation of comprehensive policies and initiatives.
13. The Cabinet-approved UAE Green Agenda 2015-2030 is an overarching framework of actions to facilitate the transition towards a green economy. It sets out five strategic objectives, supported by an array of programmes and sub-programmes. To coordinate and oversee the implementation of the Green Agenda, the Emirates Green Development Council (EGDC) was formed, which was then restructured into what is now called the UAE Council on Climate Change and Environment.
14. One of the six strategic directions taken under the Green Agenda was the use of green investment in support of the green diversification of relevant industries. One such initiative was the development of an AED 100 billion (USD 27 billion) Dubai Green Fund in November 2015, as part of the Dubai Clean Energy Strategy 2050. The strategy aims to provide 7% of Dubai's energy from clean energy sources by 2020, 25% by 2030 and 75% by 2050, eventually making it the city with the smallest carbon footprint across the globe by 2050.
15. As part of the initiative to advance green finance under the Green Agenda, a national survey was conducted in 2015 in cooperation with the Central Bank of the UAE (CBUAE), the Insurance Authority, the Securities and Commodities Authority (SCA) and the Dubai Financial Services Authority (DFSA). The survey was circulated among 455 financial institutions operating in the country and an analysis of the results was published in the [State of Green Finance in the UAE report](#). That report set out to provide an overview of the UAE financial sector's green finance readiness, current practices and challenges.
16. The National Climate Change Plan 2017-2050 helps achieve the objectives of the UAE Vision 2021 and the Green Agenda by transforming climate-related challenges into opportunities and ensuring that climate risks do not hinder development gains. It is a comprehensive framework to address the causes and impacts of climate change, accelerate the transition into a climate resilient green economy, and improve quality of life. One of the primary objectives is to advance the UAE's economic diversification agenda through private sector-driven innovative solutions.
17. The [Dubai Declaration on Sustainable Finance](#) was launched in 2016 to showcase the UAE's sustainability actions to date and indicate its commitment to achieve a green economy. 11 UAE-based financial institutions committed to the Declaration at the time of the announcement. Signatories totalled 32 as of March 2017 (**Annex B** to this Report).





ADGM's Sustainable Finance Agenda – prioritising environmental and social objectives

18. In alignment with national and international initiatives, in 2019, ADGM published its “[Sustainable Finance Agenda](#)” outlining its commitment to developing a vibrant and thriving sustainable finance hub that supports raising and deploying capital directed towards certain environmental and social objectives, as well as encouraging the creation and issuance of sustainable finance products aligned with these objectives. The Agenda focuses on activities under the following four pillars:

-  integrating sustainability considerations into the regulatory framework;
-  building cooperation with national and international stakeholders;
-  fostering communication, knowledge and awareness; and
-  creating a sustainable finance ecosystem.

19. Reflecting these pillars, ADGM has implemented a series of measures to advance its Sustainable Finance Agenda, including the [Abu Dhabi Sustainable Finance Declaration](#), which saw its [inaugural round of signatories](#) in 2019 (**Annex A** to this Report) during the [Abu Dhabi Sustainable Finance Forum](#), followed by a [second round of signatories](#) in 2020.

20. The Abu Dhabi Declaration calls for collaboration and collective action to create a thriving sustainable finance industry, not only in the UAE, but across the wider MENA region.

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Working collaboratively, especially at a time of crisis

- 21. Amid these unprecedented times of the COVID-19 pandemic, and in light of the subsequent economic downturn incited by the crisis, immediate attention turns to protecting lives and livelihoods. At the same time, global policy, financial and business leaders continue to remain committed to long-term sustainability goals.
- 22. ADGM, as an international financial centre, also continues to play its role during this time of crisis. It does so, in part, through its Sustainable Finance Agenda, as well as working closely with its key partners and stakeholders, supporting Abu Dhabi and the UAE in achieving sustainable development and climate change objectives.
- 23. As we reflect on what we have learned and look forward to our redefined future, we are reminded of certain critical factors that have important implications for the sustainability agenda:



OUR WORLD IS INTERCONNECTED

The COVID-19 pandemic has resulted in an unprecedented economic and financial crisis, revealing the dramatic consequences of shocks transmitting through globally interconnected financial markets and supply chains.



FINANCIAL INNOVATION DRIVING CHANGE

In our new world order, financial markets and participants must look to alternative business models, including the ongoing focus on digitisation and developing stronger technology-based offerings, as well as opening up access to finance for small and medium enterprises (SMEs).



SUSTAINABILITY AT THE CORE

Sustainability – and the societal, environmental and economic focus it provides – has the potential to reshape resilient, sustainable and equitable systems.



ECONOMIC RECOVERY PRESENTS OPPORTUNITIES

As we prepare plans for economic recovery from the COVID-19 pandemic, a unique opportunity exists to rebuild economies, markets and societies that are future-fit for unpredictable impact events.



PREPARING FOR FUTURE SHOCKS

Lessons learned stress the need to be better prepared for climate events that are similarly unpredictable in terms of timing of occurrence. Heatwaves, storms, floods and other climate consequences can lead to drastic social costs, as well as the potential to create market shocks similar to that of the COVID-19 pandemic.



RESILIENCE IS A PRIORITY

Building resilience in our social, financial and economic systems provides the best protection in moments of unanticipated crisis.

- 24. By tackling these challenges collectively, we increase our potential to achieve healthier and stronger markets. The COVID-19 pandemic brings into focus the opportunities that sustainable finance presents – for example, capital raising to fund global economic recovery will require many forms, with green securities potentially playing a major role. Financial regulators are also likely to strengthen focus on long-term risks with exponential characteristics – likely leading to more granular assessment of risks, such as the risks associated with climate change.
- 25. Seizing these opportunities will require better alignment of private and government-led investment strategies; in part, by adopting shared principles and standards of transparency and sustainability; and by strengthening coordination amongst global, regional and national policymakers and regulators.





C. Overview of collective action in furthering progress towards the UAE's sustainability objectives

C. Overview of collective action in furthering progress towards the UAE's sustainability objectives

Action 1: Collaborating to create a framework for integrating sustainable finance in the Emirate of Abu Dhabi, the UAE and the wider region

26. In the UAE, much has already been achieved in terms of developing a conducive policy and regulatory environment to advance sustainable finance. The COVID-19 pandemic and subsequent economic downturn highlight the need for this and calls for ongoing work to ensure a responsive and adaptable framework.
27. On the international stage, policy makers, regulators and other bodies recognise the importance of progressing sustainable finance, in particular, driving efforts to ensure sustainable and resilient economic recovery. Recent examples include IOSCO's '[Report on Sustainable Finance and the Role of Securities Regulators](#)' and the European Commission's '[Consultation on Renewed Sustainable Finance Strategy](#)', an integral part of the European Green Deal.
28. In line with international efforts, the UAE continues to build a framework based on best practices to facilitate effective and efficient deployment of capital. In a significant step towards this, the National Committee on SDGs was formed by UAE Cabinet Decree No. 14 of 2017. The Committee is chaired by Her Excellency Reem bint Ebrahim Al Hashimy, Minister of State for International Cooperation, and includes 17 members, which is critical for the successful federal implementation of the SDGs. The National Committee features a mandate to engage relevant local and international stakeholders to promote the achievement of the SDGs.

In addition, it aligns the SDGs with the UAE's national development priorities, UAE Vision 2021, and reports on the indicators. The Federal Competitiveness and Statistics Authority (FCSA) serves as Vice-Chair and Secretariat of the Committee and undertakes regular follow up, review and reporting on implementation.

