



The UAE Sustainable Finance Working Group Issues Second Public Statement

- *The second public statement builds on the three interlinked topics within sustainable finance defined in the 2021 Public Statement, namely: strengthening sustainability disclosure, fostering sustainability-focused corporate governance and designing the UAE's Sustainable Finance Taxonomy.*
- *The UAE Sustainable Finance Working Group reaffirmed the government's commitment to facilitating the UAE's economic transition and encouraging the adoption of sustainable finance at a national level.*

Abu Dhabi, UAE, 9th November 2022: In pursuit of the sustainable growth of the nation and recognition of the co-ordinated actions of the 27th United Nations (UN) Climate Change Conference (COP27), the UAE Sustainable Finance Working Group (SFWG) members today issued their second public statement entitled '*2022 Public Statement on Collaboration on Sustainable Finance in the UAE*' providing an overview of their on-going efforts and progress updates on sustainable finance within the UAE.

Through the second high-level statement, SFWG members reiterated their commitment towards enabling the UAE's economic transition and encouraging the adoption of sustainable finance at a national level. The members include ministries (the Ministry of Finance, Ministry of Economy, Ministry of Climate Change and Environment, the Office of the UAE's Special Envoy for Climate Change) and, financial regulators (Central Bank of the UAE, Securities and Commodities Authority, Financial Services Regulatory Authority of Abu Dhabi Global Market, Dubai Financial Services Authority), and UAE exchanges (Abu Dhabi Securities Exchange, Dubai Financial Market, and Nasdaq Dubai).

Showcasing the expansion of the UAE's international commitments, such as the UAE Green Agenda 2015-2030, the National Climate Change Plan of the UAE 2017- 2050 and the UAE Net Zero by 2050 Strategic Initiative, the latest statement further indicated the importance of the financial sector in directing private capital towards sustainable projects, businesses and products within the UAE. Subsequently, the 2021 Public Statement, built on the Guiding Principles on Sustainable Finance in the UAE provided a 'Roadmap' through which the required scaling up of sustainable finance in the country could occur. This focused on three interlinked topics, namely, strengthening sustainability disclosure; fostering sustainability-focused corporate governance; and designing the UAE's Sustainable Finance Taxonomy.

The progress made in this direction in 2022 includes extensive benchmarking and fact-gathering exercises undertaken by the SFWG members to gain a first-hand understanding of



evolving standards and international best practices. In this context, the SFWG met with regulators from other regions and jurisdictions, international organisations, industry standard-setters and consultants with expertise in sustainable finance. Additionally, several publications, such as the International Sustainability Standards Board's proposals on General Sustainability-related Disclosure Requirements and Climate-related Disclosure Requirements, and the Basel Committee's *Principles for the Effective Management and Supervision of Climate-related Financial Risks* are being considered by international standard-setters such as the International Organization of Securities Commissions and International Association of Insurance Supervisors. These have notably informed the SFWG's work this year. The SFWG's approach is also being influenced by global policy priorities set by the G20 Sustainable Finance Roadmap.

The SFWG was established in 2019 and is co-ordinated by the FSRA of ADGM to support the development of sustainable finance in the UAE and facilitate regulatory co-operation amongst the UAE authorities on practices and frameworks that can enable the finance sector to deliver on this goal. The publishing of the second Public Statement coincides with COP27's Finance Day, given the international focus on addressing environmental concerns that COP provides.

In light of the UAE hosting COP28 next year, the SFWG will continue to progress its work over the coming year and intends to publish more specific outputs in 2023. The members plan to seek feedback from the industry and relevant stakeholders on these proposals.

H.E. Khaled Mohamed Balama, Governor of the CBUAE said: "We at the CBUAE and as a member of the SFWG are dedicated to supporting the UAE's commitments towards green transition to deliver the necessary changes in the UAE finance sector and promote sustainability in line with the National Climate Change Plan of the UAE 2050 as well as the United Nations sustainable development goals and the initiatives adopted globally. We also believe that enhanced cooperation between the respective ministries, regulators and other authorities is vital to collectively achieve our common goals of promoting the resilience of the nation's economy and contribute strongly to the UAE's strategy to meet climate change goals."

His Excellency Ahmed Jasim Al Zaabi, Chairman of ADGM, said, "The commitment demonstrated by the SFWG members to foster and actively encourage their regulated entities to harmonise their activities with the UAE's sustainability priorities is highly commendable. At ADGM, we are determined to work closely with all SFWG members to provide the acceleration for the growth of a sustainable economy that contributes promotes sustainable, long-term visions of Abu Dhabi, the UAE and its leaders, which are embodied in climate change policies such as the UAE Energy Strategy 2050 and the Green Agenda, with the newest being the UAE Net Zero by 2050 Strategic Initiative."

He further added, "The impact of climate change continues to be a critical focus for all the financial regulators to establish standards and frameworks that will support the development and growth of a



sustainable economy in the UAE. The agreed three pillars intend to focus on deepening the work set out in the roadmap by optimising the benefits and ensuring that the appropriate amount of time and attention is given to the technical considerations that are required for the SFWG to deliver on its commitments. As a financial regulator, ADGM continues to strengthen its policies around ESG and Sustainable Finance and has recently also published its consultation paper on Sustainable Finance Regulatory Framework.”

H.E. Younis Haji Al Khoori, Undersecretary of MoF said: “The Ministry of Finance reaffirms its commitment to work through the UAE Sustainable Finance Working Group to collectively ensure an orderly and well-planned transition in the UAE. For this purpose, sustainability objectives must be at the center of public policy, and must guide intergovernmental collaboration as we seek to promote sustainable finance in the UAE in our journey to meet our net zero commitment.”

H.E Dr. Maryam Al Suwaidi, CEO of the Securities and Commodities Authority said: “The authority seeks to support the UAE’s commitments towards managing climate and environmental risks by making the necessary changes in the finance sector and introducing controls that motivate companies to issue green securities and enhance sustainability, in line with the National Climate Change Plan 2050, the United Nations Sustainable Development Goals and other globally approved initiatives. To this end, the Authority adopts initiatives that provide sustainable projects with green financing channels through the capital markets and at the same time the Authority works to provide investors with investment tools in line with environmental standards, while setting specific compliance standards for companies and requirements for disclosure of followed policies and procedures in the issues of Environmental, Social, and Governance (ESG) and sustainability, as well as supporting efforts to develop a sustainable economy in the country.”

Ian Johnston, Chief Executive of the DFSA, said: “Over the last few years, sustainability has emerged as a top priority. The financial services sector has a pivotal role to play in contributing to the country’s sustainability goals. Collaboratively defining a framework for accountability and best practice will encourage the transition to a climate-neutral, resource-efficient and resilient economy.”

For more details, [CLICK HERE](#) to view/download the full document of ‘2022 Public Statement on Collaboration on Sustainable Finance in the UAE’.

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