MENA Climate Change Week
Dubai 28 March – 31 March 2022

IsDB-AfDB Joint Affiliated Event (High-level session & Technical session)

Title: Role of Sustainable Finance Market in Transition to a Green Resilient Future

Date: 29 March 2022

Time: 15:00 to 16:00 (U.A.E time)

Venue: Atlantis, The Palm

Organizers
The Islamic Development Bank (IsDB)

Background
The MENA Climate Week 2022 (MENACW 2022) will be a regional event attracting worldwide attention and recognition. It will help build momentum on climate change in the context of the Dubai Expo and following the COP26 Glasgow Climate Pact adoption.

Purpose: MENA Climate Week offers an opportunity to advance regional and local climate action while taking regional priorities into consideration. The Week is also a venue to discuss opportunities and approaches for integrating climate action into economic recovery from the COVID-19 pandemic. The Week provides a platform for government, finance, and development stakeholders to explore how to maximize the use of available limited resources and ensure a sustainable recovery from the pandemic while helping achieve the Paris Agreement goals of limiting warming to 1.5°C and fostering sustainable development.

The Side Event: Role of Sustainable Finance Market in Transition to a Green Resilient Future
Background

- The COVID-19 crisis was a wake-up call for financial market players on the importance of a resilient financial market which plans for unanticipated shocks including long-term climate shock that we may face on a global scale. The interventions of actors from the financial market are continuously being geared towards addressing the short-term health crisis at the same time the economic urgencies linked to a pandemic, with careful attention given to resilient and green recovery. Thus, it is imperative for different market players to understand the various economic recovery patterns available in this critical period whereby financial investment reverses to previous pattern and investment choices, thereby, locking us into long-term unsustainable investments and moving the world away from the possibility to meet the Paris Agreement’s goals.

- Sustainable finance emphasizes a process of taking environmental, social, and governance (ESG) considerations into account when making investment decisions in the financial sector, leading to more long-term investments in sustainable economic activities and projects.

- It should be noted that the unanticipated impact of the COVID-19 pandemic has led to competition for limited financial resources especially for green investments and development projects. As countries aim to build back better in a manner that is robust and resilient, the challenges of finance mobilization remain.

- In many markets, the sustainable finance market is helping to diversify the asset pool of the various investors and increasing their offerings beyond traditional sectors financing to more impactful and sustainable investments. In addition, sustainable financing instruments including social bond, green bond, green sukuk, green bank, etc. are continuing to provide financial solutions to address numerous developments, environmental and social challenges in member countries while expanding the role of these financial instruments in achieving the SDGs.

- The Paris Agreement and the 2030 Agenda for Sustainable Development provide useful frameworks to help scale up sustainable finance especially from non-traditional financing sources modalities; however, further alignment between institutional, legal, and governance frameworks of these instruments and these global agreements is required to raise ambition and measure progress to realize their full potential for transition to a green, robust, and resilient post-COVID future.

- This event will highlight the roles that the sustainable finance market plays and how this market can be leveraged to drive global green growth and transition effort. Importantly, the session would discuss the key lessons learned from different stakeholders in this area.

Event Objectives

- The session would explore the role of the sustainable finance market in bridging the financing gap and how green finance products can help economies build back better a robust and resilient post-COVID future.

- Identify ways to optimize and leverage sustainable finance instruments to address financing gaps and accelerate the implementation of sustainable development goals across IsDB sub-regions.

- Illustrate the role of MDBs and Green Investors in supporting country efforts to mobilize more sustainable finance products for their low carbon and climate-resilient interventions.
Event Format/Approach
- The session will be in-person in Dubai, United Arab Emirates (possible option of virtual connection could be made available based on discussion with the host country)
- Maximum of five (5) panel members and a moderator for ease of management
- Use an interactive and participatory format (i.e., avoid presentation/panel cycle).
- Incorporate framing questions for all participants after each speaker cluster.

Panel Members:
- Mr. Abdourahmane Diaw, OIC, Deputy Director General, AfDB (TBC)
- Mr. Syed Hussain, Director, Resilience and Social Development Department, IsDB
- Mr. Richard Stumbles, Head of Sustainability Bonds, Liability and Transaction Management, Corporate Finance, First Abu Dhabi Bank, U.A.E (TBC)
- Mr. Fadi Alshihabi, ESG Leader, KPMG MENA
- Mr. Mohsin Sharif, Capital Markets, Treasury Dept., IsDB
- Senior Government Representative from MENA Region (TBC)

Structure/Flow
Event Moderator: IsDB

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<tr>
<th>Time</th>
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<tr>
<td>10 min</td>
<td>Opening session</td>
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| 5 min | Introductory remarks – Director, Resilience and Social Development Department, IsDB  
- Introduce event objectives, and presentation of the Panel members IsDB |
| 5 min | Background on Financing Gaps for Climate Action  
- Preview of key information of climate finance landscape  
- Sustainable finance market for green investments |
| 45 mins | Panel Discussions - Interactive Discussion |
|       | • What makes sustainable finance Instrument unique and ideal for global climate efforts?  
• How can the gap between conventional and non-traditional financing sources for low carbon and climate-resilient interventions be bridged?  
• What are the limitations faced by stakeholders in establishing green finance windows for project financing?  
• What role can policy makers play in promoting sustainable financing in their respective countries to help build back better from the effect of pandemic?  
• How difficult are government policies and planning processes making it for specialize global institutions like CIBAFI in establishing standards for sustainable finance modalities?  
• How can MDBs support countries to take advantage of this momentum of sustainable finance market to build back better and greener? |
| 5 mins | Closing Remarks & Wrap Up by Moderator or IsDB Global Climate Change Practice |