29. The FCSA, the National Committee on SDGs and their stakeholders engage with ADGM and its partners to support the development of a Sustainable Finance Plan and to drive awareness of practices that can inspire change during this time of crisis.
30. Taking an important regulatory step forward, in January 2020, the UAE regulatory authorities published a first set of [Guiding Principles on Sustainable Finance \(Annex C to this Report\)](#) during the [second edition of the Abu Dhabi Sustainable Finance Forum](#). The Guiding Principles serve as a gateway to the increased implementation and integration of sustainable practices among the UAE's financial entities. The aim of the Guiding Principles is to facilitate the UAE's transition to a more sustainable and diversified economy, in part through mitigating the risks of reduced global demand for oil, as well as addressing the physical and financial risks of climate change.

31. The Guiding Principles encompass:



the integration of Environment, Social and Governance (ESG) factors into governance, strategy and risk management,



the adoption of a minimum eligibility requirement to help identify sustainable financial products; and



the promotion of appropriate ESG-related reporting and disclosures.

32. While the Guiding Principles are voluntary in nature, regulatory authorities are consulting with the relevant stakeholders to ensure their smooth and gradual implementation with the view to facilitate the UAE's transition to a more sustainable economy.



Summary of actions by the Abu Dhabi Declaration signatories and other key UAE stakeholders to integrate sustainable finance into frameworks and practices:

ADX

Abu Dhabi Securities Exchange (ADX) is committed to driving sustainability in financial markets. In line with best practices, ADX has issued its [Sustainability Report](#), demonstrating the importance of ESG and positioning it at the heart of the Emirates' financial system. It is well known that ESG has a positive impact on capital access, revenue growth, brand value and reputation, as well as in the recruitment and retention of human capital, and is therefore of increasing importance to investors. ADX continues to provide support to their listed companies through the issuance of ESG guidelines and the organisation of a series of workshops to increase their awareness of ESG principles and their role in improving transparency. ADX has also collaborated with FTSE Russell to create an ESG compliant index for the Exchange, enhancing its attractiveness to foreign investors and improving the global competitiveness of its trading environment. The new indices will widen investor audiences and institutions to the ADX index family, increase the quality and depth of sustainable investments in the UAE and enhance the performance of its financial markets.

DUBAI FINANCIAL MARKET (DFM) AND NASDAQ DUBAI

Dubai Financial Market (DFM) proactively continues to drive forward its Sustainability Strategy 2025, aimed at underpinning its efforts to promote ESG best practices amongst listed companies and other stakeholders. For example, DFM launched the [first-of-its-kind UAE ESG Index in the region](#), in cooperation with S&P Dow Jones and Hawkamah Institute, showcasing the top-performing sustainable listed-companies across the UAE exchanges. DFM is the first exchange in the Gulf region to issue its inaugural stand-alone [DFM Sustainability Report](#). DFM also launched its [ESG Reporting Guide](#), encouraging companies to provide sustainability disclosures on a voluntary basis, supplementing this with supporting workshops for listed companies and investors. Playing a key advocacy role in the region, DFM is an active participant in advisory groups for green

regulations, green products, sustainability working groups, and has contributed to various global ESG reports. For example, in alignment with the UAE's SDGs 2030 and Dubai's Strategic Plan 2021, DFM and the Dubai International Financial Centre (DIFC) launched the [Dubai Sustainable Finance Working Group](#) with various stakeholders to co-ordinate efforts to create 'the most sustainable financial hub in the region'. The Working Group aims to foster the embedding of ESG aspects into Dubai's financial sector, mainstreaming ESG risk analysis and identifying business opportunities for innovation. To achieve this, the Group is focusing on four key pillars: responsible business operations, responsible investing, growing sustainable finance and diversity and inclusion. The Group has issued a number of publications to date, including '[A Guide to Sustainable Financing](#)'. Nasdaq Dubai encourages all of its issuers and market participants to pursue active ESG policies and practices and the Exchange has endorsed the [Green Bond Best Practice Guidelines](#) published by its regulator, Dubai Financial Services Authority (DFSA). The Exchange has succeeded in becoming an established regional leader in attracting ESG listings from public and private sector issuers from the region and beyond. Nasdaq Dubai is also a member of the Dubai Sustainable Finance Working Group. The Exchange has played a prominent role in organising roundtable discussions of how to expand green and responsible investing in the GCC region.

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DFM is the first exchange in the Gulf region to issue its inaugural stand-alone DFM Sustainability Report.



DFSA

DFSA is actively supporting the development of sustainable finance. For example, as part of the Network for Greening the Financial System (a network of close to 70 central banks and financial regulators), DFSA, as a member of its workstream on Microprudential Supervision, contributed to the drafting of the [Guide for Supervisors: integrating climate-related and environmental risks into prudential supervision](#), published in May 2020, which will be instrumental for bank and insurance supervisors in assessing how firms manage climate risks. As a member of the [Sustainable Insurance Forum](#), an initiative of the UN Environment Programme, which it joined in 2019, and as a long-standing active member of the International Association of Insurance Supervisors, DFSA is exploring ways to address climate risks in the insurance sector while bringing the regional perspective to the discussion table. Drawing on the various publications and initiatives of the international standard setters, which consider the role that a financial regulator should play in facilitating the development of sustainable finance, the DFSA has recently published a [Discussion Paper on sustainable finance](#), seeking the views of stakeholders in the DIFC and more broadly.

EAD

As the environmental regulator of the Emirate of Abu Dhabi, integrating sustainability considerations into the regulatory framework to protect habitats and biodiversity is at the core of the Environment Agency – Abu Dhabi's (EAD) mission. With this aim, EAD have recently issued the [Abu Dhabi Emirate Single-use Plastic Policy](#) to reduce the use of disposable products and the amount of plastic that pollutes the land and the seas. EAD is working closely with the Department of Economic Development and the Industrial Development Bureau to include indicators and incentives in the [Abu Dhabi Local Content Program](#) for industries to measure, report and improve their environmental performance while greening supply chains, lowering their carbon footprint and supporting the local economy. EAD is also collaborating with government entities, businesses and non-profit organisations to establish the Abu Dhabi Climate Action Network to facilitate coordination, communication and action on climate mitigation and adaptation efforts in alignment with local and federal policies, plans and programmes.

MOCCA

MOCCA is collaborating with the Global Green Growth Institute (GGGI) to develop the Sustainable Finance Framework in the UAE, which will serve as a follow-up to the State of Green Finance in the UAE report, published in 2015. The Framework will cover key issues, such as creating an enabling environment to support the achievement of green economy targets, undertaking regional and international benchmarking analyses of sustainable finance sources and products, taxonomy, identifying key sectors contributing to the UAE's green economy and the sustainable financing needed to support these sectors. To collect data and align the report with national strategies and initiatives, MOCCA and GGGI will conduct a survey and consultation with the signatories of the [Dubai Declaration on Sustainable Finance](#) and the [Abu Dhabi Sustainable Finance Declaration](#), as well as other financial authorities, such as the Central Bank of the UAE and the Ministry of Finance.

SCA

The Securities and Commodities Authority of the UAE's (SCA) role in supporting the growth of sustainable finance in the UAE is to help create an enabling regulatory environment for both suppliers and users of capital. In doing so, SCA focuses on a number of key areas, including incorporating the concepts of sustainability into its regulatory policies wherever possible, as well as considering new cost-effective means for financing sustainable projects and ventures. SCA is also focused on enhancing corporate governance practices in companies to support efforts to incorporate sustainability in strategic decision-making. On the investor side, SCA encourages investors and those who act on their behalf to strongly advocate for sustainable investing in addition to providing them with the information, tools, channels and instruments to do so. Reflecting these priorities, SCA has developed a [Master Plan for Capital Markets](#) that supports sustainability goals. The plan comprises seven pillars, including introducing a sustainable finance taxonomy and classification framework, developing market platforms and investment instruments, as well as enhancing transparency and disclosure requirements, and rolling awareness and education for industry participants and corporates.



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Action 2: Facilitating a constructive dialogue on sustainable finance between all stakeholders, including the financial community, business and the public sector

33. Core to the Abu Dhabi Sustainable Finance Declaration is the emphasis of promoting collaboration between government, regulators, financial institutions and other stakeholders. Since 2019, the signatories of the Declaration have been working to create a thriving sustainable finance industry, in particular, ensuring constructive dialogue across the industry, both nationally and internationally. On ADGM's front, we have joined and actively participated in a number of key international associations focusing on sustainable finance, including the UN Environment Programme Inquiry Financial Centres for Sustainability network, as the first Gulf member, and are committed to fostering national and international cooperation to enhance the alignment of initiatives to the fullest possible extent.
34. Furthermore, ADGM's China Office has been collaborating with its stakeholders to promote the partnership between the UAE and China on sustainable finance. Working with major financial regulators and its state-backed professional associations, ADGM's China Office supports high-quality dialogue that facilitates policy and regulatory coordination to support the investment of Chinese financial institutions in the UAE and ADGM.

Summary of actions by the Abu Dhabi Declaration signatories and other key UAE stakeholders, particularly financial institutions, for scaling up sustainable finance:

ADIB

Abu Dhabi Islamic Bank (ADIB) is fully committed to sustainable performance, whether it be operational, financial, social or environmental. Illustrating this commitment, the bank has signed the Abu Dhabi Sustainable Finance Declaration and the Dubai Declaration on Sustainable Finance. These initiatives are aligned with the UAE Vision 2021, the UAE Government's commitment to the Paris Agreement, the UN's SDGs and the UAE Green Agenda Programs. In addition, ADIB has a strong track record in supporting its clients to meet their own ESG targets, including the provision of ethical, socially responsible financing based on Sharia'a-principles. For example, ADIB has recently structured a green Sukuk for Majid Al Futtaim and the Indonesian government, representing a new means to finance sustainable projects.

BNP PARIBAS

BNP Paribas recognises that environmental and social issues shape the global economy and is committed to contributing to responsible and sustainable growth by financing and advising clients according to the highest ethical standards. Named the World's Best Bank for Corporate Responsibility by Euromoney in 2019, as a bank, BNP Paribas has a responsibility to connect those with capital with those who need it, whilst collectively serving its clients to create a positive impact on society. BNP Paribas has taken meaningful action on climate change, driving towards Paris Agreement targets, with a progressive approach on sector policies, product innovation and direct lending, as a leader in renewable energy financing. For example, BNP Paribas has acted as sustainability coordinator for a range of Sustainability-Linked Loans with, amongst others, JetBlue, Electricity Supply Board Ireland and Eurazeo, the first ever SLL for a private equity firm.

FAB

First Abu Dhabi Bank (FAB) is a regional leader in the sustainable finance market, as it received the EuroMoney Award for the Region's Best Bank for Corporate Responsibility. By financing or refinancing projects that have positive environmental and/or social impacts, FAB has directly contributed to a number of important projects in line with the sustainability goals of the UAE and the UN SDGs. For example, FAB (through legacy NBAD) is the first and only bank in the MENA region to structure, lead and issue a Green Bond in 2017 and this was followed by a series of first-ever Green Private Placements from the region in 2019 and 2020. In 2019, FAB exceeded the 2016 \$10 bn x 10 years commitment to lend, invest and facilitate financing of sustainable projects. Furthermore, in 2019, FAB arranged an SDG-Linked Loan for Etihad Airways, which was not only the first SDG-Linked Loan in global aviation, but also the first in the MENA region. In addition, FAB arranged and led the region's debut Green Loan for Masdar and the region's inaugural corporate Green Sukuk for MAF. FAB is one of the region's leading arrangers and bookrunners of green financings across loans and capital markets and these include financings for DPW, State Bank of India, ICBC, Frasers Property and the Islamic Development Bank. FAB is also a market leader and innovator in sustainable Islamic financing, leading three Vaccine Sukuk for IFFIM/the World Bank and continues to be a constituent in the FTSE4Good Index Series based on independent assessment of its ESG performance. Finally, FAB is the first MENA financial institution to commit to implement the Task Force on Climate-related Financial Disclosures' recommendations.

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ING

ING works closely with its clients, including those in the Middle East, to actively engage in the sustainability agenda. ING plays a key role in keeping business partners updated on important developments – for example, the European Green Deal, the Sustainable Finance Plan and the related programmes and tools, such as the Taxonomy Regulation. These are important for defining sustainable investments, as well as being supported by new disclosure regulations for companies that issue in EUR currency. ING keeps bond issuers updated on the increasingly higher expectations of mainstream and sustainable investors with respect to the disclosures from these companies. ING also participates in various international bodies. For example, ING's DCM Sustainable Markets is represented in market governing bodies, such as the ICMA Green and Social Bond Principles, through its [Executive Committee Membership](#), as well as chairing the “green eligibility” working group of the Green Bond Principles.

INVESCO

For over 30 years, Invesco has demonstrated its commitment to responsible investing by actively encouraging ESG practices across every area of our business and our mission to deliver an investment experience that helps people get more out of life. As evidenced by our [ESG Investment Stewardship Report](#) & inaugural [Climate Change report](#) which is aligned to the Task Force on Climate-related Disclosures (TCFD) framework, we are actively improving our efforts related to leadership and innovation in industry advocacy, engagements, development of sustainable product solutions and climate scenario analyses of our holdings and operations. Through membership of international organisations, we are engaged in furthering the cause of sustainability and responsible compliance within potential and actual investments. This includes our decision to sign on our support to the [Confluence Philanthropy Belonging Pledge – A Commitment to Advance Racial Equity](#) and the [Interfaith Center on Corporate Responsibility's Investor Statement on Coronavirus Response](#).

STANDARD CHARTERED BANK

Standard Chartered Bank embeds sustainable practices through its business, operations and communities across its footprint in Asia, Africa and the Middle East. Over recent years and building on its [sustainability position statement](#), the Bank has been able to lend its expertise in the sustainable finance arena, resulting in a number of industry firsts - including the [world's first sovereign blue bond](#), the region's first [sustainability-linked shipping finance transaction](#), and being one of the first banks to [stop financing of coal-fired power plants](#). At the start of 2020, Standard Chartered Bank announced [further commitments towards sustainable finance](#). This included the provision of USD 40bn of project financing for sustainable infrastructure, and financing and facilitating USD 35bn towards renewables and clean technology, both to be delivered by the end of 2024. In addition, the Bank has committed to no longer financing clients generating more than 10% of earnings from thermal coal by 2030. These efforts have been acknowledged globally – for example, in 2019, Standard Chartered received '[Best Bank for Sustainable Finance in Africa](#)' from Euromoney, as well as '[Best Bank for Sustainable Finance globally](#)' from Global Finance.

SSGA

State Street Global Advisors (SSGA) is a recognised leader in ESG investing with 30+ years' experience in the field. As a supporter of the Sustainability Accounting Standards Board (SASB) framework, SSGA's focus is on financially material ESG criteria – for example, leveraging tools such as our [\(R-Factor™ Scoring Model Bringing Transparency to ESG Investing\)](#) and [\(ESG Oversight Framework for Directors\)](#). Additionally, SSGA is long term supporter of the Task Force for Climate related Financial Disclosure. SSGA works collaboratively with industry leaders, such as the recently announced [partnership with the Climate Bond Initiative](#), and continues to monitor developments in the social bond space as a potential investment option.

Action 3: Raising awareness and encouraging educational and cooperation opportunities for greater action on sustainability

35. Trillions will be needed to fund both the SDGs and the commitments made under the Paris Agreement to accelerate sustainable solutions to meet global challenges. Greater understanding on the importance of sustainable finance is crucial to mobilise these efforts. ADGM, along with its partners, is raising the level of knowledge, awareness and acceptance of sustainable finance through events, webinars, education and training programmes, wherein the objective is to support efforts to develop understanding and expertise in this area.
36. This includes developing ADGM as a centre of excellence in sustainable finance, a central component of which is the [Abu Dhabi Sustainable Finance Forum \(ADSFF\)](#), launched in 2019, as part of Abu Dhabi Sustainability Week. The Forum was the first event in Abu Dhabi focused on advancing the adoption of sustainable finance. At this annual event, key industry leaders and decision-makers, along with ESG champions and sustainable finance experts, are invited to discuss and identify practical initiatives and collaborations that aim to progress the state of sustainable finance across the region. ADSFF has blossomed into a concerted collaboration by public and private members of the UAE to channel attention, resources and conversation towards sustainable finance.
37. Nurturing and developing talent is critical as we build expertise in sustainable finance and create a more sustainable future for generations to come. In this regard, [ADGM Academy](#) announced the launch of the [first Certificate in Sustainable Finance](#) in the region, in partnership with the [London Institute of Banking & Finance \(LIBF\)](#). Offered through the ADGM Academy's [School of Sustainable Finance](#), the seven month-long qualification composed of three ten-week modules is set to address the sustainable imperative by examining banking and finance from the 'ground up', as well as reviewing industry assumptions around markets, forecasting, risk, credit, investment and more. The programme has attracted great interest in the region since its launch and enrolment of the first cohort; as such, ADGM Academy has opened enrolments with expected start date to be end of September 2020.

Summary of actions by the Abu Dhabi Declaration signatories and other key UAE stakeholders focusing on enhancing sustainable finance expertise, knowledge and awareness in the UAE:

CFA INSTITUTE

CFA Institute's goal is to be a thought leader on ESG education and to advocate for better ESG reporting and transparency standards. CFA Institute has created educational content for the CFA Program regarding ESG basics and ESG factoring for investment managers. CFA Institute continues to monitor ESG regulatory developments and participate in public consultations on new disclosure and factoring initiatives as they are proposed by regulators. CFA Institute Handbook on Sustainable Investments reveals that the adoption of sustainable investment strategies can be driven by the sole motivation to hedge portfolios against knowable risks by expanding the conceptual framework to incorporate the latest best practice in risk management. Other investors focus on a long-term view and make an active bet on societal change. Empirical research has shown that considering sustainability factors within investment practices does not come at a cost (i.e. through a reduced opportunity set) but allows for competitive return. CFA Institute is planning to release a Climate Change report towards the end of September and a study on the Future of Sustainable Investing in mid-November 2020.



CFA Institute's goal is to be a thought leader on ESG education and to advocate for better ESG reporting and transparency standards.

CEBC

The Clean Energy Business Council (CEBC) has been organising a [series of webinars](#) in order to help its members and network understand the impact of the COVID-19 pandemic and the recent economic downturn. This includes important topics such as impact on the oil markets, energy transition, developments in the energy efficiency market as well as the future of mobility including [electric vehicle adoption and electric vehicle infrastructure](#) in the MENA region. Earlier in 2020, CEBC also signed up to a collective call initiative among 100 leading renewable players under the [IRENA Coalition for Action](#) to urge governments at all levels to leverage the progress achieved with renewable energy and to maintain on track in terms of alignment with global climate and sustainability goals. The CEBC fully endorses and has signed the Abu Dhabi Declaration and looks forward to cooperating with ADGM and signatories of the Declaration on its implementation.

EMIRATES NATURE-WWF

Emirates Nature-WWF aims to support market development through providing research and subject-matter expertise on critical issues in sustainability. In particular, Emirates Nature-WWF focus on the importance of the 'blue economy' and have recently published the results of a preliminary study exploring how interdependences with marine ecosystems and coastal resilience is weighed in corporate decision-making. The findings can be found in the report '[How UAE Businesses can shape a Sustainable Blue Economy](#)', demonstrating that sustainable investments towards Nature-based Solutions can offer new economic opportunities.

HSBC MIDDLE EAST

As a member of both the ADGM Sustainable Finance Working Group since its inception, and the Dubai Financial Markets Sustainable Finance Working Group, HSBC provides insight, guidance, and leadership to increase awareness of sustainable finance priorities across the UAE. HSBC Middle East is running a series of ESG Academy webinars for clients, focused specifically on the rise of sustainability-linked financial products, green projects and asset finance, sustainable agriculture, and the energy transition. They have so far included COVID-19 – The rise of the ESG bond market, [Future Cities and Densities](#), [Built to last: Healthy cities and sustainable buildings](#), and [Food for the future: Sustainable agriculture outlook](#).

In addition, HSBC Research continues to publish studies and reports to assist the understanding and awareness of sustainable finance. For example, HSBC's report [Climate and ESG shares beat the market](#) demonstrated the outperformance of ESG stocks when compared to the overall market during the COVID-19 pandemic. On a regional level, HSBC has also released a detailed research on the state of the green building sector in the UAE, Saudi Arabia and Turkey, in partnership with EY, and has also published a [report on sustainable agriculture](#) in Egypt, Saudi Arabia and the UAE.

LAZARD ASSET MANAGEMENT

The Lazard Global Fixed Income strategy, which already has more than 20% of its holdings in green and sustainable bonds, has recently invested in three COVID-19 bonds, further increasing its focus on investments that deliver financial returns alongside social and environmental benefits. While tracking the ultimate use of proceeds remains challenging, its Global Fixed Income team is vigilant in its due diligence and whom it lends money to. Its disciplined security selection process also includes a thorough assessment of ESG factors that is designed to avoid impairment and earn attractive risk-adjusted returns. Lazard's approach to investing Sustainable in Fixed Income, including the investment in green, sustainable and social bond – is detailed in its Research Paper – [Investing for a Sustainable Future](#).



MASDAR

As a host of [Abu Dhabi Sustainability Week](#), Masdar has engendered cooperation across the sustainability domain, promoting awareness of the technologies and regulatory structures that underpin today's sustainable finance instruments. Masdar invests with its partners to demonstrate the viability of clean technologies at scale to multiple stakeholders, particularly policymakers and the wider financial community – through projects in more than 30 countries. This has fostered public-private collaboration in both developed economies and emerging markets, everywhere from Morocco to Indonesia, and from Serbia to the United States. Masdar will continue to facilitate 'green' financial instruments to bring innovative technology to market, be they bonds, loans, or a hybrid of the two. The [GBP 1.27 billion refinancing](#) of Masdar stake in the UK's Dudgeon Offshore Wind Farm in December 2018, is an example of the latter.

MOCCA

Innovative green finance is one of the key enablers of climate action, as emphasised in the National Climate Change Plan of the UAE 2017-2050, which was developed by MOCCA in partnership with GGGI. The Plan recognises that while green finance is gaining momentum in the UAE, much work needs to be done to strengthen policy framework and regulations to link bankable projects and financiers. Thus, the Plan highlights the role of the government in providing a credible and stable enabling environment by improving policy coherence and coordination, developing adequate regulations and incentives for green technologies, and supporting capacity development for green entrepreneurs and financial institutions. It also underscores the role of financial institutions in demonstrating a clear vision that puts sustainability at the heart of corporate strategy,

ensuring high-level commitment to sustainability, elevating accountability and transparency on sustainability issues within top management, and carrying out comprehensive communications and awareness raising across the board.

GGGI

GGGI has been collaborating with the World Green Economy Organization (WGEO) to fast-track green investments into bankable smart city projects in the region and nearby developing and emerging economies. GGGI, in close coordination with its partner countries identifies a pipeline of (pre) bankable green cities projects and provides technical assistance to develop and refine high-quality business plans, while the WGEO collaborates to mobilise potential public and private funding partners to support (pre) feasibility studies for identified project pipeline. The range of thematic areas for the identified smart and green cities projects included but are not limited to Bus Rapid Transit (BRT) system, Energy Efficiency in the SME Sector, Roof-top Solar in the Industrial Parks, Municipal Solid Waste to Energy, Electric Vehicle Charging Infrastructure, as well as Energy Efficiency Fund and Green Fund in the partner countries' context.

STANDARD CHARTERED BANK

In November 2019, Standard Chartered Bank co-hosted a roundtable with ADGM on the 'Challenges and Opportunities for Sustainable Finance in the UAE'. This was followed by a [white paper published in partnership with Masdar](#), providing insights into current best practices and guidance on addressing sustainable finance challenges. The Bank continues to drive global discussion and thought leadership on sustainable finance. Recent examples include a [white paper](#) on emissions – covering the pathway to [measure, manage and ultimately reduce](#) the emissions related to both its and its clients' activities, as well as its innovative SDG investment map, [Opportunity2030](#), which estimates a USD 10 trillion opportunity for private-sector investors across emerging markets.

SSGA

SSGA actively provides market participants with research and reports on key developments in sustainable finance. For example, SSGA recently published a report on COVID-19 and its implications for sustainable investing ([COVID-19 and ESG: Four Dimensions](#)). This was followed by another publication on the topic of COVID-19 and the implications for a transition to a low carbon economy ([COVID-19 and Energy in the New World](#)). State Street Global Advisors' CEO issued a [COVID-19 specific shareholder letter](#) in March 2020 addressing the most important implications of the pandemic for shareholders. SSGA is an active member of the One Planet Sovereign Wealth Fund Working Group to help accelerate efforts to integrate financial risks and opportunities related to climate change in the management of large, long-term asset pools.

“

SSGA actively provides market participants with research and reports on key developments in sustainable finance.

Action 4: Increasing the quality and depth of sustainable financial products and offerings and creating a thriving sustainable finance industry

38. Together with its stakeholders and partners, ADGM continues to develop a sustainable finance ecosystem with a diversity of institutions, product offerings and services to support capital formation and deployment, building a vibrant marketplace that boosts the availability of financing to achieve the SDGs. While there are many components needed to achieve this, the report draws on three themes of particular interest and relevance during this time:

4.1 Innovation – as a driver of change;

4.2 Social issues – rising priority in a post-COVID-19 world; and

4.3 Islamic finance – alignment with the SDGs.

ACTION 4.1. INNOVATION AS A DRIVER OF CHANGE

39. ADGM has adopted a demand-driven approach to accelerate sustainable finance. One of the key features of ADGM's innovation agenda is its [Innovation Challenges](#), which aim to source the most innovative FinTech solutions for challenges faced by the region's financial sector. FinTechs are given the opportunity to address specific problem statements championed by financial institutions, corporations and government authorities in the UAE. For example, as part of the 2019 Innovation Challenge, one of the problem statements focused on sourcing FinTech solutions to enable greater access to private sector funding to support sustainable urban development.

40. Innovation is a powerful force for positive change, both in sustainability and across the financial industry itself. Alongside its key partners, ADGM is committed to ensuring the provision of sustainable solutions through innovative and progressive frameworks. For example, by accelerating research and development in climate solutions through various initiatives, such as the [Abu Dhabi Climate Initiative](#), we are reinforcing the UAE's pledge to climate action and a greener future. The Initiative aims to develop a leading global climate and water technology ecosystem in the MENA region, formed in partnership with MOCCA, ADGM, Hub 71 (the UAE's tech start-up accelerator) and EDA. The Initiative seeks to leverage the knowledge and resources of partner organisations to promote research, development and innovation in climate and water technologies.

Summary of actions by the Abu Dhabi Declaration signatories and other key UAE stakeholders focused on enhancing innovation in financing climate and sustainability solutions:

ADNOC

ADNOC's [2030 Sustainability Strategy](#) extends its legacy of responsible oil and gas production and reinforces its commitment to accelerate sustainable development in the UAE. Sustainable financing plays an integral role in ADNOC's vision to become a best-in-class leader in sustainability and a benchmark for world-class financial and capital management and safety and asset integrity in the global energy industry. ADNOC's sustainability goals underscore the focus and importance it places on strong ESG performance as it delivers against its 2030 growth strategy. To achieve its ambitious sustainability agenda, ADNOC is exploring a multitude of financing options and strategic partnerships. By bringing in new like-minded and aligned investors, ADNOC can diversify its current financing pool while opening new doors in the sustainability arena. By tapping private capital sources for financing, ADNOC is optimising its capital structure and working to ensure a steady and sustainable supply of funding in support of its smart growth strategy, to emerge even stronger from the current challenging circumstances.

DOE

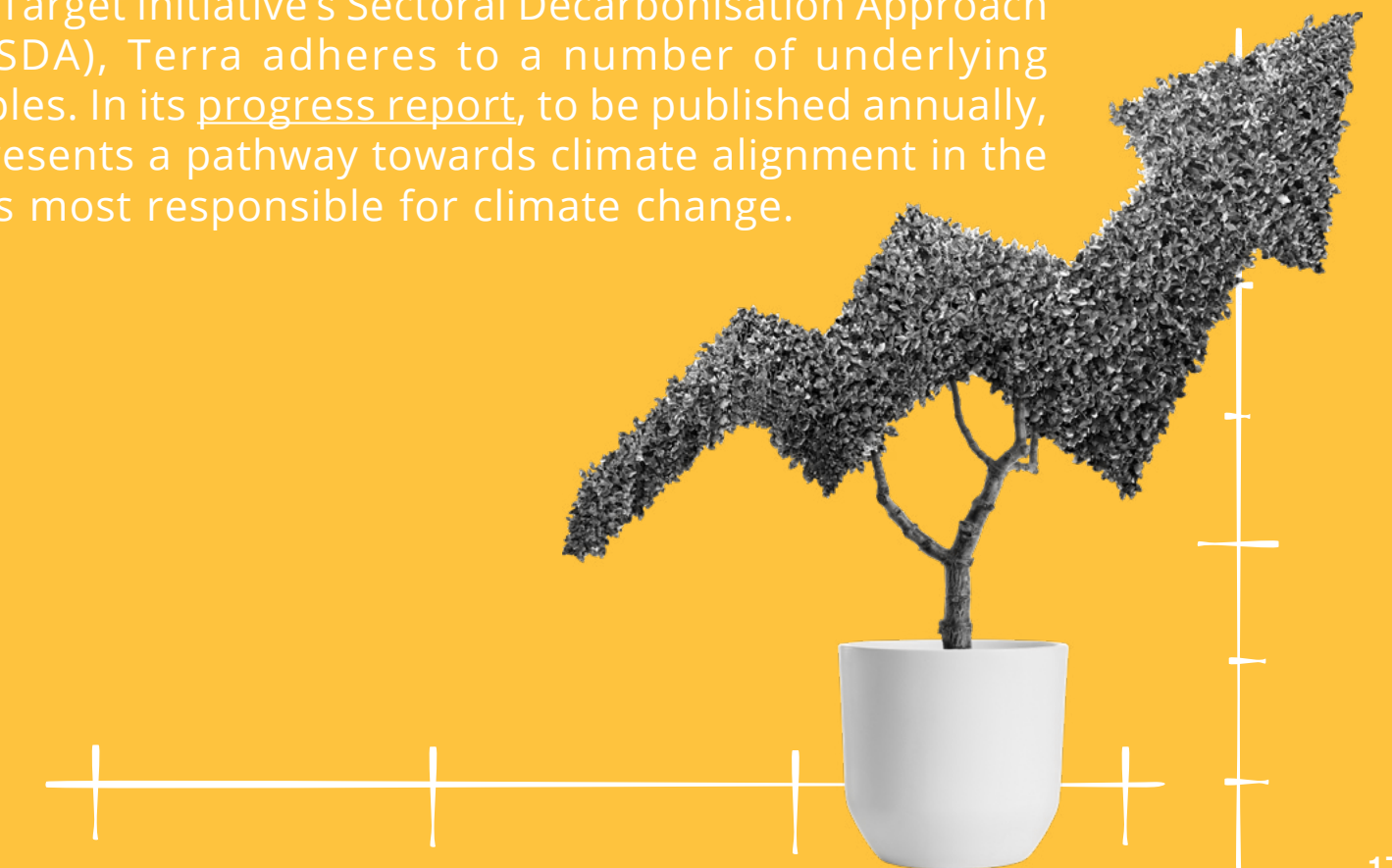
The Department of Energy (DoE), ADX and ADGM are working together to jointly develop a Green Bond Hub Programme. This initiative was launched at the ADGM Sustainable Finance Forum by H.E. Eng. Mohamed Bin Jarsh Al Falasi, DoE Undersecretary in January 2020 with the objective of establishing Abu Dhabi as a regional hub for the issuance of green bonds and green sukuk for sustainable projects in the Emirate as well as across the Middle East and Africa. Since launch, DoE has been working with its partners to develop an action plan and stakeholder consultation mapping in order to identify how to drive progress in the green bond market. Given market conditions, DoE is working with small stakeholder groups to compile a 'green paper' to make recommendations on developing the Green Bond Hub Programme further. In line with international developments, DoE is considering the role of Transition Bonds, which may be particularly pertinent to the region, as well as the level of investor interest in green bonds in light of the pandemic.

HSBC MIDDLE EAST

HSBC has been striving to develop a sustainable finance ecosystem in the UAE through the development and launching innovative ESG-related products and services. This has included not only green bonds, sukuks and loans for corporates, but also extends to ESG and green funds for investors including sustainable retail products. HSBC has developed both green car loans and green mortgages in the UAE, products through which retail customers can receive discounts if they purchase 'sustainable' cars or property. Upon two main methodologies for target-setting, namely the Paris Alignment Capital Transition Assessment and the Science Based Target Initiative's Sectoral Decarbonisation Approach (SBTi SDA), Terra adheres to a number of underlying principles. In its progress report, to be published annually, ING presents a pathway towards climate alignment in the sectors most responsible for climate change.

ING

ING has a clear set of objectives and targets, including doubling our Climate Finance portfolio by 2022 and steering our loan book of €600 billion towards meeting the Paris Agreement's climate goals. Our strategy, ING's Terra Project, aims to make the most impact through our financing. ING's [Terra Project](#) is an inclusive, science-based, forward looking and engagement-driven approach. Drawing upon two main methodologies for target-setting, namely the Paris Alignment Capital Transition Assessment and the Science Based Target Initiative's Sectoral Decarbonisation Approach (SBTi SDA), Terra adheres to a number of underlying principles. In its [progress report](#), to be published annually, ING presents a pathway towards climate alignment in the sectors most responsible for climate change.



IRENA

An international organisation hosted in and by the UAE, the International Renewable Energy Agency (IRENA) has a broad mandate. To improve project quality, market visibility, and access to finance, it engages in a number of activities, and is strengthening its role in sustainable finance focused on renewable energy. Additionally, IRENA facilitates renewable energy project development and financing via its online platforms:



The IRENA Global Atlas: An online geographic information platform providing resource assessment and mapping data covering solar, wind, bioenergy, geothermal and marine energy



The IRENA Project Navigator: An online platform providing easily accessible, and practical information, tools and guidance to assist in the development of bankable renewable energy projects



The IRENA Sustainable Energy Marketplace: A virtual marketplace connecting renewable energy project owners, financiers/investors, services providers and technology suppliers.



The IRENA/ADFD Project Facility: A joint financing facility dedicated to finance renewable energy projects recommended by IRENA in developing countries.



Open Solar Contracts: IRENA and Terrawatt Initiative (TWI) have teamed up to support the rapid and widespread scale-up of solar energy in line with goals of the Paris Climate Agreement and Sustainable Development Goals. Open Solar Contracts streamlines project development and finance processes by offering simple and universally applicable legal agreements that make contracting much faster and less costly.



Developing a collaboration with the Financial Centres for Sustainability, a network of 30 global financial centres of which the Abu Dhabi Global Markets is a member.

MASDAR REAL ESTATE TRUST

In January 2020, Masdar launched the first sustainable real estate investment trust (REIT) in the region, based on commercial properties in Masdar City. Established as a private trust at ADGM, the REIT provides an alternative method for third-party investors to direct capital toward sustainable development goals. Ultimately the long-term ambition is to list as a public REIT on the ADGM, creating an opportunity for retail and institutional investors alike to invest in a financial product backed by high-quality assets and based on clear sustainability specifications.

SCA

SCA is working on supporting and enabling the thriving Fintech ecosystem which will act as a catalyst for these initiatives and provide innovative tools for achieving the financial inclusion and other financial development goals.

'20BY2020' INITIATIVE

20by2020 is a UAE humanitarian initiative led by the Zayed Sustainability Prize in partnership with ADGM, Abu Dhabi Fund for Development, Mubadala Petroleum, Ministry of Tolerance and Coexistence, Masdar and Majid Al Futtaim. The initiative oversees the donation of sustainable solutions, developed by the winners and finalists of the Prize, to many vulnerable communities across 20 countries. The solutions donated through the initiative address the world's most pressing challenges in relation to health, food, energy, and water. By extending the reach and impact of these solutions through the donations, 20by2020 empowers nations and people in need with the technologies and long-term solutions to help deliver sustainable growth.

ACTION 4.2. THE RISE OF SOCIAL ISSUES IN SUSTAINABLE FINANCE

41. The COVID-19 pandemic has brought to light the materiality of ESG-related risks, and the deep linkages between businesses and their stakeholders across value chains. In the short- to medium-term, social risks are considered most acute – in particular, health, safety and workforce dynamics. The collective investor voice is increasingly loud in terms of putting additional health and safety measures in place and maintaining supplier relationships. The fixed income market has illustrated some of the shifts in investor thinking, certainly during the short-term. Issuances of and demand for social bonds appears to be surging and, while still a very small proportion of the fixed income market, this demonstrates how investors are increasingly prioritising social risks in their investment decision-making.
42. In May 2020, the Ministry of Economy announced a two-phased strategic framework to address the impacts of COVID-19. The first phase is the short-term massive stimulus plans targeting the most affected sectors, including SMEs. The second phase is the long-term recovery package to accelerate sustainable economic growth in areas with high growth potential, including renewable energy, electric cars, smart cities, circular economy, artificial intelligence, blockchain, 3D printing, robotics, biotechnology and genetic engineering.



Summary of actions by the Abu Dhabi Declaration signatories and other key UAE stakeholders focusing on social risks and opportunities in implementing sustainable finance solutions in the context of the pandemic:

MA'AN

The Authority of Social Contribution – Ma'an's objective is to nurture a culture of collaboration between the public sector, the private sector, and civil society to create innovative solutions to address social challenges and make a positive impact on society. To this end, and in the light of the recent global health crisis, Ma'an launched the 'Together We Are Good' programme earlier in 2020, to attract and deploy financial, in-kind, and volunteering contributions for the support of those most impacted by the current health and economic situation. This ground-breaking programme supported over 350,000 individuals in areas including health, food, education, and necessities. Looking beyond this, and to ensure the delivery of Ma'an objectives in a sustainable manner, Ma'an established a foundation based at ADGM for optimally deploying capital to fund social projects, nurture social innovation, foster social enterprises with the goal of enhancing the lives of communities across the Emirate of Abu Dhabi. Ma'an has also launched in Abu Dhabi the first Social Impact Bond in the GCC area as part of an agreement signed between the Department of Community Development, Ma'an, Aldar, Aldar Education and Zayed Higher Organization to support the employment of people of determination.

BNP PARIBAS

Social issues remain an important priority for BNP Paribas' clients, particularly in a world changed by the COVID-19 pandemic. BNP Paribas has further embedded social impact into its sustainable finance product offering, assisting clients in responding to the pandemic. BNP Paribas has led or supported a number of COVID-19 Response Bonds – for example, working with [Nordic Investment Bank](#) to bring the first European COVID-19 Response Bond to market, and the [European Investment Bank Sustainability Awareness Bond](#), to provide healthcare and other financial support to countries impacted by COVID-19.

DFM

As part of its efforts to promote gender balance and empowerment – in particular, supporting Sustainable Development Goal 5 on Gender Equality – as well as attracting talented candidates from the UAE to Board-level positions, DFM launched a 'first-of-its kind' [eBoard](#) platform in the region, in collaboration with the Dubai Women Establishment (DWE). The online platform aims to increase awareness of Board positions available and enables interested parties to submit and track their application online.

HSBC MIDDLE EAST

HSBC acted as an advisor for the world's first COVID-related bonds (in China and South Korea) and has subsequently been mandated for a similar [COVID response bond in the Middle East](#). COVID-related bonds are an example of the important role capital markets can play in helping the global economy navigate through this crisis. In addition, HSBC has helped the wider community respond to COVID-19 through charitable donations. In the Middle East, HSBC established a [USD 1.2 million COVID-19 donation fund](#) that was estimated to reach 80,000 individuals across the region. The programme focussed on providing meals and hygiene packs for blue collar workers and underprivileged children, as well as hospital workers on the frontline.

LAZARD ASSET MANAGEMENT

Lazard has developed a proprietary approach to assess the long-term sustainability of enterprises across financial, human, and natural capital. The framework helps prioritise and focus their engagement with companies that they own in their client portfolios. Recent engagements with company management across a range of sectors like beverages, pharmacies, luxury retail, media and entertainment, globally, have provided their investment professionals with an opportunity to understand how companies are managing a broad

range of stakeholder relationships and in particular how companies manage their human capital for long-term success. More information about Lazard's approach is provided in its recent research paper: [Perspectives on Protecting Human Capital](#).

STANDARD CHARTERED BANK

As a leading international bank, Standard Chartered Bank strives to help its clients and the communities they operate in to prosper across its footprint, especially crucial during times of crisis. As a result, it is committing at least [USD 1bn of not-for-profit financing](#) to companies that provide goods and services helping with the fight against COVID-19, as well as to companies planning switching to in-demand products as a result of the pandemic. This funding is being provided at preferential rates, and will be in the form of loans, import/export financing, and/or working capital. Such financing has been extended to several companies in the region. Standard Chartered has also led several notable COVID-19 response bonds - for example, raising over [USD 4bn for the Republic of Indonesia](#) to recovery and relief efforts, as well as [USD 500m for Kookmin Bank](#), in support of its SME financing efforts. In addition, the Bank was involved in the first COVID-response sukuk globally – a [USD 1.5bn issuance by the Islamic Development Bank](#) – this was also the first sustainability sukuk for the region.

“ Standard Chartered Bank strives to help its clients and the communities they operate in to prosper across its footprint

ACTION 4.3. ISLAMIC FINANCE AND ITS ROLE IN ACHIEVING THE SDGS

- 43.** As Islamic finance continues to expand in the next decade across regions and asset classes, there is a unique window of opportunity to align elements of these investments with the SDGs, and in particular, climate action. Given the principles of Islamic finance that support both socially inclusive and development-promoting activities, as well as the intrinsic layers of governance that put social principles at the heart of determining what funds can be used for, the Islamic finance sector can play a leading role. While the market for sustainable Islamic products is still in its infancy, Islamic finance is increasingly active as an innovative finance modality, especially to fill the SDG funding gap. In part, this is due to the emphasis given to promoting risk sharing, avoiding excessive speculation, as well as, limiting debt to the value of assets.
- 44.** In the UAE, such innovation is already happening. For example, in 2018, DP World Limited repriced and extended a USD 2 billion conventional and Murabaha revolving credit facility, Standard Chartered acting as the Green Loan Coordinator. The price was linked to the company's carbon intensity ratio and represented the first green loan in the Middle East region with an Islamic format that linked pricing to environmental performance in this way.
- 45.** Recently, green sukuk has emerged as a Sharia compliant financial instrument with strong growth potential to provide funding for renewable energy and environmental projects. In another UAE-specific example, in 2019, Majid Al Futtaim issued a total of USD 1.2 Billion green sukuks, the proceeds of which went towards green buildings, renewable energy, energy efficiency and improved water management. These issuances, as with other green sukuk, have been well received by investors, demonstrating the potential that Islamic finance has in providing funding for sustainable development and climate agendas. Global investors can assist driving the trend towards sustainable Islamic finance by learning more about the system, encouraging the creation of new products and deal flow to support growing capital allocations towards the SDGs.

- 46.** Last year, Dubai Islamic Economy Development Centre (DIEDC), in partnership with DIFC and DFM took the initiative to develop a set of Sustainable Sukuk Standards which shall be backed up by an accreditation, certification and audit mechanism on the lines of the UK's Climate Bonds Initiative (CBI). An MoU was signed by DIEDC, DIFC and DFM with CBI and the group has commenced the work to develop the Sharia compliant standards for sustainable Sukuk. Once completed, the project shall offer independent certification and audit facility for green and sustainable Sukuk aimed at achieving higher investor confidence, as well as to enhance the role of green Islamic finance in the UAE's green and sustainable agenda.

“
Global investors can assist driving the trend towards sustainable Islamic finance by learning more about the system, encouraging the creation of new products



Summary of actions by the Abu Dhabi Declaration signatories and other UAE stakeholders to leverage the importance of Islamic finance as a source of funding for sustainable assets and projects:

DFM

DFM's [Shari'a Standards](#) comprehensively explain Islamic investment instruments and take into consideration investors' growing interest in the green economy and sustainability. The Standards include reference to green sukuk, Shares and green Investment Funds that are issued by companies for projects supporting the preservation and protection of the environment from materialised or expected risk or harm.

DIEDC

Established in 2013, DIEDC has been spearheading efforts to promote the global growth of the Islamic economy through its core sectors, including Islamic finance, Halal industry and Islamic lifestyle. As part of the effort, DIEDC plays an active role in highlighting the synergies between Islamic financing solutions and sustainable investing, attributed to the close alignment found between the underlying Sharia principles and ESG. In this regard, DIEDC is partnering with DIFC and DFM to work with the Climate Bonds Initiative (CBI-UK) to develop and promote the green sukuk market through introducing sustainable sukuk standards as the benchmark. DIEDC is also actively involved in supporting the implementation of the UAE Guiding Principles for Sustainable Finance, besides keenly participating in the work of the Dubai Sustainable Finance Working Group.

HSBC MIDDLE EAST

HSBC was the sole green structuring advisor for the [first green Sukuk \(Islamic bond\) in the Middle East for Majid Al Futtaim](#), issued in 2019. The MAF USD 600m green Sukuk was also the first non-sovereign issued green Sukuk in the world. HSBC was also the sole green structuring advisor for the [EUR 1bn Islamic Development Bank in Saudi Arabia in 2019](#), which was the first green Sukuk or bond issued in the Kingdom.

NASDAQ DUBAI

Nasdaq Dubai is committed to high ESG standards and plays a pioneering role in the region as a venue for listing Islamic issuances. These include three sukuk issued by the Indonesian government in 2018, 2019 and 2020 with a total value of USD 2.75bn, with independent green certification by Cicero. The first of USD 1.25bn was the first sovereign green sukuk issuance in the world. Two sukuk have been issued by Majid Al Futtaim in 2019 with a total value of USD 1.2bn, with independent green certification by Sustainalytics. The first sukuk of USD 600m was the world's first benchmark corporate green sukuk listing. A sukuk of one billion euros was listed in 2019 by Islamic Development Bank (IsDB), with independent green certification by Cicero, and in 2020 IsDB listed the first sukuk in the global capital markets specifically to fund COVID-19 related projects under its Sustainable Finance Framework.

SCA

SCA has launched the [UAE's strategy for developing Islamic Capital Market](#), which includes developing a comprehensive set of adaptive regulations. SCA is working currently on implementing a comprehensive financial inclusion plan to better provide access and financial education for all sectors of the economy with special focus on those that are under-served and on SME's which contributes to achieving the financial development goals of the UAE.





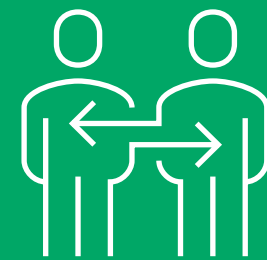
D. Our call to action



The crisis we face today encourages us to accelerate and deepen our sustainable finance efforts during this difficult time.

Our call to action

- 47. As the world responds to the COVID-19 pandemic and seeks to restore global prosperity, we must focus on addressing underlying and systemic factors through a sustainability lens. This includes integrating environmental and social considerations into our decision-making, reflecting a deeper understanding of the risks and how we manage them, as well as recognising the opportunities to create value for all stakeholders. The crisis we face today encourages us to accelerate and deepen our sustainable finance efforts during this difficult time to rebuild a better, safer, fairer and a more prosperous world.
- 48. We call on governments, regulators, development finance institutions, credit-rating agencies, companies, and institutional investors to continue our collective efforts in support of sustainable long-term investments through the following actions:



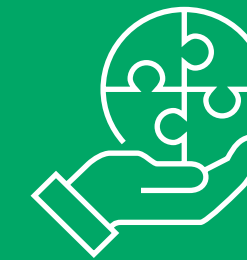
collaborating to create a framework for integrating sustainable finance in the Emirate of Abu Dhabi, the UAE and the wider region;



facilitating a constructive dialogue on sustainable finance between all stakeholders, including the financial community, business and the public sector;



raising awareness and encouraging education and cooperation opportunities for greater action on sustainability;



enhancing the quality and depth of sustainable financial products and offerings and creating a thriving sustainable finance industry.

- 49. ADGM and MOCCA will continue to work with private, public, national and international stakeholders to facilitate the ongoing implementation of sustainable finance best practices and enable the financial industry to play its full role in driving a resilient yet sustainable, economic recovery.



E. Annexes

ANNEX A

Abu Dhabi Declaration signatories

Abu Dhabi Commercial Bank (ADCB)	Climate Bonds Initiative
Abu Dhabi Department of Economic Development	Emirates Nature – WWF
Abu Dhabi Department of Energy	Emirates Nuclear Energy Corporation
Abu Dhabi Department of Finance	Environment Agency - Abu Dhabi
Abu Dhabi Department of Municipalities and Transport (DMT)	Etihad Aviation Group
Abu Dhabi Financial Group (ADFG)	First Abu Dhabi Bank (FAB)
Abu Dhabi Fund for Development	HSBC Bank Middle East Limited
Abu Dhabi Future Energy Company PJSC - Masdar	ING Bank
Abu Dhabi Islamic Bank (ADIB)	Invesco Asset Management Ltd.
Abu Dhabi Securities Exchange	Lazard
Abu Dhabi University	Ma'an Authority for Social Contribution
ADNOC	Macquarie Capital Middle East L.L.C
Al Hilal Bank	Ministry of Climate Change & Environment (MOCCAIE)
Alliances for Global Sustainability	Ministry of Energy & Industry
BlackRock Advisors (UK) Limited	Mubadala Group
BNP Paribas S.A	Securities and Commodities Authority
Central Bank of the UAE	Standard Chartered Bank
Centre for Finance and Development Tsinghua University	State Street Corporation
Citibank, N.A.	UAE Insurance Authority
Clean Energy Business Council (CEBC)	UniCredit S.p.A.

ANNEX B

Dubai Declaration signatories

Abu Dhabi Islamic Bank	Noor Takaful
Ajman Bank	RAKBANK
Arab African International Bank	RAK Insurance
Bank Melli Iran, Dubai	Sharjah Islamic Bank
Bank of Baroda	Takaful Emarat Insurance
Bank of Sharjah	Tawreeq Holdings
Bank Saderat Iran, Dubai	The National Investor
Barclays	Union National Bank
BNP Paribas	United Arab Bank
Citibank UAE	
Commercial Bank of Dubai	
Dunia Finance	
Emirates Islamic	
Emirates NBD	
FAB (NBAD)	
HSBC Bank Middle East	
Mashreq Bank	
Mawarid Finance	
National Bank of Fujairah	
National Bank of Kuwait - Dubai	
National Bonds Corporation	
Noor Bank	

ANNEX C

UAE's Guiding Principles on Sustainable Finance

In 2020, leading financial authorities in the UAE published the UAE's first set of Guiding Principles on Sustainable Finance, which serves as a catalyst in the implementation of the UAE's sustainability priorities. The launch of the initiative was unveiled during the second edition of the Abu Dhabi Sustainable Finance Forum (ADSFF), a prominent event organised by Abu Dhabi Global Market (ADGM) and held during Abu Dhabi Sustainability Week.

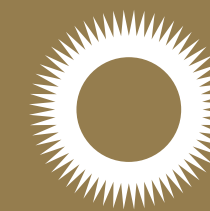
Premised on the United Nations Agenda for Sustainable Development, the initiative was implemented as a result of collaborative efforts among a number of financial services authorities in the UAE, including: Abu Dhabi Global Market; the Ministry of Climate Change and Environment; the Central Bank of the UAE; the Insurance Authority of the UAE; the Securities and Commodities Authority; the Dubai Financial Services Authority; the Dubai Islamic Economy Development Centre; the Abu Dhabi Securities Exchange, the Dubai Financial Market and Nasdaq Dubai.

These Guiding Principles serve as a gateway to the increased implementation and integration of sustainable practices among the UAE's financial entities and will secure the health and longevity of the nation's economy. The voluntary principles represent the first stage of collaboration among participating entities to ensure a strong and frictionless transition to a sustainable framework. The contributing authorities will implement appropriate measures to encourage UAE financial firms to develop strategies to incorporate sustainable practice considerations in their business activities, decision making, risk management and in the context of exploring new businesses.

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& ENVIRONMENT



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